

## DSG KEY VARIANCES AND MANAGEMENT ACTIONS

The DSG is surplus carry forward at the end of 2022/23 of £6.790m.

**Table 1 - The DSG High Level Summary to March 2023**

DSG Budget Headlines	£m				
	Schools	Central Services	Early Needs	High Needs	Total
2022/23 Budget c/f	(0.005)	(0.002)	(0.352)	(2.156)	(2.515)
2021/22 Surplus c/f	(0.385)	(0.005)	(0.958)	(1.473)	(2.821)
2021/22 Funding Adjustment	0.00	0.00	(1.004)	0.00	(1.004)
2022/23 DSG Allocation	(230.982)	(1.748)	(22.943)	(54.625)	(310.297)
2022/23 DSG Income	(231.367)	(1.753)	(24.905)	(56.098)	(314.123)
2022/23 Expenditure	230.916	1.744	21.932	52.743	307.333
2022/23 c/f	(0.451)	(0.008)	(2.973)	(3.356)	(6.790)
2022/23 Variance to Budget	(0.446)	(0.006)	(2.621)	(1.200)	(4.275)

**Table 2 – High Level Variations**

Service Area	DSG	Responsible Officer	Mac Heath	Variance £m	(£4.275m)
<p>The outturn position is a surplus of <b>(£6.790m)</b>, which is an increase of <b>(£4.275m)</b> compared to the budget.</p> <ul style="list-style-type: none"> <li data-bbox="206 483 2042 600">○ <b>Schools Block:</b> There is a £0.451m (0.2%) surplus carry forward which has been allocated through the 2023/24 funding formula. The in-year underspend of <b>£0.446m</b> is due to an increase in the carry forward balance from 2021/22 (£0.096m) and an underspend due to the growth contingency not being required (£0.350m).</li> <li data-bbox="206 651 2042 855">○ <b>Early Years Block:</b> There is a £2.973m (13%) surplus carry forward. The in-year underspend of <b>£2.621m</b> is due to an increased surplus balance carried forward from 2021/22 (£1.356m), an underspend on central services due to a vacant post (£0.041m), and an underspend on 2, 3 and 4 year olds funded hours (£1.341m). This is partially offset by an overspend on the Early Years Inclusion Grant due to an increase in demand £0.117m. Early years funding remains highly volatile due to the funding allocation not matching the actual take up, therefore it is essential that a reasonable level of contingency is held to manage the risk.</li> <li data-bbox="206 906 2042 1361">○ <b>High Needs Block:</b> There is a £3.356m (6.1%) surplus carry forward. The in-year underspend of <b>£1.200m</b> is partially offset with the reduction in the carry forward balances from 2021/22 of £0.683m, along with over and underspends explained below: <ul style="list-style-type: none"> <li data-bbox="304 1034 2042 1361">○ Special Schools top up funding is overspent by £0.332m, which mainly reflects the outcomes of the banding reviews carried out with special schools for the new academic year. Analysis of the children taking up special school places in September 2022 has shown that a higher level of banding is required than for those children leaving. In addition to this, growth in special school places has historically been budgeted using an average banding rate, however, this rate has not matched the actual level of support required for new pupils in 2022. The method of calculating top up funding growth has changed to ensure a more accurate forecast is achieved in 2023/24. There are now 79% of children in the higher paid bands A-C with only 21% in the lower paid bands D-E, compared to 2019/20 when there were 59% of children in bands A-C and 41% in bands D-E.</li> </ul> </li> </ul>					

- Independent Special School placements underspent by (£0.797m), largely due to several residential placements ended within the year.
- Mainstream School top ups are underspent by (£0.468m) across both children with an EHCP and those without (general SEN support) as demand in this area has not reached the levels expected when the budget was set.
- Post 16 provision is overspent by £0.408m as a result of a higher number of young people accessing these services.
- Based on the final position described above, the full (£0.896m) high needs demand reserve was not required. It is vital that the high needs block has a prudent level of reserve to manage demand which can be very volatile due to the nature of the services. It is expected that future years will be challenging with uncertainties over funding from the Government and so it is important that forward planning is in place to ensure a strong position going forward. A review of rates and growth has been undertaken as part of the 2023/24 final budget process.
- **Individual Schools Budgets:**
  - In March 22 the surplus maintained school balances were £13.530m revenue and £0.610m capital.
  - The revised 2022/23 budgets submitted in November 2022 predicted closing surplus balances of £8.075m revenue and £0.292m capital.
  - The actual closing balance position in March 2023 was £12.560m revenue and £1.374m capital (total £14.006m). This total is not including schools' flexi time and annual leave balances of £2.398m, therefore the overall schools closing balance for the year ending 31 March 2023 is £11.608m.
  - There are currently 9 schools in a deficit position as at March 23, the total deficit is £0.345m.