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SCHOOLS' FORUM

Day:	**Tuesday**
Date:	**20 June 2023**
Time:	**10.00 am**
Place:	**Remote Meeting**

Item No.	AGENDA	Page No
1.	**APOLOGIES FOR ABSENCE** To receive any apologies for the meeting from Members of Schools' Forum	
2.	**DECLARATIONS OF INTEREST** To receive any declarations of interest from Members of Schools' Forum	
3.	**MINUTES** To consider the minutes of the meeting of Schools' Forum, which was held on 7 March 2023	1 - 4
4.	**DEDICATED SCHOOLS GRANT OUTTURN 2022-23 AND BUDGET UPDATE 2023-24** To consider the attached report of the Director, Resources and the Assistant Director, Education	5 - 14
5.	**DSG HIGH NEEDS SPENDING AND DEFICIT RECOVERY PLAN** To consider the attached report of the Director, Resources and the Assistant Director, Education	15 - 22
6.	**SCHOOL BALANCES 2022-23** To consider the attached report of the Director, Resources and the Assistant Director, Education	23 - 26
7.	**DATE OF NEXT MEETING** To note that the next meeting of Schools' Forum will be held on 26 September 2023 at 10am	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Natalie King, Democratic Services, natalie.king@tameside.gov.uk, 0161 342 2316, to whom any apologies for absence should be notified.

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SCHOOLS FORUM

7 March 2023

Commenced:	**10.00am**	**Terminated: 11.00am**
Present:	Karen Burns (Chair)	Primary Schools – Academies
	Lisa Gallaher	Primary Schools – L/A Maintained
	Susan Marsh	Primary Schools – L/A Maintained
	Kirsty Rimmer	Primary Schools – L/A Maintained
	John Cooper	Primary Schools – L/A Maintained
	Lisa Lockett	Primary Schools – L/A Maintained
	Heather Farrell	Primary Schools – Academies
	Richard O'Regan	Secondary Schools – L/A Maintained
	Chris Cluitt	Secondary Schools - Academies
	Anthony Benedict	Pupil Referral Service
	Anne Morgan	Tameside Teachers' Consultative Committee
	Elaine Sagar	PVI Representative
	Elaine Horridge	Diocesan Representative
	Jerome Francis	Finance Business Partner
	Louisa Siddall	Senior Finance Manager
	Jane Sowerby	Assistant Director, Education
	Cllr North	Executive Member
	Cllr Feeley	Executive Member
Apologies for absence:	Donal Townson	Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Gemma Patterson	Primary Schools – L/A Maintained
	Simon Brereton	Primary Schools – L/A Maintained
	Betty Jones	Secondary Schools-L/A Maintained
	Pierre Coiffait	Special Schools – L/A Maintained

25 DECLARATIONS OF INTEREST

There were no declarations of interest from Members of the Board.

26 MINUTES

Consideration was given to the minutes of the meeting of Schools Forum, which was held on 19 January 2022.

RESOLVED
That the minutes of the meeting of Schools Forum, which was held on 19 January 2022, be approved as a correct record

27 EARLY YEARS FUNDING 2023-24

Consideration was given to a report of the Assistant Director of Finance and Assistant Director, Education, which set out arrangements for the Dedicated Schools' Grant (DSG) Early Years Funding for 2023-24.

Members were made aware that consultation had been launched for the period 1 February 2023 until 15 February 2023, in order to gather opinions on the proposals set out in the report. The proposals for 2023-24 were outlined as follows:

- To introduce a Teachers' Pay & Pensions Grant (TPPG) Supplement, for the immediate purpose of replicating the Teacher Pay & Pension Grant that had been received by maintained primary schools and primary academies delivering the 3 and 4 year old entitlement. This Supplement would extend to other providers (PVI providers) that had not previously received the Grant and could now be eligible, where they employ a qualified teacher and pay the employer's National Teacher Pensions contribution (currently 23.68%). It was proposed to fund this Supplement to eligible providers at a rate of £0.23 per hour for 3 and 4 year old's in 2023-24.
- That providers would be eligible for this Supplement in 2023-24, if they received Teacher Pension Grant funding in 2022-23, or if they evidenced to the Authority that employed a qualified teacher, who would directly deliver the 3 & 4 year old early years entitlement (the Early Years Foundation Stage), and that pays the national employer's contribution to Teacher Pensions (currently 23.68%).

It was noted that, due to the late stage at which the rolling in of the Teachers' Pay and Pensions Grants into the Early Years Funding Formula had been announced, the proposed supplement was intended to replicate the grants as closely as practically possible. It was further explained that this was to prevent the adverse impact of any providers seeing a reduction in funding.

It was proposed that the Special Education Needs Inclusion Fund (SENIF) would be increased to £500k for 3 and 4 year olds and approximately £66k for 2 year olds. It was also noted that the demands for SENIF support from providers and seen significant growth and that work with Early Years providers would continue, in order to ensure that there was a clear and robust criteria for allocating this funding.

It was proposed that the hourly rate of funding for 3 and 4 year olds would increase from £4.35 to £4.49, with 5% retained centrally. It was also proposed that the hourly rate of funding for 2 year olds be increased from £5.40 (£0.14 retained centrally) to £5.46 (£0.14 to continue to be retained centrally) and confirmed that the £0.14 per hour for central retention had been previously agreed by Schools Forum.

Furthermore, Members were made aware that the allocation rate for Early Years Pupil Premium (EYPP) had increased from £0.60 to £0.62 per hour, per eligible pupil, up to a maximum of 570 hours and that the allocation rate for Disability Access Fund (DAF) had increased from £800 to £828.

