

# Southend-on-Sea City Council

Executive Director of Finance and Resources  
Executive Director of Children and Public Health

To  
**Education Board**  
(School Forum Matters)  
On  
**12<sup>th</sup> December 2023**

Agenda  
Item No.

Report prepared by:  
Paul Grout, Senior Finance Business Partner  
In consultation with the:  
Resources Sub Group

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## Dedicated School Grant Budget Planning 2024/25 And Forecast Outturn 2023/24

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### **1 Purpose of Report**

- 1.1 To seek to agree a decision in principle with regard to the setting of our local 2024/25 Individual School Block funding allocations per pupil but also in view of very restrictive revisions of any such changes to the formulae as now administered through the National Funding Formulae (NFF).  
(And please be remain minded, this decision unfortunately had to be and was agreed to be deferred from the original Monday 9<sup>th</sup> October 2023 Education board to this now December 2023 Education board following the Department for Education (DfE) apologised error on Friday the 6<sup>th</sup> October 2023 in relation to the original National Funding Formulae (NFF) Mainstream School Funding allocations for 2024/25.)
- 1.2 To seek to agree a decision on final indicative 2024/25 DSG budget allocations for de-delegated maintained school block allocations and central block funded services all schools.
- 1.3 To update the Education Board on Dedicated School Grant forecast spend balances for 2023/24.

## 2 Recommendations

### Education Board (EB) are asked to agree for 2024/25:

- 2.1 With regard to individual school's budget (ISB) planning for 2024/25, to continue on the trajectory of adopting the principles of the National Funding Formulae (NFF). (As referenced in 5.1 through to 5.6). And therefore;
- 2.1.1 Any mainstream school that attracts their core NFF pupil led funding factors (i.e. with no need for Minimum Funding Guarantee (MFG) funding floor protections to be applied), to receive the full NFF applied rates as referenced in 5.4.2.
- 2.1.2 And all remaining mainstream schools whose per 2024/25 per pupil led funding rates are either above the revised NFF mandatory 2024/25 minimum funding amounts per pupil or core NFF funding rate per pupil as referenced in 5.4.3, to receive the same maximum NFF built in allowance of a 0.5% uplift per pupil.
- 2.2 [Maintained School voting rights only] the de-delegation of funding to be centrally retained from the Schools block for the following services, as referenced in 6.5.1:
- Staff cover costs (public duties)
- 2.3 The amounts and services that will continue to be funded centrally from the Central Block where the local authority holds a statutory responsibility for all schools, as referenced in 10.3.
- 2.4 And therefore on the basis of the decisions undertaken through both this December 2023 DSG paper and the following January 2024 DSG EB paper (which is for EB noting only, with the exception of the Early Years 2024/25 funding rates), will be recommended to Council for final approval in February 2024".

### Asked to Note:

- 2.5 In line with the EB principle decisions of both the March 2019 EB DSG paper and the December 2020 EB DSG paper, that the growth fund to support schools will continue to be held centrally within the Schools block and distributed to provide the extra required planned places within the authority, as referenced in 6.1.

### **3 Background**

- 3.1 This paper follows on from the previous 9th October 2023 “DSG 2024/25 budget planning and DSG budget update 2023/24” paper, where unfortunately it was highlighted that paper had to be urgently amended following the unfortunate and apologised DfE error on the 6<sup>th</sup> October 2023 in relation to the original individual mainstream DSG school block funding announcements for 2024/25.
- 3.2 Therefore, as agreed in the October 2023 Education Board the now updated DfE 2024/25 individual mainstream DSG school block funding announcements are now formally presented in this paper.
- 3.3 Aside from the unfortunate DfE error on the Individual School Block funding announcements, the October 2023 DSG paper still covered many other relevant points of important note for future consideration of 2024/25 DSG funding matters and where further applicable in this paper have been further referenced.
- 3.4 It is however now clear that the 2024/25 DfE DSG Early Years Funding announcements will not be released by the DfE in time for proper Local Authority (LA) planning and consideration for the presentation and recommendation at the December 2023 Education Board. The 2024/25 Early Years funding matters will therefore now have to be deferred to the January 2024 Education Board/School Forum.

