

## Manchester City Council Report for Resolution

**Report to:** Schools Forum

**Subject:** Dedicated Schools Grant (DSG) and School Balances 2022/23 –  
Outturn Report

**Report of:** Directorate Finance Lead – Children’s and Schools

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### Summary

The provisional outturn for Manchester maintained schools is an overall surplus of **£16.180m**, which is a decrease of **£3.324m** (of which c.£320k relates to two schools that have since academised) in the total Schools Balances (Revenue & Capital) held compared to 2021/22. The final position on the centrally retained element of the Dedicated Schools Grant (DSG) is **£1.417m deficit**.

This report summarises the:

- Outturn position on school balances as at 31 March 2023.
- Final outturn position on the centrally retained DSG.

### Recommendations

All Schools Forum members are asked to note and comment on:

- Maintained school balances, £16.180m as at 2022/23.
  - The cumulative centrally retained DSG deficit balance £1.417m carried forward into 2023/24.
  - Update on the high needs block (NHB) recovery plan, and a detailed report to be presented to School Forum July 2023.
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### Contact Officers:

Name: Anne Summerfield  
Position: Directorate Finance Lead  
Telephone: 0161 234 1463  
E-mail: [anne.summerfield@manchester.gov.uk](mailto:anne.summerfield@manchester.gov.uk)

Name: Matthew Hoeksma  
Position: Principal Finance Manager Schools  
Telephone: 0161 219 6447  
E-mail: [matthew.hoeksma@manchester.gov.uk](mailto:matthew.hoeksma@manchester.gov.uk)

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### Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

**Supporting Reports:**

17 <sup>th</sup> January 2022	School Forum Agenda Item 5: Dedicated Schools Grant 2022/23
19 <sup>th</sup> September 2022	School Forum Agenda Item 4: High Needs Block Recovery Plan
16 <sup>th</sup> January 2023	School Forum Agenda Item 5: Dedicated Schools Grant 2023/24

## 1. Introduction

1.1 The purpose of this report is to state and explain the provisional position of the 2022/23 Dedicated Schools Grant (DSG) in respect of schools and the Council. The final position will be confirmed once the Council's audited accounts have been completed. The 2022/23 DSG allocation after recoupment for academies and high needs was **£343.93m**, of which **£323.81m** (94%) was delegated to schools, **£18.77m** (6%) was retained centrally by the Council and **£1.350m** earmarked towards DSG recovery.

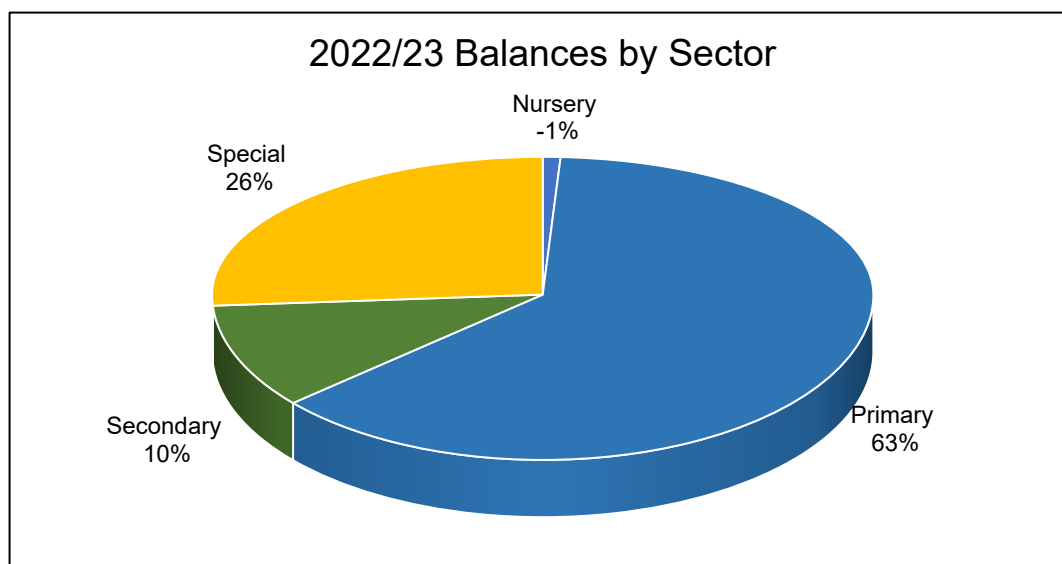
## 2. Provisional Outturn Position for Schools

