

Meeting:	Schools Forum
Date:	4 June 2024
Subject:	Item 4: Update on DSG 2023-24
Responsible Officer:	Jo Frost, Finance Business Partner – Children’s Services

Section 1 – summary

1. This report updates Schools Forum on the 2023-24 DSG budget position and indicative growth requirements for 2024-25.
2. Schools Forum is required to:
 - Note the final DSG position for 2023-24

Section 2 – report

DSG 2023-24

3. In 2023-24 the updated DSG budget, after recoupment for mainstream academies, special education places in academies and further education settings, is £152,275,400.

Block	Revised Budget	Outturn	Variance
Central	£1,469,878	£1,192,428	-£277,450
Early Years	£19,253,878	£18,532,815	-£721,063
High Needs	£46,059,824	£48,374,850	£2,315,026
Schools Growth	£352,842	£672,677	£319,835
Schools ISB	£85,138,979	£86,111,707	£972,728
Total	£152,275,400	£154,884,476	£2,609,076
Use of contingency to support school budgets			-£990,000
Use of contingency to support growth fund			-£460,444
Revised position			£1,158,632

4. In 2023-24 the sum of £1.450m from the contingency is being used to support one off funding in school budgets and a projected shortfall in the growth fund.

5. After applying funding from the contingency there is a final net overspend of £1.159m which relates to pressures in the High Needs Block, partially offset by underspends in the Early Years Block and Central Services Block.

Central School Services Block (CSSB)

6. The final outturn is an underspend of £277k

CSSB Outturn 2023-24

CSSB Service	Budget	Outturn	Variance
Retained Statutory Duties Maintained Schools	£523,763	£523,763	£0
Central Services TPG/TPECG	£137,799	£105,283	-£32,516
School Standards Organisation & Attendance	£754,796	£563,382	-£191,414
Provision for ESOL	£53,520	£0	-£53,520
Total	£1,469,878	£1,192,428	-£277,450

7. Central Services TPG/TPECG is paid out to other council service areas which employ staff on teachers' pay and conditions and is based on actual spend.
8. The School Effectiveness and Early Years Service has had school improvement staff vacancies in 2023-24
9. Provision for ESOL is set aside for creation of specific ESOL provision which was not required in 2023-24

Early Years Block (EYB)

10. The final outturn is an underspend of £722k

Early Years Block Final Outturn 2023-24

EYB Service Area	Budget	Outturn	Variance
3&4 Year Old Universal Hours	£11,753,761	£11,727,414	-£26,347
3&4 Year Old Additional Hours	£4,072,792	£3,452,712	-£620,080
2 Year Old Offer	£1,578,431	£1,647,906	£69,475
SEND Inclusion Fund	£832,719	£829,605	-£3,114
Disability Access Fund	£62,928	£21,692	-£41,236
Pupil Premium	£76,699	£90,023	£13,324
Central Services	£876,548	£763,463	-£113,084
Total	£19,253,878	£18,532,815	-£721,063

11. Funding for Early Years nursery entitlements is calculated based on 5/12s January 2023 child numbers (to cover the period April 2023 to August 2023) and 7/12s January 2024 child numbers (to cover the period September 2023 to March 2024).

12. However, funding is paid out to providers based on their claims of actual participation at the end of each term in 2023-24.

13. The budget above does not yet reflect the January 2024 census data. It is anticipated that the January 2024 census data will record fewer hours being taken up against the additional hours fund and thus there will be a retrospective claw back of some of this funding in 2024-25.

