

Schools Forum – Tuesday 2nd October 2007

Report of the Director of Children’s Services

Dedicated Schools Grant (DSG) - Budget Planning 2008-11

Purpose of Report

1. To update Schools Forum on the expected timescale in respect of Central Government’s forthcoming budget planning cycle for 2008-11.

Budget Working Group Discussed

2. No

Schools Forum Action

3. To note the timescale for the budget planning cycle for 2008-11.

Attachments to Report

4. None

Karen Cocker
Children’s Services Finance Manager
18 September 2007

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Report of the Director of Children’s Services

2008-11 Dedicated Schools Grant - Budget Planning

Purpose of Report

1. To update Schools Forum on the expected timescale in respect of Central Government’s forthcoming budget planning cycle for 2008-11.

Background

2. The Government’s Comprehensive Spending Review (CSR) will cover the three-year period 2008-2011. Therefore when provisional budget data is announced by the DCSF during the autumn of 2007 (usually November) this will enable the authority to calculate the provisional Dedicated Schools Grant (DSG) for the next three years.
3. However, whilst the early budget data for 2008-11 is helpful, the DCSF will only provide local authorities with a guaranteed value £ per pupil funding for the three years. In order to calculate the total provisional Dedicated Schools Grant (DSG) then this has to be applied to the actual/estimated pupil numbers applicable to the respective financial year. This will be:

Financial Year	<u>Actual Pupil Count - Data Required</u>	<u>Estimated Pupil Count -Data Available</u>
2008/09	January 2008	January 2008
2009/10	January 2009	
2010/11	January 2010	

4. Having calculated the provisional DSG for the three years then budget data will be presented to Schools Forum regarding the proposed distribution of the DSG between schools and the centrally retained budgets. It is anticipated that this will be available at the December 2007 meeting, subject to DCSF budget announcements being as expected in November. Further, more refined, updates will be presented at the February and March 2008 meetings.
5. As regards schools budgets, the authority is required to produce three-year budgets for schools by 31 March 2008. Whilst 2008/09 DSG will be based on actual pupil count data, 2009/10 and 2010/11 will be based on estimated pupil number data

based at January 2008. Although Dudley, in line with other authorities, will have a process for estimating pupil number trends for the forthcoming years, this can never be sufficiently robust and reliable enough to guarantee that the resulting DSG budget data is accurate.

6. For example, the last CSR budget period was 2006-08. Thus from January 2006 pupil data, Dudley calculated the 2006/07 final school budgets and 2007/08 1st indicative budgets. In January 2007, the 2007/08 1st indicative budgets were then revised to become the actual 2007/08 budgets, being based on January 2007 actual pupil numbers. The variation in the two sets of budget data was £1.7m or 1% lower on the final budgets to the 1st indicatives. Some schools found this budget process difficult to work with due to the significant fluctuations in budget data between the 1st indicative and the final budget for 2007/08. We would therefore, wish to make these limitations very clear to schools when issuing the 2008-11 budget data. Any advice that Schools Forum wish to make in respect of this process would be welcome.

Finance

7. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2007.
8. From 1st April 2006, the Schools Budget is funded by a direct DCSF 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.

Recommendation

11. Schools Forum to note the timescale in respect of the forthcoming budget period 2008-11 and advise the Director of Children's Services regarding the limitations of the provisional budget information to schools (paragraph 6).



John Freeman

Director of Children's Services

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