

DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2014-15

Purpose of the Report

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2014-15 as at 31st January 2015.

Main Considerations

2. Appendix 1 to this report outlines the budget monitoring summary as at 30th November 2014. At this point in the year an overspend of £1.604 million is projected against the overall schools budget. This is an improvement of £0.750m compared with the previous report to Schools Forum. Key variances are outlined below.

Budgets for High Needs Pupils

3. The projected overspend against top up budgets for high needs pupils has reduced to £2.265m. The main reasons for the movement are small reductions in numbers of high needs top ups and finalisation of other agency contributions in particular to ISP placements.
4. Further underspends have been identified with the SEND Service arising from the underspend on the new Transition in to Primary School (TIPS) scheme and staff vacancies within SEND Support Services.

Early Years Budgets – Free Entitlement

5. Expenditure on the free entitlement for 3 & 4 year olds is currently projected to underspend by £0.088 million. This forecast is based on uptake through the year to date and the profiles built in to the single funding formula model which reflects the historical variation in numbers at different points in the year. The DSG settlement will be adjusted to reflect the January Early Years Census data and so if uptake is higher than anticipated this may be addressed through additional funding.
6. The budget for the free entitlement for 2 year olds is currently projected to underspend by £0.299 million.
7. Further underspends have been identified against the Trajectory Funding allocation.

Impact on Reserves

8. 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 current position in respect of the DSG Reserve is shown in Appendix 1.
9. It should be noted that the expected drawdown for Term Time Only staff is currently an estimate as the figures are yet to be finalised. Actual expenditure to date is £0.497m and it is expected that phase 2 of the payments, to staff who have left their employment, will now take place in the next financial year. It will therefore be necessary to continue to provide for this in 2015-16.
10. The current projection against the budget for 2 year olds would indicate that the drawdown from reserves of £0.262m to support the hourly rate in 2014-15 will not be required.
11. Taking in to account these adjustments the projected balance within the DSG Reserve at the end of 2014-15 is £2.516m. This will enable the projected overspend

to be managed within 2014-15 and leaves £0.912m to be carried forward in to 2015-16.

Proposals

12. Schools Forum is asked to note the budget monitoring position at the end of January 2015.

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