

Wandsworth Council

Meeting / Date	SCHOOLS FORUM 12th May 2025	Agenda Item	3
Report Title	DSG Outturn – FY 2024-25		
Decision/ Discussion/ Information	Discussion		
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Appendices	None		

1. INTRODUCTION

- 1.1 Pressure on the Dedicated Schools Grant (DSG) is predominantly within the High Needs Block (HNB) and is driven by increasing demand by parents and schools for Education, Health and Care Plans (EHCP's). Over 50% of the increase in expenditure in the HNB is due to growth in numbers of EHCPs which has led to the need for Wandsworth to undertake measures to facilitate a DSG recovery plan presented in previous school's forums.
- 1.2 This paper shows a breakdown of various elements of FY 2024-25 outturn expenditure within the High Needs Block and compares them to the outturn in FY 2023-24.
- 1.3 Table 1, below, shows a summary of the DSG by block indicating an overspend of **£7.341m** in FY 2024-25. This is made up of an overspend in the High Needs Block (HNB) of £10.767m which is offset by an underspend within the Early Years Block (EYB) of £3.243m, and an underspend within the Schools Block (SB) of £0.183m. All figures are after ESFA recoupment.

Table 1: DSG Outturn by Block FY 2024-25

DSG	FY 2024-25		
	Budget - FY2024-25	Outturn FY2024-25	Outturn Variance (Under) / Over Budget
DSG Schools Block	£84,159,500	£83,976,597	-£182,903
DSG CSSB	£2,649,000	£2,649,000	£0
DSG High Needs Block	£62,516,178	£73,282,798	£10,766,620
DSG EY Block	£36,908,376	£33,665,241	-£3,243,135
Grand Total	£186,233,054	£193,573,636	£7,340,582

- 1.4 Table 2 below shows the movement of the DSG Reserves over the previous 5 years. Included is also the outturn for the current year, FY 2024-25, which highlights the in-year spend of £7.341m, leaving the cumulative reserve balance at a deficit of **-£21.205m**.

Table 2: Updated DSG Reserve Outturn for FY 2024-25

Reserve Outturn	FY 2019-20 Actual (£'000)	FY 2020-21 Actual (£'000)	FY 2021-22 Actual (£'000)	FY 2022-23 Actual (£'000)	FY 2023-24 Actual (£'000)	FY 2024-25 Actual (£'000)
Reserve Brought Forward	-270	-39	-10	4,601	10,423	13,864
In Year Spend	230	30	4,611	5,822	3,441	7,341
Closing Balance	-39	-10	4,601	10,423	13,864	21,205

2. RECOMMENDATION

- 2.1 Officers recommend that the Schools Forum;

