



## Dedicated Schools Grant Outturn 2025-26

<b>Report to:</b>	<b>Schools Forum</b>
<b>Date of Meeting(s):</b>	26 June 2025
<b>Report of:</b>	Colette Dutton: Director Children and Families
<b>Contact Officer:</b>	Mark Rotheram – Strategic Finance Manager Kirsten Reid – Group Finance Manager
<b>Summary:</b>	To inform Schools Forum of the implications of an overall DSG deficit
<b>Recommendation(s):</b>	For Schools Forum to note the contents of the report.
<b>Implications:</b> What are the financial implications? What are the staffing implications?	Without mitigation Wigan's overall DSG deficit position is forecast to increase significantly. There are no currently identified staffing implications based on this report.
<b>Risks</b>	The Secretary of State could impose specific conditions on the DSG grant if it is deemed sufficient action is not being taken to address the overall DSG deficit position.

Please list any appendices:

Appendix 1 DSG Summary for 2024-25

Appendix 2 School Balances as at 31<sup>st</sup> March 2025

Appendix 3 High Needs Block outturn 2024-25

## 1. Introduction

- 1.1 As per appendix 1 Wigan's overall DSG position has increased from a deficit of £0.700m as at 31/03/2024 to £9.740m as at the 31/03/25. This has largely been driven by the cumulative overspend on the High Needs Block increasing from £5.585m at 31/03/24 to £16.023m on the 31/03/25.
- 1.2 Wigan's DSG Management plan has previously been reported to Schools Forum, in line with the above financial pressure it has focussed on the High Needs Recovery plan, which has been periodically shared with the High Needs Sub-Group. Following a meeting of this group on the 10/02/25, the recovery plan has been reviewed and updated and continues to be monitored. In line with the revised conditions of the DSG grant further updates on the progress of the High Needs Recovery plan will be periodically shared with Schools Forum.
- 1.3 The Government on the 20 June 2025 announced the Fair Funding Review 2.0. This contained the following statement from the Government "We will commence a phased transition process which will include working with local authorities to manage their SEND system, including deficits, alongside an extension to the Dedicated Schools Grant Statutory Override until the end of 2027-28". Whilst no solution is offered as yet, the government is making it clear it needs to find one, largely by reforming the system. It is anticipated that we will only hear more about these reforms later in the year.

## 2. 2024-25 Outturn position

- 2.1 Appendix 2 to the report details the individual schools balances which in total have increased by £2.894m. Parklee Community Primary academised on 1 April 2025. The school balance on 31 March 2025 is included in the list of balances for both 2023/24 and 2024/25. No other schools have closed or academised during the 2024/25 year.
- 2.2 On the Early Years Block there was an underspend of £0.732 which represents 1.75% of the original allocation. This is due to volatility of numbers and it must be noted that DfE could subsequently claw some of this funding back based on the latest spring census. As such it is essential that this underspend is held in reserve.
- 2.3 The High Needs Block had an overspend in year of £10.437m, increasing the overall deficit to £16.023m. Appendix 2 to the report

details the out-turn position compared to 24/25 budget for those areas reported on, the actual overspend figure is less than the figure originally forecast.

- 2.5 The overall underspend in relation to centrally retained funding (including growth funding) was £0.731m in 24/25. As previously agreed by Schools Forum a contribution of £0.066m was made to the SEND Transformation Lead meaning that the centrally retained balance increased by £0.665m
- 2.6 As the overall deficit has increased to £9.74 the need to continue to work on the high needs block recovery plan is critical. The current deficit position means that all three reserves, schools, early years and high needs are currently classified by DfE as unusable until they are turned around by creating surplus balances.

### 3 Schools Balances

- 3.1 The table below summarises information on the school balances by phase and provides the 2023/24 figures for comparison. The median balances are also included to provide information on the overall distribution of balances.

Balances	Nursery & Primary (£)	Secondary (£)	Special (£)	Total (£)
On 31 March 24	10,131,756	7,585,209	2,699,556	20,416,521
On 31 March 25	12,025,554	8,151,428	3,133,279	23,310,261
Annual increase / decrease (+/-)	1,774,487	566,219	433,723	2,893,740
Annual % increase / decrease (+/-)	16%	11%	11%	12%
Number of schools	79	10	6	95
Average balance	152,222	815,143	522,213	245,371
Average increase / decrease (+/-)	23,972	56,622	72,287	30,460
Median balance	138,493	761,381	390,248	153,095
Median increase / decrease (+/-)	44,491	43,751	181,314	11,322

- 3.2 Schools are under pressure from increasing costs, particularly staffing and energy costs. At the start of the 2024/25 financial year 14 schools contacted the schools finance teams regarding potential year end

deficits. The table below shows that 10 schools had a year-end deficit. All but 3 of the initial 14 schools contacting the finance team were able to turn their potential deficits around. This was mostly due to the additional funding provided to schools by DfE. Five of the schools with year-end deficits did not report with a potential deficit at the start of the year.

<b>Number of schools in deficit</b>	<b>Nursery &amp; Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
31 March 24	8	1	0	9
31 March 25	8	2	0	10
For both years	3	0	0	3

3.3 As a measure of what is a reasonable level of balances at the year end, DfE has historically used 5% of budget as a threshold for Secondaries and 8% for other sectors. The numbers of schools exceeding these thresholds are shown below.

3.4 Academy balances are no longer reported to schools forum.

<b>Number of schools over threshold</b>	<b>Nursery &amp; Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
31 March 24	53	8	5	66
31 March 25	55	8	6	69

## **4 Recommendation**

- 4.1 Schools forum members are asked to note the outturn position and the level of balances held.
- 4.2 Schools forum members are to advise if any further information is required.