

DUDLEY SCHOOLS FORUM

Tuesday, 6th December, 2005 at 6:00pm

PRESENT: -

Mrs Blunt, Mrs Brennan, Mr Conway, Mr Francis, Mrs Griffiths, Mr Harrington, Mr Hatton, Mr Heavisides, Mr Patterson, Mr Rhind-Tutt, Mr Ridley, Mr Sorrell, Mr Warner, Mr Wassall, Mr Williams and Councillor Vickers

Officers – Director of Children's Services, Assistant Director of Children's Services (Resources and Planning), Mr Powell (Directorate of Children's Services), Head of Audit Services, Education and Social Services Audit Manager, Education Finance Manager and Mrs Coates (Directorate of Finance, ICT and Procurement), and Mr Jewkes (Directorate of Law and Property) – all Dudley MBC

1. ELECTION OF CHAIRMAN

RESOLVED

That in the absence of the Chairman and the Vice Chairman, Mr Patterson be elected Chairman for the start of the meeting, pending the arrival of the Vice Chairman.

2. MINUTES

RESOLVED

That the minutes of the meeting of the Forum held on 18th October 2005 be approved as a correct record and signed, subject to the following amendment: -

The substitution of the name 'Mr Blunt' for 'Mrs Blunt' in the list of members present at the start of the minutes.

3. APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were submitted on behalf of Mr Bell, Mrs Brennan, Mr Janjua, Mr Millman, Mr Nightingale, Ms Pearce, Mr Slack, Mr Williams and Councillor Mrs Ridley.

4. MATTERS ARISING FROM THE MINUTES

In connection with Minute Number 14 – School Reserve Balances: Monitoring, Mrs Cocker reported that the information required to produce the report referred to in lines 11-13 of paragraph 1 was still being collated and that the report would be submitted to the next meeting of the Forum.

In connection with Minute Number 14 – School Reserve Balances: Monitoring, it was noted that members of the Forum had not received the note referred to in lines 4-6 of paragraph 3. Mr Jewkes gave an undertaking to make arrangements for the note to be circulated.

5. FINANCIAL MANAGEMENT STANDARD

A joint report of the Director of Children's Services and the Director of Finance was submitted on the proposed implementation of the Financial Management Standard (FMS) within Dudley Schools. Mrs Cocker reported that in order for the implementation of the FMS to be completed in secondary schools by the DfES deadline of 31st March 2007, joint working between Finance and Education officers would be essential. To this end the Head of Audit Services and the Audit Manager for Education and Social Services were in attendance at the meeting.

The Head of Audit Services reported that when the FMS was put in place, schools would be assessed over a two-day period every three years to ensure that the Standard was being met. Though the original DfES Guidance suggested that this would be conducted by an external auditor, it was now envisaged that Dudley MBC's internal Audit Services would carry out the assessment process in addition to the usual internal audit work and would provide support and assistance with preparatory 'gap analysis'.

In response to questions from members of the Forum, it was confirmed that schools would not be able to 'opt out' and use external auditors in place of the service provided by the LA; however schools could opt for an additional external assessment. The service to schools from Audit services in respect of FMS would be chargeable, in line with DfES guidance. The current internal audit service was paid via a central strategic recharge from the Education budget; this covered the Director of Finance's Section 151 role. However, where school opted to pay for an external auditor of the DMS, they would still also pay Audit Services.

In response to a question, the Head of Audit Services explained that he envisaged there being a significant degree of overlap between the five elements of the FMS and the internal audit work which was already conducted in Dudley schools, meaning that areas of the evidence from the audit would be useful in assessing whether or not the school had met the Standard.

RESOLVED

That the contents of the report be noted.

6. CHAIRMANSHIP

At this juncture, the Vice Chairman of the Forum, Mrs L Griffiths, assumed the Chair.

7. PRIMARY SCHOOLS REVIEW – UPDATE

A report of the Director of Children's Services of Dudley MBC was submitted on the current progress of proposals made by the Council as a result of the Primary Schools Review and the potential revenue costs involved should the proposals be approved.

The Assistant Director of Children's Services (Resources and Planning) reported that on 17th November the Cabinet had approved the reorganisation proposals and authorised the Director of Children's Services to make arrangements for the publication of statutory notices which had been published in November. Several meetings had been held between representatives of the LA and the Heads and Governors of the schools proposed for closure and the schools which would receive additional pupils under the proposals. These meetings had given rise to three key strategies designed to minimise the upheaval for both pupils and schools which would be required to adjust under the proposals.

It was proposed that a 'one off' grant of £50 be provided for each pupil required to transfer to the roll to a new school to assist with the purchase of new school uniforms and other related expenditure. Also, in order to assist the affected schools it was proposed that a further single grant of £40,000 be made to each school which would be closed or extended to provide additional support for staff and pupils. Finally, in situations where members of staff affected by the proposed closures were only able to find jobs in Dudley schools which were paid at a lower pay scale than they currently enjoyed, provision would be made to 'top up' their salary.

