

**Schools Forum 6 February 2007**

**Report of the Director of Children's Services**

**Dedicated Schools Grant (DSG) Budget – Schools Budget - 2006/07 Financial Year**

**Purpose of Report**

1. To provide Schools Forum with the latest budget monitoring data to the 31 December 2006, in respect of the Schools Budget for the 2006/07 financial year.

**Budget Working Group Discussed**

2. No

**Action for Schools Forum**

3. To note the 2006/07 financial projections in respect of the Schools Budget, for which the Schools Forum are responsible.

**Attachments to Report**

4. Appendix A and B.

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**Purpose of Report**

1. To provide Schools Forum with the latest budget monitoring data to the 31 December 2006, in respect of the Schools Budget for the 2006/07 financial year.

**Background**

2. The Schools Forum is responsible for the allocation of the Dedicated Schools Grant (DSG) for 2006/07.
3. For 2006/07 financial year the DSG has been confirmed at £173.955m. The DSG funds the Schools Budget. The Schools Budget is a combination of -centrally retained budgets together with the ISB (Individual Schools Budget).
4. The monitoring report in respect of the 2006/07 financial year was last presented to Schools Forum at the meeting on 3 October 2006 at which time there was a forecasted overspend of £1.4m.
5. The latest financial projection to the 31 March 2007, which is based on the actual position at the 31 December 2006, indicates that the DSG continues to overspend. The forecast overspend is estimated to be £1.1m; a reduction of £0.3m in the projected overspending since the last report to Schools Forum in October.
6. Since October 2006, the Director of Children's Services has applied targeted budget restrictions and spending has been tightly controlled in the light of continuing budget pressures and the projected 2006/07 budget outturn position across the Directorate. The Director of Children's Services has also placed a recruitment freeze on appointment of all non-essential posts, and a freeze on all non-essential other expenditure items. These actions are intended to ensure that the Directorate's spending is contained within the approved budget.
7. The impact of the targeted budget restrictions will be discussed further at the meeting.
8. Further details of the current outturn position for 2006/07 are presented in Appendix A. The main areas are:
  - a. DSG over- programmed for 2006/07;
  - b. Independent and voluntary sector placements for pupils;

- c. Extra District placements for SEN pupils;
  - d. Statemented pupil provision;
  - e. Exclusions.
9. The Schools Finance Regulations 2006 allow for the DSG balance at 31 March 2007 to be carried forward to the next financial year. If the year-end balance is a surplus then this will be available for distribution within the Schools Budget, if the balance is a deficit then this will be top sliced from the 2007/08 DSG.
10. The financial monitoring report is accompanied by Appendix B, which will be discussed in more detail at the Forum's meeting on 6 February.
11. The monitoring report is discussed in detail on a monthly basis with the Director of Children's Services and relevant budget holders.

### **Finance**

12. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DfES grant: Dedicated School Grant (DSG).

### **Law**

13. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

### **Equality Impact**

14. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

### **Recommendation**

15. Schools Forum to note the contents of the financial monitoring report attached at Appendix A, in respect of the current financial year 2006/07 and advise the Director of Children's Services accordingly regarding the centrally retained areas of the DSG and any further action required.



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**Director of Children's Services**

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