
Meeting: Schools Forum
Date: 20th September 2010
Subject: Dedicated Schools Grant (DSG) 2010/11
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To update 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:

To note the update on 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).

Update

5. Individual School Budgets (ISB) were issued to schools in March 2010 for the financial year 2010/11. In July 2010 the total DSG for Central Bedfordshire Council of £146.9m was published by the Department for Education (DfE). This takes into account an indicative recoupment figure for the All Saints Academy. The LA will be informed of the final DSG allocation in due course. However, should there be a shortfall of expected DSG, it has been previously agreed by Schools Forum (September 2006) to be met from the School Specific Contingency. The estimated shortfall in DSG is £309k.
6. The Individual Schools Budget (ISB) provides for 100% funding for rates, excluding Upper schools, where 60% applies (the remainder is said to be included within the 6th Form Funding). All schools with Foundation status are entitled to 80% mandatory relief on rates. In Central Bedfordshire there are 15 schools with Foundation status.
7. The LA is actively working with those schools that have yet to claim the mandatory relief to enable a release of funds through the ISB to the School Specific Contingency. The estimated increase to the Schools Specific Contingency is £390k, which will support the funding of shortfall in DSG.

Appendices: None