



13 October 2025

Agenda Item: 6

**REPORT OF THE CABINET MEMBER FOR CHILDREN AND FAMILIES AND
THE CABINET MEMBER FOR EDUCATION AND SPECIAL EDUCATIONAL
NEEDS AND DISABILITIES**

**CHILDREN AND FAMILIES DEPARTMENTAL PERFORMANCE, RISKS AND
FINANCIAL POSITION – QUARTER 1 2025-6**

Purpose of the Report

1. To provide the Committee with a summary of Children and Families Department's performance against the ambitions in the Annual Delivery Plan as at the end of June 2025.
2. To provide the Committee with a summary of Children and Families Department's key departmental risks as the end of June 2025.
3. To provide the Committee with a summary of the Children and Families Department's financial position for the current financial year as at the end of June 2025.

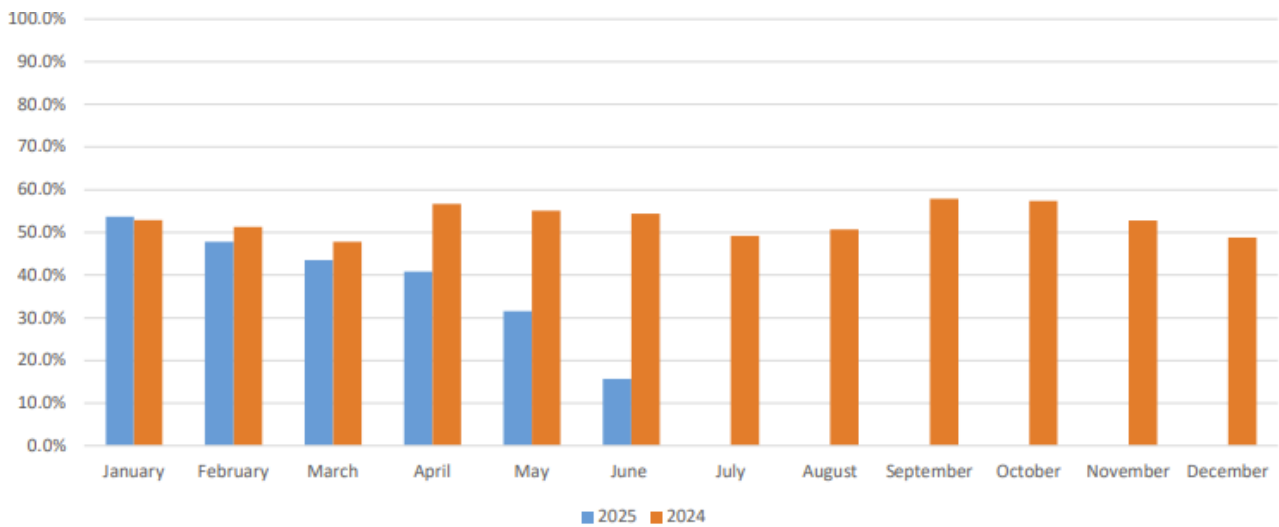
Information

Key Performance against the Ambitions set out in the Annual Delivery Plan

4. **Appendix 1** shows performance for each key measure as follows:
 - The 'best to be column' shows whether good performance is shown by either a high value or a low value.
 - The 'direction of travel' indicator looks at the long-term trend for the measure and whether the direction of travel is upwards, downwards, or stable. Performance for some measures can fluctuate from quarter to quarter due to a number of factors. This may not be indicative of a change in overall performance, so a longer-term view has been taken in the consideration of this.
 - An additional column shows whether performance is improving, stable or deteriorating based on this long-term trend.
5. 67.7% of children reached a good level of development in their early years' foundation stage assessments in 2023/24, an increase of 0.3 percentage points on the previous year. This is in line with the national average over the same period.

