



# Northumberland County Council

**Wellbeing and Community Health Services Group**  
**Education and Skills Service**

**Agenda Item 6**

## **SCHOOLS' FORUM**

**06 July 2022**

### **Dedicated Schools Grant (DSG) Outturn 2021-22**

#### **1. Purpose of the Report**

This report provides details of the Dedicated Schools Grant (DSG) outturn position for 2021-22 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 2021/22 Trade Union Facility surplus of £93,463 in line with the request attached at Appendix A.
- b) Approve the carry forward of the 2021/22 English as an Additional Language (EAL) surplus of £81,280 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 2022/23.

#### **3. Background**

- a) At the Schools Forum meeting in January 2021 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 2021. 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 2022
- b) The Early Years block is funded in arrears based upon census returns with a final settlement for Spring term 2022 due in July 2022. In line with the conditions of the grant, the service has estimated the final settlement for 2021-22 and this is reflected in the 2021-22 budget. If the actual settlement differs from the estimate this will impact on the 2022-23 budget position.
- c) The surplus balance carried forward from 2020-21 of £0.898 million is also incorporated into the budget position. See Appendix C for a breakdown

#### 4. Outturn Position 2021-22

The final position for the 2021-22 financial year was an underspend of £4.032 million, with underspends across all blocks. The main variances are discussed in section 5 with a full breakdown at Appendix B.

	2021-22 Budget* (£m)	2021-22 expenditure (£m)	Out-turn Over/(Under) spend (£m)
	£m	£m	£m
Central Schools block	2.981	2.833	(0.148)
Early Years block	18.120	17.117	(1.003)
High Needs block	39.056	37.252	(1.804)
Schools block	87.570	86.493	(1.077)
<b>Overall</b>	<b>147.727</b>	<b>143.695</b>	<b>(4.032)</b>

\*See Appendix C for a breakdown of the budget

#### 5. Detailed Financial Performance update

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

##### 5.1 Central Schools Block: Underspend £0.148 million

The underspend of £0.148 million was a result of:

- a) An underspend of £0.062 million on Statutory retained duties, as the DSG contribution was partially replaced by Contain Management Outbreak Funding for 2021-22. This grant was available to the council to limit the spread of Covid-19 and reflects the measures undertaken to support Northumberland Schools during this time.
- b) An underspend of £0.072 million on the cost of Independent School provision for 6 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 within the county.

##### 5.2 Early Years Block: Underspend £1.003 million

The underspend of £1.003 million is due to:

- a) Due to the impact of Covid on the sector, the methodology used for funding for 2021-22 was temporarily changed to reflect a termly headcount instead of using an average of the January census data. It is estimated that additional funding, due to be confirmed in July 2022 will be around £0.510 million.
- b) An underspend on the Disability Access Fund (DAF) of £0.109 million. The allocation for this funding is based upon data from DWP around eligible 3 and 4 year olds in receipt of Disability

Living Allowance (DLA) and not all eligible children have claimed their grant. This funding will be ringfenced and used to develop to the take-up of this funding in future.

- c) Grant carried forward from 2020-21 of £0.251 million was earmarked for distribution to providers in 2022-23, to support the proposed increase in the hourly rate for 3 and 4 year olds in 2022-23. This will support the funding gap between the government increase of 17p per hour and the agreed council increase of 21p per hour.
- d) The Early Years Block funding for 2020-21 was confirmed in November 2021 and due to a late change in the funding formula the clawback was £0.196 million less than expected.

