

Schools Forum 16 March 2010

Report of the Director of Children's Services

Dedicated Schools Grant Indicative Budget Planning 2010/11

Purpose of Report

1. The purpose of this report is to update Schools Forum on the 2010/11 budget planning process.

Budget Working Group Discussed

2. No.

Schools Forum Role and Responsibilities

3. From 1st April 2006, the Schools Budget has been funded by a direct DCSF (Department for Children, Schools and Families) grant: Dedicated School Grant (DSG).
4. The Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

Action for Schools Forum

5. To consider the contents of the report together with any supplementary information available at the meeting and advise the Director of their views.

Attachments to Report

6. Equal Pay Capitalisation Request – Appendix A.

Karen Cocker
Children's Services Finance Manager
2 March 2010

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Report of the Director of Children's Services

Dedicated Schools Grant Indicative Budget Planning 2010/11

1. The purpose of this report is to update Schools Forum on the 2010/11 budget planning process.

Background

2. Calculation of the Dedicated Schools Grant (DSG) is necessary for budget planning in respect of the forthcoming financial year.
3. The data required to calculate the 2010/11 DSG i.e. School Census, SLASC (School Level Annual School Census), Alternative Provision and Early Years Census is now being recorded and validated for reconciliation with the DCSF.
4. The DCSF will make final determinations in respect of Dudley's data by June 2010, which is after the commencement of the financial year. For this reason, the Director of Children's Services consults with Schools Forum in respect of the budget strategy planning for the determination and utilisation of the DSG, as detailed in Tables 2 and 4.
5. The calculation of the DSG will determine the overall budget available to fund the ISB (Individual Schools Budget), Nursery Providers and the Central Budget areas (such as special education needs and early years).
6. The Government's three year settlement data for Dudley as announced at the start of 2008/09 is as shown in Table 1.

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%

Table 2 – Latest Pupil Census Data

Census Data	2009/10 Pupil Number (actual)	2010/11 Pupil Number (Latest estimate)	Variance in Pupil Numbers
School Census	45,761.5	45,599.0	-162.5
SLASC	133	106	-27
Alternative Provision Census	124	125	+1
Early Years Census	994.66	994.66*	0
Total	47,013.16	46,824.66	-188.5

• not determined at 2 March 2010 therefore assumed same as 2009/10

Table 3 – Latest Pupil Census Data for Dudley Schools

Sector	2009/10 Actual Pupil Numbers	2010/11 Latest Pupil Numbers	Variance to Pupil Numbers 2009/10 to 2010/11	% Change
Nursery	1,203.5	1,192.0	-11.5	-1.0%
Primary	24,501.0	24,475.5	-25.5	-0.1%
Secondary	19,429.0	19,261.5	-167.5	-0.8%
Special	628.0	670.0	+42	+6.7%
Total	45,761.5	45,599.0	-162.5	-0.4%

Dedicated Schools Grant (DSG) Estimate 2010/11

7. Using the latest pupil number data in Table 2 will provide a DSG budget of £199.614m for 2010/11; this represents a cash increase of 3.75% on the 2009/10 DSG of £192.388m and the budget allocation is detailed in Table 4.

Table 4 – Estimated Dedicated Schools Grant Allocation 2010/11

Dedicated Schools Grant (DSG)	2010/11 Est Budget	2009/10 Orig Budget	increase to 2009/10 Orig budget %
	£m	£m	
Individual Schools Budget (ISB) exc LSC	177.835	171.397	3.75
Nursery Education Funding (NEF)	3.508	3.381	3.75
Central Budget Areas (SEN & EYRs)	18.271	17.610	3.75
Total DSG	199.614	192.388	3.75
Learning Skills Council (LSC)	3.933	3.450	14.0
Total Schools Budget	203.547	195.838	3.9

8. The LSC (Learning Skills Council) soon to be the YPLA (Young People's Learning Agency) is responsible for allocating the grant funding of £3.933m for 6th form provision. Due to an extension of the 6th form provision in Dudley, Windsor High School will also receive 6th form funding from September 2010. Therefore the increase in 6th form funding from 2009/10 to 2010/11 of 14% (Table 4) includes this new provision.
9. The LSC allocation to 6th form schools in Dudley is provisional and outlined in Table 5.

