



Department
for Education

Department for Education Main Estimate 2016-17

**Memorandum to the Education Select
Committee**

April 2016

Department for Education Main Estimate 2016-17

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 Department for Education's Main Estimate for 2016-17. The memorandum includes information on the department's key priorities, as well as outlining the departmental budget control totals in the 2015 Spending Review settlement, and the impact of the new sector account on the voted budgets. The new sector account was discussed in the Department's letter of 11th December, the reply from the Chair of the Select Committee dated 17th December, and at the Committee's hearing on 9th March.
2. The Main Estimate budgets (and comparison to 2015-16 Supplementary Estimate equivalent budgets) are summarised in the table below. Two of the ring-fences that applied in 2015-16, covering grants for the pupil premium and for free school meals, do not continue in 2016-17, although spending on these items does continue (see Annex A). Conversely, a new ring fence has been introduced to cover some of the administrative costs of the academies programme.

Table 1 – Estimate Control Totals 2016-17

Budget	2015-16 comparatives ¹ £m	Main Estimate 2016-17 £m	Increase / (Decrease) £m
Departmental Expenditure Limit - Voted			
A. Resource	53,531.0	54,282.1	751.1
<i>Of which ringfenced:</i>	3,202.7	874.3	(2,328.4)
Academies/free school related staffing costs	-	56.0	56.0
Apprenticeships	55.0	803.0	748.0
Pupil Premium	2,567.0	-	(2,567.0)
Depreciation	17.8	15.3	(2.5)
Free School Meals	562.9	-	(562.9)
B. Capital	4,885.1	5,264.0	378.9
<i>Of which ringfenced:</i>	-	-	-
C. Total Voted Departmental Expenditure Limit	58,416.1	59,546.1	1,129.9
D. Annually Managed Expenditure Resource	3.6	10.0	6.4
<i>Of which ringfenced:</i>	-	-	-
Depreciation	-	-	-
E. Total Managed Expenditure (LineC+D)	58,419.7	59,556.1	1,136.4
<i>Of which ringfenced:</i>	3,202.7	874.3	(2,328.4)
Academies/free school related staffing costs	-	56.0	56.0
Apprenticeships	55.00	803.00	748.0
Pupil Premium	2,567.0	-	(2,567.0)
Depreciation	17.8	15.3	(2.5)
Free School Meals	562.9	-	(562.9)
F. Resource Budget Adjustments	2,374.2	2,746.0	371.8
G. Academies additional Resource DEL	1,198.7	1,500.0	301.3
H. Academies AME	1,175.5	1,246.0	70.5
<i>Of which ringfenced:</i>			
Depreciation	1,198.7	1,500.0	301.3
I. Total Resource DEL Budget (C+G)	59,614.8	61,046.1	1,431.3
<i>Of which ringfenced - Depreciation only</i>	1,216.5	1,515.3	298.8
J. Net Cash Requirement	58,517.8	59,530.8	1,013.0

¹ 2015-16 Supplementary Estimate budgets have been restated to separate the budgets into voted and the Resource Budgets. The Voted budget in 2015-16 has been restated to show the grants paid to academies, rather than their actual spending.

3. The introduction of the academy sector account has had an impact on the department's budget. This year, the budgets are separated into the voted control totals contained in the Estimate, and the Resource Budget limits set in the 2015 Spending Review. The voted budget totals include the direct costs of the department, its agencies and arm's length bodies, including grants paid to academies. It excludes the net expenditure by the academy sector, which from 2016-17 is no longer part of the DfE's consolidation group. Although the academies' underlying net outturn is not part of the DfE Parliamentary controls, HM Treasury require the department to set a Resource Budget covering the academy sector's net expenditure. More information on the separation of voted and the Resource Budget is included in the section on structural changes on page 5.
4. The total voted Departmental Expenditure Limit (DEL) budget is £59,546.1 million, a net increase of £1,129.9 million on the equivalent DEL control total in 2015-16. The main reason for this increase is the schools-related resource and capital DEL budgets.
5. The £54,282.1 million DfE Resource DEL budget is based on £54,304.4 million baseline budget included in the 2015 Spending Review Settlement, reduced by the net impact of the changes announced in Budget 2016 totalling (£21.1 million); transfers to/from other government departments totalling £9.5 million; and other changes agreed with HM Treasury totalling (£10.7 million). The detailed control total changes are listed in Annex B. The majority of the budget, £46,798.6 million (86%), is grant funding to local authorities and academies to finance schools. More information on school budgets is provided in Annex E.
6. The majority of the £5.3 billion capital DEL budget is managed by the EFA to provide funding for capital projects in existing schools, and to finance new school buildings. Additional capital is being invested to support the growth in the schools building programmes and the creation of Early Years places required to meet the government's commitments. More information on the changes to capital budgets, and how they are financed, is provided on page 10.
7. The £10 million voted Annually Managed Expenditure (AME) budget comprises movements in provisions held by the department. The non-cash AME budgets for academies are now reported as part of the non-voted budgets. More information on the AME budgets is contained in paragraph 47 onwards.

Key Activities Supported by the Above Provision

8. The Department for Education's overall aim is to provide world-class education and care so that all children and young people have the opportunity to succeed and reach their potential, regardless of background. To achieve this, we want to make progress in three areas.
 - **Safety and Wellbeing** – we want all children and young people being protected from harm and vulnerable children being supported to succeed with opportunities as good as those for any other child.
 - **Educational Excellence Everywhere** – we want every child to have access to high-quality provision, achieving to the best of his or her ability regardless of location, prior attainment and background.

- **Prepared for Adult Life** – we want all 19-year-olds to complete school or college with the skills and character to contribute to the UK’s society and economy, and able to access high-quality work or study options.
9. A high-quality education system creates benefits for the individual receiving the education, their parents, their communities and for society as a whole. The DfE Strategy outlines how the government intends to work towards achieving this vision during the Parliament. It summarises what we’re going to do and why across the early years, children’s services, schools, and 16-19 education. The Single Departmental Plan, published on gov.uk, details how we will achieve our goals and how we will be measured against them.
10. The Single Departmental Plan can be found at <https://www.gov.uk/government/publications/department-for-education-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>.