6. The proportion of child and family assessments completed which do not result in ongoing children's social care involvement has reduced by more than five percentage points since the same point last year. Although there has been a slight increase in this measure this quarter, the overall trend over the last 12 months is downward because the improvement work being undertaken with partners through the Needs Led Front Door and Early Help Redesign is starting to have an effect. These transformation programmes will support children and families at the right time and at the right level and to provide help at the earliest opportunity based on need rather than an application of threshold.
7. The impact of this work can also be seen in the proportion of targeted early help assessments rather than a social care assessment. At 29.9% this is six and a half percentage points higher than at the end of 2023/24 as continuing improvement in this measure was shown.
8. This move to provide help at the earliest opportunity can also be seen in the proportion of children becoming subject of a Child in Need (CIN) or Child Protection (CP) plan who have had a targeted early help assessment in the previous two years. Previously The department have aimed to see this measure increase as the department sought to ensure the department were targeting the families who need the most support. Over the last two quarters the department have seen this proportion decrease, even though the overall proportion of assessments which were early help assessments has increased. This is likely due to the outcomes of this early help support resulting in fewer of these children coming on to a CIN or CP Plan.
9. Where a statutory social care assessment is required, the department continue to complete these in a timely manner with 95.7% completed within the statutory timescale of 45 days. This is more than ten percentage points higher than the national and our statistical neighbour average.
10. Demand for an Education, Health and Care Plan (EHCP) assessment remains high, in line with the level of demand seen in 2025, and 25% higher than in 2023. Despite this, the proportion of EHC plans issued in timescale continues to increase with 44.4% of plans issued in timescale in 2025 compared with 35.9% at the same point in 2024. By comparison, Nottinghamshire issued just 4.5% of plans in timescale in 2022.
11. The number of EHCPs that the Local Authority maintains continues to increase, up from 3,741 in December 2023 to 5,744 as at the end of June 2025, a 54% increase in 18 months. As the number of EHCPs grow, so does the number of annual reviews. Because of this, the number of annual reviews completed in timescale were lower in 2024 compared with 2023, with an average of 49.9% completed in time between January – December 2024 compared with 77% during the same period in 2023. This has continued into 2025 with 41.6% completed in timescale in the first six months of the year. Although the County Council has the statutory responsibility for the timely completion of annual reviews the majority are completed by education settings and there is often a delay in the reporting of annual reviews being completed, so it is expected that this performance will improve once all reviews are reported.

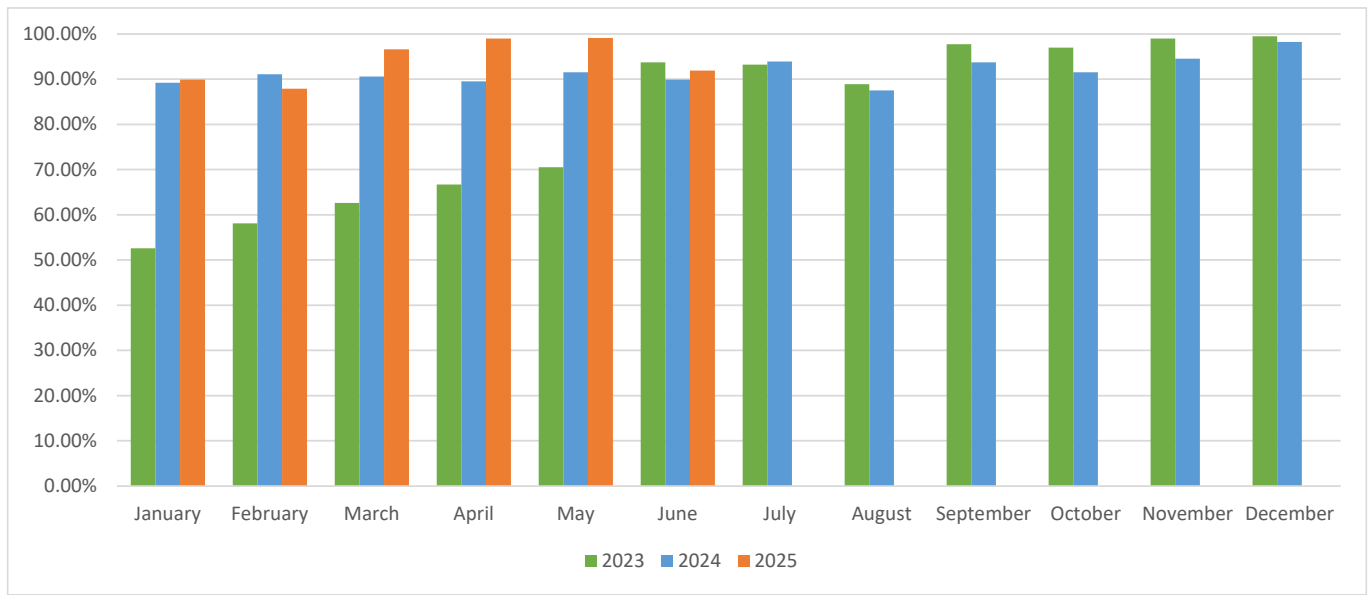
Percentage of annual reviews completed in timescale



Data Source: Special Educational Needs and Disabilities Key Performance Indicators Report – June 2025

12. Of the cases reviewed where amendments were necessary, 93.8% have resulted in amended EHCP Plans being issued within 12 weeks in the first six months of 2025. This is a significant improvement on performance in 2023 and continues the improvements seen in 2024. This is due to the recruitment of dedicated plan writers in June 2023. The chart below shows the improvement made in this measure over the last two years.

