



# Northumberland County Council

Wellbeing and Community Health Services Group  
Education and Skills Service

Agenda Item 7

## SCHOOLS' FORUM

19 July 2023

### Dedicated Schools Grant (DSG) Outturn 2022-23

#### 1. Purpose of the Report

This report provides details of the Dedicated Schools Grant (DSG) outturn position for 2022-23 to School Forum members, together with the implications of the outturn and upcoming pressures.

#### 2. Recommendations

Schools Forum is asked to:

- a) Approve the carry forward of the 2022/23 Trade Union Facility surplus of £130,016 in line with the request attached at Appendix A.
- b) Approve the carry forward of the 2022/23 English as an Additional Language (EAL) surplus of £73,717 in line with the report attached at Appendix A
- c) Note the intention to carry forward the respective DSG blocks (Central Services Schools) Early Years, High Needs and Schools Block) on a ringfenced basis into 2023/24.

#### 3. Background

- a) At the Schools Forum meeting in January 2022 the budgets for each block within the DSG were set, with details for the Early Years & the High Needs blocks being agreed at the meeting in February 2022. The DSG allocation was then updated during the year by the DfE to consider school academy conversions, changes to high needs place funding and early years census data. The budget reflects the latest DSG allocation from the DfE issued in March 2023.
- b) The Early Years block is funded in arrears based upon census returns with a final settlement for Spring term 2023 due in July 2023. In line with the conditions of the grant, the service has estimated the final settlement for 2022-23 and this is reflected in the 2022-23 budget. If the actual settlement differs from the estimate this will impact on the 2023-24 budget position.
- c) The overall DSG reserve of surplus balances carried forward from 2021-22 is £4.032 million. £1.063 million was withdrawn from the reserve into the budget position for 2022-23, leaving a balance of £2.969 million in the DSG reserve to meet pressures in future years.

#### 4. Outturn Position 2022-23

The final position for the 2022-23 financial year was an underspend of £1.532 million, with underspends across each block. The main variances are discussed in section 5 with a full breakdown at Appendix B.

\*See Appendix B for a breakdown of the budget

	2022-23 Budget* (£m)	2022-23 expenditure (£m)	Out-turn Over/(Under) spend (£m)
	£m	£m	£m
<b>Central Schools block</b>	2.477	2.296	(0.181)
<b>Early Years block</b>	18.407	17.986	(0.421)
<b>High Needs block</b>	44.316	44.111	(0.205)
<b>Schools block</b>	86.113	85.388	(0.725)
<b>Overall</b>	<b>151.313</b>	<b>149.781</b>	<b>(1.532)</b>

## 5. Detailed Financial Performance update

The significant variations to budget have been identified below for each block.

### 5.1 Central Schools Block: Underspend £0.181 million

The underspend was a result of:

- An underspend of £0.244 million on the contribution to capital schemes. In 2021-22, contributions to a historical project at Hexham Priory Special School ceased, this element of funding reduces each year, as a result the budget is expected to come back into line for 2023-24.
- An overspend of £0.062 million on the cost of Independent School provision for 5 Looked after Children without an EHCP. While the costs are arising due to the associated education cost of the placements, the placements are required to meet the social care needs of the child, often when there is no suitable accommodation in-house.

### 5.2 Early Years Block: Underspend £0.421 million

The underspend is largely due to:

- An underspend on the Disability Access Fund (DAF) of £0.129 million, this includes funding carried forward from 2021-22 of £0.109 million. The allocation for this funding is based upon data from DWP (Department for Work and Pensions) around eligible 3- and 4-year-olds in receipt of Disability Living Allowance (DLA) and funding is ringfenced each year. Take-up of this funding has increased between 2021-22 and 2022-23 with an increase of 35% up to 82% of the current year grant allocation. To maximise the use of this funding a local decision was taken to extend the funding to eligible two –year olds.
- Grant carried forward from 2021-22 of £0.251 million was earmarked as a contingency to support the increase in the hourly rate for 3- and 4-year-olds in 2022-23. This was intended to support the funding gap between the government increase of 17p per hour and the agreed council increase of 21p per hour if needed, however the increase was managed within the annual grant allocation and so the budget remained unspent.

