

Bristol Schools Forum
2023/24 DSG forecast report as at September 2023 (Period 06)

Date of meeting:	28 th November 2023
Time of meeting:	5.00 pm
Venue:	City Hall

1 Purpose of report

- 1.1 This report provides information of the 2023/24 DSG position as at Period 06 (P06) to end of September 2023.

2 Recommendation

2.1 Schools Forum is invited to:

- a) note the P06 forecast position as at end of September 2023 for DSG
- b) note the Q2 forecast position for maintained schools.
- c) Note the increase funding available for schools in financial difficulties.

3 2023/24 DSG forecast position

The DSG ended the 2022/23 financial year with an in-year deficit of £15.030m or a cumulative deficit of £39.680m including £24.650m deficit brought forward from the previous years.

As illustrated in Table 1 (with further details set out in Appendix 1), the 2023-24 gross allocation for DSG is £452.3m (net amount £196.6m after deduction for academies recoupment, NNDR and direct funding of high needs places by ESFA) per ESFA announcement on 20th July 2023.

The DSG is forecasting to overspend by £16.396m in 2023/24, the key change being delivery of £2.112m savings from the DfE DBV programme. The main driver of forecast overspend remains to be in High Needs top-up and placements costs resulted from increasing EHCP and complexity of Children with SEN. The mitigated cumulative deficit forecast position at the end of 2023/24 could reach £56.076m.

Early Years is forecasting an in-year overspend of £0.912m, this is driven primarily from increased demand in EY's SEN £0.640m and EY & Nursery Improvements overspending of £0.269m. This item will be mitigated with use of EY transformation funding carried forward from 2022-23.

High Needs Transformation programme is forecasting an overspend of £0.980m which will be largely met from the carry-forward of £0.928m funding agreed from previous years.

Summary DSG position as at 2023/24 Period 6 (P6)

Table 1 - Bristol Dedicated Schools Grant 2023/24	2022/23 B/f balance	Gross DSG funding / Budget 2023/24*	P06 Gross DSG forecast outturn	In-year variance as at P06	Cumulative C/f forecast position as at P06
	£'000				
Schools Block	(787)	323,851*	323,851**	(0)	(787)
De-delegation	(527)		(1)	(1)	(528)
Central School services Block	8	2,717	2,709	(8)	
Early Years	(605)	37,432	38,344	912	307
High Needs Block	42,520	86,675	103,230	16,625	59,145
High Needs Transformation	(928)	1,627	2,677	980	52
Funding	0	(452,302)	(452,302)	0	0
Total (Unmitigated position)	39,680		18,508	18,508	58,188
Mitigations (budget vs. forecast in 2023-24)		(3,180)	(2,112)		(2,112)
Total - Mitigated position	39,680		16,396	18,508	56,076
<p>* Bristol gross DSG Allocations, including recoupment and deductions for NNDR, and for direct funding of high needs places directly passported to schools by ESFA totalling £255.752m as of 20th July 2023.</p> <p>**Following the closure of St Barnabas the schools block is likely to underspend by £283,653, work is underway to ascertain the final schools balances in 2023/24.</p>					

LA Maintained Schools forecast position.

As reported to September School Forum, 2022/23 proved to be challenging for the sector, and the financial health of LA maintained schools deteriorated by £5.279m during the year, ending with £1.765m cumulative deficit.

The 2023/24 LA maintained schools' forecast financial position has deteriorated from the position as reported at Q1. Maintained schools have submitted their Q2 forecasts, which show an overall movement of £1.258m from the Q1 reported position, with outturn forecast at deficit of £4.834m. The summarised position is shown in Table 2 below.

Please note that school balances are distinct from the DSG and so these figures are NOT included within DSG Schools' Block figure in Table 1 above.

