

# Department for Education Supplementary Estimate 2013-14 Select Committee Memorandum

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## Introduction and Summary

1. The purpose of this memorandum is to provide the Education Select Committee with additional information about the content of the Department for Education's Supplementary Estimate for 2013-14. The memorandum includes information on the department's key priorities, as well as outlining the departmental budget control totals and the movements since the Spending Review settlement.
2. The Supplementary Estimate details voted provision is summarised in the table below:-

**Table 1 – Estimate Control Totals 2013-14**

<b>Departmental Expenditure Limit</b>	<b>Main Estimate (£m)</b>	<b>Supplementary (£m)</b>	<b>Difference (£m)</b>
Resource	53,267.0	52,869.6	-397.4
<i>Of which ringfenced:</i>			
Pupil Premium*	1,875.0	1,875.0	0.0
Depreciation	841.6	844.4	2.8
Capital	3,982.6	3,982.6	0.0
<b>Total Departmental Expenditure Limit</b>	<b>57,249.6</b>	<b>56,852.2</b>	<b>-397.4</b>
<b>Annually Managed Expenditure</b>			
Resource	-16.4	242.5	258.9
<i>Of which ringfenced:</i>			
Depreciation	0.0	15.0	15.0
<b>Net Cash Requirement</b>	<b>56,406.9</b>	<b>56,053.8</b>	<b>-353.1</b>

\* This figure represents the total Pupil Premium budget spread across the Department.

3. The total Departmental Expenditure Limit (DEL) budget is £56,852.2 million, a net decrease of £397.4million on the Main Estimate budget of £57,249.6 million. The majority of the department's budget is paid through the Education Funding Agency (EFA) (£55.3 billion including academy trusts), the largest proportion of which is the Dedicated Schools Grant (DSG) (£29.1billion). This grant is paid by the department to local authorities and is either delegated to schools or used for centrally managed provision for pupils.
4. The revised Estimate budgets reflect policy and delivery announcements made since the Main Estimate. Using the Budget Exchange scheme, we are able to convert the savings we have generated this year into capital budget in 2014-15, up to a limit of £400 million.
5. The £397.4 million overall decrease in the Resource DEL budgets includes reductions to both administration costs and the programme budgets. The administration cost RDEL limit has reduced by £1.2 million; the value transferred to OGDs. The remaining £396.2 million reduction has been generated from £400 million savings in programme RDEL budgets less the £3.9 million net impact of budgets transferring between departments for jointly funded projects and functions that have transferred to DfE. The overall net Capital DEL budget has not changed, but within that total we have made savings that have reinvested in priority areas.

6. The majority of the reductions listed in the *Introduction to the Estimate* relate to budget decreases for Budget Exchange. The most significant RDEL budget savings listed as 'decrease in programme spend for Budget Exchange', are in the following Sections:
- Section D – Children's Services - £86.9 million
  - Section G – National College for Teaching and Leadership (NCTL) - £76.6 million
  - Section H – Education Funding Agency – £210.6 million.
7. In addition to the savings listed as decreases for Budget Exchange in the Introduction, the Estimate lists other increases and decreases that are transferring budgets between Sections, particularly around schools funding. The budgets have been reallocated to reflect more up to date information e.g. pupil numbers in academy trusts and local authority maintained sector schools. This type of adjustment is the most common reason for the increases and reductions listed in the *Introduction to the Supplementary Estimate*. The reductions are not cuts in education budgets, merely a technical transfer so that the Estimate budgets reflect where money is being spent. The largest of these changes are:
- Section B – £18.4 million increase to school infrastructure and education budget transferred from other parts of the department, mainly from EFA's budget in Section H for the cost of a single copyright licence for all schools.
  - Section C – £166.9 million decrease following a transfer of the Education Standards Grant and other budgets to the EFA's budget in Section H. This is part of the total £124.7 million transferred to Section H. See paragraph 26 for more information.
  - Section D – £32.7 million decrease following a transfer to NCTL (Section G) for early years' workforce development and EFA (Section H) for SEN reform. See paragraph 28.
  - Section G – £42.8 million increase comprising transfers for a) early years' workforce development from Section D; and b) Science Learning Centres and repayment of teacher student loans from Section C. See paragraph 30.
  - Section H – £23.2 million net increase mainly consisting of transfers from education standards budgets in Section C less the transfers to and from Academies in Section I. See paragraph 34.
  - Section I – £111.6 million is the net increase of transfers from EFA's budget in Section H for a variety of reasons, the largest of which is to ensure academies have the correct funding on conversion. See paragraph 35.
8. In addition to these internal changes, Section M in AME increased by £250 million for the net movement in pension; plus £15 million for additional depreciation on assets donated to academy trusts. More information on the savings and other changes is contained in the paragraphs 17 onwards.

## Key Activities Supported by the above Provision

9. We are working to achieve a highly educated society in which opportunity is equal for children and young people, no matter what their background or family circumstances. We are responsible for the following education and children's services in England:
  - teaching and learning for children in the early years and in primary schools
  - teaching and learning for young people under the age of 19 years in secondary schools and in further education, or the ages of 3 and 25 for those with learning difficulties and disabilities
  - supporting professionals who work with children and young people
  - helping disadvantaged children and young people to achieve more
  - making sure that local services protect and support children.
10. In 2013-14 our priorities are to:
  - increase the number of high quality schools
  - introduce fair funding
  - reform the school curriculum and qualifications
  - reduce bureaucracy and improve accountability
  - train and develop the professionals who work with children
  - improve services for children in the early years
  - improve support for children, young people and families, focusing on the most disadvantaged
11. The Supplementary Estimate updates budgets to reflect recent spending announcements. These changes do not change the priorities and there are no new programmes.

## Explanation of Estimate Funding

### Departmental Expenditure Limit

12. The Departmental Expenditure Limit (DEL) is based on the department's 2010 Spending Review Settlement which is then adjusted for baseline movements such as: budget announcements, transfers to and from other government departments, other funding drawdowns and changes in budgeting treatment. The baseline movements since the Spending Review are listed in Departmental Control Totals table in paragraph 44.
13. Within DEL there are three separate control totals. At the Main Estimate these limits were:
  - Resource DEL - administration £379.9 million
  - Resource DEL - programme £52,887 million
  - Capital DEL - £3,982.6 million
14. In addition to the tables in paragraph 44, further information on the impacts of the changes to the DEL budgets are detailed in Annex C.

## Annually Managed Expenditure

15. Annually Managed Expenditure (AME) is expenditure that is demand led or exceptionally volatile which make it difficult for departments to control. All of the department's demand led programmes, such as Initial Teacher Training, are included in the DEL control total. The only items in AME are non-cash funded items which include; the movement in pension deficits / surpluses allocated to academy trusts by the Local Government Pension Scheme (LGPS) in respect of some of their employees, provisions (take up and release), depreciation on academy trust's donated assets, revaluations, impairments, and the write off of bad debt.

## Structural Changes to the Estimate

16. Although there are no new programmes in this Supplementary, it is necessary to introduce a new line into the AME section of the Estimate for non-cash costs associated with the academy trust programme. These include the LGPS movement on pension deficit / surpluses, donated asset depreciation and property provisions.

## Significant changes to programmes and those with increased remit

### Departmental Expenditure Limit

### Resource DEL – Administration Costs - £378.7 million

17. The administration cost control total includes the department, its agencies, and its other Arm's Length Bodies (ALBs). The main departmental administration budgets are in Section A, with the administration budgets for the agencies and ALB's shown separately in Sections E, F, G and H. The administration costs of academy trusts are classed as programme expenditure and consequently are not included in the Admin DEL control total.

18. The net impact on the DEL administration cost control total of the changes in the Supplementary is a £1.254 million reduction. The £1.254 million reduction relates to the transfer of administration costs for functions transferring out of the DfE to other departments. The transfers are listed in Table 2.

**Table 2 – Admin costs transferred to other government departments**

Section	Destination Department	Reason	Amount £000
A	Ofqual	To cover a pressure associated with new GCSE and A Level exams. This transfer will be used to fund their additional work arising from GCSE/A Level reform.	900
A	Department for Business, Innovation and Skills (BIS)	Machinery of government transfer of ERASMUS (European Education)	90
A	Cabinet Office	Machinery of government transfer of youth policy responsibilities.	126
A	Department for Culture, Media and Sport (DCMS)	Machinery of government to transfer responsibility for child internet safety policy	138
<b>TOTAL ADMINISTRATION RDEL BUDGETS TRANSFERRED OUT</b>			<b>1,254</b>

19. We are continuing to make administration savings across the departmental group which are being transferred to priority areas. As a result we have increased administration cost spending within the EFA in Section H by £7.96 million (net adjustment) without increasing the overall amount spent on administration by the department. Table 3 below shows how the budget movements impact on individual Section lines.

