

School Forum 9 November 2023	
Report from Executive Director of People - Children Services	
DSG Budget Monitoring Report Quarter 2 2023-24	
Wards Affected:	All
Key or Non-Key Decision:	N/A
No. of Appendices:	None
Contact Officer(s):	<p>Sarah Hockly Strategic Finance Manager – Children’s Email: Sarah.Hockly@slough.gov.uk</p> <p>Neill Butler Interim Strategic Finance Manager – Children’s Email: Neill.Butler@slough.gov.uk</p>

This report relates to all Forum Members and is for information.

1. Purpose of the report

This report provides Schools Forum with an update on the forecast financial position at the end of quarter 2 for 2023-24. The forecast is reported against the budget set in consultation with Schools Forum and submitted to the Department for Education on the Section 251 budget return.

2. Recommendation

Schools Forum is asked to **note** the contents of this report.

3. DSG Deficit Position

The Dedicated School Grant (DSG) balance has been in deficit for a number of years mainly due to overspends on the High Needs Block. This mainly relates to increased demand for out of borough SEN placements, post 16 services and places at Special schools.

Schools Forum are aware of the historic deficit position and work that has been undertaken with DfE as part of Safety Valve DSG Management Plan. The following table outlines the movements in the deficit since 2017-18.

Table 1 – Cumulative DSG Deficits from 2017-18

All in £million	Schools	High Needs	Early Years	Central Services	Total Deficit	Cumulative Deficit
2017-18					4.9	
2018-19	(0.1)	2.7	(0.5)	0.0	2.1	7.0
2019-20	(0.1)	5.9	0.4	0.0	6.2	13.2
2020-21	0.6	6.6	0.1	0.0	7.3	20.5
2021-22	(0.1)	4.8	0.3	0.0	5.0	25.5
DSG Management Plan Deficit Write-off 2022-23					(10.8)	14.7
2022-23	0.0	0.4	(0.7)	0.4	0.1	14.8

The first payment under the Safety Valve Agreement of £10.8 million was paid in March 2023. Further payments are expected between 2023-24 and 2026-27 to bring the deficit back into balance by 2026-27

4. Projected DSG Outturn 2023-24

The current projected outturn on the 4 DSG blocks the quarter 2 position which is due to be presented to Councillors later this month.

Table 2 DSG Projected Outturn 2023-24

Block	Budget	Forecast	Full Year Variance	Opening (Surplus) / Deficit	Cumulative (Surplus) / Deficit
	£ m	£'000	£'000		£'000
Schools	41.0	40.7	(0.3)	0.3	0.0
High Needs	25.1	24.9	(0.2)	14.5	14.3
Early Years	15.5	15.4	(0.1)	(0.4)	(0.5)
Central Schools Services	0.9	0.9	0.0	0.4	0.4
Totals	82.5	81.9	(0.6)	14.8	14.2

5. Schools' Block

The Schools' Block is showing an underspend of £300k and is mainly due to the contingency for Growing Classes not thought to be required. Subsequently, approximately 600 new school admissions arrived in September and new bulge classes have been agreed with a few schools. This means that most of this expected underspend will now be used between now and March 2024. An update on the Growth Funding in 2023-24 will be given in the quarter 3 monitoring report.

6. Central Schools Services Block

CSSB block is forecasting to be on budget. The deficit carried forward from 2022-23 will be written-off against Safety Value payments in 2023-24.

7. Early Years Block

The current position is showing that this service will be on target. This is a demand funded/participation-based service with providers claiming funding for actual hours of provision at the hourly rate set by the authority for that particular financial year.

8. High Needs Block

The DSG 2023/24 High Needs Block projected outturn shows, in-year underspend of £200k. However, the Special Educational Needs and Disabilities Team is currently working on backlog of almost 300 Education, Health and Childcare Plans which could put further pressure on this block. A further update on the cost impact of these additional plans will be reported at quarter 3.

9. Financial Implications

The financial implications have been detailed in the body of this paper.

10. Legal Implications

There are no legal implications for this report.

11. Equality Implications

Not applicable

12. Consultation with Ward Members and Stakeholders

Not applicable

13. Human Resources/Property Implications (if appropriate)

Not applicable