

Dudley Schools Forum – 8th July 2014

Report of the Interim Director of Children's Services

Dudley's School's Delegated Reserves 2013/14

Purpose of Report

1. To provide Schools Forum with financial data in respect of Dudley's school reserves for the financial year ended 31 March 2014.

Budget Working Group Discussed

2. Yes – 2 July 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 Dudley's 2013/14 detailed school reserves at 31 March 2014 attached at Appendix A. These reserves are included in the Consistent Financial Reporting (CFR) data that is due for submission to the DfE on 18 July 2014 for validation, and will subsequently be available to the public within the S251 outturn document which will be published as national statistics during Autumn 2014.

Attachments to Report

6. Appendix A - List of Dudley's School Delegated Reserves at 31 March 2014.

Sue Coates
Senior Principal Accountant
20 June 2014

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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.

DSG Out-turn for 2013/14

4. For the 2013/14 financial year the DSG was £234.323m. The year-end position recorded the DSG net expenditure at £230.848m which was reported in detail to Schools Forum at the meeting on 3 June 2014 with actions agreed.
5. 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. This was discussed at the Schools Forum meeting on 3 June 2014 at which time the detailed analysis of schools reserves was not available and is now attached as Appendix A.

Individual Schools Budgets – DSG Expenditure

6. Table 1 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.
7. Of the two schools where an unplanned in year deficit arose at the financial year end, Coseley secondary school are in the process of requesting a licensed deficit to support their ongoing forecast budget deficit position, which is as a result of falling pupil numbers.

8. A licensed deficit as prescribed in Section 4.9.2 of the LMS Scheme for Financing is funded by drawing on the collective surplus of school balances. An application for a licensed deficit must be endorsed by the Chair of Schools Forum and the Cabinet Member for Children's Services in the interest of Coseley School and other maintained schools who fund the licensed deficit arrangement. Further information will be provided at the meeting.
9. A detailed list of reserve balances for each school is attached at Appendix A to this report. These reserves are included in the Consistent Financial Reporting (CFR) data that is due for submission to the DfE on 18 July 2014 for validation, and will subsequently be available to the public within the S251 outturn document which will be published during Autumn 2014.

Table 1 – Dudley's School Reserves from Delegated Budgets

Reserve Type	2012/13 £	2013/14	Net Variance £
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

Finance

10. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
11. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.
12. From 1 April 2006, the Schools Budget has been funded by a direct grant: Dedicated School Grant (DSG).

Law

13. 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

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

Recommendation

15. Schools Forum to note:

- The detailed School Reserves at 31 March 2014, as listed at Appendix A to this report, before publication by the DfE.
- That due to falling pupil numbers and a forecast deficit budget position, Coseley School will be submitting an application for a licensed deficit. This will require endorsement by the Chair of Schools Forum and the Cabinet Member for Children's Services on behalf of Coseley School and other maintained schools, who fund the licensed deficit.



Pauline Sharratt
Interim Director of Children's Services

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