
Meeting: Schools Forum
Date: 19 September 2011
Subject: Update on Dedicated Schools Grant (DSG)
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To update the Schools Forum on the Dedicated Schools Grant (DSG).

Contact Officer: Dawn Hill, Technology House

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

- 1. To confirm the deployment of the 2010/11 Dedicated School Grant.**
- 2. To note the application of the 2011/12 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

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. 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).
4. 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.
5. The Statements include the date the final deployment and the final budgeted allocations of the DSG were discussed with the Schools Forum.
6. The DSG received by the Authority for 2010/11 was fully deployed in support of the Schools Budget in accordance with the conditions of the grant and the School Finance Regulations 2008.

Update

7. The budgeted allocation of DSG for 2011/12 is the full time equivalent (FTE) number of pupils as at Jan 11 of 37,044 multiplied by the GUF £4,658 to give a total grant of £172.555M. This amount is adjusted for Academies which opened in 2008 to 12 as at 27th May 2011, revising the allocation to £157.332M. This figure is continually revised as Schools convert to Academy status during the financial year. The table below represents the distribution of DSG based on the current number of academies as at end of July 2011.

DSG Baseline	Academies 2008/12	Revised DSG	Academies May - July	Individual Schools Budgets	Central Spend	Headroom
£'000	£'000	£'000	£'000	£'000	£'000	£'000
172,555	15,223	157,332	6,353	137,490	12,225	1,264

8. Academies receive a Local Authority Central Spend Equivalent Grant (LACSEG) deducted from the DSG for those services that are the responsibility of the Academy but are retained centrally e.g. behaviour support, practical learning etc. It was agreed at the School Forum meeting of the 7th March 2011 that the cost of LACSEG recoupment up to a cumulative value of £1M would be funded by Headroom for 2011/12. Any amount over this cumulative sum would be brought back to the Forum.
9. The LACSEG deductions attributable to 11 converted schools as at July 2011 is £393K. It is anticipated that a further 24 schools will convert by end of this financial year, requiring a further £276K from Headroom. The balance of Headroom estimated as £595K.

Appendices:

None