

To – Schools Forum – 9th March 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 £404k**. 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 recoupment totalling £9k

Statementing / EHCP contingency (in-year adjustments to statementing / EHCP) is forecast to **overspend** by £143k – see separate paper on detailed analysis.

Special Schools Contingency is forecast to **overspend** by £264k due to increasing places and top up costs.

Early Years – SEN inclusion – nursery provider is forecast to **overspend** by £70k due to increasing eligible pupils taking up nursery places and increase in the hourly rate to providers.

Implications

The volatile position of the DSG budget and in particular the pressure on the High Needs Block is of national concern and debate. Sharing of information across LA's demonstrates a similar emerging trend, actions being taken by other LA's includes the top slicing of the DSG budget resulting in a reduced rate per pupil.

Torbay is using the DSG reserve to manage this overspend, however this action is not sustainable into future years and will require decisive action to bring the budget to a breakeven position.

Agreed actions

That Schools Forum agree to use the DSG reserve to address the overspend, and continue to work determine a longer term solution.

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