

ESTIMATE OF FINAL DEDICATED SCHOOLS GRANT (DSG) LEVEL FOR 2011/12

Purpose of the Report

1. In the absence of the final Dedicated Schools Grant (DSG) settlement for 2011/12, to update Schools Forum on the projected level of DSG and the implications for the schools budget.

Background

2. In January 2011 Schools Forum set a schools budget for 2011/12 of £274.653 million based on estimated DSG income of £273.117 million and utilisation of 2010/11 underspend of £1.536 million. .
3. The final DSG settlement is not announced by the Department for Education until the January PLASC data has been validated. To date we have not received confirmation of the final DSG for 2011/12. The purpose of this paper therefore is to present an estimate of the final DSG based on the January PLASC and Early Years Census.

Main Considerations

4. Appendix 1 shows the final results of the January pupil census and Early Years Census for Wiltshire although these figures have yet to be finally validated by the Department for Education (DfE).
5. The appendix shows that the January count, including academies, is expected to be 63,845 or 35 pupils lower than the initial estimate which was based on October pupil data. Within this, numbers of pupils in schools are 69 higher the initial estimate and the numbers of 3 and 4 year olds in the Early Years Census are 104 lower than estimated.
6. The expected reduction in pupil numbers will result in a shortfall in DSG, compared with the original estimate of £0.165 million.

Implications for 2011/12 Budget

7. The current estimate of DSG indicates that there will be a shortfall compared with the estimated level of DSG of £0.165 million. Any shortfall against the schools budget can be recovered in year or can be rolled forward to the following funding period.
8. Within the initial estimate of DSG it was estimated that the LACSEG deduction from central budgets for Academies would be £0.238 million. Updating this calculation for the number of schools which had converted to academies on 1st April 2011 indicates a LACSEG deduction of £0.312 million. This represents a further shortfall in DSG compared with the original estimate of £0.074 million.
9. The total shortfall in DSG compared with the agreed schools budget is estimated at £0.239 million. It is recommended that this shortfall be dealt with in the current financial year and not carried forward to 2012/13 and it is possible to meet the shortfall from the underspend rolled forward from 2010/11.

Other Issues for 2011/12

Schools Budgets 2011/12

10. Following final confirmation of the treatment of delegated standards funds, budgets were issued to schools on 29 March 2011. Schools Funding Working Group asked that a final list of budgets for individual schools compared with 2010/11 be provided

to Schools Forum. This is attached at Appendix 2 and shows the changes in number on roll for each school and the change in per pupil funding for each school from 2010/11 to 2011/12.

Music Education Grant Allocation 2011/12

11. Schools Forum agreed previously that the new Music Grant for 2011/12 should be allocated on the same basis as in 2010/11 for the first term, with further proposals to be brought following the confirmation of the conditions of grant. The full conditions of grant have now been issued and it is clear that Wiltshire's current method of allocation is in accordance with the guidance. It is therefore proposed that the grant continues to be allocated to primary schools in Wiltshire to support music tuition at Key Stage 2 on the same basis as in previous years.

Pupil Premium for Looked After Children (LAC)

12. Final technical guidance for the Pupil Premium for LAC has now been issued. A provisional allocation for each authority has been issued based on £430 for each child continuously looked after for over 6 months as recorded in the March 2010 Children Looked After Data Return (SSDA903). The allocation will be finalised in October 2011 based on the number of children looked after continuously for over 6 months as recorded in the March 2011 return and aged 4 to 15 at 31 August 2011. The provisional allocation for Wiltshire is £96,320.
13. For each looked after child who on 1st April 2011 has been looked after continuously for at least 6 months and who is in year groups R to 11 during the current financial year, the authority must allocate to the maintained school or academy, in which they are solely or main registered, £430 per pupil for the financial year. The guidance states that it is for local authorities to determine how to apportion the allocation to reflect the circumstances of a looked after child.
14. Children may become "looked after continuously for at least 6 months" during the financial year and local authorities are required to take this in to account in allocating the pupil premium to schools. It is therefore possible that the grant could be over or underspent in any year if the number of children meeting the criteria increases or decreases during the year. We are awaiting guidance on how variances against the grant allocation will need to be treated.
15. In discussions with the Virtual Head Teacher for Looked After Children a number of options have been considered for the most efficient way to pay the premium to schools. Two main options have been considered:
 - a. Termly (3 times per year) payments based on a pupil count to identify those children meeting the criteria in each school. This would mean 3 payments of £143.33 per child with a payment being made to schools in respect of each child meeting the criteria of "looked after continuously for 6 months" each term
 - b. Linking the payment to the payment being made for the Personal Education Plan (PEP). This would mean the payment of the premium being linked to the sign off for the PEP for each child meeting the criteria and would be administratively less burdensome as no separate termly pupil count would be required. Administrative systems to pay the PEP are already in place.
16. It is recommended that the payment of the premium be linked to the payment of the funding for the PEP.

Proposals

17. Schools Forum are asked to consider the following proposals:
 - a. that the projected shortfall in DSG for 2011/12 should be offset from the 2010/11 DSG underspend.
 - b. that if the final DSG settlement is significantly different from this estimate, the Schools Funding Working Group should meet as a matter of urgency in July to consider any further implications on the schools budget.

- c. That Music Education Grant for 2011/12 be allocated to schools on the same allocation basis as the Music Standards Funds grant in 2010/11.
- d. That the payment of the Pupil Premium for Looked After Children be linked to the payments for the Personal Education Plan for each child meeting the criteria of “looked after continuously for at least 6 months”.

Carolyn Godfrey
Director, Children & Education

Report Author: Liz Williams, Head of Finance (DCE)

Tel: 01225 713675 e-mail: elizabeth.williams@wiltshire.gov.uk

Appendices

Appendix 1 – Estimate of Dedicated Schools Grant 2011/12

Appendix 2 – Comparison of Schools Budget Shares 2010/11 and 2011/12