

MEDIUM TERM FINANCIAL PLAN 2003-2006

REPORT BY MANAGER OF LMS AND PLANNING

HEREFORDSHIRE SCHOOLS FORUM

9TH JUNE 2005

Schools Affected

All schools

Purpose

1. To review the 2005/06 Budget process and consider priorities for the 2006/07 Schools Budget.

Financial Implications

2. No immediate implications but the priorities agreed for the 2006/07 Schools Budget will affect every school.

Report

3. The Education Business/Performance Plan 2003-2006 sets out the management of Education Resources through a medium term financial plan, which covers the expected pressures on the education revenue budget and the redirection of resources to cover changing priorities since 1998. A copy of the plan is attached as an Appendix.
4. The medium term financial plan will be updated during the coming year to encompass the wider responsibilities of the Child's Services Directorate and the implications of the Dedicated Schools Grant.
5. The identified pressures within the Schools Budget for 2006/07 onwards are;

Implementation of Workforce Reform
Continued costs of Job Evaluation/Single Status
Revenue costs of PFI
Falling Rolls – use of school balances
Out county special schools – inflation plus cost increases
SEN spending particularly extension of Banded Funding
Increasing costs/extension of ICT in schools
Increased in hours/weeks for nursery education places by 15%
6. Pressures outside of the Schools Budget are;

Increased fuel costs for school transport
Cost pressures arising from new Children's Services Directorate
Gershon efficiency targets.

Further information on the subject of this report is available from Dr Eddie Oram, Director of Education on 01432 260801

7. Undoubtedly new budget pressures will become apparent during the autumn term when more details are received from DfES however the above list gives schools the opportunity to consider and add to the background information that will impact on the budget settlement.

RECOMMENDATION

THAT: the Forum comment on the Medium Term Financial Plan and the likely cost pressures for 2006/07 Schools' Budget.

Further information on the subject of this report is available from Malcolm Green, Manager of LMS and Planning
on (01432) 260818