Table 5 - Learning Skills Council Provisional 2010/11 6th Form Mainstream Schools Allocation

School	2009/10 Allocation £	2010/11 Allocation £	Variance £	% increase / (-decrease)
Bishop Milner	901,533	941,765	+40,232	4.46
Ellowes Hall	421,712	347,695	-74,017	-17.55
Oldswinford Hospital	1,259,364	1,234,776	-24,588	-1.95
Windsor High	0	553,755*	+553,755	-
Total	2,582,609	3,077,991	495,382	

* Provision and funding effective from September 2010.

School Budgets and Final DSG Determination

10. Final school budgets for Dudley Schools and Nursery Providers 2010/11 will be issued on 31 March 2010, in accordance with the S251 timescales.
11. It is proposed that the DSG budget for 2010/11 is as detailed in Table 4, unless further supplementary information is available at the meeting.

Individual School Budgets 2009/10

Ministerial Priorities for Schools Funding

12. In preparing the 2010/11 school indicative budgets, it has been assumed that of the £6.438m cash increase shown in Table 4, of this £2.314m will be allocated in line with DCSF advice in respect of Ministerial Priorities which relate to Personalisation and SEN. This has been allocated to schools under the formula factor for personalisation at a rate of £52.11 per pupil, on the basis of the number of 5 to 15 year old pupils on roll at School Census date. Schools Forum is requested to ratify this action as discussed and approved by Budget Working Group at their meeting of 24 November 2009.

Funding for Ministerial priorities includes the support for the universal roll out of a personalised offer to all pupils – including those with special education needs (SEN) this has been distributed on the basis of numbers of 5 to 15 year olds; ensuring all children are making good progress; early intervention to prevent children from falling behind, especially those with SEN; targeted support for specific groups including those ethnic minorities at particular risk of poor outcomes, white working class children, children in care; and ensuring that the school workforce has the skills and confidence to address the needs of children from these groups.

Central Expenditure Limit (CEL)

13. The CEL calculation is set by the DCSF (The School Finance (England) Regulations 2008) and ensures that the allocation of the Dedicated Schools Grant (DSG) increase in funds from one year to the next is distributed (at least) in line with the initial value of the base budgets. Table 4, column 4, demonstrates this requirement, whereby for 2010/11 the DSG is estimated to increase by 3.75% and will be allocated in these proportions across the sectors.
14. If the CEL rule is not achieved then there is 'breach of CEL' and Schools Forum approval is required. The DCSF do not impose any penalties on local authorities who breach the CEL.
15. At the time of writing the report it is not anticipated that the CEL will be breached for 2010/11, but as school budgets are still being determined Forum will receive an update at the meeting in respect of this matter.

Single Status and Equal Pay Provision In Schools

16. In preparation for 2008/09 and 2009/10 budget planning, schools were advised that £20,000 was a minimum annual sum to be set aside in respect of their anticipated job evaluation and equal pay liability; this was based on a very broad estimate of liability and schools were encouraged to set aside more if possible as there was a possibility, particularly for secondary and the larger primary schools, that the eventual settlement would be higher. Schools were also advised to set these funds aside from their delegated budget wherever possible or falling this 'from reserves. Where provision was made in a school's delegated budget, the under-spending should be transferred to the school's reserves at the end of the financial year; funds set aside in the Single Status and Equal Pay costs Contingency will be maintained outside of the local management of schools reserves and excluded for claw back purposes at this stage.
17. This advice continues for 2010/11, albeit the financial position has become a little clearer for some schools.

Community and Voluntary Controlled Schools

18. Equal Pay – Risk Group 1 staff. Settlement in respect of this group is now underway. Further information is being provided to schools in order to formalise the repayment of these charges. Heads and Governors will be asked to return a proforma (attached at Appendix A) by 1 May 2010. For Risk Group 2 staff – the Council are waiting on further legal advice.
19. Single Status/Job Evaluation – Provisional information in respect of likely costs of single status was circulated to Heads for their school at the January/February 2010 workshops. This information, albeit provisional, should now be used for 2010/11 budget setting.

Foundation and Voluntary Aided schools

20. Detailed work in respect of this category of school is ongoing with HR (Human Resource) colleagues in Dudley.
21. The precise amount payable by each school cannot yet be determined and will be advised to schools as soon as information becomes available but it is important for schools to continue to set funds aside to ensure proper provision is made to meet these costs.

Finance

22. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
23. 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.
24. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

25. 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

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

Recommendation

27. Schools Forum to:
- Note the information contained within the report any further supplementary information available at the meeting.
 - Support the Director's proposal to set a DSG budget for 2010/11, as detailed in Table 4 using the pupil data in Table 2.
 - To confirm the Directors proposal to fund personalisation in line with paragraph 11.



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