Responses to the consultation were shared with Members and it was noted that there had been a high level of engagement, with 79 responses received. The outcome of the consultation was shared and it was stated that:

- Support had been given for the proposals for 3 and 4 year olds. 58% (46 respondents) supported the proposals, 42% (36 respondents) did not and 0 respondents did not provide a response.
- Support had been given for the proposals for 2 year olds. 60% (46 respondents) supported the proposals, 40% (29 respondents) did not and 2 respondents did not provide a response.

It was explained that in relation to the proposals for the 3 and 4 year old funding and 2 year old funding, many providers had raised concerns that the uplift to the base rate did not cover the increased cost in national living wage and energy prices. A number of concerns had also been raised in relation to schools being unfairly funded at the expense of other providers. For clarity, it was explained that the rolled in funding from the Teacher's Pay and Pension Grants was funding schools had previously been in receipt of and was not new or additional funding.

RESOLVED
(i) That the contents of the report be noted and supported
(ii) That the preferred option for the allocation of a quality supplement be supported by Members of Schools Forum

28 SCHOOLS FORUM FORWARD PLAN 2023-2024

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director, Education, which provided Members of Schools' Forum with a forward plan of reports and meeting dates for the financial year 2023-24

Meeting dates were confirmed as follows:

Tuesday 7 March 2023	Remote Meeting
Tuesday 20 June 2023	Remote Meeting
Tuesday 26 September 2023	Remote Meeting
Tuesday 28 November 2023	Remote Meeting
Thursday 18 January 2024	Dukinfield Town Hall

It was noted that, whilst these dates had been agreed, they were subject to change and that Members would be notified of any changes as soon as possible.

RESOLVED
That the contents of the report be noted.

29 DATE OF NEXT MEETING

RESOLVED
That the next meeting of The Schools Forum be held remotely on 20 June 2023 at 10am.

CHAIR

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Report to:	**SCHOOLS' FORUM**
Date:	20 June 2023
Reporting Officer:	Ashley Hughes – Director of Resources Jane Sowerby – Assistant Director of Education
Subject:	**DEDICATED SCHOOLS GRANT OUTTURN 2022-23 AND BUDGET UPDATE 2023-24**
Report Summary:	A report on the Dedicated Schools Grant (DSG) outturn position for 2022-23 and an update of the budget position for the financial year 2023-24.
Recommendations:	Members of the Schools Forum are requested to note and support the contents of the report.
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supporting aspiration and hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial policy and framework
Financial Implications: **(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. The outturn position for 2022-23 resulted in a deficit on the overall DSG of £3.306m. The current projection for 2023-24 is estimated to be an in year deficit of £2.540m which would give an overall deficit on the DSG of £5.846m. Work continues to seek to resolve the deficit position. Tameside is part of the Delivering Better Value program with DfE Advisors.
Legal Implications: **(Authorised by the Borough Solicitor)**	As set out in the report the Dedicated Schools Grant is a ring fenced grant for the purpose of schools and pupil related expenditure. In addition, the terms of the grant stipulates how the funding is to be managed as well as allocated. As there remains a projected overall deficit continued robust financial management and monitoring is essential.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. The Council is responsible for the effective administration and management of the DSG. The cumulative deficit brought forward from 2022-23 and the increase in the deficit at the end of 2023-24 is subject to a deficit recovery plan with the DfE. There is a risk that this may impact on the effective support and education of our most vulnerable children.

Access to Information:	**Non-Confidential**
	This report does not contain information, which warrants its consideration in the absence of the press or members of the public.
Background Information:	The background papers relating to this report can be inspected by contacting Jerome Francis – Finance Business Partner, Financial Management, Children's and Safeguarding Services
	Telephone: 0161 342 3044
	e-mail: jerome.francis@tameside.gov.uk

1. INTRODUCTION

1.1 This report is presented to advise Schools Forum of the outturn position for the overall Dedicated Schools Grant (DSG) in 2022-23, to provide an update on the DSG budget for 2023-24 and the DSG reserve position. The report sets out:

- The outturn position for the DSG for 2022-23 (Section 2)
- A budget update for the DSG for 2023-24 (Section 3)
- The DSG reserve position as 31 March 2023 and the estimated DSG reserve position at 31 March 2024 (Section 4)
- Additional school funding updates (Section 5)

2. DSG OUTTURN POSITION FOR 2022-23

2.1 The outturn position against the 2022-23 DSG settlement is included in **Table 1.**

TABLE 1 – DSG Outturn 2022-23

DSG Funding Blocks	DSG Settlement 2022-23 at Mar 2023 £m	Block Transfer 2022-23 £m	Revised DSG 2022-23 £m	Distribution / Spend 2022-23 £m	(Surplus) / Deficit £m
Schools Block	190.743	(0.954)	189.789	189.436	(0.353)
Central School Services Block	1.182	0	1.182	1.182	0
High Needs Block	32.843	0.954	33.796	34.814	1.018
Early Years Block confirmed funding	17.307	0	17.307	16.690	(0.617)
Early Years Block estimated funding adjustment	(0.016)		(0.016)	0	0.016
Total	**242.059**	**0**	**242.059**	**242.122**	**0.063**

Note: the above table includes rounding's

2.2 The surplus of (£0.353m) on the Schools Block relates to (£0.355m) unallocated growth, a minor variation of (£1k) on an academy conversion offset by a £3k retrospective business rates charge. The growth allocation is based on pupil numbers at the October 2022 census point and the figures have been updated to reflect this. It is proposed that any surplus on the Schools Block contributes to the DSG deficit.

2.3 The High Needs Block continues to be under significant pressure with a closing in year deficit for 2022-23 of £1.972m, which reduces to £1.018m with the (£0.954m) Schools Block transfer. Further information on high needs spending and the Deficit Recovery Plan is provided in a separate agenda item.

