

Committee report

Committee	SCHOOLS FORUM
Date	20 March 2025
Title	2024/25 BUDGET MONITORING
Report of	DIRECTOR OF CHILDREN'S SERVICES AND DIRECTOR OF FINANCE

2024/25 BUDGET – OVERALL FORECAST POSITION

1. This report sets out the current forecast position of the 2024/25 schools budget as at 31 January 2025, showing an in year forecast overspend of £5,242,000. This position is inclusive of Safety Valve funding of £970,000 as per the agreement. The following table details variances across funding blocks.

Block	Current Budget	Outturn	Variance	
	£000	£0	£0	%
Early Years Block	11,000	10,946	-54	-0.5
Schools Block	55,791	55,745	-46	-0.1
High Needs Block	22,439	27,785	5,346	23.8
Central School Services Block	616	612	-4	-0.6
Total DSG	89,845	95,088	5,242	0.1
Other Grants (Pupil Premium etc.)	11,118	11,118	0	0.0
Total	100,964	106,206	5,242	5.2

EARLY YEARS BLOCK

2. Early Years central team budget is forecast to underspend by £54,000 due to vacancy and additional government grant for centrally employed teachers to support pay award in 2024/25 academic year. The 2024/25 Early Years funding will be impacted by the January 2025 census. Variances in the early years entitlements are likely to develop when provisional census outcome and the actual Spring term activity is confirmed later this month.

SCHOOLS BLOCK

3. The vast majority of this budget relates to school budget shares which are passported on to schools based on their allocations agreed at the beginning of the financial year. No variances are reported in relation to the budget shares element of the budget.
4. Growth fund budget of £43,000 underspend. The Local Authority requested to admit additional secondary pupils to the Bay and Christ the King college in the academic year 2024/25. The growth funding to schools was calculated in line with local funding policy, as follows:

School	Number of additional pupils		
	KS 3 AWPU	7/12 Sept-Mar	
The Bay	30	£5,096	£89,180
Christ the King	25	£5,096	£74,317
Total	55	£5,096	£163,497

5. The small overspend of £3,000 on de-delegation due to academisation of Carisbrooke and Medina colleges who chose not to de-delegate following conversion.
6. The de-delegated trade union budget is forecast to be fully spent. Potential underspend of £12,802 due to vacancies in NASUWT and Voice. The unions should be aware that due to academisation of Medina and Carisbrooke colleges the overall budget decreases from £43,952 to £41,364 for 2025/26. The distribution of the 2025/26 funding will be confirmed following financial year roll forward.

HIGH NEEDS BLOCK

7. The forecast position as at January 2025 shows a forecast overspend of £5,346,000 (23.8%). The budget remains a major contributor to the overall DSG deficit due to a continuing increase in the number of children with EHCP and a rise in the complexity of needs.
8. Isle of Wight ranks among the top three Local Authorities with the highest percentage of EHCPs in the country, representing 7% of the 5-15 age group, compared to the national average of 5.2%. This financial year, the Isle of Wight has seen an 8% increase in EHCPs, while the High Needs budget has only increased by 4% compared to 2023/24.
9. The Local Authority is actively working on strategies to close the funding gap. In the 2024/25 academic year, specialist provisions on the Isle of Wight were expanded to better support children with Special Educational Needs and include:

- St Georges Special School: A new satellite provision has been established, offering 20 places specifically for children with complex Social, Emotional, and Mental Health (SEMH) needs.
- Medina House Special School: The capacity has been increased by 34 places.
- Greenmount Resourced Provision: An additional 6 places have been added to meet the growing demand in the primary sector.

10. A significant budget gap of £1.7million was identified as part of the high needs budget setting and takes into account strategies identified in the Safety Valve programme and additional funding of £970,000 as per the Safety Valve agreement. This gap of savings to be identified, has been flagged under the 'high needs contingency' line within appendix A.

