

Schools Forum – 18th March 2008

Report of the Director of Children's Services

School Funding Settlement 2008-11

Purpose of Report

1. To update Schools Forum on the 2008/09 DSG budget planning process.

Budget Working Group Discussed

2. No

Schools Forum Action

3. To agree recommendations in respect of:
 - a. 2008/09 DSG budget setting
 - b. Funding of Ministerial priorities 2008/09
 - c. Funding of nursery pupils in maintained schools
 - d. Note school budget re-determinations for 2009/10 and 2010/11

Attachments to Report

4. None.

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Purpose of Report

1. To update Schools Forum on the 2008/09 DSG budget planning process.

Background

2. A report to the last meeting of the Forum outlined the DCSF funding announcement in respect of the Dedicated Schools Grant (DSG) for the Comprehensive Spending Review (CSR) period 2008-11 together with the likely impact for Dudley.
3. Giving the timing of pupil number data, as detailed in Table 1, Schools Forum agreed to set a provisional 2008/09 budget in accordance with an estimated pupil number reduction of 800. This is set out in Table 2.

Table 1 - Pupil Count Data – Timescales for 2008/09 Financial Year

2008/09 Financial Year DSG Data			
Pupil Data Census	Actual Pupil Count Data Recorded	Earliest First Verification Date of Data within Dudley	Final Verification DCSF
School Census (formerly PLASC) <i>School Census for maintained nursery, primary, secondary and special schools</i>	17 January 2008	5 February 2008	June 2008
SLASC <i>School Level Annual School Census for PRUs</i>	17 January 2008	5 February 2008	
Alternative Provision Census (formerly 8b) <i>For Independent schools, Hospital, Non maintained Special School and, Not at School.</i>	17 January 2008	14 March 2008	
Early Years Census <i>For PVI sector covering pupils aged 3-4</i>	17 January 2008	14 March 2008	

Table 2 – Estimated DSG Allocation to the Schools Budget for 2008/09

		Based on: 47,678 pupils (700 pupils)	Based on: 47,628 pupils (750) pupils	Based on: 47,578 pupils (800) pupils
Central Budgets £m	£m	£ 19.695	£ 19.674	£ 19.654
Cash +	£m	£ 0.537	£ 0.516	£ 0.496
%	%	2.8%	2.7%	2.6%
ISB	£m	£ 168.585	£ 168.409	£ 168.231
Cash +	£m	£ 4.597	£ 4.421	£ 4.243
%	%	2.8%	2.7%	2.6%
Total DSG	£m	£ 188.280	£ 188.083	£ 187.885

4. Using the DSG budget data in Table 2, with 800 fewer pupils, schools' indicative budgets for 2008/09 were issued to schools on 28th February 2008. Final budgets will be issued by the 31st March 2008.
5. In preparing the 2008/09 school indicative budgets, it has been assumed that of the £4.3m cash increase shown in Table 2, of this £2m has been allocated in line with DCSF advice in respect of Ministerial Priorities. £2m relates to funding received by the DCSF for Personalisation and SEN and has been allocated to schools under the formula factor for personalisation at a rate of £45 per pupil, on the basis of the number of 5 to 15 year old pupils on roll at School Census date. Schools Forum is requested to ratify this action.
6. Funding for Ministerial priorities over the next three years include supporting the universal roll out of a personalised offer to all pupils – including those with special education needs (SEN) this has been be distributed on the basis of numbers of 5 to 15 year olds; ensuring all children are making good progress; early intervention to prevent children from falling behind, especially those with SEN; targeted support for specific groups including those ethnic minorities at particular risk of poor outcomes, white working class children, children in care; and ensuring that the school workforce has the skills and confidence to address the needs of children from these groups.
7. At the time of writing the report pupil numbers for SLASC, Alternative Provision Census and Early years Census are still to be confirmed for 2008. It is anticipated that this data will be made available at the meeting on 18 March in order that Schools Forum can make a final budget decision for 2008/09. This will then allow schools' final budgets for 2008/09 to be produced together with indicative budgets for 2009/10 and 2010/11.
8. Dependant upon the outcomes of the budget decision in the previous paragraph, Forum will be advised on whether the CEL (Central Expenditure Limit) calculation is to be breached for 2008/09, as this will require the approval of Schools Forum.

9. Forum considered on 6 February 2007 the funding in respect of nursery pupils who attend maintained schools on a full time basis and agreed at that time to continue funding schools for 2007/08 at the rate of attendance rather than in accordance with the DSG funds received from the DCSF, which are based on a 0.5fte attendance. The statutory entitlement is for a part time place from the beginning of the term following a child's 3rd birthday and Dudley is funded accordingly. There are still 7 Dudley schools offering full-time placements. Given that from 2009 there must be a single method for counting all early years pupils and from 2010 the funding for all nursery pupils (maintained and PVI) will need to be on a single formula basis, it is recommended that Forum agree to the cessation of the current funding policy and that from 1 April 2008 all nursery placements in maintained schools are funded at 0.5fte until such time that a new funding formula is introduced across the sector. Some budgetary protection will be provided through the MFG (Minimum Funding Guarantee).
10. On 6 February 2007 Forum also considered the funding arrangements for pupils in maintained nursery schools who are not of statutory age for a part-time placement; Forum approved the continued funding for these children for 2007/08. Given that this policy contravenes the current DCSF guidance, it is proposed to cease this funding to Dudley schools from 2008/09. It is recommended that Forum agree to the cessation of the current funding policy for nursery children under the age of 3 from 1 April 2008.
11. At the meeting Forum will be updated on the latest position relating to single status in schools.
12. Regulation 12 (3) of School Finance Regulations 2008 is new and provides that a local authority must advise schools in advance of the multi year funding period if they know that they are likely to make any re-determination of budgets within the multi year funding period. For Dudley the following areas will be subject to formula review during funding period 2 and 3 of the 2008-2011 funding period:
 - Small schools protection;
 - Class size supplement;
 - Funding for statements of SEN <15 hours;
 - Requirement to increase funding in respect of deprivation;
 - Alignment of early years pupil count;
 - Free entitlement to nursery education -single funding formula
13. Further indicative budget details for 2009/10 and 2010/11 will be reported to the Forum as soon as available.

Finance

14. The funding of schools is prescribed by the DCSF through the School Finance (Amendment) (England) Regulations 2008.
15. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.

16. From 1st April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

17. 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

18. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

19. Schools Forum to:

- Approve the 2008/09 DSG budget in accordance with the data presented in Table 2 and supplementary information to be provided at the meeting (paragraph 7);
- Confirm that £2m of the 2008/09 cash increase is to be allocated to schools under the personalisation formula factor, to recognise Ministerial priorities (paragraph 5);
- Confirm that funding of maintained nursery pupils will be based on their statutory entitlement for a part-time placement from 1 April 2008, which is 0.5fte attendance and not based on actual attendance (paragraph 9);
- Confirm that funding of maintained nursery pupils will be based on their statutory entitlement for a part-time placement from 1 April 2008, which will remove funding for pupils who are not yet aged 3 (paragraph 10);
- Note the likelihood of school budget re-determinations for 2009/10 and 2010/11 as a result of formula budget reviews (paragraph 12);
- Ratify any advice the Director of Children's Services may offer in respect of schools funding single status costs in 2008/09 (paragraph 11).



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