- 2.1 The provisional outturn position for maintained schools is an overall surplus of **£16.180m**, a decrease of **£3.324m** in the total balances held compared to 2021/22 (of which c.£320k relates to two schools that have since academised). At period 9 December 2022, schools projected 2022/23 outturn with an overall surplus position of £10.489m. The actual current position of £16.180m is 54% better than that estimate.
- 2.2 Nursery balances have dropped significantly by 199%, primary and secondary balances have dropped by 22% and 12.7% respectively, compared to 2021/22 balances. Conversely special school balances have increased by 6.7%. There have been two primary schools: Lilly Lane and St Kentigerns which converted to academy status in 2022/23, reducing primary school balances by c.£320k.
- 2.3 Table one below displays total schools' balances by sector. Key movements since last financial year 2021/22, are:
- Primary sector balances have decreased by £3.234m. The largest decrease was £206k and conversely the highest increase was £94k.
  - Special school's balances have increased by £247k. Special schools increase is accounted for by six out of the twelve special schools, of which one of the six special schools has seen increase of £0.625m since 2021/22.
  - Three of the five secondary school balance's increased since last financial year, of which £82k was the highest increase.
- 2.4 Tables two and three below, provide a breakdown of maintained schools' total balances (as shown in table one), by surplus and deficit balances respectively. There has been no change in the actual number of nursery, secondary, or special schools in surplus and deficit. There has been an increase of one primary school in deficit, after taking account of the two academisations in this sector.
- 2.5 Schools' deficit balances have increased by £363k since last financial year, as shown in table three, due to movement within the primary and nursery sector. Appendix one provides individual school revenue and capital balances (excludes capital balances for voluntary aided schools)

**Table one: Total Balances for Maintained Schools**

Sector	2022/23		2021/22		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	2	-171	2	-57	0	-114
Primary	89	10,341	91	13,575	-2	-3,234
Secondary	5	1,703	5	1,950	0	-247
Special	12	4,307	12	4,036	0	271
<b>Total</b>	<b>108</b>	<b>16,180</b>	<b>110</b>	<b>19,504</b>	<b>-2</b>	<b>-3,324</b>

2.6 Of the total balances held by schools in 2022/23, 63% of the balances are held across the 89 primary schools, 26% held by 12 special schools, and 10% by 5 secondary schools. (Nursery balances are a net deficit of £171k.) The pie chart below shows a visual depiction of this data.



2.7 This means that on average (not actual):

- Nursery school is £57k deficit.
- primary school balance is £116k surplus
- secondary school balance is £341k surplus
- special school balance is £359k surplus

**Table two: Surplus Balances for Maintained Schools**

Sector	2022/23		2021/22		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	1	4	1	22		(18)
Primary	86	11,232	89	14,199	(3)	(2,967)
Secondary	5	1,702	5	1,950		(248)
Special	12	4,307	12	4,036		271
<b>Total</b>	<b>104</b>	<b>17,245</b>	<b>107</b>	<b>20,206</b>	<b>(3)</b>	<b>(2,961)</b>

**Table three: Deficit Balances for Maintained Schools**

Sector	2022/23		2021/22		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	1	(175)	1	(79)	0	(96)
Primary	3	(891)	2	(624)	1	(267)
Secondary	0		0		0	
Special	0		0		0	
<b>Total</b>	<b>4</b>	<b>(1,066)</b>	<b>3</b>	<b>(703)</b>	<b>1</b>	<b>(363)</b>

2.7 Out of the 104 schools with surplus balances there are twelve primary, two special schools and one nursery school that have balances below £50k, and there are five schools with balances in excess of £400k, two secondary and three special schools. Table four below outlines these five schools, with the highest surplus balances 2022/23

2.8 The annual analysis of reserves review will be completed for each maintained school that has an excessive revenue balance, identifying the planned use of the excessive reserves. Schools' balances are deemed excessive if the surplus is higher than the allowable balance, whereby the allowable balance is deemed to be 8% of the budget share for nursery, primary and special schools, and 5% of the budget share for secondary schools. There are twenty-seven schools that need to complete an analysis of reserves, a detailed analysis will be reported to School Forum July 2023.

**Table four: Highest Surplus balances - above £400k**

Sector	2022/23 Balance £000's
Special	1,167
Special	557
Special	533
Secondary	512
Secondary	410

2.9 Table five outlines the range of 2022/23 school balances reported across each sector. The special and secondary school sectors have significantly higher balances when compared to nursery and primary sectors.

