

## FINANCE UPDATE

### REPORT OF THE DIRECTOR OF FINANCE & PUBLIC VALUE AND INTERIM DIRECTOR OF CHILDREN AND YOUNG PEOPLE'S FUTURES

#### RECOMMENDATIONS

It is recommended that Schools Forum:

- a) Note month 10 DSG monitoring position as set out in this report.
  - b) Note current Safety Valve / DSG management plan position as set out in the report.
- All to Note**

### Budget Monitoring Report – Month 10 (2024/25) – Dedicated Schools Grant

#### Executive Summary

- Before any contributions from the DfE and Devon, the increase in the accumulated Dedicated Schools Grant (DSG) deficit is forecast to be £52.8 million compared to the DfE Safety Valve planned position of £31.2 million. An increase of £21.6 million.
- Dedicated Schools Grant is forecasting an overspend of £45 million and assumes management plan actions of £11.4 million identified in the Safety Valve Intervention management plan will be achieved in this financial year. A further £3.9 million of the management actions have been identified as being at risk of delivery.
- 35.4% of the overall High Needs Block budget supports young people in Independent Specialist Settings which supports 12.8% of the total number of pupils with an EHCP (1,273 / 9,927). This compares to the National Average of 9%.
- The increasing DSG deficit could have a considerable impact on future education budgets within the DSG as well as impacting on the financial sustainability for Devon County Council.

As of January 2025

- There are 9,927 EHCPs, which is 11.7% increase from January 2024. The number of EHCP's being issued are increasing and over above the safety valve submission one of the reasons for this is due to DfE targets to issue within a timely manner, these targets have financial impact on current forecasts.
- Devon has 4.17% of residents with an EHCP and this has risen year on year since 2020 from 3.04%. This is compared to the National average of 3.46% and our statistical neighbours 3.72% for 2024.
- 15.2% of children with an EHCP have been absent from school in this academic year and the current number of fixed term exclusions recorded for children with an EHCP is at 20.5%, which is a reduction of 0.01% from the same period in 2023.
- There are 936 overdue EHCP reviews this has reduction of 301 since January 2024, however overdue reviews could have a further financial impact for the Local Authority

## 1. DSG Schools Funding

- 1.1. In January the revised DSG settlement allocation stands at £326 million (after recoupment for academies and direct funded places) based upon pupil numbers as at the October 2023 Schools census and January 2024 Early Years census.
- 1.2. The DSG and Schools Funding includes £6.3 million Safety Valve funding expected to be received this year from the DfE.
- 1.3. The working budget includes other school grants of £29.3 million.
- 1.4. The Growth Fund is reporting a £1.4 million underspend which will be taken to the bottom line and will partially offset the in-year overspend.

**Table 1: Summary of Month 10 forecast position and significant variations**

Budget projections as at Month 10	Revised Budget for year £'000	Forecast Outturn £'000	Outturn Variance £'000	Carry Forward Requested £'000	Transfer to/(from) deficit reserve £'000	Forecast Adjusted variance £'000	Change from prior BMG Reporting Period £'000	Analysis of Savings Plans	
								Budgeted Savings Plans £'000	Forecast Delivery Savings Plans £'000
Schools delegated budgets	182,312	180,927	(1,385)		1,385	(0)	(0)	0	(0)
Academy Grants	185	185	0			0	0	0	0
DSG and School Funding	(355,776)	(362,106)	(6,330)		6,330	0	0	0	0
<b>Total DSG Funding</b>	<b>(173,279)</b>	<b>(180,994)</b>	<b>(7,715)</b>	<b>0</b>	<b>7,715</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
De-delegated budgets	5,170	5,170	0	0	0	0	0	0	0
Central School Services Block	4,262	4,224	(38)		38	0	0	0	0
Early Years & Childcare Services	69,288	69,288	0		0	0	0	0	0
<b>Total DSG central budgets</b>	<b>78,720</b>	<b>78,682</b>	<b>(38)</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
High Needs Budget	147,698	169,288	21,590		(21,590)	0	0	(15,345)	(11,439)
DSG High Needs 24/25 deficit budget prep	(31,166)	0	31,166		(31,166)	0	0	0	0
<b>Total High Needs budget</b>	<b>116,532</b>	<b>169,288</b>	<b>52,756</b>	<b>0</b>	<b>(52,756)</b>	<b>0</b>	<b>0</b>	<b>(15,345)</b>	<b>(11,439)</b>
<b>Total Dedicated Schools Grant</b>	<b>21,973</b>	<b>66,976</b>	<b>45,003</b>	<b>0</b>	<b>(45,003)</b>	<b>(0)</b>	<b>(0)</b>	<b>(15,345)</b>	<b>(11,439)</b>
								Unachievable	<b>3,906</b>

