
Meeting: Schools Forum
Date: 20th June 2011
Subject: Dedicated Schools Grant (DSG) Update
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To update and make recommendation on DSG and Pupil Premium

Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

- 1. To note the update on the estimated DSG funding and deployment.**
- 2. To note the estimated Headroom.**
- 3. To propose the use of Headroom to fund new specialist schools as of Sept 2010.**

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:
 - Special Education Needs - provision for statemented pupils, pupil referral units, behaviour support units
 - Termination of Employment costs
 - School Specific Contingency

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. The estimated DSG for 2011/12 is the full time equivalent number of pupils as at Jan 2011 of 37,046 multiplied by the Guaranteed Unit of Funding (GUF) £4,658 amounting to **£172.564m**. The table below represents the distribution of DSG based on January pupil numbers and 7 Schools converting to Academy status. Please note the level of funding is not confirmed by the DfE until the pupil data has been cleansed.

DSG £'000	Academy Recoupment £'000		ISB £'000	Centrally Retained £'000	Headroom £'000
	ISB	LACSEG			
172,564	14,959	264	143,603	12,648	1,091

The ISB includes £17.9m of mainstreamed grants that has been delegated to schools through the local formula.

6. The recoupment of LACSEG (Academy Central Spend) from DSG is based on specific Table 1 lines (Schools Budget) of the section 251 Statement. In addition there is an adjustment to the Councils Revenue Support Grant in respect of Academy converters taking place at a national level.

Central Bedfordshire currently has 7 Academies (2 primaries and 5 secondary). The LACSEG unit per pupil for 2011/12 is £37.33 for Primary and £76.09 for Secondary, amounting to a total recoupment of £264k.

It is anticipated that a further 22 schools will convert to Academy status during 2011/12 estimating an additional deduction to DSG through LACSEG of 440k.

Headroom

7. Headroom is the amount of unallocated DSG once the ISBs have been issued and funds allocated to central services. An element of this (£208k) is as a result of merged grants into the DSG and for which following the issuing of the ISB to schools, have received confirmation from the DfE that this includes £104k for schools that became Specialist schools from Sept 10 (5 Middles and 2 Specials).
8. The estimated Headroom currently stands as £1,091k after the initial LACSEG recoupment of £264k. The Schools Forum agreed at their meeting in March 2011 the use of Headroom for LACSEG up to £1m, any amount over this cumulative sum would be brought back to the Forum.

Consultation Update

9. The Secretary of State launched two Consultations on April 13th 2011 ending on May 25th 2011; 'A consultation on school funding reform: Rationale and principles' and 'Academies Pre-16 Funding: Options for the 2012/13 Academic Year'. A precise of the consultations and questions were circulated to School Forum members and appropriate Officers, requesting feedback by the 11th May. Support was given to the F40 group response (Appendix A and B).

Recommendation

10. To propose that the £104k in Headroom for schools becoming Specialist schools from September 2010 be paid to those schools concerned.

Appendices:

Appendix A - F40 Response to School Funding Reform

Appendix B – F40 Response to Options for 2012/13 Academies pre-16 funding