2.4 The surplus on the Early Years Block is currently (£0.617m), which relates to (£0.614m) in-year surplus and (£4,000) additional funding from the final 2021-22 Early Years allocation from DfE. It is estimated there will be a funding reduction of £0.016m in relation to the 2022-23 financial year as the final settlement will be adjusted based on the early years census data from January 2023. The final early year's settlement for 2022-23 will be announced in July/August 2023. This would result in an overall surplus on early years of £0.601m. This surplus contributes to the overall DSG deficit.

2.5 A detailed breakdown of the Early Years Block for 2022-23 is included in Table 2.

TABLE 2 – Early Years Outturn (Provisional) 2022-23

Early Years Funding Block	Early Years DSG Settlement 2022-23 at Mar 2023 £m	Distribution / Spend 2022-23 £m	Outturn (Surplus) / Deficit £m	Estimated Funding Adjustment for 2022-23 £m	Estimated Final Outturn (Surplus) / Deficit £m
3 and 4 Year Olds Universal Entitlement	8.756	8.528	(0.228)	0.019	(0.247)
3 and 4 Year Olds Extended Entitlement	4.291	4.115	(0.176)	0.070	(0.246)
2 Year Olds	2.761	2.573	(0.188)	(0.105)	(0.084)
Early Years Pupil Premium	0.201	0.227	0.026	-	0.026
Disability Access Fund	0.094	0.066	(0.028)	-	(0.028)
Central Retention	0.764	0.615	(0.149)	-	(0.149)
SEN Inclusion Fund	0.439	0.566	0.127	-	0.127
Total	**17.307**	**16.690**	**(0.617)**	**(0.016)**	**(0.601)**

Note: the above table includes rounding's

2.6 The distribution / spend is based on the actual payments made to providers for the summer, autumn and spring terms for 2, 3 and 4 year olds. The estimated final outturn indicates underspends of (£0.494m) for 3 & 4 year olds, (£0.084m) for 2 year olds and (£0.028m) for the Disability Access Fund, and an overspend of £0.026m on early years pupil premium.

2.7 The reduction in participation for 3 and 4 years olds is partly due to the birth rate reducing but take up of places has also dropped. Historically Tameside has seen a high level of take up at approx. 98% but more recently, this is closer to 95% based on the latest census information. Participation of 2 year olds in Tameside is actually increasing but the DfE target number of potentially eligible families has reduced. This is a combination of reducing birth rates and a reduction in those being identified as eligible (from the DfE target data). For the 2023-24 funding formula the assumed uptake of places has been revised downward to reflect this trend.

2.8 The SEN Inclusion Fund has an overspend of £0.127m which is offset by an underspend of (£0.149m) on the centrally retained budget. The underspend on the centrally retained budget is mainly due to vacancies which have now either been recruited to or are in the process of being recruited to. It was agreed at Schools Forum in March 2023 to increase the 2023/24 SEN Inclusion budget as demand continues to grow in this area. This was afforded through an increase in the funding rates from DfE. This will be closely monitored throughout 2023/24 and updates will be reported to Schools Forum and Members.

3. DSG BUDGET UPDATE FOR 2023-24

3.1 The current DSG settlement for 2023-24 and forecast distribution / spend is included in **Table 3.**

TABLE 3 – DSG Forecast 2023-24

DSG Funding Blocks	DSG Settlement 2023-24 at Mar 2023 £m	Block Transfer 2023-24 £m	Revised DSG 2023-24 £m	Forecast Distribution / Spend 2023-24 £m	Forecast (Surplus) / Deficit £m
Schools Block	201.052	(0.694)	200.358	200.349	(0.010)
Central School Services Block	1.249	0	1.249	1.249	0
High Needs Block	37.144	0.694	37.838	40.682	2.845
Early Years Block	18.082	0	18.082	17.737	(0.345)
Early Years Block estimated funding adjustment			(0.049)		0.049
Total	**257.527**	**0**	**257.477**	**260.017**	**2.540**

Note: the above table includes rounding's

3.2 As agreed with Schools Forum, the 0.345% transfer from the Schools Block to the High Needs Block of £0.694m has been actioned as shown in **Table 3**.

3.3 There is a forecast surplus of (£0.010m) on the Schools Block. This relates to unallocated growth. The final growth allocation is based on pupil numbers at the October 2023 census point and the figures will be updated once this has been finalised. This may impact on the current surplus forecast. I t is proposed that any surplus on the Schools Block contributes to the DSG deficit.

3.4 The forecast in-year deficit on the High Needs Block is expected to be £3.538m, which reduces to £2.845m with the £0.694m transfer from the Schools Block. The forecast also includes £2.514m of estimated in-year growth related to increasing number of EHCP's and the planned new Resourced Bases. Further information on High Needs is included in a separate agenda item.

3.5 The Early Years Block is currently forecasting a surplus of (£0.345m). However, the funding settlement for Early Years will be updated in July/August 2023 and it is anticipated there will be a reduction of £0.049m to reflect the January 2023 census data. Therefore, there is an estimated surplus of £0.295m. A detailed breakdown of the estimate is included at **Table 4**.

TABLE 4 – Early Years Forecast 2023-24

Early Years Funding Block	Early Years DSG Settlement 2023-24 at Mar 2023 £m	Distribution / Spend 2023-24 £m	Outturn Surplus / (Deficit) £m	Estimated Funding Adjustment for 2023-24 £m	Estimated Forecast Outturn Surplus / (Deficit) £m
3 and 4 Year Olds Universal Entitlement	9.242	9.081	(0.161)	0.079	(0.240)
3 and 4 Year Olds Extended Entitlement	4.344	4.446	0.102	0.295	(0.193)
2 Year Olds	2.781	2.495	(0.286)	(0.424)	0.138
Early Years Pupil Premium	0.204	0.204	0	0	0
Disability Access Fund	0.132	0.132	0	0	0
Central Retention	0.813	0.813	0	0	0
SEN Inclusion Fund	0.566	0.566	0	0	0
Total	**18.082**	**17.737**	**(0.345)**	**(0.049)**	**(0.295)**

3.6 The forecast distribution/spend for 3 and 4 year old universal and extended entitlements and 2 year olds is based on the estimated participation for 2023-24. When calculating the base rate to providers for 3 and 4 year olds for 2023-24, the decision was made to uplift the rate by the full £0.14 per hour increase we received in funding. Participation is difficult to estimate and the figures will be closely monitored throughout the year and reported to Schools Forum.

