

Dudley Schools Forum – 3rd June 2014

Report of the Interim Director of Children’s Services

Dedicated Schools Grant Outturn 2013/14

Purpose of Report

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

Budget Working Group Discussed

2. Yes - 21 May 2014.

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 financial outturn in respect of the Schools Budget summarised at Appendix A.

Attachments to Report

6. Appendix A - DSG Outturn Statement 2013/14.

Karen Cocker
Children’s Service Finance Manager
19 May 2014

Schools Forum 3 June 2014

Report of the Interim Director of Children's Services

Dedicated Schools Grant Outturn 2013/14

Purpose of Report

1. To provide Schools Forum with financial data 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 from the Schools Block, Early Years Block and High Needs Block of the DSG together with the ISB (Individual Schools Budget).
3. The ISB relates to the delegated budgets to schools.
4. 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 2013.
5. At 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.

DSG Out-turn for 2013/14

6. For the 2013/14 financial year the DSG was £234.323m. The year-end position recorded the DSG net expenditure at £230.848m. Thus the centrally retained element of the DSG has under-spent by £3.475m, as detailed in Appendix A, which includes an under spending of £0.059m in respect of de-delegated budgets to be returned to schools. The £3.475m under spend will be carried forward to the DSG reserve.
7. 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 ISB element of the DSG can be under-spent this is recorded as schools roll-forwards, which for 2013/14 is £7.663m.

Central DSG Expenditure

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. For 2013/14 the DSG roll-forward attributable to the centrally retained budgets is £3.475m.
9. During 2013/14, £0.928m of the brought forward accumulated roll-forward at 1.4.2013 has been spent, as detailed in Table 1. Current expenditure plans for 2014/15 are detailed in Table 1.

Table 1 – Central DSG Reserve Summary

	£ m	£ m
Cumulative Roll forward DSG Reserve Available at 1.4.2013		6.821
Expenditure in 2013/14 from the accumulated carry forward DSG Reserve		
Project to change over processes from statements of Special Education Needs (SEN) as part of forthcoming Education Health Care Plans	0.082	
Admissions and special education needs data back scanning	0.004	
Looked after pupils tuition – early into care/pupil premium work	0.025	
Primary Behavioural project Intervention project work through Short Stay Schools Service	0.064	
Secondary behavioural project through Township Fair Access Panels to prevent permanent exclusions	0.371	
Early Years seating, moving and handling equipment for Bromley Pensnett nursery	0.004	
Equal pay expenditure for closed schools	0.108	
Educationalist Psychologist work for early years children	0.036	
Visually impaired children IPAD and communication software for settings	0.004	
Primary school support collaborative work	0.230	
Less total Expenditure in 2013/14		(0.928)
Plus 2013/14 under spend from Centrally Retained DSG		3.475
Accumulated carry forward balance to 2014/15		9.368
Commitments Planned in 2014/15		
Loans pool facility for Voluntary Aided and Foundation schools- £1.270m agreed by Schools Forum in 2010 but plans to increase to £2m in 2014/15 to reflect updated information for Trust schools (ex Community Schools)	2.000	
Secondary Township work – Fair Access Panel project to	0.250	

prevent permanent exclusions; new project for 2014/15		
Primary school support collaborative work; project commenced in 2013/14	0.070	
Project to change over processes from statements of Special Education Needs (SEN) as part of forthcoming Education Health Care Plans; project commenced in 2013/14	0.018	
Admissions and special education needs data back scanning; project commenced in 2013/14	0.046	
Social worker input for early support to facilitate home to school liaison with Old Park being the lead school via their delegated budget	0.070	
Speech and Language support at Rosewood for Autistic Spectrum Disorder work (ASD)	0.010	
Funding to support special schools via Pensmeadow special school to extend the data package of scholar school tracker and Dudley Assessment Profile materials	0.040	
Autistic Spectrum Disorder work (ASD) IPAD and communication software for settings	0.005	
Upgrading Hearing Impaired radios and sounds systems	0.040	
Phonax Roger Frequency Modulation Hearing Systems for Early Years children	0.004	
Early Years seating, moving and handling equipment for Bromley Pensnett nursery; project commenced in 2013/14	0.004	
Early Years IPAD and communication software for settings	0.005	
Improve the support to Dudley special school pupils to address the requirements of Raising the Participation Age in this sector and to reduce the numbers of LLDD (Learners with Learning Difficulties and Disabilities) becoming NEET (Not in Education, Employment or Training) by formulating a tailored package of transition for each pupil.	0.500	
Increased cost for copyright licences for schools. 2014/15 notification late from DFE on 13.3.14 - after schools budgets issued	0.045	
Hillcrest uniform business rates - not Trust school at time of issuing delegated budget so 80% relief not available	0.108	
Primary schools published admission number projected increase in year at September 2014 to accommodate rising pupil numbers in primary sector - LA request for increased admissions in 7 schools. Estimated as : Sledmere £69k, Kates Hill £29k, Brook £9k, Colley Lane £26k, Russells Hall £18k Gigmill £42k Queen Victoria £16k	0.210	
De-delegations under-spend from 2013/14 returned to schools	0.059	
Less total Planned Expenditure in 2014/15		(3.484)
Balance to be Allocated		5.884

