

**Schools Forum 25<sup>th</sup> November 2014**

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

**Dedicated Schools Grant Projected Outturn Update 2014/15**

**Purpose of Report**

1. To provide Schools Forum with the latest financial forecast in respect of the Schools Budget for the 2014/15 financial year ended 31st March 2015.

**Budget Working Group Discussed**

2. No.

**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 2014/15 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 2014/15.

Karen Cocker  
Children's Service Finance Manager  
11th November 2014

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**Purpose of Report**

1. To provide Schools Forum with the latest financial forecast in respect of the Schools Budget for the 2014/15 financial year ended 31st March 2015.

**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 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 30th September 2014 in respect of the central budget areas of the DSG for the 2014/15 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 2014/15**

6. For the 2014/15 financial year the DSG is currently £235.700m which, after the Academy School budget transfers of £38.394m, is £197.306m of which £21.980m relates to central budgets and £175.326m to Dudley schools. A further £1.789m 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 2014/15 of £1.275m.

- a. £0.458m relates to the high needs block top up contingency fund, which can now be partly released after actioning the September 2014 school transfers in special schools;
  - b. £0.574m relates to the time for twos early years funding for disadvantaged children. The time for twos funding is allocated to providers on a termly basis. Of the £3.2m allocated to Dudley by the DfE based on eligible numbers, the summer term actual take up 2014 was less than expected by the DfE. It is likely that the projected underspend of £0.574m will increase if the Autumn 2014 and Spring 2015 terms take up are less than expected.
  - c. £0.243m relates to lagged DSG income for 2013/14 which was received in June 2014 in respect of the early year's census undertaken in the Spring 2014 term.
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 2013.
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 2014/15 forecast outturn position in respect of the Schools Budget, which is funded by the Dedicated School Grant.



Pauline Sharratt

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

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## Appendix A

### Dedicated Schools Grant Forecast Outturn 2014/15 at 30th September 2014

Directorate of Children's Services DSG Budget Area	2014/15 DSG Latest Budget  £m	2014/15 DSG Forecast Outturn  £m	2014/15 Variance ( ) =u'spend  £m	Outturn to Budget  %	Comments
Individual Schools Budget (ISB)	173.926	173.926	0*	100%	*schools can roll-forward any under spend
Post 16 pupil - 6 <sup>th</sup> Form Funding (Nursery, Primary, Secondary & Special)	1.789	1.789	0	100%	Two Dudley 6 <sup>th</sup> form schools.
De- Delegated Budgets	1.400	1.400	0	100%	
Centrally Retained Budgets	21.980	20.948	(1.032)	95.3%	£0.458m for the high needs block contingency allocation for in year adjustments in relation to special educational needs top up arrangements.  £0.574m time for twos early education for disadvantaged children.
DSG Prior Years (2013/14)	0	(0.243)	(0.243)	(100%)	DfE lagged funding for nursery education for 2013/14 notification received in June 2014
Education Funding Agency (EFA) 6 <sup>th</sup> form grant	(1.789)	(1.789)	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 2014/15</b>	<b>197.306</b>	<b>196.031</b>	<b>(1.275)</b>	<b>99.4%</b>	
Academy Schools Funding	38.394	38.394	0	100%	Allocated to Academy School directly via the Education Funding Agency
<b>Total DSG 2014/15</b>	<b>235.700</b>	<b>234.425</b>	<b>(1.275)</b>	<b>99.4%</b>	