



# Northumberland County Council

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

Agenda Item 7

## SCHOOLS' FORUM

**16 November 2022**

### Dedicated Schools Grant (DSG) Use of carry forward from 2021-22

#### 1. Purpose of the Report

This report provides details of the intended use of the Dedicated Schools Grant (DSG) carry forward from 2021-22 to School Forum members.

#### 2. Recommendations

Schools Forum is asked to:

- a) Note the carry forward to 2023-24 in advance of £2,969,440 from the overall surplus in 2021-22 of £4,031,990 in line with the request attached at Appendix A.
- b) 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 and 2023-24.
- c) Note the intended use of £1,062,550 in 2022-23 of the carry forward from 2021-22.

#### 3. Background

- a) The School and Early Years Finance (England) Regulations 2020 were updated to establish that those authorities with a positive balance on the overall Dedicated Schools Grant should create an earmarked usable reserve to carry forward a surplus balance. This reserve should be separately identified to the total reserves held by schools.
- b) The CIPFA Code of Practice includes a requirement to consult with Schools forum about proposals to carry forward surplus grant from a previous year into a future year, rather than distribute funds in the current year.

#### 4. Proposed use of 2021-22 surplus carry-forward

The final position for the 2021-22 financial year was an underspend of £4.032 million, with an underspend across all blocks as show below.

	2021-22 Carry Forward	Planned use in 2022-23	Proposed Carry forward to 2023-24
	£m	£m	£m
Central Schools block	0.148	0.022	0.126
Early Years block	1.003	0.734	0.269
High Needs block	1.804	0.132	1.672
Schools block	1.077	0.175	0.903
Overall	<b>4.032</b>	<b>1.063</b>	<b>2.970</b>

- a) Whilst the Authority has the power to transfer a surplus carry forward between blocks, at the present time, it is proposed that the surplus on each block is ring-fenced.
- b) Discussions have taken place with the relevant Heads of Service to assess the commitments that exist within their own DSG Block for 2022-23, the availability of funding in the current year and future pressures. This has identified where we can use the surplus from 2021-22 to support in-year expenditure and where we should set aside funds for the rising demands in 2023-24 onwards.
- c) Budget pressures identified for 2022-23 include the following:
  - Pay Award for 2022-23
  - Extension of fixed term posts previously funded by the Contain Outbreak Management Fund. These posts have supported schools and pupils with emerging and existing levels of SEND.
  - Ring-fenced funding for de-delegated services and the Disability Access Fund
  - Contingency to support 2/3/4-year-old nursery funding
- d) A detailed list of the commitments for 2022-23 can be found at Appendix A

## **5 Future pressures for 2023-24 onwards**

- a) The balance of the 2021-22 surplus of £2.970 million will be retained in the DSG Reserve. Should the DSG overspend at the end of 2022-23 then a drawdown from the reserve will be required to meet the balance. The future use of the reserve will be considered by Heads of Service when planning for the 2023-24 budget year and beyond.
- b) The following upcoming pressures have already been identified for 2023-24 and beyond:
  - Future pay awards
  - The impact of inflation on contracts and fuel
  - Continued rise in demand for alternative provision, special school places and number of pupils with an EHCP. This links to additional top-up funding and place funding.
  - Upcoming school re-organisations across the Berwick and Coquet partnerships

## Detailed list of proposed commitments for 2022-23

	Proposal	Amount (£m)
<b>Central Schools Block</b>		
	SACRE Syllabus Review	0.011
	2022-23 Pay award	0.012
<b>Early Years Block</b>		
	Disability Access Fund	0.109
	2022-23 Pay award	0.030
	Contingency funding for 2/3/4-year-old nursery funded places	0.239
	Shortfall in estimated 2021-22 Early Years Block allocation	0.356
<b>High Needs Block</b>		
	Extension of various fixed term posts up to end of 2022-23 (previously grant funded)	0.132
<b>Schools Block</b>		
	English as an additional language Service	0.081
	Trade Union facility time	0.093
<b>Total</b>		<b>1.063</b>