

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 26 September 2013**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **2013/14 DEDICATED SCHOOLS GRANT FINAL ALLOCATION**

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Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This report provides information on the final DSG allocation for 2013-14.

2. **RECOMMENDATION(S)**

The Schools Forum is invited to discuss the final DSG allocation as required for completion of the Chief Finance Officers statement.

3. COMMENTARY

- 3.1 As part of the Chief Finance Officers statement which is due to be submitted to DfE by 31st October, the Local Authority is required to confirm that the final DSG allocation has been discussed with the Schools Forum.
- 3.2 Appendix 1 shows the final DSG allocations as taken from the DfE website and highlights the individual allocation to Bromley. The final DSG for Bromley is £129.123 million – this is after the deduction of the academy and high needs recoupment. This has then been reconciled to the LA spreadsheet which clearly trails the allocation across the three blocks ; High Needs, Early Years and Schools Block. This is attached at Appendix 2. The Schools Forum is reminded that these blocks are notional only and that the funding in each block is not ring fenced.
- 3.3 The LA expenditure is unchanged with the exception of academy and high needs expenditure which has now showing as recoupment and is therefore offset against the income. The information is now showing a surplus of income over expenditure of £1,085,452. This figures has increased due to two main reasons:
- I. Increase in the number of pupils used to calculate the Early Years funding – if this increase is correct then it is fair to assume that the expenditure in year will also increase.
 - II. Decrease in the amount of funding that has been recouped from the LA for academies, relating specifically to the adjustment for SEN funding for the period April to August. Although this figure is held in the Schools Block it could also be seen to relate to the High Needs block.
- 3.4 The Schools Forum are invited to discuss this information and to consider how the surplus balance night be used. However, in doing so they are reminded that as part of the funding review the DfE have stated that school budget share cannot be changed in year – see extract from DfE below.

Redetermination of budget shares

It is not permissible to make an in-year redetermination of schools' budget shares for pupils aged 5-16. Any DSG underspend brought forward from the previous year may be used to support central expenditure (providing no limits are breached) in the schools block, or transferred to either the high needs or early years block. Alternatively, the underspend may be carried forward to the next funding period and allocated to schools via the funding formula. Previously, authorities were able to redetermine schools' funding at any time before or during the funding period and for 2012-13, this power was set out in paragraph 12 of the School Finance (England) Regulations 2012. This power has now been removed in the School and Early Years Finance (England) Regulations 2012, which relate to the 2013-14 financial year. There is no mechanism outside of the funding formula for authorities to fund schools. Schools must be funded through the approved formula and any other expenditure is classed as central expenditure, which is clearly defined in Schedule 2 of the Regulations.

- 3.5 In view of this any additional funding would need to be channelled thought either the Early Years or the High Needs Block. Alternatively any surplus funding could be carried forward to the next financial year along with any previously unspent DSG.
- 3.6 The Schools Forum is asked to formally minute their discussion on the final DSG as required for the completion of the Chief Finance Officer's Statement.