Percentage of EHC Plan Amendments Issued in Timescale



Data Source: Special Educational Needs and Disabilities Key Performance Indicators Report – June 2025

13. At 25.3%, the proportion of referrals which were a re-referral within 12 months continues to reduce following a high point of 28.1% in 2022. This is due to work being undertaken through the needs led front door project to ensure referrals are appropriate and that children receive the right support at the right time.

14. The proportion of children becoming subject of a child protection plan for the second or subsequent time continues to reduce. At 26%, the proportion of plans which were repeat plans is six percentage points lower than in quarter one of 2024/25 and is just 1.3 percentage points above the England average.\
15. The proportion of child protection plans lasting two years or more remains very low. At 1.3% this is half of the England average and is due to proactive management of plans to ensure that children and families receive the support they need in a timely manner.
16. 96% of child protection cases have had all of their reviews completed within timescales. This is an increase of 6.2 percentage points and is at least 6 percentage points above the latest statistical neighbour and England averages. This performance is due to proactive management to ensure reviews are scheduled within required timescales.
17. Although there has been a slight reduction in the proportion of children leaving care to live with family members or friends through a special guardianship order (SGO) or child arrangement order (CAO) this quarter, performance remains above the England and statistical neighbour average. An approach is being developed to support improved family and extended family engagement for children in care through Family Networking and tracking of potential Special Guardianship Orders and rehabilitation to parents/family. Children in unregulated placements where a placement with extended family would offer better outcomes are already discussed through the monthly care, planning, support, and assurance panel.
18. There has been an increase in the proportion of children looked after in kinship placements – up two percentage points this quarter, meaning 17 more children in kinship placements as the department seeks to ensure as many children as possible in care or on the edge of care are placed in a family-based setting through initiatives such as the creative solutions panel and the kinship support service.
19. As a result of the work detailed above, and despite the issues the authority is facing with placement sufficiency, particularly for fostering placements, the proportion of children looked after in family-based settings has been maintained. At 63.2% this means almost two-thirds of children in care are placed in family-based settings. If The department exclude children aged 16 this increases to more than three-quarters of children in care. Children over 16 may be placed in semi-independent accommodation when it is assessed as being suitable. This assessment will include provision for support to be able to move to adulthood as a positive experience.
20. At the end of the quarter, 15 children were placed in unregulated placements. This is a reduction of 5 children since the previous quarter and equates to just 1.6% of all children in care. Although the Council strives to ensure all children are placed in regulated placements, a lack of suitable regulated placements means this is not always possible. Any unregulated placements are subject to regular scrutiny by senior management to ensure they are safe, suitable and are meeting the needs of the child.
21. 21.9% of children in care are placed more than 20 miles from home. This is slightly above the national average of 20% but below the statistical neighbour average of 26%. The Council strives to place children locally where possible and despite recent issues with placement sufficiency there has not been a large increase in children placed more than 20

miles from home. Of the children placed more than 20 miles from home, one-third are placed within 30 miles, and two-thirds within 50 miles with just 60 children placed more than 50 miles from home. Work is underway through the Homes For Children (H4C) transformational programme to improve the availability of local family-based placements for our children in care.

22. The proportion of children in care remaining in long term placements of 2 years or more remains high. Latest benchmarking shows 85% of children in care for 2½ years or more have remained in their current placement for more than 2 years. This compares with 68% nationally and 67.4% for the statistical neighbour group. In year reporting is calculated differently so is not comparable with benchmark data, but performance remains in line with previous years.
23. The percentage of care leavers aged 19-21 in suitable accommodation remains high. At 87.5% this is in-line with the national average. The Council has continued to expand and improve Supported Accommodation Provision (including the specialist provision for former Unaccompanied Asylum-Seeking Children care leavers which is continuously expanding to meet demand).
24. 50.9% of care leavers aged 19-21 are in education, employment or training including 4% (15 care leavers) in higher education. The education and employment status of care leavers is captured each year on their birthday, so these figures exclude 8% of care leavers where their status has yet to be captured so the department expect this figure to increase in line with the national average once this data has been collected. The achievement service work actively with young people who are not in employment, education or training to make plans and take steps towards their chosen aspirations, including working closely with partner agencies to offer opportunities with local businesses including employability briefings and work experience opportunities. Achievement advisors are linked to each of the leaving care teams to support young people into employment. Over the last year a working group with partners has been established to improve education, employment and training for young people living in semi-independent accommodation, focussing on supporting staff members to be aspirational in supporting young people to meet their potential. The Virtual School works with all children looked after and plans for their futures when leaving care with relevant colleagues to enable a smooth transition, to reach the next steps in their education and to enable them to meet their aspirations. The service have recently increased capacity and is working with partners to focus on support for the Post 16 cohort including those in supported accommodation.
25. There were 24 first time entrants to the youth justice system per 100,000 in Quarter 4 of 2024/25, a reduction of 4 compared with the previous quarter. This equates to an annual reduction of 10% compared with the previous year. This would bring Nottinghamshire in line with the latest statistical neighbour average and 15% below the national average.
26. At 18.6%, the reoffending binary rate remains in line with the previous year and almost half the latest available England and statistical neighbour averages.
27. The proportion of Nottinghamshire pupils obtaining grades 9-5 (a strong pass) in English and Maths increased in 2023/24, up 0.5 percentage points on the previous year. This is 1.6 percentage points above the statistical neighbour average over the same period.

