

## 7.3 DEDICATED SCHOOLS GRANT 2019/20 BUDGET MONITORING

June 2019



The Council receives funding for schools through the Dedicated Schools Grant. The grant funds expenditure either directly through the Individual Schools Budget (ISB) or incurred by the Council on behalf of schools. Any over or underspends on the DSG are carried forward. The distribution of the ISB element of the grant is in accordance with the schools funding formula and the overall DSG has to be approved by the Schools Forum.

	£m
<b>Initial DSG Allocation 2019/20 (March 2019 notification)</b>	<b>204.997</b>
Made up of:	
Schools Block	154.619
Central Services Block	3.709
High Needs Block	30.058
Early Years Block	16.611

Plymouth have received additional High Needs funding of £0.550m.

	£m
<b>DSG Allocation</b>	<b>204.997</b>
<b>Deductions:</b>	
Academies recoupment	(129.567)
Retained ESG (allocation to LA)	(0.586)
Retained ESG shortfall (allocation to LA)	(0.136)
Early Help Co-ordination (allocation to LA)	(0.060)
High Needs deductions	(6.207)
Additional Post 16 income	0.130
<b>DSG to allocate</b>	<b>68.569</b>
<b>Actually allocated 2019/20</b>	<b>68.560</b>
Under allocation (small change to High Needs deductions)	0.009

The forecast for the High Needs budget has been uplifted to account for the balancing review savings built into the budget. The view taken for forecasting purposes is that these savings are not anticipated to be achievable, however in some budget areas commissioning decisions and banding reviews could result in savings being achieved and a reduction in the expenditure currently being forecast.

Currently the forecast overspend on the High Needs Block is £0.850m. There are no changes in the forecast for Schools Block, Central Services Block or Early Years Block to be report at this point.

Papers A and B give more detail regarding budget monitoring.

## DSG BALANCE

The table below shows the year end reported DSG balance.

<b>DSG Balance Reconciliation (£m)</b>	
Balance b/f from 2018/19 (surplus)	(0.589)
Forecast overspend 2019/20	0.850
Final EHVB payment	0.150
<b>Forecast year end DSG deficit balance</b>	<b>0.412</b>

## MAINTAINED SCHOOLS HEALTH CHECK

The financial stability of maintained schools is monitored using the budget monitoring returns and is RAG rated to highlight those schools whose financial position is cause for concern. There are currently 4 schools rated 'red' (concerned), 14 schools with some concerns and 11 with no concerns. Of the 4 schools rated 'red', 1 is being monitored under a licensed deficit agreement and the remaining 3 are being closely monitored. Where schools are recorded as showing some concerns this is mainly due to future budget forecasts showing a possible deficit.

### Short Term and Medium Term Risks and Issues

Rating	Detail	Mitigation/Further Actions
<b>Red</b>	<p><b>High Needs</b></p> <p>Continuing and growing pressures on the high needs block. Assumption of a large overspend in 2019/20 before year has started.</p>	<p>Continuing the good governance initiated in 2017/18 and 2018/19 for the High Needs budget.</p> <p>Implementing recommendations from BMG.</p> <p>Further BMG work.</p>