The DfE Strategy can be found at: <https://www.gov.uk/government/publications/dfes-strategy-2015-to-2020-world-class-education-and-care>

Explanation of Estimate Funding

Departmental Expenditure Limit

11. The Departmental Expenditure Limit (DEL) includes expenditure by the department, its agencies, and arm’s length bodies on pay, purchase of goods and services, current grants, capital expenditure on grants and assets, and non-cash costs including depreciation.
12. The limits are based on the department’s 2015 Spending Review Settlement which has been adjusted for Budget announcements and transfers to and from other government departments. The annual baseline movements for 2016-17 to 2019-20 which have been agreed since the Spending Review are listed in Table 8 on page 14.
13. The three separate DEL control totals are:
- Resource DEL – administration: £335 million
 - Resource DEL – programme: £53,947 million
 - Capital DEL : £5,264 million
14. In addition to the high level summary in Table 1, comparative information on the DEL budgets from 2012-13 to 2019-20 is set out in Annex C.

Annually Managed Expenditure

15. Annually Managed Expenditure (AME) budgets cover expenditure that is demand led or exceptionally volatile, which makes it difficult for departments to control. Our AME budgets are all classified as programme budgets in the Estimate. AME budgets are not part of the Spending Review settlement: they are agreed annually with HM Treasury. We have included some estimates for future years based on the cash utilisation for provisions included in the RDEL budgets, but these will be updated in future Estimates.
16. The £10 million Voted AME budget comprises non-cash costs related to the creation and release of provisions covering the department, its agencies, and arms’ length bodies. From

2016-17 onwards it excludes academies. The budgets covering the academy sector are now included in the non-voted AME budget. More information on AME budgets is provided in paragraphs 47 - 52.

Structural Changes to the Estimate

17. The Estimate structure is based on the programme activities of the directorates within the department, with each executive agency having its own budget line. This year there have been a number of structural changes, which are mainly related to aligning the Estimate structure with the new approach to accounting for academies. We have made the following changes:

- Inserted a new section (Section C) for the arms' length bodies related to School Infrastructure and the Funding of Education. The resource expenditure by the Aggregator Vehicle plc (related to the funding of privately financed schools) is included in this Section.
- Renamed Section E formerly called 'Children's Services and Departmental Strategy Department (Department)' to 'Children's Services, Equality and Communications (Department)' to reflect the directorate's new responsibilities
- Renamed Section F formerly called 'Children's Services and Departmental Strategy Department (ALB)' to 'Children's Services, Equality and Communications (ALB)'. This name reflects the directorate responsible for the Office of the Children's Commissioner and the Equality and Human Rights Commission.
- Created a new voted budget line for EFA's school related grants to local authorities (Section J). These had previously been reported in Section I (EFA).
- Created a new voted budget line for EFA's grant funding to academies for the financial year (Section K). This line includes funding to the academy sector, such as the General Annual Grant, paid by EFA. This replaces the old section which contained the net resource budget for the underlying expenditure by academies.
- Created new non-Voted resource budgets for the underlying resource and capital expenditure by academies, previously included in voted expenditure.

18. As a result of these structural changes we have restated the 2015-16 Supplementary Estimates to show the net impact of these changes at section level. The changes are summarised in Table 2 below:

Table 2: Impact of academy sector-related structural changes on voted control totals

2015-16 Section Reference	2016-17 Section Reference	Reason for change	RDEL Change £m	CDEL Change £m	AME Change £m
H- Education Funding Agency - excluding Academies	I Education Funding Agency	Transfer schools grants paid to local authorities to new Estimate line	(31,044.2)	(2,041)	-
Not applicable	J Grants to LA Schools via EFA	Create new school grants to local authorities line	31,044.2	2,041	-
Not applicable	K Grants to Academies via EFA	Create new grants to academies line	15,352.7	791	-
I Net Academies	Academies (Net)	Remove academies underlying DEL expenditure from voted budgets	(16,378.5)	(791)	-
L Net Academies	Academies (Net)	Remove academies underlying AME expenditure from voted budgets	-	-	(1,176)
Net Impact on 2015-16 voted control totals			(1,025.8)	-	(1,176)

19. This change has also affected the ambit. The references to the underlying income and expenditure by academies have been removed and replaced with wording covering the department's grant funding to academies.

Significant Changes to Programmes and those with Increased Remit Departmental Expenditure Limit

Resource DEL – Administration Costs - £335million

20. 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 F, G, H, and I.

21. The DfE's share of the administration cost control total set in the Spending Review was £323.3 million, with

- £23 million for depreciation (this was subsequently reduced to £12.3 million).
- £55.7 million for staff costs related to the administration of the academy and free schools programmes. This funding is necessary to ensure we have the resource necessary to deliver the expansion of the academies and free schools programme.

22. Subsequent changes have increased the amount we can spend on administration costs by £11.7 million to £335 million in 2016-17, due to:

- £18.5 million transferred in from Department for Culture Media and Sport (DCMS) for the Government Equalities Office and the Equality and Human Rights Commission. Although the equality functions transferred to DfE in 2015-16, the transfer occurred while the Spending Review figures were being finalised and consequently it was agreed that DCMS would include equality budgets in their Spending Review bid. The budgets for the entire spending review period transferred to DfE in March 2016.
- £3.9 million additional funding related to measures announced in Budget 2016. This funding will be used to support the introduction on the Longer School Day and the Northern Schools package.
- (£10.7) million reduction in the department's depreciation budget from £23 million to £12.3 million which is largely due to the downsizing of the departmental estate.

23. Table 3a below compares the 2015-16 administration cost budgets to the 2016-17 budgets.

Table 3a Administration cost control total

Section	Description	2015-16 Supp Estimate £m	2016-17 Main Estimate £m	Increase / (Decrease) £m	% Change
A	Activities to support all functions	207.0	237.4	30.4	14.7
E	Children's Services and Departmental Strategy ALBs	17.2	16.3	(0.9)	(5.5)
F	Standards and Testing Agency (STA)	4.0	3.7	(0.3)	(6.7)
G	National College for Teaching and Leadership (NCTL)	13.0	13.6	0.6	4.4
H	Education Funding Agency (EFA)	71.9	64.0	(7.9)	(10.9)
TOTAL Administration cost control total		313.1	335.0	21.9	6.99

24. There are several internal transfers of budget responsibility for administration budgets which have led to movements in Estimate Section level budgets, but the overall increase of £21.9 million administration reflects additional budgets to assist the department with supporting its objectives. The main reasons for the increase/decrease are given below.