11. In addition to the budget gap of £1.7million there are further variances and pressures that need to be considered within the January 2025 high needs budget forecast:

- Educated Other than at School or College - £1.1million pressure. Increase in demand in the latter part of 2023/24 and continued increase in this financial year contributed to the overspend position. 78 young people (an increase of 22% since April 2024) are currently being supported by this budget with an average cost of package of £35,000. 30% of the support is provided via Direct payments, the remaining 70% is managed by the Local Authority. Majority of spend funds alternative provisions, purchased tutoring and therapies.

	2021/22	2022/23	2023/24	2024/25 Forecast
	£000	£000	£000	£000
EOTAS/C	£996	£1,612	£2,156	£2,724
% increase	26%	62%	34%	26%
Number of children (average)	33	49	64	75

Type of Provision	% Spend as at January 2025
Purchased Tutoring	33%
Direct Payments	30%
Alternative Provision	23%
Therapies	8%
Other support/equipment	6%
Grand Total	100%

- Independent and non-maintained special school placements - £1.1million overspend. The budget was based on 85 independent placements. There are currently 98 placements, 22 off island and 76 on island. The average unit cost of placement increased from £49,066 in March 2024 to £54,171 currently and attributable to the high-cost mainland placements and higher than anticipated inflationary increases to the providers in this financial year.

INMSS Placements	Mar-23	Mar-24	Mar-24 Forecast
Pre-16	63	77	83
Post-16	17	17	15
TOTAL	80	94	98
<i>Average education cost</i>	<i>£45,029</i>	<i>£49,066</i>	<i>£54,171</i>
<i>Off Island</i>	<i>12</i>	<i>18</i>	<i>22</i>
<i>On Island</i>	<i>68</i>	<i>76</i>	<i>76</i>

- PRU top up Lionheart school - £638,000 overspend. Increase in demand in the latter part of 2023/24 financial year, unknown at budget setting and continued increase in demand in 2024/25 resulted in the pressure this financial year. The activity in Autumn term 2024 has increased by 22% compared to Autumn 2023 when primary provision at the centre ceased. The confirmed Autumn term activity is 101 FTEs, 40 of which are medical pupils. The activity is expected to increase as the academic year progresses.
- Post 16 top up - £401,000 overspend due to higher than anticipated increase in the number of learners in post 16 settings. Based on confirmed activity in the Autumn term an increase in the activity of 11% is expected in this financial year, mainly at the IOW college and HTP. Further variances in this budget may develop following confirmation of the Spring term activity.
- Special Schools place and top up funding - £484,000 overspend due to increased capacity at St Georges 20 places and Medina House 34 places from September 2024 to support the growing demand as well as increase in complexity of needs. Majority of support is funded on the highest band B2 and B3.

Band	Band values	2023/24 %	Spring term 2024/25 %
A1	£4,525	0	0
A2	£7,036	7	3
A3	£8,041	9	6
B1	£8,544	3	6
B2	£12,059	35	37
B3	£17,079	45	47
Total		100	100

- Top up funding – Mainstream EHCPs – £285,000 overspend due to the increase in average top up value per child linked to the increase in complexity of needs in mainstream schools and academies. Since the start of the new Academic year 2024/25 there has been a reduction in the number of children with EHCP in mainstream settings linked to the expansion of specialist provision since September 2024. The table below demonstrates the activity and unit cost in the last 3 years and to date:

	2021/22	2022/23	2023/24	2024/25 Spring term forecast
FTE pupil	529	574	635	629
FTE % change	13%	8%	11%	-1%
Average top up per annum	£3,437	£3,752	£4,102	£4,565
Average top up % change	3%	9%	9%	11%

