DSG Monitoring Report

Agenda Item 3 – DSG Monitoring Report

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**Executive Summary**

This report sets out the Dedicated Schools Grant (DSG) projected forecast for 2024-2025.

The final position of the Dedicated Schools Grant (DSG) at the end of 2023-24 is an overspend of £2.8 million from the budget position.

**Details of recommendations and timescales for decisions:**

Schools Forum are asked to note the 2024-2025 DSG budget and the projected forecast to the year end.

**1 DSG Forecast for 2024-2025**

1.1 The Dedicated Schools Grant (DSG) balance carried forward at 1 April 2024 as shown in the Note to the Accounts is a budget deficit of £15.8 million.

**Cumulative DSG balances and HN overspends**

|  |  |  |  |
| --- | --- | --- | --- |
| **Block** | **Brought Forward at 01/04/23**  Under/(over) spend  **£m** | **2023-24**  Under/(over) spend  **£m** | **Brought Forward at 01/04/24**  Under/(over) spend  **£m** |
| Schools Block | 0.0 | 2.0 | 2.0 |
| Central School Services Block | 0.0 | -0.1 | -0.1 |
| High Needs Block | -13.0 | -6.1 | -19.1 |
| Early Years Block | 0.0 | 1.4 | 1.4 |
| **Total DSG allocation** | **-13** | **-2.8** | **-15.8** |

1.2 The DSG Budget, actuals to date, projected forecast and projected variances for the financial year 2024-2025 are shown in the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DSG Block** | **Budget**  **£m** | **Actuals to Date**  **£m** | **Projected Forecast to Year End**  **£m** | **Projected Underspend / (Overspend) at Year End**  **£m** |
| Schools Block | 213.9 | 50.2 | 211.5 | 2.4 |
| Central Schools and Services Block | 2.9 | 1.3 | 2.9 | 0.0 |
| High Needs Block | 80.5 | 25.9 | 85.7 | -5.2 |
| Early Years Block | 40.3 | 12.0 | 40.3 | 0.0 |
| **Total DSG** | **337.6** | **74.1** | **340.2** | **-2.8** |

1.3 **Schools Block**

There is a projected underspend of £2.8 million wholly attributable to the Growth Fund.

1.4 **Central Schools and Services Block**

The Central Schools and Services Block is projected to spend to budget.

1.5 **High Needs Block**

There is a projected overspend of £5.2 million on the High Needs Block, which is further analysed in the table below:

|  |  |
| --- | --- |
| **High Needs Block Area** | **Amount of 2024-2025 Projected Overspend (£m)** |
| Children in complex needs for special equipment to support special schools. | -0.3 |
| Mainstream schools including special schools placement and top up funding. High top up funding and legacy funding requiring review. | -3.8 |
| Academies and Free Schools, increase in EHCP plans and costs | -1.1 |
| **Total DSG High Needs Block 2024-2025 projected overspend** | **-5.2** |

High Needs Block expenditure has grown by 20% in Tower Hamlets since the 2020-21 financial year.

37% of spend is on maintained special schools, 34% on maintained mainstream schools, and 9% on independent settings (Delivering Better Value Report January 2024).

Continuous increase in the number of children and young people with Education, Health and Care Plans (EHCPs) has led to the significant overspend in the High Needs Block.

There are steps are in place to reduce the steep trajectory of requests for statutory assessment and resulting EHCPs including:

* supporting early years settings and schools to manage without triggering the statutory process;
* developing an early intervention programme in pre-school, which will support stakeholders to meet need without an EHCP when they attend school;
* introducing a Tower Hamlets inclusion framework to guide schools on what is expected as ordinarily available provision and SEN support.

1.6 **Early Years Block**

The Early Years Block is projected to spend to budget.