**Table five: Range of school balances 2022/23**

Sector	2022/23	
	£000's	£000's
	From	To
Nursery	(175)	4
Primary	(674)	383
Secondary	121	512
Special	30	1,168

- 2.10 Whilst Appendix one provides 2022/23 individual school revenue and capital balances for Manchester maintained schools, balances for academy schools, as well as useful benchmarking data, can be found published on the links below:
- [Report / summary position covering 2020/21 academic year](#) (Sept 20 – Aug 21). Currently the publication date for academic year 2021/22 has not been published.
  - [Benchmarking data for LA maintained schools and academies.](#)

### 3. 2022/23 Dedicated School Grant (DSG) Position (deficit)

- 3.1 The 2022/23 in-year outturn position for the overall retained schools DSG budget is an **underspend** of **£1.092m**, reducing the cumulative DSG position to an overspend of **£1.417m**. The Council's expenditure on schools is funded primarily by grant monies provided by the DfE in the DSG. An element of DSG is recouped by the DfE to fund academy schools in Manchester. DSG is ring-fenced and can only be applied to meet expenditure properly included in the schools budget as defined in the Schools Finance (England) Regulations 2020. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the individual school's budget, which is divided into a budget share for each maintained school.
- 3.2 High needs block (HNB) 2022/23 overspend of £2.141m, along with a £46k overspend on the central services block, have been offset by underspends in the schools' block and early years block of £1.803m and £1.537m respectively. Resulting in an in-year DSG surplus of £1.091m.

**Table six: 2021/22 Summary of DSG Position**

<b>Dedicated School Grant (DSG) 2021/22</b>	
	<b>Over/(under) spend to budget £000's</b>
Early Years Block	(1,537)
Schools Block	(1,803)
High Needs Block	2,141
Central Block	108
<b>In-Year Underspend</b>	<b>(1,091)</b>
Deficit b/fwd from 2021/22 (less school clawback)	2,509
<b>Cumulative deficit</b>	<b>1,417</b>

- 3.3 Early years block funding is based on estimated pupil numbers and an adjustment to funding is made by the DfE in July to reflect any increases/decreases between January censuses (i.e., January 2022 and January 2023). The LA has included approximated accruals for the expected adjustments to the allocation based on the January 2023 census data.

3.4 DSG carry forward from 2021/221 totalled £2.702m deficit. This position has been reduced by £193k, by the clawback of school's excess balances held for five years and the DSG in-year surplus position. As shown in Table six above, a reduction in the cumulative DSG deficit to £1.417m to carry forward into 2023/24. The increased growth within the HNB giving an in-year overspend of £2.141m, means recovery and managing demand is a high priority for 2023/24.

#### 4. High Needs Block (HNB) Recovery

4.1 The Council has developed a HNB block recovery plan (reported in September 2022 and January 2023 School Forum). The steering group, who have oversight of the delivery of this plan and associated risks, comprises of officers from education, finance, commissioning, and Schools Forum representatives.

4.2 The 2022/23 original plan was to reduce the DSG deficit by £1.350m from recovery within the HNB, although DSG deficit has reduced it is due to the early years and schools' block. The structural deficit within the HNB, has been caused primarily due to exponential growth within the Education, Health, & Care Plans (EHCP), Post-16, independent sector placements and inter authority recoupment. In 2022/23 these four areas overspent by £5.281m. Work done through the recovery group offset £3.140m of the pressure taking actual HNB overspend to the £2.141m. This pressure has been recognised on a national level, and forms part of the governments SEND review. Table 7 advises potential pressures in these four areas if demand increases at a similar level to 2022/23 in 2023/34 and no recovery savings are made.

**Table 7 Overspend in HNB 2022/23 and Projected Overspend 2023/24**

Four Main Areas of Overspend	2022/23 Spend £'000	2022/23 Overspend £'000	% Incr. 2021/22 to 2022/23	2023/24 Budget £'000	% Budget Incr. 2023/24 to 2022/23	2023/24 Projection (Based on incr.2022/23) £'000	2023/24 Shortfall (If same levels of incr.) £'000
<b>EHCP</b>	17,404	1,074	27%	20,094	23%	22,116	2,022
<b>Post 16</b>	12,609	2,068	21%	14,629	39%	15,205	576
<b>Education ISP</b>	12,119	1,545	19%	12163	15%	14,456	2,293
<b>Inter Authority</b>	3,012	594	15%	2,666	10%	3,465	799
<b>Total</b>	<b>45,144</b>	<b>5,281</b>	<b>22%</b>	<b>49,552</b>	<b>24%</b>	<b>55,242</b>	<b>5,690</b>

4.3 The work required to secure a balanced budget and particularly to reduce the sharp increase in EHCP, continues to grow. Work to strengthen SEN support and prevention of needs escalating will need time to develop and embed before the desired impact on EHCP requests. The steering group is working on a detailed DSG management plan and strategies to aid with HNB recovery and will bring an update to Schools Forum July 2023.

