

DSG KEY VARIANCES AND MANAGEMENT ACTIONS

The DSG has a forecast carry forward at the end of 2023/24 of £4.646m.

Table 1 - The DSG High Level Summary to September 2023

DSG Budget Headlines	£m				
	Schools	Central Services	Early Needs	High Needs	Total
2023/24 Budget c/f	(0.045)	(0.005)	(1.501)	(1.456)	(3.008)
2022/23 Surplus c/f	(0.451)	(0.005)	(1.517)	(3.358)	(5.331)
2023/24 DSG Allocation	(257.594)	(1.829)	(23.166)	(59.965)	(342.554)
2023/24 DSG Income	(258.045)	(1.834)	(24.683)	(63.323)	(347.885)
Forecast Expenditure	258.280	1.829	23.166	59.965	343.240
2023/24 Forecast c/f	0.234	(0.005)	(1.517)	(3.358)	(4.646)
2023/24 Variance to Budget	0.279	(0.000)	(0.016)	(1.902)	(1.638)

Table 2 – High Level Variations

Service Area	DSG	Responsible Officer	Mac Heath	Variance £m	(£4.646m)
<ul style="list-style-type: none"> <li data-bbox="206 217 2054 323">○ Schools Block: There is a predicted deficit carry forward into 2023/24 of £0.234m. This amount represents 0.01% of the schools block DSG allocation. The in-year overspend of £0.279m against the budget to fund 60 additional secondary places to support with the increased pressure for Yr7 places for the 2023/24 academic year (as agreed at Schools Forum 6 July). <li data-bbox="206 371 2054 675">○ Early Years Block: There is a predicted surplus carry forward into 2023/24 of £1.517m. This amount represents 6.5% of the EY DSG allocation. At the June 2023 Early Years Reference Group (EYRG) it was suggested that a good level of contingency would be between £1.000m and £1.500m, therefore between 4.3% and 6.4% of the overall funding for 2023/24. The surplus carried forward from previous years is one off and therefore cannot be committed to ongoing costs such as increasing provider rates. EYRG have agreed that this surplus should be paid out via a combination of a lump sum payment and a one-off payment based on an hourly rate. In total this would see £1.504m passed to providers which will leave a contingency balance of £1.517m (6.5%). The in-year underspend of £0.016m is due to additional carry forward from 2022/23. The position will continue to be monitored during the year and considered when deciding on the level of contingency needed within the block to allow for fluctuations in take up along with the 2024/25 provider rates. <li data-bbox="206 722 2054 1425">○ High Needs Block: There is a predicted carry forward into 2024/25 of £3.358m. This amount represents 5.6% of the DSG allocation. The in-year underspend of £1.902m is explained below: <ul style="list-style-type: none"> <li data-bbox="273 842 2054 1074">○ Top up funding for special schools is forecast to overspend by £0.600m. This is due to a shift in the banding mix which has resulted in an increase in the average cost per child since the 2023/24 budget was set. Children starting both in year and at the start of the academic year have had higher bandings than the leavers during the same period resulting in the increased average cost per child. A deep dive will take place to determine the precise timings of these changes and the frequency of banding reviews will be increased from annual to termly. In addition to this the method of calculating top up funding growth in the 2024/25 budget will be reviewed and include an element of uplift to account for changes in the average cost per child seen throughout the year. <li data-bbox="273 1082 2054 1145">○ Top up funding for special departments is forecast to underspend by £0.199m due to a small number of places in these units currently being unoccupied. <li data-bbox="273 1153 2054 1297">○ Top up funding for mainstream schools is forecast to underspend by £0.191m due to a predicted underspend in SEN top-ups for children with no EHCP. The cost of this particular type of funding has shown a decrease in prior years due to an increased level of intervention at the early years stages and the budgets will be reviewed for 2024/25 to ensure this is captured and accounted for at the correct level going forward. <li data-bbox="273 1305 2054 1425">○ Based on the forecast under and overspends described above, £0.957m of the high needs contingency budget has been released in order to achieve a balanced budget. This leaves a contingency of £0.223m to cover the cost of any new placements or unexpected pressures in the remaining six months of the financial year. 					

Individual Schools Budgets:

- In March 2023 the surplus maintained school balances were £12.627m revenue and £1.380m capital.
- The original 2023/24 budgets submitted in May 2023 predicted closing surplus balances of £7.162m revenue and £0.633m capital.
- There are currently ten schools in a deficit position as at September 23 with a total deficit of £0.541m which is an adverse movement of £0.290m. All schools in a deficit position will continue to be monitored. In addition, there is one school with a notice of concern in place and one school with a sponsored academy conversion notice in place.