28. The proportion of children classed as persistently absent (more than 10% absence) in primary, secondary and special schools has increased substantially nationally since the Covid pandemic. There has been a slight improvement in this measure locally in 2023/24 with a 0.6 percentage point reduction, as the Council seeks to ensure children regularly attend school. This equates to 512 fewer children who were persistently absent. This means the department are now more than 1.3 percentage points better than the England and statistical neighbour average for this measure.
29. 25.7% of looked after children were recorded as persistent absentees in the 2023/24 academic year – the latest year for which data is available. This is above the national and statistical neighbour averages and seven percentage points above the persistent absence rates for all pupils over the same period. Improving attendance for our looked after children is a priority for the Virtual School. More robust data monitoring systems have been implemented to enable earlier identification and intervention for low attendance. Workshops, training and resources to support attendance and a sense of belonging in education continue to be developed and they form part of the Virtual School's offer to schools, settings, carers and social workers. Reducing suspensions has been another key priority for the Virtual School and this work has resulted in a downward trend for suspensions for Nottinghamshire looked after children which will positively impact attendance over time.
30. 4.2% of Nottinghamshire pupils were subject of one or more suspension during the 2023/24 academic year. This is a slight increase on the previous year but performance in this measure remains in line with statistical neighbours. Suspensions are highest for pupils aged 12, 13 and 14, with more than 10 percent of pupils of these ages receiving one or more suspension during the academic year. Suspensions for pupils aged 4 to 9 are much lower at less than 1% or 1 in 100 pupils receiving a suspension. The rate of suspensions is higher in males (5.3%) than females (3.2%).
31. The proportion of children looked after with at least one suspension has also increased, up 1.1 percentage points on the previous year. Latest benchmarking shows the department are between 2 and 3 percentage points above the England and statistical neighbour average which equates to between 10 and 15 more children with a suspension than the average. Over the same period, no children looked after were permanently excluded from school.
32. Just 0.13% of pupils in special schools were subject to one or more suspensions during the 2023/24 academic year. This is in line with previous years and the England and statistical neighbours average as the department continue to ensure some of the most vulnerable children continue to be supported to receive a good education.

Departmental Risks

33. The department continues to manage key risks as reported at quarter two. The table below describes these risks and reports on their status:

Risk ID	Risk Category	Risk Description	Reporting Comments
CF1	Service/Project Delivery	Inadequate resourcing across Children and Families to enable transformation and change.	The department currently has 3 major programmes: Families First, Homes for Children and SEND (Special Educational Needs & Disabilities) Improvement. Many of the Families First Partnership Programme's features form part of the department's direction of travel so a supporting mandate and aligned resourcing for change is a welcome step. Partnership governance is in place and combined oversight will be through the departmental Learning and Improvement Board.
CF2	Compliance & Regulation	Placement sufficiency for children in local authority care, short breaks/respite, and schools.	<p>Market sufficiency continues to be a challenge, leading to increasing care and specialist education placement costs and a lack of short break provider services. The department are continuing to grow our residential estate in partnership with Homes2Inspire (H2I) and have 4 new homes of which all are now open. The department also have 2 solo homes coming online within the next 6-8 weeks. The department also intend to bring West View children's home back into use in the Autumn. Our block residential care contract has been recommissioned and awarded to H2I (the incumbent provider). Approval to procure homes for children the department find hard to place should be in place by the end of July and the tender process should commence in September 2025. this should support our ambition to eradicate the use of unregulated placements. Fostering retention and recruitment is starting to have a positive impact on budget mitigations.</p> <p>Additional scrutiny of high-cost specialist education placements will commence to mitigate increased growth and spend in this area.</p> <p>A monthly strategic pupil place planning board reviews school sufficiency and makes recommendations for project delivery to provide sustainable school places based upon projection data and future anticipated growth.</p>

