

To – Schools Forum – 19th Jan 2017

2016/17 Dedicated Schools Grant (DSG) – Forecast Outturn

Introduction

The DfE confirmed that the 2016/17 Dedicated Schools Grant (DSG) is £90m of which an estimated £53m is deducted to fund Academy Schools leaving £37m for our maintained schools and education services.

Dedicated Schools Grant (DSG) funded activities are forecast to **overspend by £329k**. This is the first time since the inception DSG that this is likely to be the case.

The main areas of under/overspends

Joint funded placements and Independent special school costs are a volatile area; at this stage these services are forecast to **underspend** by £82k.

Other smaller **overspends** across Children's including SEN, and recoupmnt totalling £9k

Statementing / EHCP contingency (in-year adjustments to statementing / EHCP) is forecast to **overspend** by £150k – see separate paper on detailed analysis.

Special Schools Contingency is forecast to **overspend** by £202k due to increasing places and top up costs.

Early Years – SEN inclusion – nursery provider is forecast to **overspend** by £50k due to increasing eligible pupils taking up nursery places and increase in the hourly rate to providers.

Implications

Mitigating actions will not address the overspend in DSG to achieve a break even position by year end. Additional scrutiny of the process being used to allocate funds has been instigated.

The volatile position of the DSG budget and in particular the pressure on the higher needs block is of national concern and debate. Sharing of information across Local Authorities demonstrates a similar emerging trend, actions being taken by other areas includes the top slicing of the DSG budget resulting in a reduced rate per pupil.

In December 2016, the Department for Education made available a grant to Local Authorities to carry out a strategic review of their high needs provision. We propose to use this fund to provide an increase in our capacity to review the planning of special provision using a collaborative approach with a focus on addressing the rising costs.

Torbay proposes to use the DSG reserve to manage this overspend resulting in no reduction to the rate per pupil. However this mitigating action is not sustainable into future years and will require decisive action to bring the budget to a breakeven position.

Recommendations

To use the DSG reserve to manage the overspend resulting in no reduction to the rate per pupil.

Rachael Williams Head of Education, Learning and Skills