



Brent

Schools Forum 4th December 2013

Report from the Director of Children & Families

For Information

Schools Budget Outturn 2012/13 and Final DSG Settlement for 2013/14

1.0 Background

- 1.1 This report sets out the Schools Budget outturn for 2012/13. The outturn relates both to the Individual Schools Budget (delegated budgets) and the central items expenditure elements of the Schools Budget.
- 1.2 The final part of this report sets out the latest position for the Schools Budget 2013/14 following the announcement of the final DSG settlement figure for 2013/14 by the DfE. This announcement was made in September 2013 and although it is described as the final figure this is subject to further change as it does not yet fully account for all academy conversions.

2.0 Schools Budget Outturn 2012/13

- 2.1 The Schools Delegated Balances at the end of 2011/12 and 2012/13 are shown in the table below, by sector. These are the cumulative surpluses and deficits reported for each individual school as at the end of the financial periods. Overall these balances have increased by £1.1m from the previous year. The 2011/12 balances exclude those of schools which converted to academy status during the 2012/13 financial year. Further details for individual schools are shown in Appendix A.

SECTOR	2011/12 CLOSING BALANCES	2012/13 CLOSING BALANCES	IN YEAR MOVEMENT Surplus +ve/ Deficit -ve
NURSERY	539,261	429,342	-109,918
PRIMARY	15,249,709	16,550,488	1,300,779
SECONDARY	-908,707	-1,381,925	-473,218
SPECIAL	1,560,284	1,951,933	391,649
TOTAL	16,440,547	17,549,839	1,109,291

- 2.2 The table below shows the Capital balances held by schools. At the end of 2011/12 the capital funds total was in deficit as schools at overspent on their capital allocations. Where schools had more spent more on capital expenditure than was received via devolved capital funding, the remaining expenditure should have been funded via revenue contributions to capital. This has been rectified in 2012/13 and the capital balances are now in surplus.

SECTOR	2011/12 CLOSING BALANCES	2012/13 CLOSING BALANCES	IN YEAR MOVEMENT Surplus +ve/ Deficit -ve
NURSERY	189,536	127,948	-61,588
PRIMARY	-903,389	131,829	1,035,218
SECONDARY	222,180	186,453	-35,727
SPECIAL	-10,390	-11,020	-630
TOTAL	-502,064	435,209	937,273

- 2.3 Final expenditure on central elements of the Schools Budget was more favourable than had been forecast earlier in the year. The final outturn report at the end of 2012/13 was an underspend of £1,073,886 which has been put towards the current DSG Deficit Recovery plan.
- 2.4 The improvement is due to the following:
- Continued reduction in SEN expenditure due to the SEN One Council Project which has now concluded;
 - More favourable DSG adjustments for academy recoupment than had been anticipated.
- 2.5 It is important to note that the cumulative deficit now stands at £4.66m as a result of the improved outturn position on central expenditure. The Deficit recovery plan that was agreed for the Schools Budget by the Schools Forum in September 2011 was expected to produce a cumulative deficit of £6.5m at the end of 2012/13. The deficit recovery plan is therefore ahead of plan by £1.8m.
- 2.6 The need to reduce overall spend on the Schools Budget in accordance with the deficit recovery plan has been and continues to be of paramount importance. SEN continues to show a reduction in expenditure, and this has been further improved by the new funding reforms where schools now have to fund the first £6k of each statement.
- 2.7 However although the plan is currently progressing ahead of schedule, please note that there are current pressures which may negate this improvement. In particular, there is currently a consultation taking place on the proposed transfer of Copland Community School to become a sponsored academy. If this goes ahead on 1st September 2014, any revenue deficits will remain with the local authority and will impact on the DSG Deficit Recovery Plan. The work to bring the school within budget is also inevitably generating redundancy costs.

3.0 Final DSG Settlement and Schools Budget for 2013/14

- 3.1 The DfE have announced the DSG settlement figure for all local authorities. The figure for Brent has been set at £203.512m after recoupment deductions for Academy conversions and transfers. This figure is subject to further change as it does not reflect conversions and transfers that take place during the 2013/14 financial year, such as Kensal Rise which transferred to ARK to become ARK Franklin on 1st September.
- 3.2 Reconciling the DfE's DSG figures has become increasing more difficult over the past couple of years due to the number of academy conversions. The increase in conversions means that the DSG figure is subject to continuous change. As there may be more schools converting throughout the year, Officers will reconcile as required, but it is not anticipated that there will be any further material impact on the Schools Budget for 2013/14.
- 3.3 Based on the DSG settlement figure above, Appendix B sets out the Schools Budget for 2013/14.

4.0 Recommendations and Consultation points

- 4.1 The Schools Forum is requested to:
- a. Note the schools budget outturn for 2012/13;
 - b. Note the final DSG and Schools Budget for 2013/14.

Appendices

- A. Schools Balances 2012/13
- B. Schools Budgets 2013/14

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