

8 October 2014

SCHOOLS BUDGET MONITOR 2014-15 QUARTER 1

Report of the Director of Children's Services

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1. Purpose

- 1.1 To inform Schools Forum of the quarter 1 position for the Schools Budget 2014/15 at 30 June 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 forecast revenue outturn against the Schools Budget are outlined in Section 3 below.
- 2.2 The Schools Budget for 2014/15 is as follows:

Description	Amount £m's
Schools Delegated Budget including sixth form grant	527.111
Schools Non-Delegated Budgets	12.528
Schools Central Budgets	55.389
Net Schools Budget including use of carry forward	595.028
Academies Recoupment	257.372
Gross Schools Budget including Academies Recoupment	852.400

3. Schools Budget Variances

- 3.1 The forecast underspend within the schools budget for 2014/15 is £3.7m. The table below provides a more detailed breakdown of the underspend:

Description	Latest Approved Budget £m's	Forecast Over / (Under) Spend £m's
Schools Delegated	527.111	(4.285)
Schools Non-Delegated	12.528	0
Schools Central Budgets	55.389	(0.861)
Schools Grants & Other Funding including use of carry forward	(595.029)	1.446
Total	0	(3.700)

3.2 Schools Delegated – Underspend of £4.285m

3.2.1 This main element of this underspend represents the budget shares of newly converted academies of £5.285m. 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 3.4.1).

3.2.2 The underspend is partially off-set by a £1m overspend on 3 & 4 year old budgets due to an expected increase in the number of 3 and 4 year olds indicated by the January 2014 census. This overspend is expected to be offset by the allocation of additional DSG.

3.3 Schools Central Budget – Underspend of £0.861m

3.3.1 The underspend of £0.861m represents two main elements, the largest of which relates to an underspend of £1.561m due to lower number of pupil than forecast being placed in independent special schools.

3.3.2 This is off-set by a £0.7m forecast overspend relating to Exceptional Needs allocations. At its April meeting the Forum agreed to carry forward the underspend on Exceptional Needs resulting in increased expenditure in 2014/15.

3.4 Schools Grants & Other Funding – Overspend of £1.446m

3.4.1 The overspend comprises of 3 elements, the largest of which relates to the loss (overspend) of DSG of £5.285m 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).

3.4.2 The final allocation for the 2014-15 high needs block of DSG announced by the DfE was £739k higher than previously estimated. The increase is due to the provision of additional resource by the DfE.

3.4.3 The final early years block for 2014-15 has not yet been announced. However, it is estimated that it will be £3.1m higher than budgeted. This is due to an increase in pupil numbers in Private, Voluntary and Independent nursery settings. The increase includes a retrospective adjustment in respect to 2013-14, under the new arrangements for making retrospective adjustments to the early years block in the following financial year.

4. Conclusion

4.1 The Forum is asked to note and comment on the quarter 1 monitor position.