**Table 3: Administration movements between sections.**

Reasons for change	Amount (£m)	To / From
Movement to other sections	-6.0	From Section A to Section H
	-2.1	From Section G to Sections F & H
Movement from other sections	0.1	From Section G to Section F
	8.0	From Sections A & G to Section H
<b>Total</b>	<b>0.0</b>	

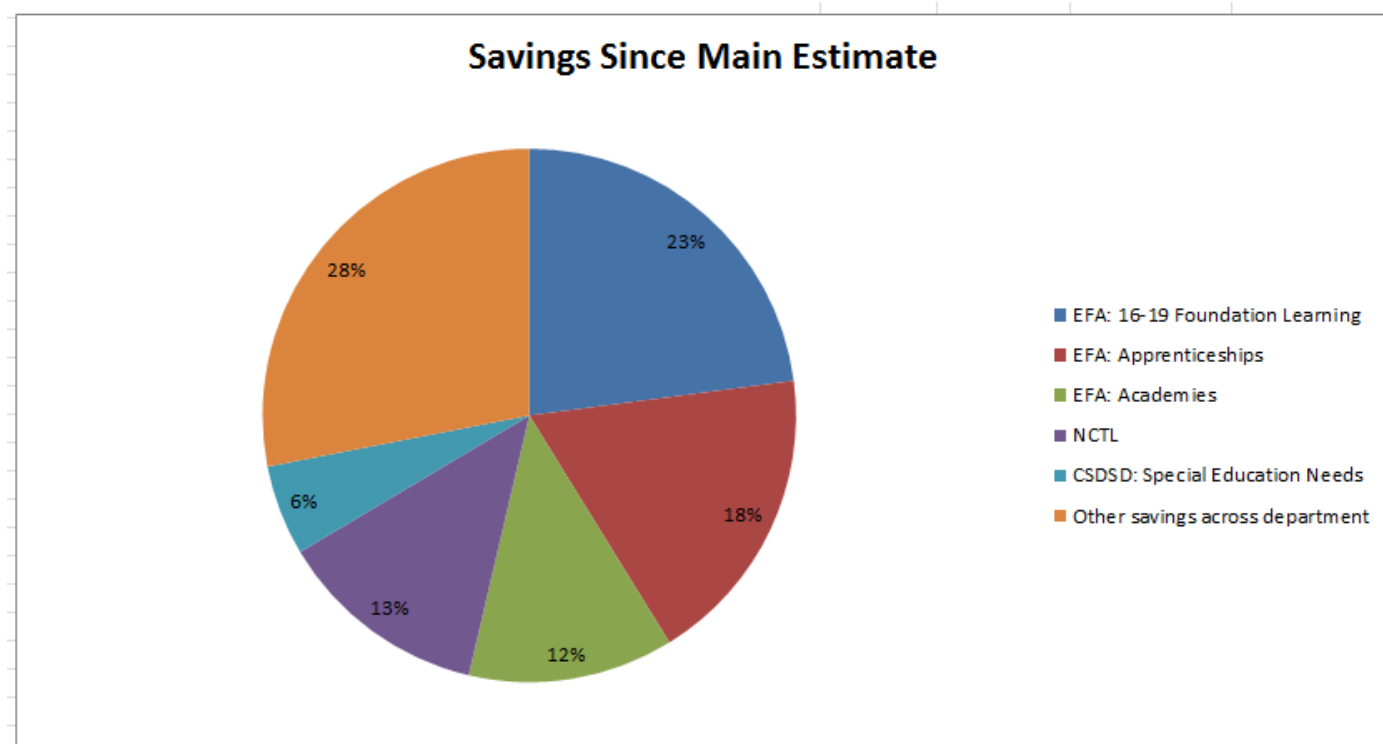
20. The EFA will utilise the additional resource, combined with savings from within the EFA, in two areas:

- £6 million to fund the 2014-15 financial year cost of delivering the EFA ICT investment plan. As a result of this investment, the EFA will be able to improve the way it manages its relationships with the ever increasing numbers of academy trusts, and improve the experience for the trusts.
- £7.2 million was transferred from the central corporate budgets to cover the costs of the IT operations shared service that IM Service (a unit within the BIS) provides to the EFA.

## Resource DEL – Programme Costs £52,490.9 million

21. Since the Main Estimate the department has realised savings totalling £602 million across all its programmes. We have achieved this reduction in the overall costs by making savings on contracts and grants, and lower than expected expenditure on some demand led programmes. Approximately £200 million of these savings has been transferred to meet budget pressures elsewhere, with the remainder being transferred to the exchequer as part of the budget exchange scheme. The net impact of the changes in the programme budgets is to decrease the programme RDEL control total from £52,887 million by £396.1 million to £52,490.9 million. This does not affect the ring-fenced budgets.

22. The chart below breaks down the £602 million total savings since the Main Estimate to show the percentage movement /underspend by programme.



23. The budget exchange scheme gives departments the flexibility to deal with slippage in expenditure while strengthening spending control. It allows departments to surrender an underspend in advance of the end of the financial year in return for a corresponding increase in their budget in the following year, subject to approval by HM Treasury. HM Treasury have agreed that, subject to certain conditions, we can budget exchange the 2013-14 resource underspends into 2014-15 capital up to a £400 million limit. The additional capital funding will be used to fund the Department's overall capital strategy. The strategy seeks to ensure there are sufficient numbers of pupil places across the school estate by allocating funds to priority areas including Basic Need, Targeted Basic Need, School Maintenance, Free Schools and the Priority School Building Programme (see paragraph 37 for more information on capital).
24. The Supplementary Estimate also includes transfers of funds between programmes to meet budgetary pressures or to increase spending in other priority areas, In addition there are some small transfers to and from other government departments (see paragraph 36 for further information on transfer of functions and budgets with other departments).
25. Annexes A and B provide further detail on the changes in the Supplementary made across all Sections. The following paragraphs provide further information on the more significant movements in programme budgets within Estimate Sections:
- C Education standards, curriculum and qualifications
  - D Children's services
  - G National College for Teaching and Leadership (NCTL)
  - H Education Funding Agency
  - I Academies.

## Section C - Education Standards, Curriculum and Qualifications (Department) – RDEL Decrease £170.4 million

### Summary of Changes

Reasons for change	Amount (£m)	To / From	Reference
Savings	-3.4	To DUP Various (Net)	N/A
Movement to other sections	-14.7	To Section B - IFD	C1
	-22.1	To Section G - NCTL	C2 to C3
	-124.7	To Section H - EFA	C4 to C6
	-5.2	To Various (Net)	N/A
Transfer out to OGD	-0.2	To Welsh assembly	Para 30
	-0.3	To OFQUAL	Para 30
Transfer in from OGD	0.2	From DCLG	Para 30
<b>Total</b>	<b>-170.4</b>		

### Movement to other sections

26. The £170.4 million decrease in this group of budgets does not represent a decrease in funding to support school infrastructure. It is a technical adjustment to reflect that a number of budgets to pay for infrastructure projects have moved to the EFA in Section H, and NCTL in Section G. The most significant budgets to transfer are:

- C1. To transfer the budget for academy trust sponsor capacity funding to Infrastructure and Funding Directorate in Section B – (£14.7 million) decrease.
- C2. Transfer of the Repayment of Teacher Loan (RTL) scheme to NCTL (see paragraph 30 for more information) – (£14.1 million) decrease.
- C3. To transfer the Science Learning Centre programme budget to NCTL (see paragraph 30 for more information) – (£8.0 million) decrease.
- C4. In June 2013 the Prime Minister announced £150 million per year for academic years 2013/14 and 2014/15 increase in funding for PE and sport activities in state funded primary schools. This is a jointly funded programme with Department of Health and DCMS. EFA will distribute the funding to primary schools on behalf of all three departments. We have transferred DfE's contribution for 2013-14 financial year to EFA's budget in Section H - £59.5 million decrease.
- C5. The responsibility for issuing payments to local authorities and academy trusts for Year 7 catch-up premium has transferred to EFA. The Year 7 catch-up premium will provide additional funding to schools for Year 7 pupils who did not achieve the expected level at Key Stage 2 in reading and/or mathematics. The £54.4 million in 13-14 financial year will enable schools to deliver additional support, such as tuition or intensive support in small groups, to those pupils to bring them up to speed so that they are more likely to succeed at secondary school. EFA will issue funding on a per pupil basis to local authorities and academy trusts – (£54.4 million) decrease.
- C6. Funding the release of a specialist PE teacher from timetabled duties 1 day per week has transferred to EFA's Learner Support budget – (£10.8 million) decrease



