

Schools Forum – Tuesday 2nd October 2007

Report of the Director of Children’s Services

Forthcoming Dedicated Schools Grant (DSG) Formula Review and Review of Schools Forums

Purpose of Report

1. The purpose of this report is to advise Schools Forum of a recent publication by the DCSF relating to the terms of reference for the forthcoming Dedicated Schools Grant (DSG) formula review and further information regarding the review of Schools Forums.

Budget Working Group Discussed

2. No.

Action for Schools Forum

3. The DCSF have invited Local Authorities, Schools Forums and other stakeholders to comment on the key issues for the DSG formula review and the terms of reference by 2 November 2007.

Attachments to Report

4. Appendix A – Review of DSG Distribution Formula: Terms of Reference.
Appendix B – Consultation response form- proposed response on behalf of Schools Forum.

Karen Cocker
Children’s Services Finance Manager
18 September 2007

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Background

2. Jim Knight, Minister for Schools and 14-19 Learners, announced to Parliament on 25 June 2007 that the Dedicated Schools Grant (DSG) would continue to be distributed to local authorities using the current spend plus methodology for 2008-11, where the calculation of each authority's grant starts from the authority's historic spending. (www.teachernet.gov.uk/schoolfunding2008to11).
3. He noted that it is the government's long-term aim to return to a single, transparent formula for distributing the DSG to local authorities, and announced a fundamental review of the distribution formula. The aim of the review will be to produce a single, transparent formula available for use from 2011-2012 onwards.
4. On 2 August 2007, the DCSF published the terms of reference for the fundamental review of the formula for distributing the Dedicated Schools Grant to local authorities. This can be found at www.teachernet.gov.uk/dsgformulareview/. A copy is attached at Appendix A.
5. The review will begin formally in January 2008, leading to consultation on specific proposals starting in autumn 2009. An outline timetable is set out in the terms of reference, together with the proposed working methods for the review. The papers and minutes of proceedings of the review will be published on the web and external groups will be able to submit and present papers to the review on their areas of interest.

6. Local authorities, Schools Forums and a range of other stakeholders are invited to comment on the key issues for the review and the terms of reference by 2 November 2007. A draft copy of the completed consultation response form is attached at Appendix B should Schools Forum wish to respond.
7. Jim Knight also announced on 25 June 2007 a review of the scope and functions of the Schools Forum in the light of the developing Children's Trust arrangements and the wider Every Child Matters agenda. The DCSF will write to local authorities and Schools Forums later about the terms of reference for that review.

Finance

8. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2007.
9. From 1st April 2006, the Schools Budget will be funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

10. 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

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

Recommendation

12. Schools Forum advise the Director of Children's Services of their response to the consultation in respect of DSG formula review; a draft response is attached at Appendix B. The timescale for completion and return to DCSF is 2 November 2007.



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Director of Children's Services

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