2.1.1 Note the FY 2024-25 DSG Outturn position.

3. HIGH NEEDS BLOCK

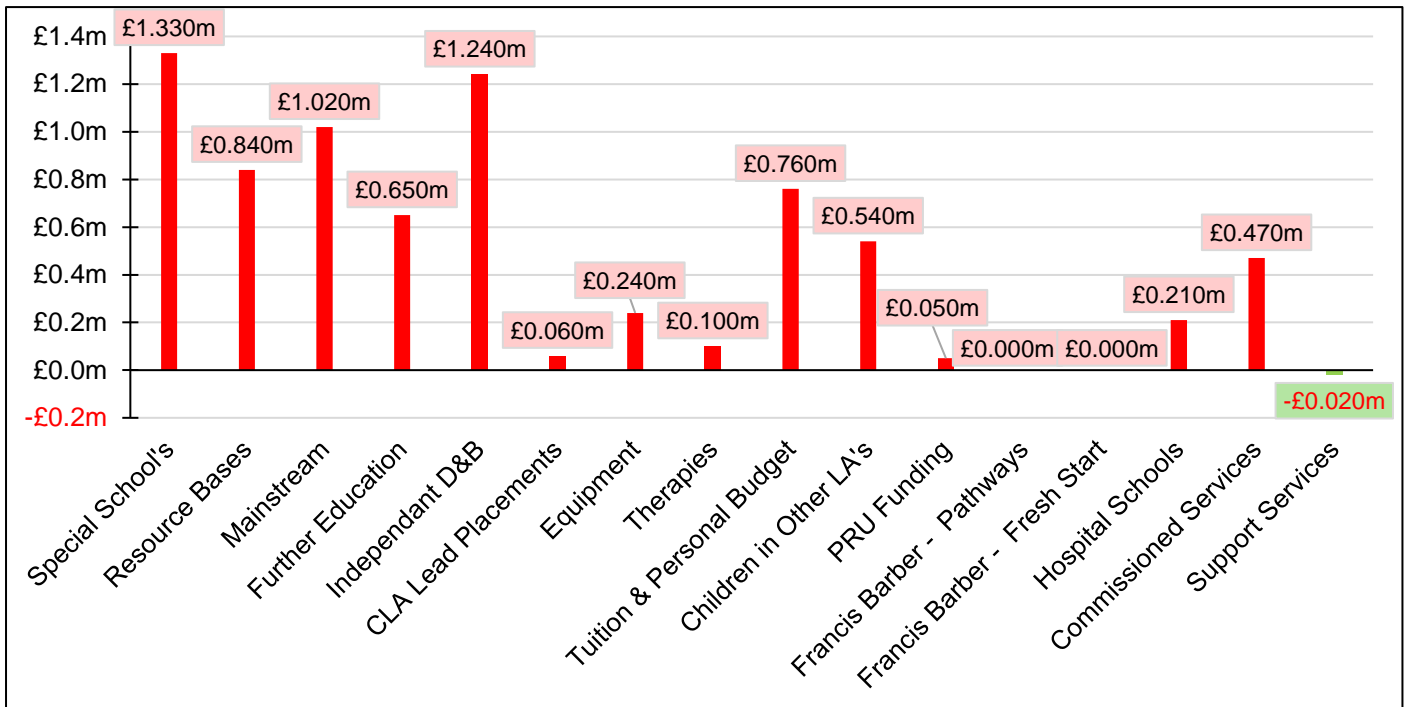
- 3.1 The High Needs Block supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both councils and institutions to meet their statutory duties under the Children and Families Act 2014.
- 3.2 The Children and Family's Act of 2014 not only placed additional responsibilities on councils to support children with SEND up to the age of 25 years old but also increased the powers of parents to influence where their child with SEND is educated.
- 3.3 Since the Children and Family's Act of 2014 came into effect, the numbers of pupils supported by the HNB through Education, Health and Care Plans (EHCPs) has grown significantly across the country.
- 3.4 The Wandsworth High Needs Block in FY 2024-25 had an outturn of **£73.283m** excluding recoupment. This resulted in an overspend of **£10.767m** against a DSG allocation of **£62.516m** (after recoupment).

Table 3: Illustrates the Outturn position for FY 2024-25 for the High Needs Block element of the DSG and compares the overspend to that recorded in FY 2023-24.

High Needs Block	Outturn - FY 2023-24	Outturn - FY 2024-25	Outturn Variance
Special School Funding	£17,999,878	£19,332,983	£1,333,105
Resource Base Funding	£5,354,778	£6,198,687	£843,909
Mainstream School Funding	£9,825,342	£10,849,368	£1,024,026
Further Education	£3,877,867	£4,523,204	£645,337
Independent School Placements	£13,538,036	£14,777,109	£1,239,073
DSG SEN Independent - CLA Lead Placements	£190,832	£253,927	£63,095
Equipment	£28,684	£266,784	£238,100
Therapies	£774,903	£877,545	£102,642
Tuition & Personal Budgets	£1,991,104	£2,751,154	£760,050
Children in Other Local Authorities	£3,394,340	£3,929,936	£535,596
PRU Funding	£2,954,148	£2,999,420	£45,272
Francis Barber - Pathways	£476,300	£476,300	£0
Francis Barber - Fresh Start	£231,400	£231,400	£0
Hospital Schools	£1,139,200	£1,348,858	£209,658
Commissioned Services	£2,453,699	£2,922,365	£468,666
Support Services	£1,561,059	£1,543,759	-£17,300
TOTAL HN Block After Recoupment	£65,791,569	£73,282,798	£7,491,229
Special School - academy recoupment	£2,260,000	£2,289,167	£29,167
Resource Bases - Academy Recoupment	£816,001	£738,168	-£77,833
Post 16 - Recoupment	£1,088,000	£1,102,000	£14,000
TOTAL HN Block Before Recoupment	£69,955,570	£77,412,133	£7,456,563

- 3.5 The table shows a full breakdown of HNB expenditure and in the final column, compares how the level of spend in FY 2024-25 compares to that of FY 2023-24.
- 3.6 The overspends are all within the High Needs Block of the DSG. The drivers behind the LA's position, which is common across London and England, are increased demand for High Needs placements and services via growing numbers of Education, Health and Care Plans, an increase in the cost of high needs placements and services, and a funding envelope that hasn't always kept up with these factors.
- 3.7 The chart below illustrates the Year-on-Year increases for FY 2024-25 against the FY 2023-24 outturn as a baseline:

Chart 1: Year-on-Year increase for FY 2024-25 against the FY 2023-24 outturn



3.8 Overall, the overspend in FY 2024-25 is £7.491m higher than in FY 2023-24.

3.9 Of the £7.491m increase, £3.2m has been spent across investment in our schools (Special, Resource Base and Mainstream provision).

