



## Schools Forum

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Centre

Item

Public

Paper

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## DEDICATED SCHOOLS GRANT MONITORING

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### Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of October 2015.

This report also asks the Schools Forum to agree the 2016-17 centrally retained budgets under the heading 'Central Provision within Schools Budget'.

### Recommendation

That Schools Forum agree the Central Provision within Schools Budgets for 2016-17 as set out in the appendix to this report.

## REPORT

### Outturn 2015-16

1. The overall outturn against centrally retained DSG is forecast to be £1,052k in surplus at the end of October 2015. The forecast is a prudent estimate with some charges for the Autumn and Spring terms yet to be confirmed.

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

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

2. An underspend of £1,039k is currently forecast - £501k of this underspend relates directly to the top-up payments the local authority makes to maintained schools. Following reforms to High Needs pupils' funding from April 2013, the local authority has taken a prudent approach to budgeting for top-up funding particularly for maintained providers. The underspend is explained by this cautious approach and is projected where contingencies built into the budget

for new starters have not been required as much as anticipated. As the system becomes more established, monitoring of these budgets becomes more accurate and reliable, and 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 £538k. This is due to improvements in the systems for capturing information which were not complete when the budgets were set.

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

4. 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.

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

5. A cost of £168,141 is reported. As agreed by Schools 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.

#### **Pattern of underspend**

6. The latest budget monitoring position confirms that for consecutive years the Central DSG Budget will be underspent in the High Needs budget area by approx. £1,000k. This trend has been established over time as funding reforms for High Needs pupils and changes to a place plus system have bedded-in.

#### **Central Provision within Schools Budget**

7. Funding for some services can be centrally retained before allocating individual budgets to schools through the funding formula with the agreement of Schools Forum. These centrally retained services are applicable to maintained schools and academies.
8. A number of these services are subject to a limitation of no new commitments or increases in expenditure from 2015-16 and Schools Forum approval is required to confirm the amounts on each line.
9. The appendix sets out which services can be centrally retained, the amount centrally retained in 2015-16 and the amount proposed to be centrally retained in 2016-17 for consideration and approval by Schools Forum.
10. Contributions to Combined Budgets are towards services funded partly from central expenditure and partly from other budgets of the local authority or contributions from other bodies. Some examples within Shropshire include contributions to some aspects of Children's Safeguarding where schools receive a direct benefit eg targeted mental health support in schools and support for young carers.

11. Schools Admissions budgets are spent on the administration of the system of admission of pupils and largely funds the staff employed to deliver this service.
12. Termination of Employment Costs funds expenditure in respect of premature retirement costs relating to existing commitments. This budget will decrease year on year.
13. Capital Expenditure from Revenue is revenue funding contributions to existing capital commitments while Prudential Borrowing Costs relates to expenditure incurred in the repayment of loans for capital schemes relating to schools.

#### **High Needs Budget**

14. Schools Forum will be consulted on the allocation of the High Needs budget for 2016-17 and the proposed application of the projected underspend in January.