

IMPLEMENTATION EXECUTIVE  
11 FEBRUARY 2009

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**ESTIMATE OF DEDICATED SCHOOLS GRANT 2009-10**  
**AND IMPLICATIONS FOR THE SCHOOLS' BUDGET**

**Executive Summary**

This report summarises the current position in respect of the estimated level of Dedicated Schools Grant (DSG) and the implications on the overall schools budget for 2009/10. The report contains recommendations from Schools Forum as to the proposed level of the schools budget for 2009/10 and the priorities for funding from any available headroom.

DSG for 2009/10 is estimated at £243.642m based on the October pupil census and on estimates of the numbers of three and four year olds in private and voluntary settings. Schools Forum have recommended that the overall schools budget is set at £243,642m in line with this estimate. The final level of DSG will be confirmed in June 2009 when the DCSF have verified the data from the January pupil census.

The DSG budget is projected to overspend by £0.487m in 2008/09 and this must be carried forward as a first call on DSG for the following year. It has been estimated that there is £0.392m available headroom within the DSG estimate for 2009/10 and Schools Forum have recommended that the first call on this must be any remaining deficit from 2008/09 that has not been recovered prior to the year end.

Recommendations have then been made for the allocation of any remaining headroom against specific priorities.

**Proposal**

That the Implementation Executive

- a) note the estimated DSG for 2009/10 and the implications for the funding of priorities within the Schools Budget.
- b) agree the funding priorities recommended by Schools Forum.

**Reasons For Proposals**

Implementation Executive are being asked at this meeting to set the budget and Council Tax for 2008/09 and to take in to account cost pressures and priorities within the schools budget.

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## ESTIMATE OF DEDICATED SCHOOLS GRANT 2009/10

### AND IMPLICATIONS FOR THE SCHOOLS BUDGET

#### Purpose of the Report

1. This report outlines the estimated level of Dedicated Schools Grant (DSG) for 2009/10 and identifies key priorities for funding from any headroom within the overall schools budget. Recommendations are made to Implementation Executive on the overall level of the schools budget.
2. The projected outturn for DSG budgets in 2008/09 is also outlined as any variance against the DSG budget for the current year must be carried forward as a first call on the grant for 2009/10.

#### Background

3. The schools funding settlement for 2008-11 was announced on 12 November 2007. The announcement included details of the Guaranteed Unit of Funding for each Authority, funding ring-fenced to meet Ministerial priorities and details of the Minimum Funding Guarantee for the 3 year period. The DCSF also issued indicative calculations of DSG for each local authority (LA) based on its own pupil projections. The DCSF projections for Wiltshire are as follows:

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	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Guaranteed Unit of Funding	£3,713.26	£3,849.41	£4,013.48
DCSF Estimate of Pupil numbers	63,601	63,160	62,763
DCSF Estimate of DSG	£236.167m	£243.129m	£251.898m

5. Whilst the DCSF has issued these indicative figures they have stressed that authorities need to calculate their own estimate of DSG based on local estimates of pupil numbers. The final level of DSG will be based on the January pupil count and at this early stage we have calculated a provisional estimate based on October numbers with some assumptions about the likely movement from September through to January.
6. The estimated level of DSG for 2009/10 is **£243.642m**. This estimate reflects a projected decrease in overall pupil numbers and gives a cash increase of 2.6% compared with the current year.

