

SCHOOLS BUDGET MONITOR 2013-14 FINAL OUTTURN

Report of the Director of Children's Services

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1 Purpose

- 1.1 To inform Schools Forum of the final revenue outturn position for the Schools Budget 2013/14 at 31 March 2014.

2. Background

- 2.1 Government funding for schools by way of the Dedicated Schools Grant (DSG) means that any variances in the Schools Budget are "ring fenced" and cannot be used elsewhere. Details of the variances in the final revenue outturn against the Schools Budget are outlined in Section 3 below.
- 2.2 The Schools Budget for 2013/14 is as follows:

Description	Amount £m's
Schools Delegated Budget including sixth form grant	538.407
Schools Non-Delegated Budgets	10.609
Schools Central Budgets	57.646
Net Schools Budget	606.663
Use of carry forwards	3.511
Gross Schools Budget including carry forwards	610.174
Academies Recoupment	232.209
Gross Schools Budget including Academies Recoupment	842.383

3. Outturn Position

- 3.1 The underspend within the schools budget for 2013/14 is £12.994m. The table overleaf provides a more detailed breakdown of the underspend:

Description	Latest Approved Budget £m's	Forecast Over / (Under) Spend £m's
Schools Delegated	539.972	(14.657)
Schools Non-Delegated	10.609	(0.803)
Schools Central Budgets	59.592	(11.432)
Schools Grants & Other Funding	(606.663)	13.898
Total (incl Carry Forwards)	3.511	(12.994)

3.2 **Schools Delegated** – Underspend of £14.657m

3.2.1 This main element of this underspend represents the budget shares of newly converted academies of £15.139m. This allocation is no longer required as the academies have been funded directly by the DfE. There is an offsetting loss reported under Schools Grants & Other Funding (see 3.5.1).

3.2.2 The underspend is partially off-set by an overspend on funding for early years providers (PVI's) of £0.580m and other minor underspends of £0.098m.

3.3 **Schools Non-Delegated** – Underspend of £0.803m

3.3.1 The underspend of £0.803m is made up of a number of elements. There was an underspend of £0.053m with respect to the base previously attached to Radburn prior to their conversion to academy status.

3.3.2 A further £0.128m underspend relates to Nurture Groups due to some Area Groups taking longer to plan the appropriate services to deliver Nurture provision.

3.3.3 In addition, £0.317m was underspent due to in year rates adjustments. There were further underspends against Carbon Tax (£0.039m), High Needs Funding for Colleges (£0.094m) and the Growth Fund which was estimated in Summer 2013 at £3.7m but came under by £0.179m.

3.4 **Schools Central Budget** – Underspend of £11.432m

3.4.1 The underspend of £11.432m represents a number of elements, the largest of which relates to 2 Years Olds (2 YO). There is an underspend of £3.551m against the current 2 YO DSG budget which has arisen as a result of lower than expected uptake of the 2 YO places. As of September 2013 eligible 2 YO became entitled to 570 hours of early education; however a soft launch of this scheme was initiated for the summer term with the expectation of full take up being achieved during the 2013 autumn term.

3.4.2 There was a further underspend of £0.811m principally relating to Childcare sufficiency budgets. This budget is used to ensure providers have sufficient places for children. Providers must apply for funding which is then assessed and if approved awarded to the provider to increase their capacity. During the year just ended, the projected uptake did not materialise and providers were

able to manage demand within existing arrangements and therefore did not require the additional funding for sufficiency.

- 3.4.3 In addition, Independent Placements underspent by £3.346m. The successful implementation of the DSPL programme has resulted in fewer children being placed in Independent Special Schools. This has led to underspend against centrally allocated DSG of £3.346m due to lower number of pupil than originally forecast being placed in independent special schools.
- 3.4.4 There were also underspends of £0.720 against ENF, £0.414m in respect of other local authority high needs pupils in mainstream schools, £0.291m against AWT and £0.126m against DSPL. Forum has previously agreed to the carryforward of ENF underspend to 2014/15.
- 3.4.5 There is also an underspend of £0.132k reported against KCLE as a result of delayed implementation of the project with recruitment into Support Worker posts slower than anticipated. 2013/14 represents the first year of the projects operation and delays in establishing the project and its subsequent recruitment have led to this underspend.
- 3.4.6 Furthermore, funding for Learning Support Units (LSUs) is being phased out and the transitional allocations being paid to schools with LSUs in 2013/14 have been separately funded from the carry forward amount of DSG. £0.695m of the original budget allocation for LSUs from this year's DSG grant funding was used to manage pressures in other areas, with the remaining (£0.851m) no longer required and reported as an underspend.
- 3.4.7 There is also an underspend of £0.249m relating to savings with respect to Special Units in newly converted academies which are now funded directly by the EFA. There is an offsetting loss reported under Schools Grants & Other Funding (see 3.5.2).
- 3.4.8 The balance of the underspend (£0.940m) consists up of a number of smaller variances.

3.5 **Schools Grants & Other Funding** – Overspend of £13.898m

- 3.5.1 The overspend represents a number of elements, the largest which relates to the loss (overspend) of DSG and Sixth Form grant of £15.139m as a result of schools that converted/converting to academy status due to in year academy recoupment (see 3.2.1 for the impact on the Delegated Schools Budget).
- 3.5.2 In addition, there has been a decrease in DSG of £0.249m (overspend) in respect of special unit provision in newly converted academies now funded directly by the DfE (see 3.4.7).
- 3.5.3 This is partially offset by £0.363m of savings (underspend) resulting from reduced rates bills of the newly converted academies as a result of them acquiring charitable status on conversion, and other in year rates (and de-delegation) adjustments in respect of academies.

3.5.4 There was a further underspend of £0.925m caused by additional Early Years DSG funding due to increases in pupil numbers, which was previously reported to Forum.

3.5.5 Furthermore, there was an additional £0.045m received relating to sixth form grant in respect of special schools (underspend), and £0.160m underspend in respect of alternative provision funded directly.

4. Carryforward of underspend

4.1 The unspent balance of Schools Budget of £12.994m for 2013/14 will automatically be carried forward to 2014/15, in addition to the remainder of the carryforward from 2012/13 of £13.707m. The total Schools budget carried forward into 2014/15 is therefore £26.701m.

5. Conclusion

5.1 The Forum is asked to note the outturn position for 2013/14.