3.10 Independent provision saw an increase of £1.240m which is driven by the compounding impact of pressure from inflationary price increases and an increase in the severity of needs, given that the current number of children placed in an independent provision is similar to that of FY 2023-24.

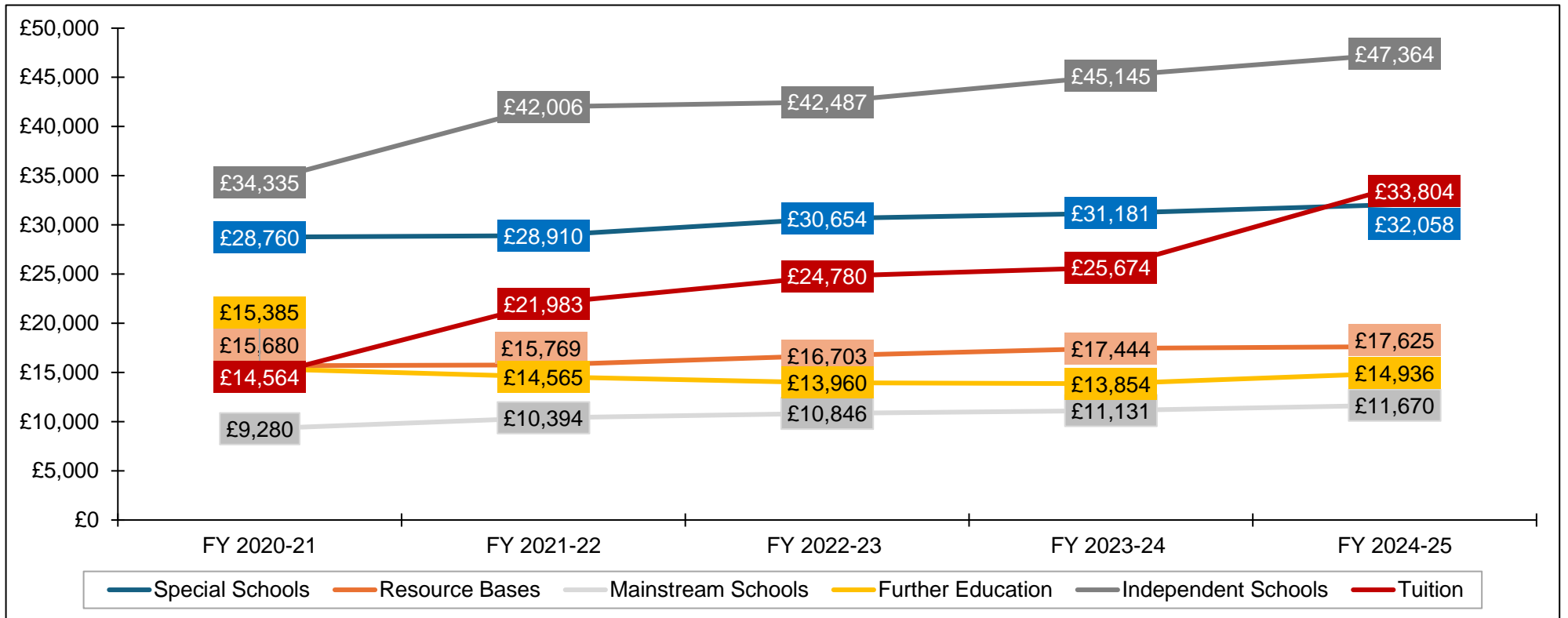
3.11 The spend on Tuition has seen a significant increase of £0.760m from FY 2023-24. The number of children receiving tuition however in FY 2024-25, has significantly increased since FY 2023-24 as the number of children and young people with EHCPs requiring tuition has also grown, leading to higher overall costs. There has also been a noticeable increase in the complexity of needs among children and young people with EHC Plans, necessitating more specialised and often more expensive tuition services.

3.12 Children placed in Special, Resource and Mainstream provision outside the borough has also seen a noticeable increase of £0.540m in FY 2024-25 from FY 2023-24. This is due to more children increasingly being placed in provisions outside the borough due to several schools falling on the border between neighbouring authorities.

3.13 The significant increases in both independent provision and tuition in FY 2024-25 is supported by the increases in the average cost.

