



## **DSG FINANCIAL MONITORING REPORT PERIOD 4 2024/25**

### **Purpose of the Report**

1. The purpose of this report is to provide the Early Years & Schools Forum (the Forum) with a summary of the Dedicated Schools Grants (DSG) financial position for the current financial year.

### **Information and Advice**

2. The DSG is a ring-fenced grant that is paid to Local Authorities specifically to be used in support of the schools' budget. For 2024/25 NCC's total DSG is £871.349m as at Period 4.
3. At period 4 the DSG is forecasting an overspend of £6.777m.
4. A summary of the DSG is set out in the table below.

<b>Previous Variance £m</b>	<b>Funding Block</b>	<b>Budget £m</b>	<b>Forecast Expenditure £m</b>	<b>Forecast Variance £m</b>
-	Schools	655.600	655.600	-
-	High Needs	119.935	127.109	7.174
-	Early Years	90.390	89.993	<b>(0.397)</b>
-	Central Services	5.424	5.424	-
	<b>Total</b>	<b>871.349</b>	<b>878.126</b>	<b>6.777</b>

## 5. High Needs Block - Budget as at P4 & forecasting £7.174m overspend

The table below provides a full breakdown of the budgets within the High Needs Block. As at Period 4.

- The LA is attempting to make all Special School top up rates the same over the next three years. This means increasing the rates of ten special schools to reach the same level as Fountaindale.
- There has been a conscious effort to enable the right level of staffing to be recruited to provide a quality service between the various Partnership, Inclusion & HRET Teams.
- There has been an increase in Independent Specialist Service, which has seen a high cost pressure over the last two years, linked to the increasing number of EHCPs & children identified with SEND. There has also been a high number of exclusions in the last year which has added to cost pressures.

Service	Budget Allocation 2024/25	Forecast Expenditure 2024/25	Variance 2024/25
	£000	£000	£000
Special School Budgets (Including Academy place funding paid directly by ESFA)	35,759	35,793	34
Special School Equipment & Therapies	850	815	(35)
SEND Improvement	452	454	1
Place Funding for AP, CCP and FE providers (AP Recoupment & FE Recoupment)	1,338	1,338	-
Mainstream Enhanced Provision	1,223	1,053	(170)
Inclusion Services	5,046	4,757	(290)
Devolved Partnership Funding	7,036	6,029	(1,008)
Partnership Team	1,661	1,476	(184)
SEN Home to School Transport	1,764	1,764	-
Post 16 High Needs (outside of special schools and academies)	7,833	7,833	-
Independent Specialist Provision (EHC Plan)	26,661	34,554	7,893
Independent Specialist Provision (Non EHC Plan)	3,807	4,791	985
Targetted High Level Needs (HLN)	8,623	8,623	0
Additional family needs (AFN)	12,902	12,902	(0)
Family Network Funding (FNF)	1,564	1,564	-
Health Related Education Team	1,372	1,347	(25)
Physical Disability Specialist Service	528	514	(14)
SEND Divisional Costs	1,216	1,202	(13)
Import/ Export Adjustment	300	300	-
<b>Total</b>	<b>119,934</b>	<b>127,109</b>	<b>7,174</b>

The main areas of pressures within the High Needs Block are :

There are increasing demands on EOTAS and external specialist education placements, both which significantly overspent in 2023/24. Budgets have been increased as a result for 2024/25. The HNB continues to see pressure in 2024/25 due to the service completing outstanding EHCP assessments & continued growth in the request for EHCPs in 2023/24 & 2024/25.

There is also pressure on Special Schools budgets as the LA decided to increase High Needs funding levels by 3.88% to attempt to get 11 of the special schools to the same level as the highest funded school (Fountaindale). This will be progressively implemented over the next three years.

The primary pressure within the HNB is the forecasted spend on Independent Specialist Placements.

In period 4 2023/24 the team had 378 pupils on roll in independent non maintained provision (INM) with 98 of those starting since April 23. At period 4 2024/25 the team have 460 on roll at an INM with 83 new starters so far since April 2024.

The current average cost of a new place is £64,081 compared to £57,106 in July 2023, most INM's and APs have increased their fees for new starters from September 2024, with APs applying an 'across the board' increase.

There has been 44 additional children added to the roll of St Giles, from September 2024, at an expected cost of approx. £700k until March 2024. The analysis needs to be carried out to identify the full effects of these placements. This is currently not shown within the Period 4 forecasts.

It should be noted that there are further pressures linked to children with SEND that are not funded by the High Needs Block and are of concern to the local authority. For example, the HNB contributes £1.7m towards the local authority's spend on SEND Transport, which for 2023/24 was approx. £18m. For 2024/25 the forecast expenditure is £22.6 million.

It is becoming increasingly apparent that the overspend in Nottinghamshire County Council's High Needs Block is not unique to Nottinghamshire, but mirrored across many other LAs nationally.

NCC Officers are responding to requests for information from other local authorities and public sector bodies to input into wider data collections.

#### 6. Early Years Block – £0.397m Forecast Underspend at P4

From 1<sup>st</sup> April 2024 2 year old children of eligible working parents are entitled to take-up 15 hours of free childcare and from September 2024 this entitlement has been extended to include 9 month old up to 2 year old children of eligible working parents.

For 2024/25 funding local authorities will receive for universal and additional 3 & 4 year olds and disadvantaged 2 year olds will continue to be calculated using the current methodology, i.e. PTE numbers based on January census data taking 5/12ths of the January 2024 census and 7/12ths

of the January 2025 census. The funding mechanism for 2 year old and under children of working parents is different and will be based on termly headcounts in the summer 2024 and autumn 2024 terms, and the January 2025 census.

**Appendix A** provides a full breakdown of the Early Years Block, which contains the following variances.

- £0.279m net underspend across all age groups. It is estimated that pupil numbers on the January census and termly headcounts will be higher than the annual average uptake, which will benefit Nottinghamshire resulting in more funding being received than being paid out. It is forecast that the LA will receive funding for 25,040 PTE and the estimated uptake is 24,564 PTE.
- £0.128m underspend on Disability Access Fund (DAF). The LA receives funding for all eligible children, regardless of uptake. However, payments are made to the sector only for the children taking up the entitlement. It is forecast that not all children will take up the entitlement resulting in an underspend.
- £0.010m net overspend on remaining allocations including an overspend with Inclusion which is partly offset by an underspend with Deprivation.

All figures reported are based on future census/headcounts and uptake. There is a risk that the actual uptake of places, and thus the number of PTE the LA pays out to the sector for, could be closer to or even surpass the number of PTE the LA is funded for which could significantly reduce the forecast underspend or result in the block overspending.

## **RECOMMENDATION**

**That the Early years and Schools Forum:**

- 1) Note the contents of this report.

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