

## APPENDIX A



### Directorate of Children's Services

#### Budget Fact Sheet

No. 1 - December 2005

#### Schools Budget 2006/07 & 2007/08

- From 1st April 2006 new school funding arrangements will be introduced by the DfES; in particular a ring-fenced **Dedicated Schools Grant** (the DSG), multi-year budgets for schools and a rationalisation of standards-related grants.
- The DSG will fund all areas currently within the Schools Budget; these include delegated budgets to schools, devolved standards fund allocations, Early Years and SEN centrally retained expenditure.
- During the Autumn 2005, the DfES has been working with Local Authorities to agree their baseline funding for 2005/06; for Dudley this has been agreed at **£3,328.80 per pupil**.
- The DfES has now announced the overall increase in the Dedicated Schools Grant in 2006/07 and 2007/08 and the level of the Minimum Funding Guarantee (MFG) for both years.
- For Dudley, the guaranteed unit of funding **per pupil** from the DSG will **increase by 6.6% for 2006/07 and 6.7% for 2007/08**. This will take the per pupil funding from £3,328.80 in 2005/06 to £3,549.08 in 2006/07 and to £3,785.70 in 2007/08. The actual pupil numbers as at January 2006 and January 2007 will be validated by the DfES by the following May; this will determine the final DSG.
- The 'actual' pupil numbers (the 'pupil count') in January, 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 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; funding for the multi-year period is due now.
- The DfES headline of 6.6% per pupil funding for the Schools Budget for 2006/07 includes targeted funds (which are not ring fenced) as listed below. These are :
  - KS3 Personalised Learning - £826,000
  - Primary Personalised Learning - £716,000
  - Practical Learning (Age 14-16) - £271,000
  - Workforce Reform Primary - £450,000
  - Early Years (Nursery Education Funding) - £392,000

- The impact of these targeted funds relates to 1.6% of the overall per pupil funding for 2006/07. This indicates that the 'base settlement' for Dudley is 5% per pupil, which is the DfES minimum guaranteed settlement.
- Although actual pupil numbers will not be known until the various January counts have taken place, it is estimated that there will be some 400 pupils fewer recorded in January 2006 when compared with January 2005. The impact of this will mean that Dudley's DSG in cash terms will increase by about 5.7% in 2006/07.
- The Minimum Funding Guarantee (MFG) agreed for 2006/07
  - Primary and Nursery Schools 4%
  - Secondary and Special Schools 3.4%
- The Minimum Funding Guarantee agreed for 2007/08
  - Primary and Nursery Schools 3.7%
  - Secondary and Special Schools 3.7%
- Grants
  - **School Development Grant** will be increased in line with the MFG;
  - **The Schools Standards Grant (SSG)** formula has been revised. From 2006/07 schools can use the SSG to support the development of extended services. For Dudley it is estimated that there will be a 10% cash increase for 2006/07, after taking account of falling pupil numbers;
  - **LIG (Leadership Incentive Grant)**. A number of Dudley secondary schools are in receipt of this grant which was scheduled to cease in March 2006. The DfES has confirmed that transitional arrangements will now apply;
  - 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  
Full financial details will be provided in the new year and presented to HTCF- Budget Working Group at its meeting on 18th January 2006 and Schools Forum meeting on 7th February 2006.  
Further briefings will be made available to schools in light of decisions made at these forums.
- School Budgets 2006/07  
It is anticipated that initial school budgets for 2006/07 will be issued to schools during the week after February 2006 half term.
- School Budgets 2007/08  
It is anticipated that initial school budgets for 2007/08 will be issued to schools by 31 March 2006.
- Further Details  
Full details of the DfES announcement can be assessed via [www.teachernet.gov.uk/schoolfunding200608/](http://www.teachernet.gov.uk/schoolfunding200608/) or contacting Karen Cocker, Education Finance Manager on [Karen.cocker@dudley.gov.uk](mailto:Karen.cocker@dudley.gov.uk). Telephone 01384 81 5382.

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