

Wiltshire Council

Schools Forum

23<sup>rd</sup> June 2011

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## **Revenue Budget Final Outturn Report 2010/11 – Dedicated Schools Budget**

### **Purpose of the Paper**

1. To report on the final outturn position for the dedicated schools budget.

### **Main Considerations**

2. Appendix 1 shows expenditure as at 31<sup>st</sup> March 2010, the figures show an **underspend against DSG of £2.899 million**. This is a favourable movement of £0.400 million compared with the previous report to Schools Forum. There have been a number of movements in the position since the projection at the end of January and the main variances are outlined below.

#### **Premature Retirement Costs**

3. The premature retirement costs budget was underspent by £0.113 million. This reflects the position after the contribution from the council's corporate fund for redundancy costs to fund the additional cost of the LGR severance policy. It is important to note that the Council's severance policy has now changed and there will no longer be a central contribution from the Council to support redundancy costs for support staff in schools.

#### **Special Educational Needs Services**

4. The Independent Special Schools budget underspent by £0.343 million. The recoument budget (for placements in other local authority special schools and non-school placements) was also underspent by £0.723 million giving an overall underspend on placement budgets. These budgets have been reduced for 2011/12 in order to fund the additional delegation of SEN funding to primary schools.
5. Expenditure on Named Pupil Allowances showed a small underspend of £0.049 million.

#### **Early Years**

6. Early Years budgets underspent by £1.603 million. This underspend, against the Early Years Single Funding Formula (EYSS) for the free entitlement for 3 & 4 year olds, had been projected through the year and reflects a shortfall in take up of places against the estimate. Take up will be closely monitored in 2011/12.

#### **Young Person's Support Service**

7. The YPSS overspent by £0.051 million in 2010/11 following a decision by Schools Forum to allow further expenditure on temporary staffing to meet the statutory provision for excluded pupils.

## **Other Issues 2010/11**

8. Any under or overspend against the Dedicated Schools Grant is to be carried forward in to the following financial year. The underspend of £2.899 million will therefore be rolled forward in to 2011/12. Schools Forum agreed in January that £1.536 million be allocated to fund priorities in the 2011/12 budget. In addition to this, a shortfall in the management review savings estimated to be achieved from DSG budgets reduces the remaining DSG rollover in 2011/12 to £0.969 million.
9. **Standards Funds** – The DfE wrote to Local Authorities in March stating that the final payment of 2010/11 standards funds would not be made to LAs as the funding was now included in the DSG for 2011/12. LAs disagreed with this approach and the non payment does in fact represent a reduction in grant in 2010/11. For Wiltshire the reduction is £1.088 million.
10. Following representations from the LGA and ADCS the DfE then wrote again to LAs in late April confirming that they should set up a debtor in the 2010/11 accounts to reflect the 2010/11 standards funds instalment being made as part of the 2011/12 DSG, and then also accrue at the end of 2011/12 to reflect the funding of 2011/12 grant as part of the 2012/13 DSG. In Wiltshire we have complied with this guidance and set up a debtor for £1.088 million in the 2010/11 accounts. The risk of this approach is that the money will not be forthcoming in 2012/13 and therefore the Council will face a reduction in schools funding in that year.
11. E-mail correspondence from other LAs indicates a variety of approaches being taken. Not all authorities are following DfE advice and are, instead, trying to deal with the reduction in funding in 2010/11 and write off the loss now from DSG underspend. In Wiltshire we have committed up to £1.9 million of the 2010/11 DSG underspend to supporting the 2011/12 budget. Based on the final outturn figure that still leaves £0.969 million uncommitted. This remaining underspend could be used to write off the loss of standards funds in 2010/11 however the risk of this approach is that we do not yet know the final grant settlement for 2011/12, nor the full impact of academy recouperment for in year conversions.
12. My recommendation at this stage would be to leave the standards funds debtor in the accounts until the final DSG settlement for 2011/12 is known and then review options for any remaining 2010/11 underspend. A report will need to be taken to Schools Forum at that stage. It is hoped that the final DSG settlement will be received prior to the Schools Forum meeting on 23<sup>rd</sup> June.

## **Proposal**

13. The Schools Forum is asked to:
  - a) Note the outturn position for the Dedicated Schools Budget in 2010/11
  - b) To note the issues relating to the 2010/11 standards funds and to consider this further once the final DSG settlement for 2011/12 is confirmed.

*Report Author:*

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