

FINAL DEDICATED SCHOOLS GRANT AND SCHOOLS BUDGET 2007/08

Report of the Director of Children Schools and Families

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1. Purpose

- 1.1 To outline the changes in the level of Dedicated Schools Grant available following the completion of the January 2007 pupil count and of the 2006/07 accounts.
- 1.2 To seek the agreement of the Forum to carry forward the additional DSG resource to 2008/09.
- 1.3 To update the Forum on the finalisation of the 2007/08 Schools Budget.

2. Background

- 2.1 At its meeting on 17th January, the Forum agreed the Schools Budget for 2007/08. The pupil number data from the January census was not then available. Therefore the budget was based on estimates of pupil numbers.

Budget shares for 2007/08 were issued on 7th March based on the actual pupil numbers from the school census.

- 2.2 The DfES has now finalised the overall total of pupil numbers from the three pupil counts carried out in January. These counts are:
 - a) The school census, (following DfES validation and double count removal processes)
 - b) The early years' census, which covers funded pupils in private nursery provision,
 - c) The count of pupils not in school,

In addition an adjustment has been made for the new, year group at Yavneh College.

The level of Dedicated Schools Grant (DSG) for the authority is based on its final total pupil numbers. Authorities were notified on 7th June of their final pupil numbers and therefore final allocations of DSG for 2007/08.

3. Dedicated Schools Grant 2007/08

- 3.1 The Schools Budget set in January assumed total pupil numbers for DSG purposes of 160,052 and a total 2007/08 DSG of £597.033m.

In order to finalise the Schools Budget by 31 March it was necessary to estimate the total number of pupils which would count for DSG funding purposes. The authority's final Schools Budget in the 2007/08 Section 52 Budget Statement was based on a total pupil number of 160,152 generating an estimated DSG in 2007/08 of £597.406m.

The final pupil numbers and DSG, which have now been announced by the DfES for Hertfordshire, are closely in line with earlier estimates. Final pupil numbers are 160,235 which is 83 pupils more than budgeted on Section 52.

Final Pupil Numbers	FTE
School Census	156,444
Early Year Census	3,187
Pupils not in school	541
Yavneh adjustment	63
Total	160,235

The final allocation of DSG is therefore £597.715m which is £309,000 more than budgeted in the Section 52 tables.

The authority must decide how to respond to this increase. It is proposed that it be carried forward to 2008/09 to increase the funding available in that year, the first of the new three year funding period. There would therefore be no need to modify any existing budget statements.

4. Carry Forward of DSG from 2006/07

- 4.1 Any under or over spend of DSG in one year has to be carried forward to support the Schools Budget in future years. The 2007/08 Schools Budget assumed that an under-spend of £1.293m would be carried forward from 2006/07 to 2007/08. This was made up of two elements:

- a) The amount by which the final 2006/07 DSG exceeded the budgeted estimate: £0.193m
- b) The estimated under-spend against the central expenditure elements of the 2006/07 Schools Budget: £1.100m

As agreed in January, the £193k was used to support the overall 2007/08 Schools Budget. Of the remainder of the carry forward, £1.0m was allocated to the budget for private, voluntary and independent nurseries as a provision against an increase in the participation rate for three year olds. The remaining £0.1m was added to the schools contingency budget.

4.2 The authority's accounts for 2006/07 are now finalised and the under-spend of central expenditure in 2006/07 is £2.4m. Together with the extra DSG, this gives a total carry forward of £2.6m, an increase of £1.3m on the earlier estimate.

The authority needs to consider its response to the increased under-spend being carried forward. In deciding the approach to adopt, there are a number of points to note:

- i) The DfES has indicated that the funding settlement for the next three year period (starting in 2008/09) is likely to be tighter than in the last two years.
- ii) As indicated in the Revenue Monitor Report for 2006/07, there is a potential risk of overspending in 2007/08 on the budget for out county placements.
- iii) £200k is required to be carried forward for teachers pay reform grant funding (relating to threshold and maternity supply) from 2006/07.

4.3 Therefore it is proposed that the whole additional under-spend of £1.3 from 2006/07 be carried forward to support the Schools Budget in 2008/09.

5. Schools Budget

5.1 The authority's final Schools Budget (in the 2007/08 Section 52 Budget Statement) was as follows:

Schools Budget	£598.922m
Less estimated Yavneh College promoters' donation	<u>£0.223m</u>
Schools Budget funded from DSG	£598.699m

Funded by	Estimated 2007/08 DSG	£597.406m
	Estimated DSG brought forward	<u>£1.293m</u>
		£598,699m

The Schools Budget considered in January (including the carry forward) was £598.326m. The slight increase in the final budget reflects the higher number of pupils.

6. Conclusion

The Forum is asked to:

- Consider the changes in Dedicated Schools Grant and in the Schools Budget since January
- Agree the carry forward of the additional DSG resources to 2008/09.