

Title of meeting:	Schools Forum
Date of meeting:	18 th December 2013
Subject:	Budget Monitoring Report as at 31 st October 2013
Report from:	Julian Wooster, Director of Children's and Adults Services
Report by:	Richard Webb, Finance Manager for Children's Services
Wards affected:	All Wards
Key decision:	No
Full Council decision:	No

1. Purpose of report

This purpose of this report is to inform Schools Forum of the projected year-end budget position for the Dedicated Schools Grant (DSG) as at the end of October 2013.

2. Recommendations

It is recommended that Schools Forum note the forecast budget position for the financial year as at the end of October 2013.

3. Background

- 3.1. The DSG is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations 2012.
- 3.2. At the Schools Forum meeting on the 13 February 2013, the budget for use of the DSG Grant was agreed in accordance with the regulations and the statutory deadlines.
- 3.3. This report provides Schools Forum members with a projected forecast for the year-end, based on the underlying position as at 31st October 2013.

4. Dedicated Schools Grant

4.1. The table below sets out the DSG budgeting monitoring information as at the 31st October 2013.

DEDICATED SCHOOLS GRANT	<i>Original Estimate 2013/14 £000's</i>	<i>Revised Estimate 2013/14 £'000's</i>	<i>Projected Outturn £'000's</i>	<i>Projected over/ (under) spend £'000's</i>
DSG : Devolved				
Nursery ISB	7,446	7,442	7,687	245
Primary ISB	56,097	52,542	52,542	0
Secondary ISB	41,191	38,611	38,611	0
High Needs ISB	7,024	7,024	7,024	0
Total Devolved DSG	111,758	105,619	105,864	245
DSG : Retained				
De-Delegated Budgets & Growth Fund	2,152	2,223	2,251	28
High Needs	8,307	8,507	8,639	132
Other centrally retained	3,416	3,416	3,416	0
DSG and other Specific Grants	(125,413)	(119,280)	(119,280)	0
DSG Brought Forward	(220)	(2,445)	(2,445)	0
DSG Carried Forward	0	1,960	1,555	(405)
Total Retained DSG	(111,758)	(105,619)	(105,864)	(245)
TOTAL Dedicated Schools Grant	0	0	0	0

4.2. At this stage of the year the projected spend is generally in line with allocations, although there are some variances. The variances are explained in more detail below.

Nursery ISB

4.3. Since setting the budget at the beginning of the year, we have seen an increase in the number of children aged 3 and 4 which require funding for Nursery Places in Private, Voluntary and Independent (PVI) settings (181 summer term, 105 autumn term). Based on these increased numbers, we are forecasting a potential over spend of £321,000, although this has been partially offset a forecast underspend by the maintained nursery units.

4.4. The Early Years Block funding from the Department for Education is based on the January census. At the time of setting the budget, we had only received an indicative budget allocation. The funding was subsequently adjusted following the completion of the January 2013 census and additional funding of £125,000 was allocated by the DfE.

Primary & Secondary ISB

- 4.5. Since setting the budget there have been 4 Academy conversions (3 Primary Schools, 1 Secondary School). As a result of these Academy conversions the budget for ISB's has been adjusted to reflect only the period that they are maintained by Portsmouth City Council. The adjustments amounted to £3.6m for the Primary Schools and £2.6m for the Secondary Schools. Following conversion to Academy status, the schools will receive their funding direct from the Education Funding Agency.

De-Delegated Budgets & Growth Fund

- 4.6. As with the ISB's, when schools convert to Academy status the de-delegated budgets need to be adjusted. The Authority can only retain any de-delegated funding following conversion until the following September or April, whichever comes first. Currently a small overspend of £28k being is being forecast.
- 4.7. At the Schools Forum meeting on 17th August it was agreed that an additional amount of £186,900 would be allocated to the Growth Fund from the carry forward balance. This amount has been allocated to Mayfield School to support the conversion to become an 'all through school' as approved at that meeting.
- 4.8. The remaining growth fund will not be allocated to the schools which meet the growth fund criteria, until we have received the October 2013 census data from the DfE. Therefore it is not currently possible to forecast the year-end position.

High Needs

- 4.9. The high needs budget has been revised upwards by £200,000. This reflects the additional funding approved by Schools Forum at its meeting in July 2013 to be allocated to Schools in exceptional circumstances where the funding formula does not adequately reflect the number of pupils with statements of special educational need.
- 4.10. The forecast overspend of £132,000 comprises an estimated overspend of £260,000 in respect of 'out of city' placements which have risen significantly in 2013-14 to 30 placements; which exceeds the original budget of 20 placements. This overspend is partly offset by an unexpected credit from the final 2012-13 recoupment adjustments with other Local Authorities.
- 4.11. Officers are currently reviewing the results of banding moderation meeting that took place at the end of November 2013, in respect of the

new pupils who were not previously allocated a funding band, based on their level of need. Until this work is completed it will not be possible to forecast the Element 3 top-up funding requirements for the remainder of the year.

Other centrally retained budgets

4.12. The other centrally retained budgets include the 2 year old place and trajectory funding totalling £2.4m. The estimated number of children eligible for a place is 617. As at September 2013 496 children were in funded places. The number of placements is continuing to grow, however is it is expected that there will be an under spend by the end of the year due to the gradual increase in numbers, although further work is required before we can formally report an under spend.

DSG Grant

4.13. The table below shows the original DSG budgets that were reported to Schools Forum in February 2012, together with the latest DSG estimates:

	Original Estimate (excluding Academies) £m	Revised Estimate £m
Early Years Block*	8.026	8.151
Schools Block	100.237	93.931
High Needs Block*	14.632	14.679
<i>Additional Funding in 2013-14:</i>		
2 Year Old Funding	2.484	2.484
Newly Qualified Teachers	0.035	0.035
TOTAL	125.413	119.280

4.14. The Revised estimate reflects adjustments to the DSG received by the Council. The main adjustments reflect the reduction in funding as a result of schools converting to Academy status.

4.15. The Early Years Block, has been adjusted, as anticipated to reflect the number of pupils in Early Years settings based on the January 2013 census.

4.16. The high needs block funding reflects the anticipated adjustments in relation to the growth in the high needs places as well as the impact of Academy conversions.

5. Reasons for recommendations

This report is for information only, therefore the recommendation is for Schools Forum to note the contents of the report.

6. Equality impact assessment (EIA)

This report does not require an Equality impact Assessment as the proposal does not have any impact upon a particular equalities group.

7. Head of Legal Services' comments

Legal comments have been included within the body of this report

8. Head of Finance's comments

Finance comments have been included within the body of this report.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
DSG Budget Monitoring Information	Education Finance

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: