

## Schools Forum

Date: 18 January 2017

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## Outcome of the Consultation with Schools Forum on the Proposed Savings within the Dedicated School Grant (DSG).

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### **Purpose of report**

To update schools forum on the responses received to the presentation on financial pressures in schools and saving proposals for the Dedicated Schools Grant (DSG).

### **Recommendations**

#### **It is recommended that Schools Forum:**

1. Note the content of the report and the actions being undertaken by officers to progress the proposals and communicate this to the schools they represent.
2. Note a further more detailed report relating to the position and Service Level Agreements (SLA) will be presented to the next meeting of the forum, together with the revised out-turn position for the financial year 2016/17.

### **Key issues**

1. The DSG is predicted to overspend by £2.235m by the end of financial year 2016/17. The predicted overspend has been caused by the following:
  - School closures/academy conversions – additional £1.2m costs
  - Schools block -£75k (behaviour support) overspend due to declining number of schools and increased number of academies
  - High Needs block -£1,479m- overspend due to demand from schools

2. Predicted Additional pressures for 2017/18

- Alnwick School re-organisation -£423k
- More schools becoming Sponsored Academies, with a closing deficit budget - Whitfield -£32k

The National Funding Formula imposes time limits to deal with these deficits.

3. The High Needs Block is currently overspending as follows and is predicted to continue to do so unless action is taken

- Education other than at school - £90k
- Independent special schools - £359k
- High needs top up funds - £1,195k

4. **Potential Solutions put to last schools forum - update.**

There were four additional comments received outside of the discussions and conclusions drawn from the meeting of the Schools Forum on 8 November.

Behaviour support service £75k (costs remain same but as academies convert there is reduced de-delegated budget and no increase in SLA). Move behaviour support service to 100% SLA from 2017/18.

a. *What you said*

*The majority agreed, this should be implemented although some were keen to understand the exact detail of the SLA and the impact on small schools.*

b. What we are doing

Developing a detailed SLA that can be shared with schools forum at its next meeting

Use the reserves from SLA income £0.6m at end of 2016/17 year.

a. *What you said*

*The majority agreed, this proposal should be implemented.*

b. What we have done

The £0.6m will be transfer to offset the overspend at the end of the financial year.

Use the carry forward balance from 2015/16 £0.5m at end of 2016/17 year.

a. *What you said*

i. *The majority agreed that this proposal should be implemented.*

b. What we have done

ii. The £0.5m will be transfer to offset the overspend at the end of the financial year.

Carry all or a proportion of the deficit forward into 2017/18 and defer the savings.

a. *What you said*

iii. *If the deficit to be carried forward, a fully costed proposal for recovery together with a detailed investigation into the real costs to the high needs block needs to be carried out.*

- b. What we are doing - It is inevitable, given where we are in the current financial year that there will be some level of deficit that will be carried forward. Work is underway to confirm this figure and provide a recovery proposal.
5. Recoup vacant High Needs place funding from mainstream schools (EFA arrangements made in 2013 but the learners are no longer in the system). £120 - £220K recoupment – now or in 2017/18
- a. *What you said*  
*Everyone agreed this should be recouped immediately.*
- b. What we have done  
 The schools implicated were informed immediately following the meeting and the formal process is underway to recoup the funds, however some schools have resisted this approach, and further update will be include in a report to the next schools forum.
6. Reduce High Needs top-up funding where the learner also has Pupil Premium. This would affect 260-300 learners, depending upon how broadly the policy was applied. £300-350K reduction in budget pressure – now or in 2017/18
- a. *What you said*  
*The majority disagreed with this proposal.*
- b. What we are doing  
 We have removed this proposal and will look at other ways of making savings and report back to the next forum
7. Move non-statutory SEND and Inclusion services into SLAs in 2017/18. Up to £2 million+ reduction in budget pressure, but this may disadvantage small schools.
- a. *What you said*  
*The majority agreed, this proposal should be implemented.*
- b. What we are doing  
 Developing a detailed SLA that can be shared with schools forum at its next meeting
8. Raise the threshold before High Needs funding is paid to mainstream schools. 1322 learners (Nov 2016). An increase of £1,000 per learner would release around £1,300,000 in budget pressure, now or in 2017/18.
- a. *What you said*
- i. The general consensus was for further information with regard to “an amount” being agreed rather than £1,000. Should there not be protection of the needs of learners, and perhaps a revised presentable idea to be fairer in order to lessen the impact by sharing.
- b. What we have are doing  
 We will report back to the next schools forum with a detailed report
9. Claim from schools/academies AWPU funding on a pro rata basis for pupils with health/medical needs receiving EOTAS tuition, now or in 2017/18.

- a. *What you said*
  - i. *The majority agreed that this proposal should be implemented.*
- b. *What we have done*
  - i. A new charging policy has been implemented, with immediate effect.

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