Risk ID	Risk Category	Risk Description	Reporting Comments
CF3	Compliance & Regulation / Reputation	Failure to meet statutory responsibilities resulting in poor inspection/regulatory review outcomes for CFS, Partnerships and/or Schools.	The department have invested in SEND Consultants to support with a review and re-design of our systems, processes and delivery model. The department have developed a new strategy, risk register and governance structure with an independent chair in relation to SEND and currently have high levels of monitoring and oversight from external organisations such as the Department for Education, the Care Quality Commission and NHS England.
CF4	People & Wellbeing	Workforce recruitment, retention and development.	The department are continuing to pursue several internal and external initiatives to enable people to train as social workers and to gain employment with the local authority as social workers. These initiatives will hopefully reduce the reliance on agency staff and help create a more stable workforce. Full benefits of the pipeline into social work will not be seen until Winter 2025. The Government and Department for Education are pursuing national reform of children's social care which will impact on the type of work and the social worker and workloads. The full impact of this will not be known for some time.
CF5	Compliance & Regulation	Changing demographics and behaviours driving service demands.	There is a focus on retaining and recruiting foster carers to enable children to have the opportunity to be cared for in family settings if they are not able to live with family members. Events with providers have been held and will continue to be held to encourage more residential homes for children to be set up in Nottinghamshire for looked after children.
CF6	Technology & Digital	MOSAIC replatforming	A programme supported by external consultants is in place for MOSAIC replatforming which is currently not flagging any critical issues. Two areas of work, implementing MOSAIC finance and a new workflow to support redesign of the Front Door will need to be completed by summer. The latter has issues due to requirements not being finalised which will present a risk to change freeze dates. The department are working with the service to agree a finalisation date and will need to prepare

Risk ID	Risk Category	Risk Description	Reporting Comments
			service areas for the cut-over period, currently planned for June 2026.

Summary Financial Position – Period 3 2025/26

34. The overall Children and Families Department’s Local Authority Revenue budget is forecast to underspend by £0.4 million after planned use of grant reserves but excluding any redundancy costs.
35. The Children & Families Portfolio is forecast to be underspent by £0.1 million, and the Education and Special Educational Needs and Disabilities Portfolio Local Authority Budget is forecast to be underspent by £0.3 million.
36. The Dedicated Schools Grant is forecast to be overspent by £31.1 million.

LA Budget

Children and Families Portfolio

37. The Care, Help and Protection Division is forecast to be overspent by £0.1 million, and the Commissioning and Resources Division is forecast to be underspent by £0.2 million.

Education and Special Educational Needs & Disabilities (SEND) Portfolio

38. The Education Learning and Inclusion Division is forecasting an underspend of £0.3m.
39. This report has been collated reflecting the departmental structure changes that were implemented from May 2025.

Table 1 – Summary Revenue Position

Change in Variance £000	Period 02 Under(-) / Overspend Variance £000	Division	Annual Budget £000	Actual to Period 03 £000	Year-End Forecast £000	Under(-) / Overspend Variance £000	Variance as % of Budget %
		Children and Families Portfolio					
98	24	Care, Help and Protection	59,454	15,434	59,576	122	0.21
(195)	12	Commissioning & Resources	126,798	22,432	126,615	(183)	0.14
0	0	Capital & Central Charges	2,073	(1,159)	2,073	0	0.00
(97)	36	Subtotal	188,325	36,707	188,264	(61)	0.03
		Education and Special Educational Needs and Disabilities (SEND) Portfolio					
(296)	(16)	Education & Inclusion	17,173	4,959	16,861	(312)	1.82
(0)	0	Capital & Central Charges	10,622	0	10,622	(0)	0.00
(296)	(16)	Subtotal	27,796	4,959	27,484	(312)	(1.12)
		Traders					
0	0	Clayfields	(605)	(33)	(605)	0	0.00
(393)	20		215,515	41,633	215,142	(373)	(0.17)
0	0	Transfer to/(from) ear marked reserves	0	0	0	0	
0	0	Transfer to/(from) grant reserves	(2,826)	0	(2,826)	0	
0	0	Transfer to/(from) Traders reserves	(46)	0	(46)	0	
(393)	20		212,643	41,633	212,270	(373)	(0.17)

Forecast Variances

40. The main variances are explained in further detail below.

Children and Families Portfolio

Care, Help and Protection Division

41. The division is forecasting an overspend of £0.1m versus budget, the position has worsened by £0.1 million since the period 2 forecast. The contributing factors behind this underspend are as follows:
42. £0.6m underspend (£0.6m period 2) on Family Hubs and Early Years. This underspend is due to high levels of vacancies and includes a manual reduction in costs of £0.3m to mirror

the effect of the outstanding National Insurance budget increase, which should be processed late July.

