

**Bristol Schools' Forum**  
**Dedicated Schools Grant (DSG) update**

<b>Date of meeting:</b>	26 <sup>th</sup> March 2024
<b>Time of meeting:</b>	5.00 pm
<b>Venue:</b>	Virtual

## 1 Purpose of report

This report provides:

- 1.1 information of the 2023/24 DSG forecast as at Period 10 (P10) to end of January 2024
- 1.2 confirmation that the 2024-25 schools funding formula has been approved by the Education and Skills Funding Agency (ESFA) of the Department for Education (DfE)

## 2 Recommendation

### 2.1 Schools Forum is invited to:

- a) note the P10 forecast position for the DSG as at end of January 2024
- b) note that the forecast position for maintained schools remains as reported at the January Schools' Forum.
- c) Note the DfE approval of the 2024-25 DSG Schools' funding formula

## 3 2023/24 Dedicated Schools Grant (DSG) Update

### 3.1 DSG Position as at January 2024 Period 10 (P10)

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 £452.302m (net amount £196.550m after deduction for academies recoupment, National Non-Domestic Rates (NNDR) and direct funding of high needs places by ESFA) per ESFA announcement on 20<sup>th</sup> July 2023.

The DSG continues to forecast an overspend of £16.396m in 2023/24, this being no change from the P7 reported position. The main driver of forecast overspend remains High Needs top-up and Independent non-maintained placement costs resulted from increasing Education Health and Care Plans (EHCPs), complexity of Children with Special Educational Needs and/or Disabilities (SEND), 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 Early Years SEND £0.640m and the Early Years & Nursery Improvements programme overspending of £0.269m. The programme overspend is intended and will be mitigated with use of the Early Years transformation funding carried forward from 2022-23.

**Summary DSG position as at 2023/24 Period 10 (P10)**

<b>Table 1 - Bristol Dedicated Schools Grant 2023/24</b>	<b>2022/23 B/f balance</b>	<b>Gross DSG funding / Budget 2023/24*</b>	<b>P10 Gross DSG forecast outturn</b>	<b>In-year variance as at P10</b>	<b>Cumulative C/f forecast position as at P10</b>
<b>£'000</b>					
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
<b>Total (Unmitigated position)</b>	<b>39,680</b>		<b>18,508</b>	<b>18,508</b>	<b>58,188</b>
Mitigations (budget vs. forecast in 2023-24)		(3,180)	(2,112)		(2,112)
<b>Total - Mitigated position</b>	<b>39,680</b>		<b>16,396</b>	<b>18,508</b>	<b>56,076</b>

\* Bristol gross DSG Allocations, including recoupment and deductions for NNDR, and for 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.

### 3.2 De-delegated resources (Nil variance).

2023/24 budget is forecast to be fully utilised.

### 3.3 Central School Services Block (Nil Variance).

2023/24 budget is anticipated to be underspent by £0.008m to offset carry forward overspend from previous years.

### 3.4 **Early Years Block (£0.307m overspend).**

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

### 3.5 **High Needs Block (£17.605m overspend).**

The High Needs block is forecast to overspend overall by £17.605m in 2023/24. This is mainly driven by the increasing numbers and complexity of children and young people with Education Health and Care Plans (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.

### 3.6 **LA Maintained Schools forecast position.**

As previously reported to Schools' Forum, 2022/23 was challenging for the sector, and the financial health of LA maintained schools decreased by £5.279m during the 2022-2023 year, ending with £2.263m cumulative deficit.

As reported in January, the 2023/24 LA maintained schools' forecast financial position deteriorated from the position as reported at Q1, where Q2 forecasts showed an overall adverse movement of £1.258m from the Q1 reported position, with an outturn deficit forecast of £4.834m.

The forecast position at Q3 has deteriorated further from Q2 by £1.071m with schools now indicating an in-year deficit of £3.642m and a final outturn deficit forecast for 2023/24 of £5.905m.

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**

<b>Table 2</b>	2022/23	2023/24 Closing	2023/24 Closing	2023/2024 In	Number of	Number of	Variance
2023/24 Bristol LA Maintained Schools Financial Summary	Carried Forward	Balance forecast as at Q2	Balance forecast as at Q3	Year variance to 2022/23 forecast as at Q3	Schools with cummulative deficit as at 31/3/2024	Schools with deficit variance Q3 to Q2	Q3 to Q2
Nursery	7,050,084	7,215,354	7,122,639	72,555	11 of 12	no change	-92,715
Primary	-2,906,379	-1,907,703	-1,648,538	1,257,841	6 of 28	up one	259,165
Primary with Nursery Class	-737,227	-275,696	-126,678	610,549	4 of 12	up one	149,018
SECONDARY	-391,665	-21,118	397,884	789,549	1 of 2	no change	419,002
SPECIAL	-789,396	-491,730	-347,447	441,950	2 of 5	no change	144,283
PRU	-503,946	-325,124	-78,596	425,350	0 of 1	no change	246,528
<b>Sub Total</b>	<b>1,721,471</b>	<b>4,193,983</b>	<b>5,319,264</b>	<b>3,597,794</b>	<b>24 of 60</b>		<b>1,125,281</b>
Bristol LA CC	541,333	640,499	585,878	44,546	1 of 1	no change	-54,621
<b>Sub Total inc CC</b>	<b>2,262,804</b>	<b>4,834,482</b>	<b>5,905,142</b>	<b>3,642,340</b>	<b>25 of 61</b>		<b>1,070,660</b>

Information provided by LA Maintained Schools at Quarter 3, projects an in-year deficit position of £3.642m (including Children's Centres).

