

DSG FINANCIAL MONITORING REPORT PERIOD 10 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) 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 2023/24 (as at January 2024) NCC's total DSG is £791.925m.

3. Forecast Outturn 2023/24

4. At period 10 the DSG is forecasting an underspend of £0.429m. A summary of the variances by funding block is included in the report.

Previous Variance £m	Funding Block	Budget £m	Forecast Expenditure £m	Forecast Variance £m
-	Schools	619.149	619.149	-
0.174	High Needs	114.075	113.759	(0.316)
(0.112)	Early Years	53.202	53.089	(0.113)
-	Central Services	5.499	5.499	-
0.062	Total	791.925	791.496	(0.429)

Explanation of Significant Under and Overspends

5. High Needs Block

The high needs block is reporting a £0.316m underspend, the major contributing variances are as follows:

- £1.191m 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. 210An 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.

- £0.395m 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.
- £0.210m underspend in the Inclusion Service mainly due to vacancies, retirements and reduced travel costs as many meetings are carried out using MS TEAMS. The core offer to schools & settings remains and impact of vacancies on children and young people is mitigated through access to surgeries to support schools in a way that offers them access to quick advice and support rather than having to solely wait for the termly Springboards. However, Springboard remains the route for children who need to come onto caseload.
- £0.029m underspend in the Partnership Team due to some vacancies and delays in appointments to new posts.
- £0.099m Physically Disability Specialist Service & Health Related Education Team

High Needs Block Budget Monitoring Summary - Period 10 2023/24

Service	Budget Allocation 2023/24	Forecast Expenditure 2023/24	Variance 2023/24
	£000	£000	£000
Special School Budgets (Including Academy place funding paid directly by ESFA)	35,755	35,588	(166)
Special School Equipment & Therapies	850	452	(398)
Place Funding for AP, CCP and FE providers (AP Recoupment & FE Recoupment)	1,222	1,222	-
Mainstream Enhanced Provision + Special School Hubs	1,421	1,421	-
Inclusion Services	4,321	4,111	(210)
Devolved Partnership Funding	5,148	5,057	(91)
Partnership Team	1,157	1,128	(29)
SEN Home to School Transport	1,764	1,764	-
Post 16 High Needs (outside of special schools and academies)	8,900	7,898	(1,002)
Independent Specialist Provision (EHC Plan)	26,405	27,595	1,191
Independent Specialist Provision (Non EHC Plan)	3,307	3,701	395
Targetted High Level Needs (HLN)	5,470	5,213	(258)
Additional family needs (AFN)	13,102	13,449	346
Family Network Funding (FNF)	1,564	1,564	(0)
Health Related Education Team	1,191	1,173	(18)
Physical Disability Specialist Service	528	446	(81)
SEND Divisional Costs	1,067	1,074	7
Import/ Export Adjustment	250	250	-
Contingency	653	653	-
Total	114,075	113,759	(316)

6. Early Years

The early years block is reporting a £0.113m underspend. The main reason for the underspend is due to the difference between how Nottinghamshire receives Early Years funding and how places are funded by Nottinghamshire through payments made to providers.

The forecast has been updated with the indicative Spring term PTE figures which are lower than previous forecasts. As a result it is anticipated that the funding received through the early years block will be £0.8m less, subsequently payments to the sector will reduce by a similar amount meaning the overall impact on the financial position of the block is net nil.

For 2023/24 the funding Nottinghamshire will receive 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 5/12th January 2023 census and 7/12th 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 dramatically from term to term.

Appendix A illustrates the termly projection of the number of children that will receive funded hours based on trend data from the past five years. The forecast shows how termly fluctuations in the number of funded children cause the forecast underspend to occur. There are risks associated with the forecast with regards to future censuses and headcount returns as any movement away from the predicted number of children funded through the Early Years Block could significantly impact the amount of funding Nottinghamshire receives, the amount Nottinghamshire pays to providers or both.

On 7th July 2023 the DfE announced additional funding of £204m in 2023-24 would be provided for local authorities to increase the amount of funding paid to childcare providers for the existing childcare entitlement offers and other early years funding streams. The additional funding will be provided in grant form known as the Early Years Supplementary Grant (EYSG).

The EYSG will be paid to childcare providers via increased funding rates with a pass-through rate of 100% and is forecast to overspend by £0.078m. The conditions of the grant stipulate that if there is a shortfall in the EYSG, local authorities may use the early years block of the 2023 to 2024 DSG for the purpose of the EYSG to make up the shortfall. The early years block reported underspend noted above is inclusive of the forecast EYSG overspend.

RECOMMENDATION

1. That the Early Years & Schools Forum notes the content of the report.

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