43. £0.4m underspend (£0.4m in period 2) on social worker staffing, which includes £0.6m of temporary budget and a manual reduction in costs of £0.6m for the outstanding NI budget increase as mentioned above. **The full year forecast on agency spend across all teams is £4.1m which is £1.6m lower than the £5.7m spent in 2024-25.** As at period 3 there are 49 FTE agency Team Managers and Social Workers and 13.1 FTE non-social work qualified agency workers.
44. £0.3m underspend (£0.3m in period 2) on Early Help due to the expectations that the increase in the School Penalty notice income will be in line with the amounts seen in 2024/25.
45. £0.2m underspend (£0.2m in period 1) on Leaving Care Support due to lower External Placement Extensions.
46. £0.4m overspend (£0.4m in period 2) on Looked After Children placements. This is attributable to £0.5m overspend on Looked After Children and Section 17 support costs for Children with Disabilities (only around a third of our costs funded by the ICB), a £0.1m overspend on Looked After Children Contact and support costs, offset by a £0.2m underspend on personal allowance payments for Looked After Children aged 16/17 living independently.
47. £0.4m overspend on Unaccompanied Asylum-Seeking Children (UASC) (£0.5m in period 2). Costs have reduced in the month due to a number of factors. The over 18 funding has increased by £32,000 following a reconciliation of the UASC who have recently turned 18. The Council received 4 new U18 UASCs in June that qualified for the additional incentive money, resulting in an additional £30,000 of funding, and staff costs reduced by £26,000 due to the exit of a PA with no planned replacement. Steps have now been taken to ensure that over 18's are not placed in the higher priced supported accommodation, and The department also anticipate the arrival of more under 18's in the coming months, which will hopefully allow us to take advantage of more incentive funding and reduce the overspend further.
48. £0.8m overspend on 'Other costs' (£0.7m in period 2). The increase in the month is driven by a rise in the Foster Carer mileage/travel costs in Looked After Children transport (£42,000) and S17 spend (£47,000) across several of the District Child Protection Teams, Court and Assessment North. Overall, staff running expenses are £0.4m over budget, S17 is £0.3m and Transport is £0.1m.

Commissioning and Resources Division

49. The division is reporting a forecast £0.2m underspend (£0.0m period 2) after use of reserves and an anticipated £0.4m pay budget adjustment due for National Insurance and Local Government Pension Scheme rate changes. The main variances are as follows:
50. £1.4m overspend (£1.4m period 2) on **Short Breaks** due to the continued increase in demand. Options to adjust the current short breaks offer were considered and rejected last August. The overspend will continue throughout 2025-26 until the revised offer goes live,

possibly from April 2026. As a reminder, the overspend in 2024-25 was £0.9m. Growth of 15% has been incorporated into the forecast, thus accounting for the increase.

51. £0.3m overspend* (£0.3m period 2) on Safeguarding mainly due to the budgeted Vacancy Level Turnover and use of agency staff primarily within the Independent Chair Service.
52. **£0.1m underspend (£0.0m period 2) External Looked After Children Placements**, after taking account of a £1.0m temporary virement from Westview residential home which is currently closed.
53. Since April 2024, overall Looked After Children numbers have been steadily reducing, however, external residential placements (and unit costs) continue to increase, albeit at a slower rate over recent months. The trend for the 12 months to June suggest that residential placements are now increasing by around 14 p.a. and has been factored into the forecast accordingly.
54. Whilst agency foster numbers (IFAs) used to be fairly constant, they have reduced by around 40 over the 12 months and are now an area for concern. In contrast, children in internal foster placements had been reducing markedly over many years but appear to have stabilised over the last 12 months. In June, 4 children/carers transferred directly from IFAs to internal. Ideally, there needs to be a combined net increase across both.
55. **External Looked After Children numbers reduced by 5 in the month**, whereas they were forecast to stay the same. The placement mix was neutral. IFAs reduced by 4 (to 267), residential reduced by 4 (to 198), semi-independent block contract increased by 3 (to 72) with semi-independent spot remaining unchanged (at 7).
56. At **Table 1** there is a “LAC Today” summary and external placements graph. This also includes a list of the residential placements over £10,000 per week and an indication of likely Health and now Education contributions.
57. External placement numbers to the end of June reduced from 549 to 544 and are now projected to be 569 at the end of March but assume that IFA numbers recover. The weighted average cost of current external placements reduced slightly to £155,000 versus £142,000 a year ago.
58. £0.9m underspend (£0.9m period 2) on Supported Accommodation due to surplus 16+/New Burdens funding within the new consolidated Children and Families grant.
59. £0.6m underspend* (£0.6m period 2). There is a £0.3m underspend on Internal Residential due to increased income from bed nights sold to other Local Authorities and Health, and £0.3m underspend on Foster Carer fees.
60. £0.2m underspend* (£0.2m period 2) on Youth Services. There is a £0.1m underspend on Outdoor Adventures due to a drive to maximise sales and reduce staff/running costs in preparation for 2026/27, when the expectation is that the service will become cost neutral. The remaining £0.1m underspend is due to staff vacancies and additional funding.

