



## Directorate of Children's Services

### Budget Fact Sheet

No. 1 – January 2007

### Schools Budget 2007/08

- 2007/08 will be the second year of the DfES's new school funding arrangements with the Schools' Budget being funded by a ring-fenced **Dedicated Schools Grant** (the DSG). The outcome of the Government's Comprehensive Spending Review (CSR) is expected to be announced in the Autumn 2007, this will provide local authorities with indicative budget information which will cover the next multi-year budget period 2008 –2011. There will be no indicative budget data available for 2008/09 until December 2007.
- The DSG funds all areas currently within the Schools Budget; these include delegated budgets to schools, devolved standards fund allocations, Early Years and SEN centrally retained expenditure.
- As part of the 2006 –2008 multi year budget process, the DfES announced the overall increase in the Dedicated Schools Grant for 2007/08 and the level of the Minimum Funding Guarantee (MFG) in Autumn 2005. The DfES has recently confirmed this data as the final settlement for 2007/08.
- For Dudley, the guaranteed unit of funding per pupil from the DSG will **increase by 6.7% for 2007/08**. This will increase the per pupil funding from £3,549.08 in 2006/07 to £3,785.70 in 2007/08.
- The actual January 2007 pupil numbers will be validated by the DfES in May/June 2007; this will determine the final DSG. However, in the meantime the local authority is required to estimate the total DSG from their own pupil number forecasts.
- Dudley expects that there will be some 650 pupils or 1.34%, fewer recorded in January 2007 when compared with January 2006. ***The effect of the forecast pupil number reductions will be a reduction in the Dedicated Schools Grant (DSG) for Dudley by £2.5m for 2007/08.***
- Using the forecast pupil numbers, the latest estimate of the DSG for 2007/08 is £183.071m. This will provide an additional £9.1m in 2007/08 or 5.2% cash. The increase is required to fund both the delegated schools budgets and the centrally retained budgets from within the overall Schools Budget.
- The Schools Forum meeting on the 12<sup>th</sup> December 2006 considered the distribution of the additional DSG of £9.1m for 2007/08; which is still indicative. After the cost of inflation and funding the Minimum Funding Guarantee (MFG), estimated at £6.4m, the £0.3m of DSG funds used in advance in 2006/07 from 2007/08 allocation and the £1.0m central budget pressures identified to Schools Forum during 2006/07, such as the costs of alternative provision for excluded pupils and external residential placements, a provisional balance of £1.4m remains to be allocated. Schools Forum at its meeting on 6<sup>th</sup> February 2007 will consider the use of the unallocated balance together with any updated data on pupil number forecasts
- The budget strategy approved at Schools Forum on 12<sup>th</sup> December 2006 will mean that Dudley breach the Central Expenditure Limits (CEL) in 2007/08.

## Agenda Item 4

- The 'actual' pupil numbers (the 'pupil count') in January 2007, will reflect pupils recorded on **PLASC** (Pupil Level Annual School Census), **Form 8b**, **SLASC** (School Level Annual School Census) and the **Early Years Census**. Thus all pupils aged 3 to 16 will be recorded for the final determination of the DSG not just those in Dudley mainstream and special schools.
- The LA only receives 0.5 fte (full time equivalent) DSG funding for actual nursery pupils who are rising 3s, therefore the LA will no longer fund schools for nursery pupils below this age or where the nursery pupil is allocated a full-time place in school.
- The LSC (Learning and Skills Council) is responsible for funding pupils in Dudley's three sixth form schools and will direct the relevant funding for those schools to Dudley; the LSC work to the same DfES multi- year budget framework.
- The DfES headline of 6.7% per pupil funding for the Schools Budget for 2007/08 includes targeted funds (which are not ring fenced) as listed below. These are:
  - KS3 Personalised Learning - £661,000
  - Primary Personalised Learning - £213,000
  - Practical Learning (Age 14-16) - £206,000
- The DfES has set the Minimum Funding Guarantee for 2007/08 at 3.7% for all schools. For the purposes of inflationary increases this is more than adequate for 2007/08.
- Grants 2007/08:
  - The **School Development Grant** and will be increased in line with the MFG;
  - The **Schools Standards Grant (SSG)** is subject to a revise formula and will include growth;
  - The **Schools Standards Grant Personalisation (SSGP)**, which was a new grant from September 2006, will be for a full year in 2007/08;
  - Other **Standards Fund targeted grants**. The full impact for Dudley is still being assessed but we do not expect any unplanned reductions.
- Next Stage in the DSG Budget Process  
Schools Forum is scheduled to meet on 6<sup>th</sup> February 2007 and 20<sup>th</sup> March 2007. HTCF – BWG is scheduled to meet on 21<sup>st</sup> February 2007.  
Further briefings will be made available to schools in light of decisions made at these forums.
- School Budgets 2007/08  
It is anticipated that indicative school budgets for 2007/08 will be issued to schools during the week after February 2007 half term.
- Further Details  
Full details of the DfES announcements can be assessed via [www.teachernet.gov.uk/](http://www.teachernet.gov.uk/) or contacting Karen Cocker, Children's Services Finance Manager on [Karen.cocker@dudley.gov.uk](mailto:Karen.cocker@dudley.gov.uk). Telephone 01384 81 5382.

**John Freeman**  
**Director of Children's Services**  
**23 January 2007**