

SLOUGH SCHOOLS' FORUM
11 December 2013

Half Year DSG Forecast 2013-14
(Directorate of Wellbeing)

1 PURPOSE OF REPORT

- 1.1 To inform Forum of the DSG forecast at the end of October 2013 and recommend a use for part of the forecasted underspend.

2 RECOMMENDATIONS

- 2.1 That Schools' Forum notes the forecasted underspend of £871,000 and agrees to use £500,000 to support school budgets in 2014-15. £400,000 to be added to the Schools' Block and £100,000 to the High Needs Block. The remaining £371,000, plus any further underspend or overspend, will carry over into 2015-16. It would also be available for one-off items in 2014-15.
- 2.2 The split between the Schools' Block and the High Needs Block is approximately 80% to 20% so that broad ratio has been used to recommend the distribution of funding in 2014-15.
- 2.3 Forum also notes that there is currently £708,293 unspent contingency from 2012-13 that has previously been reported. Regulations say that amount should be added to school budgets. It is therefore recommended that £567,293 is added to the Schools' Block in 2014-15 and £141,000 is added to the High Needs Block to support top-up payments to schools and academies.
- 2.4 In November a figure of £462,912 was reported to Forum as remaining from the 2012-13 underspend in addition to the contingency figure mentioned above. That figure will be checked again in January 2014 but it is recommended that at least £300,000 is added to the Schools' Block in 2014-15 with a commitment to add as much as is prudent based on January predictions.
- 2.5 In total, the above recommendations would lead to £241,000 being added to the High Needs Block and at least £1,267,293 to the Schools' Block.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The current DSG forecast shows a projected underspend of £871,000 in the centrally retained items. Though there are always underlying risks of overspends in the High Needs and Early Years block payments

to schools, it is believed that using £500,000 of the underspend is prudent.

- 3.2 The final underspend figure for 2013-14 will not be known until July 2014 and DfE regulations mean that adjustments cannot be made to school budgets in year.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 It should be noted that this would be a one-off increase to school budgets and it is unlikely that this level of increase can be sustained in subsequent years unless there is an increase in funding at national level though increase in pupil numbers will lead to an increase in Slough.
- 4.2 The risk associated with a one-off increase is the potential effect on the following year's minimum funding guarantee (MFG). It may become harder to cover the cost of the MFG without using capping. However, there is no guarantee of the level of MFG after 2014-15 or that it will continue at all.

5 SUPPORTING INFORMATION

- 5.1 The potential 2013-14 underspend figure of £871,000 consists mainly of underspends in areas that are now a part of the Cambridge Education contract. There was little spend in those areas during April to September 2013 and that underspend has been retained within council accounts. Cambridge Education now has the budgets from October 2013 and will also report any further underspends.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are contained within the main body of this report.

Section 151 Officer – Strategic Director of Resources

- 6.2 The financial implications of the report are outlined in the supporting information.

Access Implications

- 6.3 There are no access implications.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 Not applicable.

Representations Received

7.3 Not applicable.

Background Papers

None.

Contact for further information

Atul Lad (Principal Accountant, ECS)

(01753 875547)

atul.lad@slough.gov.uk