## 2. DSG Central Budgets

### De-delegated budget

- 2.1. The budget covers Copyrights and Licences, Contingencies and exceptional events funds, Education Services contracts, Maternity Fund and Trade Unions, they are all currently forecasting to spend to budget.

### Central School Services Block

- 2.2. This budget area includes Termination of Employment Costs, Admissions, Schools Forum, Devon SLS (Phase associations), Insurances and Surplus Properties. £29,000 underspend relates to the Admissions Team £14,000 due to additional grant funding and reduction in contribution to HADMISS and £15,000 for Surplus Properties. Access for Disabled is forecasting a slight overspend in relation to inflationary increase to contract.

## Early Years & Childcare Services

2.3. Currently forecasting to budget. From September 2024, 15 hours childcare support will be extended to eligible working parents of children from the age of 9 months to 3-year-olds. We have received additional settlement but still awaiting new settlement from the January 2025 data.

### 3. High Needs

3.1. The High Needs Block continues to remain under significant pressure and is forecasting an overspend of £52.8 million.

3.2. Table 2 sets out the high-level view within the High Needs Block.

**Table 2: Summary of High Needs budgets and forecast position as at Month 10**

	Budget £'000	Month 10 Forecast £'000	Variance £'000	Transfer to/(from) deficit reserve £'000	Deficit / (Surplus) Balance £'000	Movement Previous Mth £'000	Budgeted Safety Valve saving £'000	Forecast savings £'000
Alternative Provision	7,542	7,356	(186)	186	0	23	(259)	0
Children in Care and Exclusions	1,773	1,773	0	0	0	0		
Improved Outcomes Disadvantaged Children	1,827	1,668	(159)	159	0	(91)		
Inclusion	150	150	0	0	0	0		
Safeguarding Every Learner	390	390	0	0	0	1		
SEN Mainstream	26,851	34,533	7,682	(7,682)	0	629	(3,818)	(1,431)
FE Colleges	5,325	6,086	761	(761)	0	50		
SEN Services	2,393	2,355	(38)	38	0	(27)		
SEN 100 Project	250	100	(150)	150	0	(150)		
Maintained & Academy Special Schools	45,866	50,528	4,662	(4,662)	0	16	(289)	0
Hospital Education Services	776	776	0	0	0	0		
Recoupment	1,004	1,876	872	(872)	0	0		
Other Special School Fees	51,691	59,922	8,231	(8,231)	0	137	(10,980)	(10,008)
Support Centre Funding	1,860	1,775	(85)	85	0	(11)		
<b>Total High Needs Funding</b>	<b>147,698</b>	<b>169,288</b>	<b>21,590</b>	<b>(21,590)</b>	<b>0</b>	<b>577</b>	<b>(15,346)</b>	<b>(11,439)</b>
DSG High Needs 23/24 deficit budget prep	(31,166)	0	31,166	(31,166)	0	0		
<b>Total High Needs budget</b>	<b>116,532</b>	<b>169,288</b>	<b>52,756</b>	<b>(52,756)</b>	<b>0</b>	<b>577</b>	<b>(15,346)</b>	<b>(11,439)</b>

### Alternative Provision

3.3. Alternative Provision (AP) is currently forecasting an underspend of £186,000. The main in year pressure continues to be seen within AP Other where the number of children being excluded or who are requiring support due to not being able to attend School is rising. Forecast assumes the budget will be back to budgeted levels of pupils being supported from February of 95 (current pupil count 97). All current children requiring extension to provision or new pupils coming through Section 19 who are supported by the Alternative Provision Other budget are discussed and reviewed and provision agreed and signed off at the daily Senior Officer Approval Panel (SOAP).

3.4. The main AP WAVE contract is forecasting to underspend by £322,000 due to the projected numbers being lower than originally budgeted, although the provision is projected to fill up before the end of the financial year. This underspend is currently mitigating the pressure within the AP Special Commission placements at WAVE which is forecasting an overspend of £137,000.

