



**DEDICATED SCHOOLS GRANT DRAFT OUTTURN 2023/24**

**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) 2023/24 draft final accounts.

**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 2023/24 NCC's total DSG is £792.117m.

	<b>Funding Block</b>	<b>Budget</b>	<b>Outturn Expenditure</b>	<b>Variance</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
	Schools	619.149	617.956	<b>(1.193)</b>
	High Needs	114.021	113.681	<b>(0.340)</b>
	Early Years	53.448	52.646	<b>(0.802)</b>
	Central Services	5.499	5.358	<b>(0.141)</b>
	<b>Total</b>	<b>792.117</b>	<b>789.641</b>	<b>(2.476)</b>

**Explanation of Significant Under and Overspends**

3. Schools and Central Schools Services Blocks £1.334m underspend
  - £0.927m underspend in the growth fund.
  - £0.216m underspend against de-delegated trade union facilities funding. The underspend is to be carried forward into 2024/25.
  - £0.133m underspend on the various admissions service.
  - £0.058m net underspend on various other services within the two blocks.

#### 4. High Needs Block £0.340m underspend

**Appendix A** provides a full breakdown of the variances within the High Needs Block.

- £1.99m overspend on the independent specialist provision. The total number of EHCP from Jan 2017 to Jan 2024 has increase from 2,104 to 4,240, an increase of 101%. Total EHCPs maintained by the LA as at August 2023 was 4,040, of which 35% of these EHCP were made in the last two years. There has been an increase in the demand for special school placements and limited capacity of provision within maintained and academy special schools. Most Independent non maintained provisions within the east midlands are now reporting that they are unable to admit further students due to a lack of physical space. This means that in some cases high-cost providers are sometimes the only option available to the LA.
- £1.3m overspend on Independent Specialist Provision (Non EHC Plan). This is for children and young people and are unable to attend an education setting (often due to a health or medical needs), Education Otherwise Than at School (EOTAS) is sometimes secured for this cohort using independent providers. The local authority has seen an increase in the children and young people who are currently designated EOTAS with an EHCP, it has increased from approximately 5% in 2022 to 6.5% in 2023
- £0.673 underspend on Mainstream Enhanced Provision due to delayed starting of the provision of units in 2023/24. There is expected to be a total of 9 units in totals for 2024/25.
- £0.951m underspend on Post 16 High Needs (outside of special schools and academies)
- £0.700 underspend on HLN and AFN as we received more out than we received more from other LAs (OLA) for children we look after.
- £0.211m underspend on equipment and therapies service for our special schools.
- £0.293m underspend in the special school Budgets.
- £0.09m underspend in the Inclusion Service mainly due to vacant posts and less travel following the pandemic.
- £0.116 overspend on Devolved Partnership Funding.
- £0.112m underspend in the partnership team due to some vacancies and delays in appointments to new posts.
- £0.583m underspend on the Contingency Budget, of which £70k was used towards supporting Derrymount Special School
- £0.145m net underspend across the rest of the high needs block.

#### 5. Early Years Block £0.802m Underspend

As a reminder in financial year 2022/23 the ESFA reverted to its usual funding mechanism. The funding Nottinghamshire will receive in 2023/24 is based on the number of children recorded on the January 2023 and January 2024 censuses. The annual part time equivalent (PTE) will be weighted 5/12<sup>th</sup> January 2023 census and 7/12<sup>th</sup> January 2024 census.

Payments made to providers are based on the number of children recorded on the termly school census or headcount return, this means that the number of places funded by the Early Years Block can fluctuate from term to term.

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

- £0.528m underspend on 3 & 4 year olds. The pupil numbers on the January census tend to be higher than the annual average which benefits Nottinghamshire resulting in more funding being received than paid out. In 2023/24 the weighted average of the January censuses for Universal 3 & 4 year olds was 342 PTE greater (pending confirmation from the ESFA) than the annual average of places taken. For Additional 3 & 4 year olds the weighted average of January censuses was 208 PTE greater than the uptake of places.
- £0.169m 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. Not all children have taken up the entitlement resulting in an underspend.
- £0.142m underspend on Deprivation due to a low take up.
- £0.037m net overspend on remaining allocations inclusive of an overspend with the Early Years Supplementary Grant.

Subject to final confirmation from ESFA, it is proposed to redistribute the underspend from the allocation for 3 & 4 year olds entitlement at the rate of 5 pence per hour per funded child attending in the year 2023/24. This amount will be paid in one lump sum to providers at the beginning of the Autumn Term.

**The underspend on the Early Years Block will be confirmed in Summer 2024 when the ESFA announce the final 2023/24 funding allocation.**

### **Use of the Schools (Non-ISB) Reserve**

6. As the summary of the Schools Budget set out above shows, the accumulated Schools (Non-ISB) Reserve was £18.285m at the beginning of 2023/24. Based on the net effect of the in-year underspend, and use of reserves outlined in paragraph 3, there is currently a surplus of £19.084m on the Schools (non-ISB) Reserve for 2024. See table below.
7. Of the £19.084m balance there is already a commitment to spend the carry forwards for the Trade Union de-delegated services (£0.216m), Targeted Support (£0.127m) and Derrymount Special School (£0.02m). Also (and subject to approval) the distribution of the net underspend for 2, 3 & 4 year olds for 2023/24 to the Early years sector (£0.515m), meaning a projected balance at the end of 2023/24 of £18.206m.
8. The reserve can be used to support additional expenditure provided that the Schools and Early Years Finance (England) Regulations 2023 are complied with.

<b>Non ISB Reserve</b>	<b>Earmarked for Growth £m</b>	<b>General £m</b>	<b>Total £m</b>
<b>Balance bought forward 01.04.2023</b>	<b>6.680</b>	<b>11.605</b>	<b>18.285</b>
Early Years uplift for 2022/23		(0.734)	(0.734)
Financial Year 2022/23 C/F		(0.127)	(0.127)
Adjustment 2023/24 (Subject to Further Verification)		(0.816)	(0.816)
Outturn Schools Block Underspend 2023/24	0.927	0.266	1.193
Outturn High Needs Block Underspend 2023/24		0.340	0.340
Outturn Early Years Block Underspend 2023/24		0.802	0.802
Outturn Central Schools Service Block Underspend 2023/24		0.141	0.141
<b>Balance carried forward 31.03.2024 surplus/(deficit)</b>	<b>7.607</b>	<b>11.477</b>	<b>19.084</b>
<b>2023/24 Underspends to Carry Forward</b>			
Dedelegated Trade Union Facilities		(0.216)	(0.216)
Targetted Support		(0.127)	(0.127)
Derrymount		(0.020)	(0.020)
Indicative Early Years uplift for 2023/24 (Subject to Approval)		(0.515)	(0.515)
<b>Projected Balance 2024/25</b>	<b>7.607</b>	<b>10.599</b>	<b>18.206</b>

## RECOMMENDATION

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

- 1) Note the contents of this report.
- 2) Note the carry forward of underspend detailed in paragraph 4 into 2023/24
- 3) To approve the distribution of the net underspend for 3 & 4 year olds for 2023/24 to the Early Years sector.

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