### **4 Dedicated Schools Grant 2023/24 budget and forecast and 2024/25 budget update**

#### **Foreword**

- 4.1 The 2024/25 indicative DSG funding allocations at a total local level are presented alongside the detail of the latest 2023/24 Budget allocations as shown in “Appendix 1 – DSG Latest 2023/24 budget and forecast and Indicative 2024/25 budget”. The DfE total funding allocation for 2023/24 DSG resources is now £189.300M and the total indicative 2024/25 allocation is £198.452M. This represents a total indicative increase of £9.151M\* from 2023/24 applied across the Schools Block of £7.696M (and of which £4.920M of the £7.696M is the current 2023/24 mainstream school supplementary grant paid outside of the DSG for 2023/24 and now included in the DSG for 2024/25, and therefore the remaining £2.776M is the total indicative new funding applied to the Schools Block for 2024/25 or equivalent circa 2% uplift from 2023/24), High Needs block of £1.499M and a further net reduction of (£43,000) to the Central Block.

£9.151M\* – note for the pure purpose of illustration in this paper, both the 2024/25 Schools block Growth Fund and Early Years block funding are set to remain at their current 2023/24 allocation, as neither are updated indicatively under the DfE’s July and October 2023 indicative allocations for 2024/25, but both are expected to be updated in the December 2023 further DfE updates.

- 4.2 All the applicable required updates to the 2023/24 DSG budget and forecast, and further current considerations for the 2024/25 budget allocations are explained within each individual DSG block of this paper.

## **5 Schools Block – Individual School Block (ISB) allocations**

### **2023/24 Budget to Forecast Outturn – on line to budget**

### **2024/25 Individual Schools Budgets**

#### **Indicative DSG funding allocation £151.859M (Final tbc in January 2024)**

- 5.1 As referenced in the October 2023 paper it is important to continue to note the following:
- 5.1.1 The Government have continued to re-affirm their position of intention to move to a Hard NFF, whereby all individual school budgets nationally will be set through one single national formula rather than local funding formulae.
- 5.1.2 In terms of the NFF funding formulae itself, it must therefore be noted and continually commended that our own LA and Education Board has positioned itself well over the last now seven years to align our Mainstream School DSG resources to the principles of the NFF (which started in 2017/18). It must also be minded, it is also incredibly restrictive to now be able to move away from any of the principles regardless of the fact it still remains a local decision with the agreement of School Forum, and if you are an LA that does not follow the NFF, the DfE are also continuing to enforce all LA's to move to the NFF by reducing those flexible parameters. The DfE also report that just over 2/3<sup>rd</sup>s of all LA's now follow the full principles of the NFF.
- 5.2 The now October 2023 updated 2024/25 indicative DfE allocations published contain the actual 2024/25 primary unit of funding (PUF) and secondary unit of funding (SUF) that the DfE will use to calculate each LA's final school block allocation. And as repeated annually, the DfE will then also issue the updated and final total 2024/25 school block funding allocations in late December 2023 based on the latest pupils numbers and adjusted funding factors recorded through the October 2023 school census.
- 5.3 Despite the fact is it disappointing that the original 2024/25 NFF per pupil % uplifts were reduced by the DfE due to that apologised error (originally a 2.4% uplift for those schools on the minimum amounts per pupil or core NFF rates), it is continually noted that schools budgets are very stretched and some schools are also declaring forecast cumulative deficits, the Education Board ofcourse still has a core statutory duty to ensure local school budget allocations are set for 2024/25 within the DSG mainstream school funding available.
- 5.4 The following are therefore now the key headlines related to the now October 2023 updated mainstream school funding allocations for 2024/25 released by the DfE:
- 5.4.1 The minimum per pupil levels will be set at £4,610 for primary schools (£4,405 in 2023/24) and for secondary schools £5,995 (£5,715 in 2023/24), both with an equivalent circa 1.4% increase from 2023/24. And to simply remind from 2020/21 the minimum amounts per pupil are also now a mandatory funding factor, and these are set as a fixed amount.

