

Schools Forum 12 December 2006

Report of the Director of Children's Services

School Reserves – Provisional Plans November 2006

Purpose of Report

1. To advise Schools Forum of the current school reserve balances at November 2006.

Budget Working Group Discussed

2. No.

Schools Forum Action

3. To approve the current provisional plans for Dudley school reserves, in line with the proposed revision to the Dudley Scheme for Financing Schools (paragraph 4.2.2).

Attachments to Report

4. Individual school plans at November 2006.
5. Paragraph 4.2.2 and 4.2.3 from Dudley Scheme for Financing Schools.

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Purpose of Report

1. To advise Schools Forum of the current school reserve balances at November 2006.

Background

2. Summary data relating to the school reserve balances at 31 March 2006 was circulated and discussed at the meetings on the 9 May and 3 October 2006.
3. Schools Forum members asked for a detailed breakdown of the school reserves which would indicate how and when schools were intending to spend their reserves.
4. Schools can allocate their reserves in to the following accounts:
 - General Contingency (code VA19) – any unallocated contingency;
 - Renewals and Replacement Fund (code VA29) – balances set aside to meet planned equipment replacement costs;
 - Long-Term Deposit Account (code VA39) – balances set aside for capital-based projects costing more than £5000;
 - Specific Contingency (code VA49) - this may include balances set aside for staff stabilisation;
 - Approved DMBC Capital Schemes (code VA59) – approvals made by The Cabinet;
 - Approved Loans (code VA69) – loans approved to schools;
 - Reserves to Balance Following Year's Delegated Budget (code VA79).Full details are attached at Appendix A.
5. In view of the fact that 8 months of the 2006/07 financial year have now elapsed, it is considered a worthwhile process to review and approve the current plans for schools rather than review the 2005/06 year end position which is now out of date.
6. In addition, it will shortly be a requirement of the Dudley Scheme for Financing that Schools Forum consider the school reserves on an annual basis, (to be termed *provisional plans*), and approve these plans, based on the recommendation of the Director of Children's Services. These plans will then be referred to as *approved*

plans. Paragraph 4.2.2 of the Scheme refers. This is attached at Appendix B.

7. Appendix C details the current provisional plans for schools at November 2006. As this is a new process, the Director is recommending that Schools Forum approves all provisional plans presented in Appendix C. This will then enable further analysis to be carried out at the end of the 2006/07 financial year with a view to clawing back those reserves which have not been spent in accordance with the approved plan.
8. The process outlined in paragraph 6 and 7 is subject to DfES approval, which is currently being sought.

Finance

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

Law

11. 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

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

Recommendation

13. Schools Forum:
 - Note the report in respect of the schools' reserve balances held at November 2006 and confirm their approval in respect of the proposed amendment to paragraph 4.2.2 of the Dudley Scheme of Financing for Schools, at Appendix B;
 - Approve the schools provisional plans at Appendix C, as recommended by the Director of Children's Services.



John Freeman

Director of Children's Services

Contact Officer:

Karen Cocker, Children's Services Finance Manager

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