

Dedicated Schools Grant 2022/23

The dedicated schools grant is allocated through a nationally determined formula to local authorities in 4 blocks the forecast position for 2022/23 is outlined below;

- Central Services Schools Block - provides funding to Local Authorities to support carrying out statutory duties on behalf of schools.
- Schools Block - This is intended to fund mainstream (non-special) Schools
- High Needs Block - This is to fund Special Schools, additional support in mainstream schools for Special Educational Needs (SEND) and other SEND placements / support.
- Early Years Block -This funds the free/extended entitlement & funding of places for 2, 3 and 4 year olds in school nurseries and Private, Voluntary and Independent (PVI) Sector settings.

DSG Funding Blocks	Estimated DSG Settlement £000	Block Transfer 2022/23 £000	Revised DSG 2022/23 £000	Forecast Distribution / Spend 2022/23 £000	Forecast Surplus / (Deficit) £000
Schools Block	190,743	(954)	189,789	189,436	353
Central School Services Block	1,182	0	1,182	1,182	0
High Needs Block (Pre/Post 16)	32,843	954	33,796	36,539	(2,743)
Early Years Block	17,304	0	17,304	16,630	674
Total	242,071	0	242,071	243,787	(1,716)

The projected outturn position against the 2022/23 DSG settlement is included in the table above. It should be noted that the DSG allocation is adjusted throughout the financial year by the DfE for High Needs allocations to academies and out of borough adjustments and Early Years Funding based on take-up of places. Tameside MBC starts the financial year with a carried forward deficit of **£3,243k** which will need to be addressed.

Schools Block

The forecast surplus of £353k on the schools block relates to £355k unallocated growth, a minor variation of £1k on an academy conversion offset by a (£3k) retrospective business rates charge. The growth allocation is based on pupil numbers at the October 2022 census point and the figures have been updated to reflect this. It is proposed that any surplus on the schools block contributes to the DSG deficit.

Early Years

The forecast distribution / spend is based on the actual payments made to providers for the summer and autumn term and estimated uptake for the spring term for 2, 3 and 4 year olds. The current forecast indicates underspends of £453k for 3 & 4 year olds, £245k for 2 year olds and £28k for the Disability Access Fund, and an overspend of £57k on early years pupil premium.

Participation is difficult to estimate but is continuing to reduce which is why there appears to be a surplus against 3 and 4 year olds. There will be an adjustment to the early years funding based on the Spring Term census data and if the estimated participation is accurate, there will be a clawback of funds, which will reduce the anticipated surplus. The reduction in participation for 3 and 4 years olds is partly due to the birth rate reducing but take up of places has also dropped. Historically Tameside has seen a high level of take up at approx. 98% but more recently, this is closer to 95% as based on the latest census information.

This is a complex area of funding which will continue to be closely monitored and reported to Schools' Forum and Members.

Central Services Schools Block

The central service schools block is estimated to be fully spent.

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High Needs

The forecast in-year deficit on the high needs block is £2,939k and is similar to the original forecast with only a slight increase of £10k. However included in this are a number of savings or areas of cost avoidance (see table below) that were agreed as part of the Deficit Recovery Plan. These total £688k and there are potential risks in realising these, if they do not materialise the in-year deficit will increase and affect future years.

	2022-23 £000
Planned Savings Included in Template	
Resource Base Review	152
Growth and Overcapacity	50
Contract Review	288
TPRS and improved inclusive practice	98
Total Savings	688

The budget also includes a significant amount of growth at £5,401k representing the expected further increases in the number of Education Health and Care Plans (EHCPs) as well as the creation of the new resourced units.

To date £4,133k or 77% of earmarked growth has been spent. Growth was predicted to be spent more or less equally over the financial year so we would have expected to have spent around 75% of the budget so far, at 77% this could indicate growth could be slightly higher than expected. Also some of the growth was in areas not anticipated as the table below shows there has been higher than expected growth in the Post 16 sector and in out of borough placements. Growth will continue to be monitored closely and a more detailed review will need to be carried out following updated intelligence from the SEN team as well as updates on the new resourced units.

Sector	Growth Provision £000	Actual Growth to Date £000	% Spent	Remaining Growth £000	% Left
Mainstream	2,108	872		1,236	
Special	1,387	724		663	
Resourced Units	767	74		693	
Independent Schools	908	1,307		(399)	
PVI	0	54		(54)	
NMSS	0	59		(59)	
OOB (Pre 16)	0	412		(412)	
Post 16	231	631		(400)	
Totals	5,401	4,133	77%	1,268	23%

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DEDICATED SCHOOLS GRANT RESERVE POSITION

Prior year's dedicated schools grant is set aside in a reserve, details of which are outlined in the table below for both the final year end position in 2021/22 and the forecast for 2022/23.

	2021/22 Surplus / (Deficit) £000	2022/23 Forecast Surplus / (Deficit) £000
DSG Reserve Brought Forward	(1,686)	(3,243)
Schools Block	178	353
In year surplus on Central Service Block	7	0
In year deficit on High Needs Block	(1,973)	(2,743)
In year surplus on Early Years	147	674
Early Years 2020-21 Final Adjustment	6	0
Estimated Early Years 2021-22 Adjustment and Final Adjustment as confirmed in July 2022	78	4
DSG Reserve after Commitments	(3,243)	(4,956)

In 2021/22 the deficit increased to £3,243k, in the main this due to funding the overspend on the High Needs Block. There have been contributions to the reserve in year, the most significant of these relating to surplus funds in the Early Years Block, the underspend on schools block relates to business rates and unallocated growth.

If the 2022/23 forecasts materialise the deficit would further increase to £4,956k. A deficit recovery plan has been developed and submitted to the DfE. Discussions are continuing with the DfE and are ongoing. The position will continue to be closely monitored and updates reported to Schools' Forum and Members.