

BRIEFING PAPER

SUBJECT: 2023/24 OUTTURN DSG & SCHOOLS
DATE: 10 July 2024
RECIPIENT: School's Forum

SUMMARY:

1. 2023/24 Schools Balances
2. 2023/24 outturn DSG Update
3. 2024/25 Unallocated balance

BACKGROUND and BRIEFING DETAILS:

2023/24 OUTTURN

1. The overall balance of the 42 maintained schools has reduced by £0.41M. The following table summarises the movement in school balances of the 42 maintained schools at the end of March 2023

| Description of Movement | Number of schools | Sum of Movement (£M) |
|-------------------------|-------------------|----------------------|
| Increased Deficit | 5 | 1.226 |
| reduced deficit | 5 | -0.476 |
| Used surplus | 15 | 1.390 |
| increased surplus | 11 | -1.533 |
| returned to surplus | 2 | -0.595 |
| gone into deficit | 4 | 0.397 |
| | 42 | 0.409 |

2. Fourteen schools have carried forward a deficit into the new financial year. The council had received deficit recovery plans from seven schools but there are seven schools with outstanding deficit recovery plans.
3. Primary schools, special schools and pupil referral units may carry forward up to 10% of their budget share and secondary schools may carry forward up to 8%. Anything above this is an excess surplus balance. There are four schools carrying an excess surplus totalling £0.597M; three schools have submitted plans to utilise their excess surplus.

BRIEFING PAPER

4. The 3 PFI schools, being secondary schools, are presently permitted to carry forward up to 8%. Due to the complex nature of the PFI contract it is recommended that PFI schools are permitted to carry forward 10% in order to meet unforeseen liabilities. If the Schools Forum is minded to approve then the Scheme for financing schools will be amended accordingly and presented to the forum for approval.
5. The Dedicated Schools Grant (DSG) is a ring-fenced grant and balances are carried forward each year. There was a £2.995M in-year surplus for 2023/24, reducing the cumulative net deficit to £7.105M. The table below provides an outline of the balances for 2023/24

| Block | Balance £M |
|--|-----------------------|
| Dedicated Schools Grant - Central Services | 0.154 |
| Dedicated Schools Grant - Early Years | 0.567 |
| Dedicated Schools Grant - High Needs | (3.051) |
| Dedicated Schools Grant - Schools | (0.665) |
| Total | (2.995) |

6. The deficit in the Central Services block is due to the transfer of the teachers and pension funding to centrally employed teachers in the Music Service, pressures in the Schools Admissions team and Schools Licences.
7. The deficit in the Early Years block is mostly due to the funding at the Startpoint Scholing nursery being below expectation. The service is currently reviewing options to resolve this issue. There was also a prior year funding adjustment relating to 2022/23 which had an adverse impact.
8. Pressures on the High Needs services is a nationally recognised issue with significant pressures reported in most local authorities. The primary strategy for managing the increase in High Needs is 3-fold:
 - a. Reduce the number of children requiring an EHCP through targeted early intervention support, through enhanced training and support to schools and parents.
 - b. Reduce the number of children requiring a place at a special school, by improving the consistency of offer and inclusive practice at mainstream schools and by developing SEND units and resourced provisions within mainstream schools.
 - c. Maintain a reduction in the reliance of placements in high cost out of city special independent school places, by enhancing the offer and facilities of local mainstream schools, and on the development of highly specialist units and resourced provisions

BRIEFING PAPER

9. The variances in the High Needs Block are outlined below:

| Service | Variance £M |
|-------------------------------|--------------------|
| Language Intervention Team | 0.005 |
| Early Years Teachers/SENCO | (0.029) |
| Portage. | 0.017 |
| Pupils with EHCP's | (0.101) |
| Early Years Sen Funding | (0.122) |
| OLA Special School Placements | (0.022) |
| Contingency | (2.007) |
| Specialist Teacher Advisors | 0.133 |
| MARP - Education Placements | (0.808) |
| Special School Funding | (0.275) |
| Outreach Funding | 0.092 |
| Pupil Referral Unit | 0.066 |
| Total | (3.051) |

10. The overall reduction is due to the increase in funding to the High Needs Block as well as the strategy for reducing pressures in this area. The largest favourable variance relates to reduced expenditure on the out of city placements and the unused contingency amount.
11. The variance on the Schools' block relates in part to the funding adjustment for excluded pupils but largely due to the unallocated balance on the schools in deficit grant.
12. The unallocated balance of £0.375M discussed briefly at the previous meeting.
13. The operational guidance allows the transfer of resources to other blocks to support initiatives or demands in the central school services block, the high needs block, or the early years block.
14. In-year reallocations to schools cannot be made as these do not comply with the annually made school finance regulations.
15. There is an in year pressure relating to the Schools Licences of £0.060M. There's potentially a pressure of £0.070M relating to Schools Admissions but this needs to be further verified.
16. It is recommended that £0.245M is allocated to Headteacher Conference Groups (Special Heads, Primary Heads, Secondary Heads) with a view to collaborating on city wide initiatives to address some key priorities for next academic year – literacy, numeracy and absence reduction. Further development work would be undertaken with Chairs of Heads groups who can subsequently report back to Schools Forum.

BRIEFING PAPER

17. All options would require a transfer to the central school services block.

Decision – Does the Schools Forum approve the following allocations

£0.060M Schools Licences

£0.070M Schools Admissions

£0.245M Headteacher Conference Groups

| | | |
|--|----------------|-------------------------------|
| Further Information Available From: | Name: | Steve Wade |
| | E-mail: | Steve.Wade@Southampton.gov.uk |

