

Agenda Item: 9

Meeting: Schools Forum

Date: 28th June 2010

Subject: Dedicated Schools Grant (DSG) 2009-10 and 2010-11

Report of: Deputy Chief Executive and Director of Children, Families and Learning

Summary: To update the Schools Forum on the Dedicated Schools Grant (DSG).

Contact Officer: Dawn Hill, Borough Hall, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

- 1. To confirm the deployment of the 2009-10 Dedicated School Grant.**
- 2. To note the application of the 2010-11 Dedicated School Grant**

Background

1. Since the beginning of the financial year 2006/07 local authorities have received allocations of DSG to finance the Schools Budget in each authority. The full DSG received must be applied to the Schools Budget in each authority; although authorities may provide additional resources in support of the Schools Budget should they decide to do so.
2. The Schools Budgets, as set out in the Statutory Section 251 budget, comprises the following:
 - a) Individual Schools Budgets (ISB), delegated to individual schools, by phase (also known as School Budget Shares). These allocations are delegated via the local Fair Funding Formula, which the Local Authority (LA) sets, in conjunction with its' Schools' Forum.

- b) Central Expenditure. This is the amount held back centrally for expenditure on pupils and includes:
- Expenditure to fund Nursery Education in non-maintained settings (Private, Voluntary and Independent Sector)
 - School Specific Contingency
 - Special Education Needs - provision for statemented pupils, pupil referral units, behaviour support units
 - Termination of Employment costs
3. Central expenditure must not increase as a proportion of the overall Schools' Budget. This mechanism is known as the Central Expenditure Limit (CEL) and can only be breached in exceptional circumstances and with the specific approval of the Schools' Forum. In the case of Schools' Forum refusal the LA can ask the Secretary for State to approve the breach.
4. The final Schools Budget depends on the January PLASC count and is determined by the units of funding (no of pupils - FTE) multiplied by the Guaranteed Unit of Funding (GUF). The Department of Children's, Schools and Families (DCSF) indicative FTEs for 2010-11 were 36,478 and a GUF rate of £4,094 bringing the indicative DSG for 2010-11 to £149.3m. This will be adjusted by recoupment for the academy (All Saints Academy). The indicative 2010-11 DSG allocation for Central Bedfordshire is £146.7m.
5. The Chief Finance Officer (CFO), in consultation with the Director of Children Services, must sign two statements annually; the Actual deployment (out-turn) and Budgeted Allocation of the DSG, confirming that it has been fully deployed in support of the School's Budget in accordance with the conditions of grant and the School Finance Regulations 2008.
6. The Statements include the date the final deployment and the final budgeted allocations of the DSG were discussed with the Schools Forum.

Update

7. The DSG received by the Authority for 2009-10 was some £142m (after Academy recoupment) and was fully deployed in support of the Schools Budget in accordance with the conditions of the grant and the School Finance Regulations 2008.
8. The provisional amount of DSG expected for 2010-11 by Central Bedfordshire Council is £147m. The Young Peoples Learning Agency (YPLA formally LSC) budget for post sixteen learners is £16.4m. The DSG remains an estimate until the DCSF confirm pupil numbers at the end of June.
9. The School Budget Shares have been allocated on the basis of January 2010 School census pupil numbers as supplied to the DCSF. However, should finally agreed pupil numbers be lower than originally reported, there is a risk that the allocation to schools will exceed the grant paid to the LA. Should this happen the LA is permitted to carry forward into 2011-12 a DSG overspend and this will have first call on the 2011-12 allocations.

10. It is of little value to compare the DSG levels one year to another in cash terms, due to the influence of pupil number changes. Percentage annual increases are best compared at a per pupil increase. Pupil numbers have decreased by 129 between January 2009 and January 2010 Census, however this was due to the pupils registered at the Pupil Referral Unit (PRU), being included in Central Bedfordshire figures in 2009-10. The real impact was an increase of 33 pupils for Central Bedfordshire. The increase in GUF per pupil is £155.79 a 3.96% increase on 2009-10.
11. The table below represents the overall Schools Budget Allocation for 2010-11.

	2010-11 (£'000)	
Schools Delegated budget (incl YPLA)	148,493	91.0%
Private Voluntary and Independent (PVI)	3,721	2.3%
Total ISB	152,214	93.3%
Central Expenditure	10,909	6.7%
Overall Schools Budget	163,123	100%

11. The increase in the Age weighted Pupil Units (AWPU) range from 3.1% to 3.8%. The increase in the average pupil rate (all elements including AWPU but excluding YPLA) within the ISB is 4.2%, this is in accordance with national expectations.

Appendices:

None