- Resourced provision place and top up funding - £112,000 overspend. Budget variance is due to commissioned places being higher than budgeted. Increase in commissioned places at Greenmount resourced unit from September 2024 from 6 to 12 resulted in the variance in these budgets. Change in provisions banding values has also contributed towards the pressure this year.
- Discretionary top up – £41,000 underspend. This budget primarily supports children in mainstream schools, academies, colleges and PRU who otherwise may be placed in more expensive independent placements. Expansion of specialist provision contributed towards the small underspend in this budget in this financial year.
- Primary Behaviour Service - £107,000 underspend due to vacancy in the team and less than budgeted property and non-salary team costs.
- Central Teams – £183,000 underspend due to vacancies in SEN improvement project and business admin team and additional grant funding for centrally employed teachers to support teachers' pay award.
- Support for inclusion and education out of school - £42,000 underspend is due to sixteen permanent exclusions, eleven of which are attending Lionheart School.

CENTRAL SCHOOL SERVICES BLOCK

12. The majority of this budget is recharge based and no significant variance is expected. Small underspend of £3,000 on copyright license following confirmation of actual charge by the DfE for financial year 2024/25.

OTHER GRANTS

13. The majority of funding in this area is passported on to schools so no variances are expected at this stage. Other grants are based on DfE provided allocations and are passported on to schools within a week of grant receipt by the local authority. This method of distribution will continue in 2025/26 financial year. The significant grants in this area include Core School Budget grant (CSBG), Teachers' Pay Additional grant, Teacher's pension contribution grant, pupil premium, universal infant free school meals, sixth form funding, recovery premium and the PE and sports premium.
14. The 2024/25 Teachers' Pension Contribution, Teacher's Pay Additional Grants and Core School Budget Grant have been rolled into the national funding formula from 2025/26 financial year. For special and alternative provision schools (maintained and academies) these 3 funding streams will be combined into one single grant to local authorities for 2025 to 2026

CUMULATIVE DEFICIT AND CARRY FORWARD

15. In addition to the in-year forecast there is a brought forward deficit on the dedicated schools (DSG) grant of £6,593,000. The predicted cumulative deficit for 2024/25 is £11.835million. There is ongoing work on developing strategies to close this gap.

	£000
2024/25 forecast overspend	5,242
Brought forward DSG deficit	6,593
Combined overspend	11,835
2024/25 DSG allocation pre-recoupment	124,020
Forecast Deficit as % of total allocation	4.2%

16. As per [The School and Early Years Finance \(England\) Regulations 2025](#) local authorities are not permitted to fund any part of the DSG deficit from sources other than future DSG income and must carry it forward into the new or future financial years unless the Secretary of State authorises the local authority not to do so. The annual decision from Schools Forum on carrying forward the deficit is required.

RECOMMENDATIONS

1. That Schools Forum notes the 2024/25 forecast position.

APPENDICES ATTACHED

Appendix A – 2024/25 Budget Monitoring Forecast Position January 2025

Appendix B – Budget Heading Descriptions

Contact Point: Irina Rowan, Senior Finance Business Partner, Isle of Wight Council
☎ 01983 821000 e-mail: irina.rowan@iow.gov.uk

ASHELY WHITTAKER
Director of Children's Services

CHRIS WARD
Director of Finance

FINANCE SERVICE BOARD REPORT FOR:

SCHOOLS FORUM

Period Ending:

Period 10

Jan-25

Previous Period:

