

**Schools Forum
15th March 2016**

DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2015-16

Purpose of the Report

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2015-16 as at 31st January 2016.

Main Considerations

2. Appendix 1 to this report outlines the budget monitoring summary as at 31st January 2016. The budget has been adjusted to reflect the final DSG settlement for 2015-16 and to take account of the recoupment of DSG for academies.
3. An overspend of £1.693 million is projected against the overall schools budget.
4. The biggest variances are against budgets for high needs pupils. DSG budgets within the 0-25 SEND service are projected to overspend by £1.972m. A more detailed paper on high needs budgets is to be considered at this meeting however it is important to note that this overspend is after taking into account the implementation of savings agreed by Schools Forum in March 2015. It is expected that high needs budgets will continue to be under pressure in 2016-17.
5. The overspend within the 0-25 service is partially offset by the planned underspend against the Alternative Provision budget of £0.225m, this was part of the agreed savings within the overall high needs block.
6. Early years budgets are expected to break even in 2015-16. There is a projected overspend against the budget for free entitlement for 2 year olds and this is offset by a compensating underspend against the budget for 3 & 4 year olds. As in previous years there will be an adjustment to the final level of DSG after the end of the financial year to reflect the January 2016 early years census. This could affect the level of DSG reserve at the end of the year.
7. There is projected to be a very small underspend against the Pupil Premium Grant for Early Years and the DfE has confirmed that this will not be recouped.
8. Copyright budgets are projected to overspend in 2015-16 and this shortfall has been addressed in the 2016-17 budget setting process.

Impact on Reserves

9. Any overspend against the DSG needs to be recovered as a first call against the grant in the following year. In previous years there have been underspends against DSG and these underspends have been held within an earmarked DSG reserve. The opening balance on the DSG Reserve for 2015-16 is £1.490m and the current projected overspend exceeds the level of reserves. This means that a deficit of £0.203m will need to be recovered as a first call on DSG for 2016-17 and that there will be an opening balance of zero on the reserve for next year.

Proposals

10. Schools Forum is asked to note the budget monitoring position at the end of January 2016.

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