3.7 As stated in paragraph 2.7, participation of 2 year olds in Tameside has been increasing but again this will need to be closely monitored and updates reported to Schools Forum and Members.

3.8 The other areas of Early Years funding are currently forecast to be within budget and further updates will provided to Schools Forum and Members.

4. DSG RESERVE AS AT 31 MARCH 2023 AND ESTIMATED POSITION AS AT 31 MARCH 2024

4.1 **Table 5** provides details on the closing position of the DSG reserve for 2022-23 and the estimated position of the DSG at 31 March 2024.

TABLE 5 – DSG Reserve

	2022-23 (Surplus) / Deficit £m	2023-24 Forecast (Surplus) / Deficit £m
DSG Reserve Brought Forward	**3.243**	**3.306**
Schools Block Changes		
In year position on business rates	0.003	0
In year position on the growth fund	(0.355)	(0.010)
Minor variations	(0.002)	0
Schools Block Subtotal	**(0.353)**	**(0.010)**
In year position on High Needs Block	**1.018**	**2.845**
In year position on Early Years	**(0.614)**	**(0.345)**
Early Years 2021-22 final adjustment	**(0.004)**	**0**
Estimated Early Years Adjustments	**0.016**	**0.049**
DSG Reserve after Commitments	**3.306**	**5.846**

4.2 In 2022-23 the deficit increased to £3.306m, in the main this is due to the overspend on the High Needs Block as a result of the cap placed on High Needs Block funding gains which is currently 7%. There have been contributions to the reserve in year, the most significant of these relating to surplus funds in the Early Years Block, the underspend on Schools Block relating to business rates and unallocated growth.

4.3 If the 2023-24 forecasts materialise there would be a deficit of £5.846m on the DSG. The council is engaging with the DfE on the Delivering Better Value (DBV) programme to identify and implement high impact mitigations to reduce the High Needs Block deficit from 2023-24. The position will continue to be closely monitored and updates reported to Schools Forum and Members.

5. OTHER UPDATES

Scheme of Financing

5.1 Local authorities are required to publish schemes for financing schools, setting out the financial relationship between them and the schools they maintain. In April 2023 the DfE released an update to reflect current policy positions and changes in legislation relating to Income from sale of assets

5.2 The changes seek to clarify any proceeds from sale of school premises owned by the Local Authority are subject to the consent of Secretary of State. An extract of the revised paragraph 5.4 is attached at **Appendix 1**.

5.3 A copy of the updated scheme will be distributed to all maintained schools and will be updated on the council website: [Education Spending and School Finance (tameside.gov.uk)]

Implementing the direct National Funding Formula (NFF) – Government consultation response

5.4 Following the second Government consultation response (published April 2023) on implementation of a direct NFF the DfE has confirmed two reforms to split site and growth funding that will begin in 2024-25 financial year, with further details below.

5.5 In addition, the DfE also confirms in its consultation response that under a direct NFF there will be continued flexibility to transfer Schools Block funding to the High Needs budget (although a new application process to the Sectary of State will be implemented) and that the DfE will introduce a national approach to calculating schools indicative SEND budgets that will replace the current notional High Needs calculation

5.6 A further sector engagement will follow on related funding issues such as reforms to the High Needs funding arrangements and Private Funding Initiative (PFI) funding.

5.7 The consultation also sought views on a number of other arrangements being considered as part of the transition to a direct NFF including the Minimum Funding Guarantee, the Funding Cycle, Exceptional Circumstances funding and Data Collections. Full Details can be viewed on the Government website: [Implementing the Direct National Funding Formula Government consultation response (publishing.service.gov.uk)]

Split Site Funding

5.8 The DfE plans to allocate split site funding nationally to mainstream schools based on a formula factor made up of a 'basic eligibility' element and a 'distance eligibility' element from 2024-25. The new approach will ensure consistency and form an important part of developing the final transition to a direct NFF. Although no schools in Tameside currently qualify, details of the criteria are covered below and LA's will be asked as part of future APT submissions in January 2024 to identify and include any eligible schools.

Eligibility Criteria

- To be separated from the school's main site by a public road or railway
- To be used primarily for the education of 5 to 16-year-olds
- To share a unique reference number (URN)
- To have a building on a site that is maintained by the school

Note: Playing fields will be excluded from being eligible for split site funding

Distance Eligibility

- A distance criterion of 500 meters will apply
- A taper starting at 100 meters will apply to avoid a hard cut-off that would disadvantage schools just below the threshold

5.9 The DfE also sought views on the funding criteria and is proposing a weighted allocation based on 60% of the NFF Lump Sum Factor although this is still under review they have confirmed the split site factor value for 2024-25 will published in July 2023 alongside the other NFF announcements.

Growth & Falling Rolls Funding

5.10 Following the outcome of the consultation the DfE plans to introduce a set of national criteria and minimum standards for the allocation of growth funding by LA's to improve consistency and predictability. The minimum requirements for 2024-25 rather than fully determined standards will allow LA's flexibility where commitments for growth funding have already been made for a number of future years.

5.11 There will also be revisions to the NFF's current growth allocation methodology used to allocate funding to LA's on the basis of both growth and falling rolls. The DfE plans to work with stakeholders over the coming months to refine the standard criteria that will be used to fund schools with significant increases in pupil numbers or falling rolls from 2024-25.

