

Schools Forum - 29th June 2017

2017/18 Dedicated Schools Grant (DSG) – Forecast Outturn

Introduction

The DfE confirmed that the 2017/18 Dedicated Schools Grant (DSG) is £95.3m of which an estimated £58.5m is deducted to fund Academy Schools leaving £36.8m for our maintained schools and education services.

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £412k**.

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:

Joint funded placements **underspend** by £50k.

Independent special school / out of county costs **overspend** by £100k

Statementing / EHCP contingency (in-year adjustments to statementing / EHCP) is forecast to **overspend** by £139k – see separate paper on detailed analysis.

Special Schools / High Needs Contingency is forecast to **overspend** by £250k due to increasing places and top up costs.

Recoupment from other Local Authorities for pupil top-up funding is forecast to **underspend** by £27k

Early Years – It is too early in the financial year to predict whether there will be pressure in this area as there was in 16/17. We are still in the process of collating the nursery numbers from the Summer Term headcount. This will be monitored during 17/18 and any issues reported to future meetings.

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 trend, actions being taken by other LA's includes the top slicing of the DSG budget resulting in a reduced rate per pupil for schools.

Torbay no longer has a DSG reserve to manage this overspend, and this level of spend is not sustainable into future years and will require decisive action to bring the budget under control.

Torbay has a high prevalence of requests and award of EHC plans/statements. This equates to 4.4% of the pupil population compared to 2.9% nationally. Although national figures are not known for this year, local intelligence shows that there continues to be growth in the numbers of requests received. This trend information demonstrates that costs will continue to rise and add pressure to the higher needs block.

Actions required

- Primary and Secondary phase associations to cascade the forecast information.
- Head of Education, Learning and Skills to talk to all headteachers in phase meetings to ensure all schools recognise the significance of individual decision making/actions on the overall budget.
- Continue to use the SEND panel process to scrutinise the costs associated with EHC plans.
- Continue to apply the increased scrutiny of thresholds to all new requests.
- Director of Children's Services to raise the demand issues with partners through the Children's Improvement Board.

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