

**Schools Forum 4 June 2013**

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

**Dedicated Schools Grant Outturn 2012/13**

**Purpose of Report**

1. To provide Schools Forum with financial data in respect of the Schools Budget for the 2012/13 financial year ended 31 March 2013.

**Budget Working Group Discussed**

2. Yes -20 May 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 2012/13 financial outturn in respect of the Schools Budget summarised at Appendix A.

**Attachments to Report**

6. Appendix A - DSG Outturn Statement 2012/13.

Karen Cocker  
Children's Service Finance Manager  
20 May 2013

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1. To provide Schools Forum with financial data in respect of the Schools Budget for the 2012/13 financial year ended 31 March 2013.

**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.
4. 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 2012/13**

5. For the 2012/13 financial year the DSG was £204.331m (after Academy School budget transfers). The year-end position recorded the DSG net expenditure at £201.798m. Thus the roll-forward of 2012/13 DSG is £2.533m and this relates to the centrally retained areas; Appendix A refers.
6. 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 2012/13 is £7.27m.

## Central DSG Expenditure

7. 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 2012/13 the DSG roll-forward attributable to the centrally retained budgets is £2.533m.
8. During 2012/13, £0.265m of the 2011/12 accumulated roll-forward has been spent with commitments to spend the balance in 2013/14 and Table 1 summarises the cumulative position of the DSG central reserve.

Table 1 – Central DSG Reserve Summary

	£ m	£ m
<b>2011/12 Cumulative Roll forward Available</b>		4.553
<b>Expenditure in 2012-13 from the carry forward</b>		
Astley Burf- cabinets/dining room glazing	(0.028)	
Outreach at Pensmeadow School	(0.039)	
DGFL Legal costs of judicial review	(0.026)	
Admissions and special education needs data back scanning	(0.006)	
Looked after pupils tuition – early into care/pupil premium work	(0.008)	
Primary Behavioural project Intervention project work through Short Stay Schools Service	(0.042)	
Secondary behavioural project through Township Fair Access Panels	(0.116)	
		(0.265)
Underspend from 2011-12 Centrally Retained DSG		2.533
<b>2012-13 Carry forward balance</b>		<b>6.821</b>
<b>Commitments in 2013/14</b>		
Astley Burf- mower shed	(0.003)	
Loans pool facility for VA and Foundation schools- agreed by Schools Forum in 2010 but not used to-date	(1.270)	
Secondary Township work – Fair Access Panel project	(0.384)	
Primary Behavioural project Intervention project work through Short Stay Schools Service on going project	(0.058)	
Primary school support collaborative work	(0.300)	
Pensnett security and support to closed building	(0.100)	
Looked after pupils tuition – early into care/pupil premium work ongoing project	(0.040)	
Project to change over processes from statements of SEN	(0.100)	
Admissions and special education needs data back scanning	(0.050)	
Delegations of services support until August 2013	(0.050)	
Potential support to schools with equal pay liability	(2.000)	
		(4.355)
<b>Balance to be allocated</b>		<b>2.466</b>

## Individual Schools Budgets – DSG Expenditure

9. Table 2 summarises the schools opening reserves at 1.4.2012 which were £20.169m. Of this £7.546m was utilised during 2012/13 before the 2012/13 roll-forwards of £7.270m were added at 31.3.2013. Giving the total school delegated reserves at 31.3.2013 of £19.893m; a net reduction of £0.276m. .

Table 2 – School Reserves from Delegated Budgets

<b>Reserve Type</b>	<b>2011/12 £</b>	<b>2012/13 £</b>	<b>Net Variance £</b>
General Contingency	10,191	0	(10,191)
Single Status & Equal Pay Reserve	6,412,334	6,046,618	(365,716)
Specific Contingency	9,020,105	7,731,740	(1,288,365)
VA/Foundation Capital Projects	2,627,588	2,984,352	356,764
LEA Capital Projects	2,396,757	3,223,675	826,918
Approved Loans	-382,400	-302,800	79,600
Reserves to Balance Budget	84,305	209,724	125,419
<b>Total</b>	<b>20,168,880</b>	<b>19,893,309</b>	<b>(275,571)</b>

Table 3 – School Trading Accounts

<b>Reserve Type</b>	<b>2011/12 £</b>	<b>2012/13 £</b>	<b>Variance £</b>
School Trading Accounts	2,396,718	2,052,608	(344,110)

10. The reserves in Table 3 relate to activities such as before and after school clubs, extended school arrangements, cluster arrangements, children's centres, adult education and leisure activities.

## Finance

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

## Law

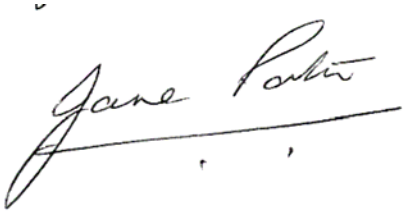
14. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

### **Equality Impact**

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

### **Recommendation**

16. Schools Forum to note the 2012/13 Outturn in respect of the Schools Budget, which is funded by the DSG and the planned use of the roll forward as detailed in Table 1.

A handwritten signature in black ink that reads "Jane Porter". The signature is written in a cursive style and is positioned to the left of a vertical line.

Jane Porter  
**Director of Children's Services**

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Appendix A

Dedicated Schools Grant Outturn 2012/13

<b>Director of Children's Services DSG Budget Area</b>	<b>2012/13 DSG Revised Budget £m</b>	<b>2012/13 DSG Outturn Actual £m</b>	<b>2012/13 Variance ( ) =u'spend £m</b>	<b>Outturn to Budget %</b>	<b>Comments</b>
ISB (Nursery, Primary, Secondary and Special Schools)	187.590	187.590	0*	100%	*School roll-forwards from 2012/13 totalled £7.27m
Centrally Retained Budgets	19.963	17.430	(2.533)	87%	Under-spend relates to Special Education Needs and Early Years services: service vacancies; Extra District recoupment and specialist provision
EFA 6 <sup>th</sup> form grant	(3.222)	(3.222)	0	100%	No variance
<b>Total</b>	<b>204.331</b>	<b>201.798</b>	<b>(2.533)</b>	<b>98.76%</b>	