

## **DEDICATED SCHOOLS GRANT DRAFT OUTTURN 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) 2024/25 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 2024/25 NCC's total DSG is £874.150m.

<b>Previous Variance £m</b>	<b>Funding Block</b>	<b>Budget £m</b>	<b>Forecast Expenditure £m</b>	<b>Forecast Variance £m</b>
(0.400)	Schools	655.600	655.129	(0.471)
14.492	High Needs	119.893	137.988	18.095
(0.556)	Early Years	93.169	93.037	(0.132)
-	Central Services	5.488	5.488	0
<b>13.536</b>	<b>Total</b>	<b>874.150</b>	<b>891.642</b>	<b>17.492</b>

### **Explanation of Significant Under and Overspends**

3. Schools and Central Schools Services Blocks £0.471m underspend
  - £0.367m underspend on the Pupil Growth Fund
  - £0.284m underspend against de-delegated trade union facilities funding. The underspend is to be carried forward into 2025/26.
  - £0.069m underspend on Free School Meal Eligibility checking
  - £0.039m underspend in Achievement & Quality Service
  - £0.284m overspend on rates within primary and secondary schools

#### 4. High Needs Block £18.095m overspend

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

- £10.5m overspend on the independent specialist provision. At December 2023 the team had 417 pupils on roll on at an independent non maintained provision (INM) with 152 of those starting since April 23. As at December 2024 (for the same time period), the team had 558 on roll at an INM.  
As at January 2025 average cost of a new place was £66,101 compared to £55,243 in January 2024. Most INM's and APs have increased their fees for new starters from September 2024, with APs applying an 'across the board' increase.
- £2.6m 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. EOTAS has overspent as a result of higher exclusions & the requirement to provide provision for pupils not in school. There has been an increase of £1.4m in costs from P11. A budget transfer of £1.6m was vired from Devolved Partnership Funding to support higher spend.
- £2.7m overspend on Post 16 Provision has seen a large increase where most specialist and mainstream colleges have now submitted their full provision data. There has been a significant increase in fees in year 2024/25.
- £1.5m overspend within the Special School Capacity budget. This is for any in-year increases in placement funding. This has been significant in 2024/25 with schools being allocated funding for approximately 115 additional places since April 2024. Of the 115, there has been an admission of 60 new placements at St Giles Special School, from September.
- £0.5m overspend on Other Local Authority (OLA) special school budgets where there have been higher than expected cost for Nottinghamshire pupils in OLA special schools compared to OLA pupils within Nottinghamshire special schools. This is primarily within Nottingham City Council special schools.
- £0.744 overspend on HLN and AFN as Nottinghamshire County Council spend more than we received from other LAs (OLA) for children we educate and as a result of increasing demand from mainstream schools to support SEND pupils.
- £0.299m overspend on equipment and therapies service for our special schools.
- £0.370m underspend in the Inclusion Service mainly due to vacant posts early in the year.
- £0.165m underspend in the Partnership Team due to vacancies and delays in appointments to new posts early in the year.
- £0.119m underspend in the HRET team due to vacancies.

## 5. Early Years Block (EYB) £0.132m Underspend

For 2024/25 funding local authorities will receive for universal and additional 3 & 4 year olds and 2 year olds receiving additional support 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 B** provides a full breakdown of the Early Years Block, which contains the following variances.

- £0.290m net underspend across all age groups. The LA will receive funding for 26,389 PTE across all entitlements with actual uptake being 25,890 PTE. Receiving funding for more hours than the total number of hours paid out to the sector has created an underspend. The January 2025 census count for 2 year olds receiving additional support was significantly lower than in previous years, reducing the funding allocation for this entitlement, and subsequently the entire block, and is the main reason behind the variance from the previous forecast.
- £0.443m overspend on SEN Inclusion Fund. The inclusion fund allocated through the EYB is insufficient to meet demand, and it is increased demand through expansion of early years entitlements that has caused the overspend. All SEN Inclusion Fund expenditure is funded through the EYB in 2024/25. For next financial year an additional £0.185m will be retained from the EYB, plus a further £0.200m contribution from the HNB to generate a SEN Inclusion Fund allocation that is sufficient to meet anticipated uptake.
- £0.329m 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 eligible children have taken up the entitlement resulting in an underspend.
- £0.044m net overspend on remaining allocations including overspends with Early Years Pupil Premium (EYPP) and Early Years Budget Grant offset in part by an underspend with Deprivation.

**The final financial position of the Early Years Block will be confirmed in Summer 2025 when the DfE announce the final 2024/25 funding allocation.**

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

6. The accumulated Schools (Non-ISB) Reserve was £19.460m at the beginning of 2024/25. Based on the net effect of the in-year expenditure there is currently a surplus of £1.106m on the Schools (non-ISB) Reserve for 2025. See table below.
7. Of the £1.106m balance there is a commitment to carry forward the Trade Union de-delegated services underspend for 2024/25 (£0.284m).

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>£m</b>
<b>Balance bought forward 01.04.2024</b>	<b>19.460</b>
Early Years uplift for 2023/24	(0.509)
De-Delegated Trade Union Facilities B Fwd	(0.216)
Targeted Support	(0.127)
Derrymount adjustment	(0.020)
Forecast Schools Block Underspend 2024/25	0.471
Forecast High Needs Block Overspend 2024/25	(18.095)
Forecast Early Years Block underspend 2024/25	0.132
Early Years Budget Grant Adjustment 2024/25	0.010
<b>Balance carried forward 31.03.2025 surplus/(deficit)</b>	<b>1.106</b>

## RECOMMENDATION

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

- 1) Note the contents of this report.
- 2) Note the carry forward of underspend of de-delegated trade union facilities, noted in paragraph 3, into 2025/26

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