

**REPORT TO:** Schools Forum  
**DATE:** 26<sup>th</sup> February 2025  
**REPORTING OFFICER:** Operational Director – Finance  
**PORTFOLIO:** Children, Young People & Families  
**SUBJECT:** DSG Forecast Outturn for 2024-25  
**WARD(S)** Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To report the Dedicated Schools Grant forecast outturn for 2024-25.

## **2.0 RECOMMENDATION: That**

2.1 The report is noted.

## **3.0 SUPPORTING INFORMATION**

### **3.1 Grant settlement**

The finalised Dedicated Schools Grant allocation for 2024-25 is £154,132,652, following revisions to Central Schools Services and Early Years blocks:

Schools Block	£111,188,230
CSSB	£ 751,280
Early Years Block	£ 15,113,932
High Needs Block	£ 27,079,210

Of this, £58,637,374 is recouped from the Schools Block for direct funding of mainstream Academies, and an estimated £3,305,167 recouped from the High Needs Block for academies and further education. These figures are based on the latest (November) DSG settlement update provided by the DfE.

### **3.2 Schools Block**

There was no block transfer in current years against the High Needs Block, meaning the balance of £111,188,230 was fully devolved to mainstream primary and secondary schools and academies through the local funding formula.

We are mirroring the National Funding Formula (NFF) factors and criteria, as well as the NFF cash values for all formula components.

### 3.3 Central Schools Services Block (CSSB)

The CSSB of £751,280 is currently forecast to budget in respect to the central services supported by this block.

### 3.4 Early Years Block

The Early Years Block of £15,113,932 is currently forecast to budget and is subject to future variation based on termly headcount data.

### 3.5 High Needs Block

The High Needs block allocation of £27,079,210 is reduced by FE recoupment of £3,305,167 and the balance of £23,774,043 is insufficient to meet the total estimated expenditure required for 2024-25.

The recurring areas of pressure are as a result of increasing volumes of children referred for Education Health and Care Plans (EHCPs) and associated costs.

We are currently facing an in-year deficit of £5,352,067 within the High Needs Block. The main areas that are overspending are:

	Budget	Forecast	Variance
Top-up funding	£10,455,348	£13,211,393	-£2,756,045
INMSS	£ 6,363,210	£ 8,877,983	-£2,514,773
Inter-Authority	£ 603,990	£ 685,239	-£ 81,249

### 3.6 DSG Balances

Taking into account the deficit brought forward from 2023-24 of £5,348,546 and anticipating the ongoing pressures specifically faced by the High Needs Block forecasting an in-year deficit of £5,352,067, the cumulative forecast deficit by the end of 2024-25 (31<sup>st</sup> March 2025) is £10,700,613.

The accumulating deficit has resulted in Halton being included in tranche 3 of the DfE intervention 'Delivering Better Value (DBV) in High Needs where work is currently in progress to develop a realistic and robust recovery plan that will require the approval of the DfE.

## 4.0 **POLICY IMPLICATIONS**

None

## 5.0 **FINANCIAL IMPLICATIONS**

5.1 Further savings and reducing overspends are essential to getting back to a balanced DSG position.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence**

None

### **6.2 Building a Strong, Sustainable Local Economy**

None.

### **6.3 Supporting Children, Young People and Families**

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

### **6.4 Tackling Inequality and Helping Those Who Are Most in Need**

The High Needs budgets – those under greatest pressure – are key to improving outcomes for those greatest in need.

### **6.5 Working Towards a Greener Future**

None.

### **6.6 Valuing and Appreciating Halton and Our Community**

None.

## **7.0 RISK ANALYSIS**

7.1 Continued overspending against DSG will impede plans to change and improve services and provision.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

## **9.0 CLIMATE CHANGE IMPLICATIONS**

9.1 None

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

10.1 None under the meaning of the Act.