
York Schools Forum**3 July 2025**

Report of the Director of Finance

**DEDICATED SCHOOLS GRANT & MAINTAINED SCHOOLS
OUTTURN 2024/25****Summary**

- 1 This report presents the summary financial outturn position for the services funded from the Dedicated Schools Grant (DSG) in 2024/25 and sets out how the balance carried forward to 2025/26 has been applied.
- 2 Headline gross DSG expenditure for 2024/25 totalled £178.559m, an underspend of £0.323m (0.2%) compared to the budget of £178.882m. This was enhanced by higher than budgeted DSG income of £0.671m (0.4% of the £174.864m DSG income budget). However, as part of the Safety Valve Agreement that the Local Authority (LA) has made with the DfE, additional grant of £1.460m was also received at the end of the financial year. The net effect of these variations is an overall in year underspend variation to the net budget of £0.994m. This has resulted in a net carried forward of surplus DSG into 2025/26 of £0.592m.

Background

- 3 For 2024/25 the DSG continues to be treated as separate allocations and freedom to transfer resources between blocks without restrictions have been removed. From 2019/20 an additional Central School Services Block was created and transfers between the Schools Block and other blocks are subject to significant controls and restrictions.
- 4 Because of this additional information on how the net DSG outturn balance carried forward to 2025/26 has been applied across the four blocks has been provided.

Analysis

- 5 Details of the outturn position for each block within the 2024/25 DSG are provided in the table at Annex 1. The following paragraphs provide further explanations of the figures at Annex 1 for each block:

Schools Block

- 6 Annex 1 shows that there are only minor net variations in the maintained schools and academy recoupment expenditure figures. The budgeted amounts reflect the position at the time of the LA's Section 251 submission to the DfE. The Section 251 requires that only schools that have converted to academy status prior to the start of the financial year are budgeted as such. This means that as further conversions occur during the year there could be significant divergence from the original budget position. However, during 2024/25 there have been no additional conversions.

Central Services Block

- 7 Annex 1 shows a net underspend of £0.283m in central expenditure. In addition a balance of £0.226m was brought forward from 2023/24 in relation to the school improvement commissioning budget. As the commissioning budget is used to finance activity across the 2024/25 academic year, there is a requirement to carry forward £0.236m to 2025/26 to fund expenditure up until August 2025, or to support further allocations to schools yet to be agreed.
- 8 The remaining underspend is mainly due to lower than budgeted prudential borrowing costs and further reductions in combined budgets to meet the requirements of the safety valve agreement. Given the significant pressures being experienced within the High Needs Block in relation to SEND expenditure, current practice is for any remaining surplus balance to be transferred to the High Needs Block. For 2024/25 this transfer is £0.273m.

Early Years Block

- 9 Net in year expenditure within the Early Years Block has been £0.064m lower than budgeted for. The early years element of the DSG is calculated on the basis of actual take up of hours. However, the final adjustment, based on the January 2025 early years census, has not yet been made. As the LA's practice is to always budget to spend the full Early Years DSG allocation and retain no contingency, then this surplus balance will need to be carried forward to 2025/26 to offset the negative DSG adjustment expected to be made to the early years DSG in 2025/26.

High Needs Block

- 10 Net in year expenditure within the High Needs Block has been £0.827m lower than budgeted for but £0.744m higher than the core DSG funding allocated by government. However, as part of the Safety Valve Agreement that the Local Authority (LA) has made with the DfE, additional grant of £1,460m was also received during the financial year. The effect of this additional grant produces a net in year High Needs block surplus of £0.716m, and moves the High Needs carry forward to 2025/26 from the originally budgeted £0.402m deficit to an actual surplus of £0.592m

Maintained School Outturn Balances

- 11 Annex 2 sets out the details of maintained schools' financial position at the end of the 2024/25 financial year. The tables shows that schools held revenue balances totalling £1.261m at 31 March 2025, representing 2.2% of core revenue funding. This is a significant reduction of £0.212m (14%) over the year, with only seven schools (out of 22) maintaining expenditure within their income level for 2024/25.
- 12 Deficits of the levels experienced during 2024/25 are unsustainable if continued into future years. Schools Start Budgets and financial plans for 2025/26 are currently being analysed, with a further report to be presented to the forum in the autumn term.

Recommendations

- 13 The Schools' Forum is asked to note and comment on the information contained in this report.

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Annexes

Annex 1 – Dedicated Schools Grant Outturn 2024/25

Annex 2 – Maintained School Outturn Balances 2024/25

Background Papers

2024/25 Section 251 Statement

Maintained Schools 2024/25 Year End Statements

DEDICATED SCHOOLS GRANT - 2024/25 OUTTURN			
	Budget £m	Actual £m	Variance £m
<u>Schools Block</u>			
Maintained Schools Expenditure	38.827	38.827	0.000
Academy Recoupment	88.826	88.826	0.000
Pupil Growth Fund	0.383	0.435	0.052
DSG Funding	(125.589)	(125.589)	0.000
Post 16 Grant	(2.447)	(2.447)	0.000
Net Expenditure	0.000	0.052	0.052
Brought Forward from 2023/24	0.000	0.027	0.027
Carried Forward to 2025/26	0.000	0.079	0.079
<u>Central Services Block</u>			
Expenditure	1.846	1.575	(0.271)
DSG Funding	(1.846)	(1.858)	(0.012)
Net Expenditure	0.000	(0.283)	(0.283)
Brought Forward from 2023/24	0.000	(0.226)	(0.226)
Transferred to High Needs Block	0.000	0.273	0.273
Carried Forward to 2025/26	0.000	(0.236)	(0.236)
<u>Early Years Block</u>			
Expenditure	18.959	19.526	0.567
DSG Funding	(18.959)	(19.462)	(0.503)
Net Expenditure	0.000	0.064	0.064
Brought Forward from 2023/24	0.000	(0.125)	(0.125)
Carried Forward to 2025/26	0.000	(0.061)	(0.061)
<u>High Needs Block</u>			
Schools/Providers Expenditure	23.531	22.774	(0.757)
Direct Places Recoupment	3.902	4.103	0.201
Central Services Expenditure	2.608	2.493	(0.115)
DSG Funding	(28.470)	(28.626)	(0.156)
Additional Safety Valve Funding	(1.460)	(1.460)	0.000
Net Expenditure	0.111	(0.716)	(0.827)
Brought Forward from 2023/24	0.291	0.615	0.324
Transferred from Central Block	0.000	(0.273)	(0.273)
Carried Forward to 2025/26	0.402	(0.374)	(0.776)
<u>DSG TOTAL</u>			
Gross Expenditure	178.882	178.559	(0.323)
DSG Funding	(174.864)	(175.535)	(0.671)
Post 16 Grant	(2.447)	(2.447)	0.000
Additional Safety Valve Funding	(1.460)	(1.460)	0.000
Net Expenditure	0.111	(0.883)	(0.994)
Brought Forward from 2023/24	0.291	0.291	0.000
Carried Forward to 2025/26	0.402	(0.592)	(0.994)