

Schools Forum 20 March 2007

Report of the Director of Children's Services

School's Trading Accounts 2006/07 Data

Purpose of Report

1. To inform Schools Forum of the DfES requirement to report School's Trading Account balances in respect of the 2006/07 financial year together with schools delegated reserves and standards fund roll-forwards.

Budget Working Group Discussed

2. No

Schools Forum Action

3. To note the information attached at Appendix A.

Attachments

4. Appendix A – Estimated School's Trading Account balances for 2006/07.

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School's Trading Accounts – 2006/07 Data

Purpose of Report

1. To inform Schools Forum of the DfES requirement to report School's Trading Account balances in respect of the 2006/07 financial year together with school's delegated reserves and standards fund roll-forwards.

Background

2. It will be a DfES requirement for the 2006/07 outturn that all School funds are publicly reported for the purposes of Consistent Financial Reporting (CFR) and the Section 52 (S52) outturn statement.
3. In previous years the published data has related to schools' delegated reserves, private funds and standards fund roll-forward. However, for 2006/07 financial year end reporting, all local authorities will be required to supply additional data in respect of school's trading accounts. For Dudley these vary in purpose but can be summarised into:
 - a. Extended school activities;
 - b. Leisure school activities;
 - c. Miscellaneous.
4. Whilst the financial data in respect of schools trading accounts is included in the Councils overall annual reserve statement reported within the Council's Annual Report, the details are not widely publicised. Therefore in anticipation of the detailed data being published within CFR and S52 then Schools Forum should be made aware of the estimated value of the schools trading account at 31 March 2007.
5. Appendix A includes the financial data in respect of the schools opening balances at 1 April 2006 together with the estimated closing balances at 31 March 2007. The data is captured at the 28 February 2007 and therefore the final year end balance can only be an estimate at this time.

6. Where the school trading account is projecting a year end deficit then all schools are frequently contacted by Finance Directorate to ascertain why there is a deficit balance and when this might be cleared. There is an increasing trend of deficit school trading accounts in respect of extended school activities, which is of concern.

Finance

7. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006.
8. From 1st April 2006, the Schools Budget is 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. It is recommended that Schools Forum note the estimated Schools' Trading Account data in respect of 2006/07, as detailed in Appendix A and be aware that the actual outturn data will be publicly available by the Autumn 2007.



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