**Section D - Children's services–RDEL Decrease £120.2 million****Summary of Changes**

Reasons for change	Amount (£m)	To / From	Reference
Savings	-86.9	To DUP	D1 to D8
Movement to other sections	-21.8	To Section G - NCTL	D9
	-9.0	To Section H - EFA	D10
	-1.9	To Various (Net)	N/A
Transfer out to OGD	-0.5	To Cabinet Office	Para 30
	-0.5	To Dept of Health	Para 30
Transfer in from OGD	0.4	From DCLG	Para 30
<b>Total</b>	<b>-120.2</b>		

27. The Directorate that administers children's services programmes has made a number of savings and other budget reductions totalling £86.9 million, the majority of which is included in the following areas:

**Savings**

- D1. A significant amount of funding for Special Education Needs (SEN) reform was not required this year, partly because the pressure on 14-15 funding restricted the ability to make and extend commitments that would carry over into next year. In addition, the annual budget profile for SEN was set at an early stage and so we have changed the budget to reflect the actual pace of programme development. As a result, we expect that more funds will be needed next year as the implementation of SEN reforms gathers pace – (£22 million) decrease.
- D2. Funding to develop social work programmes has reduced due to a number of the original assumptions on the timing of activities, and the scope of the work changing: for example, the delay in recruiting the Chief Social Worker which slowed down the development of the programme; and lower than expected spend on interventions in failing local authorities. As a result expenditure will be lower than planned. – (£13.4 million) decrease.
- D3. The children's service budgets included the costs associated with implementing the Parental Involvement clause in the Children and Families Bill. The Bill does not receive Royal Assent until 21 March 2014, and therefore the full costs will not be incurred until 2014-15 – (£10.3 million) decrease.
- D4. Ministers approved the allocation of £15 million per annum in 2013-14 and 2014-15 to pay for improvements to the provision of independent, impartial information, advice and support services as local areas move to new SEN system. Because of delays in securing future funding for this service, the implementation work has been delayed so we have only utilised £5 million in 2013-14 – (£10 million) decrease.
- D5. The cancellation of the Children's Centre Payment by Results trials - (£10 million) decrease.

- D6. Some of the funding set aside for SEN and Early Years workforce development via the NCTL was not required – (£8.6 million) decrease.
- D7. A reduction in the amount required for the jointly funded Early Intervention Foundation due to greater than expected contributions from the other three OGDs – (£6 million) decrease.
- D8. The total cost of the suite of 2013-14 Voluntary, Community Sector (VCS) Prospectus Grants was less than the £30 million originally budgeted. This saving is the result of the positive challenge and monitoring stance taken by grant managers in pursuing value for money from grant recipients – (£4.6 million) decrease.

**Movement to other sections**

28. The remaining £32.7 million decrease is the result of transferring budgets to other parts of the department, including:

- D9. Early years' workforce development initiatives have transferred to the NCTL (see paragraph 30 for more information) – (£21.8 million) decrease
- D10. The grant funding to enable local authorities to prepare for SEN reform has transferred to the EFA – (£9 million) decrease

**Section G - National College for Teaching and Leadership –RDEL decrease £33.8 million**

**Summary of Changes**

Reasons for change	Amount (£m)	To / From	Reference
Savings	-76.6	To DUP Various (Net)	G1 to G4
Movement from other sections	42.8	From sections B,C & D	G5 to G7
<b>Total</b>	<b>-33.8</b>		

29. The NCTL budgets have reduced by £76 million, largely as a result of a number of savings to demand led programmes including Mainstream ITT, Training Bursaries, Employer Based ITT, and Golden Hellos. See below for more information on the significant changes to the agency's programmes.

**Savings**

**Mainstream ITT and Training Bursaries**

G1. The Mainstream Initial Teacher Training and Training Bursaries programmes are both dependent on the number of people undertaking teacher training via these routes. The budgets have been updated to reflect recent activity levels. Additionally, the cost of Training Bursaries is particularly difficult to predict because the high level degree classification bursaries that people can choose attract different rates of funding - (£26.7 million) decrease.

### **Employment Based Initial Teacher Training**

- G2. During this financial year the General Teaching Practice (GTP), where we funded intermediaries to organise training places, was replaced by the new School Direct (Salaried) route, where the NCTL pay the salary and training costs directly to schools. The cost of this programme has reduced because: a) the number of places allocated under School Direct (Salaried) was lower than under GTP in academic year 2013/14; and b) the cost of supporting an individual (the unit of funding) was reduced to cover a contribution to course and salary costs only (assessment, recruitment and admin fees are no longer payable). As a result of both factors, the cost of this programme has reduced this year - (£10.2 million) decrease.

### **Masters in Teaching and Learning (MTL) and Post-Graduate Professional Development (PPD)**

- G3. The MTL and PPD programme funded trainees working towards their masters and post-graduate qualifications. Funding was paid to training colleges as students progressed through the qualification during the academic year. As they progress at different speeds it was difficult to predict the number of students being claimed for in the financial year. The agency's 2013-14 budget was based on the maximum number of students completing their qualification before the programme ended this year. We are now able to estimate that we will not require the full budget – (£3 million) decrease.

### **Golden Hellos**

- G4. The Golden Hello incentive scheme is a demand led programme. The budget is based on a historical model which has proven to be over resourcing the budget in this financial year because there is reducing demand for this programme. Consequently the budget is decreasing year on year - (£15.2 million) decrease.

### **Movement from other sections**

30. The agency's savings have been partially off by a £44 million increase in the agency budget for programmes being administered by the NCTL on behalf of other directorates in the department, the key transfers are;
- G5. The cost of the early years' workforce development initiatives, including the New Leaders in Early Years and educational psychologists' development programmes that transferred from CSDSD this year - £22 million increase.
- G6. The budget to fund the network of ten Science Learning Centres, a joint initiative with the Wellcome Trust to provide innovative and inspirational professional development for science teachers and technicians, has transferred from ESD - £8 million increase.
- G7. To help recruit and retain teachers in specific subjects, the department reimburses BIS for the cost of the teachers' loans. The administration and budget responsibility for the Repayment of Teacher Loans (RTL) transferred from the ESD to NCTL - £14.1 million increase.

**Section H - Education Funding Agency (EFA) – RDEL decrease £179.7 million****Summary of Changes**

Reasons for change	Amount (£m)	To / From	Reference
Savings	-210.6	To DUP Various (Net) for Budget Exchange	H1 to H13
Movement to other sections	-15.1	To Section B - IFD	
	-0.3	To Section G - NCTL	
	-816.0	To Section I - Academies	H4 to H17
Movement from other sections	1.7	From Section A	
	130.6	From Section C	
	8.3	From Section D	
	713.9	From Section I - Academies	H4 to H17
Transfer in from OGD	7.8	From Dept for Business, Innovation and Skills	Para 30
<b>Total</b>	<b>-179.7</b>		

31. The EFA is the department's delivery agency for funding of schools in the maintained sector and academy trusts. Its resource budgets cover revenue funding for the education of all learners between the ages of 3 and 19, or the ages of 3 and 25 for those with learning difficulties and disabilities.
32. Section H holds the budgets for the schools in the local authority maintained sector. The budgets for academy trusts are shown separately in Section I because, although they are independent bodies, they are classified as Arms' Length Bodies for accounting and budgeting purposes, with their own Section in the Estimate. The budget changes in both Sections are related as they reflect the conversion of schools out of the local authority maintained sector and into academy trust status. This type of adjustment accounts for a lot of the changes.
33. Underspends have been generated in Section H, largely as a result of savings in the foundation learning budget and lower than anticipated activity in the demand led apprenticeship budget. Some of these savings have been surrendered for budget exchange, but some have been reallocated to fund pressures in priority areas. The key budget changes in the Supplementary are listed below.

**Savings**

34. The £316 million total savings from EFA's budgets that have been transferred to the Departmental Unallocated Provision (DUP), of which £210.6 million went towards the budget exchange. Listed below are the significant programme savings.

**Apprenticeships – £109.8 million decrease**

- H1. The take up of apprenticeship places in 2013-14 is lower than originally forecast due to the increase in the quality criteria in the programme, and removing non-employed and short duration apprenticeships. As a result the apprenticeships budget has reduced - (£109.8 million) decrease.

**Foundation Learning – £159.0 million decrease**

- H2. We have made £159 million savings as a result of applying lower cost per unit rates in the 2013/14 academic year allocations and the recovery of £22 million from independent providers which had under delivered in 2012/13 academic year – (£159 million)

decrease.

