

Schools Forum – Tuesday 2nd October 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 August 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
18 September 2007

Schools Forum – 2nd October 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 August 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 August 2007, the latest forecast net expenditure in respect of the Schools Budget for 2007/08 is £183.320m; this forecast will result in the Schools Budget overspending by £174k in 2007/08. The £174k overspending relates to the anticipated net deficit for Cradley High school, as reported elsewhere on this agenda.
5. However, Schools Forum should note that there are currently budget pressures within the centrally retained areas, such as exclusions and extra district recoupment, charges, which are currently being covered by one off savings within other service areas (mainly staff turnover savings).
6. As this financial reporting position at 31 August 2007 only reflects five twelfths of the financial year and the position is expected to change month on month with Cradley school, then 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 December.
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. The Schools Budget monitoring 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 DCSF through the School Finance (England) Regulations 2007.
10. From 1st April 2006, the Schools Budget will be funded by a direct DCSF 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 that the Schools Budget financial monitoring for 2007/08 is projecting an overspend of £174k as a result of the closure of Cradley High School. A further update will be provided in December when the financial position will be clearer. Any necessary financial action will 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