

## Dedicated Schools Grant 2012/13 update.

<b>Schools Forum Date</b>	13 <sup>th</sup> June 2012
<b>Type of Decision</b>	For decision
<b>Background Documents</b>	11 <sup>th</sup> May 2011, 23 <sup>rd</sup> November 2011, 20 <sup>th</sup> January 2012 and 29 <sup>th</sup> February 2012 Schools Forum DSG Reports
<b>Main Consultees</b>	Headteachers and governors of maintained schools and academies in Gloucestershire
<b>Planned Dates</b> Where applicable	Final DSG for 2012/13 is expected to be issued by the DfE at the end of June 2012.
<b>Author</b>	Neil Egles, Schools Finance Manager Stewart King, Lead Commissioner Education and Skills
<b>Purpose of Report</b>	To update the Schools Forum on the revised 2012/13 DSG estimate as a result of updated pupil number data.  To make recommendations on the use of currently uncommitted DSG. .
<b>Key Recommendations</b>	<p><b><u>Recommendation 1</u></b></p> <p>That the additional £266K identified in this report is added to the £500K general DSG contingency already held giving a total £766K general contingency (0.2% of DSG).</p> <p><b><u>Recommendation 2</u></b></p> <p>That a full report on balances is considered in December 2012 when the position on school funding for 2013/14 has been clarified.</p>
<b>Resource Implications</b>	The general DSG contingency now stands at £766,000. In addition £1.252m is being held for early years and there is a one-off uncommitted DSG balance of £3.3m brought forward from 2011/12.

## Background

At 20<sup>th</sup> January 2012 Forum an estimated DSG of £377,150K (before academy recouplement) was reported based on 80,917 pupils.

At that point in time 94% of the count was based on October 2011 school pupil numbers.

The remaining 6% of the count related to early years pupils with a small element for pupil referral units, general hospital schools and alternate provision.

The previous year's pupil numbers had been used for these as the pupil numbers would not be available until March 2012. The Forum was therefore alerted to the risk of under or overestimating the DSG resource at that stage of the year.

### DSG at point school budgets were issued in March 2012

Updated pupil numbers were received during March 2012 and these were used in order to produce a revised DSG estimate and calculate the final school budgets.

This resulted in an increase of:

	<b>£000</b>	
<b>January 12 DSG Estimate</b>	<b>377,150</b>	
Additional 76 School pupils	354	Allocated to schools in March 12
Additional 156 early years pupils	727	Held for early years growth.
<b>Revised DSG Estimate March 12</b>	<b><u>378,231</u></b>	

At that point these updates were based on the provisional January 2012 school pupils and March 2012 early years numbers, but were still subject to further checks and updates for submission errors or cross border duplicate adjustments up to the end of June 2012.

## Current Position

The estimated DSG for 2012/13 is now £378,497K. This is an increase of £266K due to a further 57 school pupils. These pupils were included in the issued school budgets but were not included in the March 12 DSG estimate due to an invalid pupil indicator being used. This means the additional £266K is currently uncommitted.

It should be noted that the DfE does not confirm the final DSG until the end of June 2012 and it is therefore still subject to further amendment until the DfE notification is received.

### Recommendation 1

**That the additional £266K identified in this report is added to the £500K general DSG contingency already held giving a total £766K general contingency (0.2% of DSG).**

## **Early Years Hourly Rate**

The January 2012 Forum paper included within the 2012 DSG commitments a provision of £525K for a possible increase in the early years hourly rate effective from September 2012.

It was recognised that the hourly rate in Gloucestershire at £3.25 was particularly low and the lowest in the south west. Research suggested a clear link between quality of provision and outcomes and a piece of work was to be commissioned to establish whether increasing the hourly rate was likely to produce an improvement in quality. It was agreed that the Forum would then consider the options at this June 2012 Forum meeting.

Recommendations relating to this £525K and the £727K of early years growth funding currently being held are covered in the Early Years Free Entitlement report to this Forum meeting.

## **Use of DSG balances from 2011/12.**

There is currently £3.3M of uncommitted DSG balances after allowing for the provisions approved by the Forum for redundancies and sponsored academy deficits and for the additional £1.4m allocated to schools following the deferred payment of Standards Fund by the Department for Education. This represents 0.87% of DSG. Given that the full impact of the government's school funding reform proposals may not become clear until the autumn and that uncommitted balances are still relatively low, no further disbursements from balances are proposed at this time.

## **Recommendation 2**

**That a full report on balances is considered in December 2012 when the position on school funding for 2013/14 has been clarified.**