

**REPORT TO:** Schools Forum  
**DATE:** 21 February 2024  
**REPORTING OFFICER:** Operational Director – Finance  
**PORTFOLIO:** Children & Young People  
**SUBJECT:** DSG Forecast Outturn for 2023-24  
**WARD(S)** Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To report the Dedicated Schools Grant forecast outturn for 2023-24.

## **2.0 RECOMMENDATION: That**

2.1 The report is noted.

## **3.0 SUPPORTING INFORMATION**

### **3.1 Grant settlement**

The Dedicated Schools Grant allocation for 2023-24 is £143,393,022 broken down as follows:

Schools Block	£106,745,453
CSSB	£737,941
Early Years Block	£9,774,577
High Needs Block	£26,135,051

Of this, £52,623,991 is recouped from the Schools Block and an estimated £3,166,667 is recouped from the High Needs Block for academies and further education.

### **3.2 Schools Block**

A transfer to the High Needs Block of 0.2% was approved by Schools Forum resulting in £235,721 being transferred from the Schools Block to help support the ongoing High Needs pressures. The balance of £106,509,732 was fully devolved to mainstream primary and secondary schools and academies through the funding formula.

We are mirroring the National Funding Formula (NFF) factors and criteria as well as the NFF cash values for all formula components.

### **3.3 Central Schools Services Block (CSSB)**

The CSSB of £737,941 is currently forecast to budget in respect to the central services supported by this block.

### 3.4 Early Years Block

The Early Years Block of £9,774,577 is currently forecast to budget and is subject to future variation based on termly headcount data.

For information the DfE announced in July last year additional funding for 2023-24 in respect to the Early Years Supplementary Grant (EYSG) which provided all Halton's Early Years providers with an increase to the 2 year old funding of 32.4% resulting in an increase of £1.85 to the hourly rate. For 3 and 4 year olds the grant provided an increase of 5.4% equating to £0.28 per hour to be allocated through the combined Base rate and Deprivation hourly rates. The EYSG was applicable from September 2023 and overall funding estimates were notified by the DfE in September.

### 3.5 High Needs Block

The High Needs block allocation of £26,135,051 is reduced by FE recoupment of £924,000 and the balance of £25,211,051 is insufficient to meet the total estimated expenditure required for 2023-24 of £27,437,555 resulting in a forecast in-year overspend of £2,226,504. Taking into account the schools block transfer of £235,721 plus a grant for Maintained sixth forms of £4,034, we are currently facing a net in-year deficit of £1,986,749 within the High Needs Block.

The recurring areas of pressure are as a result of increasing volumes of children referred for Education Health and Care Plans (EHCPs) and associated costs including:

- Top-up funding       £3,617,647
- Resource Units       £2,068,105
- Out-Borough         £7,194,302

### 3.6 DSG Balances

Taking into account the deficit brought forward from 2022-23 of £2,892,585 and anticipating the ongoing pressures specifically faced by the High Needs Block forecasting an in-year deficit of £1,986,749 the cumulative forecast deficit by the end of 2023-24 is £4,879,334.

The accumulating deficit has resulted in Halton being included in tranche 3 of the DfE intervention 'Delivering Better Value (DBV) in High Needs where work is currently in progress to develop a realistic and robust recovery plan that will require the approval of the DfE.

## 4.0 **FINANCIAL IMPLICATIONS**

4.1 Further savings and reducing overspends are essential to getting back to a balanced DSG position.

## 5.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

**5.1 Children & Young People in Halton**  
It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

**5.2 Employment, Learning & Skills in Halton**  
None.

**5.3 A Healthy Halton**  
None.

**5.4 A Safer Halton**  
None.

**5.5 Halton's Urban Renewal**  
None.

## **6.0 RISK ANALYSIS**

6.1 Continued overspending against DSG will impede plans to change and improve services and provision.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

**8.0 CLIMATE CHANGE IMPLICATIONS**  
None.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 Background papers and further information, including the statutory guidance that has informed this report, can be obtained via Gov.uk

For any enquiries contact [Naheem.Shafiq@halton.gov.uk](mailto:Naheem.Shafiq@halton.gov.uk).