

SUBJECT: DSG Outturn Report for Financial Year 2023/24

LEAD OFFICER: Andrew Good, Interim Service Financial Accountant for Corporate Finance and Digital

RECOMMENDATION

That the Forum notes the:

- a) outturn position of the Dedicated Schools Grant (DSG) as of 31st March 2024.**
- b) cumulative DSG deficit position as of 31st March 2024.**
- c) the total School Balances 2023/24.**

1. Purpose of Report and Executive Summary

- 1.1 This report presents the expenditure against the Dedicated Schools Grant for 2023/24. The structure is slightly different to previously because it has come to light that the configuration of the budget on our ledger system was not optimal to report against blocks with the degree of accuracy preferred. For that reason we have presented information against spending categories. The budget for 2024/25 has been restructured so that this issue has been rectified moving forward.
- 1.2 The overall position for 2023/24 is an overspend against allocation of £6.777m compared to £7.533m in 2022/23. The cumulative deficit at the end of 2023/24 is now £41.243. The table below summarises the position for 2023/24:

DSG Outturn 2023/24	2023/24 Final published allocations £m	LESS Academy Funding £m	Actual Funding to Merton £m	Outturn £m	(Surplus)/ Deficit £m
2022/23 Cumulative Deficit					34.465
School Block	149.708	36.485	113.223		
Central Services Support Block	1.141	0.000	1.141		
High Needs Block	49.169	0.188	48.981		
Early Years Block	15.921	0.000	15.921		
DSG Total	215.938	36.673	179.266		
EY Adjustment/Safety Valve & LA Contributions			4.215		
Total	215.938	36.673	183.481	190.253	6.777
2023/24 Cumulative Deficit					41.242

Note: actual funding also includes an Early Years adjustment, Safety Valve funding and LBM contributions which produce an overspend of £6.777m.

- 1.2 The DSG is a ring-fenced specific grant, and it must be used in support of the school's budget as defined in the School and Early Years Finance (England) Regulations 2022; it can be used for no other council purposes.

2. DSG Detail

- 2.1 As identified in section 1.1 we are presenting expenditure slightly differently this year, actuals are shown for Merton controlled expenditure and expenditure which was delegated to school in the two tables below:

DSG - Non Delegated	2023/24 Outturn	2022/23 Outturn	Variance to 22/23 Outturn
DSG Staff (Education Practitioner)	0	30	-30
Contracts, Proc & School Org	274	261	13
Early Years & Children Centres	14,229	17,490	-3,260
Education - School Improvement	706	1,150	-443
Education Inclusion	2,213	1,597	617
SEN & Disability Integrat Serv	32,483	32,330	153
DSG Reserve	104	233	-129
Retained Schools Budgets	2,781	2,663	118
Totals	52,791	55,753	-2,962

The vast majority of the overspend relates to expenditure on independent non-maintained placements.

School Delegated Budgets	2023/24 Outturn	2022/23 Outturn	Variance to 22/23 Outturn
<i>Schools Delegated Budget</i>			
Delegated Primary Schools	69,898	65,568	4,330
Delegated Secondary Schools	37,531	34,986	2,545
Delegated Special Schools	16,296	13,812	2,484
Secondary School Sixth Form	0	0	0
ARP base Primary Schools	3,301	2,526	776
ARP base Secondary Schools	751	782	-30
PRU - smart centre	2,593	2,022	571
Bulge Classes Primary	50	0	50
Bulge Classes Secondary	0	245	-245
Additional HNB Primary	156	284	-129
Additional HNB Secondary	227	254	-26
SEN EHCPlans Primary	4,423	4,439	-16
SEN EHCPlans Secondary	2,130	1,909	221
SEN Sixth Form Funding	110	142	-32
	137,467	126,969	10,498

3. Future Pressures

- 3.1 The overall pressures are well documented and School Forum is briefed separately in progress with the Safety Valve programme.

4. School Balances

- 4.1 School Balances moved from £8.953m in 2022/23 to £10.703m in 2023/24. A tighter review and support process has been introduced and the overall level of deficits is improving.

5. Financial, resource and property implications

- 6.1 The financial implications are detailed in the main body of this report.

6. Legal and statutory implications

- 6.1 No legal implications at this stage.

7. Human rights, equalities, and community cohesion implications

- 7.1 None at this stage.

8. Appendices

- 8.1 None.

9. Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report:

- 9.1 Centrally held financial information and other papers held by the Children Schools and Families Finance Team.

10. Report author

Andrew Good Interim Service Financial Accountant

andrew.good@merton.gov.uk

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