

**Schools Forum 11 July 2006**

**Report of the Director of Children's Services**

**Financial Monitoring – Schools Budget for 2006/07 Financial Year**

**Purpose of Report**

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

**Budget Working Group Discussed**

2. No – data not available on 21 June 2006

**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

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**Purpose of Report**

1. To provide Schools Forum with the latest budget monitoring data to the 31 May 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 DfES have now confirmed the DSG 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. Appendix A details the latest financial monitoring report in respect of the DSG for the 2006/07 financial year, allocated over the Schools Budget areas.
5. The monitoring report attached currently reflects the DSG at the higher value of £174.4m. The budget will be amended to £173.955m after Schools Forum have agreed the strategy regarding the £489k reduction in DSG.
6. Any DSG balance at 31 March 2007 will 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 will be discussed in more detail at the Forum's meeting on 11 July.
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.

10. From 1<sup>st</sup> April 2006, the Schools Budget will be 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 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.



**John Freeman**

**Director of Children's Services**

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