25. Section A - the increase of £30.4 million is due to the following factors:

- the centralisation of ICT modernisation, estates and digital budgets into the corporate centre has increased Section A by £10.5 million
- an additional £3.9 million was allocated in the budget to support the administration costs associated with the implementation of Longer School Day policy and improving schools in the North of England
- an additional £13.8 million, to support the administration costs associated with the academy programme
- an additional £2.2 million to support all objectives and staff costs including a minor increase for pay and other general expenditure.

26. Section H – the EFA's administration cost budget has decreased by £7.9 million as a result of centralisation of ICT budgets to Section A and other savings.

27. Further information on administration control totals in past and future years is available in Annex C.

Resource DEL – Programme Costs £53,947 million

28. The DfE's programme DEL allocation in the Spending Review settlement was £53,981 million to support all the departmental priorities, of this £3 million was ring-fenced for depreciation on departmental assets. The most significant element of the 2016-17 programme budgets is the £40.2 billion protected schools budget. The protected schools budget includes the Dedicated Schools Grant, Pupil Premium and additional funding based on pupil numbers to protect the schools budget. The following changes, totalling a reduction of £34 million, have been agreed after the Settlement Letter was issued in February 2016:

- Transfers to/from other departments which have decreased RDEL programmes by (£9 million)
- Additional £75 million funding for:
 - Education reforms: £61 million

- Northern Schools Package: £9 million
- Mentoring: £5 million
- Reduction of RDEL programmes (£100 million) to contribute to the accelerated implementation of the National Funding Formula in 2017-18.

29. The following paragraphs provide further information on the more significant movements on programme budgets i.e. those Estimate sections which have changed by more than 10%, plus the Education Funding Agency's budgets for its own expenditure, grants to local authorities for schools and grants to academies (as EFA holds the largest budgets within the department). The sections with the significant changes are shown in Table 3b:

Table 3b Significant changes to programme budgets

Section	Description	2015-16 Restated Estimate £000	2016-17 Main Estimate £000	Increase / (Decrease) £000	% Change
A	Activities to support all functions	39,745	24,814	(14,931)	-37.6%
B	School Infrastructure and Funding of Education (Department)	161,038	185,520	24,482	15.2%
D	Education Standards, Curriculum and Qualifications	160,026	333,568	173,542	108.4%
E	Children's Services, Equality and Communication (Department)	331,919	387,654	55,735	16.8%
G	Standards and Testing Agency	47,262	57,955	10,693	22.6%
I	Education Funding Agency ¹	5,674,744	5,833,760	159,016	2.8%
J	Grants to local authority schools via EFA ¹	31,044,210	31,171,124	126,914	0.4%
K	Grants to Academies via EFA ¹	15,352,748	15,527,523	174,775	1.1%

¹ Estimate lines I, J and K have been restated to separate the local authority schools funding from other EFA programme expenditure, and to replace resource spending by academies with grants paid to academies

30. The following paragraphs provide more detail on the changes in the sections listed in table 3b.

Activities to support all functions

31. The expansion of the Risk Protection Arrangement (RPA) for academy trusts has seen the allocation for this area increased from £9.8 million to £34.1 million, an increase of £24.3 million. This is offset by a new income budget for the contributions from the academy trusts of £34.7 million. The combined impact of RPA changes is a reduction in net expenditure of (£10.4 million).

32. Other items which contribute to the reduction on this line include a reduction in IT depreciation (£2.1 million), the end of data hosting contracts (£0.9 million), estates costs (£0.8 million), and early release costs (£0.7 million)

School Infrastructure and Funding of Education

33. The £24.5 million increase in 2016-17 programme budgets includes a new £10 million allocation for Rebrokerage (as the rebrokering process is now split between Education Funding Agency and Infrastructure & Funding Directorate), an increase in the Sponsor Capacity budget (£7.5million) in the bid to attract more sponsorship for increasing conversions

and an increase in the converter budget (£7.5 million) due to the expected increase in academy conversions.

Education Standards, curriculum and qualifications

34. The Section D budget for expenditure by the Education Standards Directorate is increasing from £160.0 million in 2015-16 to £333.6 million in 2016-17. This increase results from the departmental decision to bring together financial and policy responsibilities within the policy directorates. This means, for example, that the budget for the PE Sport strategy programme, which funds the PE and Sport Premium payments to state-funded primary schools to improve their provision of Sport and PE, will no longer be shown in Section I Education Funding Agency (EFA), but will now be included in Section D. This programme accounts for £165.9 million of the difference between the two financial years.

35. The balance across the two accounting periods reflects both increases (associated with policy development and expansion, for example) and reductions (associated with the culmination of activity and expenditure, for example) in programme budgets.

Children's Services, Equality and Communication

36. The increase in Children's Services budgets relates to additional funding received for the early implementation of the Early Years 30 Hours childcare provision of £13 million, plus funding for a range of Children's Services improvement programmes. The £42 million difference in the year end versus the start of this year is the net effect of budgets that were transferred internally to the National College of Teaching and Leadership and to Ofsted in 2015-16 that have yet to be transferred in the 2016-17 Estimate. These changes will be reflected in the Supplementary Estimate.

Standards and Testing Agency (STA)

37. The main factors accounting for the increase in the STA programme of £10.6 million are:

- The Marking budget has increased by £5 million due to increased pupil numbers, an increase in the amount of support Pearson will need to provide to schools, an increase in the number and size of tests papers, an expected increase in the volume of requests for reviews and an increase in number of markers required.
- Year 7 Resits is a new area of activity. STA has allocated £2 million to fund additional testing of students who did not meet the expected standards at the end of key Stage 2.
- An additional £1 million has been allocated to fund the Multiplication Tables Check - the on-screen testing of multiplication.
- The STA budget includes £3.8 million which was allocated to the Reception baseline programme, of which £2.8 million will be reallocated in the Supplementary Estimate to other departmental budgets, whilst £1 million will be retained for the reimbursement of any schools opting to continue to use the assessments next year.

