

REPORT TO: Schools' Forum

DATE: 11th June 2025

REPORTING OFFICER: Operational Director – Finance

PORTFOLIO: Children, Young People & Families

SUBJECT: DSG Outturn for 2024-25

WARD(S) Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To report to the Schools' Forum the Dedicated Schools Grant final Outturn for 2024-25.

2.0 RECOMMENDATION: That

- 2.1 The overall deficit balance of DSG from 2024-25 of £9,120,418 is carried forward into the 2025-26 financial year to be noted by Schools' Forum.
- 2.2 Schools' Forum note the continuing pressures resulting in substantial overspends on the High Needs block.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The finalised Dedicated Schools Grant allocation for 2024-25 is £154,222,741, following revisions to Central Schools Services and Early Years blocks:

Schools Block	£111,188,230
CSSB	£ 751,280
Early Years Block	£ 15,204,021
High Needs Block	£ 27,079,210

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.

The total Academy Recoupment from the Schools Block in 2024-25 was £58,637,374 which was provided directly to Academies via the Education and Skills Funding Agency (ESFA) General Annual Grant (GAG) process.

The balance of £52,550,856 was provided directly to Maintained schools via their Individual School Budget (ISB) allocations.

High Needs Block

The revised High Needs block available for 2024-25 was £23,774,073 which was subject to recoupment of £3,305,167 for direct funding of high needs places.

The in-year overspend for High Needs block was substantial due to the ongoing pressures of increasing volumes of pupils requiring an Education Health and Care Plan (EHCP) with all associated costs including top-up funding as well as high-cost specialist placements in or out of Borough.

The notable areas of overspend include:

- Independent and Non-Maintained Special (INMS) out-borough Placements
- Post-16 SEND placements
- EHCP top-up funding in Maintained and Academy provision

Early Years Block

The final Early Years block allocation for 2024-25 was £15,204,021 with the actual spend based on hourly participation of 2, 3, and 4 year olds accessing universal and/or extended entitlements in Maintained of Private, Voluntary, and Independent (PVI), including Childminder provisions.

3.3 Final Outturn position

In-year overall the DSG has overspent by £9,120,418 and taking into consideration the carry forward deficit balance of £5,348,546 from the previous financial year there is a total DSG deficit of £14,648,964 to be carried forward into 2025-26.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Council is required to ensure that DSG funding is allocated in accordance with the Schools and Early Years Finance (England) regulations and in compliant with the statutory operational guidance relevant to each block of DSG.
- 4.2 The deficit on the DSG, specifically in respect to the High Needs pressures, is subject to DfE scrutiny through their Delivering Better Value (DBV) programme, of which Halton is included in Tranche 3 and which commenced from September 2023. Following a submission of the DBV plan Halton has been

awarded £1 million to in effect put in a strategic plan to reduce this deficit going forwards.

- 4.3 The cumulative DSG deficit is of great concern and it is clear that without any further Government support a recovery plan to control the level of demand and cost pressures is of vital importance.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

None

5.2 Building a Strong, Sustainable Local Economy

None

5.3 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.

5.4 Tackling Inequality and Helping Those Who Are Most In Need

None

5.5 Working Towards a Greener Future

None

5.6 Valuing and Appreciating Halton and Our Community

None

6.0 RISK ANALYSIS

- 6.1 The Council will continue to closely monitor the level of DSG spend throughout the year to mitigate against the risk of overspend against available funding.

7.0 EQUALITY AND DIVERSITY ISSUES

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

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 None

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE
LOCAL GOVERNMENT ACT 1072**

9.1 There are no background papers under the meaning of the Act.