

Schools Forum

November 27th 2014

Dedicated Schools Grant - Centrally Managed Expenditure Medium Term Funding and Expenditure Profile

This report relates to both maintained schools and academies

Recommendation

1.0 The School Forum is recommended to comment on the financial position as described in the report.

1.0 Introduction

1.1 The Forum will recall that at its meeting in March, a deficit DSG budget was approved, subject to a detailed savings plan being shared. This profile acknowledged that an over spend of £3.620m against budget was expected in 2014/15 although the plan stated that this would be reversed by 2016/17. The latest forecast is that this deficit will be £4.486m, as noted in Appendix A.

1.2 Since then, significant effort has been made to identify and realise savings with regular updates of progress being reported through the Forum. Additional DSG is now also expected from 2015/16, with the allocation across the funding blocks agreed at the October Forum.

1.3 The purpose of this report is to update the Forum on the medium term funding and expenditure forecast, which highlights a cumulative funding gap of £9.514m to 2018/19.

2.0 Forecast Funding and Expenditure

2.1 The total forecast to 2018/19 is included as Appendix A.

2.2 While there are a number of broad assumptions made to develop this profile, Centrally Managed Expenditure is expected to overspend against budget in each year of this profile 2018/19.

2.3 Based on the planning assumption that any deficit would be carried forward, this overspend profile creates a total reserve deficit at 2018/19 of £9.514m.

3.0 Next Steps

3.1 In addition to the work being carried out to reduce expenditure on Out of County provision, the Local Authority plans to continue to work closely with the Forum, and in particular the volunteer sub group, to establish a robust savings plan to reverse the profile described above. Part of this will include reviewing all budgets for all services funded through the Dedicated Schools Grant. The Group will be supported through the recruitment of additional expert Business Analyst resource, to explore further opportunities that will reduce expenditure.

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