#### **Movement from / to other sections**

##### **Dedicated Schools Grant (DSG) – £155.9 million net increase.**

The main changes contributing to the increase in DSG budgets are:

- H4. At the beginning of the year the EFA allocates its budgets using forecasts of the expected number of local authority maintained schools and academy trusts. EFA have adjusted the allocations between local authority maintained schools and academies in line with the latest available forecast of the number of schools converting to academy status. As a result of this transfer from the academy budgets in Section I, the budget for DSG funding payments for maintained schools has increased - £691 million increase.
- H5. The Main Estimate included the budget allocation for the new Education Services Grant (ESG) as part of the DSG budget. This has been reallocated to a new separate budget, which is still within Section H in the Estimate. This has led to a reduction in the DSG programme budget - (£740.5 million) decrease
- H6. In line with a more up to date forecast of the number of schools converting to academy status, EFA have adjusted the Education Services Grant allocations between maintained schools and academy trusts. As a result of this adjustment, the budget for ESG funding payments for maintained schools has decreased by £47 million – (£47 million) decrease
- H7. £90 million was transferred from Foundation Learning and £180 million from Maintained Sixth Forms (£180 million) to fund the local authority element of the 16-19 high needs allocation funded via DSG - £270 million increase.

##### **Foundation Learning – £147.8 million net decrease**

- H8. We have transferred funds from Post-16 budgets to ensure special schools high needs funding for academies is allocated to the correct budget line in Section I – (£118 million) decrease
- H9. We have transferred the local authority element of the 16-19 high needs allocation to DSG – (£90 million) decrease
- H10. We have reclassified the Learner Support budget – (£42 million) increase.

##### **Maintained Sixth Forms – £244 million decrease**

- H11. As a result of the adjustment to realign budgets with revised forecast of the number of schools converting to academy status, there has been a transfer out of the budget for maintained schools and into the sixth form academy trusts in Section I – (£60million) decrease.
- H12. We have transferred the local authority element of the 16-19 high needs allocation to DSG – (£180 million) decrease

**Pupil Premium – £508 million decrease**

H13. This transfer allocates the academy sector element of the Pupil Premium from the local authority maintained schools budgets in Section H to Section I – (£508 million) decrease.

**Education Services Grant - £765.4 million increase**

H14. In 2013-14 we introduced new funding arrangements for education services for local authorities and academies. The Local Authority Central Spend Equivalent Grant (LACSEG) which was paid to academies, and the corresponding element of local government revenue funding (previously part of DSG funding), will be replaced by the new Education Services Grant. The ESG is allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible. The £740.5 million allocation for the Education Services Grant transferred from DSG budgets. – £740.5 million increase

H15. Funding the release of a specialist PE teacher from timetabled duties one day per week has transferred to EFA's Learner Support budget in Section C - £10.8 million increase

H16. In June 2013 the Prime Minister announced £150million per year for academic years 2013/14 and 2014/1 increase in funding for PE and sport activities in state funded primary schools. DfE receives contributions from Dept of Health and DCMS, and EFA is distributing the total funding to schools, so it is necessary to transfer DfE's contribution for the 2013-14 financial year from Section C to the EFA budget - £59.5 million increase

H17. The responsibility for issuing payments to local authorities and academy trusts for Year 7 catch-up premium has transferred to EFA from Education Standards Directorate. The Year 7 catch-up premium will provide additional funding to schools for Year 7 pupils who did not achieve the expected level at Key Stage 2 in reading and/or mathematics. The £54.4 million in 13-14 financial year will enable schools to deliver additional support, such as tuition or intensive support in small groups, for those pupils that most need it. EFA will issue funding on a per pupil basis to local authorities and academy trusts - £54.4 million increase

**Section I - Academies (Net) - RDEL increase £111.4 million**

**Summary of Changes**

Reasons for change	Amount (£m)	To / From	Reference
Movement from other sections	816.0	From Section H - EFA	I1 TO I7
Movement to other sections	-713.9	To Section H - EFA	I1 TO I7
	9.3	From Section B - IFD	
<b>Total</b>	<b>111.4</b>		

**Movement from / to other sections**

35. The major components in the net increase in academy trusts budgets are:

11. We have transferred budget out of the DUP to meet committed funding pressures - £144.8 million increase

12. As a result of the adjustment to realign budgets with revised forecast of the number of schools converting to academy status, there has been a transfer out of the maintained sector in Section H and into the sixth form academies in Section I - £60 million increase
13. Transfer of post 16 budgets from Section H to ensure special schools high needs funding for academies and free schools are allocated to correct budget line - £118 million increase
14. The reallocation of the academy sector element of the Pupil Premium funding from the local authority maintained schools budgets in Section H to Section I - £508 million increase
15. Transfer to the DSG budget in Section H to reflect the latest forecast of schools converting from maintained to academy status - (£691 million) decrease
16. Transfer from ESG budget in Section H to reflect the latest forecast of schools converting from maintained to academy status - £47m increase
17. Budget Exchange of DfE portion of academies underspend – (£75 million) decrease

### Transfers of functions to and from other government departments

36. There are a number of budget transfers both to and from the department, as a result of machinery of government changes and the transfers of funding for joint projects to the lead department. The net impact of the changes is to increase departmental programme budgets by £3.9m. Tables 4 and 5 list the individual changes.

**Table 4 - Transfers Out**

<b>Section</b>	<b>Destination Department</b>	<b>Reason</b>	<b>Amount £000</b>
B	Department for Business, Innovation and Skills (BIS)	Machinery of government transfer of ERASMUS (European Education)	3,000
C	Welsh Assembly Government	Machinery of government transfer to fund students resident in Wales studying Initial Teacher Training courses with the Open University	168
C	Ofqual	Annual transfer of budget to fund the additional work arising from GCSE and A Level reforms	350
D	Cabinet Office	Machinery of government transfer of youth policy responsibilities.	466
D	Department of Health	DfE's contribution to the costs of providing nursery milk for 2 year olds	465
<b>TOTAL PROGRAMME RDEL BUDGETS TRANSFERRED OUT</b>			<b>4,449</b>

**Table 5 - Transfers In**

Section	Source Department	Reason	Amount £000
C	Department for Communities and Local Government	Funding towards World War 1 education	224
D	Department for Communities and Local Government (DCLG)	DCLG contribution towards cost of jointly-funded Early Intervention	323
H	Department for Business, Innovation and Skills (BIS)	Receipt from BIS for 19+ AGE to 16-18 AGE.	3,000
I	Skills Funding Agency (BIS)	Transfer from the Skills Funding Agency (BIS) to cover the 2013/14 academic year costs of 19+ continuing learners in sixth form colleges	4,807
<b>TOTAL PROGRAMME RDEL BUDGETS TRANSFERRED IN</b>			<b>8,354</b>

## Capital DEL

37. Although the department's £3,982 million net capital control total has not changed in the Supplementary, there have been some movements between budgets to reflect project announcements made after the Main Estimate. The changes to budgets are outlined in the table and notes below.

**Table 6 Capital DEL summary**

Section Title	Main Estimate Budget £000	Increase / (Decrease) in budget £000	Supplementary Estimate Budget £000
Section A: Activities to support all functions	14,970	(8,840)	6,130
Section B: School infrastructure and funding of education	301,297	(226,694)	74,603
Section G: National College for Teaching and Leadership	665	(665)	-
Section H: Education Funding Agency (EFA) – excluding Academies	3,356,134	100,439	3,456,573
Section I: Academies (Net)	308,954	130,860	439,814
<b>TOTAL CAPITAL DEL</b>	<b>3,982,600</b>	<b>-</b>	<b>3,982,600</b>

38. The most significant budget changes are the allocation of budgets out of the school infrastructure budgets in Section B to the EFA and academy trust budgets in Sections H and I. The key changes to the schools related budgets are:

- When we prepared the Main Estimate, we included the Targeted Basic Need (TBN) programme in the school infrastructure and funding of education budget in Section B. The purpose of this programme is to provide new, high quality school places in locations that need more school places. Funding is targeted, to provide additional support to those local authorities experiencing the greatest pressure on places. The successful projects were announced on 18 July 2013, after the Main Estimate. As a result we need to transfer the budget for those projects to the appropriate sections. We have transferred



£232.7 million TBN budgets from Section B, and increased the EFA's budget for funding local authority maintained schools in Section H by the same amount.

- the Academies Capital Maintenance Fund (ACMF) was announced on 1 March 2013. The Main Estimate was published before the final maintenance allocations had been approved and so budgets in the Estimate were based on the 2012-13 allocations. We have updated the budget allocations to include schools that converted to academy status during 2012-13, as a consequence we have increased the annual allocation to ACMF by £130.9 million in 2013-14. Section H has decreased by the same amount.
39. The NCTL were allocated a £0.665 million capital budget for IT equipment and improvements at the conference centre in Nottingham in the Main Estimate. The department has moved responsibility for the capital budget out of the NCTL agency in Section G and into the corporate property management and IT budgets held in Section A.
40. Our investment in departmental assets in Section A was lower than anticipated, and the £6 million savings have been transferred to Section B capital grants to local authorities.

