

Date: 12 December 2024	Item 6	Type of report: Noting
Report title:	2024-25 Dedicated Schools Grant Monitoring Update	
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PURPOSE OF THE REPORT

1. To update Schools Forum on the current monitoring position of the Dedicated Schools Grant for the 2024-25 financial year.

RECOMMENDED ACTION FOR SCHOOLS FORUM

That the Schools Forum

2. Note The DSG end of year financial forecast position for the year ending 31 March 2025.

KEY ISSUES FOR CONSIDERATION

Overall Position & Safety Valve review

3. The current forecast for Southwark's DSG position is set out in table 1 below. Currently it is anticipated that the Schools, Early Years and Central Block of the DSG will come into balance. The high needs block is forecast to have an overspend of £837k, an increase on the previous forecast presented to Forum.
4. Regarding the Early Years block, the forecast needs to be treated with caution, as the final funding allocation for the LA is based largely on the final January census, so it will not be until quite late in the year that the final position is known. Any under or overspends on the Early Years block will be considered when setting the following years rates to ensure the block remains within budget.

Dedicated Schools Grant 2024-25	Allocations £m	Over/(Under) spend £m
Schools Block	104.3	0
Early Years Block	32.9	0
High Needs Block	72.0	0.84
Central School Services Block	1.9	0
Total	211.1	0.84
DSG Deficit carried forward from 2023-24		8.7
Safety Valve Contribution		-1.8
Forecast DSG Deficit to carry forward into 2025-26		7.8

High Needs

5. High needs placements continue to drive the pressure on Southwark's DSG. These figures should still be treated with caution as the high needs block is the most volatile forecast due to the relatively high cost of some placements, and a continuing increase in EHCP numbers and so the position may change before the end of the year. EHCP numbers at time of writing stand at 3632, an increase of 406 since January 2024.
6. Alternative provision, providing tuition and support to pupils not in mainstream education, is also seeing particular pressure, with demand up significantly this year on last. In March '23 the number of pupils in receipt of AP were 30, which has increased to 84 in March '24. This trend is expected to continue, adding further challenge to bringing the budget back in to an in-year balanced position.
7. The current overspend submitted is what has been submitted to the DfE as part of our Safety Valve monitoring return. An updated return is being finalised at time of writing taking into consideration the changes in the new academic year. As we continue to review the placements data, the forecast may well change again before year end.

Safety Valve

8. This financial year is the second year of the council's Safety valve agreement with Department of Education (DfE). As per the agreement the council will receive funding to offset the accumulated DSG deficit once key milestones achieved. The accumulated DSG deficit reduced to £9m as at end of 2023-24 and the service is expecting another £1.77m contribution from DfE once achieving the required milestones as per the agreed improvement plan for the current financial year. The key aim is to ensure a sustainable service with better outcomes for children and young people as well as an in-year balanced position for the DSG. The achievement of future key milestones will be very challenging and will mean all aspects of service provision need to be reviewed.

De-Delegated Budgets

9. The following table shows the forecast of those de-delegated budgets whose balances are supported by the schools block. Currently it is anticipated that all of these budgets will be fully spent this year with no pressures.
10. As in previous years, any unspent balances will be carried forward to the next financial year.

Table 2 – De-Delegation Budget Forecasts

2024-25 - De-Delegation	Budget	Forecast	Variance
	£m	£m	£m
Trade Unions	0.1	0.1	0.0
Schools Financial Support Panel	0.5	0.5	0.0
Maternity Cover	0.4	0.4	0.0
Summerhouse	1.3	1.3	0.0

CONCLUSION

11. Schools Forum is asked to note the current monitoring position of the DSG and the continuing pressure on the High Needs block of the DSG.