

Schools Forum – 20th May 2008

Report of the Director of Children's Services

Closure of Cradley High School

Purpose of Report

1. To advise Schools Forum of the 2007/08 financial year end position together with indicative data in respect of the 2008/09 budget position in respect of Cradley High school.

Budget Working Group Discussed

2. No

Schools Forum Action

3. To note the 2007/08 outturn position for Cradley High and the likely budget position for the remaining operational period to 31 August 2008, before closure.

Attachments

4. None

Mirella Harris
Senior Principal Accountant
6 May 2008

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1. To advise Schools Forum of the 2007/08 financial year end position together with indicative data in respect of the 2008/09 budget position in respect of Cradley High school. .

Background

2. School Organisation Committee approved the closure of Cradley High school on 7 February 2007.
3. Schools Forum were advised at the February 2008 meeting of the latest 2007/08 projected budget position for Cradley High School and of the arrangements in place to transfer funding to schools that receive pupils from Cradley High School, as a result of the closure.
4. For the 2007/08 financial year, Cradley High had a delegated budget allocation of £1.530m. At the year end the delegated budget showed an in year deficit of £337k. Together with the brought forward deficit of £85k the total deficit position, before adjustment, at 31 March 2008 was £422k. Forum will note that this deficit is being covered by funds identified and set aside from the 2007/08 DSG and therefore the school will report a nil balance reserve at 31 March 2008.
5. In addition, DSG funds were set aside during 2007/08 to fund the brought forward deficit of £75k outstanding in respect of the schools leisure and adult education trading account, which ceased operation two years ago. The £75k DSG funds have now been applied to release the deficit on these accounts at 31 March 2008.
6. At the last Forum meeting in March 2008 an estimated cost of possible redundancies was reported as £594k; funds had been earmarked for this purpose. Therefore at 31 March 2008 a provision of £594k has been set aside to fund the possible redundancy outcomes of the Cradley High staff at 31 August 2008. Any unspent part of this provision can be released at a later date. Ongoing annual pension commitments would amount to £43k and must be funded from the Schools Budget.
7. For 2008/09, the school has a delegated budget of £633k. The latest forecast budget requirement is £740K which indicates a deficit budget of £107k. Schools Forum will note that a sum of £350k has already been set aside from 2008/09 DSG to alleviate the anticipated deficit budget position at Cradley High school.
8. Table 1 details the staff currently remaining at the school by job type; Teachers include the Head and Deputy and the overall total includes four employees with a temporary contract.

Table 1 – Number of Remaining Staff by Job Type

Teachers	20
Support Staff	1
Classroom Assistants	3
Technicians	3
Clerical	7
Caretakers	3
Midday Supervisors	1
Cleaners	4
Catering	2
Total Number of staff	44

9. Further updates will be provided to future Schools Forum meetings.
10. The Directorate is working closely with the school to ensure the assets held by the school are properly safeguarded.

Finance

11. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
12. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
13. From 1st April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

14. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

15. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

16. It is recommended that Schools Forum note the contents of this report in respect of the closure of Cradley High school.



John Freeman

Director of Children's Services

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