Individual Schools Budgets – DSG Expenditure

10. Table 2 summarises the schools opening reserves of £19.893m at 1.4.2013. Of this £10.939m was utilised during 2013/14 before the 2013/14 roll-forwards of £7.663m were added at 31.3.2014. Giving the total school delegated reserves at 31.3.2014 of £16.617m; a net reduction of £3.276m.
11. Two schools ended the financial year with an unplanned in year deficit~: Coseley secondary school £59k and Cherry Tree Learning Centre £3k.

Table 2 – School Reserves from Delegated Budgets

Reserve Type	2012/13 £	2013/14	Net Variance £
General Contingency	0	0	
Single Status & Equal Pay Reserve	6,046,618	2,228,784	-3,817,834
Specific Contingency	7,731,740	8,269,184	537,444
VA/Foundation Capital Projects	2,984,352	2,952,486	-31,866
LA Capital Projects	3,223,675	3,058,602	-165,073
Approved Capital Loans	-302,800	-203,200	99,600
Reserves to Balance Budget	209,724	311,655	101,931
Total	19,893,309	16,617,511	-3,275,798

Table 3 – School Trading Accounts

Reserve Type	2012/13 £	2013/14	Variance £
School Trading Accounts	2,052,608	3,277,584	1,224,976

12. The reserves in Table 3 relate to activities such as before and after school clubs, extended school arrangements, cluster arrangements, adult education and leisure activities.

Finance

13. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
14. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.

15. From 1 April 2006, the Schools Budget has been funded by a direct grant: Dedicated School Grant (DSG).

Law

16. 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

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

Recommendation

18. Schools Forum to note the 2013/14 Outturn in respect of the Schools Budget, which is funded by the DSG and the planned use of the centrally retained roll forward as detailed in Table 1 of this report.



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Appendix A

Dedicated Schools Grant Outturn 2013/14

Director of Children's Services DSG Budget Area	2013/14 DSG Revised Budget £m	2013/14 DSG Outturn Actual £m	2013/14 Variance () =u'spend £m	Outturn to Budget %	Comments
Nursery School	0.550	0.550	0	100%	Nil rollforward
Mainstream schools – Nursery Units, Primary and Secondary	161.835	161.835	0*	100%	*School roll-forwards from 2013/14 totalled £7.211m
Special Schools and PRUs Places (Pupil Referral Units)	9.100	9.100	0*	100%	*School roll-forwards from 2013/14 totalled £0.452m
Early Years Nursery Independent Sector Provision for: 2 Years Olds in Disadvantaged areas & 3 and 4 year olds nursery education	7.243	5.824	(1.419)	80%	Increased allocations to 3 and 4 year old providers of £0.176m less under allocation of 2 year old nursery provision budget by £1.595m

Early Years Maintained Nursery Provision contingency	0.109	0.195	0.086	180%	Total cost of in year adjustments for maintained nursery provision cost £86k more than contingency set aside for 2013/14
De-delegated Budgets	1.230	1.171	(0.059)	95%	Under spending in respect of the contingency and Union Facilities time budgets. This funding will be returned to schools
High Needs Block Top Up	12.329	9.831	(2.498)	80%	This new budget for 2013/14 was required to pay for special education need (SEN) top ups for : SEN units, PRUs, Post 19 - 25 LLDD in Further Education, Dudley special schools, statemented pupils in mainstream schools both in the Borough and placed outside of the Borough. Careful management has resulted in an under spend position at the year end
Centrally Retained Budgets	9.641	10.056	0.415	104%	After deducting £0.969m for one off allocations to support future school initiatives such as free school meal costs, the Central DSG under spent by £0.554m. The under spending relates to a number of

					service vacancies and efficiencies, less financial support to the Behavioural PRU than planned and additional income from extra district placements in prior years.
Academy Schools element of DSG	34.469	34.469	0*	100%	Value of school rollforwards not notified to LA
EFA 6 th form grant	(2.183)	(2.183)	0	100%	No variance
Total	234.323	230.848	(3.475)	(98.5)	