## **Main Considerations for the Implementation Executive**

### **Implications for Schools Budget 2009/10**

7. There are a number of requirements to be met from the schools budget. The first of these is that the minimum funding guarantee (MFG) must be funded across all schools. The MFG for 2009/10 is 2.1%. The total cost of the MFG across delegated budgets is £4.287m. It is also necessary to meet inflationary pressures within central budgets. In line with assumptions on the MFG a 2.1% uplift has been assumed. This level of increase on central budgets creates pressures on all teams and the total cost of a 2.1% increase on central budgets is £0.680m.
8. The second requirement to be met is that the amount identified in the DSG for Personalised Learning needs to be ring-fenced. The total included within Wiltshire's DSG, irrespective of any movement in pupil numbers, for personalised learning is £1.798m.
9. The third requirement is that any deficit from 2008/09 needs to be carried forward as a first call on the DSG for 2009/10. The projected outturn for DSG budgets shows a projected deficit of £0.487 m. If this deficit cannot be recovered in the current year it will need to be carried forward as a first call on DSG in 2009/10.
10. In calculating the amount of available Headroom for 2009/10 a number of further adjustments have been made relating to one off items in 2008/09. Once all adjustments have been made the estimated level of headroom within the DSG for 2009/10 is estimated at £0.392m. At this stage no rollover of deficit is assumed in the estimated Headroom calculation.

### **Priorities for Funding**

11. Schools Forum have considered a number of proposals for funding in 2009/10 and have prioritised them according to a clear set of criteria, agreed by the Forum, and according to a risk matrix based on the corporate risk assessment criteria. Following this exercise the following priorities for funding in 2009/10 have emerged:
  - Recovery of any deficit from 2008/09 – it has been agreed that any deficit rolled forward from 2008/09 should be the first call on any headroom. Recovery actions are in place to try to minimise the deficit at the end of the year;
  - Special Schools places and banding – it was agreed that the funding of additional places within Wiltshire's maintained Special Schools and meeting the full cost of the moderation of the banding of pupils according to need should be the first priority for additional funding. The cost of this is calculated to be **£0.170m**. Schools Forum recommended that this should be funded if possible from within the overall delegated budget when the funding formula is

- run. If funding is not available within the overall delegated quantum then this should be the first call on headroom.
- Schools Maternity Costs – the cost of maternity pay in schools is met from a central budget funded by DSG. This budget has overspent in recent years and the projected variance for 2008/09 on this budget alone is £0.363m. It is recommended that this be the second priority for any headroom although a final amount was not agreed at this stage.
  - Secondary SOCIT service – the cost pressure identified for the continuation of this service for secondary age pupils on the Autistic Spectrum has been identified as **£0.017m**. It was agreed that this should be funded from the delegated quantum if possible and a third priority for headroom if not;
  - Primary Behaviour Support Service – A proposal to develop the Primary Behaviour Support Service has been agreed by Schools Forum as a priority and it has been agreed to consult with schools on funding options.

### **Environmental Impact of the Proposals**

12. No specific environmental issues have been identified arising from this report.

### **Equalities Impact of the Proposals**

13. There are no specific issues that have been identified arising from this report although in preparing budget proposals, officers and Schools Forum have been considering equality impacts across their services.

### **Risk Assessment**

14. The estimate of DSG is based on October figures and includes a number of assumptions about the likely movement from October to January. The final DSG will be based on the January pupil numbers but will not be confirmed until June 2009. The calculation will be updated with the January numbers as soon as they are available and it is essential that PLASC information is submitted promptly to enable an accurate estimate of DSG for budget setting purposes.
15. This provisional estimate of DSG may be an overestimate or an underestimate. If it is an overestimate the risk is that the agreed schools budget will be higher than the final level of grant which will need to be recouped either through redetermination of the schools budget in 2009/10 or through carry forward of the deficit in to 2010/11.
16. If the level of DSG is underestimated then there will be additional grant available within 2009/10. Again this can be dealt with in year or rolled forward. Schools Forum have agreed that if there is additional funding within the final settlement the same prioritisation criteria should be applied towards any further proposals for funding.

### **Financial Implications**

17. These are explicit in the report.

### **Options Considered**

18. Schools Forum considered a number of priorities in reaching the recommendations outlined above. The priorities for funding are those which will give capacity to meet additional demand for services and which will prevent expenditure on external placements for pupils with more complex needs.

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Unpublished Documents Relied Upon: Departmental budget and performance working papers