5.12 LA's will also have greater flexibility to use growth funding to repurpose surplus space to create SEND units or Resourced Bases in mainstream schools.

5.13 Growth funding factors for 2024-25 are expected to be published in July 2023 and the DfE will also provide further guidance in the Schools operational Guide as well as make the necessary changes to the Regulations.

Early Years Spring 2023 Budget Announcements

5.14 Early Years Spring 2023 Budget Announcements
In the government's spring budget, the Chancellor announced transformative reforms to childcare for parents, children, the economy and women. This new offer will empower parents, allowing them to progress their careers and support their families. The new entitlements will be introduced in phases:

- From April 2024, all working parents of 2-year-olds can access 15 hours per week;
- From September 2024, all working parents of children aged 9 months up to 3-years-old can access 15 hours per week;
- From September 2025, all working parents of children aged 9 months up to 3-years-old can access 30 hours per week.

5.15 The budget also announced additional funding of £204m from September 23 rising to £288m in the financial year 2024-25 to increase the funding paid to nurseries for the existing free hours offers. This investment will allow the national average rate for local authorities for 2-year olds to increase by 30% from the current national average rate of £6 per hour to around £8 per hour from September 2023. The national average 3 to 4 year old rate for local authorities will rise in line with inflation from the current national average rate of £5.29 per hour to over £5.50 per hour from September 2023.

5.16 Following the announcement of the new start-up grant for childminders it was confirmed that the £600 grant for those who register with Ofsted, and £1,200 for those who register with a childminder agency, will be payable to any individual who has completed their childminder registration on or after 15 March 2023. New childminders will be able to apply for the grant from autumn 2023. There is currently no information available regarding the application process and who will be responsible for making these grant payments.

5.17 The rates quoted in paragraph 5.4 are national average rates and details on what this means for Tameside rates have not yet been released. Once further details are received, the LA will provide an update to Schools Forum.

6. RECOMMENDATIONS

6.1 As set out at the front of the report.

5.4 <u>Income from Sale of Assets</u>

Schools will be allowed to retain income from the sale of assets except where:

- the asset was purchased from non-delegated funds (in which case the Local Authority shall have the power to determine whether the school will retain the proceeds or not (determine who is entitled to retain the income);

- the asset is part of land and buildings forming part of the school premises and is owned by the Local Authority. Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme.

Schools are reminded that when they are disposing of assets they should take recognition of the guidance in the Authority's financial regulations.

Report to:	**SCHOOLS' FORUM**
Date:	20 June 2023
Reporting Officer:	Ashley Hughes – Director of Resources Jane Sowerby – Assistant Director of Education
Subject:	**DSG HIGH NEEDS SPENDING AND DEFICIT RECOVERY PLAN**
Report Summary:	This report provides an update on the current DSG deficit position along with updates on the Delivering Better Value programme and the action plan to address spending pressures
Recommendations:	Schools Forum to note the report
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial policy and framework.
Financial Implications: **(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**	The High Needs funding is part of the Dedicated Schools Grant (DSG). It is a ring fenced grant solely for the purposes of schools and pupil related expenditure. The High Needs block is overspending and engagement with the DBV programme and other management actions including sufficiency are targeted at addressing the in-year High Needs Block deficit. A successful application for the Delivering Better Value in SEND Grant will result in a grant award of £1mil to implement the actions identified as part of the grant bid process.
Legal Implications: **(Authorised by the Borough Solicitor)**	The legal implications are set out in the main body of the report.
Risk Management:	The correct accounting treatment of the DSG is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. The Department for Levelling Up, Housing and Communities (DLUHC) require DSG deficits to be held in a separate reserve in local authorities' (LA) accounts. There has been an extension to this accounting treatment for a period of 3 years taking this up to financial year 2025-26 after which the statutory override will be removed as there is expectation on LA's will have managed the deficit and secured a balanced DSG budget during this period. If this is not the case the deficit will be reflected in the LA's accounts. There is the risk that the number of EHCPs will continue to grow despite engagement with the DBV programme and management actions being taken outlined in the report, which could impact on the LA's ability to reduce the deficit.

Access to Information:	**NON-CONFIDENTIAL**
	This report does not contain information which warrants its consideration in the absence of the Press or members of the public.
Background Information:	The background papers relating to this report can be inspected by contacting Jerome Francis – Finance Business Partner, Financial Management, Governance, Resources and Pensions
	☎ Telephone: 0161 342 3044
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1. INTRODUCTION

1.1 This report provides an update in relation to the High Needs DSG deficit position and forward spend projections.

1.2 The report gives a progress update of the DfE's Delivering Better Value (DBV) scheme that Tameside have been invited to take part in.

1.3 The report provides an update on the proposals and work streams already in the Management Action plan to start to address the DSG High Needs deficit. These strands of work have been discussed at previous meetings, any further savings ideas or considerations that Schools Forum identify can be explored and added to the plan.