### Annually Managed Expenditure

41. In the Main Estimate the AME total was a £16.385 million credit budget for the net movement in departmental provisions. The budget was a negative amount because the amounts released from provisions to offset cash payments, were expected to be higher than the amount we intended to set aside for future year's costs. Although the departmental provisions have not changed significantly, the inclusion of information from academy trusts has resulted in a change to this position. The amount we are setting aside in the provisions across the DfE group is now higher than the amount being paid in cash this year. As a result the AME non-cash budgets have increased from a (£16.4 million) budget to £242.5 million to meet the costs related to the movement in various provisions, and to correctly budget for the depreciation on assets donated to academy trusts. The individual changes making up the £258.9 million net increase are:
- a. A £250 million increase in the potential deficit allocated to academy trusts in relation to their employees who are members of the Local Government Pension Scheme (LGPS) – Section M. This data was not available in time for the Main Estimate.
  - b. Following advice on the treatment of depreciation of assets donated to academy trusts, we are separating out the depreciation for those assets from the Resource DEL depreciation budget. £15 million for the depreciation on donated assets has been transferred to Resource AME in Section M to ensure we comply with the *Consolidated Budgeting Guidance*.
  - c. £6.096 million net credit adjustment to the department's early departure cost and other provisions.

### Net Cash Requirement

42. The changes to budgets in the Supplementary Estimate decrease the Net Cash Requirement by £353.1 million from £56,406.9 million to £56,053.8 million.

43. The table below details the reconciliation between the net resource total and the net cash requirement by adding cash need to support increases in payments (e.g. grant in aid), and deducting non-cash expenditure (e.g. depreciation). The cash impacts of the Supplementary changes are listed in the 'Change' column.

**Table 7 Net Resource to Net Cash reconciliation**

	<b>Main Estimate (£m)</b>	<b>Change £m</b>	<b>Supplementary (£m)</b>
<b>Change in Net Requirement</b>	<b>57,233.2</b>	-138.5	<b>57,094.7</b>
Depreciation	-841.6	-17.8	-859.4
Release from Departmental Unallocated Provision (DUP) *	-0.6	0.6	0.0
Use of Provisions	16.4	10.3	26.7
Revised Forecast of Expenditure for Arms Length Bodies	0.0	46.5	46.5
Take up of New Provisions	0.0	-4.2	-4.2
Other Non-Cash Items	-0.5	-250.0	-250.5
<b>Net Cash Requirement</b>	<b>56,406.9</b>	-353.1	<b>56,053.8</b>

\*The department does not draw down cash to cover the Departmental Unallocated Provision as it has no immediate plans to spend this money. It is effectively a reserve. Cash is only required at the point the funds are moved into Departmental budgets. At this point it creates an additional cash requirement although the Departmental DEL remains unaffected.

## Departmental Control Totals

44. This section shows how the Department's control totals have been changed since the Comprehensive Spending Review in 2010. It summarises changes to control totals during each HM Treasury exercise across the SR 10 and 13 periods. A more detailed breakdown of 2013-14 in year changes from the Spending Review is provided at Annex B

**Table 8 Changes to control totals**

	£000	£000	£000	£000	£000
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>DEL Admin Resource</b>					
CSR10	485,000	451,000	421,000	392,000	-
Main Estimate 2011-12	- 15,989	- 17,192	- 16,487	- 15,817	-
Supp 2011-12	- 53,326	438	443	448	-
Autumn Budget in Supp 11-12	-	- 4,000	- 25,000	- 42,000	-
Main Estimate 2012-13	-	- 23,000	-	-	-
Supp 2012-13	-	100	-	-	-
Main Estimate 2013-14	-	-	-	-	-
SR 2013	-	-	-	-	304,835
Supp 2013-14	-	-	- 1,254	- 228	- 138
	<u>415,685</u>	<u>407,346</u>	<u>378,702</u>	<u>334,403</u>	<u>304,697</u>
<b>DEL Prog Resource</b>					
CSR10	50,723,000	51,682,000	52,519,000	53,502,000	-
Main Estimate 2011-12	105,080	264,785	- 247	- 275	-
Supp 2011-12	98,496	- 18,848	- 20,800	- 19,800	-
Autumn Budget in Supp 11-12	-	131,800	257,600	434,600	-
Main Estimate 2012-13	-	- 15,000	- 37,000	- 36,000	-
Supp 2012-13	-	- 68,459	134,611	- 233,181	-
Main Estimate 2013-14	-	-	33,842	298,682	-
SR 2013	-	-	-	-	53,778,435
Supp 2013-14	-	-	- 396,095	215,509	476,000
	<u>50,926,576</u>	<u>51,976,278</u>	<u>52,490,911</u>	<u>54,161,535</u>	<u>54,254,435</u>
<b>DEL Total Resource</b>					
CSR10	51,208,000	52,133,000	52,940,000	53,894,000	-
Main Estimate 2011-12	89,091	247,593	- 16,734	- 16,092	-
Supp 2011-12	45,170	- 18,410	- 20,357	- 19,352	-
Autumn Budget in Supp 11-12	-	127,800	232,600	392,600	-
Main Estimate 2012-13	-	- 38,000	- 37,000	- 36,000	-
Supp 2012-13	-	- 68,359	134,611	- 233,181	-
Main Estimate 2013-14	-	-	33,842	298,682	-
SR 2013	-	-	-	-	54,083,270
Supp 2013-14	-	-	- 397,349	215,281	475,862
	<u>51,342,261</u>	<u>52,383,624</u>	<u>52,869,613</u>	<u>54,495,938</u>	<u>54,559,132</u>

	£000	£000	£000	£000	£000
<b>DEL Capital</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
CSR10	4,932,000	4,213,000	3,266,000	3,378,000	-
Main Estimate 2011-12	125,856	-	-	-	-
Supp 2011-12	6,000	-	-	-	-
Autumn Budget in Supp 11-12	-	290,000	475,000	435,000	-
Main Estimate 2012-13	-	60,000	60,000	-	-
Supp 2012-13	-	61,400	301,600	755,700	-
Main Estimate 2013-14	-	-	-	-	-
SR 2013	-	-	-	-	4,569,000
Supp 2013-14	-	-	1	470,000	-
	<u>5,063,856</u>	<u>4,501,600</u>	<u>3,982,599</u>	<u>5,038,700</u>	<u>4,569,000</u>
<b>AME</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
CSR10	156,447	282,342	384,221	472,092	-
Main Estimate 2011-12	- 27,497	- 758	- 658	- 535	-
Supp 2011-12	- 127,943	- 287,000	- 389,000	- 477,000	-
Autumn Budget in Supp 11-12	-	-	-	-	-
Main Estimate 2012-13	-	-	-	-	-
Supp 2012-13	-	1,076,384	-	-	-
Main Estimate 2013-14	-	-	10,948	1,544	-
SR 2013	-	-	-	-	18,894
Supp 2013-14	-	-	258,893	460	-
	<u>1,007</u>	<u>1,070,968</u>	<u>242,508</u>	<u>4,359</u>	<u>18,894</u>

## Provisions and Liabilities

45. There are four main categories of provisions for liabilities and charges. The balances at 1 April 2013 as reported in the Annual Report and Accounts 2012-13 (HC49) are shown in Table 9 below.
46. The purpose of the early departure provision is to recognise the department's financial liability to meet the additional costs of benefits beyond normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of DfE employees who retire early, and compensation payments payable to employees who take early severance.
47. The largest provision was created for the department's liability to pay premature retirement compensation to former teaching staff of ex-Grant Maintained Schools and Colleges, and pension payments relating to the staff of former departmental bodies (Schools Council, Training Commission and NDPBs).
48. The third provision was set up to meet the future lease costs of surplus properties which were re-assigned to the Secretary of State when the Training and Enterprise Councils (TEC's) and former ALBs were closed. The property provision is expected to end in 2018.
49. Other provisions include various different categories of provisions held by ALBs and former ALBs.

**Table 9 Provisions and liabilities**

Provisions for Liabilities and Charges	£'000 Early Departure Provision	£'000 Retirement Compensation	£'000 Property Provision	£'000 Others	£'000 Total
Analysis of expected future use					
Not later than one year	6,448	12,196	3,511	8,022	30,177
Later than one year and not later than five years	10,668	43,406	2,456	626	57,156
Later than five years	1,820	104,363	213		106,396
<b>Balance at 31 March 2013</b>	<b>18,936</b>	<b>159,965</b>	<b>6,180</b>	<b>8,648</b>	<b>193,729</b>

## Contingent Liabilities

50. Contingent liabilities are potential liabilities that are uncertain, and the department will only incur future expenditure if certain conditions are met or certain events happen. At the time of the Supplementary Estimate, the department has eleven contingent liabilities, including five new indemnities and guarantees, two of which have been notified to Parliament since April 2013. The other new cases are judged to be in the normal course of business and have been approved by HM Treasury. The following paragraphs provide more details of the individual indemnities and guarantees.