Education Funding Agency (EFA)

38. The increase of £159 million in 2016-17 is mainly due to the £236 million increase in Foundation Learning and the Apprenticeships budget has been increased by £113 million in 2016-17 in line with expected demand for the programme. This has been offset by decreases in the Educational Services Grant and other smaller programmes totalling (£190 million).

Grants to local authorities schools via EFA

39. The £127 million increase in 2016-17 budgets stems from the sixth-form and Dedicated Schools Grant (DSG) budgets. At the time of the Main Estimate, the data required to split the sixth-form funding between academies and local authorities was unavailable, so the full £2.2 billion budget is included in this Estimate section. As a result, the sixth-form budget appears to be £1.5 billion higher than last year. The academy sector sixth-form grants will be reallocated to Section K in the Supplementary Estimates. This budget increase is partially offset by the DSG which is (£1.1 billion) lower in 2016-17. The amount allocated to the DSG funding to the local authority sector is not an adjustment to the basis of the grant payable to local authorities; it reflects the trajectory of schools expected to convert to academies. Other changes totalling (£232.2 million) reduces the total Section J budgets.

Grants to Academies via EFA

40. The £175m increase in 2016-17 stems mainly from the expected increase in the number of academy conversions. The Infant Free School Meals academies allocation has also been increased from 2015-16 in line with the expected number of conversions.

41. See Annex A for details of all the section budgets, including comparatives for the budgets in 2015-16 and 2014-15 which have been restated in line with the 2016-17 Estimate structure.

Transfers of Functions to and from Other Government Departments (OGDs)

42. We frequently transfer budgets to, and receive transfers from, other departments. The transfers can be the result of budgets for functions transferring to the department (e.g. the transfer of the equalities and human rights related budgets), or to transfer funding for joint programmes.

43. The net impact of the changes is to decrease departmental programme budgets by £9.5 million. Table 4 lists the individual changes.

Table 4 Transfers (to)/from other departments - RDEL

Section Ref	Other Department	(To)/From	Reason	Admin £000	Programme £000
A	Department of Culture, Media and Sport	From	Transfer of Government Equality Office to DfE	4,017	9,874
D	Department of Health	To	Transfer of DfE contribution to the fruit and vegetable scheme	-	(21,000)
D	Home Office	To	Transfer of DfE contribution for school security grant		(3,000)
F	Department of Culture, Media and Sport	From	Transfer of Equality and Human Rights Commission to DfE	14,495	5,920
J	Department for Business, Innovation and Skills	To	Transfer of funding for Business Information Modelling		(837)
TOTAL BUDGET TRANSFERRED (TO) / FROM OGDs				18,512	(9,043)

Capital DEL

44. The department's £5.3 billion capital budget is mainly spent on: enabling Local Authorities to discharge their duty to ensure there are enough school places; maintaining the school estate; undertaking major replacement and refurbishment projects for schools in the worst condition through the Priority Schools Building Programmes; and facilitating educational reform through the Free Schools programme. The budgets by Estimate section are summarised in Table 5.

Table 5 Capital DEL summary

Section Title	Capital Budget 2015-16 (Restated) (£000s)	Capital Budget Main Estimate 2016-17 (£000s)	Increase / (Decrease) (£000s)	%
Section A: Activities to support all functions	20,847	50,000	29,153	140
Section B: School Infrastructure and Funding of Education	2,500	2,000	(500)	(20)
Section F: Children's Services, Equality and Communication (ALB) (Net)	387	-	(387)	(100)
Section I: Education Funding Agency	2,029,253	2,473,812	444,559	22
Section J: Grants to local authorities	2,041,098	2,127,578	86,480	4
Section K: Grants to academies	791,052	610,611	(180,441)	(23)
CAPITAL DEL CONTROL TOTAL	4,885,137	5,264,000	378,863	8

45. The budgets in Table 5 reflect continued investment in the growth and maintenance of the education estate, refurbishment and replacement of those school buildings in the worst condition, and educational reform through the delivery of the Free Schools programme. The main changes to capital budgets are caused by:

- Section A – additional funding for the main works phase of the Old Admiralty Building refurbishment, ahead of the department's move to a new London site, has increased expenditure on the department's assets.
- Section I – budgets have increased to reflect the forecast volume of Free Schools works as the Department delivers the manifesto commitment to open 500 more Free Schools. In addition there are some smaller changes to other programme budgets.
- Section F - the 2016-17 capital budget for the Equality and Human Rights Commission is to be confirmed early in the year and updated in the Supplementary Estimate.
- Section J – additional funding is being provided to Local Authorities to create new school places to meet demographic pressures.
- Section K - the academy sector related budget was increased in the 2015-16 Supplementary Estimate to take account of increased capital expenditure by academies. Following the introduction of the new approach to accounting for academies the 2016-17 budget represents the planned grant payments to academies only.

46. See Annex D for a detailed breakdown of the capital budgets by programme, and how each has changed since last year

Annually Managed Expenditure

47. The Main Estimate voted AME budget of £10 million relates to the net movement in departmental provisions, including the creation of new provisions for future costs arising from this year's activities.

48. The non-voted resource budget includes the department's initial estimate of the non-cash related academy budgets, based on 2015-16 estimated costs. These figures will be updated in the Supplementary Estimate using the budgetary forecast information that will be available later in the year.

49. The key elements of the budgets are set out in the table below:

Table 6 AME Budgets

Type of Budget	Section	AME Supp Estimate 2015-16 (£000s)	AME Main Estimate 2016-17 (£000s)	Increase / (Decrease) (£000s)
Property Provision	L	7,711	-	(7,711)
Early Departure Provisions	L	(14,902)	(15,000)	(98)
Risk Protection Arrangement	L	13,079	20,000	6,921
Impairment	L	-	5,000	5,000
Other provisions	L	(2,000)	-	2,000
EFA provisions	-	(270)	-	270
Total Voted AME budget		3,618	10,000	6,382
Academies related budgets:				
Depreciation on donated assets		60,000	80,000	20,000
Net movement in LGPS pension scheme		930,000	930,000	-
Increase in other academy trust / free school provisions		5,500	6,000	500
Academy impairments		180,000	230,000	50,000
Total Non-voted AME budget		1,175,500	1,246,000	70,500
TOTAL AME		1,179,118	1,256,000	76,882

50. The voted AME budget will be used by the department as follows:

- We expect the amount of cash paid out of the early departure cost provision to be more than the amount we need to set aside for future years. The net difference is a £15m credit accounting adjustment.
- We expect the net movement on the Risk Protection Arrangement provision to be a £20 million cost to the department
- £5m has been set aside for the estimated impairment costs following the professional valuation of St Pauls Place, our office in Sheffield.

