



Schools Forum Date: 18 June 2014 Time: 8:30 am Venue: Shrewsbury Training and Development Centre	<u>Item</u> Public	<u>Paper</u> F
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DEDICATED SCHOOLS GRANT OUTTURN 2014-15

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Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) outturn for 2014-15

Recommendation

This report is for information only.

REPORT

Dedicated Schools Grant Outturn 2014-15

The overall outturn against centrally retained DSG has moved from a projected underspend of £1,026k as reported on 22 January 2015 - which was based upon expenditure to the end of December 2014 - to an underspend of £1,530k as at 31 March 2015 (detailed in the attached appendix). This equates to an increase in the underspend of £504k, with the main reasons summarised below:

Main reasons for a variation from budget of greater than £100k:

Line 1.0.1 – Early Years PVIs

Payments to private, voluntary and independent early year providers, providing placements for 2 year olds has overspent in 2014-15 by £373k.

Our financial allocation from the DFE for 14/15 was based on an expected level of take up of places over the financial year based on our previous performance in getting eligible parents to apply for, and then take up their entitlement and then, in turn, access a suitable childcare place.

Shropshire Council has actually been far more successful than the DfE expected and the overspend represents the placing of around 150 more children over the course of the year than was anticipated. At the moment there are around 730 eligible two year old children from disadvantaged backgrounds accessing all, or part, of their free entitlement. Data from the Department for Works and Pensions suggests that there are around 950 eligible families across the county.

This success will be reflected in the funding allocation for 2015-16.

Line 1.2.1 – Top Up Funding – Maintained Providers

The overall outturn position shows a £938k underspend. Top Up payments to schools are difficult to forecast as pupil demand is constantly changing. When setting the budgets a contingency is built in to cover for this, which in 2014-15 was £741k. The actual cost for 2014-15 is £611k less than budgeted for suggesting that only £130k of this contingency was applied.

In addition the recoupment recovered from other local authorities for their children attending Shropshire schools is £327k more than was budgeted for.

Line 1.2.2 – Top Up Funding – Academies and Free Schools

The overall outturn is overspent by £155k. Top Up payments to schools are difficult to forecast as pupil demand is constantly changing. This is funded from the contingency budget above.

Line 1.2.3 - Top Up Funding – External Providers

The outturn position is an under-spend of £997k. An additional £230k was received from the EFA to enhance the high needs funding following a place review after the initial budget had been set. Savings of £767k were made as placement costs to external providers were challenged and re-negotiated and the opening of the new hub at Kettlemere has provided the LA with a viable alternative to external providers.

Line 1.4.1 – Contribution to Combined Budgets

Following a review of the services and contracts within this section savings of £192k have been realised.

Line 1.4.12 – School Deficit Recovery

Schools Forum has previously agreed that the deficit of a school converting to academy under a sponsored arrangement will be paid off over a 5 year period from surplus balances within the centrally retained DSG. £168,141 relates to 1/5th of the total amount.

SUMMARY OF DSG FUNDING

	£'000
Total Surplus (ISB & Centrally Managed)	2,210

Transfer to Capital FSM 2015-16	-£500
Transfer to ISB 2015-16	-£500
Balance carried forward to 2016-17	£1,210