### *Statutory Contingent liabilities*

51. Under paragraph 7 of the *Schools Standards Framework Act 1998*, the Secretary of State has a statutory duty to indemnify any adjudicator against any reasonable cost and expense reasonably incurred by him in connection with any decision taken in pursuit of his statutory duty for the Office of the Schools Adjudicator. Adjudicator decisions can be challenged through judicial review. It is not possible to quantify the potential costs.

### *Non-Statutory Contingent liabilities*

52. The department is providing an indemnity totalling £2.1 million to local authorities for potential costs on buildings they own, with existing Private Finance Initiative (PFI) arrangements, which will be used by academy trusts. This type of indemnity is considered to be low risk and is only a feature of the Academies programme in very specific circumstances. These contingent liabilities only arise where an academy trust is using a local authority building with an existing PFI contract.

53. An indemnity for £5 million has been provided to Kent County Council for any unforeseen liability in respect of contamination, defect or asbestos presence at the Duke of York Royal Military school site.

54. The department has provided a £12.5 million guarantee to Tottenham Hotspur Property Company in relation to a commercial lease arrangement for an Academy Trust site.

55. The department has provided a guarantee to cover costs that would arise from the re-instatement of the Free School Norwich's building to its original condition in the event of its closure. We estimate this stands now at £110,000.

56. Liabilities that arise from Commercial / EPC staff who have been made redundant and may seek redress through an Employment Tribunal. The estimated exposure is £59,000.
57. It is important that senior staff likely to be running a school when it opens are involved and take forward the development of the school from a very early stage. Consequently we engage Principal Designates and meet the salary costs prior to a school opening. The department has agreed to underwrite the salaries of Free Schools' Principal Designates for up to two terms in the event the schools do not open as planned. We estimate the current balance on this guarantee to be £295,000.
58. For the purpose of calculating employee contributions, the Local Government Pension Scheme (LGPS) Administering Authorities view academy trusts as higher risk employers as they no longer have the financial backing of the local authority. Consequently, academy trusts are being asked to pay significantly higher LGPS employer contribution rates to those set when they were a local authority maintained school. The department has agreed to guarantee that if an academy closes, we will meet any outstanding pension liabilities owed to LGPS. The upper limit of the guarantee is currently £6.5 million. The purpose of the guarantee is to give LGPS Administering Authorities the confidence they need to treat academies equitably, and ensure that there is no significant divergence in employer contribution rates upon academy conversion. A Parliamentary Minute was laid to report this new contingent liability in July 2012.
59. During the summer recess an issue arose on CET Westminster Free School, a free school project that required urgent approval of an indemnity to the Church Commissioners for the costs of potential legal challenge, without which the project could not proceed. The indemnity expires on 31 March 2017. After getting approval from HM Treasury for up to £5 million, the Accounting Officer wrote to Margaret Hodge on 21 August 2013, copied to the Education Select Committee, to seek approval under the special reporting arrangements. This was followed up with a parliamentary minute which was laid on 17 October 2013.
60. On 13 December 2013 HM Treasury authorised the department to provide an indemnity and a guarantee to East London University Technical College for 12 months, starting in September 2013. In the event of the termination of the Funding Agreement:
  - a. the department has provided an indemnity for the cost of a fully serviced lease of up to £466,989.
  - b. the department guarantees to meet the costs of the design & build contract up to the value of up to £5.3 million.
61. The department has agreed to provide an indemnity to Free School, Tottenham University Technology College. The indemnity covers the costs on the 35 year lease on the site up to £16.5 million. This was approved by HMT on 23 December 2013.

### **Departmental Accounting Officer**

62. This Memorandum has been prepared with reference to the guidance in the Estimate Manual provided by HM Treasury and available on the House of Commons and Scrutiny Unit website.

63. The Departmental Accounting Officer (DAO) has personal responsibility for the content in the memorandum and formal approval of the memorandum has therefore been obtained prior to submission to the Select Committee.

Control Totals - Summary of Changes

Control Budget	Resource								Capital						Department Total		
	Estimate Line	Main Estimate	Line Movement	DUP	AME	Transfers with OGD's	Re-classes	Budget Exchange	Resource Total	Main Estimate	Line Movement	DUP	Re-classes	Transfers		Budget Exchange	Capital Total
<b>Administration</b>																	
A Activities to Support all Functions	270.9	-6.0	-	-	-1.3	-	-	-	263.6	-	-	-	-	-	-	-	263.6
E Children, Young People and Families (NDPB)	12.8	-	-	-	-	-	-	-	12.8	-	-	-	-	-	-	-	12.8
F Standards and Testing Agency	5.6	0.1	-	-	-	-	-	-	5.7	-	-	-	-	-	-	-	5.7
G National College for Teaching and Leadership	25.8	-2.1	-	-	-	-	-	-	23.7	-	-	-	-	-	-	-	23.7
H Education Funding Agency (Excluding Academies)	64.9	8.0	-	-	-	-	-	-	72.8	-	-	-	-	-	-	-	72.8
<b>Administration Total</b>	<b>380.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378.7</b>
<b>Programme</b>																	
A Activities to Support all Functions	40.6	0.5	-6.5	-	-	-	-	-	34.6	15.0	-3.9	-4.9	-	-	-	6.1	40.8
B School Infrastructure and Funding of Education (Department)	174.2	18.5	-12.7	-	-3.0	-	-	-	176.9	301.3	-221.2	-	-	-	-	80.1	257.0
C Education Standards, Curriculum and Qualifications (Department)	353.6	-166.9	-3.3	-	-0.3	-	-	-	183.1	-	-	-	-	-	-	-	183.1
D Children, Young People and Families (Department)	435.4	-32.7	-86.9	-	-0.6	-	-	-	315.1	-	-	-	-	-	-	-	315.1
E Children, Young People and Families (NDPB)	114.4	-	-	-	-	-	-	-	114.4	-	-	-	-	-	-	-	114.4
F Standards and Testing Agency	39.9	3.3	-3.4	-	-	-	-	-	39.9	-	-	-	-	-	-	-	39.9
G National College for Teaching and Leadership	490.7	42.8	-76.6	-	-	-	-	-	456.8	0.7	-0.7	-	-	-	-	-	456.8
H Education Funding Agency (Excluding Academies)	38,089.2	23.2	-210.6	-	7.8	-	-	-	37,909.5	3,356.1	100.4	-	-	-	-	3,456.6	41,366.1
I Academies (Net)	13,149.1	111.5	-	-	-	-	-	-	13,260.5	309.0	130.9	-	-	-	-	439.8	13,700.3
Departmental Unallocated Provision	-	-	400.0	-	-	-	-	-	-	0.6	-5.5	4.9	-	-	-	-	-
<b>Programme Total</b>	<b>52,887.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>3.9</b>	<b>-</b>	<b>-400.0</b>	<b>-</b>	<b>52,490.9</b>	<b>3,982.6</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,982.6</b>	<b>56,473.5</b>
<b>Total DEL</b>	<b>53,267.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>2.7</b>	<b>-</b>	<b>-400.0</b>	<b>-</b>	<b>52,869.6</b>	<b>3,982.6</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,982.6</b>	<b>56,852.2</b>
J Activities to Support all Functions	-16.4	-	-	-6.3	-	-	-	-	-22.7	-	-	-	-	-	-	-	-22.7
K Activities to Support all Functions (NDPB's)	-	-	-	-0.9	-	-	-	-	-0.9	-	-	-	-	-	-	-	-0.9
L Activities to Support all Functions (EA's)	-	-	-	-2.1	-	-	-	-	-2.1	-	-	-	-	-	-	-	-2.1
M Academies (Net)	-	-	-	268.2	-	-	-	-	268.2	-	-	-	-	-	-	-	268.2
<b>AME Total</b>	<b>-16.4</b>	<b>-</b>	<b>-</b>	<b>258.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242.5</b>
<b>Grand Total</b>	<b>53,250.6</b>	<b>0.0</b>	<b>-</b>	<b>258.9</b>	<b>2.7</b>	<b>-</b>	<b>-400.0</b>	<b>-</b>	<b>53,112.1</b>	<b>3,982.6</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,982.6</b>	<b>57,094.7</b>



