

BRIEFING PAPER

SUBJECT: Provisional Underspend of Dedicated Schools Grant 2012/13
DATE: 6th March 2013
RECIPIENT: Schools Forum

THIS IS NOT A DECISION PAPER

SUMMARY:

1. This paper outlines the forecast level of Dedicated Schools Grant (DSG) that will remain unspent at the end of the 2012/13 financial year along with the planned uses for the underspend.

BACKGROUND and BRIEFING DETAILS:

2. As the end of the financial year approaches, we are now in a position to predict the overall spend against the Dedicated Schools Grant with some certainty. There are a number of overspends within the Schools Budget but these are likely to be matched against the £506,300 carry forward of DSG from last financial year - 2011/12.

3. Forecast underspend

Now that spring term allocations have been made, the 3 and 4 year old nursery budget is forecast to underspend by approximately £860,000 as shown in the table below:

	Budgeted hours	Actual hours	Under / (over) hours	Under/ (over) budget
Maintained	351,875	340,805	11,070	£61,273
Start points	75,440	72,004	3,435	£336,542
Private, voluntary & Independent	1,737,957	1,553,030	184,927	£470,701
Total underspend	2,165,272	1,965,839	199,432	£868,515

4. There are two main reasons for the underspend:
 - The growth in numbers has not been as high as forecast. In fact overall hours for 2012-13 are similar to 2011-12 levels.
 - An accounting error was made whereby the budget for the Start Points was set at too high a level.
5. Recommendations

It is proposed that £800,000 of the underspend will be carried forward to 2013/14 and targeted at the following areas:

- £600,000 to Infant and Junior schools merging into Primary to fund the costs of any capital work required.
- £200,000 in order to fund any liabilities arising from the conversion of sponsored academies

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6. Any remaining balance could be allocated in the following ways:
 - Carried forward to 2013/14 and added to contingency budgets to help schools in financial difficulty as a result of significant falls in number on roll.
 - Delegated to all schools at the end of this financial year in April on the basis of number on roll
7. The Forum's view would be welcomed on these proposals.

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