51. More information on the provisions is included in paragraphs 57 to 63.

52. The non-cash budgets for academies include

- £80 million for the depreciation on assets donated to academies / free schools when they open or on conversion
- £930 million for the estimated movement in the Local Government Pension Scheme pension liability in relation to academies' employees who are members of that scheme. As this is a volatile budget that cannot be predicted with any accuracy, we are using the 2015-16 budget as a baseline, and we will forecast the potential movement when we have more useful information later in the year.
- £6 million for the net increase in provisions held by academies and free schools
- £230 million for the estimated cost of revaluing assets in line with departmental policies when an academy /free school opens or converts. This is based on an average figure per academy and the estimated total number of academies. This is an initial forecast and will be updated in the Supplementary Estimate.

Net Cash Requirement

53. The Net Cash Requirement sets a limit on the amount of cash needed to fund the department's activities.

54. Table 7 details the reconciliation between the net resource and capital total and the net cash requirement. The major difference between resource and cash limits is that net cash requirement limit includes grant in aid, cash payments from provisions, but excludes non-cash expenditure (e.g. depreciation, NDPBs resource expenditure, notional audit fee).

Table 7 Net Resource to Net Cash reconciliation

	Cash Requirement 2015-16 (Restated) £000	Cash Requirement Main Estimate 2016-17 £000	Increase / (Decrease) £000
Net Resource Requirement	53,534,664	54,292,104	757,440
Net Capital	4,885,137	5,264,000	378,863
	58,419,801	59,556,104	1,136,303
Departmental depreciation	(28,592)	(15,276)	13,316
New provisions and adjustment to existing provision (eg discount rate change)	(33,126)	(58,221)	(25,095)
Use of provisions	29,508	48,221	18,713
Adjustment to replace ALB outturn with cash Grant in Aid	89	(1)	(90)
Other non-cash items	(841)	-	841
Movement in debtors/creditors	131,000	-	(131,000)
Net resource to cash adjustments	98,038	(25,277)	(123,315)
Net Cash Requirement	58,517,839	59,530,827	1,012,988

55. The £1.01 billion increase in the net cash requirement is consistent with the £1.13 billion increase in departmental expenditure.

Departmental Control Totals

56. Table 8 shows how the Department's voted control totals have been changed since the Spending Review 2015. A more detailed breakdown of the 2016-17 in-year changes is provided at Annex B.

Table 8 Changes to control totals

Control Total	2016-17 £000s	2017-18 £000s	2018-19 £000s	2019-20 £000s	2020-21 £000s
DEL Admin Resource					
SR 2015	323,333	320,783	303,183	293,933	-
Main Estimate 2016-17 changes	11,666	9,385	8,482	6,349	-
Total DEL Admin Resource	334,999	330,168	311,665	300,282	-
DEL Programme Resource					
SR 2015	53,981,125	55,025,640	55,968,425	56,736,350	-
Main Estimate 2016-17 changes	(34,020)	520,752	570,381	560,008	-
Total DEL Programme Resource	53,947,105	55,546,392	56,538,806	57,296,358	-
Total Resource DEL					
SR 2015	54,304,458	55,346,423	56,271,608	57,030,283	-
Main Estimate 2016-17 changes	(22,354)	530,137	578,863	566,357	-
Total DEL Resource	54,282,104	55,876,560	56,850,471	57,596,640	-
DEL Capital					
SR 2015	5,264,000	4,646,000	4,446,000	4,441,000	4,572,000
Main Estimate 2016-17 changes	-	100,000	498,000	(598,000)	-
Total DEL Capital	5,264,000	4,746,000	4,944,000	3,843,000	4,572,000
AME					
SR 2015	-	-	-	-	-
Main Estimate 2016-17 changes	10,000	(60,552)	(73,068)	(85,528)	-
Total AME	10,000	(60,552)	(73,068)	(85,528)	-
Total Managed Expenditure					
SR 2015	59,568,458	59,992,423	60,717,608	61,471,283	4,572,000
Main Estimate 2016-17 changes	(12,354)	569,585	1,003,795	(117,171)	-
Total Managed Expenditure	59,556,104	60,562,008	61,721,403	61,354,112	4,572,000

Provisions and Liabilities

57. There are five main categories of provisions for liabilities and charges included in the department's budgets and accounts:

- early departure cost provision
- retirement compensation provision
- property provision
- Risk Protection Arrangement (RPA) provision
- other provisions.

58. Details of these provisions are provided below.

59. 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 which are paid to DfE employees who retire early, and compensation payments payable to employees who take early severance.

60. The Retirement Compensation provision was created to cover the department's liability to pay premature retirement compensation to non-departmental staff. The provision currently covers costs relating to the 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 other NDPBs. We are expecting the payments to pensioners being released from the provision to exceed new provision being set aside this year.

61. The property provision provides for the future liabilities relating to former property leases which were re-assigned to the Secretary of State on the closure of the relevant programmes. The provision was based on the assumption that the property leases for buildings used by NDPBs would expire in 2015, and the anticipated disposal for the last Training and Enterprise Council property will be in 2016; consequently the provision would not be required after 2016-17. However, this provision is being extended as we have set aside an additional £8 million provision for dilapidations on our current London HQ site which we will vacate shortly. At this point in the year we do not need to change this provision.

62. The Risk Protection Arrangement (RPA) for academy trusts is a new scheme that provides an alternative to insurance where losses that arise are covered by government funds. The provision has been increased this year to meet the future liabilities, in respect of events that will occur in 2016-17, based on an actuarial model of expected claims. The £20 million increase in the provision reflects the increase in the number of academies joining the scheme, which increases the potential claim on the fund.

