

West Berkshire School's Forum	
Title of Report:	DSG Monitoring 2014-15, Month 7
Date of Meeting:	8th December 2014
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For Information	

1. Background

- 1.1 The main source of funding for schools is the Dedicated Schools Grant (DSG). It is a ring fenced specific grant and can only be used on school/pupil activity.
- 1.2 The grant is split into three funding blocks. The schools block is calculated by multiplying a guaranteed unit of funding per pupil (set by the DfE) by the actual pupil numbers from the October census count (so October 2013 census for 2014/15 budget); the early years block is calculated by multiplying a guaranteed unit of funding 5/12 from the January 2013 early years census, and 7/12 from the January 2014 early years census; the high needs block is a fixed sum based on the actual budget set by the Council in 2012/13.
- 1.3 The Local Authority is required to use national formula factors but applies local rates to distribute funding to schools.
- 1.4 Centrally Retained Overspends, unless funded from outside the DSG, are carried forward and top sliced from the following year's DSG allocation. Underspends must be carried forward to support the school's budget in future years.
- 1.5 The Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly, and monitoring of spend against the DSG needs to take place regularly to enable decision making on overspends/underspends and to inform future year budget requirements.

2. Monitoring Position as at Month 7 (2014-15)

- 2.1 At month 7 the total DSG year end forecast underspend position is £213k across all three funding blocks. The previous reporting period for the DSG was month 5. At month 5 the forecast underspend was £633k. The decreased underspend (£420k), is primarily a result of increasing pressure on the top up budgets, predominately Pupil Referral Units.

Figure 1: Financial Position as at Month 7 (October 2014). A further analysis per cost centre is shown in Appendix A:

	Total Budget £m	Actual Spend Forecast Month 7 £m	Month 7 Forecast Outturn Variance £m	Month 5 Forecast Outturn Variance £m
Schools Block (inc ISB)	64.302	64.310	0.008	-0.005
Early Years Block	7.829	7.829	0.000	-0.015
High Needs Block	16.497	16.276	-0.221	-0.613
Total Net Expenditure	88.628	88.415	-0.213	-0.633
Support Service Recharges	0.720	0.720	0.000	0.000
Total Expenditure	89.348	89.135	-0.213	-0.633
DSG Grant	89.348	89.348	0.000	0.000
Net Position	0.000	-0.213	-0.213	-0.633

2.2 The Schools Block inclusive of the ISB is forecasting a year end over spend position of a £8k. At month 5 the year end underspend forecast was a £5k. The £15k change is the result of income pressure in the Behaviour Support Service as a result of lower than budgeted income from Academies.

2.3 The Early Years Block is forecasting a year end position of on line, the forecast has been amended from the month 5 position to reflect a correction processed against the Early Years Support Team.

2.4 The High Needs Block is forecasting a year end underspend position of £221k. The forecast at month 5 was an underspend of £613k, (a £392k decrease in the underspend). The main areas of individual pressure within the high needs block forecasting pressures in excess of £100k are:

- Academy Schools (top Ups) £125k pressure
- Pupil Referral Units (top Ups) £500k pressure

1.5 The main single area of pressure within the High Needs Block is the pressure forecast against the Pupil Referral Unit top up cost centre (£500k).

1.6 Within the High Needs Block the top up cost centres (including Pupil Referral Units), are forecasting a net year end under spend position of a £290k. This is a net forecast between a total top up pressure of £490k offset by a £779k underspend on the contingency budget. The top up cost centres with forecast pressures in excess of £50k are:

- Academy Schools (top Ups) £125k pressure
- Special Schools (top ups) £98k pressure
- Non West Berkshire Special Schools £50k pressure

- Pupil Referral Units (top Ups) £500k pressure

1.7 Pressures have also been forecast against non top up cost centres within the High Needs Block.

- Home Tuition £47k pressure as a result in the increased number of home tutors to support children.
- SEN Commissioned Provision £50k pressure as a result of increased contract costs as of September 2014.

Appendices

Appendix A – DSG 2014-15 Budget Monitoring Report as at 31st October 2014

