

Schools Forum 23 February 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 inform Schools Forum of the 2010/11 indicative 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 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 note the report and any supplementary information available at the meeting.

Attachments to Report

6. Appendix A – January 2010 Budget Fact Sheet

Karen Cocker
Children's Services Finance Manager
8 February 2010

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Dedicated Schools Grant Indicative Budget Planning 2010/11

1. The purpose of this report is to inform Schools Forum of the 2010/11 indicative 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. Therefore at the time of writing the report, no detailed pupil data information is available to include in the report and this will be reported at the meeting on 23 February.
4. The calculation of the DSG will determine the overall budget available to fund the ISB (Individual Schools Budget) and the Central Budget areas (such as special education needs and early years).
5. 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%

DSG Estimate 2010/11

6. With the introduction of the Autumn school census data for all sectors, combined with the single point of intake for primary schools, this has now put Dudley in a better position to estimate the future years DSG; the actual DSG is based on the January census data.
7. Using the latest Autumn 2009 school census data as a proxy for the January 2010 census data would indicate that the pupil numbers for Dudley schools will

decrease by an estimated 227 or 0.5% when compared with the final January 2009 data. On the data available this does indicate a reduction in the annual trend of approximately 700 falling pupil numbers in Dudley.

8. Using the estimated data in paragraph 7 would provide a DSG budget of £199.452m for 2010/11; this represents a cash increase of 3.67% on the 2009/10 DSG of £192.388m and the budget allocation in Table 2 would be:-

Table 2 – Estimated Dedicated Schools Grant Allocation 2010/11

Dedicated Schools Grant (DSG)	2010/11 Est Budget £m	2009/10 Orig Budget £m	% 2009/10 Orig budget
Individual Schools Budget (ISB) inc LSC	180.938	174.533	3.67
Nursery Education Funding (NEF)	3.505	3.381	3.67
Central Budget Areas (SEN & EYRs)	18.585	17.924	3.67
Learning Skills Council (LSC)	-3.576	-3.450	3.67
Total DSG	199.452	192.388	3.67

9. The data in Table 2 assumes the LSC (Learning Skills Council) grant funding of £3.5m for 6th form provision will also rise at 3.67%. This information will be updated on receipt of the data from the LSC when this is available. The funding of 6th form schools and colleges is a LSC function which will transfer to the YPLA (Young People's Learning Agency) from 1 April 2010.

School Budgets and Final DSG Determination

10. Early indicative school budgets for 2010/11 were issued to schools in March 2008, March 2009 and January 2010. A further update will be available during the week commencing 1 March 2010. An impact assessment for individual schools will be presented to the Director of Children's Services and Head Teachers Consultative Forum Budget Working Group before the budgets are released to schools. A further report will be presented to Schools Forum on 16 March 2010 to update on the DSG and school budget position, with final school budgets being issued on 31 March 2010.
11. A copy of the Budget Fact issued in January 2010 is attached at Appendix A for information.

Central Expenditure Limit (CEL)

12. 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 2, column 4, demonstrates this point, whereby for 2010/11 the DSG is estimated to increase by 3.67% and has been allocated in these proportions across the sectors.

13. 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.
14. A further update will be presented to Schools Forum in March when the final determination of the DSG is reported.

Finance

15. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
16. 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.
17. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

18. 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

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

Recommendation

20. Schools Forum to note the information contained in the report and any supplementary information presented at the meeting.



Mark Wyatt

Director of Children's Services