

Children's Services (General Fund)

- Children's Services overspent by £0.1m against a budget of £202.1m in 2024/25.

Service Area	Final Budget £m	Total Spend £m	Year end Variance £m	Variance March Cabinet £m	Change £m
Education & Learning	54.7	55.1	0.4	1.0	-0.6
Schools	0.2	0.0	-0.2	0.0	-0.2
Subtotal Education	54.9	55.1	0.2	1.0	-0.8
Children's Social care	133.2	131.4	-1.8	-1.5	-0.3
Safeguarding, Quality Assurance, Partnerships and Improvement	5.6	4.6	-1.1	-0.7	-0.3
Children's Social care	138.8	136.0	-2.8	-2.3	-0.5
Children's Services Central Costs	8.4	11.2	2.7	2.6	0.1
Subtotal Children's Social Care & Central costs	147.2	142.1	-0.1	0.3	-0.4
Total Children's Services	202.1	202.3	0.1	1.3	-1.2

Education

- Education Services and Schools overspent by £0.2m against a budget of £54.9m. Within this total, the overspend of £0.4m for Education & Learning was offset by an underspend on Schools of £0.2m.

Children's Social Care & Central costs

- Children's Social Care and Central Costs underspent by £0.1m against a budget of £147.2m. Children's Social Care underspent by £2.8m, which was offset by an overspend of £2.7m for Children's Services Central Costs.
- Activity for Children's Social Care, related to Children We Care For is shown below:

	Q2 2022/23	Q4 2022/23	Q2 2023/24	Q4 2023/24	Q2 2024/25	Q3 2024/25	Q4 2024/25
Oxfordshire born children	778	735	677	624	643	650	655
Disabled children	61	58	51	49	43	45	48
Sub Total	839	793	728	673	686	695	703
Unaccompanied	69	108	94	95	99	100	90
Total	908	901	822	768	785	795	789

- The service is continuing to manage demand. The number of cared for children for during 2024/25, excluding Unaccompanied Asylum Seeking Children, continued to broadly stabilise at around 700. This is in line with the numbers forecast for the budget in 2024/25.
- As at 31 May 2025 the service was forecasting a breakeven position in 2025/26 against a budget of £210.9m.

Reserves

	Balance at 31 March 2024	Movement	Balance at 31 March 2025
Schools reserves	-£13.1m	£2.4m	-£10.7m
Held within Grants & Contributions reserve:	-£3.2m	-£1.0m	-£4.2m
Held within Government Initiatives reserve:	-£1.3m	-£2.7m	-£4.0m
Held within Partnership reserve:	-£0.2m	-£0.1m	-£0.3m
Held within Trading Accounts reserve:	-£0.0m	-£0.1m	-£0.1m
Held within Capital & Equipment Reserves:	-£0.2m	£0.1m	-£0.0m
Held within Budget Priorities reserve:	-£0.1m	-£1.0m	-£1.1m
Overall Service area earmarked reserves	-£18.2m	-£2.3m	-£20.5m

7. Total service earmarked reserves were £20.5m as at 31 March 2025 and increased by £2.3m during the financial year. £10.7m of the total relates to maintained school balances which decreased by £2.4m in the year. The movement in 2024/25 related to
- -£1.4m – Schools balances that started as a surplus at the beginning of the year but deteriorated to deficits. Resolution actions are being implemented.
 - -£1.2m – School that have converted to academies and their balances transferred out of the council's reserves.
 - Offset by +£0.2m other schools contributing movements.
8. Grants and Contributions reserve and Government Initiatives mainly relate to ringfenced grants and that are expected to be spent in future years.
- £4.2m Children's Services grants relating to £1.2m unaccompanied asylum seeking children (UASC) and £1.2m supported accommodation reform grant, and £1.8m other grants.
 - £4.0m support the provision of accommodation-based support to victims of domestic abuse and their children and the graduate trainee programme in future years and other social care and education grants

Ring – fenced Government Grants

9. Ring - fenced government grants received by Children's Services in 2024/25 totalled £339.9m. £301.6m of this was Dedicated Schools Grant and £36.0m was other school grants including the Pupil Premium (£8.1m) and £3.9m for Universal Infant Free School Meals. Other grants included £6.8m for Asylum (UASC and Post 18).

Savings

10. The 2024/25 budget for Children's Services included planned savings of £12.3m, offset by a risk adjustment of £4.1m, to give net budgeted savings of £8.2m. Actual delivery of savings achieved in year was £7.1m. The resulting net unachieved savings total was £1.1m.