### 6.3 High Needs Block

The underspend of £1.804 million was largely due to:

- a) Several fixed term posts were created to support targeted intervention and increased demand for SEN support in mainstream schools following the Covid pandemic. The cost of the posts in 2021-22 was met from the Contain Outbreak Management Fund (COMF) rather than the High Needs block. Further funding of £0.449 million has been earmarked from the high needs block in 2022/23 to continue to support the posts in 2022-23, when COMF is no longer available but pressure following the return to education continues to grow on High Needs services.
- b) An underspend on alternative provision of £0.449 million. Growth was added to this budget for 2021-22 following an expected increase in demand, however a significant number of year 11 leavers in summer 2021 led to a reduction in expenditure when compared to 2020-21 along with reduced number of school exclusions due to partial school closures. Pressures remain in relation to the shortage of suitable provision and costs are expected to rise in future years.
- c) An underspend of £1.121 million on Independent Special Schools and Colleges. Overall, there was an increase of 26 new placements, however several high-cost placements ended in summer 2021 and many of the new placements are more cost effective. As a result, the growth that had been added to the budget for 2021-22 was not required and the budget for future years has been reduced accordingly. This was partially offset by an increase in Northumberland Special School places across the year at a cost of £0.172 million.
- d) An overspend of £0.468 million on SEN top-ups across all schools and Colleges. The number of Education Health and Care Plans (EHCPs) has increased by 11% during 2021-22, from 2392 to 2650. EHCPs remain the main driver for SEN and pressures and are predicted to increase further during 2022-23.
- e) An underspend of £0.372 million across SEN Support services due to a combination of staff working virtually which has led to reduced travel and running costs across the teams and delays in recruiting to vacancies. There was also additional income from government grants and the CCG received to support Covid recovery work.

### 6.4 Schools Block

The Schools block has underspent by £1.077 million due to:

- a) An underspend of £0.093 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 £0.081 million as a result of the additional income received from the Syrian refugee programme across the year, this is subject of a separate request to carry this forward at Appendix A.

- c) An underspend on the growth fund of £0.075 million that was created for 2021-22 to fund additional places at schools from September 2021. This will continue to be available for 2022/23.
- d) The school contingency budget was underspent by £0.342 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 and will be subject to review during 2022-23.
- e) There was grant carried forward from 2020-21 of £0.368 million that was confirmed after the funding formula for 2021-22 had been set, this remains uncommitted and this will be subject to review during 2022-23.

## 5 Summary and Conclusions

There is now an overall surplus of £4.033 million at the end of 2021-22 compared to an overall surplus of £0.898 at the end of 2020-21. This is a change of £3.135 million compared to the previous year and is a result of underspends across the Central Schools Block, Schools Block and the Early Years Block. Whilst the High Needs Block has now eliminated the deficit from the previous year, this is partially due to the availability of additional grant funding and the ongoing impact of Covid on services during the year.

There has been a continued impact on expenditure as many services have continued to work from home which has resulted in reduced travel and running costs of the services. There have also been challenges in recruitment which has led to posts remaining vacant for longer across the service. From April 2022 the council embarked on the Worksmart programme which sees a hybrid working model introduced for many staff and a partial return to office working.

The Contain Outbreak Management Fund (COMF) has been available to the council during 2021-22 and we have been able to utilise the grant to meet £0.411 million of expenditure that would have otherwise gone through the DSG. There is small amount of funding that we can continue to access in 2022-23, but no further allocations are expected. The rise in demand for SEN Support and the Inclusion Service are expected to continue for the foreseeable future and it is anticipated this will be an additional budget pressure on the High Needs block for 2023-24 and beyond.

Additional financial support has been given to 63 schools and academies which have faced exceptional expenditure pressures due to Covid. The COMF grant was available to support those schools that were able to satisfy criteria to qualify for the funding and were unable to claim the expenditure from alternative funding sources. Two separate claim programmes were in operation with £24,964 for staffing expenditure and £500,106 in relation to non-staff claims.

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.

**SCHOOLS FORUM****06 July 2022****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 2020/21 to 2022/23.

**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. Schools Forum members are requested to support the proposal to carry forward the budget surplus of £ 81,280.

