



David Bell
Permanent Secretary

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 020 7925 6937 permanent.secretary@education.gsi.gov.uk

Rt Hon Ed Balls MP
House of Commons
London
SW1A 0AA

5 July 2010

Dear Ed

**DEPARTMENT FOR CHILDREN, SCHOOLS AND FAMILIES (DCSF):
SPENDING COMMITMENTS**

Thank you for your letter of 5 July 2010 regarding the above subject.

During your time as Secretary of State, I can confirm that the Department for Children, Schools and Families (DCSF) worked closely with Her Majesty's Treasury to ensure that appropriate cover was provided for all spending decisions.

Specifically, I can confirm that:

- according to the arrangements in place at the time, the Department made use of End Year Flexibility (EYF) in the ways that you describe and with my approval as Accounting Officer and the agreement of the Treasury;
- decisions on capital expenditure, including those relating to Building Schools for the Future (BSF), were subject to Treasury clearance, where appropriate;
- as part of the December 2009 Pre-Budget Report (PBR), a further tranche of BSF schemes was agreed;
- as part of Budget 2009, the Treasury agreed that £655 million EYF would be made available for the September Guarantee; and

- in the second half of 2009, the Treasury wrote to clarify their expectation on the use of capital EYF. They wanted to limit it to BSF only and the Department was still in correspondence with the Treasury to resolve this issue at the time of the General Election.

If any actions on this, or any matter, were in breach of the requirements of propriety or regularity, I would have sought a Ministerial Direction. I can confirm that I made no such requests during your time as Secretary of State.

I hope that this information is helpful.

Best wishes.

Yours

A handwritten signature in black ink, appearing to read 'David Bell', written in a cursive style.

DAVID BELL