

Meeting:	<b>Schools Forum</b>
Date:	10 June 2025
Subject:	<b>Item 4: DSG Draft Outturn 2024-25</b>
Responsible Officer:	Andrew Osei, Interim Finance Business Partner – Children’s Services

## Section 1 – summary

1. This report outlines the latest 2024-25 draft DSG outturn.
2. Schools Forum is required to:
  - Note the DSG position for 2024-25

## Section 2 – report

### Dedicated Schools Grant 2024-25

3. The final outturn on the DSG for 2024-25 is a deficit of £11.582m. This is made up of a overspend of £13.755m on the High Needs Block which is partially mitigated by underspends on other DSG blocks.
4. The table below sets out the DSG draft outturn position for 2024-25.

**Table 1 Children’s Services Reserve Movements 2024-25**

Block	Revised Budget	DSG Outturn	Variance / To DSG reserve
Central	1,539,913	1,336,876	-203,037
Early Years	28,181,348	26,406,246	-1,775,102
High Needs	47,092,398	60,847,368	13,754,970
Schools Growth/contingency	165,304	17,574	-147,730
Schools ISB	86,092,814	86,046,140	-46,674
<b>In year DSG total</b>	<b>163,071,777</b>	<b>174,654,204</b>	<b>11,582,427</b>

5. The Early Years' block of the DSG is paid to the LA based on estimated uptake of early years places. The update on this allocation, based on the January census, is announced in the new financial year. The final allocations for the 2023-24 financial year, after the January 2024 census, was published in July-2024. This update resulted in a clawback of £385k in August-2024.
6. The reported underspend in the Early Years block is subject to clawback based on the final allocation of the 2024-25 DSG to be expected to be announced in July-2025
7. The DSG reserve, after adjusting for the clawbacks and prior year surpluses, now stands at a cumulative deficit of £13.789m.
8. The table below sets out the movement in position on the DSG reserves at the end of 2024-25.

**Table 1 Children's Services Reserve Movements 2024-25**

<b>DSG in-year overspend</b>		<b>-11,582,427</b>
<b>EYSG clawback</b>		<b>-27,685</b>
<b>DSG deficits - EY clawback 2023/24</b>		<b>-384,569</b>
<b>Net impact on reserves</b>		<b>-11,994,681</b>
<b>Opening Reserve balance</b>		<b>-2,579,759</b>
consisting:		
Deficit Recovery (prior years' surplus)	3,742,134	
Overspends (unusable reserve)	-6,321,893	
Surpluses on creditor account		785,594
<b>Total on Balance Sheet</b>		<b>-1,794,165</b>
<b>Closing reserve balance</b>		<b>-13,788,846</b>

9. The statutory override on accounting for the DSG is due to end in March 2026. The override ensures that DSG deficits are held separately in the LA accounts and do not have to be funded from general reserves.
10. The consultation on the 2025-2026 local government finance settlement stated that the government intends to set out plans for reforming the SEND system in further detail in the year. This will include details of how the government will support local authorities to deal with their historic and accruing deficits and will inform any decision to remove the statutory override.
11. The DfE requires local authorities to explain their plans for bringing the DSG account back into balance. A revised deficit recovery plan, taking account the current mix of needs and pressures and updated financial projections, is being developed and will be shared with the DfE in the next few months.

### **Section 3 – contact details**

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