

# **Retained Dedicated Schools Grant Budget Position 2012-13**

**Schools Forum**

**5 March 2013**

**Author:** Head of Finance – Education and Innovation

**Parish / Wards Affected:** All

## **Purpose**

- To advise Schools Forum members of the latest position on the 2012/13 retained Dedicated Schools Grant budget and on the value of funding carried forward from previous years

## **Recommendations**

### **1) The Schools Forum is requested to note that:**

- Based on information available at the end of January:
  - An in year underspend of approximately £1.641m is projected against the 2012/13 retained DSG budget.
  - A total of £0.333m remains available from 2010/11 and 2011/12.
  - The total balance of retained funding available for redistribution is estimated at £1.974m
- As confirmed at the previous Schools Forum meeting £0.900m of the above funding is being distributed to primary settings in their 2013-14 funding allocations leaving a further £1.074m

### **2) Schools Forum is asked to approve in principle that:**

- Funding up to the value of the final year end underspend on the EOTAS service, estimated at £78,000, is allocated in 2013/14 to fund improvement works at the Stratton Education Centre subject to the Chair of the Schools Forum approving a fully costed business case.
- The balance of funding estimated at £1m will be allocated in 2014/15 to meet the requirements of further changes arising from the school funding reform programme.

## **1. Reasons**

- 1.1 This report provides Forum Members with the latest information on spending against the retained budget. Although there is demand led pressure in many areas the LA is continuing to take action wherever possible to minimise central spending in order to maximise the value of DSG that can be distributed to Schools and Academies via the local fair funding formula.
- 1.2 The report seeks approval in principle on how the remaining unspent funding carried forward at the end of 2012/13 will be utilised.

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

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## 2. Detail

### Current Year Budget Position 2012/13

- 2.1 At the 6<sup>th</sup> March 2012 Schools Forum meeting the value of the retained DSG budget for 2012/13 was agreed at £18.015m. At the 3<sup>rd</sup> July 2012 meeting the LA reported that following DfE verification, the final 2012/13 DSG settlement provided an additional £0.361m primarily due to increased early years funding. This brings the value of the retained budget to £18.376m.
- 2.2 The retained DSG budget is monitored in accordance with standard Swindon Borough Council (SBC) budgetary control procedures and a report is submitted to the Economy and Attainment Leadership Team each month. Updates are also provided to Corporate Board, Cabinet and the Children and Young Peoples Overview and Scrutiny Committee.
- 2.3 Attached at **Annex A** is the report issued to the Economy and Attainment Leadership Team on 25<sup>th</sup> February which was based on information at the end of January. This indicates that an underspend of £1.641m is projected which is an improvement of £0.141m compared to the end of November position which was reported to the Schools Forum in January.
- 2.4 Current movements in projections are mainly due to a further underspend being identified within the EOTAS (Education Other Than At School) budget and reduced demand on the Out of Borough Placements budget. Full details are provided at Annex A. The value of any unspent funding on the retained budget will be automatically carried forward at the end of the financial year and the final outturn position will be presented to the July 2013 Forum meeting.

***Schools Forum is asked to note that, based on information available at the end of January 2013, an in year underspend of £1.641m is projected against the 2012/13 retained DSG budget***

- 2.5 As previously identified there is also a total of £0.333m of funding available from 2010/11 and 2011/12 following cessation of the Standards Fund Grant.

***Schools Forum is asked to note that £0.333m remains available from 2010/11 and 2011/12 and will also be carried forward at the end of 2012/13.***

### Distribution of Retained Funding

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

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- 2.6 During 2012 the LA Finance team has been working closely with the EOTAS service to generally improve all aspects of financial management and help prepare them to operate within a delegated budget. As the year has progressed budget monitoring procedures have improved but the level of underspend, now estimated at £78,000, was not identified early enough for surplus funding to be reinvested before the year end.
- 2.7 Over recent months the LA Business Support and Property Services teams have been looking at potential improvements and a scheme is emerging which would upgrade teaching facilities, reduce health and safety risks and create a dedicated support hub at the Stratton Education Centre. There is however insufficient time to undertake a full feasibility study, prepare a fully costed business case and award contracts to get the necessary works done before the financial year end. The LA believes that this is a very worthy scheme and seeks Schools Forum approval in principle for the EOTAS service to utilise up to the value of their final year end underspend, estimated at £78,000, to enable this scheme to be completed in 2013.

***Schools Forum is asked to support in principle that funding up to the value of the final year end underspend on the EOTAS service, estimated at £78,000, is allocated in 2013/14 to fund improvement works at the Stratton Education Centre subject to the Chair of the Schools Forum approving a fully costed business case.***

- 2.8 At the January schools Forum meeting it was agreed that £0.900m of the projected DSG underspend would be distributed to schools in 2013-14 via the local formula by temporarily increasing the primary basic per pupil entitlement rate (BPPE). Subject to a benchmarking exercise being undertaken during 2013 the LA was intending to propose continuation of the additional primary BPPE funding in 2014/15. The graphs issued by DfE as part of the latest school funding consultation indicate that other options may also need to be considered so that the balance of funding, estimated at £1m, can be used to ease transition to a national formula.

***Schools Forum is asked to note that the LA is expecting that approximately £1.0m will be available for distribution in 2014/15 and that options on how this could be used will be reported to the Schools Forum in October 2013.***

### Alternative Options

The LA could distribute the full value of the retained underspend in 2013/14 but this would most likely lead to school funding rates having to be reduced in 2014/15.

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### **Risk Management**

#### *Financial and Procurement Implications*

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

#### *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*

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

### **Consultees**

The Board Director – Finance, Revenues, Benefits and Property (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 – Budget Monitoring report issued to the Economy and Attainment Leadership Team on 25<sup>th</sup> February 2013

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