- 5.4.2 Where schools are attracting their underlying core NFF allocations, the NFF has built in an increase of circa 1.4% from the 2023/24 Pupil led funding factors: basic entitlement, additional needs factors and lump sum, and 1.6% specifically to the free schools meals factor.
- 5.4.3 And for those Schools whose per pupil led funding rate is already above both 5.2.1 and 5.2.2, the NFF funding floor per pupil led rate has been set at a maximum 0.5% increase from their 2023/24 per pupil led base line.
- 5.4.4 And for further important clarity, the 2023/24 mainstream schools additional supplementary grant has now been rolled in the schools DSG NFF for 2024/25, so the % increases quoted (in 5.4.1 – 5.4.3) above are adjusted for this and therefore reflect the % uplift increase amount in addition to that grant now continuing in the mainstream DSG NFF formulae for 2024/25.
- 5.4.5 The per pupil led Minimum MFG (Minimum Funding Guarantee) protection from 2023/24, can be set between a +0.0% and + 0.5% per pupil.
- 5.4.6 LAs continue to be able to propose a transfer up to 0.5% from their schools block to other DSG blocks with school forum approval. And a disapplication request to the DfE continues to be required for any transfer request above 0.5% or any amount without school forum approval.
- 5.4.7 Significant restrictions continue to now be in place to be able to move away from any of the core principles above. LAs under local formulae who have not been following NFF Core funding factors (excluding the mandatory minimum amount per pupil), in 2024/25 must also continue to move their factors a further 10% closer to the NFF Values (which was first introduced in 2023/24). To move away from any of these core principles above, would also require a disapplication request to the DfE (to be approved by the secretary of state). It does therefore make it very unlikely any proposed changes outside of the restricted parameters would therefore now be approved.
- 5.5 Again, from a local perspective, given that our local Education Board has been a strong adopter from the start of the NFF reforms (from 2017/18, 7 years ago) and effectively we are LA and Education Board that has mirrored the NFF for mainstream schools, and that the government's strong intention remains to move to a single 'hard' national funding formula to determine every school's budget, there is therefore no foreseeable reason why our EB on a technical and or strategic reason would therefore choose to try and move away from these NFF principles. Our Education Board has also historically supported the principle that each block of DSG funding is contained within its own funding allocation.
- 5.6 It is therefore recommended (excluding the minimum funding amounts per pupil which is a compulsory factor regardless), that for 2024/25 the Education Board continue to fully adopt the principles of the NFF as listed in 5.4.1 to 5.4.3.

- 5.7 In view of the recommendation of 5.5, using the 2023/24 School block data set, the illustrative 2024/25 school level per pupil led rates are shown in Appendix 2 including a % increase comparison to their 2023/24 base line. It must remain caveated that with regard to the applied 2024/25 increases on the core underlying NFF funding rates, it will only be possible to know the actual final per pupil led rate for those applicable schools once the DfE have released in late December 2023 the updated School Block data set for 2024/25 (which is based on the October 2023 school census). **And please note** - the then actual final 2024/25 individual school allocations will be subsequently shown in the January 2024 EB DSG paper which will include the updated numbers of pupils on roll at each school (based on the DfE's October 2023 census) multiplied by these now proposed 2024/25 per pupil led funding rates to form the final 2024/25 funding allocations.
- 5.8 On a separate note, under the NFF (after further consulted DfE NFF changes, and a consultation the Resource Sub Group did respond on under delegation of the Education Board) There has now been further confirmed changes to the 2024/25 split site funding allowance. It is now a compulsory factor, ensuring that split site funding will be allocated under a consistent formulae across the country for those eligible schools. It is now split in two parts, a part for basic eligibility funding (allocated by lump sum), and a distance funding approach tapered between 100m and 500m apart, and full split site distance funding applies where the schools are 500m apart. Any school in our local area for whom this applies, will be contacted directly to be made fully aware of these 2024/25 changes and respective funding rates within.

## **6 School block – Centrally retained de-delegated public duties (Voting rights Maintained Schools only)**

### **2023/24 Budget to Forecast Outturn – a projected over spend of circa £2,900**

6.1 The current overspend forecast balance reflects the expected run rate of claims to date projected forward and that currently 3 academy schools have bought in for their 2023/24 academic year in addition to the de-delegated sum from maintained schools. And to remind a small in year overspend also occurred on this fund in 2022/23. There remains small sufficient DSG public duty reserve balances to cover this overspend as shown in the reserve balance table under section 12.

