

REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM
SCHOOLS CONTINGENCY SUMS

1. PURPOSE

1.1 To consider the levels required for the Schools Specific Contingency (SSC) and for the Scheme to Support Schools in Financial Difficulty (SIFD) during 2008-11.

1.2 To agree with the WSF the proposed levels.

2. BACKGROUND

2.1 During 2006-08 LA's were permitted, subject to the agreement of their Schools Forums to retain resources in the centrally retained part of the DSG for the SSC to support the redetermination of school budget shares in-year for particular formula factors.

2.2 The WSF agreed to retain amounts of £1.9m in 2006/07 and £2.0m in 2007/08 for this issue.

2.3 Following a detailed consultation exercise with all schools and the recommendations of the WSF SIFD Sub-group the WSF resolved to introduce a SIFD scheme to be called the 'Schools Deficit Recovery Scheme' from 2008/09 subject to centrally retained DSG headroom availability.

3. ISSUES FOR CONSIDERATION

3.1 Schools Specific Contingency (SSC)

(a) This has supported adjustments for those factors agreed to be varied in-year for floor area, UBR, high level SEN, lunchtime supervision hours, school reorganisation/PFI, SEN matrix changes, and learning resource units and MFG together with other required changes including final DSG and funding formula errors.

(b) Reports on allocations have been reported to the WSF and any unspent contingency has been carried forward within the DSG. The detailed outturn for 2006/07 was reported to the WSF in July 2007 and actual expenditure was £1.709m. The balance of £0.191m was carried forward into 2007/08 and used as part of the ISB requirement in this year.

(c) In 2008/09 it is anticipated that the SSC will be fully utilised with the majority of the allocations supporting the on-going additional costs of school re-organisations.

(d) It would be prudent to retain at least the existing level of contingency during 2008-11. This is particularly the case in 2008/09 given the ongoing position on re-organisations in particular, including part of the effect of the anticipated net deficit position of closing schools upon re-organisation and the transfer of the school intervention spend of £0.6m into the DSG.

(e) It is therefore recommended that sums of £2.042m in 2008/09, £2.085m in 2009/10 and £2.129m in 2010/11 be allocated to the SSC. This is effectively the 2007/08 level inflated by the MFG of 2.1% in each year.

3.2 Schools in Financial Difficulty (SIFD)

(a) Following agreement for such a scheme it is now necessary to potentially identify a sum to be included within the centrally retained part of the DSG to support any potential applications.

(b) The WSF SIFD sub group has previously recommended that this is totally dependent upon there being headroom in the centrally retained part of the DSG. It is therefore recommended that a sum of £0.25m be allocated from the central DSG headroom, if available, in 2008/09 continuing in both 2009/10 and 2010/11 to support this issue. If agreed and subject to it being accommodated when the final budget is agreed, the final scheme can be circulated to all schools upon publication of the s52 budget information later this term.

4. RECOMMENDATIONS

4.1 The WSF notes the issues in section 3 above.

4.2 The WSF agrees to the proposed sums for the SSC and for supporting the Schools Deficit Recovery Scheme in 2008-11 as detailed in section 3 above.

Colin Weeden
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