3.5. Diabetes funding is reporting to budget, however this assumes £280,000 of funding from Health to pay for the support being provided to schools.

3.6. £800,000 projected income is included within the forecast from AP Medical and EOTAS AWPU clawback and forms part of the mitigation of the AP other pressure.

- 3.7. £259,000 safety valve management actions have been removed as not achievable through the AP commissioning due to delay in negotiating the contracts. Focus is being put on this for 2025/26 with staff coming over to support this from other directorates.

### **SEN Mainstream**

- 3.8. This covers personalised education packages and EHCPs as well as the central Service Level Agreements which support them.
- 3.9. Mainstream EHCPs (pre-16) are reporting an overspend of £2.7 million, within the forecast there is £3.8 million safety valve savings in relation to Inclusion, Early Help, Sufficiency and Financial Management, of which £2.2 million will not be achieved in this financial year.
- 3.10. Overall EHCP numbers are above the budgeted average of 3,296 at 3,607 (after management action), forecast includes growth for the remainder of the year and that management actions will not mitigate the original level of budgeted growth.
- 3.11. Children Educated Other than at School are reporting an overspend of £3.3 million for Tutoring Specialist provision as there are 241 pupils more than budgeted (of which 40 transferring from AP Other). However, the average cost per pupil is £526 lower than budgeted.
- 3.12. Personalised Budgets are forecasting an overspend of £333,000 from an additional 28 pupils than budgeted, yet similarly the average cost per pupil is lower than budgeted by £2,645. There are combined safety valve savings of £427,000 within both of these budgets for Financial Management and forecast assumes these savings will be achieved.
- 3.13. SEN Therapies are reporting an overspend of £179,000 due to increased demand for support for young people during the Summer and Autumn, forecast assumes the same level for the Spring term.
- 3.14. An interim commissioning process for packages of Alternative Education Provision (AEP) commenced in June 2024 ensuring that only those providers who are on the approved master provider list, which has been put together by the children's commissioning team, are being used. This is to ensure all our providers are compliant with the Authority's basic checks and these are up to date and to standardise the working practices across Education teams.
- 3.15. Colleagues are in the process of recouping therapy costs from our Health partners estimated at around £1.2 million. This is not currently built into the forecast and forms part of the High Needs Block recovery plan mitigations.

### **Maintained and Academy Special Schools**

- 3.16. Forecast to overspend in 2024/25 by £4.7 million. The average numbers on roll including Plus Packages and Exceeded places are forecast at 1,847 (vs 1,831 budgeted). Plus Packages are currently 32 places above budgeted with an additional £489,000 cost, however this has been offset by 19 top up places ending seeing a cost reduction of £267,000.
- 3.17. The budget included safety valve savings of £289,000 for Preparation for Adulthood in relation to curriculum review this saving will not be realised in this financial year and this area is currently being reviewed, however it will be mitigated against further savings within the overall Preparation for Adulthood (condition 2).

### **Other Special Schools Fees**

- 3.18. The Other Special Schools budget is forecasting an £8.2 million overspend for the year after assuming £10.1 million of management actions will be achieved in this financial year of which £8.7 million has been achieved to date. There is also £261,000 of health funding is still to be agreed.
- 3.19. Forecast placement numbers up to March 2025 are 1,255 compared to budgeted 1,112. This is 143 over the budgeted level and relates to Sole funded placements and September starters being

higher than planned. For the remaining management action to be achieved the forecast assumes 29 placements will either cease or there will be a reduction in growth. All placement decisions are being made at the daily SOAP panel.

3.20. 35.4% of the overall High Needs Block budget supports young people in Independent Specialist Settings which supports 12.8% of the total number of pupils with an EHCP (1,273 / 9,927). This compares to the National Average of 9%.

### FE Colleges

3.21. FE Colleges are forecasting an overspend of £760,000 due to being 23 pupils above the budget forecast of 1,033 and the average cost being £5,762 (£607 higher than forecast).

3.22. SLT have provided approval for capital works to have new facilities from 2026/27 but it's hoped these will be available for 2025/26 academic year generating an additional 350 places. £250,000 of revenue support has been agreed for 2024/25 and 2025/26 to fast track availability for an additional 40 places at Petroc from September 2024 for and approximately 30 places at Exeter College from January 2025. Consideration is currently being made as to whether this cost can be converted to flexible use of capital receipts. This cost is currently included in the current FE forecast.