### **2024/25 Indicative DSG funding allocation £4,505 (Final tbc in January 2024)**

6.2 Whilst the projected overspend for 2023/24 is no issue as it will fall to the small DSG Public duties reserves to cover, it is not financially sustainable longer term for this fund to carry on running future in year deficits which will occur if the claims are to continue at the current rate in future years compared to the current in year funding.

6.3 To simply remind, this is a historical fund that enables maintained schools or academy schools that choose to buy in, to reclaim staff cover costs paid at standard hourly rates of staff who undertake Public Duties (usually jury service) and / or who undertake trade union duties in work time in accordance with the facilities agreement for schools, which can also by default contribute for matters representing all schools.

6.4 Given the Local Authority does not directly promote this fund but administers the fund and can continue to do so provided it is financially sustainable. Based on forecast estimates there remains sufficient balances in 2024/25 if claims continue at current levels and £1.00 per pupil remains the buy in rate and de-delegated sum.

6.5 It is therefore proposed that the fund from the 1<sup>st</sup> April 2024 (voting right maintained schools only) is administered with the continued following conditions:

6.5.1 That the annual de-delegated sum is maintained at £1.00 per pupil. £1.00 per pupil does remain a small de-delegated sum for maintained schools and for academy schools to buy in, and it is also set at a maximum £1.00 per pupil in view of the principle fairness to maintained schools when only a low number of academy schools do currently buy in, yet representation from the fund can cover all Schools.

6.6 The longer term sustainability of this fund will therefore have to remain subject to annual review and it is therefore also strongly encouraged that more if not all Southend academy schools buy in. It must also be considered that if more schools did buy in, both the buy in and de-delegate rate per pupil will also likely be able to be reduced in future years to an even smaller sum per pupil.

## **7 Schools Block – Centrally retained Growth Fund**

### **2023/24 and 2024/25 Budget Planning**

- 7.1 As referenced and agreed, in the March 2019 EB “DSG Growth Fund application 2019/20 and future years” paper and the December 2019 EB “DSG budget planning 2020/21” paper:
- 7.1.1 The application of applied Growth fund is now managed on a long term basis, allowing any one year to either overspend or underspend against the DfE’s allocated amount for Growth provided that the total distribution of the growth fund is affordable over the life of the planned growth. The per pupil Growth rates to be paid out from September 2024 can also be no lower than the minimum agreed per pupil rate tolerances declared in the March 2019 EB DSG paper.
  - 7.1.2 The actual total growth fund amount for 2024/25 will be shown by the DfE in late December 2023, separated and shown within the final 2024/25 School Block funding allocations.
  - 7.1.3 Therefore, in accordance with the previous agreement and conditions, the growth fund rates from September 2024 will be presented in the next January 2024 DSG paper, alongside any potential for growth funding rates to be increased from September 2023 if affordable over the planned life of the growth. The growth model will therefore be revised and displayed as an Appendix in that paper.
- 7.2 The now £120,000 forecast overspend for 2023/24 reflects a further required and urgent agreement to fund from October 2023 a further year 2 and year 3 bulge classes to meet required further and urgent places, both of which are within appropriate conditions and use of growth funding and requested through the Head of Access and Inclusion. Whilst, this additional and new funding requirement will now return a forecast a cumulative deficit reserve for growth funding in 2023/24, it will be recovered in future years in accordance with the conditions above managed over the longer term requirement of growth funding. It should therefore again be recognised and welcome that given the required and managed flexibility of our growth model allocations over the longer term, that it can adapt to these urgent requirements that are not always possible to foresee but do happen.



## **8 Early Years Block**

**2023/24 Budget to Forecast Outturn – forecast underspend of (£410,000), although note currently anticipated this will be clawed back by the DfE shown under section 11. DSG Funding.**

