



<b>Schools Forum</b> Date: 17 March 2016 Time: 8:30 am Venue: Shrewsbury Training and Development Centre	<u>Item</u>  Public	<u>Paper</u>  <b>D</b>
---	---------------------------	------------------------------

## **DEDICATED SCHOOLS GRANT MONITORING**

**Responsible Officer** Stephen Waters  
e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

### **Summary**

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of February 2016.

### **Recommendation**

This report is for information only.

## **REPORT**

### **Outturn 2015-16**

1. The overall outturn against centrally retained DSG is forecast to be £709k in surplus at the end of February 2016.

### **Main reasons for a variation from budget of greater than £100k:**

#### **Line 1.2.1 – Top Up Funding – Maintained Providers**

2. An underspend of £1,356k is currently forecast. £768k of this underspend relates directly to the top up payments the local authority makes to maintained schools. Following reforms to High Needs Pupils Funding in April 2013, the local authority has taken a prudent approach to budgeting for top-up funding particularly for maintained providers. This underspend is explained by this cautious approach and is projected where contingencies built into the budget for new starters or changes to bandings in year have not been required as much as anticipated. As the system becomes more established, monitoring of these budgets becomes more accurate and reliable and this can inform budget levels for future years.

3. In addition, the recoupments received from and paid to other local authorities for children attending schools out of area is currently showing a projected underspend of £588k. More detailed analysis has commenced to estimate how much recoupment expenditure will be paid or accrued for between now and the year-end. This work will continue with the service area leads over the course of the next few weeks.

#### **Line 1.2.3 – Top Up Funding – Academies and Free School**

4. A potential overspend has been identified in relation to top up funding for academies. This has been identified as projections have been reviewed following detailed analysis. The overspend relates to secondary academies rather than primary or special academy schools. This highlights the need to convene the High Needs Task & Finish Group as recommended in Paper C.

#### **Line 1.2.4 – Top Up Funding – Independent Providers**

5. A forecast overspend of £150k has been identified in relation to post 16 top up funding to further education establishments. This overspend is a direct result of changes in legislation which has seen local authorities having significant new statutory duties for students with special educational needs up to the age of 25 years under the Childrens and Families Act (September 2014). As a result, Shropshire has seen a sharp increase in students with SEN requiring additional support in further education and the local authority's SEN team are striving to address these rising costs through close working with local colleges to increase accessibility to education within mainstream colleges rather than more expensive independent specialist providers.
6. A large overspend is also forecast against top up funding to independent special schools. This budget is highly volatile and more detailed work is required through the High Needs Task & Finish Group to understand the pressures on this £4.546m budget.

#### **Line 1.2.5 – SEN Support Services**

7. The Joint Arrangement with Telford & Wrekin Council for the provision of a Sensory Inclusion Service is currently forecasting an underspend of £100k due to staffing vacancies in the service. It is not yet determined whether these vacancies will be required in the future. There are also temporary in-year vacancy management savings in relation to the Speech and Language Therapy Team and the SEN Team where posts will not be recruited to until the next financial year.

#### **1.4.12 – Exceptions agreed by Secretary of State (Deficit Balance)**

8. A cost of £168,141 is reported. As agreed by Forum last year this is the second year charge relating to a secondary school deficit balance incurred in 2014-15 at the point of conversion to a sponsored academy.