### Savings by Conditions

3.23. Table 3 sets out a matrix of the savings by condition and budget area.

**Table 3: Savings Matrix 2024/25**

Conditions	SRO	SEN	Maintained	Other	Alternative	Total	Forecast Non-	
		Mainstream	& Academy	Special	Provision	Targeted	deliverable /	
		£'000	Schools	Schools	£'000	2024/25	(over-achieve)	
			£'000	£'000	£'000	£'000	£'000	
Condition 1	Improving Early Intervention	TBC	(727)	0	(1,300)	0	(2,027)	783
Condition 2	Develop shared Pathways in Adulthood	Phill Adams	0	0	(3,672)	0	(3,672)	(24)
Condition 3	Appropriate Local Provision	Simon Niles	0	0	(3,985)	0	(3,985)	761
Condition 4	Financial Management & Placement Value	Damien Jones	(890)	0	(865)	0	(1,755)	2,387
Condition 5	Improve Inclusive Capacity	TBC	0	0	0	0	0	0
Condition 6	Multi-agency Pathways	Hannah Pugliese	0	0	0	0	0	0
<b>Total Management Plan Savings</b>			<b>(1,617)</b>	<b>0</b>	<b>(9,822)</b>	<b>0</b>	<b>(11,439)</b>	<b>3,907</b>

### 4. Block transfer to High Needs Block (Early Help and Emotionally Based School Avoidance)

4.1. £1.3 million was agreed by schools as a block transfer to the High Needs Block for Early Help and Emotionally Based School Avoidance (EBSA).

4.2. Update to be provided as part of agenda item 5.

### 5. Workstream Savings

**Table 4: Profiled condition savings / Cost reductions**

Safety Valve Intervention Programme	Summer	Summer	Autumn	Autumn	Spring	Spring	24/25	24/25	24/25	Actual	Rag Rating
	Term	Term	Term	Term	Term	Term	Targeted	Forecast	Forecast	Savings	
	planned	Actuals	Planned	Actuals	Planned	Actuals	Savings	amount	Deliverable	Deliverable	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Improving Early Intervention	(1,222)	(799)	(1,476)	(423)	(112)		(2,810)	(2,027)	783	(1,222)	
Developed shared pathways in Adulthood	(268)	(356)	(3,380)	(3,316)			(3,648)	(3,672)	(24)	(3,672)	
Appropriate Local Provision	(1,969)	(1,969)	(2,777)	(1,784)	0	(70)	(4,746)	(3,985)	761	(3,823)	
Improve process and use of data to make informed decisions	(650)	(110)	(2,842)	(520)	(650)	(66)	(4,142)	(1,755)	2,387	(696)	
Multi-agency Pathways											
<b>Total Management Plan Savings</b>	<b>(4,109)</b>	<b>(3,234)</b>	<b>(10,475)</b>	<b>(6,043)</b>	<b>(762)</b>	<b>(136)</b>	<b>(15,346)</b>	<b>(11,439)</b>	<b>3,907</b>	<b>(9,413)</b>	

- 5.1. Pupil data has been provided by workstream leads to evidence those who have been supported either during the summer term or taken up a placement within the expanded Maintained and Academy special school places, this has achieved to date, £9.4 million of savings to date.
- 5.2. The Management Action of £15.3 million reflects the budgeted savings expected to be delivered in 2024/25 Safety Valve submission. As at month 10 £3.9 million is being recorded as not being achieved for special school outreach, Support Centre expansion, ISP/AP Commissioning and Plus Packages review.
- 5.3. A request was made early in the Autumn term for additional resource to support the programme, there has been a good response from Directorates within the local authority to support the SEND Transformation Programme, majority of the roles which we were looking to fill have now had a resource identified which will help support the deliverability of the programme including the Safety Valve savings. Appendix A details the individual workstreams packages and savings being reported under each safety valve condition.

#### **Condition 1 & 5: Improving Early Intervention (Inclusion & Early Help)**

- 5.4. The current forecast is for a £783k under delivery against the target Safety Valve savings for 2024/25. This is largely due to the delays to the Special Schools Outreach work. The strand has moved back to Green/Amber as work has progressed to create two test and learn pilots Special Schools Outreach offer with the Special Partnership Trust and Education South West. The OAIP Targeted Support framework has now been completed and tested and is due to be published at the end of Feb. Scope of support as part of the North Devon Early Help (Education) pilot has now been broadened. School Development Group in place to refine ways of working and capture lessons learned ahead of wider implementation of the offer.