Whilst Maintained Nursery Schools have seen a small improvement to their cumulative financial position since Q2 and are forecasting a closing deficit balance of £7.123m which shows a favourable movement of £0.093m since Q2, their Q3 forecast projection for 2023/24 continues to show an adverse movement of £0.073m when compared to the balance carried forward from 2022/23.

Maintained Primary and Secondary schools identified greater pressures in their forecast positions at Q3 and are forecasting a cumulative closing position of £1.377m surplus, down £2.658m when compared to 2022/23.

Special schools and Pupil Referral Units (PRUs) also reported deteriorating positions, with forecast cumulative closing positions of £0.426m, a decrease of £0.867m when compared to 2022/23.

All schools forecasting a 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.

### 3.7 Schools in Financial Difficulty

The schools in financial difficulty funding of £0.676m, confirmed by the DfE in October 2023, is intended to assist the Local Authority in supporting schools in deficit or those facing substantial financial challenges to recover accumulated deficit positions and sustain balanced budgets.

In accordance with the Conditions of Grant, and following a review of the individual schools' forecast financial positions the allocation of the funding has been agreed to be used to support the reduction of deficit balances in the concerned Maintained Nursery and Primary Schools

All schools affected will be supported directly by Local Authority colleagues to develop robust deficit recovery plans in order to determine sustainable in-year balanced budgets leading to recovery of accumulated deficit balances over an agreed period per school.

## 4 2024/25 School Funding Formula approval

4.1 Following the meeting of Schools' Forum of 16 January 2024, where consideration to the final formula factors and decisions were reached, the Authority Proforma Tool (APT) containing the 2024/25 formula funding allocations for Mainstream schools and academies was submitted to the Education and Skills Funding Agency (ESFA) of the Department for Education (DfE) by the statutory deadline of 22 January 2024.

After completing their validations the ESFA have acknowledged the compliance of the Local Authority in completing the 2024/25 APT as per Regulatory requirements.

The following was received from the ESFA on 19<sup>th</sup> February 2024:

**From:** QUESTIONS, APTsubmissions <[APTsubmissions.QUESTIONS@education.gov.uk](mailto:APTsubmissions.QUESTIONS@education.gov.uk)>  
**Sent:** Monday, February 19, 2024 4:23 PM  
**Subject:** 801 Bristol, City of 2024-25 APT Compliance

Dear colleagues,

Thank you for providing your completed 2024-25 proforma and any additional clarifying emails and documentation.

I can confirm that the authority's adherence to the finance regulations and proforma appear to meet the required criteria, and we would like to thank you for the work done to achieve this.



Education & Skills  
Funding Agency

Thanks,

Forum are asked to note the ESFA approval of the APT and schools funding formula for 2024/25

Forum are also thanked for their support through deliberations and consideration to the final formula factors applied to 2024/25.

## Appendix 1 - 2023/24 DSG P10 forecast position as at January 2024

Bristol DSG Outturn position as at Period 10 (P10) 2023/24	Brought forward 1.4.23	Funding 2023/24	P10 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
<b>Schools Block</b>	<b>(787)</b>	<b>323,851</b>	<b>323,851</b>	<b>(0)</b>	<b>(787)</b>	<b>303,874</b>
<b>De-delegation Services</b>	<b>(527)</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>	<b>(528)</b>	<b>(23)</b>
Admissions	6	575	575	0	6	529
Centrally Retained	1	2,142	2,134	(8)	(7)	2,213
<b>Schools Central Services</b>	<b>8</b>	<b>2,717</b>	<b>2,709</b>	<b>(8)</b>	<b>(0)</b>	<b>2,742</b>
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
<b>Early Years Block</b>	<b>(605)</b>	<b>37,432</b>	<b>38,344</b>	<b>912</b>	<b>307</b>	<b>35,196</b>
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 (see Appendix 2)		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
<b>High Needs Block</b>	<b>41,592</b>	<b>88,302</b>	<b>105,907</b>	<b>17,604</b>	<b>59,196</b>	<b>95,972</b>
<b>Funding</b>		<b>452,302</b>	<b>470,810</b>			<b>437,761</b>
<b>Total</b>	<b>39,681</b>	<b>0</b>	<b>18,508</b>	<b>18,508</b>	<b>58,189</b>	<b>15,031</b>

**Appendix 2 - High Needs Block top up funding breakdowns by settings as at P10:  
 January 2024**

<b>Appendix 2 - High Needs Block top up funding breakdowns by settings as at P10:</b>	<b>Funding 2023/24</b>	<b>P10 Forecast Outturn</b>	<b>In-year movement</b>	<b>Carry forward 31.3.24</b>	<b>2022/23 Outturn position</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		<b>£'000</b>
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
<b>HNB: Top Up</b>	<b>46,390</b>	<b>51,665</b>	<b>5,275</b>		<b>52,357</b>