### 6.3 High Needs Block: Underspend £0.205 million

The underspend was due to:

- a) An overspend on alternative provision of £0.126 million which is due to the pressure of increased transport costs. Fuel price inflation and driver shortages resulted in some operators being unable to fulfil contracts during 2022-23. The need to re-tender for routes resulted in an increased cost and an emergency support payment process was initiated to support existing operators to enable them to continue to meet the demand for routes.
- b) An overspend of £0.185 million on Independent Special School and College placements. Overall, there was a slight decrease in placements year on year as growth in special school places was able to meet additional demand for the 2022-23 academic year. However due to inflationary factors there has been a considerable increase in expenditure of just over £1.000 million compared to 2021-22.
- c) An overspend of £0.061 million on SEN top-ups across all schools and Colleges. As the number of EHCP's rise along with the demand for special school places, so does the cost of top-up funding which has increased by 17% during 2022-23 (£2.274 million). There has been an 11% increase in both the numbers of EHCP's and in the average cost of a top-up which has risen by £929 compared to the previous year. EHCPs remain the main driver for SEN and pressures and are predicted to increase further during 2023-24 by a minimum of 15%.
- d) An underspend of £0.511 million across Virtual School and SEN Support services due to delays in recruiting to several vacancies across the teams and reduced travel and running costs because of the WorkSmart initiative with many teams continuing to work from home.

#### 6.4 Schools Block: Underspend £0.725 million

The Schools block underspend is due to:

- a) An underspend of £0.130 million on the Trade Union Facility Time balance is subject of a separate request to carry this forward, attached at Appendix A.
- b) An underspend on the EAL service of £0.074 million is funding carried forward from 2021-22 that has been earmarked to support an extension to two fixed term posts working to support Ukrainian pupils across Northumberland schools. The posts have been funded by the Homes for Ukraine grant during 2022-23, but the underspend should allow us to continue the posts for the 2023-24 academic year.
- c) The school contingency budget was underspent by £0.331 million with no demands on this budget this year. The budget will be carried forward and used to support the ongoing school re-organisation consultation in the Berwick and Coquet partnerships during 2023-24.
- d) There was interest earned on school balances of £0.154 million at the end of 2022-23. This interest will be passed onto schools during the summer term of 2023-24.

#### 5 Summary and Conclusions

There has been a slight increase in the overall DSG reserve which is currently at £4.501 million at the end of 2022-23 compared to a surplus of £4.032 at the end of 2021-22 as demonstrated below.

	2022-23 Opening Reserve (£m)	2022-23 Closing Reserve (£m)	Planned use in 2023-24 (£m)	Out-turn Over/(Under) spend (£m)
	£m	£m	£m	£m
Central Schools block	0.148	0.307	(0.077)	0.230
Early Years block	1.003	0.690	0.000	0.690

Commented [BP1]: Is this held against "Schools Block balances currently?"

Commented [AR2R1]: Yes, we paid out to schools in June, but only above the 2% which was around £85k

High Needs block	1.804	1.876	(1.876)	0.000
Schools block	1.077	1.628	(0.277)	1.351
Overall	4.032	4.501	(2.230)	2.271

The reserves have risen slightly across the year, but this can be attributed to factors that are not recurrent and therefore unlikely to occur in future years:

- staff vacancies (majority of posts now filled)
- surplus on historic commitments funding (funding will decrease in 2023-24)
- Schools contingency (upcoming pressures once school re-organisations progress)

Whilst the High Needs block has underspent by £0.205 million it should be noted that this includes budget of £0.516 million which was transferred from the schools block and £0.132 million from the DSG reserve from the previous year. Without this additional funding the High Needs Block would have resulted in an overspend of £0.443 million.