Table 2

Table 2 2023/24 Bristol LA Maintained Schools Financial Summary	2023/24 Closing Balance forecast as at Q2	2023/2024 In Year balance forecast as at Q2	Number of Schools with cumulative deficit as at 31/3/2024	Number of Schools with deficit variance to Q1
Nursery	7,215,354	165,269	11 of 12	no change
Primary	-1,907,703	998,676	5 of 28	no change
Primary with Nursery Class	-275,696	461,531	3 of 12	up one
SECONDARY	-21,118	370,547	1 of 2	up one
SPECIAL	-491,730	297,665	2 of 5	up one
PRU	-325,124	178,822	0 of 1	no change
Sub Total	4,193,983	2,472,511	22 of 60	
Bristol LA CC	640,499	99,167	1 of 1	no change
Sub Total inc CC	4,834,482	2,571,678	23 of 61	
Total	4,834,482	2,571,678		

Based on information provided by LA Maintained Schools at Quarter 2, an in-year deficit position of £2.572m (including Children's Centre) was projected by Bristol LA Maintained

Between Q1 and Q2 Maintained Nursery Schools in-year forecast position deteriorated by £0.397m due because Schools have adopted a more prudent position following the emerging pressure over the Summer despite the previously reported uplift in the MNS supplement for 2023/24 and the enhanced rates from September 2023. Recovery plans are required to address the accumulated deficits.

Maintained Primary and Secondary schools also identified deepening pressures in their positions. The closing forecasts for this sector worsened with movement if forecast closing position of £0.819m.

Special schools and PRUs also reported deteriorating positions, with movement of £0.055m in the period.

Type of Setting	Opening Bal 23/24	Q1 23/24 Forecast C/BAL	Q1 proposed Annual Recovery	Q2 23/24 Forecast C/BAL	Q2 23/24 C/Bal Adjusted for RCC Reversal	Minded To	No of school approved for Licenced Deficit	Licenced Deficit Approval
	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Nursery	£7,118	£7,005	£76	£7,355	£438	£438	2	£438
Primary	£441	£827	£8	£1,001	£955	£103	1	£103
Primary with Nursery Class	£416	£684	£0	£739	£99	£0		£0
PRU	£0	£0	£0	£0	£0	£0		£0
Secondary	-£40	-£71	£0	£293	£0	£0		£0
Special	£234	£484	£0	£727	£0	£0		£0
Total	8,169	8,930	84	10,115	1,492	541	3	541

Education and Financial Service are working closely with the schools on recovery programmes with 3 schools already have their licenced deficit plans approved.

All schools forecasting deficit position have been notified to produce robust recovery plans to secure their long-term financial sustainability. Meetings are being held with schools' leadership team and schools' governing bodies to explore solutions.

Where plans demonstrate sustainability and the ability to recover the historic financial deficit, a funding source is needed to bridge temporarily the financial gap in the concerned LA maintained schools.

In September's meeting, School Forum endorsed the proposal to provide that bridge from £1.102m of earmarked reserves. This £1.102m is composed of funding from the closed school surplus (£0.517m), the schools in financial difficulty reserve (£0.335m) and from TWS reserves (£0.250m).

Following School Forum, BCC Cabinet approved the plan to use the £1.102m earmarked reserves to provide this temporary support to the schools in financial difficulty.

September's meeting officers informed School Forum of the proposed grant from the ESFA for maintained schools in financial difficulty. The allocation being made available to Bristol has since been announced at £0.675m. This is ringfenced for the support of maintained schools (including Nursery Schools) in financial difficulty; the ESFA provides alternative dedicated support for academies that are in financial difficulty. The additional funding

stream increases the financial support available to schools in financial difficulties to £2,047m. The link to the ESFA grant for the Schools in Financial Difficulties support grant can be found [here](#).

Table 3 shows this additional grant, and so the total available to support maintained schools in financial difficulty.

Table 3 - funding to support LA Maintained schools in financial difficulty				
	Funding Source	Description (£'000)	Available Budget (£'000)	Proposed redesignation funding amount (£'000)
1	2022-23 Schools Block surplus	£270k growth fund underspend and £517k surplus from closed schools	787	517
2	De-delegation surplus	Schools in financial difficulty	335	335
3	TWS reserves		250	250
		subtotal	1,372	1,102
4	ESFA grant for schools in financial difficulty	additional funding for LA maintained schools in Financial difficulty	675	675
		Total	2,047	1,777
Total Possible funding to facilitate temporary financial support for LA maintained schools in financial difficulty				

Planning for the usage of the £0.675m grant is now taking place in line with the guidance and wider work around supporting schools and nursery schools in financial difficulty and the utilisation of these funds will be reported to Schools Forum.

