

Schools Forum – 18th March 2008

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 January 2008, 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 January 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 January 2008 latest revenue forecast for the 2007/08 Schools Budget remains at a net outturn of £182.992m; despite new variances in month.
5. The forecast variances for 2007/08 are detailed in Table 1 below:

Table 1 – 2007/08 Schools Budget Monitoring at 31 January 2008

Schools Budget Monitoring 2007/08	Variances £m	Total £m
DSG 2007/08		183.146
CAF	(0.154)	
Cradley High school– year 11 leavers	(0.250)	
Rosewood special school – increased PAN from Sept 07	(0.103)	
Sycamore Green INC – closure	(0.074)	
DSG contingency for pupil numbers	(0.086)	
In year under-spending on central budgets – vacancies	(0.120)	
Nursery education funding for 4 year olds - PVI	(0.048)	
Schools Forum running expenses budget	(0.020)	
Expected in year underspending on central budgets to balance*	(0.134)	
Total under-spending		(0.989)
Cradley High school closure – staffing costs 2008/09	0.542	
Cradley High school closure – projected deficit	0.147	
Nursery education funding for 3 year olds - PVI	0.146	

Total pressures		0.835
Total DSG Projected Outturn 2007/08		182.992

6. Since last month, the amount to be set aside for Cradley High staffing costs in 2008/09 has increased by £67k; further details can be found within the report for Cradley High school closure, elsewhere on this agenda.
7. A new budget pressure of £146k has been identified in respect of the nursery payments to private providers for the 3 year olds; this is offset slightly by a reduction of £48k for the nursery payments to 4 year olds.
8. Overall there is an 'assumption' that further in year underspends will be achieved in the remaining two months of the year. It is assumed that vacancies within the central budgets will achieve a further underspend of £134k*. This will be required to balance the DSG budget at the end of the 2007/08 financial year.
9. The forecast DSG outturn at £182.992m will result in an overall under-spend of £154k. The £154k relates to the CAF (Common Assessment Framework) budget therefore this under-spend will be carried forward and distributed to schools in 2008/09, as agreed at Schools Forum on 11 December 2007.
10. The Schools Finance Regulations 2008 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.
11. Schools Forum is recommended to note the projected outturn for 2007/08.
12. The Director will update Schools Forum on the 2007/08 single status implications for Dudley schools.
13. The Schools Budget monitoring data is discussed in detail on a monthly basis with the Director of Children's Services and relevant budget holders in addition to providing information for Schools Forum.

Finance

14. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
15. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
16. From 1st April 2006, the Schools Budget will be funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

17. 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

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

Recommendation

19. Schools Forum to note that:

- The 2007/08 Schools Budget financial monitoring at 31 January 2008 is projecting a planned under-spend of £154k in respect of CAF. This will be carried forward to 2008/09 for distribution to schools as previously agreed.



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