

Bury Council

Department for Children and Young People

For information

Dedicated Schools Grant (DSG) Deficit Position 2025-26

The Council had a deficit position of £19.041m at the beginning of the 2025-26 financial year. During the financial year, the service has worked on making savings where possible, whilst facing increased demand.

Due to the ongoing significant demand for high needs funding, the Council had agreed a revised DSG deficit recovery plan with the Department for Education (DfE), which extended the period for deficit recovery until 2028-29.

The Council's financial accounts have now been prepared with the DSG deficit position at the end of the 2025-26 financial year (pre audit) standing at £20.285m, an increased deficit position of £1.244m.

During 2025-26, the DfE announced the introduction of the High Needs Stability Grant for Autumn 2026, which will fund 90% of the DSG Unusable Reserve at the end of 2025-26. The Dedicated Schools Grant (DSG) statutory override is a temporary accounting rule in England that allows local authorities to separate DSG deficits (particularly from High Needs/SEND blocks) from their main revenue budgets. This protection prevents councils from breaching their legal duty to set a balanced budget. In accordance with the Statutory override, the unusable reserve is taken from the 2021-22 deficit position of £21.473m.

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