- 8.1 It must continue to remain minded, the DSG Early Years Block 2023/24 (funding in) allocations remain provisional until the DfE have processed the January 2024 early years census (for the spring term 2024), and will therefore announce revised and final funding allocations for 2023/24 in July 2024. However, at this time, and to give a sense of current direction from head count payment data, in board terms currently based on the Summer 2023 final head counts and Autumn 2023 latest estimates, both 2 year old and 3&4 year old universal entitlement funding are less than the current DfE allocations at approx. circa (10%) 2 year old funding and 3 & 4 year old universal entitlement is also running at a slightly lower decrease of an average (8%) reduction. This is not by any means a case of providers not being paid what is due but an indication of early years head count data. Payment profiles can change for the final month of Autumn (due to any late head count adjustments) and of course spring term 2024 data (is not yet known) but it does give a guise at this point. We do know that the 0-4 age populations have continued to decrease in Southend over the last 10 years which will be part of this reasoning, but not all, and the LA EY team continue to target and promote up take.
- 8.2 Indicatively and positively, 3&4 year old extended entitlement and Early years pupil premium take up remains currently very close to the latest revised 2023/24 funding allocations.
- 8.3 All centrally retained services and previously agreed use of reserve balances remain forecast on line at this time.

### **2024/25 Budget Planning**

- 8.4 Early considerations for 2024/25 were covered in the previous October 2023 EB DSG paper, but as stated for reasons in the background section 3.3 the 2024/25 formal budget planning will now need to be deferred to the January 2024 Education Board.

## 9 High Needs Block

### 2023/24 Budget to Forecast Outturn – a projected (£0.991M) under spend

- 9.1 Appendix 1 – displays the most up to date 2023/24 forecast outturn for High Needs on a line by line basis, which is also summarized in the table below including a comparison to the previous forecast as shared at the June 2023 EB DSG High need budget setting paper. It also has to remain heavily caveated, that these forecasts do remain subject to material change, particularly as always on independent providers placements but also including final EHCP banded top up funding amounts for the rest of this financial year.

Summary Heading	2022/23 Final Spend	2023/24 Latest Budget	2023/24 Opening Forecast (June 23)	2023/24 Current forecast (Dec 23)
Place funding	£8.546m	£9.209m	£8.865m	£9.019m
Special and PRU/AP top up funding	£7.459m	£9.322m	£9.137m	£9.276m
<b>Subtotal</b>	<b>£16.004m</b>	<b>£18.531m</b>	<b>£18.002m</b>	<b>£18.295m</b>
Schools, early years, post-16 top up funding	£4.916m	£5.930m	£5.930m	£6.085m
Independent Providers	£3.038m	£3.000m	£3.000m	£3.000m
Other HN Provisions	£1.845m	£3.864m	£3.614m	£3.271m
<b>Total services line total</b>	<b>£25.803m</b>	<b>£31.325m</b>	<b>£30.546m</b>	<b>£30.651m</b>
Funding allocations to support required future permanent growth in high need provision	£0.072m	£1.046m	£0.700m	£0.480m
One off funding - funded from HN DSG reserves		£2.750m	£2.750m	£2.750m
Remaining balance held aside from service provision to support any in year high need funding pressures*		(£0.249m)		
<b>Total*</b>	<b>£25.875m</b>	<b>£34.872m</b>	<b>£34.034m</b>	<b>£33.881m</b>

Remaining balance held aside from service provision to support any in year high need funding pressures\*

Total\* - Note, this total excludes the now annual £100k HN DSG funding attached to the EY DSG SEND Inclusion Fund

- 9.2 Although forecasts remain heavily caveated, the table above does indicate that all service line current spend forecasts as a total are broadly on line to the forecasts as presented in the June 2023 DSG High Needs paper. And for 2023/24 this is a welcome DSG position for balances considering the extra required demand on place funding allocations and top up rates increases applied to support inflationary pressures. These balances also highlight a number of new and wider high need Initiatives now live as previously shared through the Education Board.

- 9.3 Within allocated service line budget expenditure the current forecast underspend and reduction from the June 2023 forecast is shown within the

“other high needs funding provision” where vacancies have been present but now mainly filled and a now projected underspend this year against the new 2023/24 permanent high needs baseline allocation for “SEND Inclusion direct school support”. The funding allocation remains critical for long term planning supporting the much needed Inclusion agenda and is being re-positioned to now develop centralized specialist teaching teams including emotional and wellbeing support. These are planned to now come on stream during 2024/25.

