

Bristol Schools Forum
2023/24 DSG forecast report as at October 2023 (Period 07)

Date of meeting:	16 th January 2024
Time of meeting:	5.00 pm
Venue:	Virtual

1 Purpose of report

- 1.1 This report provides information of the 2023/24 DSG position as at Period 07 (P07) to end of October 2023.

2 Recommendation

2.1 Schools Forum is invited to:

- a) note the P07 forecast position for the DSG as at end of October 2023
- b) note that the forecast position for maintained schools remains as reported at November School Forum.

3 2023/24 DSG forecast position

The DSG ended the 2022/23 financial year with a cumulative deficit of £39.680m including £24.650m deficit brought forward from the prior 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 continues to forecast an overspend of £16.396m in 2023/24, this being no change from the P6 reported position. The main driver of forecast overspend remains High Needs top-up and Independent non-maintained placement costs resulted from increasing EHCP, complexity of Children with SEN and lack of sufficiency. The mitigated cumulative deficit forecast position at the end of 2023/24 could reach £56.076m.

Early Years continues to forecast an in-year overspend of £0.912m, and is driven from increasing demand in EY's SEN £0.640m and the EY & Nursery Improvements programme overspending of £0.269m. The programme overspend is intended and will be mitigated with use of the EY transformation funding carried forward from 2022-23.

Summary DSG position as at 2023/24 Period 7 (P7)

Table 1 - Bristol Dedicated Schools Grant 2023/24	2022/23 B/f balance	Gross DSG funding / Budget 2023/24*	P07 Gross DSG forecast outturn	In-year variance as at P07	Cumulative C/f forecast position as at P07
	£'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	16,555	59,075
High Needs Transformation	(928)	1,627	2,677	1,050	122
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

* 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.
**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.

LA Maintained Schools forecast position.

As reported to September School Forum, 2022/23 was challenging for the sector, and the financial health of LA maintained schools deteriorated by £5.279m during the 2022-2023 year, and ending with £1.765m cumulative deficit.

As reported in November, the 2023/24 LA maintained schools' forecast financial position has deteriorated from the position as reported at Q1. Q2 forecasts show an overall worsening 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		

Information provided by LA Maintained Schools at Quarter 2, projects an in-year deficit position of £2.572m (including Children’s Centres).

As reported to November School Forum the deterioration between Q1 and Q2 Maintained Nursery Schools in-year forecast positions was in part due to schools adopting a more prudent position following emerging pressures over the Summer, despite the uplift in the MNS supplement for 2023/24 and the enhanced rates from September 2023. Recovery plans are being prepared to address the accumulated deficits.

Maintained Primary and Secondary schools identified greater pressures in their positions. With Q2 forecasting a cumulative closing position of £2.205m surplus, down £1.831m.

Special schools and PRUs also reported deteriorating positions, with forecast cumulative closing positions of £0.817m, a decrease of £0.476m from 2022-2023.

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. Education and Financial Service colleagues are working closely with the schools on their recovery programmes.

The schools in difficulty funding reported in November provides the necessary sources to bridge temporarily the financial gap in the concerned LA maintained schools, including planning the use of the £0.675m additional grant being made available to support LA maintained schools.

To date three schools have approved licenced deficit plans, the rest are continuing to develop satisfactory recovery plans. The three approved plans, and repayment profiles, are summarised in Table 3 below:

Table 3

Bristol Schools Licenced Deficit Plans (LD)								
			Repayment Profile					
Type of Setting	No of schools approved for Licenced Deficit	Licenced Deficit Approval	2023/24	2024/25	2025/26	2026/27	2027/28	Balance
Nursery	2	£437,917	-£87,583	-£87,583	-£87,583	-£87,583	-£87,583	£0
Primary	1	£103,100	-£36,445	-£33,328	-£33,328	£0	£0	£0
Total	3	£541,017	-£124,028	-£120,911	-£120,911	-£87,583	-£87,583	£0

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 **Central School 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 **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 P07 forecast position as at October 2023

Bristol DSG Outturn position as at Period 7 (P07) 2023/24	Brought forward 1.4.23	Funding 2023/24	P07 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 P7: September 2023

Appendix 2 - High Needs Block top up funding breakdowns by settings as at P6:	Funding 2023/24	P07 Forecast Outturn	In-year movement	Carry forward 31.3.24	2022/23 Outturn position
	£'000	£'000	£'000		£'000
HNB: Top Up Special Schools	23,796	21,957	(1,839)		23,226
HNB: Top Up OLA	2,107	2,459	352		2,501
HNB: Top Up GFE	3,714	4,370	656		4,556
HNB: Top Up - Resource Bases	2,359	3,551	1,192		2,351
HNB: Top Up - Mainstream Schools	11,755	16,217	4,462		17,180
HNB: Top Up - PRUs	2,658	3,112	453		2,543
HNB: Top Up	46,390	51,665	5,275		52,357