## Detailed Breakdown of Changes to Expenditure

Section / Expenditure	Main	Supplementary	Difference
Departmental Expenditure Limit	(£m)	(£m)	(£m)
<b>A. Activities to Support all Functions</b>	<b>326.5</b>	<b>304.4</b>	<b>- 22.1</b>
Administration	270.9	263.6	- 7.3
Capital Investment	15.0	6.1	- 8.8
Other	40.6	34.6	- 6.0
<b>B. School Infrastructure and Funding of Education (Department)</b>	<b>475.5</b>	<b>257.0</b>	<b>- 218.5</b>
Resource	174.2	176.9	2.7
Capital	301.3	80.1	- 221.2
<b>C. Education Standards, Curriculum and Qualifications (Department)</b>	<b>353.6</b>	<b>183.1</b>	<b>- 170.4</b>
Resource	353.6	183.1	- 170.4
<b>D. Children's Services and Departmental Strategy (Department)</b>	<b>435.4</b>	<b>315.1</b>	<b>- 120.3</b>
Resource	435.4	315.1	- 120.3
<b>E. Children's Services and Departmental Strategy (NDPB) (Net)</b>	<b>127.3</b>	<b>127.3</b>	<b>-</b>
Children and Family Court Advisory and Support Service (CAFCASS) Administration	11.0	11.0	-
CAFCASS Own Spend	114.0	114.0	-
Children's Commissioner (OCC) Administration	1.8	1.8	-
Children's Commissioner (OCC) Own Spend	0.4	0.4	-
<b>F. Standards and Testing Agency</b>	<b>45.5</b>	<b>45.6</b>	<b>0.1</b>
Administration	5.6	5.7	0.1
Programmes	39.9	39.9	- 0.1
<b>G. National College for Teaching and Leadership</b>	<b>517.1</b>	<b>480.5</b>	<b>- 36.6</b>
Administration	25.8	23.7	- 2.1
Programmes	490.7	456.8	- 33.8
Capital	0.7	-	- 0.7

# DfE Supplementary Estimate Memorandum 2013-14

Section / Expenditure	Main	Supplementary	Difference
Departmental Expenditure Limit	(£m)	(£m)	(£m)
<b>H. Education Funding Agency (Excluding Academies)</b>	<b>41,510.2</b>	<b>41,438.9</b>	<b>- 71.3</b>
Administration	64.9	72.8	8.0
Programmes	38,089.2	37,909.5	- 179.7
<i>Of which majority funds:</i>			
<i>Dedicated Schools Grant</i>	28,971.1	29,126.9	155.9
<i>Foundation Learning</i>	4,316.8	4,010.0	- 306.8
<i>Maintained Sixth Forms</i>	1,090.0	846.0	- 244.0
<i>Pupil Premium</i>	1,875.0	1,367.0	- 508.0
<i>Apprenticeships</i>	826.1	714.0	- 112.1
<i>Educational Services Grant</i>	-	765.4	765.4
Capital	3,356.1	3,456.6	100.4
<i>Of which majority funds:</i>			
<i>Devolved</i>	1,823.3	1,931.7	108.5
<i>Targeted</i>	1,069.5	1,069.5	-
<i>Building Schools for the Future</i>	350.0	350.0	-
<b>I. Education Funding Agency - Academies (Net)</b>	<b>13,458.0</b>	<b>13,700.3</b>	<b>242.3</b>
Programmes	13,149.1	13,260.5	111.4
Capital	309.0	439.8	130.9
<b>Departmental Unallocated Provision</b>	<b>0.6</b>	<b>-</b>	<b>- 0.6</b>
<i>Of which:</i>			
Resource	-	-	-
Capital	0.6	-	- 0.6
<b>Departmental Expenditure Limit Changes</b>	<b>57,249.6</b>	<b>56,852.2</b>	<b>- 397.3</b>
<b>Annually Managed Expenditure</b>			
<b>J. Activities to Support all Functions</b>	<b>- 16.4</b>	<b>- 22.7</b>	<b>- 6.3</b>
Provisions	- 16.4	- 22.7	- 6.3
<b>K. Activities to Support all Functions (NDPB)</b>	<b>-</b>	<b>- 0.9</b>	<b>- 0.9</b>
Provisions	-	- 0.9	- 0.9
<b>L. Activities to Support all Functions (Executive Agencies)</b>	<b>-</b>	<b>- 2.1</b>	<b>- 2.1</b>
Provisions	-	- 2.1	- 2.1
<b>M. Academies (Net)</b>	<b>-</b>	<b>268.2</b>	<b>268.2</b>
Provisions, Pensions & Depreciation	-	268.2	268.2
<b>Annually Managed Expenditure</b>	<b>- 16.4</b>	<b>242.5</b>	<b>258.9</b>

## Changes since Spending Review 2010

	2013	2014	2014	2014	2014	2014
	AME	Admin	Programme	Total RDEL	Capital	AME
	£000	£000	£000	£000	£000	£000
Spending Review 2010	282,342	421,000	52,519,000	52,940,000	3,266,000	384,221
<i>of which:</i>						
Depreciation Ring Fence	-	20,000	8,000	28,000	-	-
Overseas Development Ring Fence	-	-	3,000	3,000	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	282,342	401,000	50,633,000	51,034,000	3,266,000	384,221
<b>Control Total at Spending Review</b>	<b>282,342</b>	<b>421,000</b>	<b>52,519,000</b>	<b>52,940,000</b>	<b>3,266,000</b>	<b>384,221</b>
<b>Changes in Main Estimate 2011-12</b>						
Spending Policy						
To OFQUAL their CSR allocation	-	16,487	917	17,404	-	-
Release of Provisions	-	758	-	-	-	658
<b>Budget Cover Transfers</b>						
To DCLG for the Public Sector Mapping Agreement	-	-	67	67	-	-
From DCLG for London Schools Councils	-	-	737	737	-	-
<b>Total</b>	<b>-</b>	<b>758</b>	<b>-</b>	<b>247</b>	<b>-</b>	<b>658</b>
<b>Main Estimate 2011-12</b>	<b>281,584</b>	<b>404,513</b>	<b>52,518,753</b>	<b>52,923,266</b>	<b>3,266,000</b>	<b>383,563</b>
<i>of which:</i>						
Depreciation Ring Fence	-	20,000	7,083	27,083	-	-
Overseas Development Ring Fence	-	-	3,000	3,000	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	281,584	384,513	50,633,670	51,018,183	3,266,000	383,563
<b>Control Total</b>	<b>281,584</b>	<b>404,513</b>	<b>52,518,753</b>	<b>52,923,266</b>	<b>3,266,000</b>	<b>383,563</b>
<b>Changes in Supplementary 2011-12</b>						
<b>Budget Cover Transfers</b>						
To the Home Office for the UK Border Agency	-	-	7,000	7,000	-	-
To DCLG for Troubled Families	-	-	10,000	10,000	-	-
From DWP for the Joint International Unit	-	917	-	917	-	-
From BIS for International Education	-	-	16,200	16,200	-	-
<b>Machinery of Government Change</b>						
To DCLG for Troubled Families	-	474	20,000	20,474	-	-
<b>Autumn Statement</b>						
Administration Savings back to Treasury	-	25,000	-	25,000	-	-
Draw down of additional funding	-	-	257,600	257,600	475,000	-
<i>Of which:</i>						
Disadvantaged 2 year olds	-	-	203,000	-	-	-
Not in Education, Employment or Training	-	-	42,000	-	-	-
Youth Contract	-	-	12,600	-	-	-
Free Schools	-	-	-	-	300,000	-
Additional School Places	-	-	-	-	175,000	-
<b>Spending Policy</b>						
VAT Refund Scheme to HM Treasury	-	287,000	-	-	-	389,000
<b>Total</b>	<b>-</b>	<b>287,000</b>	<b>-</b>	<b>236,800</b>	<b>212,243</b>	<b>475,000</b>
<b>Supplementary Estimate 2011-12</b>	<b>-</b>	<b>5,416</b>	<b>379,956</b>	<b>52,755,553</b>	<b>53,135,509</b>	<b>3,741,000</b>
<i>of which:</i>						
Depreciation Ring Fence	-	20,000	7,083	27,083	-	-
Overseas Development Ring Fence	-	-	3,000	3,000	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	-	5,416	359,956	50,870,470	51,230,426	3,741,000
<b>Control Total</b>	<b>-</b>	<b>5,416</b>	<b>379,956</b>	<b>52,755,553</b>	<b>53,135,509</b>	<b>3,741,000</b>