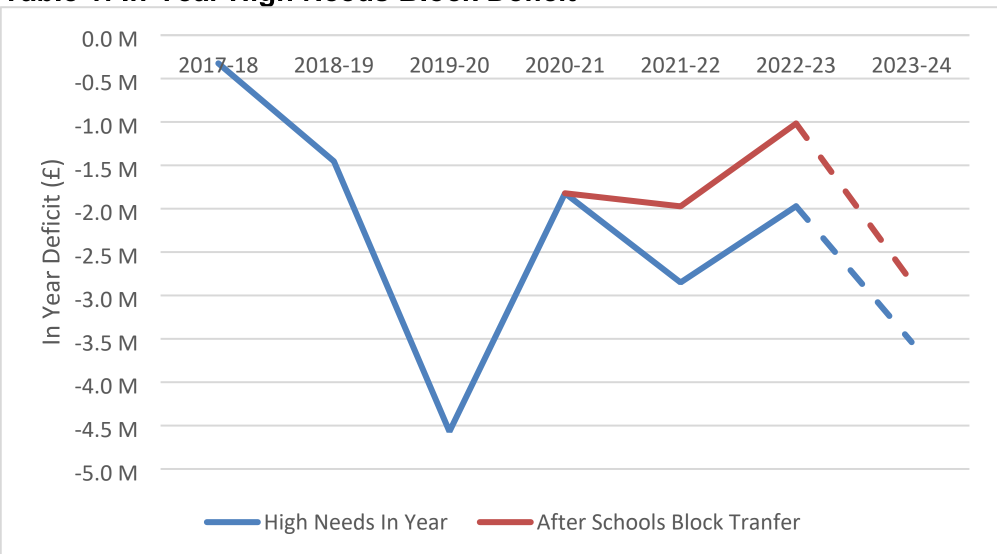
1.4 These proposals will be included in the DSG Management Action Plan to the DfE outlining our recovery proposals.

2. DEFICIT POSITION & GROWTH PROJECTIONS

2.1 The DSG reserve brought forward at the beginning of 2022-23 was (£3.243m). The in-year deficit on the High Needs Block in 2022-23 was (£1.018m) after a transfer from the Schools Block of £0.954m. This was offset by an underspend on the Early Years Block of £0.617m and an underspend on the Schools Block of £0.353m, however these are not expected to continue following revisions to the assumed Early Years uptake.

2.2 **Table 1** below shows that the High Needs Block in year deficit reduced in 2022-23 compared to previous years. This is due to a number of factors, including strong Maintained Special School (MSS) provision growth with 122 additional commissioned places in maintained special schools for September 2022 and write-offs of prior year recoupment liabilities.

Table 1: In-Year High Needs Block Deficit



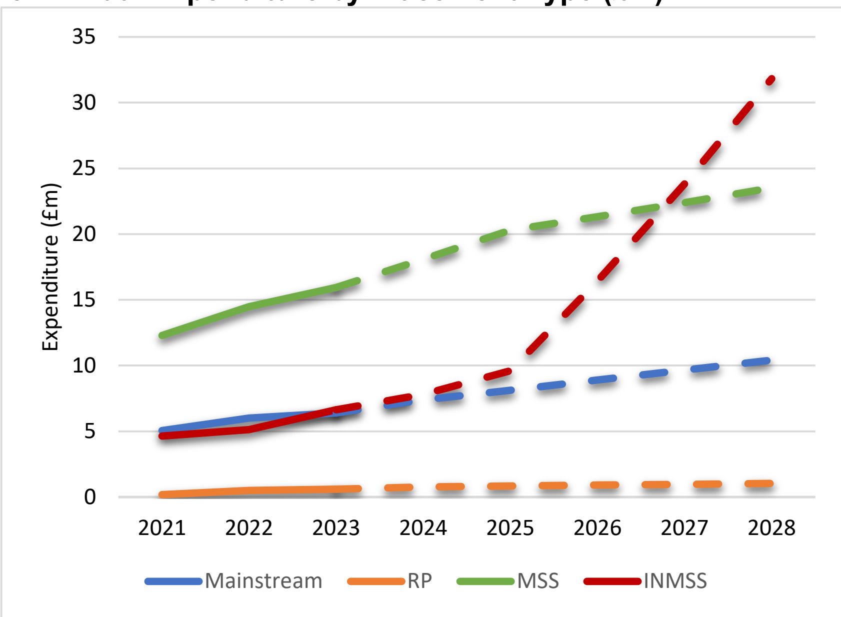
2.3 Module 1 of the DBV programme focused on analysing prior year trends and producing forecasts for EHCP's and expenditure by all provision types. The forecasts produced, in **Table 2**, show High Needs Block expenditure increasing rapidly, with it forecast to more than double in the 5 years from 2023 to 2028.

Table 2: Forecast High Needs Block Expenditure

	Actual			Forecast				
Total HNB Spend (£m)	2021	2022	2023	2024	2025	2026	2027	2028
	25.49	29.49	33.3	38.08	43.27	52.26	61.92	72.28

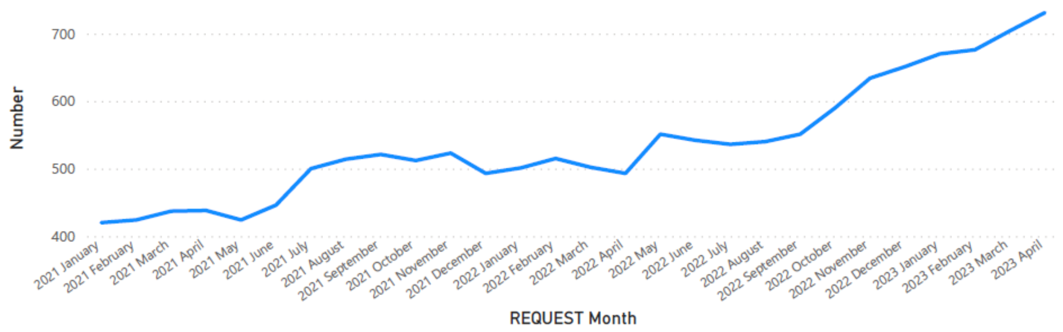
2.4 Whilst growth in provision in the maintained special school sector has been a strength in Tameside, with 122 additional commissioned places in September 2022 and a further 77 currently planned for September 2023, the DBV future year forecasts assume that after these planned expansions take place maintained special schools will reach capacity and usage of higher cost independent placements will increase. This is shown in **Table 3** and provides an unmitigated or baseline forecast, assuming no mitigating actions are taken beyond those already planned.

