

# Schools Forum

23 January 2007

## Updating School Budgets for 2007

**Members of the Schools Forum are requested  
to note this report for information**

**1. Purpose of the Report**

To provide the forum with the details of the process for the updating of the 2007 budgets.

**2. Background**

Indicative budgets for 2007/2008 were set initially a year ago in spring 2006, during spring 2007 we are required to finalise those indicative budgets to take account of, at least, the January 2007 pupil census.

Following national consultation, the DfES allows some local flexibility to update non-AWPU data used in indicative budgets provided this was with the agreement of Schools Forum and prior to the beginning of the new multi-year cycle. Walsall's Schools Forum agreed at their meeting of 7<sup>th</sup> February 2006 that, in addition to pupil numbers, the small school protection, protected salary, free school meal and business rates factors should be updated. Also at this meeting Forum agreed to the omission, from notified indicative budgets, of funding for statementing provision and incidence of NQT's. These factors will, during the spring term, be updated and reinstated into finalised budget shares for schools

In considering the balance between the budget for centrally retained items and the ISB, guidance states that only in exceptional circumstances should there be a change: the funding formula for 2007/2008 should be that which was agreed in spring 2006 and the same applies to the slip between the ISB and the centrally retained items.

The amount of DSG available for 2007/2008 budgets was based on the guaranteed per pupil funding figure of £3,843.09, notified to us in November 2005. However the DfES pupil projections were felt to be too high and our indicative budgets used our own projections. A summary of our notified indicative DSG allocation is shown below:

Nov.2005 Indicative DSG for 2007/2008 notified as £168.8 million, based on 43942 pupils

Nov.2006 Revised DSG for 2007/2008 notified as £167.8 million, based on 43673 pupils

Our own pupil projections, undertaken in spring 2006, suggested that a pupil number of 43365 would be more realistic and would provide an estimated DSG of £166.6 million. The Indicative School Budget for 2007 was calculated on the basis

of this assumed income level, rather than Indicative DSG allocations calculated by the DfES.

It should be noted, however, that analysis of early dry run census data indicate pupil numbers seem to be reducing a greater rate than anticipated, revised figures are currently approximately 300 pupils fewer than those used, now 43067 compared to 43365. Should final census 2007 data confirm a pupil population around this figure, our DSG for 2007/2008 will be approximately £165.5 million, £2.3 million lower than the DfES Revised DSG figure and £1.15 million lower than our locally projected DSG figure and that used to calculate the Indicative Budgets last spring.

The impact of any change to potential income to the LA is difficult to access at this time and only when all PLASC returns are available can we more accurately calculate what our final DSG for 2007/2008 might be.

Final 2007 /2008 budgets will be with schools prior to 31<sup>st</sup> March 2007. It should be stressed that while pupil numbers may change, the unit of resource per pupil used in the funding formula and published in the Section 52 Budget Statements 2007/08 in March 2006 cannot change in value. This, together with the minimal allowable changes already stated in paragraph 2.2, means that schools will be able to make a reasonable estimate of the changes to their indicative budget as soon as their census figures are known.

### 3. Recommendation

Members are recommended to receive the report for information, noting that agreed units of resource can not be changed.

