

# Schools Forum Report

## Dedicated Schools Grant – confirmed outturn 2022-23

11/10/2023

### **Executive Summary**

This report sets out the final outturn position for Tower Hamlets' Dedicated Schools Grant (DSG) Budget for 2022-23, updating the provisional underspend of £0.9 million reported in June 2023, with the confirmed final position of underspend of £1.199 million.

### **Details of recommendations and timescales for decisions:**

Schools Forum are asked to consider and agree to the treatment of DSG block balances.



## 1. 2022-2023 movement from preliminary to final DSG Outturn

- 1.1. The 2022-23 provisional year-end DSG position was reported to Schools Forum in June 2023. After the accounts were finalised in July 2023 (subject to audit), this underspend increased from £907m by £0.291k to £1.199m.
- 1.2. A breakdown of the movement in 2022-23 outturn from provisional outturn and the final position per DSG block is shown in table 1 below.

Table 1 2022-23 DSG outturn	Budget £000	Provisional Outturn £000	Final Outturn £000	movement (Outturn) £000
Schools Block	205,478	205,526	205,211	-315
Schools De-Delegated	1,845	2,060	1,649	-411
Central Schools Services	3,736	3,241	3,256	15
High Needs Block	70,601	71,144	71,399	255
Early Years Block	28,600	27,547	27,547	0
<b>DSG Income</b>	<b>-310,261</b>	<b>-310,426</b>	<b>-310,261</b>	<b>165</b>
-Surplus / Deficit	-	-908	-1,199	-291

- 1.3. The schools block outturn movement follows late adjustments in school returns (-£102k); provisions set aside for closing schools that were realised at a slightly improved position of (-£213k). De-delegated budgets benefitted from a reduction in expected write off amounts in contingency (-£411k)
- 1.4. The Central Schools Services block movement is a result of correcting the charging of early retirement costs to nursery schools (£15k).
- 1.5. The High Needs block movement is a result of late charging of alternative provision combined with correction of a grant underspend charge to the DSG (£255k).
- 1.6. The prior year income adjustment (£165k) received in July was also included in the DSG to reduce expenditure.

## 2. 2022-2023 final DSG Outturn per block

2.1. The final block outturn presented in the Section 251 and the Note to the accounts is shown in table 2. The accounting system directs the council to treat the schools NNDR cash adjustment as income for the purposes of these returns, which is why the total differs to the grant received shown in table 1.

The grant received was £312,011m + NNDR in schools £3,777m = reported DSG £314,038m.

Table 2	Budget allocation	Actual expenditure	Block balance	Budget Block transfer	closing block position
Balance per DSG block & impact of block transfer					
Schools block	212,545	210,637	1,908.9	-1,445	463.9
Central school services	3,511	3,256	254.8	-	254.8
High needs block	69,381	71,399	- 2,017.8	1,445	- 572.8
Early years block	28,600	27,547	1,053.8	-	1,053.8
<b>Total DSG allocation</b>	<b>314,038</b>	<b>312,838</b>	<b>1,199.7</b>	<b>-</b>	<b>1,199.7</b>

2.2. Within the overall surplus balance position of £1.199m, the High Needs block overspent by -£2.018m, all other blocks underspent. At the beginning of 2022-23 it was agreed to transfer £1.445m from the Schools' block after fully maximising the budgets, to the High Needs Block. At year end this has reduced the locally reported High Needs Block overspend to -£0.573m.

2.3. This overspend is considerably less than in recent years, partly due to targeted additional funding to High Needs in response to the national overspending position in tandem with tight internal controls. Tower Hamlets still has a historic accumulated deficit, despite applying the surplus spends from other blocks at the end of 2021-22. In 2021-22 the surplus balances were netted off to reduce the HN overspend from £20.7m to £14.3m

2.4. Schools Forum are asked to agree continuing this measure for 2022-23 outturn using the underspends from other blocks, which will reduce the HN cumulative deficit from £14.3m to £13.1m as shown in table 3 below.

Table 3	Historic cumulative deficit 21-22 netted off to HNB £m	2022-23 closing block position £m	Cumulative total 22-23 to carry forward £m
Balance per DSG block & netted off against HNB			
Schools block	0	1.9	0
Central school services	0	0.2	0
High needs block	-14.3	- 2.0	-13.1
Early years block	0	1.0	0
<b>Total DSG allocation</b>	<b>-14.3</b>	<b>1.2</b>	<b>-13.1</b>

