

DEDICATED SCHOOLS GRANT (DSG)

There is a forecast in year deficit on the DSG in 2024-25 of £26.135m. This follows deficits in 2023-24 and 2022-23 which would result in a total cumulative deficit of £43.080m by 31 March 2025.

DSG income and expenditure does not form part of the Council’s general fund revenue budget, but any surplus or deficit on the DSG funding held by the Council forms part of the Council’s reserves. Temporary regulations introduced in 2020 require that these balances are held separately. These regulations expire in 2026, at which point any deficit on the DSG balances will need to be funded by the Council.

Local authorities with a DSG deficit are required to have a DSG management plan. This plan should identify the strategy, key areas and decisions that are required to bring spending back in line with funding and to repay the deficit. This is currently being developed.

Dedicated Schools Grant 2024-25	£m
Net Controllable Budget:	433.160
Forecast Net Expenditure	459.295
Forecast (Under) / Over Spend	26.135

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Area	Net Budget	Full Year Forecast	Forecast (Under) / Over spend	Narrative
	£m	£m	£m	
Central School Services Block	4.441	4.162	(0.279)	School Forum agreed to a planned uncommitted allocation of £0.300m to help offset the current DSG deficit.
Early Years Block	75.128	74.572	(0.556)	97% of this block funding is passported to Early Years and Childcare providers. There is a significant change in budget from the previous year due to the increases in entitlement for working parents of 2 year olds from April 2024 and 9 month to 2 year olds from September 2024. Current estimates are based on an assumed take-up which will be varied based on future census data so that funding reflects the actual demand for provision. Underspend relates to less spend on central costs than previously forecast.
High Needs Block - Places	19.290	19.290	0.000	The figures represent the agreed High Needs Places agreed for start of year budgets. Further additional places can be agreed during the year but will be paid via the element 3 (top-up) funding paid to schools and academies throughout the year.

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High Needs Block - Top-ups	80.572	109.638	29.066	<p>Significant increases in the number of children with Education, Health and Care Plans (EHCP's) have resulted in increases to the payments required to support childrens education. As demand increases and the capacity within maintained schools and academies is fully utilised this manifests itself within the Independent and non-maintained special school sector where costs are generally higher to support children. This area of spend is forecast to rise to £33.302m representing an £14.454m overspend compared to budget. Other significant overspends in this area include Primary Schools (£4.855m), Secondary Schools (£2.579m) and Post 16 independent and further education colleges (£1.609m). Discussions with schools and academies have resulted in some additional capacity from September 2025 which should help to avoid future higher cost provision. The council has some significant SEND capital funding available (£28.090m received to date with £21.436m currently unallocated) to increase capacity in the longer term. The change from Quarter 1 shows increases across the board which reflects the increasing numbers of pupils who have an education, health and care plan (EHCP). These increases include primary schools (£1.650m), secondary schools (£1.220m), special schools (£1.613m), independent non-maintained special schools (£1.613m) and pupil referral units (£1.382m).</p>
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High Needs Block - Other	17.148	15.805	(1.343)	<p>Predominately used to fund central services that provide additional support to Children. Many of these services are going through a redesign process to ensure support is targeted in the right areas in a cost-effective manner. Also in this area is a £1.2m unallocated fund which is set aside to aid implementation of a DSG deficit recovery plan. Additional estimated clawback of funding due to exclusions since Quarter 1.</p>
Schools Block (excluding pupil growth)	586.295	586.205	(0.090)	<p>Funding to support school and academy budgets. For maintained schools this includes some centrally retained funds (£4.496m) created by de-delegation and top slice of school budgets for specific items agreed by Schools Forum and these are forecast to be £0.207m underspent.</p>
Pupil Growth & falling rolls	2.233	1.570	(0.663)	<p>Funds to support issues associated with pupil growth or falling rolls. Schools Forum agreed to set aside £0.450m to support future costs with the opening of new free schools and a further £0.293m left unallocated to help offset the DSG deficit</p>

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Recoup ment	(351.947)	(351.947)	0.000	This represents the amount of funding taken off at source from Derbyshire's gross DSG allocation in order that the ESFA can pay academy schools directly (academy funding shown in High Needs Places and School Block)
TOTAL	434.284	451.712	17.428	