- 9.4 There is also an underspend shown against “funding held aside for continued future High Need place and top up funding growth”. Although it must be noted the November 23 place funding confirmation through to the DfE has been submitted for 2024/25 and much of this required permanent funding has now been formally allocated on a long term basis and it will therefore no longer be possible on early review of 2024/25 balances to hold aside these particular allocations which have been crucial for planning to date. The place funding appendix will be shared and once confirmed by the DfE in the annual June 2024 EB DSG HN paper, but regardless individual schools and colleges will be aware of those submitted place funding allocations for 2024/25 academic year in consultation with both the LA Head of SEND and LA Head of Access and Inclusion.
- 9.5 Whilst, it remains welcome that DSG HN balances are contained within funding availability for 2023/24, it must also be noted there has been a further 11% net increase in required Education Health and Care Plans (EHCPs) from this time last year which is a continued large growth. This is the board picture nationally as well as locally. So whilst it is therefore a welcome DSG financial position that we can continue to afford that growth in 2023/24 balances this position does continue to remain at risk moving forward. This is also in further view that unfortunately there remains an approximate 20 week back log on EHCP assessments due to current continued stretched capacity and in particular for early years.

## 2024/25 Budget Planning

- 9.6 As previously stated, careful financial and strategic High Needs funding planning remains absolutely critical to ensure High Needs balances are sustainable for future years given the demand and volatile nature of these services which is never static. This crucial planning also in turn benefits all HN schools and providers and provides stability in their future funding allocations.
- 9.7 And as stated in the October 2023 DSG HN paper, it is welcome that a further £1.5M funding has indicatively been allocated to Southend's High Needs block in 2024/25, but is also has to remain minded, this is considerably less funding than has been received for the past 4 years in additional permanent growth at circa £3.2M per year. A position nationally that also has been applied to all LA high needs blocks.
- 9.8 Again, as per our local DSG annual funding cycle, the actual full detailed application of this additional 2024/25 funding will be considered as part of the EB June 2024 High Need detailed allocation budget paper. June was agreed through the EB to allow enough time for the SEND team in consultation with respective special schools and mainstream schools to allocate the expected in borough EHCP banded rates for the following academic year 2024/25, a major and significant exercise that accounts for a large and rightly proportion of the HN funds before any further funding considerations are put forward by the LA for further permanent funding allocations.

## 10 Central Block

### 2023/24 Budget to Forecast Outturn – held on line to budget

### 2024/25 Budget Planning

#### Indicative In Year total allocation of £1.333M (Final tbc in January 2024)

- 10.1 EB approval is required each year to approve the amounts and funded services listed within the Central Block DSG allocation.
- 10.2 In the last October 2023 EB DSG paper and previous papers, it was, again explained about the continuation of DfE funding losses in the combined budgets (historic commitments), but with the current expectation and plan as agreed in EB DSG December 2020 paper, that the now funded commitments for individual service allocations moving forward at this time can hopefully be sustained until 2026/27 by drawing on remaining reserve balances within the Central block. And it remains minded, those remaining service allocations were presented as a Part 2 Appendix (not for public view) in the December 2020 paper given the natural sensitivities around those proposals.
- 10.3 The Education board are therefore asked to approve the allocation of the Central Block 2024/25 funds as follows, which distributes the full amount available to these services lines and in line with previous years decisions and no new commitments are being entered into:

	<b>2024/25 Indicative Amount</b>
<b>From Central Services Block</b>	
Combined Budgets (historic commitments)*	£296,515
CLA/MPA Licences	£158,594
Schools Admissions	£289,398
Servicing of Schools Forum	£18,700
Centrally employed teacher contr.	£95,322
ESG Retained Duties*	£474,650
<b>Actual In Year funding Total</b>	<b>£1,333,179</b>
+ Combined Budgets (historic commitments)* - funded from remaining central block reserves	£133,373
<b>Revised Funding Total</b>	<b>£1,466,552</b>

Combined Budgets (historic commitments)\*, and note this budget allocation will now be further increased by £133,000 for 2024/25 from the DSG Central block reserves. So the total commitments can remain sustained at £430,000 for 2024/25.

