

Schools Forum – Tuesday 5th February 2008

Report of the Director of Children's Services

School Funding Settlement 2008-11

Purpose of Report

1. To update Schools Forum on the School Funding Settlement announcement made by the DCSF on 12 November 2007 for the forthcoming budget planning cycle for 2008-11.

Budget Working Group Discussed

2. No

Schools Forum Action

3. To note the DCSF funding announcement for the 2008-11 period and in particular to consider Dudley's estimated Dedicated Schools Grant (DSG) for the 2008/09 financial year.

Attachments to Report

4. None.

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Purpose of Report

1. To update Schools Forum on the School Funding Settlement announcement made by the DCSF on 12 November 2007 for the forthcoming budget planning cycle for 2008-11.

Background

2. A report to the last meeting of the Forum outlined the DCSF funding announcement in respect of the Dedicated Schools Grant (DSG) for the Comprehensive Spending Review (CSR) period 2008-11.
3. The report outlined the per pupil funding levels guaranteed by the DCSF for each of the three years covered by the CSR, these are summarised in Table 1 together with the Minimum Funding Guarantee (MFG).

Table 1 -Dudley DSG Per Pupil Funding

Financial Year	£ per pupil funding guaranteed	% increase per pupil funding	MFG level set
2008/09	3,949	4.3%	2.1%
2009/10	4,092	3.6%	2.1%
2010/11	4,263	4.2%	2.1%

4. In December the Forum were advised that the overall DSG will not be known until the pupil count data is confirmed for Dudley. Until the DSG is known then the authority is unable to make any firm budget plans for 2008/09 or future years.
5. The relevant pupil count data will be available in accordance with Table 2.

Table 2 - Pupil Count Data – Timescales for 2008/09 Financial Year

2008/09 Financial Year DSG Data			
Pupil Data Census	Actual Pupil Count Data Recorded	Earliest First Verification Date of Data within Dudley	Final Verification DCSF
School Census (formerly PLASC) <i>School Census for maintained nursery, primary, secondary and special schools</i>	17 January 2008	5 February 2008	June 2008
SLASC <i>School Level Annual School Census for PRUs</i>	17 January 2008	5 February 2008	
Alternative Provision Census (formerly 8b) <i>For Independent schools, Hospital, Non maintained Special School and, Not at School.</i>	17 January 2008	14 March 2008	
Early Years Census <i>For PVI sector covering pupils aged 3-4</i>	17 January 2008	14 March 2008	

6. At the time of preparing this report no pupil count data is available for 2008/09. It is anticipated that provisional data will be available in respect of the School Census (formally PLASC) and SLASC at the Forum meeting on 5th February. These two census areas cover 98% of the total pupil data count. However, this will not include the Early Years Census and the Alternative Provision Census (formerly 8b), thus the data will be incomplete.
7. Using the Autumn 2007 pupil count data, it has been estimated that there will be between 700-800 fewer pupils in January 2008 when compared with January 2007. Table 3 indicates the likely DSG for 2008/09 with a range of option for pupil numbers.

Table 3 -Estimate of Pupil Numbers for January 2008

Estimated Pupil Numbers Reductions at Jan 2008	2008/09 DSG estimated £m	2008/09 % Cash Increase - estimated %	2008/09 £ Cash Increase - estimated £m
*Jan 07 = 48,378	191.044		
-600	188.675	3.0%	5.529
-650	188.478	2.9%	5.332
-700	188.280	2.8%	5.134
-750	188.083	2.7%	4.937
-800	187.885	2.6%	4.739

(DSG 2007/08 with 48,378 pupils= £183.146m)

8. It is proposed that School's Indicative Budgets for 2008/09 will be issued before 29th February. In order to achieve this the allocation of the DSG to schools and central areas must be provisionally agreed on 5th February. Table 4 details the expected DSG in 2008/09 in line with a range of pupil number options considered in Table 3.

Table 4 – Estimated DSG Allocation to the Schools Budget for 2008/09

		Based on: 47,778 pupils (600 pupils)	Based on: 47,728 pupils (650 pupils)	Based on: 47,678 pupils (700 pupils)	Based on: 47,628 pupils (750) pupils	Based on: 47,578 pupils (800) pupils
Central Budgets £m	£m	£ 19.736	£ 19.716	£ 19.695	£ 19.674	£ 19.654
Cash +	£m	£ 0.578	£ 0.558	£ 0.537	£ 0.516	£ 0.496
%	%	3.0%	2.9%	2.8%	2.7%	2.6%
ISB	£m	£ 168.939	£ 168.762	£ 168.585	£ 168.409	£ 168.231
Cash +	£m	£ 4.951	£ 4.774	£ 4.597	£ 4.421	£ 4.243
%	%	3.0%	2.9%	2.8%	2.7%	2.6%
Total DSG	£m	£ 188.675	£ 188.478	£ 188.280	£ 188.083	£ 187.885

9. Further information will therefore be made available at the meeting on 5 February in order that Schools Forum can make decisions in line with one of the budget options presented in Table 4.
10. For 2008/09 the Central Expenditure Limit (CEL) calculation requires that the individual schools budget (ISB) plus funding for the PVI providers, must increase by at least the same percentage as the schools budget (DSG) as a whole. The implication of this is that the centrally retained funding cannot increase by more than the same percentage as the schools budget as a whole. If the CEL calculation is to be breached, then this requires approval of Schools Forum.
11. The current budget information for 2008/09 indicates that the inflationary increase required for the centrally retained budget areas can be accommodated within the funding detailed in Table 4. Therefore at this stage the authority is not requesting a breach in the CEL for 2008/09. However, there are service pressures within the Strategic Information and Systems Team (SIS), estimated at £50k, as a result of supporting School's statutory data returns. This was reported to HTCF-BWG in November 2007, further details will be provided for Schools Forum in March 2008 when final funding decisions will be made.
12. Further indicative budget details for 2009/10 and 2010/11 will be reported to the Forum as soon as available.
13. Schools Forum will recall that for 2007/08, a contingency budget of £436k was set aside; £350k for Cradley High school closure and £86k for the possible Schools Budget overspend from the 2006/07 financial year. For 2007/08, the £350k has been used to fund the Cradley High in year deficit and the £86k was not required as a contingency and has now been released as a DSG underspend. For 2008/09 it is proposed to once more retain £436k; £350k for Cradley High school closure and £86k as a 'contingency' in case the pupil number verification process disadvantages Dudley's DSG. (£86k is only equivalent to a pupil number decrease of 22 out of 48,000 pupils).

Finance

14. The funding of schools is prescribed by the DCSF through the School Finance (Amendment) (England) Regulations 2007.
15. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
16. From 1st April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

17. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

18. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

19. Schools Forum to approve the allocation of the estimated DSG for 2008/09 in accordance with one of the options presented in Table 4. Further information will be available at the meeting on the 5th February to assist Forum Members in this decision making process.



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