



# Northumberland County Council

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

Agenda Item 9

## SCHOOLS' FORUM

16 November 2022

### Dedicated Schools Grant (DSG) budget performance update 2022-23

#### 1. Purpose of the Report

The purpose of the report is to ensure that the Schools Forum is informed of the current financial position of the Dedicated Schools Grant (DSG) against the Budget for 2022-23.

#### 2. Recommendations

Schools Forum is asked to:

- a) Note the financial performance to the end of September 2022 and the projected year end position on the DSG at the present time.

#### 3. Current DSG allocation

- a) The budget for the DSG was agreed by Schools Forum in February 2022 based upon the initial allocation for 2022-23 that was released in December 2021. Since that time there has been two further updated allocations in March 2022 and July 2022. These account for changes in the following areas:

- Recoupment of funding for Maintained schools converting to academies.
- Updated Early Years Block allocations following January 2022 census.
- Updated commissioned place numbers for Special School Academies.
- Updated import/export information for our special school places in Northumberland

The table shows the current DSG allocation after recoupment and including the drawdown of £1.063 million from the 2021-22 DSG surplus.

	Original Budget after recoupment	Transfer between blocks	March and July updates	Carry forward from 2021-22	Revised Grant allocation
	£m	£m	£m	£m	£m
Central Schools Block	2.455	-	-	0.022	2.477
Early Years Block	17.610	-	0.288	0.734	18.632
High Needs Block	43.492	0.516	(0.010)	0.132	44.130
Schools Block	88.481	(0.516)	(2.027)	0.175	86.113

Total	152.038	-	(1.749)	1.063	151.352
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#### 4. DSG Budget performance: September 2022 update

The DSG projected revenue position at the end of September within each service area is shown below. The forecast position overall is a £0.275 million overspend.

	Budget	Forecast Expenditure	Projected (Surplus)/Deficit
	£m	£m	£m
Central Schools block	2.477	2.304	(0.173)
Early Years block	18.632	18.552	(0.080)
High Needs block	44.130	44.716	0.586
Schools block	86.113	86.055	(0.058)
<b>Overall</b>	<b>151.352</b>	<b>1151.627</b>	<b>0.275</b>

The main factors contributing to the overall position are identified below:

##### a) Central Schools Block – forecast underspend £0.173 million

- There is an underspend of £0.244 million on the revenue contribution to capital budget. This is an historic commitment where funding is decreasing by 20% year on year. At the end of 2021-22 contributions to a historical project at Hexham Priory school ceased, when the funding reduces in 2023-24 the budget line will come back into line.
- There continues to be 5 young people without an EHCP plan in a residential placement due to a social care need at a forecast overspend of £0.083 million.

##### b) Early Years Block – forecast underspend £0.080 million

- There is an underspend on the Early central team of £0.080 million due to an underspend on staffing and travel along with an overachievement of SLA income.

##### c) High Needs Block – forecast overspend £0.586 million

- The forecast overspend on top-ups is £0.770 million based on the summer term payment and adjusted for year-on-year growth in numbers of around 10% for the 2022-23 academic year.
- The Independent Special Schools budget is currently overspent by £0.492 million. This includes a contingency of £0.300 for new placements and the impact of inflation on existing contracts. There are currently 250 active placements which is an increase of 26 since the July position.
- The Inclusion service is anticipating an overspend of £0.091 million. Permanent exclusions have increased by 50 compared to 2021-22 and a further 10 exclusions per month are forecast up to year end. There is also additional pressure due to the inflationary impact of the rise in fuel costs from transporting the pupils.
- There is a projected underspend of £0.518 million on staffing and travel across SEN Support services due to vacancies across the service.
- The formula for allocating additional notional SEN funding to mainstream schools was updated for 2022-23. The costs for the summer term have been less than expected and there is a forecast underspend of £0.084 million. This is dependent on the cohort in the new academic year and will be revised throughout the year.

**d) Schools Block – forecast underspend £0.058 million**

- The English as an additional language team is expecting to underspend by £0.058 million, this is due to carry forward from 2021-22 of £0.065 million which is earmarked to be carried forward again into 2023-24. This funding will be held to support the continuation of two fixed term posts working with Ukrainian children.

**5. Summary**

- a) The current forecast shows that all areas of the DSG are underspending with the exception of the High Needs Block. If the transfer from the Schools Block had not taken place, then the overspend would be £1.102 million on the block instead of the £0.586 million we are currently reporting.
- b) The forecast is subject to change, particularly for the High Needs Block and Early Years Block. As we near the end of the Autumn term, we will have clarity around the size of the autumn term top-up payments and nursery funding and also additional SEN place funding. This will allow us to forecast the impact of the spring term payments with more accuracy.
- c) Should the DSG overspend at year end then this will be met by a drawdown from the DSG reserve. The reserve holds the balance of the surplus carry forward from 2021-22. Any surplus balances at year end will continue to be ring-fenced by DSG block and will be transferred into the reserve for future use.