

Schools Forum 3 October 2006

Report of the Director of Children's Services

Dedicated Schools Grant (DSG) Budget – Schools Budget - 2006/07 Financial Year

Purpose of Report

1. To provide Schools Forum with the latest budget monitoring data to the 31 August 2006, in respect of the Schools Budget for the 2006/07 financial year.

Budget Working Group Discussed

2. No

Action for Schools Forum

3. To note the 2006/07 financial projections in respect of the Schools Budget, for which the Schools Forum are responsible.

Attachments to Report

4. Appendix A and B.

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1. To provide Schools Forum with the latest budget monitoring data to the 31 August 2006, in respect of the Schools Budget for the 2006/07 financial year.

Background

2. The Schools Forum is responsible for the allocation of the Dedicated Schools Grant (DSG) for 2006/07.
3. For 2006/07 financial year the DSG has been confirmed at £173.955m. The DSG funds the Schools Budget. The Schools Budget is a combination of -centrally retained budgets together with the ISB (Individual Schools Budget).
4. The latest financial projection to the 31 March 2007 indicates that the DSG will overspend by £1.4m; there has been an increase in this overspending of £0.550m since the last report to Schools Forum in July. Full budget details are presented in Appendix A. The main areas are:
 - a. DSG over- programmed for 2006/07;
 - b. Independent and voluntary sector placements for pupils;
 - c. Exclusions.
5. The overspend of £1.4m represents 9.5% of the centrally retained areas.
6. The Schools Finance Regulations 2006 allow for the DSG balance at 31 March 2007 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 2007/08 DSG.
7. The financial monitoring report is accompanied by Appendix B, which will be discussed in more detail at the Forum's meeting on 3 October.
8. The monitoring report is discussed in detail on a monthly basis with the Director of Children's Services and relevant budget holders.

Finance

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

Law

10. 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

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

Recommendation

12. Schools Forum to note the contents of the financial monitoring report attached at Appendix A in respect of the current financial year 2006/07 and advise the Director of Children's Services accordingly regarding the centrally retained areas of the DSG.



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