Period 9

Dec-24



SECTION 1.1 - SUMMARY REVENUE POSITION

Service Area	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
SCHOOLS BUDGET				
Under 2 Year Old Free Entitlement	1,408	1,408	0	0.0
2 Year Old Free Entitlement	2,895	2,895	0	0.0
3-4 Year Old Free Entitlement	6,094	6,094	0	0.0
SEN Inclusion	175	175	0	0.0
Early Years Central Expenditure	427	373	-54	-12.7
EARLY YEARS BLOCK	11,000	10,946	-54	-0.5
School Budget Shares	54,732	54,732	0	0.0
De-delegation	85	82	-3	-3.9
LA Education Functions	767	767	0	0.0
Growth Fund	206	163	-43	-20.7
SCHOOLS BLOCK	55,791	55,745	-46	-0.1
Special Place Funding	2,989	3,214	225	7.5
Resourced Place Funding	286	297	11	3.9
Island Learning Centre - Place Funding	774	774	0	0.0
LA Education Functions (all schools HN)	27	27	0	0.0
Place Funding	4,076	4,312	236	5.8
Special School Top Up	4,855	5,114	259	5.3
Mainstream School Top Up	2,641	2,925	285	10.8
Resourced Provision Top Up	708	809	101	14.3
Island Learning Centre Top Up	759	1,397	638	84.1
Post 16 Top Up	1,991	2,392	401	20.1
Early Years SEN Funding	255	153	-101	-39.7
High Needs Top Up Funding - Discretionary	516	476	-41	-7.8
Pupils in Other Local Authorities Top Up	20	4	-16	-79.8
High Needs Top Up Funding	11,744	13,271	1,527	13.0
Educated Other Than At School	1,653	2,724	1,071	52.1
Independent & Non-Maintained Special Schools	3,957	5,066	1,109	28.0
SEN Central Teams	1,137	954	-183	-16.1
Early Years SEN Team	184	183	0	-0.2
Hospital Education Provision	16	17	1	3.2
Support for Inclusion & Education Out of School	165	123	-42	-25.7
Primary Behaviour Service	572	465	-107	-18.7
SEN Transport	670	670	0	0.0
High Needs Contingency	-1,735	0	1,735	-100.0
HIGH NEEDS BLOCK	22,439	27,785	5,346	23.8
Admissions Service	178	178	0	0.0
Copyright	120	117	-4	-3.1
Fees to Independent Schools without SEN	80	80	0	0.0
LA Education Functions (all schools)	201	201	0	0.0
Centrally Employed Teachers	23	23	0	0.0
Servicing of Schools Forum	14	14	0	0.0
CENTRAL SERVICES BLOCK	616	612	-4	-0.6
Pupil premium and other grants	11,118	11,118	0	0.0
OTHER GRANTS	11,118	11,118	0	0.0
TOTAL SCHOOLS BUDGET	100,964	106,206	5,242	5.2
2024/25 Safety Valve funding (£1,520k as per profile less upfront £550k in 23/24)			970	
2024/25 deficit without Safety Valve funding			6,212	
CUMULATIVE DSG POSITION INCLUDING SV FUNDING			11,835	

EARLY YEARS BLOCK

Under 2-Year-Old Free Entitlement Funding – Early years funding for providers for under two-year olds eligible for the entitlement for working parents.

2-Year-Old Free Entitlement Funding – Early years funding for providers educating two-year olds eligible for the free entitlement including those eligible for the entitlement for working parents.

3-4-Year-Old Free Entitlement – Early years funding for providers educating three- and four-year olds calculated through the Early Years Single Funding Formula, including those eligible for the 30 hours entitlement for working parents, the Early Years Pupil Premium and the Disability Access Fund.

Early Years Central Expenditure – Costs of the local authority early years team responsible for administering the entitlement, auditing and inspecting providers, ensuring sufficiency of places, providing support and guidance for providers on best practice and running local projects in partnership with providers.

Early Years SEN Inclusion – Contribution from the early years block to meet the costs of SEN top-up funding for early years providers.

SCHOOLS BLOCK

De-delegated: Licences / Subscriptions – Funding maintained schools have elected to give up from their budget shares to fund the cost of licences negotiated centrally for schools including Access Budgeting Tool and (Primary Schools only) Fischer Family Trust subscription

De-delegated: Free School Meals Eligibility – Funding maintained schools have elected to give up from their budget shares to cover the cost of local authority officers checking the eligibility of pupils for free school meals on behalf of schools

De-delegated: Staff Supply Cover (TU Facilities) – Funding maintained schools have elected to give up from their budget shares to fund employers of trade union representatives to release their employees to support union members in other schools

