

**REVENUE BUDGET OUTTURN REPORT 2014-15 – DEDICATED SCHOOLS BUDGET**

**Purpose of the Paper**

1. To report on the outturn position for the dedicated schools budget in 2014-15.

**Main Considerations**

**Outturn 2014-15**

2. Appendix 1 shows expenditure as at 31st March 2015. The Dedicated Schools Grant (DSG) was overspent by £2.001 million at the end of the year, an increase of £0.397m compared with the forecast at the end of January 2015.
3. There are a number of movements in the variance within the overall total and the January forecast is shown on the summary for comparison. The reasons for the key variances and the movements in the last two months of the year are outlined below.

***Academy Recoupment***

4. The final budget for 2014-15 has been adjusted to reflect all academy recoupment through the year, including part year adjustments for in-year converting schools. This reduces the overall budget from £304.941m reported to the March meeting, to £193.168m as a final DSG allocation (prior to any adjustment for the Early Years block, see paragraph 5 below).

***Early Years***

5. A further budget adjustment was made after the end of the financial year to reflect the impact of the January 2015 Early Years Census. After verification of the January 2015 census data a further allocation of £0.153m was made to Wiltshire's Early Years Block, increasing the total DSG allocation for 2014-15 to £193.321m.
6. The budget for 3 & 4 year olds shows a minor overspend of £0.041m compared with the previous forecast of an overspend of £0.088m.
7. The budget for the free entitlement for 2 year olds was underspent by £0.476m which is more than previously forecast, which was an underspend of £0.299m. It has previously been agreed by Schools Forum that any underspend within this block should be used to support the Early Years provision.
8. The Early Years & Childcare team budget underspent by £0.123m in 2014-15. This underspend had been projected throughout the year and has not moved since being reported at the January 2015 position.

### **High Needs Budgets (0-25 SEND Service)**

9. Expenditure on Independent Special School placements was significantly lower than budgeted for and this underspend had been projected through the year. The final position was an underspend of £0.586m against this budget
10. Top up budgets in schools overspent by £1.4 million, this is higher than previously forecast. In addition, the budget for Named Pupil Allowances was overspent by £0.808m and the Top up budget for post-16 was overspent by £0.692m.
11. There were small variances against the SEND service which have helped to offset some of the overspends. However, the overall position is an overspend of £2.192m, an increase of £0.166m from the projected January 2015 position.

### **Other Variances**

12. The budget for maternity costs was overspent by £0.076m, a slight increase upon that projected throughout the year. This budget is de-delegated and held on behalf of maintained primary and secondary schools.
13. The 'term time only' back-pay is included within the 'DSG within Corporate Services' and to date the funded expenditure has been £0.472m, which was not reported in the January 2015 position. There are still some outstanding claims for the back pay and a provisional figure has been worked into the DSG Reserve position, detailed in item 15 of this report.
14. The budget for Contingency and the Growth Fund was underspent by £0.369m following a significant number of back-dated Business Rates revaluations. Revaluations can result in either an increase or a decrease in a schools rateable value, however there has been an overall net decrease in 2014-15. Any underspend is used to support expenditure related to education costs.

### **Utilisation of DSG Underspend**

15. Any under or overspend against the Dedicated Schools Grant is to be carried forward in to the following financial year. The overspend of £2.001 million will therefore need to be funded from the earmarked DSG Reserve. The table below sets out the position of the DSG Reserve as at the end of 2014-15.

<b>DSG Reserve</b>	<b>£m</b>
Balance brought forward from 2013/14	3.502
Agreed Allocations in 2014-15 (TIPS & Hard to Place pupils)	(0.350)
2014-15 Overspend	(2.001)
<b>Balance to carry forward to 2015-16</b>	<b>1.151</b>
Potential full year cost for 'term time only' back-pay	(0.200)

16. DSG balances from previous years may be moved in to the High Needs or Early Years blocks to support spending in those areas, however Schools Forum has previously agreed in principle that each DSG block should operate in a self-contained manner.

**Proposal**

17. Schools Forum is asked to note the outturn position for the Dedicated Schools Budget in 2014-15.

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