

Birmingham City Council
Birmingham Schools Forum

24 October 2024



Title:	FINACE UPDATE
Lead Cabinet Portfolio:	Councillor Mike Brown, Cabinet Member for Children, Young People and Families
Relevant Overview and Scrutiny Committee:	Not Applicable
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Is this a Key Decision?	No
If this is a Key Decision, is this decision listed on the Forward Plan?	No
Reason(s) why not included on the Forward Plan:	Not Applicable
Is this a Late Report?	No
Reason(s) why Late:	Not Applicable
Is this decision eligible for 'call in?'	Not Applicable
If not eligible, please provide reason(s):	Not Applicable

Wards: All

Does this report contain exempt or confidential information? No

Has this decision been included on the Notification of Intention to consider Matters in Private? Not Applicable

Reasons why not included on the Notification: Not Applicable

1 EXECUTIVE SUMMARY

- 1.1 This report informs Birmingham Schools Forum on current finance issues and progress on current work programmes.
- 1.2 This report is for noting only.

2 RECOMMENDATIONS

That Schools Forum:

- 2.1 Note the guide to the 4 blocks of the Dedicated Schools Grant which is attached as an appendix.

3 SCHOOL REVENUE AND CAPITAL BALANCES

- 3.1 In agreeing schools balances the Schools Finance team had to set an extremely tight deadline of 01/10/24. A closing position was communicated to schools in July 2024 and the team has worked hard since then to ensure queries were dealt with and final positions were agreed with school.
- 3.2 Of the 207 maintained schools, 107 raised queries. In agreeing the closing balances for 2023/24, in many cases, 2022/23 was also re-opened, however the deadline of 01/10/24 was met and schools' revenue and capital balances have been finalised for 2023/24.
- 3.3 Any further queries will be dealt with in 2024/25 and reflected in schools in-year position. It is anticipated that 2024/25 schools closing balance will incorporate any pending historical differences and we will have a clean financial position for all maintained schools from 2025/26.

4 DSG OUTTURN 2023-24

- 4.1 DSG Outturn 2023-24 is being reported to Cabinet in November 2024 and will be reported to Schools Forum on Thursday 5 December 2024.

5 ORACLE IN SCHOOLS

- 5.1 Schools Finance are leading on schools transitioning from Oracle as the system will not be available to schools from September 2025. Some schools have voluntarily decided to move to Chequebook Status (CBS) and the first school was successfully transitioned on 01/10/2024. A further 3 plus schools are in the pipeline to transition from 01/11/2024 and the remaining to go at regular intervals.
- 5.2 The deadline for transitioning all schools to CBS is September 2025.
- 5.3 One of the conditions of transitioning schools to CBS is that the LA must have an agreed cash position with schools on transition date.
- 5.4 One issue that still needs to be addressed is how we transition those schools in deficit and ensuring these schools have agreed deficit recovery plans in place before the 31 March 2025,

6 SCHOOLS FUNDING 2025-26

- 6.1 In previous years provisional DSG settlements were announced in July each year for the next financial year. In July 2025 the DfE announced that due to the timing of the election schools provisional funding for 2025-26 would be delayed. The DfE confirmed on 2 October that provisional DSG funding would be announced after the budget on 30 October 2025.
- 6.2 This is going to give finance little time to do any modelling before the mainstream school and academy return deadline which is expected to be Friday 17 January 2026.
- 6.3 A further update on schools funding for 2025-26 will be brought to the schools forum meeting scheduled for Thursday 5 December 2024.
- 6.4 All schools will receive their 2025-26 budget shares by 28 February 2025

7 SCHOOL FINANCE NETWORK GROUPS

- 7.1 The first Finance Network Group is planned to take place for all maintained schools on Wednesday 6 November 2024 between 11:00 and 12:00.
- 7.2 It is proposed that with the agreement of schools that future Network Groups will be arranged for each school phase, Nursery, Mainstream and Special.

8 SCHOOLS IN DEFICIT

- 8.1 Schools Finance and Schools Financial Services are working on the list of schools in deficit to identify what work has already been done and what further needs to be undertaken for each school identified as needing support.
- 8.2 This work should be concluded before half term and will be shared with Education colleagues once complete. Meetings will then be scheduled with schools agreement after the autumn half term.