#### **Condition 2: Develop shared Pathways in Adulthood (Preparation for Adulthood)**

- 5.5. Strand has moved to Green as all future milestones are currently on-track and the current forecast is that it will over deliver against the Safety Valve savings by £24k for 2024/25. The first of a series of Transition Support webinars aimed at young people and those that support them was held last week, with lots of positive feedback as well as learning opportunities and feedback as to what else they would like to see

#### **Condition 3: Appropriate Local Provision (Sufficiency)**

- 5.6. Strand remains at Amber/Red due to the high-risk nature of building projects. The Secretary of State has now entered into a funding agreement with the Special Partnership Trust allowing the Castlebridge to progress and confirming the school will open in Sep 25 as planned. Needs analysis data continues to inform discussions with MATs for Phase 2 resource base implementation and Inclusive Communities model being developed with partner Trusts. Project remains on-track to be operational from January 2026. Re-cast forecasts being incorporated into the final draft of the Sufficiency strategy. The strand is forecast to under deliver by £761k against the planned 2024/25 Safety Valve savings due to a shortfall in the number of additional resource base places, together with no savings having yet been achieved through AP commissioning.

#### **Condition 4: Improve process and use of data to make informed decisions**

- 5.7. Strand remains at Amber/Red for the time being. Work continues to put in place additional block contract arrangements with Independent Sector providers whilst work continues at pace to put the new commissioning frameworks in place. Planning underway ahead of commencing the first user engagement sessions before testing the proof-of-concept for the Provision Management system can start. The strand is currently forecast to under deliver against the 2024/25 Safety Valve savings targets by £2.4m, predominantly due to the delay in Plus Package review.

#### **Condition 6: Improve Inclusive Capacity (Multi Agency Pathways)**

- 5.8. RAG rating remains at Amber/Red due to the slow progress against the APP target relating to waiting list reduction. Six Neurodiversity Navigators now in place across the county with a further Navigator

due to start shortly. First four months of data shows that twice as many children have been removed from the waiting list as a result of the Autism recovery work. Business case prepared to secure funding for wellbeing offer to continue and Speech and Language Therapy workforce beyond 2024/25.

## 6. Mitigations in-year

6.1. To manage the projected in-year overspend £1.3 million has been identified to mitigate this:

- Health contribution for Tribunal cases - £60,000 – based on recent tribunal order for one child. Work being supported to go through IPOC process. Further work is needed to review other recent cases,
- Pupil Centric- £80,000 – removal of top up from School as soon as pupil in AP.
- Health contribution for therapies - £1.2 million– young people with EHCP's receiving SALT, mentoring and tutoring support through there EHCP. However, a bad debt provision is expected as payment not thought to be finalised until after year end.

6.2. To ensure the remaining projected overspend is brought into balance colleagues across the organisation are supporting the SEND Statutory team to improve management of independent placements and governance around spend and contract management.

## 7. DSG Deficit Management Plan

7.1. The DSG Adjustment Account, which shows the cumulative DSG Deficit as per government guidance, is projected to be £131.6 million by the end of 2024/25 after all DCC contributions have been considered, but prior to further mitigating work.

	£'000	£'000
DSG Adjustment Account		164,580
DSG High Needs 24/25 deficit budget prep	31,166	
DSG High Needs 24/25 in year pressure	<u>21,590</u>	
		52,756
In-year mitigation	(1,340)	
Bad Debt provision for Health contributions	1,200	
Other DSG block surpluses - 24/25 only	<u>(1,423)</u>	
		(1,563)
Department of Education contribution to clear deficit 23/24	(38,000)	
Department of Education contribution to clear deficit 24/25	<u>(6,330)</u>	
		(44,330)
Local Authority contribution to clear deficit 23/24	(11,161)	
Local Authority contribution to clear deficit 24/25	<u>(28,700)</u>	
		(39,861)
<b>Total DSG Deficit Reserve</b>		<b>131,582</b>

## 8. Data Dashboards

8.1. Data dashboards have been developed to support the SEND Transformation and Safety Valve Programmes. Data included will show the number of EHCP requests received to date and projected to for the remainder of the year compared to previous years as well as the current number of active EHCPs and how this compares to where Devon are projecting to be in January 2025 (as per the Safety Valve Submission). Average costs for the different provision type are also being calculated and showing how this compares to the previous month.

