



## Walsall Children's Services

**Report to:** Schools Forum

**Date:** 20 January 2009

**Subject:** Central Education Limit Budget 2008/09

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**Purpose of the report:** Schools Forum requested an update of performance against Central Education Limit (CEL) budget at the meeting of 9 December 2008. Updates earlier in the year showed across Dedicated Schools Grant as a whole there was a predicted overspend of £0.311m. Current predictions show that through reductions in CEL spend a break even position will be achieved at year end.

**Decision:** None

### **Implications**

**Financial:** Any over spends on Dedicated Schools Grant (DSG) will roll forward to future years and needed to be funded from DSG. The current prediction of a break even position means that future DSG resources will not be required to fund an over spend.

## **1. Budget Monitoring**

- 1.1 Schools Forum requested on 9 December 2008 to receive an update on Dedicated Schools Grant (DSG) spending and also performance against Central Education Limit (CEL) budget.
- 1.2 DSG funding for 2008/09 including funding from Learning Skills Council (LSC) and prior year surpluses rolled forward predict an income of £188.335m. When previously reported, projected spend totalled £188.646m, an overspend of £0.311m. This would have been charged to future years resources.
- 1.3 The CEL was previously forecast to have spend of £15.686m within DSG. Most recent monitoring have shown CEL of £15.375m. Reduced CEL has resulted in DSG now achieving a break even position for 2008/09

## **2. Risks & Key Variances**

- 2.1 It is anticipated that costs charged to contingency will reduce compared to previous years. As with the nature of a contingency fund there is always risk. The risk here is £0.1m
- 2.2 There remains a risk that utility costs could be higher than expected due to the macro economic climate but current forecasts now show this budget to be on line.
- 2.3 Maternity pay costs have risen on last year by 64% or £0.1m but this now included in the revised forecast

## **3 Future Reporting**

- 3.1 There is currently extensive work taking place to project forward CEL costs for future years. Once this work is complete it is planned to present these detailed forecasts to Schools Forum.

## **4 Summary**

- 4.1 DSG is showing a break even position for 2008/09 due to reduced central expenditure
- 4.2 Forecasts for future years will be presented to Schools Forum when complete.