

REVENUE BUDGET OUTTURN REPORT 2013-14 – DEDICATED SCHOOLS BUDGET

Purpose of the Paper

1. To report on the outturn position for the dedicated schools budget in 2013-14.

Main Considerations

Outturn 2013-14

2. Appendix 1 shows expenditure as at 31st March 2014. The Dedicated Schools Grant (DSG) was underspent by £1.324 million at the end of the year, an increase of £0.198m compared with the forecast at the end of January 2014.
3. There are a number of large 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 outline below.

Academy Recoupment

4. The final budget for 2013-14 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 £303.113m reported to the March meeting, to £197.969m as a final DSG allocation (prior to any adjustment for the Early Years block, see paragraph 7 below). The adjustment for recoupment has had an impact on the top up budgets within the high needs block that had not previously been reported to Schools Forum.
5. Recoupment by the EFA for academies with Resource Bases/ELP was adjusted because academies did not move on to the place plus system for high needs pupils until September 2013. This meant that a higher amount needed to be recouped for the first 5 months of the year so that Resource Base and ELP provision could be fully funded for that period. The effect of this adjustment was to reduce Wiltshire's high needs budget by a further £0.620m in 2013-14 in addition to the recoupment of places already incorporated in to the forecasts. The reduction was applied to the top up budgets for Resource Bases and ELP. This is a one off adjustment and will not need to be repeated in future years but the effect was to increase the overspend against top up budgets compared to the previous forecast.

Early Years

6. A further budget adjustment was made after the end of the financial year to reflect the impact of the January 2014 Early Years Census. Throughout 2013-14 we have been reporting a projected overspend against the budget for the free entitlement for 3 & 4 year olds as the budget had been set at the level allocated through the Early Years block but projected numbers were consistently higher. After verification of the January 2014 census data a further allocation of £0.542m was made to Wiltshire's Early Years Block, increasing the total DSG allocation for 2013-14 to £198.511m. The impact of this was that the budget for 3 & 4 year olds now shows a break even position (small underspend of £15,000) compared with the previous forecast of a £0.419m overspend.

7. The budget for the free entitlement for 2 year olds was underspent by £0.262m which is more than previously forecast. It has previously been agreed by Schools Forum that this underspend will be used to support the continuation of the £5.43 hourly rate through 2014-15.
8. The Early Years & Childcare team budget underspent by £0.391m in 2013-14. This underspend relates to the trajectory funding to support the implementation of the free entitlement for 2 year olds. Trajectory funding has been allocated in 2014-15 but at a reduced level.

High Needs Budgets (0-25 SEND Service)

9. Expenditure on Independent Special School placements was significantly lower than budgeted for, this underspend had been projected through the year.
10. Top up budgets in schools overspent by £1.2 million, this is higher than previously forecast. £0.620m of this variance relates to the impact on academy recoupment as described above, this wasn't previously forecast. The remaining overspend relates to the cost of the increased top up rates for Special Schools in 2013-14 and this has been offset by the underspend against ISS placements.

Other Variances

11. The budget for maternity costs was underspent by £0.234m and this had been projected throughout the year. This budget is de-delegated and held on behalf of maintained primary and secondary schools.
12. The budget for Personal Education Plans (PEPs) for looked after children overspent by £0.230m. A review of expenditure within this budget indicates that it is being utilised to support PEPs for children in Wiltshire schools and to support costs of individual tuition or alternative provision for a relatively small number of looked after children. All expenditure is related to education costs.

Utilisation of DSG Underspend

13. Any under or overspend against the Dedicated Schools Grant is to be carried forward in to the following financial year. The underspend of £1.324 million will therefore be transferred to an earmarked DSG Reserve. This gives a total DSG balance held within earmarked reserves of £3.502 million taking in to account unallocated funds rolled forward from previous years and the additional allocation of DSG for the Early Years block in 2013-14.
14. DSG balances from previous years may be moved in to the High Needs or Early Years blocks to support spending in those areas.
15. Schools Forum has previously agreed the following in respect of the DSG Reserve for 2014-15:
 - a) £0.150m allocated to the high needs block to support alternative provision for Hard to Place pupils coming in to Wiltshire secondary schools.

- b) That the underspend against the free entitlement for 2 year olds be carried forward to support the hourly rate for 2 year olds within the Early Years Single Funding Formula.
16. A proposal for additional funding to support transition of high needs pupils in to Reception is presented in a separate report on this agenda.

Proposal

17. Schools Forum is asked to note the outturn position for the Dedicated Schools Budget in 2013-14 and the proposals for utilisation of the DSG Reserve in 2014-15.

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