

REVENUE BUDGET MONITORING 2010/11 – DEDICATED SCHOOLS BUDGET

Purpose of the Paper

1. To report on the projected budget monitoring position for 2010/11 and to update on the final Dedicated Schools Grant (DSG) for 2010/11.

Main Considerations

2. Appendix 1 shows expenditure as at 31st August 2010, the figures show a projected **underspend against DSG of £0.741 million**. Key pressures and potential underspends are detailed below.

Premature Retirement Costs

3. Based on information received from the HR Lifecycle Team for redundancy costs at 31st August this budget is projected to underspend after adjusting for the additional cost of the current severance policy for non-teaching staff.
4. A separate paper on this agenda outlines the outcome of a review of the funding arrangements for employee termination costs and this generates a potential cost pressure for the local authority budget to meet costs that cannot be charged against centrally retained DSG.

Maternity Costs

5. Maternity costs are currently projected to be on budget however a technical issue following the implementation of SAP payroll for schools means that payroll transactions are not currently being recorded against the appropriate central budgets. This is also the case for PRC. Work is ongoing to address this problem so that accurate financial information can be obtained and projections made. There is a risk that overspends may be identified against this budget once transaction information is available.

Special Educational Needs Services

6. The Independent Special Schools budget is projected to underspend by up to £700,000 at this point in the year although there are still some tribunal decisions awaited which may have further financial implications. Numbers of pupils placed in Independent Special Schools have decreased in recent years and it is expected that funding will be released from this budget in 2011/12 to support the further delegation of SEN funding to mainstream primary schools.
7. The Named Pupil Allowance (NPA) budget is not yet fully committed however it is expected that there will be further NPA allocations through the remainder of the year and it is therefore projected to be on target at this stage.

Young Person's Support Service

8. following discussions at Schools Forum regarding the financial position of YPSS a recovery plan has been put in to place and the service is now projected to overspend by less than £10,000.

Final DSG Budget 2010/11

9. The final DSG allocations for local authorities were announced by the Department for Education (DfE) on 1st July 2010. Prior to the announcement a report had been presented to Schools Forum at the June meeting outlining the expected settlement and proposing a number of actions to address a projected shortfall against the original estimate of grant.
10. The final DSG allocation for Wiltshire is £249,722 million after adjustment for Sarum and Wellington Academies. This allocation is £0.987 million lower than the original estimate against which the budget for 2010/11 was set.
11. Actions agreed at the Schools Forum meeting of 24th June are outlined in Appendix 2, this leaves a shortfall of £0.117 million against the final grant allocation. Schools Funding Working Group met on 13th July and agreed that this remaining shortfall should be met from the contingency budget.
12. Schools Forum are required to agree the final level of budget for 2010/11. It should be noted that this budget is prior to any adjustment for Hardenhuish School or any further recoupmnt for schools achieving academy status during the current financial year.

Proposal

13. School Forum is asked to note the revenue budget monitoring position for 2010/11 and the further work required to ensure accurate projections on the maternity budget.
14. Schools Forum is asked to approve the final dedicated schools budget of £249.722 million in line with the final DSG settlement for 2010/11.

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