

Joint report of Strategic Director, People Group and Strategic Director, Resources Group

Dedicated Schools Grants – Outturn 2010/11

Recommendation

The Schools Forum is recommended to:

- Comment on the financial statements included as part of the Children's Young People and Families outturn report to Cabinet.
- Consider any areas where the Forum would like additional scrutiny into service areas and costs brought back to a future meeting.

Introduction

1. The Dedicated Schools Grant is the main funding that the local authority receives to fund education activity across Warwickshire. The final 2010/11 budget for the Dedicated Schools Grant (DSG), including Standards Fund Grant was £335.204m.
2. Of this total allocation, £295.529m (88.2%) was allocated to schools. Early Years providers were allocated £9.471m (2.8%) and centrally managed services allocated £30.498m (9.1%).
3. The final position of expenditure against these budgets is included in Table 1, which shows that School Budgets underspent by £8.121m, while there was also an underspend £0.709m against non-school budgets. Both these balances were appropriated into specific reserves for schools and use of the DSG reserve was considered at the School Forum in May.

Table 1: Dedicated School Grant – 2010/11 Outturn			
Description	2010/11 Revised Budget	2010/11 Outturn	Variance
	£m	£m	£m
School Budgets			
Individual School Budgets	254.529	246.408	-8.121
Grants Allocation	40.706	40.706	0.000
Total School Budget	295.235	287.114	-8.121
Non-School Budgets			
Early Years Places to PVI Sector	9.471	9.245	-0.226
Centrally Managed Expenditure:			
Out of County	8.890	8.799	-0.091
Statements	1.539	1.859	+0.320
IDS	3.410	3.351	-0.059
Pupil Referral Unit (inc ECOS)	3.488	3.915	+0.427
ICSS	0.675	0.675	+0.000
Admissions	0.584	0.481	-0.103
Contingency (inc Pension contribution)	2.786	3.707	+0.921
Central Management Charges	1.781	1.781	+0.000
One-off agreements	0.432	0.432	+0.000
Other	6.913	6.433	-0.480
Non School Allocation	39.969	40.678	0.709
Total DSG Allocation	335.204	327.792	-7.412

Individual School Budgets

4. The total individual schools budget for 2010/11 was £295.235, including £40.706m of Standards Fund Grants. While there was a need to change how Standards Fund Grants were presented in the accounts, the underspend of £8.121m resulted in a 56% increase in the level of school balances held in reserves. The 2010/11 closing balance of school reserves was £22.553m. Proposed changes to the Balances Control Mechanism are included elsewhere on the agenda, which will look to how these increases in balances are considered in future years.

Centrally Managed Expenditure

5. Overall, including Early Years, the 2010/11 outturn against non-school budgets was an overspend of £0.709m, in the main due to an overspend against the contingency budget. This outturn position was appropriated into the main DSG reserve, which resulted in a balance as at 31 March 2011 of £4.363m. As mentioned above, the use of this balance was considered at the School Forum in

May and is now fully allocated as per the agreement at that meeting.

6. As can be seen from Table 1, there were overspends against other services including:
 - 6.1. Statement funding – while there has been a reduction in the number of statements issues, the complexity and resulting banding associated with those children requiring a statement has increased against previous years.
 - 6.2. Pupil Reintegration Unit – this overspend related to an under recovery in income, particularly against Area Based Grant, which was planned.
 - 6.3. Contingency – this budget includes the additional provision allowed as a contribution towards pension costs and the overspend relates to other technical accounting adjustments and required provisions.

Conclusion

7. There has been a significant increase in the level of schools reserves as a result of an underspend against individual school budgets.
8. While there was an overspend of £0.709m against non-school budgets, this related to technical adjustments and provisions that were required rather than an overspend against services delivered by the Local Authority.

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