**Figures adjusted to take into account anticipated National Insurance increase budget adjustments which are likely to be processed late July.*

Education and Special Educational Needs and Disabilities (SEND) Portfolio

Education Learning & Inclusion Division

61. The division is reporting an underspend of £0.3m (Balanced budget at P2) There are variances within services as follows:
62. £0.1m overspend forecast in the Sold Offer Service due to increased forecast spend and shortfall in income against budget due to academisation of schools.
63. £0.1m overspend forecast in Governing Body Services due to shortfall in income against budget due to academisation of schools.
64. £0.3m underspend forecast within Pre 16 and Post 16 EHCP Assessment Teams. This is due to growth pressure budget given in 2025/26 and savings in non-recruitment of staff due to the impending restructure of Integrated Children's Disability Service (ICDS). £391,000 is committed for extra recruitment from September. Job evaluations may further impact the forecast in future months.
65. £0.2m underspend within other services within ICDS.
66. The Education Psychology Service forecast has reduced by £0.3 million from period 2 due to a correction to the forecast recharge to the Dedicated Schools Grant.
67. The above forecast includes the expected extra NI Contributions (budget) to the value of £0.2m for 2025/26.

Clayfields (no change, almost as budget)

68. Clayfields is currently forecast to generate a net surplus of £0.6m compared with its budgeted figure of £0.65m, resulting in a use of reserves of less than £0.05m.
69. At this early stage of the year, there is a high degree of uncertainty with precise forecasts (both income and staffing) as building works are still ongoing, thus limiting bed capacity. We expect full capacity for 20 children to be available again by the end of October. Depending on the children's needs, numbers can vary. We charge the MOJ a bed-night which reflects an operational capacity of 18 beds. The Ministry of Justice has confirmed relatively favourable terms for the existing contract extension from October to December 2025, however, the outcome of the new contract from January 2026 may not be known until September. In the meantime, it is anticipated that the limited available Welfare beds will be priced accordingly to help cover costs (as was the case in 2024-25).

Capital and Central Charges

70. Overall, this is reporting a nil variance to budget.

Transfer to / (from) reserves

71. The following £2.9m budgeted use of reserves is currently being reported (over £0.1m detailed below):

- (£0.1m) Use of Higher Needs Strategic Fund
- (£0.1m) Use of Staying Close
- (£0.1m) Use of Early Years Delivery Support
- (£0.4m) Use of Family Hubs Fund
- (£0.4m) Use of the Adoption East Midlands reserve
- (£1.8m) Use of Wraparound Programme Reserve
- (£0.1m) Use of Notts Alone reserve.

Dedicated School Grant

Previous Month's Variance OS/(US)	Funding Block	Budget £m	Forecast Expenditure £m	Forecast Variance OS/(US) £m
-	Schools	705.750	705.750	-
27.851	High Needs	130.734	161.875	31.141
-	Early Years	128.321	128.321	-
-	Central Services	5.919	5.919	-
27.852	Total	970.724	1001.865	31.141

High Needs Block (HNB) £31.141m Overspend

Service	Budget Allocation 2025/26 £000	Forecast Expenditure 2025/26 £000	Variance 2025/26 £000	Forecast Diff P02 to P03 £000
Special School Budgets (Including Academy place funding paid directly by ESFA)	42,244	42,515	271	-
Special School Equipment & Therapies	850	850	-	-
SEND Improvement	299	301	3	(0)
Place Funding for AP, CCP and FE providers (AP Recoupment & FE Recoupment)	1,554	1,554	-	-
Mainstream Enhanced Provision	1,496	1,496	-	-
Inclusion Services	5,021	5,105	84	129
Devolved Partnership Funding	7,086	7,086	(0)	-
Partnership Team	1,753	1,579	(174)	(88)
SEN Home to School Transport	1,764	1,764	-	-
Post 16 High Needs (outside of special schools and academies)	7,890	10,907	3,017	192
Independent Specialist Provision (EHC Plan)	28,693	55,310	26,617	2,091
Independent Specialist Provision (Non EHC Plan)	4,807	5,807	1,000	1,000
Targetted High Level Needs (HLN)	8,623	8,592	(31)	-
Additional family needs (AFN)	14,012	14,181	169	(6)
Family Network Funding (FNF)	1,564	1,564	-	0
Health Related Education Team (HRET)	1,411	1,496	85	(28)
Physical Disability Specialist Service (PDSS)	487	508	21	0
SEND Divisional Costs	1,181	1,261	80	-
Import/ Export Adjustment		-	-	-
Total	130,734	161,875	31,141	3,290