**Table 5: Number of EHCP requests over the last 5 years**

	2020	2021	2022	2023	2024*
Devon Number of EHCNA requests	1512	1745	2013	2146	2542
National Number of EHCNA requests	75951	93302	114482	138242	153815
Requests for EHCNA as % 0-24 population **	0.68%	0.79%	0.91%	0.97%	1.15%
National Requests for EHCNA as % 0-24 population **	0.37%	0.46%	0.56%	0.68%	0.75%

\*projected figures based on average number of monthly requests in 2024 to date

**Table 6: EHCPs as % of 0-25 population**

	2020	2021	2022	2023	2024*
Devon Number of EHCPs	6474	7295	7926	8400	9927
National Number of EHCPs				517049	575963
EHCPs as % 0-25 population**	3.07%	3.46%	3.76%	4.26%	4.76%
National EHCPs as % 0-25 population**				2.53%	2.82%

**Table 7: Number of Active EHCPs comparison 2023 to 2024**

Number of Active EHCPs													
	Jan 25 SV target	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023		8400	8456	8492	8519	8582	8647	8707	8718	8742	8813	8874	8892
2024	9372	8887	8989	9033	9049	9155	9298	9382	9436	9506	9664	9754	9896
2025		9927											

**Table 8: Average costs by provision type**

AVERAGE COSTS						
	FTE	2024/25 (Dec 24)	FTE	2024/25 (Jan 25)	FTE Trend 24/25 monthly movement	£ Trend 24/25 monthly movement
Average cost of an EHCP	9896	£16,929	9927	£17,053	●	●
Average mainstream placement cost < 16	3587	£6,184	3607	£6,182	●	●
Average cost of an independent < 16	904	£54,257	930	£53,902	●	●
Average mainstream placement cost > 16	44	£9,865	44	£9,865	●	●
Average cost of an independent > 16	335	£44,080	343	£44,336	●	●
Average cost of maintained / academy special school - in county	1848	£27,923	1847	£27,950	●	●
Average cost of maintained / academy special school - out county	133	£25,004	136	£25,139	●	●
Average cost Resource Base place	100	£23,677	95	£24,812	●	●
Average cost of FE colleges	1054	£9,485	1056	£9,580	●	●
Average placement cost - alternative provision (contract)	136	£22,952	136	£22,954	●	●
Average placement cost - alternative provision (contract - Special Commission)	21	£23,309	21	£22,666	●	●
Average placement cost - alternative provision (Medical)	127	£17,836	129	£17,726	●	●
Average placement cost - alternative provision (other)	203	£16,125	203	£16,260	●	●
Average placement cost - alternative provision (Tutoring)	417	£12,355	418	£14,011	●	●
% of spend in: the independent, non-maintained special school and independent college sector				35.40%		●

## 9. Capital Investment

9.1. Since the strategic review of SEND provision in 2018, DCC has increased the special school estate by 74% (circa 640 places) with further plans for a minimum of 150 places, an overall

increase of 790 places (90%). From 2022, there are 450 new places planned and or delivered, 150 of which have been secured from the DfE Free School programme with central delivery, all are targeted at increasing provision for learners whose primary needs are ASD and SEMH, as identified through the sufficiency work. The whole programme will see 5 new schools delivered, all in areas which were under-served in respect of SEND provision (Newton Abbot, Ivybridge, Okehampton, Tiverton and Cranbrook New Town). Over time this provision will reduce the impact on school transport revenue funding which has seen budgetary challenges aligned to the pressures on the HNB.

- 9.2. The remaining HNB Capital is earmarked to support the development of resource base provision on mainstream school sites. This targeted programme will deliver circa 200 places and mitigate an identified shortfall of resource base places when compared to our statistical neighbours and national averages.
- 9.3. Joint project working is currently ongoing with Petroc College in North Devon and Exeter College around the provision of additional Post 16 provision for the county, with a focus on the delivery of an additional 350 places within our mainstream FE environment by 2026. DfE capital funding is still to be agreed to support this.