14. The underspend on central services relates to vacant posts.

High Needs Block (HNB)

15. The final outturn is a net overspend of £2.315m.

High Needs Block Final Outturn 2023-24

Spend £'000	2023-24 Budget	2023-24 Outturn	2023-24 Variance	Count	2022-23 Spend	Count
Independent & NMSS Day	£9,196	£10,725	£1,529	181.96	£7,152	142.38
Independent & NMSS	£530	£320	-£210	15.50	£551	16.17
Independent Specialist	£1,229	£989	-£239	21.92	£1,244	23.08
Out of Borough Mainstream	£1,765	£1,699	-£65	160.08	£1,174	158.50
FE Colleges	£2,876	£3,220	£344	293.30	£2,426	267.17
Other LA Special Schools	£2,333	£2,451	£118	113.54	£1,970	114.54
Early Years SEN Provision	£200	£354	£154	30.38	£218	29.96
EOTAS & Alternative	£294	£251	-£43		£145	
Harrow Special Schools	£13,696	£13,569	-£127	516.00	£12,577	507.17
Pupil Referral Unit	£1,530	£1,530	£0	74.00	£1,437	74.00
PFI	£449	£449	£0		£449	
Sensory Teams	£1,156	£1,222	£66		£1,156	
SEN Transport	£187	£187	£0		£187	
Therapy	£1,177	£992	-£185		£1,094	
SEND Support	£822	£822	£0		£798	
Harrow Mainstream EHCPs	£7,713	£8,881	£1,168	796.60	£6,187	690.33
Harrow Mainstream ARMS	£2,463	£2,404	-£59	145.50	£1,683	131.00
Budgeted Deficit	-£1,556		£1,556		£0	
Provisions for previous years claims released		-£1,692	-£1,692			
Total	£46,060	£48,375	£2,315	2,348.78	£40,449	2,154.30

16. In 2023-24 the overall spend has increased by nearly £8m compared with 2023-24, an increase of nearly 20%.

17. This includes approx £1.7m of provisions held aside built up over the last few years for anticipated growth and outstanding bills from provisions.
18. The majority of the increase relates to new EHCPs. Between January 2023 and January 2024 there was growth of over 300 EHCPs taking the total number of EHCPs to nearly 2,400.
19. Harrow in borough specialist provision is currently at capacity and thus a large proportion of the new EHCPs have been placed in the Independent & Non-Maintained Special School sector which is more expensive than comparative in borough provision.
20. In addition, over £1.2m of growth was allocated to in borough specialist provision and mainstream EHCPs in Harrow schools to increase banding rates.

Growth Fund & Contingency

21. The final outturn is a net underspend of £141k

Growth Fund Outturn 2023-24

Description	Budget	Outturn	Variance
Primary Expansion	£77,088	£0	-£77,088
Secondary Expansion	£298,183	£0	-£298,183
Licences	£188,016	£188,016	£0
EHCP Assessment Funding		£300,000	£300,000
Trigger Funding	£250,000	£201,124	-£48,876
Rates		-£16,463	-£16,463
Total	£813,286	£672,677	-£140,609

22. Funding for primary and secondary expansion was not required in 2023-24.

Final Contingency 2023-24

Description	Value
Balance brought forward 2022-23	£3,502,688
Draw down one-off schools funding	-£990,000
Draw down EHCP assessment funding	-£300,000
Draw down BBCH funding	-£19,835
Revised balance 2023-24	£2,192,853
Commitments 2024-25	
Growth fund underspend 2023-24	£440,609
Boys of Black Caribbean Heritage Project	£230,000
Backfill loss of School Improvement Grant	£180,000
Total Commitments 2024-25	£850,609
Uncommitted balance transfer to DSG deficit recovery reserve	£1,342,244

DSG Deficits

23. Based on the current projections there will be a further £2.482m added to the cumulative HNB deficit at the end of 2023-24. The current deficit position is shown below

Year	£'000
DSG Deficit 2019-20	£2,944
DSG Deficit 2020-21	£787
DSG Deficit 2021-22	£277
DSG Surplus 2022-23	-£1,384
Cumulative Deficit 31 March 2023	£2,623
DSG High Needs Block Deficit 2023-24	£2,315
Uncommitted contingency balance 2023-24	-£1,342
DSG other block underspends 2023-24	-£1,016
Revised Cumulative Deficit 31 March 2024	£2,580

Section 3 – contact details

Contact:

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