Pupil Growth – Growth fund allocations made under the policy agreed by forum

Schools Budget Shares – School budget allocations determined through the local funding formula

HIGH NEEDS BLOCK

Special Place Funding – Funding of commissioned places in maintained special schools at the fixed rate of £10,000 per place regardless of occupancy

Resourced Place Funding – Funding of commissioned places in maintained resourced provisions at the fixed rate of £10,000 per place (if empty in preceding autumn census) or £6,000 per place (if occupied in preceding autumn census) regardless of occupancy

Island Learning Centre - Place Funding – Funding of commissioned places in the maintained Pupil Referral Unit at the fixed rates of £10,000 per place for 40 behaviour places and £18,655 for 20 emotionally vulnerable/unwell places, regardless of occupancy

Top Up Funding - Resourced provisions – Additional funding for resourced provisions at an agreed top-up rate for the type of provision, based on actual occupancy

Top Up Funding - Post 16 – funding for high needs students attending post-16 institutions including the Isle of Wight College and HTP.

Top Up Funding - Special Schools – Additional funding for pupils in special schools at a banded level of funding based on their level of need, at actual occupancy. Also, over-occupancy funding at £10,000 per pro-rata place where occupancy is above agreed places

Top Up Funding – Island Learning Centre – Additional funding of £8,655 per pupil attending the ILC, pro-rata based on actual occupancy

Hospital Education Provision – Funding for occasional pupils (typically 0-2 in a year) who are attending specialist hospital education on the mainland following referral by a medical practitioner

Early Years SEN Funding – Additional funding for early years settings to support pupils with SEN, with lower level inclusion funded from early years and high needs funding from this budget

Independent & Non-Maintained Special Schools – Expenditure on placements for pupils with SEN with non-maintained and independent providers, including St Catherine's and specialist mainland providers

High Needs Contingency – Contingency budget from surplus budget to be used to offset savings not achieved or reduce the brought forward deficit.

Support for Inclusion & Education out of school – Support for pupils at risk of permanent exclusion to keep pupils in mainstream education where suitable, and the costs of the Elective Home Education team who support parents who choose to home educate their children

SEN Central Teams – Central SEN teams supporting pupils with additional needs including Speech and Language Therapy, Specialist Teacher Advisors (visual impaired, hearing impaired and dyslexia) and the Early Years SEN team, plus supporting admin

Top Up Funding – Mainstream – Top-up funding for pupils in mainstream education with Education, Health and Care Plans, as per banding framework, after schools have funded the initial £6,000 of additional needs

Top Up Funding – Discretionary – Additional funding for schools outside of the standard funding arrangements, including specialist equipment and other high-cost provision specified in plans

Direct payments / Managed Educational Packages – The cost of providing educational personal budgets to children with SEN either via Direct payments mechanism or commissioned by the LA.

SEN Transport – A fixed contribution of £670,000 to the costs of transport of children with SEN, which was previously part of the schools' block prior to 2017/18 but was moved to the high needs block (along with the equivalent amount of funding)

LA Education Functions (maintained schools) – High needs block funding of £72.00 per place retained from special schools and the ILC, used to fund local authority statutory services as agreed by forum

CENTRAL SCHOOL SERVICES BLOCK

Fees to Independent Schools without SEN – Education costs of children in mainland social care placements who do not have SEN, but where mainstream education is not suitable

Admissions Service – Fixed contribution to local authority admissions services for all schools

Copyright – Amount charged by the DfE for copyright licences negotiated for all schools nationally

Servicing of Schools Forum – Costs of schools' forum including premises, staffing costs including the costs of the clerk and report preparation

LA Education Functions (all schools) – Use of central school services funding for local authority statutory duties relating to all schools, including academies.

GRANTS

Pupil Premium & Other School Grants – Various school related grants which are passed on to schools including Pupil Premium, Recovery Premium, Universal Infant Free School Meals, PE and Sports, and Post-16 funding for maintained sixth forms.