

**REVENUE BUDGET FINAL OUTTURN REPORT 2011/12 – DEDICATED SCHOOLS BUDGET
AND FINAL DSG SETTLEMENT 2012-13**

Purpose of the Paper

1. To report on the final outturn position for the dedicated schools budget in 2011/12 and the final Dedicated Schools Grant (DSG) settlement for 2012/13.

Main Considerations

Outturn 2011/12

2. Appendix 1 shows expenditure as at 31st March 2012, the figures show an **underspend against DSG of £1.606 million**. This is a favourable movement of £0.476 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 and Other HR Related Budgets

3. The premature retirement costs budget was overspent by £0.168 million, a favourable movement of £0.194 million from the previous projection.
4. The Schools Maternity Costs budget and Trade Union Facilities costs budget were both underspent in 2011/12 by £0.030 million and £0.021 million respectively. The budget for Trade Union Facilities Costs has been reduced to £0.050 million in 2012/13 in accordance with Schools Forum's decision, to reflect historical and current spend. Approval has been received from the DfE to remove this budget from the LACSEG recoupment calculation for 2012/13 and therefore the countywide agreement for funding trade union time can continue if agreed with Trade Unions.

Special Educational Needs Services

5. The Independent Special Schools budget underspent by £1.037 million. The recoupment budget (for placements in other local authority special schools and non-school placements) also underspent by £0.124 million giving an overall underspend on placement budgets of £1.161 million. A saving of £0.500 million has been taken from the Independent Special Schools budget in 2012/13 as part of the budget setting process.
6. Expenditure on Named Pupil Allowances showed a small overspend of £0.050 million.

Early Years

7. Early Years budgets overspent by £40,000. This small overspend was against the overall budget for the free entitlement for 3 & 4 year olds. The total budget for the free entitlement is £14.626 million and so the estimate of take up of places through the year proved to be robust.

Young Person's Support Service

8. The YPSS underspent by £14,000 in 2011/12 after provision had been made to contribute towards redundancy costs for staff following the closure of the service in August 2012.

Schools Contingency

9. The Schools Contingency underspent by £0.344 million in 2011/12, this is mostly due to rates adjustments in respect of schools converting to academy status.

Utilisation of DSG Underspend

10. Any under or overspend against the Dedicated Schools Grant is to be carried forward in to the following financial year. The underspend of £1.606 million will therefore be transferred to an earmarked DSG Reserve. As reported previously to Schools Forum in March an existing DSG balance of £1.042 million, from the 2010/11 underspend, had been held against the risk of outstanding standards funds payments from 2010/11. The 2010/11 Standards Funds grant has now been paid in full by the DfE and the total DSG reserve at the end of 2011/12 is therefore £2.648 million.
11. Schools Forum agreed in March that the following priorities would be funded from the underspend from 2011/12:

	£m
Ensure "flat cash" position for delegated budgets	1.492
Ensure "flat cash" position for Early Years Single Funding Formula	0.028
Support provision for excluded pupils for whom the LA retains responsibility following the closure of YPSS	0.400
Total	1.920

12. This leaves an unallocated DSG reserve of £0.728 million.

Final DSG Settlement 2012/13

13. The DfE announced the final DSG settlement for 2012/13 on 27th June 2012. The final grant for Wiltshire, prior to recoupment for academies, is confirmed as **£294.155 million**, an increase of £0.395 million on the initial estimate (86 pupils).
14. LACSEG recoupment still needs to be confirmed in order to establish the full impact of the final settlement. Once this is confirmed Schools Forum could choose to allocate additional funding to priorities in 2012/13 or retain the additional funding to roll forward in to 2013/14.

Proposal

15. Schools Forum is asked to:
- a) Note the outturn position for the Dedicated Schools Budget in 2011/12

- b) To note the final DSG settlement for 2012/13 and consider whether proposals should be brought to the October meeting for additional funding.

Report Author: Liz Williams, Head of Finance (DCE)