

Schools Forum 20 March 2007

Report of the Director of Children's Services

2007/08 Schools Budget – Funded by the Dedicated Schools Grant (DSG)

Purpose of Report

1. To update Schools Forum on the budget process and the estimated budget position for 2007/08.

Budget Working Group Discussed

2. No.

Schools Forum Action

3. To agree a final allocation of the 2007/08 estimated DSG before 31 March 2007.

Attachments to Report

4. Appendix 1 – Estimated 2007/08 Schools Budget.
5. Appendix 2 – Second Indicative budget data for 2007/08 schools delegated budgets. Issued 23 February 2007.

Karen Cocker
Children's Services Finance Manager

Schools Forum 20 March 2007

Report of the Director of Children's Services

2007/08 Schools Budget – Funded by the Dedicated Schools Grant (DSG)

Purpose of Report

1. To update Schools Forum on the budget process and the estimated budget position for 2007/08.

Background

2. Schools Forum has discussed the allocation of the 2007/08 DSG at the previous two meetings. At the 6 February 2007 meeting Forum members deferred a decision on the final allocation of the DSG in order that the most up to date pupil number count data could be recorded.
3. Using the current data available regarding pupil number counts the data in Table 1 is *anticipated* for 2007 pupil data.

Table 1 – Recorded Pupil Numbers for 2007 at 5 March 2007

Category	2006 Count (Net of LSC) FTE	Provisional Estimate of 2007 Count (Net of LSC) FTE	Variance in Pupil No's
Nursery	1297	1265.5	-31.5
Primary	25773	25343	-430
Secondary	20282	20045	-237
Special	586	587	+1
Early Years	859	860.2	+1
SLASC	91	149	+58
Form 8b	126	129	+3
Total	49014	48379	-635
Per pupil funding	£3,549.08	£3,785.70	
Total Funding available	173.955m		
Total Funding estimated		£183.147m	-£2.404m
6 th Form - LSC	519	509	-10

6th Form provision is funded by a grant from the LSC (Learning and Skills Councils) and excluded for DSG purposes.

SLASC: this refers to pupils in Dudley Pupil Referral Units.

Form 8b: this refers to pupils in Independent Places and Education Otherwise.

4. All pupil number data has now been recorded for Dudley; this will be submitted to the DfES during March for final validation checks. The DfES will confirm Dudley's pupil numbers by June 2007. On the basis of the pupil count data recorded the DSG for 2007/08 could be £183.147m or a cash increase of 5.28%, as shown in Table 1. However, there is a slight concern over the data shown on SLASC whereby an increase in 49 pupils has been recorded at a DSG value of £185k. The additional 49 pupils relate to those children on roll at a school but receiving home tuition because of illness; the DfES confirm that these pupils should be recorded on SLASC but Dudley has not previously reported this category. There is some internal concern about the nature of these home tuition pupils recorded on SLASC for 2007 due to their dual registered nature. The DfES guidance clearly advises LAs not to record those pupils on SLASC or Form 8b who are 'elective home educated'; these are children whose parents have elected to home educate rather than put them on roll at a school. Given the experiences of 2006/07 calculation of the DSG, Schools Forum are advised to retain a small contingency budget until such time that the DfES have validated all of the pupil data for Dudley.
5. Appendix 1 has been updated to reflect the latest estimate of the DSG and those decisions agreed by Schools Forum on 12 December 2006 and 6 February 2007.
6. The unallocated balance, whilst still subject to DfES verification which will not be known until June 2007, is estimated to be £1.8m. Schools Forum is asked to consider how this balance should be allocated for 2007/08. There are several options presented for consideration:
 - Set aside an amount from the unallocated balance to fund the possible DSG overspend incurred during 2006/07. (An updated position will be reported verbally at the meeting). It is a DfES requirement that any overspending in DSG becomes first call on the next year's allocation. This would be a one off allocation in 2007/08;
 - Set aside for the staffing outcomes of primary review. (Refer to report included within the Schools Forum agenda). This would mainly be a one off allocation for 2006/07 with a small sum for ongoing costs. If this cannot be afforded within 2006/07 accounts then Schools Forum must identify the funding as first call in 2007/08;
 - Set aside a small contingency in case the DfES verification of the pupil numbers for Dudley is less than estimated. (See paragraph 4);
 - Based on the £6m shown in Appendix 1, Schools received their second indicative budgets for 2007/08 on 23 February 2007. Statistical data is included at Appendix 2 indicating the distribution of these funds. Schools Forum could allocate a further amount to schools; this would then be reflected in their final budget data. For each additional £100k allocated to schools this would provide, on average, a 0.06% increase to schools. Any further amount would be an ongoing allocation to schools;
 - Set aside for the possible outcomes of Cradley High School closure. (Refer to report included within Schools Forum agenda). This would probably be a two year allocation for 2007/08 and 2008/09 until Cradley High school is closed;

