

SURREY COUNTY COUNCIL

CABINET MEMBER FOR SCHOOLS AND LEARNING

DATE: 9 OCTOBER 2013

LEAD OFFICER: NICK WILSON, STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES

SUBJECT: APPROVAL OF BUDGET VIREMENTS IN EXCESS OF £250,000



SUMMARY OF ISSUE:

Cabinet Member approval is required to budget virements in excess of £250,000.

RECOMMENDATIONS:

It is recommended that:

1. A virement of £4.448m of DSG funded budget be approved from the Schools and Learning budget to the Schools Budget representing a correction to the budget for Pupil Referral Units and the Surrey Alternative Learning Programme (SALP) Boards.
2. A virement of -£1.6m reducing both the expenditure and DSG income budgets for SEN agency placements be approved to reflect the impact of the school funding reforms on the funding of non maintained special schools (NMSS).

REASON FOR RECOMMENDATIONS:

Virements are proposed to reflect the implications of the 2013/14 school funding reforms in the budget for 2013/14.

DETAILS:

Business Case

1. This report describes virements that are required to correct DSG funded budgets as a result of the school funding reforms implemented by the Department for Education (DfE) in 2013/14. Both of the virements described relate to the introduction of "place plus" for high needs settings whereby schools receive a fixed amount per pupil plus a top up based on each students individual needs.
2. In 2013 Pupil Referral Units (PRUs) received delegated budgets for the first time and the place element of the PRU budget was transferred to the schools budget. The top up funding for PRUs and that managed by the Surrey Alternative Learning Programme (SALP) Boards to commission provision remained in the Schools and Learning budget pending clarification on how those budgets would be managed. It is now felt that these budgets sit more appropriately in the Schools budget and a virement of the £4.448m budget and the associated DSG income from the Schools and Learning to the Schools Budget is requested.

3. The place plus approach has also been applied to those non maintained and independent (NMI) special schools designated as “Non Maintained Special Schools” (NMSS). These schools now receive direct place funding from the Education Funding Agency (EFA). The EFA has made a downward adjustment to Surrey’s DSG allocation to reflect the funding NMSS schools now receive directly - £10,000 for each pre 16 place. The fees paid to NMSS schools have been reduced accordingly.
4. To date the budget has been set and monitored on the basis of historic full fees pending:
 - Confirmation of the DSG adjustment from the EFA. This has now been confirmed (July 2013) at -£2.153m broadly based on pupil placements at Jan 2012.
 - Clarification of the actual saving in fees and the impact on the SEN agency budget based on the number of NMSS placements this financial year
5. The actual fee reduction, based on known 2013/14 placements is -£2.097m. This reduction relates to pre and post 16 pupils for the summer term 2013 and to pre16 pupils only for the remaining two terms of this financial year.
6. The change in DSG for post 16 pupils from August 2013 will form part of a separate adjustment to reflect the transfer of responsibility for all post 16 students with SEN to local authorities. A further DSG adjustment and virement report will be required to give effect to these changes once the destinations of young people and the cost of their placements are known with greater certainty from October 2013.
7. In contrast to the reduction in DSG for place funding Surrey now receives directly £0.497m DSG representing grants that were previously paid directly to NMSS schools by the DfE/EFA. Therefore, a virement reducing both the expenditure and DSG income budgets for SEN agency placements of -£1.6m is proposed (being -£2.097m for place funding and +£0.497).

CONSULTATION:

8. The proposed virement has been discussed with the Assistant Director for Schools and Learning.

RISK MANAGEMENT AND IMPLICATIONS:

9. All budgets in the Children Schools and Families Directorate are being monitored during 2013/14 in line with a risk based approach that ensures appropriate emphasis is placed on high risk items including the SEN agency budget which is monitored on a monthly basis.

Financial and Value for Money Implications

10. The virements are requested to reflect the 2013/14 school funding reforms in the Schools and Learning and Schools budgets and are within Surrey’s DSG allocation for 2013/14.

Section 151 Officer Commentary

11. This is primarily a finance report in order to ensure the budget correctly reflects revised funding arrangements for 2013/14.

Legal Implications – Monitoring Officer

12. There are no specific legal implications arising from this report.

Equalities and Diversity

13. This is a technical finance report seeking to reflect DSG changes in the budget with no direct impact on provision for pupils with SEN. Therefore an EIA is not required.

WHAT HAPPENS NEXT:

The budget will be adjusted in line with the approved virement.

Contact Officer:

Deirdre Linehan, Senior Principal Accountant, 020 8213 2684

Consulted:

Peter-John Wilkinson, Assistant Director for Schools and Learning
David Hodge, The Leader of the Council

Annexes: None

Sources/background papers:

- Council's Medium Term Financial Plan
 - DfE calculations of 2013/14 DSG
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