

Schools Forum – Tuesday 5th February 2008

Report of the Director of Children's Services

Dedicated Schools Grant (DSG) Financial Monitoring – Schools Budget - 2007/08 Financial Year

Purpose of Report

1. To provide Schools Forum with the latest budget monitoring data to the 31 December 2007, in respect of the Schools Budget for the 2007/08 financial year.

Budget Working Group Discussed

2. No.

Action for Schools Forum

3. To note the 2007/08 financial projections in respect of the Schools Budget.

Attachments to Report

4. None.

Rachel Cooper
Senior Principal Accountant
22 January 2008

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Purpose of Report

1. To provide Schools Forum with the latest budget monitoring data to the 31 December 2007, in respect of the Schools Budget for the 2007/08 financial year.

Background

2. The DSG funds the Schools Budget. The Schools Budget is a combination of centrally retained budgets together with the ISB (Individual Schools Budget).
3. For 2007/08 financial year the DSG has now been confirmed at £183.146m.
4. At the 31 December 2007, the latest revenue forecast for the 2007/08 Schools Budget is a net outturn of £182.992m.
5. Within the 2007/08 forecast outturn there are a number of budget variances. These are detailed in Table 1 below:

Table 1 – 2007/08 Schools Budget Monitoring at 31 December 2007

Schools Budget Monitoring 2007/08	Variances £m	Total £m
DSG 2007/08		183.146
CAF	(0.154)	
Cradley High school– year 11 leavers	(0.250)	
Rosewood special school – increased PAN from Sept 07	(0.103)	
Sycamore Green INC – closure	(0.074)	
DSG contingency for pupil numbers	(0.086)	
In year under-spending on central budgets – vacancies	(0.097)	
Schools Forum running expenses budget	(0.020)	
Total under-spending		(0.784)
Cradley High school closure – staffing costs	0.475	
Cradley High school closure – projected deficit	0.155	
Total pressures		0.630

Total DSG Projected Outturn 2007/08	182.992
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6. The forecast DSG outturn at £182.992m will result in an overall under-spend of £154k. The £154k relates to the CAF (Common Assessment Framework) budget therefore this under-spend will be carried forward and distributed to schools in 2008/09, as agreed at Schools Forum on 11 December 2007.
7. The Schools Finance Regulations 2007 allow for the DSG balance at 31 March 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 next year's DSG.
8. A further three months remain of the 2007/08 financial year for Schools Budget monitoring purposes. It is anticipated that further under-spends will arise from ongoing vacancies within the centrally retained areas of the Schools Budget.
9. Schools Forum is recommended to note the projected underspend for 2007/08 at this stage and review the position again at the next meeting in March 2008. At that time the Director may be in a position to update Schools Forum on the single status implications for Dudley schools.
10. The Schools Budget monitoring data is discussed in detail on a monthly basis with the Director of Children's Services and relevant budget holders in addition to providing information for Schools Forum.

Finance

11. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2007.
12. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
13. From 1st April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

14. 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

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

Recommendation

16. Schools Forum to note that:

- The 2007/08 Schools Budget financial monitoring at 31 December 2007 is projecting an under-spend of £154k. This will be carried forward to 2008/09 for distribution to schools.
- A further update covering the period to 29 February 2008 will be provided at the next meeting in March. Any necessary financial action can be agreed at that stage.



John Freeman

Director of Children's Services

Contact Officer:

Karen Cocker, Children's Services Finance Manager

Karen.cocker@dudley.gov.uk Tel: 01384 815382