



EDUCATION COMMISSION

23 January 2006

Report of the Corporate Director, Corporate and Adult Social Services and Deputy Chief Executive

Consultation on Draft Revenue Budget 2006/07 – 2008/09

RECOMMENDATION

- 1.1 That the members consider and comment on the elements of the Council's Draft Revenue Budget 2006/07 to 2008/09 that fall within the remit of the Education Commission.

SUPPORTING INFORMATION

- 2.1 The Council's draft Revenue Budget document was released to members following briefing by the Leader of the Council on 9 January 2006. The proposed budget for 2006/07 reflects the new administrations commitment to:
 - Limit the council tax in 2006/07 to inflation
 - Abolish charges for home care resulting in reduced fees of £900k.
- 2.2 The Education Budget is effectively split into two categories - "Schools' Budget" and "LEA Budget", which account for around 90% and 10% respectively of budget. The "*Schools' Budget*" includes delegated and devolved school budgets and from April 2006, it will be funded by a ring-fenced Dedicated Schools Grant (DSG) instead of through general local authority funding. The "*LEA Budget*" contains all those activities which are the statutory education function of the Council and cannot be delegated to schools.
- 2.3 The Education Service has a budget of is £135m of which £109m is delegated schools and £12.1m for Central Schools Budget. A summary table on page 124 of the Consultation on Revenue Budget document shows a breakdown of the budget.
- 2.4 The main drivers for the education budget include amongst others:
 - focusing strategies on raising standards across schools and on a year on year

- focusing on school improvement and reduce the number of schools in causing concern
 - developing and implement strategies linked to the national curriculum
 - Improving attendance and address disaffection and disengagement which remains a challenging issue for Derby
 - Raising achievement of children in public care
- 2.5 The year on year comparable change in the education budget shows that for 2006/07 there will be a net reduction of 0.2% in the Education budget whilst an increase in schools spending of 5.9% for the same period. Spending per pupil for 2006/07 is increased by 6.6%. (Page 131)
- 2.6 The Authority has identified a list of savings and efficiencies in its schools budget. These are shown on page 132 and include the effect of lower pupil numbers. However this may also impact on the Dedicated Schools Grant (DSG).
- 2.7 The main challenge next year for the department is implementing Integrated Children's Services. The budget includes pressures relating to the Safeguarding Children Board, new ICT systems for single assessment, replacing external funding supporting the Gatsby Project and increased management team costs. Other pressure points and developments for the schools budget in 2006/07 are listed on page 132 and include amongst others, increasing free entitlement for three and four year olds from 33 to 38 weeks as well as from 12.5 to 15 hours per week.
- 2.8 As the council is yet to finalise its proposals on the level of council tax for 2006/07, the detailed budget now presented demonstrates the scale of further savings that will be needed to deliver a council tax increase between 2% and 4% in 2006/07. Prior to making the final recommendation at its 21 February meeting, the Cabinet will be seeking to identify further sources of savings to address this gap. The final budget for 2006/07 will be approved by the Council at the 1 March meeting.
- 2.9 All the Commissions have an opportunity to consider the draft Revenue Budget and make recommendation on the proposals that fall within their respective areas of responsibility. The areas falling within this Commission's portfolio is contained in Appendix 2.

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Background papers:	None
List of appendices:	Appendix 1 - Implications Appendix 2 – Education Commission Portfolio

IMPLICATIONS

Financial

1. None arising from this report.

Legal

2. None arising from this report.

Personnel

3. None arising from this report.

Equalities impact

4. None arising from this report.

Corporate Objectives, Values and Priorities

5. The Council's Revenue Budget relates to all the Corporate Objectives and Priorities for Change.

Education Commission Portfolio

Commissions may only scrutinise services listed in their respective area of responsibility in the constitution. The Education Commission may scrutinise following the areas:

- Schools
- Centrally Funded School Services including Special Needs
- Youth Service
- Adult Education
- Mandatory and Discretionary Awards
- Access Support, including Ethnic Minority Achievement Grant