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**Dudley Schools Forum – 10<sup>th</sup> December 2013**

**Report of the Director of Children's Services**

**Dedicated Schools Grant Projected Outturn Update 2013/14**

**Purpose of Report**

1. To provide Schools Forum with the latest financial forecast in respect of the Schools Budget for the 2013/14 financial year ended 31 March 2014.

**Budget Working Group Discussed**

2. Yes – 4 December 2013.

**Schools Forum Role and Responsibilities**

3. From 1 April 2006, the Schools Budget has been funded by a direct Department for Education (DfE) grant: the Dedicated School Grant (DSG).
4. Schools Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

**Action for Schools Forum**

5. To note the 2013/14 forecast financial outturn in respect of the Schools Budget summarised at Appendix A.

**Attachments to Report**

6. Appendix A - Dedicated Schools Grant forecast Outturn Statement 2013/14.

Karen Cocker  
Children's Service Finance Manager  
25 November 2013

**Dudley Schools Forum – 10<sup>th</sup> December 2013**

**Report of the Director of Children's Services**

**Dedicated Schools Grant Projected Outturn Update 2013/14**

**Purpose of Report**

1. To provide Schools Forum with the latest financial forecast in respect of the Schools Budget for the 2013/14 financial year ended 31 March 2014.

**Background**

2. The Dedicated Schools Grant (DSG) funds the Schools Budget. The Schools Budget is a combination of centrally retained budgets together with the ISB (Individual Schools Budget).
3. The DSG is a ring fenced grant and can only be applied to meet expenditure properly included in the Schools Budget, as defined by the School Finance and Early Years Regulations 2012 which will shortly be replaced by the School and Early Years Finance (England) Regulations 2013.
4. At final outturn stage, the local authority is required to append an additional note to the Statement of Accounts confirming the deployment of the DSG in support of the Schools Budget, as required by the Accounts and Audit (Amendment) (England) Regulations 2006. The Chief Finance Officer is also required to confirm final deployment of the DSG in support of the Schools Budget in connection with the section 251 outturn form.
5. This report is a mid year update position at 30 September 2013 in respect of the central budget areas of the DSG for the 2013/14 financial year. For the purposes of declaring the DSG outturn, the amount of Individual Schools Budget (ISB) actually distributed to schools is regarded, for DSG purposes, as spent by the authority once it is deployed to schools' budget shares. Thus whilst the Individual Schools Budgets (ISB) element of the DSG can be under-spent this is recorded as a school's roll-forward.

**Dedicated Schools Grant for 2013/14**

6. For the 2013/14 financial year the DSG is currently £234.323m which, after the Academy School budget transfers of £34.469m, is £199.854m of which £23.099m relates to central budgets and £176.755m to schools. A further £2.183m is payable by the Education Funding Agency in respect of the post 16 pupils in Dudley's 6<sup>th</sup> form maintained schools.

7. Appendix A indicates that there is forecast under-spending in respect of the central DSG budget for 2013/14 of £0.552m and a further £0.060m in respect of de-delegated services. The £0.552m relates to the high needs block top up contingency fund, which can now be partly released after actioning the September 2013 school transfers in special schools, however, the full impact of the post 16 further education top up funding is still to be determined and the remaining contingency will be available until these costs are known.
8. If an authority's actual spend on central expenditure is less than its central expenditure budget, the under-spend must be carried forward to support the Schools Budget in future years. Where the under spend includes funding in respect of de-delegated items then the surplus funds (or overspending) at the end of the financial year can be carried forward into the next financial year when the schools' budgets will be adjusted accordingly.

### **Finance**

9. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012.
10. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.
11. From 1 April 2006, the Schools Budget has been funded by a direct grant: Dedicated School Grant (DSG).

### **Law**

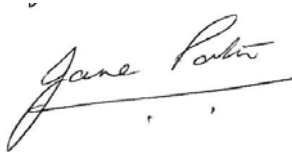
12. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

### **Equality Impact**

13. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

### **Recommendation**

14. Schools Forum to note the 2013/14 forecast outturn position in respect of the Schools Budget, which is funded by the Dedicated School Grant.



Jane Porter

### **Director of Children's Services**

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## Appendix A

### Dedicated Schools Grant Forecast Outturn 2013/14 at 30 September 2013

Directorate of Children's Services DSG Budget Area	2013/14 DSG Latest Budget £m	2013/14 DSG Forecast Outturn £m	2013/14 Variance ( ) = u'spend £m	Outturn to Budget %	Comments
ISB	176.755	176.755	0*	100%	*schools can roll-forward any under spend
Post 16 pupil - 6 <sup>th</sup> Form Funding (Nursery, Primary, Secondary and Special Schools)	2.183	2.183	0	100%	Bishop Milner's allocation is payable directly by the EFA from 1.9.2013 after conversion to Academy School status.
De- Delegated Budgets	1.230	1.170	(0.060)	95%	Contingency budget under spending by £50,000 and Family Support Workers in Ethic Minority service are under - spending on their running costs.
Centrally Retained Budgets	21.869	21.317	(0.552)	97.5%	Under-spend relates to the high needs block contingency allocation for in year adjustments in relation to special educational needs top up arrangements
EFA 6 <sup>th</sup> form grant	(2.183)	(2.183)	0	(100%)	Bishop Milner's allocation is payable directly by the EFA from 1.9.2013 after conversion to Academy School status.
<b>Total DSG payable to Dudley</b>	<b>199.854</b>	<b>199.242</b>	<b>(0.612)</b>	<b>99.7%</b>	
Academy Schools Funding	34.469	34.469	0	100%	Allocated to Academy School directly from the Education Funding Agency
<b>Total DSG 2013/14</b>	<b>234.323</b>	<b>233.711</b>	<b>(0.612)</b>	<b>99.7%</b>	