72. The pressure on the high needs block is primarily attributable to continuing increases in the numbers of pupils with EHCPs across mainstream schools, special schools, post-16 provisions and independent specialist provisions. Due to the significant rise in the number of children with EHCPs and increasing complexity of need, it has not been possible to accommodate all pupils with an EHCP in a maintained school or academy placement, despite new places being created in year. This has necessitated an increased use of Independent and Non-maintained Special Schools
73. The number of pupils funded in 2025/26 within special schools and academies is 1,370, an increase of 86 from January 2024 Moderation numbers. There is one new special school due to open in January 2026 (Horizons) which will be able to educate 144 pupils. The 2025/26 budget also includes an allocation to fund a further 85 pupils, to be placed in-year, within existing special schools and academies.
74. **External specialist education placements (EHCP and Looked After Children)** expenditure in 2024-25 was £48m against a budget of £35m, resulting in a £13m overspend. Despite a large increase in the High Needs Block for 2025-26, only £2m was allocated to this area with the vast majority being allocated to 'upstream' services and schools. With a forecast of £66m (against an allocation of £37m) the forecast overspend is currently drafted as £29m. There was an increase of 22 placements for children in independent non maintained settings from period 2 to period 3 with pupil placements in these settings totalling 655 as at period 3. The top five high-cost placements range from £138,000 to £290,000 per year.
75. The Post 16 Budget has seen a rise of £190,000 from period 2 to £10.9m at period 3, based on current numbers on role only. Any growth due to September 2025 intake is not

known at this time. Mitigation work will have an effect on future years expenditure, and it is expected that this will start to reduce costs from the 2026/27 academic year.

76. The forecast is based on current roll numbers within Independent Non-Maintained, alternative provision and Post 16 and has been corroborated by the historic expenditure trend, which has been driven by increasing EHCP volumes. Potential growth has been excluded at this stage, assuming that the investment in other services eases the demand on this provision. Increased challenge of Post 16 college assessments should also help mitigate further cost increases.

Early Years Block - Net nil

77. For 2025/26 funding local authorities will receive for universal and additional 3 & 4 year olds and 2 year olds of families receiving additional support will continue to be calculated using the existing methodology, Part-Time Education numbers based on January census data taking 5/12ths of the January 2025 census and 7/12ths of the January 2026 census. The funding mechanism for 2-year-old and under children of working parents continues to be different and will be based on termly headcounts in the summer 2025 and autumn 2025 terms, and the January 2026 census.
78. From 1 September 2025 the entitlement of 9-month-olds and older children of working parents will be extended to 30 hours.
79. The expansion of working parents' entitlements in September, having different approaches to calculating entitlement allocations and funding allocations being determined by future counts, adds complexity to forecasting. If the take up of hours in 2025/26 follows the same pattern as previous years, then the Early Years block could underspend by £0.403m. However, there is uncertainty with forecasting future uptake volumes, and an updated position will be presented once summer term data is available.

Non-Individual Schools Budget (ISB) Reserve

80. The impact of the 2025/26 Dedicated Schools Grant Forecast on the Schools Non-ISB Reserve is as follows:

Non ISB Reserve	Total £m
Balance bought forward 01.04.2025	1.152
Dedelegated Trade Union Facilities	(0.283)
Small Grants c/f	(0.051)
Forecast Schools Block 2025/26	-
Forecast High Needs Block Overspend 2025/26	(31.141)
Forecast Early Years Block 2025/26	-
Forecast CSSB 2025/26	-
Balance carried forward 31.03.2026 surplus/(deficit)	(30.323)

Spend on Consultants

81. There was £63,910 expenditure incurred on consultants within Children & Families to 30 June 2025. In the last financial year, the department spent £151,406.

Financial Implications

82. There are no direct financial implications arising from this report.

RECOMMENDATION/S

That the Children and Families Select Committee considers and comments on:

- 1) the summary of Children and Families Department performance against the ambitions in the Annual Delivery Plan.
- 2) the summary of Children and Families key departmental risks.
- 3) the financial position of Children and Families Department.

Councillor Rory Green
Cabinet Member for Children and Families

Councillor Hana John
Cabinet Member for Education and SEND

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Constitutional Comments (SSR 11/09/25)

83. These recommendations fall within the scope of matters which may be considered by the Children and Families Select Committee.

Financial Comments (JG 11/09/25)

84. There are no Local Government Reorganisation or financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

Electoral Division(s) and Member(s) Affected

All.

CFS0043