## 5. **Recommendations**

All Schools Forum members are asked to note and comment on:

- Maintained school balances, £16.180m as at 2022/23.
- The cumulative centrally retained DSG deficit balance £1.417m carried forward into 2023/24.
- Update on the high needs block (NHB) recovery plan, and a detailed report to be presented to School Forum July 2023.



## Appendix One: Individual School's Revenue & Capital Balances as at 31<sup>st</sup> March 2023

DfE No	Type	School	Schools Balances as at 31 March 2023		
			REVENUE	CAPITAL	TOTAL
			£	£	£
<b>Nursery</b>					
1008	CY	Collyhurst Nursery	-190,910	15,469	-175,440
1007	CY	Martenscroft Nursery	4,361	0	4,361
<b>2</b>		<b>Nursery Total</b>	<b>-186,548</b>	<b>15,469</b>	<b>-171,079</b>
<b>Primary</b>					
2001	CY	Abbott	44,139	17,7301	61,870
2048	CY	Acacias	93,462	19,103	112,565
3301	VA	All Saints (Newton Heath)	121,956	0	121,956
2321	CY	All Saints (Gorton)	85,421	20,913	106,334
2006	CY	Alma Park	219,618	28,346	247,965
3043	VC	Armitage	164,434	8,006	172,440
2010	CY	Ashbury Meadow	221,114	4,500	225,614
2326	Foundation	Baguley Hall	267,315	11,073	278,388
2341	Foundation	Benchill	210,839	21,162	232,001
2328	CY	Birchfields	226,257	29,619	255,876
2039	CY	Bowker Vale	7,063.97	535	7,599
2298	CY	Broad Oak	-691,621	17,744	-673,876
2340	CY	Button Lane	191,101	21,330	212,431
2057	CY	Cavendish	67,177	23,024	90,201
2058	CY	Chapel Street	347,244	35,739	382,984
2060	CY	Charlestown	80,905	20,369	101,274
2288	VC	Cheetwood	14,437	7,188	21,625
3003	VC	Chorlton	62,690	14,599	77,288
3402	VA	Christ the King	90,944	0	90,944
2068	CY	Claremont	177,891	24,738	202,629
3490	VA	CofE The Resurrection	61,403	0	61,403
2296	CY	Crab Lane	189,217	21,451	210,668
2075	CY	Crosslee	112,131	38,888	151,019
2076	CY	Crowcroft Park	109,558	14,505	124,064
2327	CY	Crumpsall Lane	118,783	8,136	126,919
2129	CY	Heald Place	261,829	0	261,829
2303	CY	Higher Openshaw	188,014	5,515	193,529
3408	VA	Holy Name	16,341	0	16,341
3005	VC	Holy Trinity	206,357	9,472	215,829
2249	CY	Irk Valley	19,097	18,807	37,904
2305	CY	Manley Park	159,952	0	159,952
2161	CY	Mauldeth Road	201,658	19,947	221,605