63. Other provisions include various different categories of provisions held by ALBs and former ALBs. This category of provision includes a provision resulting from the finding of a Judicial Review of decisions on promotion and retirement rights of European School Teachers, disputed utilities costs and equal pay claims. The Judicial Review created an obligation for the group to make these payments to European School Teachers. Details of other provisions held by the executive agencies and NDPBs can be found in their individual annual reports and accounts.

Contingent Liabilities

64. Contingent liabilities are potential liabilities that are uncertain, and the department will only incur future expenditure if certain conditions are met or if certain events happen. At the time of the preparation of the Main Estimate, the department has eight current contingent liabilities. This is unchanged since the 2015-16 Supplementary Estimate. The following paragraphs provide more details of the current individual indemnities and guarantees.

Statutory contingent liabilities

65. 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 the adjudicator in connection with any decision taken in pursuit of the statutory duties of the Office of the Schools Adjudicator. The adjudicator's decisions can be challenged through judicial review. It is not possible to quantify the potential costs.

Non-statutory contingent liabilities

66. The department is providing an indemnity to local authorities for potential costs in respect of buildings financed by existing Private Finance Initiative (PFI) arrangements, and which are used by academy trusts. This type of indemnity is considered to be low risk. The use of the school by an academy does not create a new liability, it just moves the liability from local to central government. Parliament was notified on 26 February 2015 that as a result of the increase in the number of academies, the department estimated the potential liability at £7.3 billion. To date the department has not received any claims against these PFI arrangements.
67. The department has provided a £12.5 million guarantee to the Tottenham Hotspur Property Co. Ltd in relation to a commercial lease arrangement for an academy trust site.
68. The department has provided a guarantee to cover costs that would arise from the reinstatement of the Norwich Free School's building to its original condition in the event of its closure. The latest available estimate of the likely cost is £110,000, which has not changed since 2014-15.
69. 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 the group engage Principals Designate, and meet the salary costs prior to a school opening. The department has agreed to underwrite the salaries of Free Schools' Principals Designate for up to two terms in the event that the schools do not open as planned. The department estimates that the current balance for this guarantee has reduced to £168,000 during the last financial year.
70. 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 a local authority. Consequently, academy trusts were 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, the group will meet any outstanding pension liabilities owed to the pension scheme. The upper limit of the guarantee has been increased from £6.5 million in 2014-15 to £8.5 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 increase in employer contribution rates upon conversion to academy status.

71. CET Westminster Free School, a free school project, 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 £5 million indemnity expires on 31 December 2017.
72. The department has agreed to act as guarantor for Free Schools in the event they breach their tenant default agreements with their landlords. This guarantee has an upper limit of £2.5 million.

Departmental Accounting Officer

73. 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.
74. The Departmental Accounting Officer has personal responsibility for the content of the memorandum, and formal approval of the memorandum has therefore been obtained prior to submission to the Select Committee.

Annex A Detailed breakdown

Section / Expenditure	2015-16 Supp Estimate Budgets (Restated) (£m)	2016-17 Main Estimate Budgets (£m)	Increase / (Decrease) (£m)	2014-15 Budgets (Restated) (£m)
Departmental Expenditure Limit				
A. Activities to Support all Functions	267.6	312.2	44.6	270.8
Administration	207.0	237.4	30.4	221.8
Capital	20.8	50.0	29.2	15.1
Other Resource	39.8	24.8	(15.0)	33.8
B. School Infrastructure and Funding of Education (Department)	163.5	187.5	24.0	166.6
Resource	161.0	185.5	24.5	151.8
Capital	2.5	2.0	(0.5)	14.8
C. School Infrastructure and Funding of Education (ALB)*	-	-	-	-
Programme	-	-	-	-
D. Education Standards, Curriculum and Qualifications (Department)	160.0	333.6	173.6	219.7
Programme	160.0	333.6	173.6	219.7
E. Children's Services, Equality and Communication (Department)	331.9	387.7	55.8	356.7
Programme	331.9	387.7	55.8	356.7
F. Children's Services, Equality and Communication (ALB) (Net)	25.4	23.7	(1.7)	2.9
Administration	17.2	16.2	(1.0)	1.8
Programme	7.8	7.5	(0.3)	1.1
Capital	0.4	0.0	(0.4)	0.0
G. Standards and Testing Agency	51.3	61.7	10.4	45.4
Administration	4.0	3.7	(0.3)	5.7
Programmes	47.3	58.0	10.7	39.7
H. National College for Teaching and Leadership	411.4	431.3	19.9	402.8
Administration	13.0	13.6	0.6	18.5
Programmes	398.4	417.7	19.3	384.3

* Section C has a net £1,000 resource programme budget for Aggregator Vehicle plc

Annex A Detailed breakdown (continued)

Section / Expenditure	2015-16 Supp Estimate Budgets (Restated) (£m)	2016-17 Main Estimate Budgets (£m)	Increase / (Decrease) (£m)	2014-15 Budget (£m)
Departmental Expenditure Limit continued				
I. Education Funding Agency	7,776.0	8,371.6	595.6	7,609.4
Administration	71.9	64.0	(7.9)	75.1
Programmes	5,674.8	5,833.8	159.0	5,880.9
<i>Of which:</i>				
<i>Foundation Learning</i>	3,787.4	4,022.9	235.5	4,628.8
<i>Apprenticeships</i>	736.1	849.5	113.4	781.6
<i>Educational Services Grant</i>	558.0	475.0	(83.0)	711.0
<i>Other</i>	593.30	486.4	(106.9)	(240.5)
Capital	2,029.3	2,473.8	444.5	1,653.4
<i>Of which:</i>				
<i>Targeted</i>	1,967.1	2,291.0	323.9	1,537.0
<i>Other</i>	95.7	182.8	87.1	116.4
J. Grants to LA Schools via EFA	33,085.3	33,298.7	213.4	34,403.3
Programmes	31,044.2	31,171.1	126.9	31,852.7
<i>Of which:</i>				
<i>Dedicated Schools Grant</i>	27,569.7	26,438.7	(1,131.0)	27,755.0
<i>Maintained Sixth Forms</i>	743.4	2,233.5	1,490.1	991.0
<i>Pupil Premium</i>	1,669.6	1,655.2	(14.4)	1,900.0
<i>Other</i>	1,061.5	843.7	(217.8)	1,206.7
Capital	2,041.1	2,127.6	86.5	2,550.6
<i>Of which:</i>				
<i>Devolved</i>	2,007.5	2,115.0	107.5	1,766.1
<i>Other</i>	33.6	12.6	(21.0)	784.5
K. Grants to Academies via EFA	16,143.7	16,138.1	(5.6)	15,494.2
Programme	15,352.7	15,527.5	174.7	14,972.0
Capital	791.0	610.6	(180.4)	522.2
Total Departmental Expenditure Limit	58,416.1	59,546.1	1,130.0	58,971.8

