

West Berkshire Schools' Forum	
Title of Report:	DSG Monitoring 2014-15, Month 10
Date of Meeting:	9th March 2015
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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 10 (2014-15)

- 2.1 At month 10 the total DSG year end forecast underspend position is £975 k across all three funding blocks. The previous reporting period for the DSG was month nine. At month nine the forecast underspend was £193k.

Figure 1: Financial Position as at Month 10 (January 2015). A further analysis per cost centre is shown in Appendix A:

	Total Budget £m	Actual Spend Forecast Month 10 £m	Month 10 Forecast Outturn Variance £m	Month 9 Forecast Outturn Variance £m
Schools Block (inc ISB)	64,302,380	64,299,930	-2,450	-1,000
Early Years Block	7,828,920	7,150,530	-678,390	0
High Needs Block	16,496,140	16,202,130	-294,010	-192,500
Total Net Expenditure	88,627,440	87,652,590	-974,850	-193,500
Support Service Recharges	720,890	720,890	0	0
Total Expenditure	89,348,330	88,373,480	-974,850	-193,500
DSG Grant	-89,348,330	-89,348,330	0	0
Net Position	0	-974,850	-974,850	-193,500

2.2 The Schools Block inclusive of the ISB is forecasting a year end under spend position of a £2k. At month nine the block was forecasting a £1k overspend at year end. A £15k pressure on the Behaviour Support budget has been reported, this pressure is being offset through savings against the Servicing of Schools Forum and Admissions budgets.

2.3 The Early Years Block as at month 10 is forecasting a year end under spend of £678k, compared to an online forecast at month nine. The change is the result of the under spend requested to be carried forward into next financial year being declared within the month 10 budget monitoring. Detailed comments in respect of under and overspends generating the overall under spend are detailed in appendix A.

2.4 The High Needs Block is forecasting a year end underspend position of £294k. A £192k year end underspend was forecast at month nine. The under spend is net of a £423k pressure against the top ups budgets, a £729k under spend on the contingency budget and a £12k pressure against non top up cost centres.

2.5 The main single area of pressure within the High Needs Block is the pressure forecast against the Pupil Referral Unit top up cost centre (£410k).

2.6 Budgets with pressures at month 10 in excess of £100k are:

- £122k Academy Schools Resource Units top ups
- £410k Pupil Referral Unit top ups

2.7 £49k has been vired from the High Needs Contingency budget into the SEN Commissioned Provision budget to cover in year contractual increases. This virement was agreed at the School's Forum 14.7.2014.

Appendices

Appendix A – DSG 2014-15 Budget Monitoring Report as at 31st January 2015