**3. BACKGROUND**

This is the second request to Schools Forum for carry over, following the Forum's agreement in July 2021 and this is primarily due to:

- Ongoing exceptional circumstances following the COVID pandemic;
- the continuing decrease in de-delegated funding as schools convert to academies;
- the small size of the service; and
- increased demand for support particularly, in light of increasing number resettling in the area, as a result of the war in Ukraine. Predicted numbers of arrivals are high, with 1400 additional registered hosts within Northumberland for phase 2 of the programme

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 to be carried forward to 2022/23 for the use of the EAL team.

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## SCHOOLS FORUM

06 July 2022

### Trade Union Facility Time

#### 1. PURPOSE OF THE REPORT

To seek approval from Schools Forum to carry forward the budget balance from 2021/22 to 2022/23.

#### 2. RECOMMENDATIONS

Schools Forum members are requested to support the proposal to carry forward the budget surplus of £93,463 as at the 31 March 2022. 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-DSG 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 (@ 1st April 2022 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 2023/24 (effective from 1st April 23) however, a further report on use/spending for the 22/23 SLA including future predictions, will be provided to Schools Forum in the future.

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## Final budget position for the Dedicated Schools Grant for 2021-22

	<b>Final Budget 2021-22 (£m)</b>	<b>Expenditure 2021-22 (£m)</b>	<b>Over/(Under) spend (£m)</b>
<b>Central Schools block</b>	<b>2.981</b>	<b>2.833</b>	<b>(0.148)</b>
Administration costs of Academy conversions	0.069	0.110	0.041
Statutory retained duties	2.665	2.501	(0.164)
Admissions and Supply of School places	0.240	0.216	(0.024)
Schools forum	0.007	0.006	(0.001)
<b>Early Years block</b>	<b>18.120</b>	<b>17.117</b>	<b>(1.003)</b>
Early Years Team	0.818	0.694	(0.124)
2/3/4 Nursery provision	16.720	16.207	(0.513)
Disabled Access Funding	0.148	0.038	(0.110)
Early Years Pupil Premium	0.183	0.178	(0.005)
Earmarked for 2022-23 hourly rate	0.251	0.000	(0.251)
<b>High Needs block</b>	<b>39.056</b>	<b>37.252</b>	<b>(1.804)</b>
Special School Places	9.701	9.872	0.171
Inclusion Service	1.879	1.430	(0.449)
Independent Special Schools and top-up funding	19.204	18.480	(0.724)
Virtual School Services	1.480	1.360	(0.120)
SEN Support Services	3.610	3.233	(0.377)
SEN transport (fixed contribution)	1.147	1.147	0.000
SEN Other	1.586	1.730	0.144
Earmarked for 2022-23	0.449	0.000	(0.449)
<b>Schools block</b>	<b>87.570</b>	<b>86.493</b>	<b>(1.077)</b>
Mainstream Schools	86.501	86.380	(0.121)
Union Supply	0.103	0.010	(0.093)
Free School Meals	0.021	0.023	0.003
EAL	0.051	(0.030)	(0.081)
Growth Fund	0.185	0.110	(0.075)
Schools Contingency	0.342	0.000	(0.342)
Earmarked for 2022-23	0.368	0.000	(0.368)
<b>Overall</b>	<b>147.727</b>	<b>143.695</b>	<b>(4.032)</b>

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

2021/22 DSG	Final 2021/22 Grant	Early Years Block adjustment	Transfer between blocks	Recoupment	2020-21 carry forward	Total (after recoupment)
	£m	£m	£m	£m	£m	£m
Central Schools Block	2.757	-	-	-	0.224	2.981
Early Years Block	17.184	0.510	-	-	0.426	18.120
High Needs Block	40.880	-	0.963	(2.603)	(0.184)	39.056
Schools Block	203.122	-	(0.963)	(115.021)	0.432	87.570
<b>Total</b>	<b>263.943</b>	<b>0.510</b>	<b>0.000</b>	<b>(117.624)</b>	<b>0.898</b>	<b>147.727</b>