Table 3: Annual Expenditure by Placement Type (£m)



2.5 The main driver of Tameside's High Needs Block deficits has been the number of EHCP's which have historically have been very low, but rapid growth in recent years has brought us in line with our peers and Greater Manchester neighbours. This rapid growth in numbers has not been matched with growth in funding at the same rate due to a cap in High Needs Block gains, 7% for 2023-24. A significant factor influencing future High Needs Block in year positions is whether this growth in EHCP's continues on current trends, though in 2023 to date the number of EHCP's granted per month have been approaching double those requested in the equivalent month in 2022. The growth in the number of EHCP's being requested is shown in **Table 4** below.

Table 4: 12 Month Rolling Average of EHCP Requests



2.6 In this context the goal of Tameside's involvement with the DBV programme is to identify sustainable changes to the local SEND system that can drive high quality outcomes for children and young people with SEND, and the DBV programme will culminate in an evidence-based grant application to assist the implementation of those changes.

3. DELIVERING BETTER VALUE

3.1 DBV module 1 and 2 provide clear analysis of the demand, type of primary need and provision accessed by the current body of SEND pupils with an Education Health and Care Plan (EHCP). A high number of EHCPs start at key transition points, in particular Nursery to Reception and Primary to Secondary and a high number of new starts in maintained special schools at age 4 and 5. This puts pressure on Tameside specialist provision, which already accounts for £14m of the £30m high needs block spend, and in turn can lead to an increased number of placements at high cost, out of borough independent non-maintained special schools.

3.2 Through the analysis above and triangulation via case reviews, surveys and various deep dives the subsequent root cause analysis identified the following two high impact areas for our DBV Plan to focus on

3.3 **Inclusion** – create an Inclusion Quality and Outreach Team, linked to existing Special Schools and Resource Provisions, and introduce a programme of training and workforce development (including parents and carers as appropriate).

3.4 **Transitions** – establish a new Early Years Assessment Centre with co-located wrap around services. The plan to improve the effectiveness and confidence surrounding transitions will also be supported through supporting the clearance of the backlog of annual reviews and identifying those pupils that may struggle at transition and providing early support.

3.5 The above high impact areas crossover with a range of SEND improvements that are happening outside of the DBV programme, in particular the redesign of SEND Teams, review of the Specialist Outreach Support Team and SEND Sufficiency.

3.6 If successful the £1.000m revenue grant bid will likely be available from September 2023 and is expected to be utilised within two years. The Tameside Draft DBV Plan includes some quick wins that could be spent within autumn 2023 term but the majority of work streams will start implementation from January 2024 or September 2024.

4. UPDATE ON EXISTING MANAGEMENT PLAN

Funding

4.1 An annual vote has taken place with the mainstream sector to transfer funds from the Schools Block to the High Needs Block fund, these transfers have been considered on an annual basis and have been approved by schools forum in line with regulations. For the 2023-24 academic year a Schools Block transfer of 0.345% or £0.694m was agreed at School Forum.

Resource Base Review

4.2 As part of specialist provision, the council have consulted on implementing additional local resource bases in mainstream settings. This is considered good practice in terms of keeping pupils in the local community to build networks and support inclusive practice.

4.3 This proposal seeks to establish 40 additional local places in 2023-24 with 20 in September 2023 and 20 in January 2024. Please note these places are still in consultation and not yet finalised.

Table 5: Additional Resource Base Places Planned 2023-24

Resource Base	Additional Places Sept 2023
Dane Bank	10
St James Ashton	10
Great Academies (**January 24**)	10
Longendale (**January 24**)	10
Total Commissioned Places	**40**

4.4 Work continues to expand this model into additional primary and secondary settings. This proposal does not offer financial savings but does help in addressing demand in borough and avoid more costly placements in independent and non-maintained schools.

Special School Sufficiency

4.5 As part of the specialist provision, the council have worked with maintained special schools to increase commissioned places to match growing demand. This keeps pupils in the local community to build whilst avoiding the use of more costly out of borough or independent placements.

4.6 The number of commissioned places in special schools for both September 2022 and September 2023 are shown below, with an increase of 77 places for the 2023-24 academic year:

Table 6 : Special School Commissioned Places September 23

Special School	Commissioned Places Sept 2022	Commissioned Places Sept 2023
Hawthorns	190	220
Thomas Ashton	90	100
Cromwell	138	140
Samuel Laycock	215	230
Oakdale	146	162
TPRS	34	38
Total Commissioned Places	**813**	**890**

Growth and Over Capacity Funding

4.7 An overcapacity policy was introduced in 2022-23. The first 5% of growth after the annual place commissioning has taken place will not be funded. This policy was introduced with the expectation it would achieve cost avoidance of c£50,000 per year. As actual growth above commissioned places has been far higher than forecast the impact has been far greater than intended. It is currently expected to have achieved cost avoidance of £171,666 over the 2022-23 academic year.

4.8 Special schools who have worked hard in accommodating pupils have responded that this policy has placed significant financial pressure on them when placing additional pupils, and may potentially act as a disincentive to placing additional pupils. Due to this and to continue the strong working relationship between the council and Tameside's Special Schools the decision has been taken that this policy will not be continued for the 2023-24 academic year

Contract Review

4.9 One of our special schools has a PFI style contract. A review of this contract will be undertaken to see if it represents value for money. It is envisaged savings could be found from this contract. This review will be undertaken with the support of the LEP, the outcome of which will be considered by Elected Members at Executive Cabinet. Potential savings to the High Needs block as a result of this review is an annual £320,970.

5. CONCLUSION

5.1 The High Needs Block deficit in 2022-23 was lower than expected, primarily due to low independent school use and prior year recoupment write-offs.

5.2 The DBV programme has identified high impact areas for the DBV plan and grant bid to focus on; Inclusion and Transitions. The grant, pending successful bid, will be spent within two years with implementation expected in the 2024-25 financial year.

