

DSG KEY VARIANCES AND MANAGEMENT ACTIONS

The DSG has a forecast carry forward at the end of 2023/24 of £6.133m.

Table 1 - The DSG High Level Summary to December 2023

DSG Budget Headlines	£m				
	Schools	Central Services	Early Years	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)	(59.959)	(342.548)
2023/24 DSG Income	(258.045)	(1.834)	(24.683)	(63.317)	(347.879)
Forecast Expenditure	258.342	1.829	21.664	59.912	341.746
2023/24 Forecast c/f	0.296	(0.005)	(3.019)	(3.405)	(6.133)
2023/24 Variance to Budget	0.341	(0.000)	(1.518)	(1.949)	(3.126)

Table 2 – High Level Variations

Service Area	DSG	Responsible Officer	Mac Heath	Variance £m	(£6.133m)
<ul style="list-style-type: none"> <li data-bbox="253 229 2054 392">○ Schools Block: There is a predicted deficit carry forward into 2024/25 of £0.296m. This amount represents 0.1% of the schools block DSG allocation. The in-year overspend of £0.341m against the budget is 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) and additional 60 Yr5 and Yr6 places agreed from January 2024 (as agreed at Schools Forum 12 October). <li data-bbox="253 443 2054 1027">○ Early Years Block: There is a predicted surplus carry forward into 2024/25 of £3.019m. This amount represents 13.03% of the EY DSG allocation. The in-year underspend of £1.518m is due to an additional carry forward from 2022/23 of £0.016m and £1.502m due to an update in the number children accessing early years education. The £3.019m predicted surplus carry forward is after the proposed £1.504m payment to providers from the contingency that is subject to a Council Delegated Decision, the outcome of which will be known in January 2024. As advised at January 2023 Schools Forum, the 2023/24 funding rate increase for 2, 3 and 4 year olds was fully passed onto providers this financial year, however due to volatility and uncertainty in previous years (for example during covid), historic rates have not been uplifted fully which has contributed to the in-year underspend. Rates have been reviewed for 2024/25 to ensure they are set at appropriate levels to ensure the right level of contingency to cover demand and fluctuation in take up, so any overspends would be met from the one-off EY surplus carry forward. It is also important to consider the size of the carry forward in comparison to the new funding allocations we will receive in 2024/25. £3.019m is 8.5% of the £35.441m allocation and is therefore close to the 6.6% level felt appropriate by Early Years Reference Group. Finally, the entitlement expansion and any risks associated with it will need to be closely monitored throughout 2024/25 and it is therefore important to have a carry forward that can manage any uncertainties. <li data-bbox="253 1078 2054 1198">○ High Needs Block: There is a predicted carry forward into 2024/25 of £3.405m. This amount represents 5.7% of the DSG allocation. The in-year underspend of £1.949m is largely due to the increase in the budgeted carry forward from 2022/23. There are, however, some in-year overspends and underspends within the block, which are explained below: <li data-bbox="253 1249 2054 1453">○ Place and top up funding for special schools is forecast to overspend by £0.158m. 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. The effect of the banding shift is being offset in P9 by the release of the 17 un-utilised contingency placements built in to the 2023/24 budget. These places plus an additional 1 place have been rebuilt into the 2024/25 budget, allocating 10 places to The Woodlands School (previously known as The Walnuts School) and an additional 8 places allocated for the High Complex Needs Provision. 					

- Place and top up funding for special departments is forecast to underspend by £0.211m due to a small number of places in these units currently being unoccupied.
- Top up funding for mainstream schools is forecast to underspend by £0.050m due to a predicted overspend in top-ups for children with an EHCP being offset by savings in SEN top-ups for children with no EHCP.
- College Places and Top Up Funding is forecast to underspend by £0.092m. This is due to a refund from Milton Keynes College in relation to under delivery of their Outreach provision for 2022/23.
- Independent School Placements are forecast to overspend by £0.165m due to a number of additional placements starting in 2023/24. Compared to 2022/23 placements there has been an increase in day placements of 9 FTE and costs are now back in line with 2021/22 after a decrease in placements and associated costs during 2022/23.
- Based on the forecast under and overspends described above, £0.251m of the demand reserve has been released. The remaining £0.923m of the demand reserve is available to cover the cost of any new placements or unexpected pressures in the remaining three months of the financial year. 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 commissioned places, rates and growth has been undertaken as part of the 2024/25 budget setting process ahead of the January schools forum.

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. Revised budgets were submitted in November 2023 predicting closing balances of £7.731m revenue and £0.647m capital. There were eleven schools in a forecast deficit position as at November with a total deficit of £0.592m, which worsened by £0.165m to the October forecast submissions. December forecast information is not yet available however the deadline for this information is approaching and will be assessed in relation to prior months once received. 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.