3.14 This is shown in the chart below which highlights the average top-up funding cost per provision type:

Chart 2: Average Top-up Funding cost per provision type



- 3.15 The average cost for an independent provision has seen an increase from £45k per pupil in FY 2023-24 to £47k in FY 2024-25.
- 3.16 The average cost for a young person placed in Tuition has seen an increase from £26k in FY 2023-24 to £34k in FY 2024-25.
- 3.17 Despite a significant increase in investment of Wandsworth maintained provisions in FY 2024-25, the average cost has been kept relatively flat from FY 2023-24.

4. EARLY YEARS BLOCK

- 4.1 The Early Years block funds the provision on education for early years aged children from under 2 to 4 years old. The majority of the block funding is passed on to settings who provide the education.
- 4.2 The EY sector expanded in FY 2024-25, with additional funding being made available to fund provision for 2-year-olds of working parents from April 2024 and working parents of children from 9 months up to 2 years old from September 2024. This is being expanded further in FY 2025-26 from September as 2-year-olds and 9 months up to 2 years olds of working parents, can access 30 hours free childcare per week.
- 4.3 The Early Years Block (EYB) funding is the only funding within the DSG that is funded entirely on actual activity delivered, in this case hours of provision provided to children.

Table 4: Illustrates the outturn position for the FY 2024-25 Early Years Block element of the DSG:

EY Block	FY 2024-25		
	Budget – FY2024-25	Outturn FY2024-25	Outturn Variance (Under) / Over Budget
TOTAL	£36,908,376	£33,665,241	-£3,243,135

- 4.4 An underspend of **£3.243m** is shown in the Early Years Block due to lower hours paid out compared to budget.
- 4.5 The allocation for the Early Years Block has been amended in July 2024 and updated with January 2024 school census data. The allocation will be amended again in July 2025 with the January 2024 census data.
- 4.6 Despite a fall in nursery pupil numbers, the pupil take up for the new funding for under 2s & 2s of working parents is more than the estimated funding from the DfE, thereby the usual clawbacks assumed in previous years is no longer expected on account of FY 2024-25, increasing the underspend in FY 2024-25.

5. SCHOOLS BLOCK

- 5.1 The Schools' Block is the element of the DSG that provides primary and secondary schools with their core funding. **£83.238m** of the £84.159m schools block budget is passed on to schools as their budget shares. These budget shares are calculated and agreed at Schools Forum in January of every year and will not change until the following year.
- 5.2 The remaining **£0.922m** of the schools' block funding is de-delegated funding which schools contribute towards the cost of centrally retained services. The table below shows the contributions for each of these.
- 5.3 Due to the closure of Christchurch C of E Primary School in August 2024, there is an underspend of £0.183m in the school's block. £183k represents the budget share of the school remaining for the period of September 2024 to March 2025.

FY 2024-25			
Schools Budget Shares	Budget - FY24-25	Outturn FY2024-25	Outturn Variance (Under) / Over Budget
Schools Budget Shares & Growth Fund	£83,062,611	£82,879,708	-£182,903
De-delegated Funding	Budget - FY24-25	Outturn FY2024-25	Outturn Variance (Under) / Over Budget
School Improvement	£275,385	£275,385	£0
Support to underperforming ethnic minority groups and bilingual learners	£14,414	£14,414	£0
Maternity Leave / Suspended Staff /and Trade Union Cover	£631,962	£631,962	£0
Maintained Education Functions (Former ESG Grant)	Budget - FY24-25	Outturn FY2024-25	Outturn Variance (Under) / Over Budget
Redundancy Costs	£174,938	£174,938	£0
TOTAL	£84,159,309	£83,976,407	-£182,900

6. CENTRAL SCHOOLS' SERVICES BLOCK

- 6.1 The Central Schools Services Block (CSSB) provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England.
- 6.2 The CSSB is formulated to cover both historic commitments and ongoing responsibilities. The former are fixed amounts committed in FY 2012-13 and cannot be increased under the National Funding Formula (NFF).

- 6.3 The table below shows the budget and expenditure for FY 2024-25, where no over- or under-spends occurred.

CSSB	FY 2024-25		
	Budget FY2024-25	Outturn FY2024-25	Outturn Variance (Under) / Over Budget
Prudential Borrowing Costs	£547,878	£547,878	£0
Existing Termination of Employment costs	£732,000	£732,000	£0
Servicing of Schools Forum	£16,000	£16,000	£0
Copyright Licenses	£210,000	£210,000	£0
Contribution to responsibilities that local authorities hold for all schools	£1,130,111	£1,130,111	£0
TOTAL	£2,635,989	£2,635,989	£0