

Schools Forum 10 July 2007

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 May 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.

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Purpose of Report

1. To provide Schools Forum with the latest budget monitoring data to the 31 May 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. The latest forecast net expenditure at 31 May 2007 is £183.146m. However, this excludes the anticipated net deficit for Cradley High school of £324k and the projected overspend of £22k in respect of the staff costing arising from the 2006 primary school review. The Schools Budget is therefore projecting an overspend of £346k for 2007/08.
4. The net deficit for Cradley High and the projected overspend for staff costs arising from the 2006 primary review will change, as reported in separate Schools Forum agenda items. Therefore, Schools Forum is recommended to note the projected overspend for 2007/08 at this stage and review the position in more detail at the next meeting in October.
5. 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 years DSG.
6. The Schools Budget monitoring is discussed in detail on a monthly basis with the Director of Children's Services and relevant budget holders.

Finance

7. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2007.
8. From 1st April 2006, the Schools Budget will be funded by a direct DfES grant: Dedicated School Grant (DSG).

Law

9. 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

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

Recommendation

11. Schools Forum note that the Schools Budget financial monitoring for 2007/08 is projecting an overspend of £346k as a result of the closure of Cradley High School and the 2006 primary schools reorganisation. A further update will be provided in October when the financial position will be clearer. Any necessary financial action will be agreed at that stage.



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