DfE No	Type	School	Schools Balances as at 31 March 2023		
			REVENUE	CAPITAL	TOTAL
			£	£	£
2324	CY	Medlock	180,2878	23,432	203,720
2164	CY	Moston Fields	-189,535	5,998	-183,536
2165	CY	Moston Lane	248,063	18,675	266,738
2184	CY	New Moston	96,730	26,251	122,981
2186	CY	Northenden	78,178	31,247	109,426
2330	CY	Oswald Road	114,300	24,459	138,760
3475	VA	Our Lady's	78,394	0	78,394
3506	CY	Park View	8,284	27,333	35,618
2300	CY	Peel Hall	91,794	14,664	106,458
2302	CY	Pike Fold	223,960	33,622	257,582
2216	CY	Plymouth Grove	66,307	24,711	91,018
2232	CY	Rack House	159,119	18,472	177,591
2234	CY	Ravensbury	192,939	0	192,939
2008	CY	Ringway	76,412	22,406	98,818
3464	VA	Sacred Heart (Baguley)	70,187	0	70,187
3505	VA	Sacred Heart (Gorton)	101,952	0	101,952
2301	CY	Sandilands	78,248	41,769	120,017
3491	VA	Saviour	65,707	0	65,707
3041	VC	St Agnes	8,731	30,574	39,305
3415	VA	St Aidan's Catholic	66,186	0	66,186
3418	VA	St Ambrose	105,091	0	105,091
3310	VA	St Andrew's	5,095	0	5,095
3504	VA	St Anne's (Ancoats)	99,193	0	99,193
3422	VA	St Anne's (Crumpsall)	163,139	0	163,139
3011	VC	St Augustine's	227,416	20,654	248,070
3473	VA	St Bernard's	181,852	0	181,852
3429	VA	St Brigid's	111,623	0	111,623
3432	VA	St Catherine's	115,859	0	115,859
3015	VC	St Chrysostom's	102,489	32,777	135,266
3501	VA	St Clare's	135,082	0	135,082
3042	VC	St Clement's	78,608	17,342	95,950
3500	VA	St Cuthbert's	104,789	0	104,789
3439	VA	St Dunstan's	99,708	0	99,708
3440	VA	St Edmund's	153,290	0	153,290
3445	VA	St Francis	-33,433	0	-33,433
3316	VA	St James' (Rusholme)	31,518	0	31,518
3446	VA	St John Bosco	76,875	98	76,973
3045	VC	St John's (Longsight)	176,755	37,615	214,370
3489	VA	St John's (Chorlton)	127,007	0	127,007
3494	VA	St Joseph's	63,991	0	63,991

DfE No	Type	School	Schools Balances as at 31 March 2023		
			REVENUE	CAPITAL	TOTAL
			£	£	£
3044	VC	St Luke's	16,905	9,567	26,472
3452	VA	St Malachy's	87,013	0	87,013
3455	VA	St Margaret Mary's	97,004	0	97,004
3022	VC	St Margaret's	109,223	7,306	116,529
3028	VC	St Mary's (Moss Side)	143,049	18,908	161,957
3484	VA	St Mary's (Moston)	36,702	0	36,702
3457	VA	St Mary's (Levenshulme)	121,398	6,289	127,688
3460	VA	St Patrick's	138,379	0	138,379
3039	VC	St Paul's Primary	135,207	34,806	170,013
3465	VA	St Peter's Catholic	21,242	0	21,242
3325	VA	St Philip's	205,150	0	205,150
3482	VA	St Richard's	13,378	23,757	37,135
3034	VC	St Wilfrid's (Newton Heath)	133,963	17,967	151,930
3469	VA	St Wilfrid's (Hulme)	73,004	0	73,004
3472	VA	St Willibrord's	57,747	0	57,747
3507	VA	The Divine Mercy	25,080	33,200	58,280
2278	CY	Varna Street	246,057	25,351	271,408
<b>89</b>		<b>Total</b>	<b>9,249,425</b>	<b>1,091,696</b>	<b>10,341,121</b>
<b>Secondary</b>					
4271	CY	Abraham Moss High	472,825	39,195	512,019
4753	VA	Loreto High	121,235	0	121,235
4761	VA	Our Lady's High	292,042	58,086	350,128
4770	VA	St Peter's High	410,334	0	410,334
4768	VA	The Barlow High	280,100	29,066	309,167
<b>5</b>		<b>Secondary Total</b>	<b>1,576,537</b>	<b>126,346</b>	<b>1,702,883</b>
<b>Special</b>					
7749	CY	Ashgate	12,374	17,987	30,360
7023	CY	Camberwell Park	246,589	90,698	337,287
7029	CY	Lancastrian	355,450	13,301	368,751
7007	CY	Manchester Hospital	514,332	19,580	533,911
7042	CY	Meade Hill	164,183	2,256	166,439
7061	CY	North Ridge High	209,486	32,769	242,255
7047	CY	Rodney House	239,833	8,499	248,332
7056	CY	Southern Cross	557,068	0	557,068
7041	CY	The Birches	7,748	24,921	32,669
7959	CY	Castlefield Campus	381,524	3,005	384,529
1102	CY	Bridglea PRU	218,919	19,025	237,945
1105	CY	Secondary PRU	1,163,778	3,782	1,167,560
<b>12</b>		<b>Special Total</b>	<b>4,071,283</b>	<b>235,822</b>	<b>4,307,105</b>
<b>108</b>		<b>Total All School</b>	<b>14,710,697</b>	<b>1,469,333</b>	<b>16,180,030</b>