## **10. Risks**

- 10.1. DfE targets to issue within a timely manner will have a financial impact on current forecasts as the number of EHCPs being issued are increasing and over above the safety valve submission plans.
- 10.2. Continued growth of EHCPs and children being excluded with EHCPs causing unexpected high cost with no facility to reduce external demand will make it difficult to contain costs within the allocated budget.
- 10.3. Education Services incurring costs which relate to Health and Social Care.
- 10.4. Staff recruitment and retention both operational and project resources is a continued problem for Education Services which will impact on the deliverability of the plans.
- 10.5. Staff structures under review and other service delivery changes ahead could impact the current forecasts.
- 10.6. Rising demand being seen in Section 19 requests for those children not attending school which is creating additional pressure to the High Needs Block.
- 10.7. The SEN Placement continue to cause increase in the demand on the High Needs Block. Support from all stakeholders to take action to mitigate the growing demand and reduce the call on independent placements is necessary.
- 10.8. Stakeholders across the local area not fully understanding their role in working in partnership to improve SEND provision for children in Devon and support the deliverability of plans.
- 10.9. Unexpected demand as new high-cost children and young people move into the area.
- 10.10. Service continues to be unable to contain costs within the allocated budget.
- 10.11. Mitigation of the above risks can be achieved through the implementation of the SEND Transformation Programme support from schools and other providers to take action on the growing demand and reduce the call on independent placements.

## 11. Recommendation

It is recommended that Schools Forum:

- a) Note month 10 DSG monitoring position as set out in this report.
- b) Note current Safety Valve / DSG management plan position as set out in the report.

**All to Note**

**ANGIE SINCLAIR**  
Director of Finance & Public Value

**JULIAN WOOSTER**  
Interim Director of Children and Young People's Futures

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**Adrian Fox**  
**Head Accountant – Education and Learning**