With regard to the Dedicated Schools Grant Block forecast position:

- 3.1 **De-delegated resources (Nil variance).** 2023/24 budget is forecast to be fully utilised.
- 3.2 **School Central Services Block (Nil Variance).** 2023/24 budget is anticipated to be underspent by £8k to offset carry forward overspend from previous years.
- 3.3 **Early Years Block (£0.307m overspend).**

As indicated earlier in the report, Early Years is experiencing pressure in emerging SEN which is anticipated to overspend by £0.645m during the financial year, plus the planned use of the allocated EY / MNS improvement fund carried forward from previous year to support EY transformation work in 2023/24.

- 3.4 **High Needs Block (£17,604m overspend).** The High Needs block is forecast to overspend overall by £17.6m in 2023/24. This is mainly driven by the increasing numbers and complexity of cyp with EHCPs in the city, as evidenced by pressures on top-up and placement budgets. Additionally

there is a planned overspending in the Education Transformation programme to utilise funding carried forward from 2022/23.

- 3.5 High Needs recovery plan proposals are being developed alongside the DSG Management Plan and Department for Education Delivering Better Value for SEND Programme (DfE DBV programme),

The Belonging with SEND Programme (previously known as Education Transformation Programme), is primarily concerned with SEN and consequently the High Needs Block, and a separate report is being presented to School Forum in November 2023

- 3.6 **Funding (Nil Variance).** £452.302m as at July 2023 announcement, which will be subject to Early Year's adjustment where funding is calculated in arrears based on actual participation.

Appendix 1 - 2023/24 DSG P06 forecast position as at September 2023

Bristol DSG Outturn position as at Period 6 (P06) 2023/24	Brought forward 1.4.22	Funding 2023/24	P06 Forecast position	In-year movement	Carry forward 31.3.24	2022/23 Outturn position
	£'000	£'000	£'000	£'000	£'000	£'000
Maintained Schools		80,857	80,857	(0)		77,821
Academy Recoupment		240,206	240,206	0		223,990
Growth Fund		2,788	2,788	0		2,063
Schools Block	(787)	323,851	323,851	(0)	(787)	303,874
De-delegation Services	(527)	0	(1)	(1)	(528)	(23)
Admissions	6	575	575	0	6	529
Centrally Retained	1	2,142	2,134	(8)	(7)	2,213
Schools Central Services	8	2,717	2,709	(8)	(0)	2,742
National Formula		29,523	29,503	(19)		27,105
2-Year-Old Funding		2,914	2,912	(2)		3,172
Pupil Premium (EYPP)		386	386	0		317
Additional Support Services		500	500	0		457
SEN Top up		1,686	2,326	640		2,074
Staffing		2,116	2,113	(3)		1,892
Disability Access Fund		152	181	29		105
SEND Support		156	155	(1)		
EY & Nursery improvement work		0	269	269		74
Early Years Block	(605)	37,432	38,344	912	307	35,196
Commissioned Services		2,653	4,673	2,019		3,422
Core Place Funding		9,289	9,235	(54)		9,102
Staffing		1,237	2,558	1,321		2,272
Top Up		46,390	51,665	5,275		48,610
Placements		10,349	17,609	7,260		14,485
Pupil Support		975	1,708	733		1,402
HOPE Virtual School		236	235	(0)		235
Academy Recoupment		15,547	15,547	0		15,099
Education Transformation		1,627	2,677	1,050		1,343
High Needs Block	41,592	88,302	105,907	17,604	59,196	95,972
Funding		452,302	470,810			437,761
Total	39,681	0	18,508	18,508	58,189	15,031

Appendix 2 - High Needs Block top up funding breakdowns by settings as at P6: September 2023

Appendix 2 - High Needs Block top up funding breakdowns by settings as at P6:	Funding 2023/24	P06 Forecast Outturn	In-year movement	Carry forward 31.3.24	2022/23 Outturn position	2021/22 Outturn
	£'000	£'000	£'000		£'000	£'000
HNB: Top Up Special Schools	23,796	21,957	(1,839)		23,226	22,649
HNB: Top Up OLA	2,107	2,459	352		2,501	2,317
HNB: Top Up GFE	3,714	4,370	656		4,556	4,002
HNB: Top Up - Resource Bases	2,359	3,551	1,192		2,351	2,175
HNB: Top Up - Mainstream Schools	11,755	16,217	4,462		17,180	10,177
HNB: Top Up - PRUs	2,658	3,112	453		2,543	1,526
HNB: Top Up	46,390	51,665	5,275		52,357	42,845