

**Select Committee on Children's Services – 26 March 2007**

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

**School Budgets 2007/08**

**Purpose of Report**

1. To advise the Committee of the 2<sup>nd</sup> indicative school budgets for 2007/08.

**Background**

2. The 1<sup>st</sup> indicative budgets for schools were issued in March 2006, in line with the DfES's 'multi- year' budget planning process, which covered the 2006/07 and 2007/08 financial years. At that stage, the pupil number data for January 2007 was based on an estimate made in March 2006.
3. The 'actual' January 2007 pupil numbers have now been assessed. These numbers will dictate the value of the DfES grant – the Dedicated Schools Grant (DSG) – allocated to Dudley for 2007/08. The DSG funds the delegated budgets issued to Dudley schools along with some centrally retained budgets, such as early years and special educational needs.
4. 2<sup>nd</sup> Indicative budgets for schools for 2007/08 based on the 'actual' January 2007 pupil numbers were issued to schools on 23 February 2007. This report includes these budget details for all schools.
5. There may be minor changes between these 2<sup>nd</sup> indicative budgets and the final budgets, as a consequence of error correction and decisions to be taken at the Schools Forum on 20 March.
6. It is a statutory requirement that final school budgets for 2007/08 must be issued on or before 31 March 2007.
7. In addition to the delegated budgets funded through the DSG, schools receive grant funding from the DfES in respect of Schools Standards Grant (SSG) and Schools Standards Grant – Personalisation (SSG'P').

8. Table 1 indicates the overall percentage increases in schools budgets for 2007/08 compared with 2006/07. An accounting adjustment has been made to Table 1 in respect of in year changing schools, whereby the funding is retained outside of the delegated budget but will be available for distribution to schools during the course of the year.

Table 1

2007/08 Schools 2<sup>nd</sup> Indicative Budgets – Cash increases by sector

	<b>2007/08 School Budgets</b>		
	<b>Delegated Budgets</b>	<b>SSG/SSG'P'</b>	<b>TOTAL</b>
<b>Nursery</b>	<b>4.1%</b>	<b>19.3%</b>	<b>4.7%</b>
<b>Primary</b>	<b>2.6%</b>	<b>28.7%</b>	<b>3.8%</b>
<b>Secondary</b>	<b>4.5%</b>	<b>22.5%</b>	<b>5.3%</b>
<b>Special</b>	<b>5.2%</b>	<b>14.3%</b>	<b>5.5%</b>
<b>Total</b>	<b>3.6%</b>	<b>25.2%</b>	<b>4.6%</b>

9. Schools are protected by the Minimum Funding Guarantee, which has been set by the DfES at 3.7% for 2007/08. The reason for the lower percentage increase in the primary sector is due to a combination of significant falling pupil numbers and the fact that the DfES has targeted additional personalised funds to the mainstream sector for 2007/08 on a basis of 25% for primary and 75% for secondary schools. This reflects the fact that the secondary sector will have additional requirements in respect of personalised learning in 2007/08.
10. Table 2 highlights the change in pupil numbers from 2006 to 2007 together with the associated loss of DSG.

Table 2

Dudley Pupil Numbers 2006 to 2007

	<b>Numbers change 2006 to 2007</b>	<b>% change</b>	<b>DSG reduction 2007/08</b>
Nursery	3	5%	£11,357
Primary	-458	-1.69%	-£1,733,892
Secondary	-248	-1.19%	-£938,876
Special	0	0%	£0
<b>Total</b>	<b>-703</b>	<b>-1.45%</b>	<b>-£2,661,410</b>

11. The data attached at Appendix 1 gives details of the individual budgets on a school by school basis.

### **Finance**

12. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006.
13. From 1 April 2006, schools have been funded by a DfES grant known as the Dedicated School Grant (DSG).

### **Law**

14. Councils' Local Management of Schools Schemes ('LMS Schemes') are made under Section 48 of the School Standards and Framework Act 1998. These Schemes include provision for the distribution of funding between schools through a locally-agreed LMS Formula. The Education Acts 1996 and 2002 also have provisions relating to school funding.

### **Equalities**

15. This report takes into account the Council's Equal Opportunities Policy.
16. Children and young people have not been directly consulted about the content of this report, as no decisions can be taken at this stage which will vary the outcomes.

### **Recommendation**

17. It is recommended that the Select Committee should consider this report



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