

**SCHOOLS' FORUM – 5 DECEMBER 2013**

**REPORT OF CERI WALTERS, FINANCE BUSINESS PARTNER – CHILDREN AND FAMILIES**

**DEDICATED SCHOOLS GRANT 2013/14 FINAL ALLOCATION UPDATE**

**1 SUMMARY**

1.1 The purpose of this paper is to update Schools Forum on the:

- Department for Education's (DfE) announcement of the final Dedicated Schools Grant (DSG) allocation for 2013/14;
- the financial impact on the 2013/14 schools budget and the Statutory School Reserve (SSR).

**2 RECOMMENDATIONS**

2.1 It is recommended that Schools Forum note

- a. the final DSG allocation for 2013/14;
- b. the reason for the variation from the figure reported at the March 2013 Forum;
- c. the impact on the SSR;
- d. the DSG allocated to the LA and academies will continue to change during the financial year due to in-year academy conversions.

**3 OUTCOMES / DELIVERABLES**

3.1 An updated Dedicated Schools Grant position presented to Schools Forum to enable the Chief Finance Officer (CFO) to sign off the 2013/14 DSG allocation.

**4 BACKGROUND INFORMATION**

4.1 DSG Assumptions at 1 April 2013

At the March 2013 Forum it was reported that Nottingham City would receive an allocation of **£220.160m** in current year DSG from the DfE. At the end of financial year 2012/13 the SSR balance carried forward into 2013/14 was **£9.892m**, of which £9.073m is DSG and £0.819m is historic SSR.

4.2 2013/14 DSG and Reserve commitments

The full £220.160m current year DSG was committed to spend in-year and ratified by the Forum at the March Forum. Additionally **£5.797m** of the SSR has been earmarked for current and future year expenditure set out in Table 1.

<b>Table 1 2013/2014 Reserve Commitments</b>	<b>£m</b>
E-Learning Centre	0.364
School Improvement Team c/f	0.090
Safety on school visits (2013/14)	0.125
Sustainable Schools Co-ordinator (2013/14)	0.134
Modern Languages (2013/14)	0.120
School Reorganisation and Admissions Support Contingency (2013/14)	0.250
Prim - Exclusions & Admissions	0.011
BSF Wave 2 (2013/14)	0.250
City Sec Schls Partnership LA element of NCSEP Proj. Dev.	0.050
14-19 Diploma Funding (2013/14)	0.056
Strategic Partnership Bids (2013/14)	0.125
LACSEG Contingency (2013/14)	0.484
Rephased BSF Wave 5 Funding	0.120
Westbury School	0.094
Nethergate Capital Expenditure	0.070
Sec - Exclusions & Admissions	0.457
Additional Bids (Trinity)	0.500
Energy school costs old bills	0.125
Communication, Language and Literacy Development	0.055
Safeguarding Co-ordinator c/f	0.013
Inter Authority Recoupment	0.698
Personal Education Plan (PEP)	0.090
Nottingham City Secondary Education Partnership (NCSEP) - Capital Expenditure	0.825
PRU's	0.595
Personalisation	0.094
<b>TOTAL</b>	<b>5.797</b>

At the March 2013 meeting Forum was asked to note the principles adopted as part of the budget process, this included the use of the City Council's Risk Assessment Matrix to identify future financial pressures. Five key risks amounting to an estimated exposure of **£3.214m** were identified as needing to be covered by this un-earmarked balance, the risks are shown in **Table 2** below:

<b>Table 4 Identified Risks</b>	<b>£m</b>
Deficit Balances for sponsored academy conversions	0.065
Single Status Slippage	0.125
Academy DSG recoupment	0.505
High Needs Service Risks	0.649
Early Years Funding	1.870
<b>Total Identified Risks</b>	<b>3.214</b>

#### 4.3 Final 2013/14 DSG

Final DSG allocation for 2013/14 is **£220.514m**, **£0.354m** more than originally projected. This is due to an increase in allocation for rising Early Years pupil numbers and High Needs numbers.

From the additional £0.354m, the sum of £0.160m has been allocated to be spent in year.

The balance has been added to headroom and this now stands at £0.344m and will be transferred to the Statutory School Reserve (SSR).

#### 4.4 Academy Recoupment

The current LA DSG allocation for 2013/14 after recoupment is **£141.238m**; to date the DfE has recouped **£79.275m**, however these figure will continue to fluctuate as academy conversions occur in-year.

### **5 OBSERVATIONS OF THE DIRECTOR OF FAMILY COMMUNITY TEAMS AND OTHER OFFICERS**

- 5.1 HR have reviewed this report and there no people or HR implications to note.  
[nicola.gell@nottinghamcity.gov.uk](mailto:nicola.gell@nottinghamcity.gov.uk)

### **6 FINANCIAL IMPLICATIONS**

- 6.1 As academy conversions take place in-year the DSG allocated to the LA will continue to decrease and funding allocated directly to academies will continue to increase, the overall final **DSG for Nottingham City will remain static at £220.514m.**

### **7 CONSULTATION**

- 7.1 None.

### **8 OTHER OPTIONS CONSIDERED**

- 8.1 None

#### **CONTACT OFFICER**

Contact Officer: Ceri Walters

Telephone number: 0115 8764128

Email address: [ceri.walters@nottinghamcity.gov.uk](mailto:ceri.walters@nottinghamcity.gov.uk)