

SCHOOLS FORUM – 5 December 2013

Title of paper:	Dedicated Schools Grant Out-turn Position 2012/2013	
Director(s)/ Corporate Director(s):	Alison Michalska, Corporate Director for Children and Adults	Wards affected: All
Report author(s) and contact details:	Dee Fretwell – Finance Analyst. Dee has now left the authority and has been replaced by Julia Holmes – Finance Analyst julia.holmes@nottinghamcity.gov.uk	
Other colleagues who have provided input:		
Summary		
The purpose of this report is to update Schools Forum on the: <ul style="list-style-type: none"> • 2012/2013 outturn position for the Dedicated Schools Grant (DSG) • Current unallocated resources from both the current year DSG and the funding held within the Statutory School Reserve (SSR) 		
Recommendation(s): It is recommended that schools forum note:-		
1	The level of reserves allocated in 2012/13	
2	the level of funding carried forward into 2013/14 within the SSR	
3	the earmarked reserved funding to be allocated in 2013/14	
4	the funding set aside to mitigate future financial risk	
5	the level of un-earmarked reserve available for future prioritisation.	

1. BACKGROUND

Prior year DSG held within the SSR

As at the 1 April 2012 the SSR balance was £8.86m.

£4.7m of these funds were earmarked for spend in 2012/13 or future years leaving and uncommitted balance of £3.98m.

Added to this is the balance of £0.103m in loan capital and repayments leaving a final balance of £4.08m uncommitted.

Actual drawdown from the reserve in 2012/13 totalled £2.45m.

Table 1 provides a breakdown of the earmarked reserves balances

Table 1 – Earmarked Reserves	£m
Strategic Partnership	0.500
Primary Exclusions clawed back from schools	0.066
School Organisation	0.175
Schools in Financial Difficulty 2010/11 Underspend	0.069
Extended Schools Underspend 2012/13	0.013
Diploma Funding 2012/13	0.052

Schools Broadband Contract 2012/13	0.360
Fair Funding Formula Review underspend 11/12	0.450
Exclusions Top Up Contingency	0.280
Secondary Exclusions clawed back from schools	0.261
Top Valley School Deficit	0.050
School Reorg -	0.286
NLT Reserve agreed with Forum	0.186
NLT carry fwd 2012/13	0.153
Nottm City Secondary Education Partnership	0.200
TOTAL	2.445

Actual Deployment of DSG

Final DSG allocation for 2012/13 was **£209.794m** plus SSR of **£8.686m** giving a total available for deployment of **£218.480m**

Table 2 summarises funding distribution:

Table 2	£m
Maintained School Budgets including in year adjustments	122.469
Funding to Academies	61.520
Funding to PSCI Sector	3.454
Central spend from 12/13 DSG	22.351
Spend from 11/12 carried forward reserves	2.445
Unspent centrally held DSG	-3.652
Unspent DSG to carry forward to 2013/14	9.892
	218.480

As at 31st March 2013 a total of £1.206 was transferred to reserves, leaving a new SSR figure of **£9.892m**.

The total DSG carried forward into 2013/14 is 4.7% of the total DSG received in 2012/13. The DfE have agreed a threshold of 5% of the total DSG received would be deemed an acceptable DSG reserve level.

Earmarked DSG as at April 2013

£5.797m of the £9.892m carried forward into 2013/14 is earmarked for the priorities set out in **Table 3** below; **£4.095m** is currently un-earmarked.

Corporate policy on reserves is to maintain un-earmarked reserves between 2% and 4% of the budget. The un-earmarked reserve of £4.095 is 2.7% of DSG net of recoupment.

Table 3 2013/2014 Commitments	£m
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
TOTAL	5.797

Future Risks

Five key risks have been identified as needing to be covered by the un-earmarked reserve of £4.095m.

The risks are shown in **Table 4** below:

Table 4 Identified Risks	£m
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
Total Identified Risks	3.214

£0.881m un-earmarked reserve remains available for future priorities.

2. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

N/A

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

None

5. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

Financial implications considered in the main body of the report.

6. **HR ISSUES**

None

7. **EQUALITY IMPACT ASSESSMENT**

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

✓

No

Yes – Equality Impact Assessment attached