ESG Retained Duties \* - ongoing funding (former Education Service Grant) to support LA Statutory duties - Child and Educational Leadership, Planning and Budget planning, monitoring, Education Welfare and Asset Management

## **11 DSG Funding**

### **2023/24 Budget to Forecast Outturn – forecast net £540,000 claw back adjustment due to the potential Early Years funding adjustments.**

11.1 As first shared and explained in the October 2023 DSG Paper, the DfE have reclaimed an additional circa (£130,000) for DSG funds to early year balances in 2023/24 but of which relate to their final funding adjustment for 2022/23. The DSG funding adjustment for early years, also now in addition currently forecasts as explained in section 7 a further anticipated claw back of (£410,000) that will be processed in 2024/25 but of which relates to DSG funding in 2023/24 and this figure itself will be formally confirmed at the 2023/24 year end. Whilst these funding issues are technical accounting matters, it is with reassurance that they currently have no detrimental impact on overall early years reserves balance as effectively it is a DfE reclaim of unused funds, but, none the less important they are displayed as it also further recognises the overall management and planning of DSG funds and balances.

### **2024/25 Budget Planning**

11.2 The current indicative Total DSG funding allocation for 2023/24 is shown as £198.452M. However, we continue to note that the total school block funding allocation will also be updated once the October 2023 census has been processed by the DfE with the results released late in December 2023, and therefore will be displayed in the next January 2024 DSG EB paper.

## **12 Latest forecast DSG reserve balances**

12.1 The table below updates the current expected DSG reserve balance by year end, reflecting any updated forecasts for 2023/24 presented within this paper. It also remains minded, the reserve balance table includes as formally agreed through the EB DSG October 2021 paper, the presentation of recommended minimum reserve balances for each block, and where reserve forecast balances are now above those minimum recommended balances the following DSG expenditure conditions apply for the one off use of those reserve balances for both the reserve balances of Early Years and High Needs:

12.1.1 That any one off cumulative use of reserve balances below £50,000 in any one financial year has the required LA lead officer approval to proceed, but on the conditional basis this is reported back through to EB.

12.1.2 That any single expenditure item or where the cumulative use of reserve balance was to fall above £50,000 in any one financial year then EB consultation is firstly required. If the item or the matter is urgent, then consultation can firstly be sought by an urgent virtual EB meeting but with a subsequent note to the actual and following scheduled EB meeting for formal minuting.

<b>Block</b>	<b>Schools - ISB</b>	<b>Schools - growth</b>	<b>Schools - de- delegate</b>	<b>Early Years</b>	<b>High Needs</b>	<b>Central</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Reserves surplus / (deficit)</b>							
<b>1 April 2023 B'fwd</b>	<b>11</b>	<b>(10)</b>	<b>8</b>	<b>1,514</b>	<b>9,890</b>	<b>506</b>	<b>11,919</b>
Agreed (Issue) to* 2023/24 budget	0	33	0	(167)	(2,750)	(59)	(2,943)
Early years funding adjustments				(540)			(540)
2023/24 current forecast variance	0	(120)	(3)	410	991	0	1,278
<b>31 March 2024</b>	<b>11</b>	<b>(97)</b>	<b>5</b>	<b>1,216</b>	<b>8,131</b>	<b>447</b>	<b>9,713</b>
Agreed Issue to future yr budgets				0	(0)	(133)	(133)
<b>Recommended* Minimum Reserve balance</b>	<b>0</b>	<b>(97)</b>	<b>5</b>	<b>500</b>	<b>3,372</b>	<b>313</b>	<b>4,093</b>
<b>One off Funding Available for DSG Conditional Use</b>				<b>716</b>	<b>4,759</b>		<b>5,475</b>

\*Recommended Minimum Reserve balances, now currently set at 5% for Early Years and 10% for High needs of current total in year funding available for both of those blocks. Both these recommended minimum reserves %'s are subject to review and agreement should we see any funding pressures materialize in future years. All other block reserves balances are ring fenced to support those reserve block positions, particularly with note to the Central Block reserve that will be fully utilized to support the unwinding of DfE DSG commitments to Central Block Historic commitment services.

## 13 Conclusion

- 13.1 Whilst, it again, must be highlighted with praise for the collaborative working approach of the Local Authority with the Education Board and respective sub groups representing all sectors including high needs that the DSG funding itself continues to be maintained and sustained on an affordable basis.
- 13.2 It must, however continue to be noted and recognised which is a wider issue than the funding allocations available through the DSG that there are now some significant financial pressures within our Schools.

## 14 Appendices

Appendix 1 - DSG Latest 2023/24 budget and forecast and Indicative 2024/25 budget

Appendix 2 - DSG Illustrative Individual mainstream school budget per pupil led funding rates 2024/25