The budgetary pressures that have been building since 2021-22 in relation to demand for SEN places and top-ups (both in-house and the independent sector) and Alternative Provision are predicted to increase significantly for 2023-24. The future rise in numbers and the impact of increasing inflation has indicated that the full High Needs block reserve of £1.876 million will be required to meet cost pressures for the coming financial year.

It is the intention to ring-fence the year end position on each block this year to ensure that funds carried forward can be utilised effectively and to provide services with additional resource to meet the emerging priorities within the specific areas of the Dedicated School Grant.

**Commented [BP3]:** Is the Covid funding also a factor ?

**Commented [AR4R3]:** No - The COMF funding didn't cover anything that the DSG had planned to pay for.

**Commented [BP5]:** Do we need to consider a refund of schools block / contingency or retain re wider pressures (& CLV, St Benets Growth)

**Commented [BP6]:** Think we need to add a simple "WHY" Increased demand (10% year on year increase in EHCPs added to significant inflationary pressures

**SCHOOLS FORUM**

19 July 2023

**English as an Additional Language Service****1. PURPOSE OF THE REPORT**

To seek approval from Schools Forum for the EAL team to carry forward the budget balance from 2022/23 to 2023/24.

**2. RECOMMENDATIONS**

Schools Forum members are recommended to read the report prior to the meeting and table any questions, preferably on advance or at the meeting. School Forum members are requested to support the proposal to carry forward the budget surplus of £ 81,280.08.

**3. BACKGROUND**

This is the third request to Schools Forum for carry over, following the Forum's agreement in July 2022 and this is primarily due to:

- Ongoing exceptional circumstances following increased demand to support refugees and unaccompanied minors;
- the continuing decrease in de-delegated funding as schools convert to academies;
- the small size of the service; and
- increased demand for continued support particularly for the number of Ukrainian refugees resettling in the area. These individuals are spread across Northumberland which means the very small team are travelling across the county to ensure families and pupils get the right level of support.
- The fund will also support a part-time Dari speaking teacher which will support the Afghan families – this will include translating and the introduction of the Persian GCSE.

We would like to continue to provide the Education helpline service created during the pandemic. This will be possible if the carryover is agreed.

**4. CURRENT POSITION**

The budget for the EAL team is managed by the Low Incidence Needs Team Service Manager working in conjunction with the Head of Service. Income generated by SLAs has been minimal and demand for support is increasing. In addition, further academisation has resulted in a continuing reduction to the de-delegated budget simultaneously with an increasing demand from schools for the teams' support to assist them with pupils from both the Voluntary Persons Resettlement Scheme and asylum seeker families. This position is exacerbated currently with ongoing uncertainty due to the conflict in Ukraine, combined with a steady flow of refugees from Syria and Afghanistan.

For these reasons, the request is made to Schools Forum to consider that the balance of £81,280.08 to be carried forward to 2023/24 for the use of the EAL team.

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**SCHOOLS FORUM**

19 July 2023

**Trade Union Facility Time****1. PURPOSE OF THE REPORT**

To seek approval from Schools Forum to carry forward the budget balance from 2022/23 to 2023/24.

**2. RECOMMENDATIONS**

Schools Forum members are requested to support the proposal to carry forward the budget surplus of £130,015 as at the 31 March 2023. This figure is higher than figures agreed in previous years due to some changes within respective trade union nominated local representatives, some pending claims and central recharges, and exceptional circumstances associated with COVID-19.

**3. BACKGROUND**

Schools Forum has previously agreed that the money for Trade Union Facility Time (TUFT) arrangement for the de-delegated budget element only relating to maintained Schools from one operational year to another. The TUFT is underpinned by an SLA, operates on an academic year from September to August and receives funds via different sources:

- a) de-delegated decision via Schools Forum for maintained schools – funds allocation on an April to March basis, therefore providing funding into the SLA in arrears/advance;
- b) a direct payment/ journal-transfer from maintained special schools including the PRU – funds allocated on an April to March basis, therefore providing funding into the SLA in arrears/advance, and
- c) direct payment made from academies/free schools (e.g. non-maintained schools) – funds paid on a September to August basis, providing funding the SLA for the full-year of its operation.