The Assistant Director of Children's Services (Resources and Planning) then presented a supplementary report which related to the Primary Review proposals. The report set out the rationale behind the proposals, namely that the birth rate in Dudley had fell in recent years and was expected to continue to fall, meaning that the amount of education funding provided by the DfES for primary education would also be diminished, making several schools in the Borough financially unsustainable. The proposed school closures and redistribution of pupils were seen as the only means of maintaining the current level of education in Dudley's primary schools.

A lengthy discussion ensued in which several members of the Forum commented that previous reports relating to the Primary Review proposals had identified potential savings to the education budget by as early as August 2006. Concern was expressed that contrary to this the proposals outlined in the report now submitted entailed

additional revenue expenditure which would require an additional 'top slicing' of up to £500,000 from budgets which were presently under pressure. Members also questioned the extent to which keeping existing school buildings open as interim 'annexes' would save money and improve the current financial situation. In responding to these comments, the Assistant Director of Children's Services (Resources and Planning) stated that the proposed grants would be 'one off' payments in the first year and stated that the real benefits of reorganisation would become clearer later on when the premises and staffing costs of the closing schools had been eliminated.

Several members commented on the impact of the proposed reorganisation and requested that further, more detailed information relating to the costing of the overall exercise be provided to the Forum in order that members could gain a clearer view of the situation. In relation to staffing costs, it was commented that whilst several members of staff might find alternative employment outside the Borough thus saving the Authority money, it was a possibility that members of staff would find lower paid positions in neighbouring schools which would mean that additional 'top up' salaries would need to be financed. Whilst it was generally accepted that most members of staff would either accept redundancy, early retirement or redeployment to comparable positions in other Dudley schools, members expressed the view that staffing changes could present a further cost to the education budget, for example where Headteachers of the receiving schools were awarded pay increases. Changes like this would further deplete any potential savings to be achieved as a result of the proposed closures.

The Assistant Director of Children's Services (Resources and Planning) gave an undertaking to circulate a letter concerning the Primary Review process which had been sent out to Headteachers and Chairs of Governors to members of the Forum for their information.

RESOLVED

- i) That the contents of the report be noted and that the proposals be supported in principle from a financial perspective, subject to a further report being submitted giving greater information regarding the costs involved.
- ii) That the Assistant Director of Children's Services (Resources and Planning) make arrangements for the letter of 6th December 2005 to Headteachers and Chairs of Governors concerning the current position of the Primary Review proposals to be sent out to members of the Forum for their information.

8. NEW SCHOOL FUNDING ARRANGEMENTS FROM APRIL 2006 –
DEDICATED SCHOOLS GRANT AND SCHOOLS BUDGETS

A report of the Director of Children's Services was submitted updating the Forum of the current position in respect of the estimated Dedicated Schools Grant (DSG) for 2006/07 and the proposed multi-year school budget process for 2006/07 and 2007/08.

The Education Finance Manager of Dudley MBC reported that since the last meeting of the Forum, the LA had provisionally agreed the baseline funding for pupil numbers in respect of the DSG for 2005/06. It was expected that the DfES would confirm this figure shortly as £3329 per pupil. Following confirmation of this, the DfES would advise the LA of the inflationary increase to be applied to the per pupil rate in respect of 2006/07 and 2007/08. The pupil number data on which the DSG would be calculated would relate to the pupil numbers according to the PLASC, Form 8b, the SLASC and the Early Years Census in the January immediately preceding the financial year.

It was reported that the LA had two potential options in dealing with situations where the DSG forecast differed to the actual budget entitlement. These were either re-determining school and central budgets after 1st April or carrying forward any surplus/deficit to the following years DSG. In relation to this issue, the Director of Children's Services of Dudley MBC expressed his preference for addressing any discrepancies in the following years budget, rather than trying to re-determine budgets mid-year, making exception when the discrepancy amounted to a major figure.

A spreadsheet was appended to the report which set out possible scenarios of the rates at which the per pupil baseline figure and the overall schools budget could increase at different levels of inflation and according to varying levels of allocation by the DfES.

In response to a question from Mr Heavisides, the Education Finance Manager of Dudley MBC stated that the additional revenue costs incurred as a result of the Primary Schools Review would be met via a 'top slice' from the DSG providing the Minimum Funding Guarantee (MFG) had been met. However, as the meeting of the MFG was a statutory requirement, this would have to take priority.

RESOLVED

- i) That the contents of the report be noted.

- ii) That the Forum give it's general support to the Director of Children's Services and request that he submit a further report to a future meeting of the Forum when more detailed information becomes available.