- Common Assessment Framework (CAF). A contribution of £236k from schools was discussed at Schools Forum on 6 February. This would potentially be an ongoing allocation to CAF;
- Set aside funds to maintain a redundancy reserve fund. (Refer to report December 2006 'Funding of School Redundancies');
- Set aside funds in respect of any central budget areas where Schools Forum consider there to be a budget pressure in 2007/08 or a need for a service restructure.

Finance

7. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006.
8. From 1st April 2006, the Schools Budget is funded by a direct DfES grant: Dedicated School Grant (DSG).

Law

9. 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

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

Recommendations

11. Schools Forum to consider the options detailed in paragraph 6 and make recommendations regarding the estimated unallocated DSG of £1.8m for 2007/08, as detailed in Appendix 1



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Director of Children's Services

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DSG Indicative Modelling 2007/08

Budget Area	Sub total	Budget Pressures	Total 2007/08
	£m	£m	£m
Dedicated Schools Grant, provisional estimate 2007/08 – based on Table 1 in report			183.147
Less Actual Dedicated Schools Grant 2006/07			(173.955)
<i>Increase in DSG 2006/07 to 2007/08 % increase</i>			9.192 5.28%
<u>Application of DSG increase in 2007/08:</u>			
Schools ISB – 3.7% MFG & targeted funds		6.000	
Centrally retained budgets inflation – 2.6% average		0.384	
Budget pressures -above inflation:			
• Out of Borough - Independent Placements	0.400		
• Out of Borough – Other Special Schools	0.160		
• Out of Borough – Statemented Mainsteam Pupils	0.070		
• Union Duties – support in excess of budget	0.030		
• Specialist Support for medical pupils	0.070		
• Alternative Provision – in excess of budget and pupil retention grant income	0.260		
• Payment to Connexions Service for 16+ school leavers with SEN	0.010		
Total budget pressures – above inflation		1.000	
<i>Total of Additional Budget Costs 2007/08</i>			-7.384
<i>Unallocated Funds Based on Provisional Estimate of DSG 2007/08</i>			£1.808m

2007/08 Schools 2nd Indicative Budgets – Statistical Data

% Increase in published delegated budget 2007/08

Appendix 2

	Delegated	SSG/P	Total
Nursery	4.1%	19.3%	4.7%
Primary	2.4%	28.7%	3.6% * Primary review distorts 0.5% ** Cradley High distorts: 4.1% =
Secondary	3.3%	22.5%	4.1% 5.1%/3.3% = 4.3%
Special	5.2%	14.3%	5.5%
	2.97%	25.23%	3.96%

Actual 2006/07 base + £6m = +3.76%

Actual 2006/07 base + £6.2m = +3.9%

Primary sector increase is less than secondary due to targeted personalised learning - DFES advise that 2007/08 additional allocation of £874k to be allocated +30% on 2006/07 base (£213k) for primary and +80% on 2006/07 base (£661k) for secondary.

Also Practical Learning Options - £200k targeted secondary 2007/08

£ Increase in delegated budget funds 2007/08

Funding Held Within

	Delegated Budget £	SSG/P (Schools Standards Grant/Personalisation) £	Total £	ISB	SSC (Schools Specific Contingency)
Nursery	14,930	2,894	17,824	✓	
Primary	1,884,296	1,053,693	2,937,989	✓	
Primary review in SSC	338,000		338,000*		✓
Secondary	2,435,279	781,395	3,216,674	✓	
Cradley High in SSC	722,424		722,424**		✓
Special	417,566	39,576	457,142	✓	
Rosewood 5/12 in SSC	100,000		100,000		✓
SEN statements in SSC mid year adj	252,000		252,000		✓
Union Duties	50,000		50,000		✓
Total	6,214,495	1,877,558	8,092,053		

% increase over 2006/07 base (£6.2m)			
Extra £200k - special targeted growth Rosewood	3.89%	25.23%	4.83%
% increase over 2006/07 base (£6.m)			
- as agreed Schools Forum	3.76%	25.23%	4.72%

Minimum Funding Guarantee

	2006/07	2007/08
Primary	9	23
Cost	£100k	£259k

2007/08 Schools 2nd Indicative Budgets – Statistical Data