**4. CURRENT POSITION**

The TUFT SLA is self-funding, meaning it can only spend/allocate the funds allocated; if it was found that there were not sufficient funds available to fund current/ proposed arrangements the TU/PA TUFT time allocated would need to be reviewed to ensure that the funds/arrangements were aligned.

Annually Schools Forum review the 'buy-in' rate and determine if this needs to stay at the current fixed price per pupil (at 1st April 2023 this was again held at £3.25 per pupil) or if this needs to be reviewed, (e.g. due to base-line salaries/ employers costs (including pensions) increasing, more schools joining / leaving the SLA, TU/PA's asking for more time to be allocated).

The SLA has been held for some time, however, arrangements for respective TU/PA's are changing, the aim is to hold the de-delegated rate at £3.25 per pupil for 2024/25 (effective from 1st April 2024) however, a further report on use including future predictions, will be provided to Schools Forum in the future.

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Appendix B

Final budget position for the Dedicated Schools Grant for 2022-23

	Final Budget 2022-23 (£m)	Expenditure 2022-23 (£m)	Over/(Under) spend (£m)
<b>Central Schools block</b>	<b>2.477</b>	<b>2.296</b>	<b>(0.181)</b>
Administration costs of Academy conversions	0.069	0.075	0.006
Statutory retained duties	2.202	2.014	(0.188)
Admissions and Supply of School places	0.199	0.201	0.002
Schools forum	0.007	0.006	(0.001)
<b>Early Years block</b>	<b>18.407</b>	<b>17.986</b>	<b>(0.421)</b>
Early Years Team	0.757	0.710	(0.047)
2/3/4 Nursery provision	16.947	16.963	0.016
Disabled Access Funding	0.221	0.092	(0.129)
Early Years Pupil Premium	0.231	0.221	(0.010)
Contingency for 2022-23	0.251	0.000	(0.251)
<b>High Needs block</b>	<b>44.316</b>	<b>44.111</b>	<b>(0.205)</b>
Special School Places	10.901	10.901	0.000
Inclusion Service	1.941	2.067	0.126
Independent Special Schools and top-up funding	21.496	21.741	0.245
Virtual School Services	1.514	1.390	(0.124)
SEN Support Services	4.374	3.987	(0.387)
SEN transport (fixed contribution)	1.147	1.147	0.000
SEN Other	2.695	2.680	(0.015)
Primary Support Base	0.248	0.198	(0.050)
<b>Schools block</b>	<b>86.113</b>	<b>85.388</b>	<b>(0.725)</b>
Mainstream Schools	85.470	85.470	0.000
Union Supply	0.147	0.017	(0.130)
Free School Meals	0.022	0.011	(0.011)
EAL	0.118	0.044	(0.074)
Falling Roll Fund	0.025	0.000	(0.025)
Schools Contingency	0.331	0.000	(0.331)
Other Schools Block expenditure	0.000	(0.154)	(0.154)
<b>Overall</b>	<b>147.727</b>	<b>143.695</b>	<b>(4.032)</b>

## Appendix C

## The breakdown of the 2021-22 budget by block

2022/23 DSG	Final 2021/22 Grant	Early Years Block adjustment	Transfer between blocks	Recoupment and NDR	2021-22 carry forward	Total (after recoupment)
	£m	£m	£m	£m	£m	£m
Central Schools Block	2.455	-	-	-	0.022	2.477
Early Years Block	18.254	(0.581)	-	-	0.734	18.407
High Needs Block	46.432	-	0.516	(2.763)	0.132	44.316
Schools Block	208.483	-	(0.516)	(122.029)	0.175	86.113
<b>Total</b>	<b>275.623</b>	<b>(0.581)</b>	<b>0.000</b>	<b>(124.792)</b>	<b>1.063</b>	<b>151.313</b>