



Schools Forum 18th June 2014

Report from the Strategic Director of
Children & Young People

For Information

Schools Budget Outturn 2013/14 and DSG Update

1.0 Background

- 1.1 This report sets out the Schools Budget outturn for 2013/14. An update is included for both the Individual Schools Budget (delegated budgets) and for the central expenditure elements of the Schools Budget.
- 1.2 A summary of the current position in relation to the existing DSG (Dedicated Schools Grant) recovery plan and the reduction of the DSG deficit is also included.
- 1.3 The final part of the report provides a short update on the latest provisional DSG settlement figure for 2014/15 provided by the DfE. The final announcement will be made later in the year and will be subject to further change as it does not yet fully account for all academy conversions.

2.0 Schools Budget Outturn 2013/14 – Individual Schools Budgets

- 2.1 The table below compares schools delegated balances for 2013/14 against 2012/13, by sector. These are the cumulative of revenue surpluses and deficits held by each individual school, as at the end of the financial periods to 31st March of each year.

Note that schools that have converted to academy status prior to 31st March 2014 have been excluded from the cumulative numbers for both years, to allow for full comparison.

SECTOR	CLOSING BALANCES		IN YEAR MOVEMENT
	2013-14	2012-13	Surplus +ve/ Deficit -ve
NURSERY	881,876	697,089	184,788
PRIMARY	17,490,489	15,996,957	1,493,531
SECONDARY	-1,140,976	-1,521,945	380,969
SPECIAL	2,579,394	1,951,933	627,461
TOTAL	19,810,783	17,124,034	2,686,749

Schools' Revenue Balances by sector

- 2.2 The table demonstrates that these balances have increased by £2.5m between years. This compares to an increase last year of £1.1m from the previous year.
- 2.3 Further details for individual schools are shown in Appendix A. Please note that 12 schools' balances have been entered as estimates, either due to late submission to the council or due to outstanding queries which were not resolved before the closure deadline.
- 2.4 At the end of 2012/13 seven schools were in deficit, totalling £2.2m. There has been some positive movement this year with Lyon Park Infants School now in surplus and Newman Catholic College's deficit being reduced by £365k. However, the number of schools in deficit still remains as seven at the end of 2013/14 due to Michael Sobell Sinai Primary School slipping into deficit during this financial year.

3.0 Schools Budget Outturn 2013/14 – Central Expenditure Elements

- 3.1 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 2013/14 was an underspend of £3.6m which will be put towards the current DSG Deficit Recovery plan.

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. This underspend has been due to continued reduction in SEN expenditure due to the SEN One Council Project which has now concluded;

- 3.2 It is important to note that the cumulative deficit now stands at £1.1m 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 £3.8m at the end of 2013/14. The deficit recovery plan is therefore ahead of plan by £2.7m, as demonstrated in the table below.

Cumulative Closing Balance	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Planned Balance	3.0	5.7	7.2	6.5	3.8	0.0
Actual Balance	3.0	5.7	5.7	4.7	1.1	0.0
Variance to Planned	0.0	0.0	(1.5)	(1.8)	(2.7)	(0.0)
In-Year Progress	3.0	2.7	0.0	(1.0)	(3.6)	(1.1)

Progress of DSG recovery plan

- 3.3 It was agreed previously agreed to pay a 5% increase in the hourly rate for early years' settings, however at the beginning of 2013/14 this did not appear to be affordable and therefore only a 2% increase was paid. As a result of the improved outturn on DSG this year, it is now possible to pay the further 3% increase, backdated to 1st April 2013. This equates to 10p per hour and has been calculated as a total payment of £309k across all settings.

Schools	2013-14 Actual Hours
Maintained	1,603,255
PVI	1,488,526
Total	3,091,781
Amount to be backdated (10p increase)	£309,178

Calculation for 10p increase in EYSFF base rate

4.0 Provisional DSG Settlement and Schools Budget for 2014/15

- 4.1 The DfE has announced the DSG settlement figure for all local authorities. The provisional amount for Brent has been set at £206.101m after recoupment of academies and direct funding for High Needs places. This is however subject to change throughout the year as academy conversions materialise during the financial year 2014/15.

	£'000
Schools Block	127,971
High Needs Block	53,209
Early Years Block	18,377
2 Year Olds Early Years Funding	6,762
Funding for Induction for Newly Qualified Teachers	57
Carbon Reduction Commitment Energy Efficiency Scheme	(275)
Total DSG Allocation	206,101

DSG 2014/15 Settlement Figures

4.2 There are a number of schools that have or are due to become academies during 2014/15:

- Woodfield Special School became an converter academy on 1st April 2014;
- Gladstone Park Primary School became a sponsored academy on 1st June 2014, being sponsored by CfBT;
- Copland is due to convert on 1st September 2014 and become an ARK academy.
- NWL Jewish Day School is due to convert sometime during 2014/15 but the conversion date is not yet known.

There are other potential academy conversions likely during 2014/15 and these will be reported on, as and when they happen.

5.0 Recommendations

5.1 The Schools Forum is requested to:

- a. Note the schools delegated revenue balances for 2013/14;
- b. Note that a 3% increase in the hourly rate for early years' settings will now be backdated to April 2013;
- c. Note the outturn for central expenditure elements of the schools budget for 2013/14;
- d. Note the provisional DSG settlement figures for 2014/15;

Appendices

- A. Schools' Balances 2013/14;
- B. DSG Settlement 2014/15 (as at 31st March 2014);

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