Investments

11. The 2024/25 budget included investments of £6.4m in Children's Services. Actual spend was £1.7m with £0.5m carried forward to be applied to investment delivery planned in future years. The total planned underspend against investments was £4.1m, due to prudent budget management of the overall budget, savings delivery risk and the demand-led challenges within placement budgets.
12. Underspends against investments offset the balance of unachieved 2024/25 savings, as well as prior-year unachieved savings which were permanently addressed as part of the 2025/26 budget.
13. A summary of the delivery of investments in 2024/25 is provided below:

Service Areas	2024/25 Planned Investments	Delivery in 2024/25	Transfer to 2025/26	Unspent	
Additional capacity in the SEND service	£1.5m	£1.1m		£0.4m	
Extend the Family Safeguarding model to reduce demand	£0.9m	£0.1m		£0.8m	*
Recruitment & Retention Strategy	£1.0m	£0.2m		£0.8m	
Home to School Transport to improve data and systems and increase independent travel	£0.8m	£0.0m		£0.8m	*
Digital innovation to assist customer pathways and user experience in information finding and advice	£0.5m	£0.1m		£0.4m	*
Develop the Oxfordshire Way approach	£0.4m	£0.0m		£0.4m	
Other investments (Family services, Foster Care and technological improvement)	£1.3m	£0.9m	£0.5m	£0.4m	
TOTAL	£6.4m	£1.8m	£0.5m	£4.1m	

Dedicated Schools Grant (DSG)

14. Variations against the Dedicated Schools Grant blocks in 2025/25 are summarised in the table below.

Summary of DSG funding	2024/25 Final Budget £m	2024/25 Outturn £m	Variance at P12 £m	Variance at P10 £m
Schools block	126.8	126.8	0.0	0.0
Central Services Schools block	5.2	5.3	0.1	0.0
High Needs block	89.5	125.9	36.5	31.9
Early Years block	80.2	78.2	-2.0	0.0
Total	301.6	336.2	34.6	31.9

High Needs DSG

15. There was an in-year deficit of £36.5m for High Needs DSG in 2024/25. This was £15.3m larger than the £21.2m deficit agreed as part of the budget for 2024/25.
16. Some of the key issues impacting on High Needs DSG spend in 2024/25 were the cost of placements from September 2024, tribunal challenges to placement decisions, and the impact of inflation on providers' fees.
17. Due to growth in the number of Education, Health, and Care Plans (EHCPs) from 4,000 in 2021/22 to over 8,000 in 2025/26, and their cost, in comparison to the funding allocated by Government, the forecast deficit continues to grow, despite local actions within the Deficit Management Plan agreed with the Department for Education. Continued increases in demand and inflationary pressures are proving to be considerably more significant than reductions in expenditure that can be achieved through efficiencies and demand management.
18. Some of the mitigations in the Deficit Management Plan are:
 - New Special Schools scheduled 2023/24 to 2029/30
 - New Special Educational Needs (SEN) Units/ Resource Bases
 - Transfer of Resource Bases to Schools – to be piloted from 2025/26
 - Implementation of a Banding System from 1 April 2026
 - Savings through contract renegotiation
 - Review of internal services
 - Reduction in the use of Agency workers
 - General Housekeeping and the creation of efficiencies
19. Following the 2024/25 outturn position and further assessments, the High Needs Budget for 2025/26 has been revised to a forecast in-year deficit of £44.8m driven by continuing demand outstripping grant funding increases.

Unusable Reserve (holding the deficits for High Needs DSG)

20. The CIPFA code of practice requires negative High Needs DSG balances to be held in an unusable reserve. The existing statutory override was due to end on 31 March 2026 but the Government has now extended this until 31 March 2028.
21. The 2024/25 deficit increased the cumulative negative High Needs DSG balance held in this reserve from £55.8m as at 31 March 2024 to £92.3m at 31 March 2025.
22. While the council is continuing to take action to manage the cumulative deficit through the Deficit Management Plan, it is continuing to grow in line with demand and is expected to exceed £130m by 31 March 2026.
23. Based on analysis the draft Statement of Accounts for 2024/25 other county councils are experiencing similar issues with a similar upward trajectory to Oxfordshire.

24. Schedule 2 to the School and Early Years Finance (England) Regulations 2023, requires a deficit on the Dedicated School's Grant to be carried forward to be funded from future DSG income unless permission is sought and received from the Secretary of State for Education to fund the deficit from general council resources.

25. Further information on how cumulative and on-going deficits will be managed in future is expected later in the year along with a White Paper on SEND reform and also the Provisional Local Government Settlement expected in November 2025 and will need to be considered as part of the 2026/26 budget process.

Schools' Reserves

26. Maintained schools' balances were £13.1m at 1 April 2024 and decreased to £10.7m at 31 March 2025. This was made up of surpluses of £15.9m (for 111 schools) and deficits of £2.8m (for 22 schools).