

Schools Forum 16 March 2010

Report of the Director of Children's Services

School Closure Programme - 2009/10 Financial Year and Ongoing Impact

Purpose of Report

1. To update Schools Forum on the recent consultations in relation to the proposed closure of Pensnett High School and to request financial support from the Schools Specific Contingency.

Budget Working Group Discussed

2. Yes – 3 March 2010. Recommendations will be advised to Forum at the meeting.

Schools Forum Role and Responsibilities

3. The distribution of delegated budget funding to Pensnett High School for 2010/11 will be in accordance with the School Finance (England) Regulations 2008. These regulations permit amendments to a school's budget where a school is closing or changing during the financial year.
4. A budget deficit or surplus arising from the closure of a Dudley maintained school will be a charge against the Dedicated Schools Grant. Therefore as the Forum is the 'guardian' of the local Schools Budget and its distribution among schools and other bodies it should therefore be aware of the budgetary position.

Action for Schools Forum

5. To approve financial support to Pensnett High School for 2009/10 in that the School can achieve a balanced budget.
6. In the event that the school closure programme is confirmed at the Cabinet Meeting on 17 March 2010, then this support will be ongoing into the 2010/11 financial year.

Attachments to Report

7. None.

Karen Cocker
Children's Services Finance Manager
2 March 2010

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Report of the Director of Children's Services

School Closure Programme - 2009/10 Financial Year and Ongoing Impact

1. To update Schools Forum on the recent consultations in relation to the proposed closure of Pensnett High School and to request financial support from the Schools Specific Contingency.

Background

2. A consultation document on the proposed closure of Pensnett High School was published in July 2009; the closing date was 1 December 2009.
3. On 29 January 2010 the Director of Children's Services issued a six week statutory notice period with the intention to discontinue Pensnett High School on 31 August 2010. The six week period will end on 12 March 2010. A final decision will be made on 17 March 2010 at the Cabinet meeting of the Council.
4. The proposal to close the school is due in part to a sustained and significant fall in the number of pupils on roll at the school and also because of the challenges the school continues to face in its efforts to raise standards. These factors have resulted in the school becoming educationally and economically unviable.
5. As a result, for 2009/10 the school is unable to set a balanced budget. The Local Management of Schools (LMS) scheme requires every school to set a balanced budget, either by taking steps to address any financial deficit or applying for a licensed deficit loan. In order to apply for a licensed deficit loan the school must be able to repay the loan over a three year period.
6. For 2009/10, Pensnett High School has a 'deficit' on its delegated budget of £130k and due to falling pupil numbers, is unlikely to sustain a balanced budget position in the future or afford to repay a licensed deficit loan, in accordance with the LMS scheme.
7. Given this position and the fact that any closing school deficit will be a charge against the Dedicated Schools Grant in the longer term, Forum is requested to approve the use of earmarked funds from the Schools Specific Contingency to support the School's budget deficit both for 2009/10 and ongoing, if the school closure programme is confirmed at Cabinet on 17 March 2010. In the event that the school closure programme does not proceed then Forum is requested to offer financial support to the school for the current financial year deficit of £130k only at

this stage. A further report would be presented to Forum at the next meeting in June 2010 to confirm the School's budgetary position.

Proposal

8. Forum is therefore asked to support the Director of Children's Services proposal to provide financial support of £130k to Pensnett High school for 2009/10 financial year, in order that the school can balance its current delegated budget. Furthermore, if the school closure programme is confirmed by the Council on 17 March 2010, then the financial support to the school will be required during 2010/11 and until such time that the school is finally closed. The Schools Specific Contingency, which is a centrally retained budget that is not delegated to schools, will be used to support this proposal.
9. A further update will be provided at the next meeting in June 2010.

Finance

10. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
11. 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.
12. From 1st April 2006, the Schools Budget has been funded by a direct DCSF grant: Dedicated School Grant (DSG).

Law

13. 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

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

Recommendation

15. Schools Forum supports the Director of Children's Services proposal to provide financial support of £130,000 to Pensnett High School for 2009/10 financial year, in order that the School can balance its current delegated budget.
16. If the School closure programme is confirmed on 17 March 2010, then this financial support will be required during 2010/11 and until such time that the School finally

closes.

17. The Schools Specific Contingency budget will be used to fund the support to Pensnett High School.

A handwritten signature in black ink that reads "Mark Wyatt". The signature is written in a cursive style with a large, prominent 'M' and 'W'.

Mark Wyatt

Director of Children's Services

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