Annually Managed Expenditure				
L. Activities to Support all Functions	3.6	10.0	6.4	(12.3)
Provisions	3.6	10.0	6.4	(12.3)
Activities to Support all Functions (Executive Agencies)	(0.3)	0.0	0.3	5.5
Provisions	(0.3)	0.0	0.3	5.5
Annually Managed Expenditure	3.3	10.0	6.7	(6.8)

Annex B Control Totals

This table shows the changes made to the main control totals for 2016-17, announced in the Spending Review 2015, and subsequent changes (e.g. Budget 2016 announcements)

	RDEL Admin £000	RDEL Programme £000	RDEL TOTAL £000	Capital £000	AME £000
Voted non-ringed fenced	300,333	53,978,125	54,278,458	5,264,000	-
Voted ring-fence (depreciation)	23,000	3,000	26,000	-	-
Voted control totals as per Settlement Letter	323,333	53,981,125	54,304,458	5,264,000	-
Changes to voted budgets included in Main Estimate					
<u>Transfers to Other Government Departments</u>					
Transfer out to Department of Health - contribution to Schools Fruit and Vegetable Scheme		(21,000)	(21,000)		
Transfer out to Home Office - school security grant		(3,000)	(3,000)		
Transfer out to Dept for Business Innovation and Science - Business Information Modelling		(837)	(837)		
Transfer in from Department for Culture, Media and Sport - GEO and EHRC	18,512	15,795	34,307		
a) Total Transfers (to) / from OGDs	18,512	(9,042)	9,470	-	-
<u>Budget Day Changes</u>					
Education: School Reforms Academisation		61,000	61,000		
Northern Schools Package	400	9,000	9,400		
Mentoring		5,000	5,000		
Longer School Day	3,500		3,500		
Exchange RDEL to contribute to National Funding Formula activity in 2017-18		(100,000)	(100,000)		
b) Total Budget Day Changes	3,900	(25,000)	(21,100)	-	-
<u>Other Changes</u>					
Updated depreciation budget	(10,746)	22	(10,724)		
Addition of AME budgets			-		10,000
c) Total other changes	(10,746)	22	(10,724)	-	10,000
Total changes to voted budgets in the Main Estimate (a+b+c)	11,666	(34,020)	(22,354)	-	10,000
Main Estimate 2016-17 voted control totals	334,999	53,947,105	54,282,104	5,264,000	10,000
Of which					
Voted Ring fenced					
Depreciation	12,254	3,022	15,276	-	-
Academies Sector - staff costs	55,700	-	55,700	-	-
Apprenticeship	-	803,000	803,000	-	-
VAT - capital	-	-	-	44,000	-
Total Voted Ring-fenced control totals	67,954	806,022	873,976	44,000	-
Non ring-fenced control totals	267,045	53,141,083	53,408,128	5,220,000	10,000
Total 2016-17 voted control totals	334,999	53,947,105	54,282,104	5,264,000	10,000
Non-voted budgets included in Main Estimate for academy sector					
Non-voted RDEL control total in Settlement Letter	-	1,199,000	1,199,000	-	-
Increase in Academies depreciation	-	301,000	301,000	-	-
Estimated academies net resource budgets	-	15,095,300	15,095,300	610,611	1,246,000
Non-Voted Budgets as at 2016-17 Main Estimate	-	16,595,300	16,595,300	610,611	1,246,000
Of which					
ring-fenced	-	1,500,000	1,500,000	-	-
non ring-fenced	-	15,095,300	15,095,300	610,611	1,246,000
Total 2016-17 non-voted control totals	-	16,595,300	16,595,300	610,611	1,246,000
Reconciliation of Main Estimate to Net Resource Budget					
Main Estimate 2016-17 voted control totals	334,999	53,947,105	54,282,104	5,264,000	10,000
less grants paid to academy sector (estimate line K)	-	(15,527,523)	(15,527,523)	(610,611)	-
add non-voted net academies budgets	-	16,595,300	16,595,300	610,611	1,246,000
Net Resource Budget	334,999	55,014,882	55,349,881	5,264,000	1,256,000

Annex C Budgetary limits: outturn and plans 2012-13 to 2020-21

The table below shows the high level voted control totals for the Spending Review 2015 period.

Budgetary Limits	Outturn 2012-13 £m	Outturn 2013-14 £m	Plans 2014-15 £m	Plans 2015-16 ¹ £m	Plans 2016-17 £m	Plans 2017-18 £m	Plans 2018-19 £m	Plans 2019-20 £m	Plans 2020-21 £m
Departmental Expenditure Limit Resource									
Administration	387.6	359.9	323.0	313.1	335.0	330.2	311.7	300.3	-
Programme	51,689.1	51,653.4	53,754.3	53,217.9	53,947.1	55,546.4	56,538.8	57,296.4	-
Total DEL Resource	52,076.7	52,013.3	54,077.3	53,531.0	54,282.1	55,876.6	56,850.5	57,596.7	-
Capital									
Programme	4,258.8	3,605.5	4,756.2	4,885.1	5,264.0	4,746.0	4,944.0	3,843.0	4,572.0
Total DEL Capital	4,258.8	3,605.5	4,756.2	4,885.1	5,264.0	4,746.0	4,944.0	3,843.0	4,572.0
Annually Managed Expenditure Resource									
Programme	178.3	409.0	650.0	3.6	10.0	(60.5)	(73.1)	(85.5)	-
Total AME Resource	178.3	409.0	650.0	3.6	10.0	(60.5)	(73.1)	(85.5)	-

¹ 2015-16 voted budget has been restated to the same basis as 2016-17 to 2019-20 ie the academies net resource budgets have been removed and replaced with grants paid to academies

Annex D Analysis of Schools' Capital Budgets

Schools capital funding is broadly spent on three categories:

- enabling Local Authorities to discharge their duty to ensure there are enough school places;
- maintaining the school estate, including rebuilds and refurbishments through the Priority Schools building programme;
- facilitating education reform through the Free Schools programme.

