

**Report to Hartlepool Schools' Forum 13 June 2023**  
**From Amanda Whitehead (Assistant Director - Education)**

**Agenda Item 4 – Dedicated Schools Grant Final Outturn 2022/23**

**1 Introduction**

- 1.1 The purpose of the report is to update Schools' Forum on the outturn position for the Dedicated Schools Grant (DSG) budgets for the financial year 2022/23.

**2 Background**

- 2.1 In accordance with the Education and Skills Funding Agency (ESFA) 'Schools Revenue Funding 2022/23 Guide', the local authority is required to report the Dedicated Schools Grant financial outturn at the end of the financial year.
- 2.2 DSG funding is received across 4 blocks – Early Years, High Needs, Central School Services Block and Schools Block (including Growth Fund).

**3 DSG Financial Position for 2022/23**

- 3.1 The table below summarises the DSG actual spend against budget. There was an overall call on DSG reserves of £0.497m.

<b>DSG Block</b>	<b>2022/23 Revised Budget £m</b>	<b>2022/23 Actual £m</b>	<b>2022/23 Variance over/(under) £m</b>
Early Years Block	6.578	6.457	(0.121)
High Needs Block (after Academy recoupment)	13.944	14.696	0.752
Central School Services Block	0.559	0.526	(0.033)
Schools Block (after Academy recoupment)	20.698	20.698	-
Growth Funding	0.276	0.192	(0.084)
Trade Union Facility Time SLA	0.000	(0.017)	(0.017)
<b>TOTAL DSG</b>	<b>42.055</b>	<b>42.552</b>	<b>0.497</b>

**3.2 Early Years Block**

The overall underspend of £0.121m against the early years block comprises of a £0.030m overspend on 2-year-old provision and an underspend of £0.151m for 3 to 4 year old provision.

- 3.3 The underspend against 3 to 4 year old provision reflects lower attendance during the year compared to census point funding, despite the return by ESFA to January census point funding. Successful SEN inclusion fund applications from providers were £0.005m over budget. The disability access fund was £0.022m underspent.

3.4 The overspend of £0.030m against 2 year old provision is greatly reduced from historic financial shortfalls usually in the region of £0.150m. Forum will recall that outturn projections presented during 2022/23 on 2 year old spending ranged from best case £0.078m underspend to worse case £0.028m overspend. Therefore, the final outturn is in line with the worse case projection.

3.5 The regulations state that local authorities must pass through at least 95% of 3-4 year old funding to providers. The actual pass through rate in 2022/23 was slightly below the minimum requirement at 94.5%. This is directly linked to the lower attendance compared to census points. Clawback of funding is unlikely; however, the position will be closely monitored during 2023/24.

### 3.6 High Needs Block

The High Needs Block overspent by £0.752m in 2022/23. The final position is explored in more detail in a separate report to Forum on this same agenda. The High Needs Block budget will continue to be closely monitored and reported to Schools' Forum throughout the year.

### 3.8 Central School Services Block (CSSB)

There was an overall underspend of £0.033m against the block, despite the continuing financial pressure of £0.008m relating to the pension costs for historic redundancies at Brierton School.

3.9 Should the pension cost pressure result in an overall financial pressure against the total CSSB funding at any point in the future (prior to transfer of residual funding to the Schools Block), an application can be made to ESFA.

3.10 The underspend of £0.033m includes reduced spending against the Admissions service and Designated Education Officer salary costs.

### 3.11 Growth Fund

The Growth Fund underspent by £0.084m after meeting agreed financial commitments in 2022/23.

## **4 Trade Union Facility Time Service Level Agreement**

4.1 The SLA for trade union facility time underspent by £0.017m.

4.2 The underspend has been taken to DSG reserves. Forum will recall that this underspend has been used to fund the Designated Education Officer in previous years.

## **5 DSG Reserves**

5.1 As at 31 March 2023, the DSG reserve balance is £0.734m. This is following a call on reserves of £0.497m during 2022/23 in line with the table at paragraph 3.1.

5.2 Although previous reports to Schools' Forum have categorised reserve balances into the 4 DSG blocks (Early Years, High Needs, Schools Block including growth

fund and Central School Services Block), the reserves are not ringfenced in this way and are seen by DfE as one overall DSG reserve.

- 5.3 Schools' Forum will recall that the High Needs Block budget for 2023/24 exceeds the grant available by £2.146m. As a result, the DSG reserves forecast from 31 March 2024 expects an overall deficit DSG reserve. Therefore, any existing positive reserve balance on areas such as Early Years and the growth fund will be absorbed into an overall deficit balance.
- 5.4 Where a deficit DSG reserve exists, additional reporting to DfE to outline recovery plans is required. Schools' Forum agreed to develop a recovery plan to bring High Needs Block spending back into a positive position within 3 years.

## **6 Recommendations**

- 6.1 Forum is recommended to note the contents of this report.