



DSG FINANCIAL MONITORING REPORT PERIOD 2 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 £871.270m.
3. At period 2 the DSG is forecasting a balanced budget.
4. A summary of the DSG is set out in below.

Funding Block	Budget £m	Forecast Expenditure £m	Forecast Variance £m
Schools	655.600	655.600	-
High Needs	120.241	120.241	-
Early Years	90.005	90.005	-
Central Services	5.424	5.424	-
Total	871.270	871.270	-

5. High Needs Block - Budget as at P2

The table below provides a full breakdown of the budgets within the High Needs Block. As at P2 it is very early to provide any realistic forecast based on current actuals to May 2023.

- The LA is attempting to make all Special School tier rates the same over the next three years. This means increasing the rates of ten special schools to reach the same level as Fountainsdale.
- 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 both Independent Specialist Service, which has seen a high cost pressure over the last two years. Much has to do with the increasing number of EHCP & 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)	37,006	37,006	0
Special School Equipment & Therapies	850	850	0
SEND Improvement	454	454	0
Place Funding for AP, CCP and FE providers	1,338	1,338	0
Mainstream Enhanced Provision	1,223	1,223	0
Inclusion Services	5,046	5,046	0
Devolved Partnership Funding	7,035	7,035	0
Partnership Team	1,661	1,661	0
SEN Home to School Transport	1,764	1,764	0
Post 16 High Needs (outside of special schools and academies)	7,733	7,733	0
Independent Specialist Provision (EHC Plan)	26,661	26,661	0
Independent Specialist Provision (Non EHC Plan)	3,807	3,807	0
Targeted High Level Needs (HLN)	7,523	7,523	0
Additional family needs (AFN)	13,102	13,102	0
Family Network Funding (FNF)	1,564	1,564	0
Health Related Education Team	1,372	1,372	0
Physical Disability Specialist Service	528	528	0
SEND Divisional Costs	1,222	1,222	0
Import/ Export Adjustment	351	351	0
Total	120,241	120,241	0

6. Early Years Block – Net nil as at P2

From 1st April 2024 2 year old children of eligible working parents are entitled to take-up 15 hours of free childcare. In September 2024 this entitlement will be 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.

The introduction of new entitlements in 2024/25, and having different approaches to calculating new and existing entitlement allocations makes forecasting the early years block complex. If universal and additional 3 & 4 year old and disadvantaged 2 year old allocations follow the same pattern as last financial year then these entitlements may have a net underspend of £0.238m. However, disadvantaged 2 year old PTE numbers were lower than usual on the January 2024 census which will impact the amount of funding the local authority will receive, and could have an adverse effect on the block if uptake increases. Furthermore there is uncertainty regarding uptake with entitlements for 2 year old and under children of eligible working parents and how this, along with a different approach to calculating funding for the entitlements, will impact the funding the local authority both receives and pays out. Given that the 2 year old entitlement has overspent in recent years it is possible that 2 year old and under entitlements could offset any underspends elsewhere in the block.

RECOMMENDATION

That the Early years and Schools Forum:

- 1) Note the contents of this report.

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