9. SPECIAL EDUCATIONAL NEEDS (SEN) – FUNDING MATRIX FOR MAINSTREAM PUPILS

The Education Finance Manager of Dudley MBC provided a verbal update in respect of the consultation which was currently being carried out on the establishment of a new funding matrix for SEN pupils in mainstream schools. It was reported that the consultation period was to end on 20th December 2005 and that so far only a handful of responses to the consultation document had been received.

In responding to the update, Mr Warner commented that in his view the proposed changes to the funding of SEN pupils in mainstream schools did display coherence and rationale but added that further emphasis needed to be placed on assisting children with severe physical vulnerabilities. To educate these children properly, staff would require additional resources and training, neither of which formed a major part of the consultation document. Furthermore, clear monitoring systems would need to be established by the LA to ensure the resources allocated for SEN children were used properly.

RESOLVED

That the verbal update be noted.

10. DISTRIBUTION OF FUNDING EARMARKED FOR PERSONALISED LEARNING

A report of the Director of Children's Services of Dudley MBC was submitted advising the Forum of DfES correspondence issued on 15th November 2005, a copy of which was appended to the report, regarding funding for personalised learning, as identified in the recent Education White Paper.

The Education Finance Manager reported that the DfES correspondence indicated that by 2007/08, an amount of £335 million would be allocated nationally within the DSG for personalised learning at Key Stage 3. In addition, a further £60 million would be allocated via the Standards Fund in 2006/07 and 2007/08 to provide support for children across all Key Stages who had fallen behind. Further details regarding this additional funding would be published in due course and a follow up report would be submitted to the next meeting of the Forum.

RESOLVED

That the contents of the report be noted.

11. TEACHERS PERFORMANCE PAY FUNDING 2006/07

A report of the Director of Children's services of Dudley MBC was submitted informing the Forum of proposed changes to DfES regulations which would affect the funding of Teachers Performance Pay from April 2006.

The Senior Principal Accountant reported that whereas at present the Teachers Performance Pay Grant was issued by DfES as an individual grant, as of April 2006 the grant would be 'mainstreamed' and incorporated into the DSG. The DfES had recommended two potential methods of allocating the funds. These were either maintaining the method currently employed in Dudley which consisted of funding Teachers performance related pay costs separately through a locally determined formula outside of the delegated budget, or directing the funding through the delegated budget using either a separate funding factor or enhancement of the Age Weighted Pupil Unit (AWPU).

In response to comments from members in support of retaining the current method of allocation, the Director of Children's Services explained that the DfES was currently encouraging Authorities to switch to allocating the funds as part of their standard school budget delegation. He advised the Forum that it might be in its interests to consider switching to this method at some point, as it could become a statutory requirement under future DfES regulations.

RESOLVED

- i) That the contents of the report be noted.
- ii) That the Director of Children's Services of Dudley MBC be recommended that the current method of funding Teachers Performance pay grant costs separately, through a locally determined formula, be retained but that the allocation from April 2006 be made through the delegated budget.

12. DUDLEY SPECIAL SCHOOL'S FORMULA FUNDING REVIEW

A report of the Director of Children's Services of Dudley MBC was submitted on the progress of the review of the special schools funding formula.

The Education Finance Manager of Dudley MBC reported that the planned place designation now failed to reflect the changing profile of pupils in Dudley's special schools and that consequently class sizes in these schools were well above the recommended average. The increased range and complexity of the needs of the children in these schools had made a review of the Local Management Special Schools (LMSS) formula necessary in order to bring the allocation method up to date. Dudley's special schools had experienced difficulty in balancing their budgets in recent years and funding tensions had been exacerbated by the Authority being required to allocate increasing amounts of funds for Dudley residents who were educated in special schools outside the Borough.

It was reported that in order to target funding more equitably, similar Authorities to Dudley had moved away from place led funding towards more flexible models which identified the individual needs of individual pupils, i.e. a matrix model. In pursuit of this, all seven Dudley special schools were currently working on identifying for each pupil a range of needs to which relative weightings would be applied in order to ascertain which point on the matrix was appropriate for any pupil. It had been hoped that the new matrix could be put in place from April 2006 but the extent of the work to be completed by the special schools, along with the desire to consult on the proposals, had meant that the process would extend beyond this point.

In addition to the report, the Director of Children's Services of Dudley MBC said that in the future the Forum would need to discuss the issue of funding allocation between the different school sectors and reminded members of the Forum that allocating additional resources to special schools in Dudley in the future would have an impact in terms of the budget available for mainstream schools.

RESOLVED

That the contents of the report be noted.

13. DATES OF FUTURE MEETINGS

It was noted that future meetings of the Forum had been scheduled for the following dates: -

Tuesday 7th February, 2006
Tuesday 9th May, 2006

The meeting ended at 8.50pm

CHAIRMAN