The budgets listed represent our best estimate of how money will be spent this year. While formulaic and bid-based lines are unlikely to change significantly, estimates relating to construction programmes are more likely to experience in-year changes, going up or down depending on, for example, the price of land and construction costs, and the quality and mix of applications to receive funding.

Programme	Open to new applications	Type of school/ body eligible	Funding allocation approach	2016-17 budget (£m)	2015-16 budget (£m)
Ensuring there are enough school places					
Basic Need Funding This funding is provided to local authorities to support the provision of additional primary and secondary school places to meet the needs of the population. All taxpayer-funded schools within each local authority are eligible for this funding, including voluntary-aided schools, open academies, and new free schools.	N/A	Local authorities	Formulaic	1,325	1,100
Early Years This new funding announced at the spending review will create additional places in nurseries.	Will open this year	TBC	TBC	50	-
Maintaining the school estate <i>The overall maintenance fund is apportioned based on pupil numbers to local authorities, schools, academies and sixth-form colleges.</i>					

Programme	Open to new applications	Type of school/body eligible	Funding allocation approach	2016-17 budget (£m)	2015-16 budget (£m)
<p>Devolved Formula Capital This funding is given to schools to spend on maintenance. Local authorities are required to pass on the DFC allocation to each of their maintained schools. Voluntary aided schools and academies receive their allocation direct from the Education Funding Agency (EFA).</p>	N/A	All schools	Formulaic	204	202
<p>Condition Allocations (formerly Maintenance Allocations) This funding is to support the maintenance needs of schools and institutions. Funding is passed to local authorities for them to allocate to the needs of the schools that they maintain and for the Sure Start children's centres in their area. Non-maintained special schools and specialist post-16 institutions receive funding directly.</p>	N/A	Maintained and voluntary aided schools, Sure Start centres, non-maintained special schools, specialist post-16 institutions	Formulaic	663	693
<p>Condition Improvement Fund (CIF) This bid-based funding is awarded to projects that address condition and/or buildings compliance issues at academies and colleges. A small proportion of the fund is used for projects to expand existing facilities to accommodate more pupils or address a lack of specialist facilities.</p>	Annually	Academies, sixth forms and City Technical Colleges	Bid based	443	436
<p>Multi-Academy Trust Condition Allocations Funding allocated directly to multi-academy trusts with 5 or more schools and at least 3,000 pupils. (Funded in this way from 2015-16).</p>	N/A	Academies	Formulaic	98	69

Programme	Open to new applications	Type of school/ body eligible	Funding allocation approach	2016-17 budget (£m)	2015-16 budget (£m)
<p>Secure Accommodation Condition Funding Capital grants for rebuilds and refurbishments, paid to the 15 local authorities who own and manage secure children's homes.</p>	Annually	Local authorities	Bid based	13	5
<p>Priority School Building Programme 1 This programme is rebuilding or refurbishing the schools in the poorest condition around the country. PSBP will also provide additional school places, by expanding schools when they are rebuilt.</p> <p>Priority School Building Programme 2 The second phase of the programme, targeting individual school buildings rather than whole school projects.</p>	No	All	Bid based	1,050	999
<p>Additional Maintenance Needs New demands or unpredictable events can cause additional pressures on maintenance spending. The department will allocate this funding as appropriate during the year.</p>	N/A	Various / all	TBC	53	-
<p>Academies – Capital spend beyond the capital allocation we provide Any capital spend by academies scores against CDEL, including spend funded from their own reserves or from revenue allocations rather than the capital allocations we provide. £75m represents the contingency held at the start of the year in case this occurs. Academy spend forecasts are reviewed before the Supplementary Estimate and budget adjustments are made accordingly.</p>	N/A	Academies	N/A	75	331

Programme	Open to new applications	Type of school/body eligible	Funding allocation approach	2016-17 budget (£m)	2015-16 budget (£m)
<i>Facilitating education reform through Free Schools provision</i>					
Free Schools, University Technical Colleges (UTCs) and Studio Schools The Free Schools capital budget covers the costs of purchasing and refurbishing sites to make them fit for purpose for a new school. Similar funding for UTCs and Studio Schools also comes from this budget.	Yes	New schools proposers for FS, UTCs and SSs	Bid based	1,240	980
Total				5,214	4,815

Annex E Breakdown of Schools budgets and expected spending per pupil

The table below provides the Resource DEL (RDEL) budget data included in the Estimates. The per pupil rate is based on the average amount given to local authorities or 16-19 institutions for each pupil. Pupils with high cost Special Educational Needs receive funding on top of this amount.

Budget	2014-15		2015-16		2016-17	
	RDEL budget £m	Per pupil rate (where available) £	RDEL budget £m	Per pupil rate (where available) £	RDEL budget £m	Per pupil rate (where available) £
Early years budget	2,987	4,283	2,856	4,282	2,864	4,296
Schools budget (5-16 including high needs)						
Academies:	11,013	{4,555 ¹	12,593	{4,612 ²		
Other schools:	25,274		24,354			
Pupil Premium:	2,500	N/A ³	2,545 ⁴	N/A		N/A
16-19 education budget						
Academies:	1,453	{4,550 ⁵	1,442	{4,431 ⁶		N/A ⁷
Other schools:	791		776			

¹ This is the average funding for all pupils. Pupils with high cost Special Educational Needs receive additional funding. This applies equally to academies and other schools.

² This is the average funding for all pupils. Pupils with high cost Special Educational Needs receive additional funding. This applies equally to academies and other schools.

³ Pupil premium rates are as follows:

	2014-15	2015-16
FSM Primary	£1,323	£1,320
FSM Secondary	£935	£935
Service Children	£300	£300
LAC/Post-LAC	£1,900	£1,900

An average per pupil is not available.

⁴ Exact amount subject to final allocations. Please note this does not include the £50m Early Years Pupil Premium budget

⁵ Applies equally to all institutions

⁶ Applies equally to all institutions

⁷ 16-19 data is not available – this figure will be provided in the Memorandum to the Supplementary Estimate

Annex F 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.

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.