## Appendix A

High Needs EHCP Analysis	Actual No of Pupils				No of FYE Pupils				Budget 24/25	Forecast	Variation		Budgeted	Forecast	Variation	Month 10		
	Budgeted	Month 10	Variation	%	Budgeted	Month 10	Variation	%	£'000	£'000	£'000	%	£	£	£	Price Var	Vol Var	Total Var
	24/25				24/25											£'000	£'000	£'000
Top ups	150	145	(5)	(3.4%)	150	136	(14)	(10.3%)	2,003	1,761	(242)	(12.1%)	13,353	12,949	(404)	(55)	(187)	(242)
Medical Planned Places	90	90	0	0.0%	90	90	0	0.0%	1,620	1,620	0	0.0%	18,000	18,000	0	0	0	0
Medical Planned Additional	39	50	11	22.0%	39	39	0	0.0%	762	666	(96)	(12.6%)	19,538	17,077	(2,462)	(96)	0	(96)
AP WAVE Special Commission	13	22	9	40.9%	13	21	8	38.1%	312	475	163	52.2%	25,000	22,619	(2,381)	(50)	200	150
AP Other [Non-WAVE]	100	103	3	2.9%	131	203	72	35.3%	466	3,300	2,834	608.2%	9,221	16,256	7,035	1,428	662	2,090
<b>Alternative Provision</b>	<b>392</b>	<b>410</b>	<b>18</b>	<b>4.4%</b>	<b>423</b>	<b>489</b>	<b>66</b>	<b>13.4%</b>	<b>5,163</b>	<b>7,822</b>	<b>2,659</b>	<b>51.5%</b>	<b>85,112</b>	<b>86,901</b>	<b>1,788</b>	<b>1,227</b>	<b>675</b>	<b>1,902</b>
Personalised Packages	72	52	(20)	(38.5%)	72	100	28	28.0%	1,537	1,870	333	21.7%	21,347	18,700	(2,647)	(265)	598	333
Home Tutoring	177	226	49	21.7%	177	418	241	57.7%	2,574	5,859	3,285	127.6%	14,542	14,017	(526)	(220)	3,505	3,285
<b>Educated Other than at School</b>	<b>249</b>	<b>278</b>	<b>29</b>	<b>10.4%</b>	<b>249</b>	<b>518</b>	<b>269</b>	<b>51.9%</b>	<b>4,111</b>	<b>7,729</b>	<b>3,618</b>	<b>88.0%</b>	<b>35,890</b>	<b>32,717</b>	<b>(3,173)</b>	<b>(484)</b>	<b>4,102</b>	<b>3,618</b>
Mainstream Provision (pre 16)	2,099	2,230	131	5.9%	2,245	2,306	61	2.6%	7,866	8,124	258	3.3%	3,504	3,523	19	44	214	258
Mainstream Provision (pre 16) Plus Packages	1,132	1,381	249	18.0%	1,051	1,302	251	19.3%	11,712	14,173	2,461	21.0%	11,144	10,886	(258)	(336)	2,797	2,461
<b>Mainstream</b>	<b>3,231</b>	<b>3,611</b>	<b>380</b>	<b>10.5%</b>	<b>3,296</b>	<b>3,608</b>	<b>312</b>	<b>8.6%</b>	<b>19,578</b>	<b>22,297</b>	<b>2,719</b>	<b>13.9%</b>	<b>14,647</b>	<b>14,409</b>	<b>(239)</b>	<b>(292)</b>	<b>3,011</b>	<b>2,719</b>
<b>Further Education</b>	<b>1,033</b>	<b>1,109</b>	<b>76</b>	<b>6.9%</b>	<b>1,033</b>	<b>1,056</b>	<b>23</b>	<b>2.2%</b>	<b>5,325</b>	<b>6,085</b>	<b>760</b>	<b>14.3%</b>	<b>5,155</b>	<b>5,762</b>	<b>607</b>	<b>641</b>	<b>119</b>	<b>760</b>
Top Ups	1,812	1,788	(24)	(1.4%)	1,788	1,769	(19)	(1.1%)	24,633	24,366	(267)	(1.1%)	13,775	13,773	(2)	(3)	(264)	(267)
Guaranteed Places	0	6	6	100.0%	0	4	4	100.0%	0	65	65		18,084	18,084	0	0	65	65
Plus Packages	43	77	34.50	44.8%	43	74	31.75	42.8%	589	1,078	489	83.0%	13,859	14,520	661	49	440	489
<b>Maintained &amp; Academy Special Schools</b>	<b>1,855</b>	<b>1,871</b>	<b>16</b>	<b>0.9%</b>	<b>1,831</b>	<b>1,847</b>	<b>16</b>	<b>0.9%</b>	<b>25,222</b>	<b>25,509</b>	<b>287</b>	<b>1.1%</b>	<b>45,718</b>	<b>46,377</b>	<b>660</b>	<b>46</b>	<b>241</b>	<b>287</b>
Sole Funded	1,040	1,259	219	17.4%	1,092	1,242	149	12.0%	50,063	58,917	8,854	17.7%	50,111	50,714	603	749	7,469	8,217
Joint Funded	15	7	(8)	(114.3%)	15	7	(8)	(111.3%)	1,184	534	(650)	(54.9%)	97,603	120,428	22,825	162	(771)	(609)
Adults	5	7	2	28.6%	5	6	1	21.3%	444	584	140	31.5%	90,244	77,721	(12,523)	(78)	120	42
<b>Independent Special Schools</b>	<b>1,060</b>	<b>1,273</b>	<b>213</b>	<b>16.7%</b>	<b>1,112</b>	<b>1,255</b>	<b>142</b>	<b>11.4%</b>	<b>51,691</b>	<b>60,035</b>	<b>8,344</b>	<b>(5.9%)</b>	<b>237,958</b>	<b>248,863</b>	<b>10,905</b>	<b>832</b>	<b>6,818</b>	<b>7,650</b>
<b>Resource Bases (Topup)</b>	<b>126</b>	<b>99</b>	<b>(27)</b>	<b>(27.3%)</b>	<b>122</b>	<b>95</b>	<b>(27)</b>	<b>(28.8%)</b>	<b>1,089</b>	<b>895</b>	<b>(194)</b>	<b>(17.8%)</b>	<b>8,902</b>	<b>9,421</b>	<b>519</b>	<b>49</b>	<b>(243)</b>	<b>(194)</b>
<b>Reported Forecast Outturn 2024/25</b>	<b>7,820</b>	<b>8,552</b>	<b>732</b>	<b>8.6%</b>	<b>7,944</b>	<b>8,773</b>	<b>828</b>	<b>9.4%</b>	<b>111,090</b>	<b>129,477</b>	<b>18,387</b>	<b>16.6%</b>				<b>1,971</b>	<b>14,965</b>	<b>16,936</b>