5.3 The council continues to manage the deficit position by working with schools to offer local provision in Resource Bases and Special Schools.

6. RECOMMENDATIONS

6.1 As set out at the front of the report.

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Report to:	**SCHOOLS FORUM**
Date:	20 June 2023
Reporting Officer:	Ashley Hughes – Director of Resources Jane Sowerby – Assistant Director of Education
Subject:	**SCHOOL BALANCES 2022-23**
Report Summary:	This report provides an update on the surplus balances held by schools at the end of 2022-23 financial year.
Recommendations:	Schools Forum are asked to: • Note the contents of the reports and the position of schools balances at the end of 2022-23 • Note a decision on whether the claw back mechanism should be applied to 2022-23 excess surplus balances will be bought to the next Forum in September
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial policies and financial regulations
Financial Implications: **(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**	School funding is primarily given from the Dedicated Schools Grant, which is ring-fenced for educational purposes. Under the Scheme of Financing, schools are able to hold reasonable balances and any excess balances are subject to clawback by Schools Forum. Schools Forum have agreed any clawback of funds would be utilised to support the High Needs deficit recovery.
Legal Implications: **(Authorised by the Borough Solicitor)**	There are no immediate legal implications arising from this report. Details of the grant and balances are set out in the main body of the report.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and closure of accounts to ensure that this is achieved. These are subject to regular review
Access to Information:	**NON-CONFIDENTIAL** **This report does not contain information, which warrants its consideration in the absence of the Press or members of the public.**
Background Information:	The background papers relating to this report can be inspected by contacting Jerome Francis Telephone: 0161 342 3044 e-mail: jerome.francis@tameside.gov.uk

1. INTRODUCTION

1.1 The purpose of this report is to provide an update on the final position on maintained schools balances for 2022-23 and to consider any claw back of excess surplus balances.

1.2 Maintained schools are permitted to carry forward any year-end surplus/deficit recorded at the 31 March to the following financial year as long as they conform to rules of the Balance Control Mechanism Scheme.

2. FINAL POSITION 2022-23

2.1 **Table 1** summarises school balances by sector for the financial year 2022-23 and shows the movement from 2021-22 balances:

TABLE 1: Final Position School Balances 2022-23

Sector	2021-22	2022-23	Movement	% Change
Primary	£5,016,309	£4,621,227	£395,082	-8%
Secondary	£2,913,368	£4,024,117	(£1,110,749)	38%
Special	£1,364,225	£1,102,114	£262,111	-19%
Totals	**£9,293,902**	**£9,747,458**	**(£453,556)**	**5%**

2.2 The table shows overall balances have increased by £0.453m or 5% compared to 2021-22 and in particular:

- Primary balances have reduced by £0.395m or -8%
- Secondary balances have increased by £1.111m or 38% and
- Special balances have reduced by £0.262m or -19% but this is largely due to an academy conversion
- The above movement also includes the clawback of schools 2021-22 excess surplus balances of £0.197m and the writing out of balances due to schools converting to academy of £0.330m

3. BALANCE CONTROL MECHANISM AND EXCESS SURPLUS BALANCES

3.1 Under the Balance Control Mechanism a school is classed as carrying an excess surplus balance if their year-end balance has either :

- exceeded the approved surplus balance submitted to the Local Authority in June 2022 or,
- school didn't submit a return to hold balances above the sector threshold but their year-end actual balances are above the sector threshold permitted

3.2 A review of the 2022-23 year-end surplus balances has identified 9 schools with excess surplus balances totalling £0.659m shown in **Table 2** below. This is a reduction compared to the 17 schools totalling £1.350m in 2021-22.

TABLE 2: No of Schools with Excess Surplus Balances 2022-23

No of Schools with Excess Balance	No of years Hold Excess Surplus	Total Excess Surplus Balance	At Risk of claw Back at 50%
6	Year 1	£461,584	£0
3	Year 2	£197,790	£98,985
9		**£659,374**	**£98,985**

3.3 A number of schools have utilised the Capital Reserve within the scheme and current level of balances held in the Capital Reserve is £1.065m, this is an increase on the 2 schools that earmarked a total of £0.390m in 2021-22.

TABLE 3: Earmarked Capital Reserves

No of Schools with Earmarked Capital Reserves *	Year Invested in Capital Reserve	Total Earmarked Reserve
2	2021-22	£390,000
6	2022-23	£675,442
Total		**£1,065,442**

** One school has earmarked funds in both years*

4. SCHOOLS AT RISK OF CLAWBACK

4.1 All schools with an excess balances in either year 1 or year 2 have been notified and as **Table 2** shows, there are currently 3 schools with balances totalling £98,985 at risk of clawback.

4.2 All 3 schools have submitted information they wish to be considered as exceptional circumstances resulting in the excess surplus.

4.2 As in the previous year the LA plans to gain views and a steer from the School Funding Group then bring forward recommendations to be presented to the next Schools Forum meeting in September, at which point, members will be asked to make a decision on whether exceptional circumstances apply or whether the excess balances should be clawed back.

4.3 A meeting date is yet to be confirmed with School Funding Group, as a review of the Terms of Reference is currently taking place, but this and the next meeting is scheduled to take place late June/early July.

5. CONCLUSION

5.1 School balances held by maintained schools have increased to £9.747m in 2022-23 compared to £9.294m in 2021-22

5.2 Whilst balances have increased, the number of schools holding excess surplus balances has reduced to 3 schools, totalling £0.659m in 2022-23. This is a reduction compared to the 17 schools totalling £1.350m in 2021-22.

5.3 More schools have utilised the Capital Reserve in 2022-23, with the balance now sitting at £1.065m and 7 schools earmarking funds for future capital projects.

6. RECOMMENDATIONS

6.1 As set out at the front of the report.

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