

Retained Dedicated Schools Grant Budget Position 2011-12

Schools Forum

17 January 2012

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Parish / Wards Affected: All

Purpose

- To advise Schools Forum members of the latest position on the 2011/12 retained Dedicated Schools Grant (DSG) budget

Recommendations

The Schools Forum is requested to note that:

- Based on information available at the end of November, an in year underspend of £248,000 is projected against the 2011/12 retained DSG budget.
- The Local Authority (LA) is provisionally forecasting that approximately £500,000 of funding will be carried forward from 2010/11 and 2011/12 for distribution as part of the 2012/13 budget setting process.

1. Reasons

- 1.1 At the March 2011 Schools Forum meeting the value of the retained DSG budget for 2011/12 was agreed after the LA had shared detailed planning assumptions with the Schools Forum Sub Group. This report provides Forum Members with the latest information on spending against this budget. Although there is demand led pressure in some areas the LA is continuing to take action wherever possible to minimise retained spending in order to maximise the value of DSG that can be distributed to Schools and Academies via the local fair funding formula.

2. Detail

Current Year Budget Position 2011/12

- 2.1 The retained DSG budget is monitored in accordance with standard SBC budgetary control procedures and a report is submitted to the Children Services Leadership Team (CSLT) each month. Updates are also provided to Corporate Board, Cabinet and the Children and Young Peoples Overview and Scrutiny Committee.
- 2.2 At the 11th October 2011 Schools Forum the LA reported that, based on information as at the end of August, a year end overspend of £198,000 was projected, mainly due to increased Out of Borough placement costs. Attached at Annex A is a copy of the detailed report submitted to CSLT on 14th December 2011 which reflects a significantly improved position as the LA is now projecting a net underspend of £248,000. Forum Members will note from the CSLT report which tracks month on month changes, that the

Further information on the subject of this report can be obtained from Steve Haley on 01793 465794 or Email shaley@swindon.gov.uk.

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end of October underspend forecast was actually higher, illustrating the volatility in managing this £19.323m budget.

- 2.3 The CSLT report provides detailed commentaries on all the variances which make up the net underspend, main items to note are;

Underspends:

▪ Out of Borough placements	£121,000
▪ Early Years Single Funding Formula	£142,000
▪ Academies LACSEG recoupment	£106,000
▪ Schools in challenging circumstances	£51,000
▪ Minor net underspends	<u>£19,000</u>
	£439,000

Overspends:

▪ Set up costs and trigger funding	£51,000
▪ Redundancy costs	£65,000
▪ Maternity costs	<u>£75,000</u>
	£191,000

Net 2011/12 underspend £248,000

- 2.4 Forum Members are advised to note that since the 14th December CSLT report was presented, the LA has received confirmation from the Department for Education (DfE) that they will not be extending the scope of the Local Authority Central Spend Equivalent Grant (LACSEG) clawback to include funding earmarked for "Contingencies" (see item 8 in the CSLT report). Had this been implemented the LA would have been faced with an in year loss of DSG estimated at £275,000 of DSG, although this would not have affected the level of 2011/12 funding received by Academies. Receiving this confirmation improves the LAs confidence in achieving the projected underspend.
- 2.5 The value of any unspent funding on the retained budget will be carried forward at the end of the year and, although the precise amount will not be confirmed until May, it is envisaged that the estimate of approximately £248,000 will be available for distribution as part of the 2012/13 budget setting process.
- 2.6 Schools Forum is asked to note that, based on information available at the end of November, an in year underspend of £248,000 is projected against the 2011/12 retained DSG budget.

Funding Available from 2010/11

- 2.7 At the 11th October 2011 Schools Forum meeting the LA presented a report on the final outturn position following closure of the 2010/11 accounts. This report identified the following:

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- Net underspend on the 2010/11 retained DSG budget £49,492
- Balance remaining from Former Standards Funds £234,944
£284,436

- 2.8 At the time of the October meeting the LA was projecting an in year overspend of £198,000 and Forum members agreed that the funding carried forward from 2010/11 could be earmarked to cover pressures on the current year budget.

Forecast of Funding Available in 2012/13

- 2.9 Given the improved budget position in the current year it is now considered unlikely that any of the 2010/11 funding will be needed by the LA and the overall position is now much more favourable as summarised below:

Item	October Schools Forum Position	Latest Projected position
In year overspend (+) underspend (-)	+ £198,000	- £248,000
Less – underspend on the retained budget carried forward from 2010/11	- £49,422	- £49,422
Less – balance of unallocated Standards Funds carried forward from 2010/11	- £234,944	- £234,944
In year adjusted position	- £86,366	- £532,366
Projected underspend rounded to -		- £500,000

- 2.10 Elsewhere on today's agenda is a report on the provisional 2012/13 position which makes initial assumptions about the level of DSG that will be receivable next year. For planning purposes this report also makes an assumption that £500,000 will be carried forward at the end of 2011/12.
- 2.11 Schools Forum is asked to note that the LA is provisionally forecasting that £500,000 of funding will be carried forward from 2010/11 and 2011/12 for distribution as part of the 2012/13 budget setting process.

Alternative Options

There are no alternative options presented in this report.

Risk Management

Financial and Procurement Implications

- Various financial implications are included in this report relating to management of the retained DSG budget.

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Legal / Human Rights Implications

- There are no legal or human rights implications arising from this report.

Links to Corporate Plans and Policies

- Scheme for Financing Swindon Schools.

Diversity Impact Assessments (DIA)

- As there are no proposals in this report, DIA's have not been completed.

Consultees

The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

Background Papers and Appendices

Annex A – CSLT report dated 14th December 2011 covering the retained DSG budget position as at 30th November 2011.

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