# DfE Supplementary Estimate Memorandum 2013-14

	2,013	2,014	2,014	2,014	2,014	2,014
	AME £000	Admin £000	Programme £000	Total RDEL £000	Capital £000	AME £000
<b>Changes in Main Estimate 2012-13</b>						
Budget Cover Transfers						
To Ministry of Justice for Youth Justice Board	-	-	37,000	37,000	-	-
To DCMS from Basic Needs	-	-	-	-	60,000	-
<b>Total</b>	-	-	37,000	37,000	60,000	-
<b>Main Estimate 2012-13</b>						
	- 5,416	379,956	52,718,553	53,098,509	3,681,000	- 5,437
<i>of which:</i>						
Depreciation Ring Fence	-	20,000	6,646	26,646	-	-
Overseas Development Ring Fence	-	-	3,000	3,000	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	5,416	359,956	50,833,907	51,193,863	3,681,000	5,437
<b>Control Total</b>	- 5,416	379,956	52,718,553	53,098,509	3,681,000	- 5,437
<b>Changes in Supplementary 2012-13</b>						
<b>Budget Cover Transfers</b>						
Transfer to CO National Citizens Service	-	-	100,000	100,000	-	-
Transfer from BIS 19+ Learners in 6th Form Colleges	-	-	3,057	3,057	-	-
Transfer from BIS 19+ Learners in 6th Form Colleges	-	-	38	38	-	-
Transfer to BIS Estates (CSR10 Error)	-	-	3,000	3,000	-	-
Transfer to OFSTED Thematic Surveys	-	-	361	361	-	-
Transfer to DFID for ODA	-	-	3,000	3,000	-	-
Transfer from BIS ISPs	-	-	-	-	7,500	-
Transfer to MOD Cadet Funding	-	-	1,750	1,750	800	-
Resource Budget Savings	-	-	152,373	152,373	-	-
Basic Need	-	-	-	-	231,900	-
<b>Budget Exchange</b>	-	-	392,000	392,000	63,000	-
<b>Total</b>	1,076,384	-	134,611	134,611	301,600	-
<b>Supplementary Estimate 2012-13</b>						
	1,070,968	379,956	52,853,164	53,233,120	3,982,600	- 5,437
<i>of which:</i>						
Depreciation Ring Fence	-	20,000	6,646	26,646	-	-
Overseas Development Ring Fence	-	-	-	-	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	1,070,968	359,956	50,971,518	51,331,474	3,982,600	5,437
<b>Control Total</b>	1,070,968	379,956	52,853,164	53,233,120	3,982,600	- 5,437
<b>Main Estimate 2013-14 Changes</b>						
<b>Transfers</b>						
Transfer to CLG (EIG)	-	-	1,708,918	1,708,918	-	-
Transfer from CLG LACSEG	-	-	1,038,748	1,038,748	-	-
Transfer to BIS 19-24 Learning Difficulty Assessment	-	-	56,760	56,760	-	-
Transfer to OFSTED HMI Programme	-	-	10,000	10,000	-	-
Transfer from DWP Early Intervention Foundation	-	-	1,000	1,000	-	-
Transfer to BIS Career Helpline	-	-	4,695	4,695	-	-
<b>Academy Depreciation</b>	-	-	815,000	815,000	-	-
<b>Budget Reduction</b>	-	-	154,053	154,053	-	-
<b>AME</b>	-	-	-	-	-	-
Provision Utilisation changes	-	-	-	-	-	10,948
<b>Total</b>	-	-	33,842	33,842	-	10,948
<b>Main Estimate 2013-14</b>						
	1,070,968	379,956	52,887,006	53,266,962	3,982,600	- 16,385
<i>of which:</i>						
Depreciation Ring Fence	-	20,000	821,646	841,646	-	-
Overseas Development Ring Fence	-	-	-	-	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	1,070,968	359,956	50,190,360	50,550,316	3,982,600	16,385
<b>Control Total</b>	1,070,968	379,956	52,887,006	53,266,962	3,982,600	- 16,385

# DfE Supplementary Estimate Memorandum 2013-14

Supplementary Estimate 2013-14 Changes	2,013	2,014	2,014	2,014	2,014	2,014
	AME	Admin	Programme	Total RDEL	Capital	AME
	£000	£000	£000	£000	£000	£000
<b>Transfers</b>						
Transfer to Welsh Assembly	-	-	168	168	-	-
Transfer to DCMS - Child Internet Safety	-	138	-	138	-	-
MOG Transfer to Cab Office - Youth Admin	-	126	-	126	-	-
MOG Transfer to Cab Office - BYC	-	-	366	366	-	-
MOG Transfer to Cab Office - Kids Company	-	-	100	100	-	-
Transfer to Dept Health - Schools Milk	-	-	465	465	-	-
Transfer to OFQUAL - Quals for A Levels GCSE Reform	-	900	350	1,250	-	-
Transfer from BIS - 19+ in Sixth Forms	-	-	4,693	4,693	-	-
Transfer from BIS - 19+ in Sixth Forms	-	-	114	114	-	-
Transfer from DCLG - Early Int Foundation	-	-	323	323	-	-
Transfer from DCLG - AGE 16-19	-	-	3,000	3,000	-	-
BIS - ERASMUS	-	90	3,000	3,090	-	-
DCLG WW1 Education	-	-	224	224	-	-
Parliamentary Procedure Reduction	-	-	-	-	1	-
Change in provision	-	-	-	-	-	258,893
<b>Budget Exchange</b>	-	-	400,000	400,000	-	-
<b>Total</b>	-	1,254	396,095	397,349	1	258,893
<b>Supplementary Estimate 2013-14</b>	<b>1,070,968</b>	<b>378,702</b>	<b>52,490,911</b>	<b>52,869,613</b>	<b>3,982,599</b>	<b>242,508</b>
of which:						
Depreciation Ring Fence	-	22,715	821,646	844,361	-	15,000
Overseas Development Ring Fence	-	-	-	-	-	-
Pupil Premium Ring Fence	-	-	1,875,000	1,875,000	-	-
Non Ring-Fenced	1,070,968	355,987	49,794,265	50,150,252	3,982,599	227,508
<b>Control Total</b>	<b>1,070,968</b>	<b>378,702</b>	<b>52,490,911</b>	<b>52,869,613</b>	<b>3,982,599</b>	<b>242,508</b>

**Budgetary Limits Outturn and Plans 2008-09 to 2015-16**

The following table shows DEL and AME Budgets for the SR period (and outturn for 2008-09 to 2012-13) split by Resource and Capital (and showing Administration within Resource). These Budgets are all on a restated full Clear Line of Sight basis

Budgetary Limits	Outturn 2008-09 £m	Outturn 2009-10 £m	Outturn 2010-11 £m	Outturn 2011-12 £m	Outturn 2012-13 £m	Plans 2013-14 £m	Plans 2014-15 £m	Plans 2015-16 £m
<b>Departmental Expenditure Limit</b>								
<b>Resource</b>								
Administration <sup>1</sup>	392.5	395.5	409.9	373.9	387.6	378.7	334.4	304.7
Programme	46,265.0	49,016.3	50,071.0	49,907.5	51,689.1	52,490.9	54,161.5	54,254.4
<b>Total Resource</b>	<b>46,657.5</b>	<b>49,411.8</b>	<b>50,480.9</b>	<b>50,281.4</b>	<b>52,076.7</b>	<b>52,869.6</b>	<b>54,495.9</b>	<b>54,559.1</b>
<b>Capital</b>								
Programme	5,523.7	7,441.9	7,124.3	5,042.2	4,258.8	3,982.6	5,038.7	4,569.0
<b>Total Capital</b>	<b>5,523.7</b>	<b>7,441.9</b>	<b>7,124.3</b>	<b>5,042.2</b>	<b>4,258.8</b>	<b>3,982.6</b>	<b>5,038.7</b>	<b>4,569.0</b>
<b>Annually Managed Expenditure</b>								
<b>Resource</b>								
Programme	-11.3	-30.2	-50.7	63.6	178.3	242.5	-4.4	-19.0
<b>Total Resource</b>	<b>-11.3</b>	<b>-30.2</b>	<b>-50.7</b>	<b>63.6</b>	<b>178.3</b>	<b>242.5</b>	<b>-4.4</b>	<b>-19.0</b>

1 Administration budgets have been restated and include both the Department and its Arm's Length Bodies.

## Explanation of key terms used in the Memorandum

### *Accounting Officer*

A person appointed by the Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. The appointee is, by convention, usually the head of a Department or other organization, or the Chief Executive of an Arm's Length Body (ALB).

### *Administration Costs*

A Treasury control on resources consumed directly by departments and agencies/NDPBs that forms part of the Departmental Expenditure Limit (DEL). It includes staff costs, accommodation and other overheads where they are not directly associated with frontline service delivery.

### *Ambit*

The ambits are set out in Part I of the Departmental Estimate. Separate ambits are required for both expenditure and income in each budgetary category included in the Estimate (DEL, AME and non-budget). The ambit describes the activities for which provision sought in the Estimate will be used.

### *Annually Managed Expenditure*

AME is spending included in Total Managed Expenditure (TME), which does not fall within Departmental Expenditure Limits (DELs). Expenditure in AME is generally less predictable and controllable than expenditure in DEL.

### *Departmental Expenditure Limit*

This is spending within the department's direct control and which can therefore be planned over an extended period, such as the costs of its own administration, payments to local authorities and third parties, within education programmes.

### *Departmental Unallocated Expenditure*

An element of the department's total DEL that is not allocated to particular spending, but held back by the department to meet any future unforeseen pressures.

### *Net Cash Requirement*

The limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of expenditure in its Estimate.

### *Section*

An Estimate line within the Part II: Subhead detail table in an Estimate.