



Northumberland

County Council

AGENDA ITEM 7

SCHOOLS' FORUM

27 February 2019

DSG Budget update – January 2019

1. Purpose of the Report

To update the Schools Forum as to the latest Dedicated Schools Grant forecast for 2018/19

2. Recommendation

Schools Forum are requested to note the information in the report.

3. Background

The allocation of DSG for 2018-19 is £231.6m, of this £80m is deducted at source and passed on to Academies and for the direct funding of High Needs places and a further £2 million is used to meet the deficit brought forward from 2017-18, leaving £149.3 million which is received direct by the council.

Approval was given by the DfE and the Schools Forum to approve a 1% transfer of funding from the Schools block to the High Needs block which amounted to £1.8million and this transfer is included in the figures above.

4. 2018/19 Revenue Monitoring

As at January 2019, there is an overall forecast overspend of £1.6million, as shown in the table below:

	Annual budget before recoupment	Recoupment for academies	Current budget after recoupment	Year end forecast
	£000	£000	£000	£000
Schools Block	178,010	(77,445)	100,565	(306)
Central Schools Block	3,289		3,289	(108)
High Needs Block	31,723	(2,764)	28,959	1,952
Early Years Block	16,455		16,455	98
Grant	(229,477)	80,209	(149,268)	(37)
Total	0	0	0	1,599

As can be seen from the figures above the forecast overspend arises due to pressures identified in two key areas, the High Needs and Early Years Blocks respectively.

High Needs pressures are a result of overspending in relation to the independent sector school placements and SEN Top Ups, both of which have increased during 2018/19. This is heavily influenced by the increase in the number of children and young people with

Education Health and Care Plan and these numbers continue to rise, though not at the same extent as in 2017/18, where we saw a 13.6% increase over 12 months). The latest local figure is 2089, up 2.7% from the figure of 2034 reported to November 2018's School Forum.

Early Years' pressures are arising due to the increase in the IDACI based deprivation payments. We are currently consulting with providers on proposals as how best to address this.

5. Summary and Conclusions

We will continue to work to closely monitor the DSB Budget, in relation to both in year and medium term implications. Whereas historically DSG balances at year end have simply been taken forward as a single figure, it is felt that the specific pressures are more easily identified when balances are taken forward separately been different financial years. We will work with Corporate Finance to adopt this approach for the 2018/19 year end, and provide an update to July's Schools' Forum.