

DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2012-13

Purpose of the Report

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2012-13 as at 31st January 2013.

Main Considerations

2. Appendix 1 to this report outlines the budget monitoring summary as at 31st January 2013. At this point in the year an underspend of £0.605 million is projected against the overall schools budget. This is a favourable movement of £0.253 million since the previous report to Schools Forum.
3. Any underspend against the overall DSG budget is to be rolled forward in to the next financial year. At the January meeting Schools Forum agreed that proposals should be brought to the Forum on how any DSG Reserve should be utilised to support schools which may be vulnerable financially as a result of the new funding mechanism. Work is taking place with individual schools and with groups of schools, for example small secondary schools, to identify how additional resources could be used to support schools to develop towards a sustainable financial position. Schools have now received budget information for 2013-14 and will be working on budget planning for the next 3-5 years. This will inform proposals for the use of the DSG reserve.
4. Key variances in the current year are as follows:
 - a. *Independent Special School Placements* – this budget is currently projected to underspend by £0.500 million. The forecast is based on all current placements and includes young people for whom a placement has been agreed by the Joint Complex Needs Panel but which may not yet be in place.
 - b. *Early Years Free Entitlement for 3 & 4 year olds* – an underspend of £0.378 million is projected against the Early Years Single Funding Formula. The projected underspend has increased by £0.152 million since the last report to Schools Forum. The projection is updated termly based on the uptake of the free entitlement across settings and the increase in underspend indicates lower than expected take up of the free entitlement.
 - c. *Premature Retirement Costs* – all redundancy costs incurred in schools to 31st August have been analysed and a projection made of costs likely to be incurred in the remainder of the year. An overspend of £0.046 million is projected against this budget.
 - d. *Maternity Costs* - it is projected that the maternity budget will overspend by £0.231 million. The projection is based on spend to date and has reduced compared with the December forecast.

Proposals

5. Schools Forum is asked to note the budget monitoring position at the end of January 2013.

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