

Members of the School Forum are requested to receive this report for information

SCHOOL FUNDING SETTLEMENT FOR 2008-09 TO 2010-2011

Core Funding

The DCSF have now published the School funding settlement for the next three years and full details of the settlement can be found on the teachernet website. The indicative DSG allocations for LA's have been calculated using the same method applied to 2006 – 2008 DSG settlements i.e. spend plus model which comprises of a basic increase in DSG plus funding for Ministerial priorities.

The DCSF are continuing with the Minimum Funding Guarantee (MFG) which will deliver a minimum per pupil increase for all schools in each of the three years, reflecting the average cost pressures, both pay and non-pay, schools will face. However the setting of the MFG at 2.1% across all three years has been based on the assumption that substantial efficiency gains of 1% each year are achieved by schools and the public sector. In addition to the basic 2.1% increase, LA's have received headroom funding of 1% / 0.8% / 0.8% and funding for Ministerial priorities is equivalent, on average, to a further 1.5% / 0.8% / 1.4%. In our settlement the priorities represent 1.59% of our increased DSG in 2008-09, with 1.1% and 1.6% for 2009/10 and 2010/11 respectively. Annex 1 to this report provides a breakdown of our indicative DSG allocation. It should be noted that the allocations are based on the Department's projection of our likely pupil population over the next three years and we are strongly encouraged to use the notified guaranteed funding per pupil unit (GFU) with our own projections. Our pupil numbers at September 2007 would suggest a slightly reduced total to that used by the DCSF and it may be prudent to base initial budget decisions on a reduced DSG figure to that shown in the annex.

There is a strong focus on personalised teaching and learning, the provision of additional sums earmarked within the DSG are to support universal roll out of a personalised offer to all pupils – including those with special educational needs. The DCSF are expecting local authorities and their School Forum to consider the DCSF priorities when making decisions on allocations.

Another key priority for the Department is the continued focus on narrowing the attainment gap for pupils from disadvantaged backgrounds and the Department will continue to press us to properly reflect, in our funding formulae, the funding for deprivation delivered through our DSG.

Specific Grants

School Standards Grant - Direct funding to schools through the School Standards Grant (SSG) and School Standards Grant Personalisation (SSG (P)) has been increased in line with the level of the MFG i.e. 2.1%

School Development Grant - The authority's allocation of School Development Grant has also been increased in line with the MFG for each year. However, as the funding guaranteed to schools - the same cash allocation per pupil year on year (a cash freeze) - is lower than the increase overall to the authority, there will be some headroom available for distribution. The distribution of this headroom to schools can be determined locally, but it will be a condition of grant that the differential in funding between the most and least deprived schools in the authority must not be narrowed from its 2007-2008 level.

The DCSF will monitor the deprivation differential by comparing our Section 52 Statements for the next three years with 2007-2008. Where the differential narrows, the Department will seek an explanation.

Additional standards fund grants have been identified to support other government priorities: support for all pupils to make good progress; the extension of the early years offer to parents and extended children's services.

Academies - From 2008-09 the DCSF will pay all specific grants direct to academies, including Standards Fund and Devolved Formula Capital, this is being done to reduce the administrative burden in local authorities and streamline the payment process.

Learning and Skills Council – The LSC will announce shortly increases in the funding rates for post 16 as well as details of its new funding methodology, to be used for school sixth forms and other 16 – 18 provision. The Department is intending to announce in December allocations of specific formula grant to support the introduction of diplomas from September 2008. This funding will augment the practical learning funding we received in 2007/08 and we are expected to utilise this funding and the additional grant to support the roll out of diplomas.

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