

SOMERSET SCHOOLS FORUM

Date of meeting – 10th July 2019

Budget Monitoring 2019/20 Month 2 and DSG reserves (excluding delegated schools and early years budgets)

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1. Summary

- 1.1 The current forecast outturn position for the Dedicated Schools Grant (excluding delegated schools and early years balances) is a £3.139m overspend. At this time the forecast position is based largely on the financial modelling that supported the Deficit Recovery Plan and the assumptions and actions within the plan. Future reports and forecasting will be more detailed and will continue to link to the plan in order that we can monitor progress against it.

2. Background

- 2.1 **High Needs** £3.819m overspend as shown in the Deficit Recovery Plan (including £0.298m transfer from the Schools Block and £1.171m additional grant)

Pressure within the Out of County Independent & Non-Maintained Special Schools budget is expected to continue with a forecast pressure within the Deficit recovery Plan of £2.048m. Savings from planned capital investment and other activities are forecast to start to impact from 2020/21.

Increases in the number of requests and placements in special schools and specialist ASC Bases is expected to continue through this year creating a pressure of £0.540m as is the expected high levels of permanent exclusions and partnership places creating an additional pressure of £0.292m.

Other pressures within High Needs, included the specific needs of children with SEMH/ASD and additional post 16 responsibilities totalling £0.714m.

The above position includes the £0.298m transferred from the Schools Block in 2019/20 and includes the assumed additional High Needs grant of £1.171m.

2.2 **Central Schools Services Block** - £0.680m underspend

The CSSB underspend reflects the underspend in historic commitments. We currently receive grant funding of £6.192m and are currently forecasting to spend £4.512m. This £1.680m underspend is being utilised to offset the pressure in Schools Block as a result of fully funding schools in line with the National Funding Formula and the balance (£0.680m) will reduce the remaining overall DSG overspend.

2.3 Early Years Block

The forecast for early years balances are not included at this stage. As is normal we are expecting a retrospective adjustment of the funding for 2018/19 later in the year and we are unclear as to the funding requests for Sustainability Funding. We should understand these positions better in the next few months and will be able to provide a more meaningful projection at the Somerset Schools Forum meeting in September.

3. **DSG Reserves**

- 3.1 The current summary forecast DSG deficit for 2019/20 is £9.842m. This is made up of the £6.702m deficit brought forward from 2018/19 and the forecast in year deficit of £3.139m.