


Agenda Item 3

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|  hammersmith & fulham | London Borough of Hammersmith & Fulham SCHOOLS FORUM Tuesday 2nd July 2024 |
| DEDICATED SCHOOLS GRANT MONITORING QUARTER 1 2024/25 | |
| Open | |
| Wards Affected: (All Wards); All | |
| Accountable Director: Jacqui McShannon, Executive Director of People's Services | |
| Report Author: Tony Burton Head of Finance for Children's Services and Education | Contact Details: E-mail: tony.burton@lbhf.gov.uk |
| Purpose of the report This report updates forum on: The 2023/24 outturn position on the Dedicated Schools pending retrospective Early Years Dedicated Schools Grant Funding adjustment for 2023/24 The 2024/25 budget and forecast outturn position on the Dedicated Schools Grant at 31 st March 2025. | |

1. Introduction

1.1. This paper sets out:

- Carry forward balances at 1st April 2024
- Forecast variances in each of the blocks of the Dedicated Schools Grant in 2024/25.
- Projected closing balances at 31st March 2025

2. Summary Position

2.1. Table 1 below shows the high-level position for 2024/25 financial year at quarter 1.

Table 1 – Accumulated Adjusted DSG Carry Forward from 2023/24 (balances at 31/03/24 and forecast balances at 31/03/25)

| Dedicated Schools Grant (DSG) Balances by Block | | | | |
|--|-------------------------|----------------------------------|----------------------------------|---|
| Figures in red and brackets represent surplus | Balance 31/03/24 | 2024/25 Forecast Variance | Forecast Balance 31/03/25 | Comments |
| | £m | £m | £m | |
| Schools Block | 0 | 0 | 0 | All funding passported to schools per grant regulations No Falling Rolls Fund established 2045/25 Maintained primary school budget underspends to be returned |
| Central Services Schools Block | 0 | 0 | 0 | Nil variance after budgeted £0.511m transfer to support HNB expenditure |
| High Needs Block (including Safety Valve £4m) | 2.378 | (1.416) | 0.962 | £2.04m Safety Valve funding received in 2023/24. £0.960m final Safety Valve Payment expected in 2024/25 |
| Early Years Block | (0.134) | 0.134 | 0 | Surplus balance held pending confirmation of final 2023/24 grant adjustment |
| TOTAL DSG | 2.244 | (1.282) | 0.962 | |

3. High Needs Block

3.1. The High Needs Block is forecast to underspend by £0.456m versus the funding allocation in 2024/25. This represents a significant improvement versus overspend on High Needs over recent years. This is after the budgeted application of £0.511m transfer from Central Services Schools Block and £1.172m transfer from the Schools Block.

3.2. The retained HNB deficit at 31/03/23 was £2.378m after receipt of £19.54m of agreed Safety Valve funding since the commencement of the agreement. £2.04m of Safety Valve Funding was received in 2023/24 with some of the profiled funding for 2024/25 paid early by the ESFA.

- 3.3. The retained deficit is forecast to reduce to £0.962m at 31/03/25 following the receipt of £0.960m further safety valve funding in 2024/25 financial year.
- 3.4. The import/export funding adjustment on the high needs block will be confirmed in Summer 2024 for the 2024/25 budget, as will the provisional High Needs Block Funding allocations for 2025/26 financial year.
- 3.5. It should be noted that inflationary pressures in the wider economy since early 2022 may drive unbudgeted cost pressures over the medium term. Such pressures will be monitored closely.

4. Schools Block and Maintained De-delegation 2024/25

- 4.1. Table 2 shows the Local Authority held budgets for the Schools Block for maintained primary schools and High Needs totalling £36.477m after the Academy conversion of St Augustine's Primary.
- 4.2. A further £81.381m of the Schools Block has been recouped by the ESFA and paid directly to academy and free schools via their GAG funding, including £1.275m for academy conversions since 01/04/24.

Table 2 - Schools Block Forecast 2024/25

| | £m | £m | £m |
|--|----------------|------------------|------------------|
| | 2024/25 Budget | 2024/25 Forecast | 2024/25 Variance |
| Schools Block delegated (after academy recoupment) Maintained Primary Only | 36.822 | 35.580 | (1.242) |
| Falling Rolls Fund | Nil | Nil | Nil |
| Maintained schools de-delegated Budget | 0.622 | 0.600 | (0.022) |
| Maintained schools Education Functions | 0.307 | 0.296 | (0.011) |
| Transfer to High Needs Block | 1.172 | 1.172 | 0 |
| Total Schools Block received by LBHF | 38.923 | 37.648 | (1.275) |

- 4.3. Underspends on the maintained schools de-delegated budgets and education functions will be confirmed to maintained primary schools in March 2025 prior to the financial year close.
- 4.4. De-delegated budgets include £103,000 for maintained primary schools in financial difficulty. Several maintained primary schools are working on deficit recovery plans. A subgroup of the Schools Forum will meet to discuss potential allocations from the fund prior to Schools Forum in the Autumn Term. Any unspent de-delegated funding at 31/03/25 will be repaid to schools in proportion to their contribution.
- 4.5. No falling rolls fund was established in the 2024/25 Schools Block budget as grant conditions going forward require clear school place planning data that places will be required in the next 3 to 5 years

5. Early Years Block 2024/25

- 5.1. The Early Years Block held a surplus carry forward balance of £0.134m at 01/04/24 and pending the final 2023/24 grant allocation expected to be confirmed by the ESFA in the Summer term.
- 5.2. The Early Years block is currently forecast to spend to budget in 2024/25 based on current data available and estimates of the uptake of the new entitlements for two year old and under two year olds.
- 5.3. Funding versus activity will be monitored closely at each census point in the financial year.

6. Central Services Schools block 2024/25

- 6.1. The CSSB block is forecast to outturn to budget at £2.106m in 2024/25, including the £0.501m budgeted contribution to the High Needs block.

Report ends