

DUDLEY SCHOOLS FORUM

Thursday 16th March, 2006 at 6.00pm
Saltwells Education Centre, Bowling Green Road, Netherton

PRESENT

Mrs Griffiths (Chairman)
Mrs Blunt, Mrs Brennan, Mr Conway, Mr Francis, Mr Harrington, Mrs Hazelhurst (Substitute for Mr Slack), Mr Heavisides, Mr James (Substitute for Ms Pearce), Mr Leyshon, Mr Millman, Mr Patterson, Mr Ridley, Mr Rhind-Tutt, Cllr Vickers, Mr Warner, Mr Wassell and Mr Williams.

OFFICERS

The Director of Children's Services, Assistant Director of Children's Services (Resources & Planning), Assistant Director of Children's Services – Access & Inclusion (Directorate of Children's Services), Children's Services Finance Manager and Mrs Coates (Directorate of Finance, ICT & Procurement) and Mr Jewkes (Directorate of Law & Property) - All Dudley M.B.C.

1. **MINUTES**

RESOLVED

That, subject to the following amendments, the minutes of the meeting of the Forum held on 7th February, 2006, be approved as a correct record and signed: -

The deletion of the final sentence of the fourth paragraph of minute 13 and the inclusion of 'Discussion ensued on the issue of whether Educational Psychologists would be involved in the monitoring process and it was commented that if this was the case, other areas of expertise in the directorate and in schools should be looked at together with a mechanism for supporting them', in its place.

The deletion of the word 'acquired' from resolution (c) of minute 13 and the inclusion of 'required' in its place.

2. **APOLOGIES FOR ABSENCE**

Apologies for absence from the meeting were submitted on behalf of Ms Cartwright, Mr Hatton, Mr Janjua, Cllr Mrs Ridley and Mr Sorrell and Mr Freeman (Director of Children's Services).

3. MATTERS ARISING FROM THE MINUTES

In connection with Minute No 2 – Apologies for Absence, it was reported that neither the Dudley Schools Forum Constitution or the School Forums (England) Regulations 2002 made provision for non-attendance of members and that consequently this was ultimately a matter to be dealt with by the nominating body in question. It was noted that attendance of Forum meetings was not published and as such nominating bodies would not be aware of the level of attendance of their representatives. In view of this, the Secretary was requested to contact all members who had not yet attended a meeting since being appointed, passing on the concerns expressed by the Forum and requesting a response. If a response was not forthcoming within three weeks of contact being made, the Secretary was requested to refer the matter to the respective nominating bodies.

In connection with Minute No 3 – Matters Arising from the Minutes, Mr Patterson enquired as to whether the salary ‘top up’ provided for members of staff who moved to jobs on a lower pay scale as a result of school closures under the Primary Review would be time limited. Discussion ensued on the matter and Mr Warner informed the meeting that arising from the ‘personal issues’ meeting held between the Unions and the Local Authority, it had been agreed that salaries would be safeguarded via the ‘top up’ for a maximum of four years following any reduction in pay.

In connection with Minute No 10 – School Reserves: Delegated Budgets, Mr Patterson requested an update on the position with regard to the level of unused balances being recovered from schools at the end of the 2005/06 financial year. The Children’s Services Finance Manager responded by saying that although the financial year was almost at an end, the accounts for 2005/06 would not be finalised until May and consequently she would not be able to provide an update until then.

In relation to Minute No 11 – Schools Budget 2006/07 and 2007/08, Mrs Griffiths reported that the working group referred in resolution 2 would meet on 25th April and that recommendations arising from the meeting would be made to the Forum in due course.

In relation to Minute No 5 – Distribution of Funding Earmarked for Personalised Learning, Ms Coates circulated copies of the note referred to in resolution 2 concerning the free school meal eligibility criteria and the current formula funding arrangements, and confirmed that the note would be sent out to all schools in the Borough imminently for Headteachers’ information.

4. SCHOOLS BUDGET 2006/07 – UPDATE

A report of the Director of Children’s Services was submitted updating

the Forum on the latest position with regard to the 2006/07 Schools Budget.

The Children's Services Finance Manager reported that schools had received their indicative budgets for 2006/07 on 22nd February and that current estimates indicated that the number of pupils attending Dudley schools would be 673 less than in 2005/06, meaning a reduction of £86,000 in the DSG. However, since the report had been distributed, the Authority had calculated that it would receive £250,000 more in Early Years funding than had been expected, meaning that, subject to the figures being verified by the DfES, Dudley would in fact have a budgetary surplus for the financial year. In relation to this, the Forum was requested to make a recommendation as to how any surplus should be deployed. The Forum was also asked to recommend what action should be taken in the event that the current figures proved to be inaccurate, resulting in a budget deficit.

On the issue of the deployment of any available surplus, the Children's Services Finance Manager suggested two possible strategies, the first of which was the carrying over of the funds for inclusion in the 2007/08 Schools Budget. The second option, which was supported by Budget Working Group, was the distribution of the funds between the 23 schools in the Borough which offered full service extended school provision, in order to offset the planned reduction in extended schools funding in 2006/07. In the discussion on the issue, members commented that the reduction in funding for extended services would have serious implications for the schools involved, particularly with regard to maintaining staffing levels. It was widely agreed that this strategy was the most desirable option.

It was reported that under the 2006/07 indicative budgets, 9 primary schools had fallen below the Minimum Funding Guarantee (MFG), meaning that £179,000 had had to be reallocated in order to meet minimum funding requirements for the schools in question. These indicative budgets however, did not take into account any budgetary changes required as a result of school closures or partnering arrangements for 2006/07. Specific guidance had been given to the schools proposed for closure and their partners at a private meeting on 2nd March which would be followed up with an additional meeting on 21st March.

A booklet was circulated to all members of the Forum containing the most current statistical budget information for 2006/07 and 2007/08. The Children's Services Finance Manager set out the anticipated level of School Standards Grant (SSG) and Standards Fund Devolved Grant for the 2006/07 financial year and, in referring to the booklet, stated that although some of the percentage increases in certain schools' budgets appeared impressive, once base adjustments had been made, the actual budget increases would be less substantial, particularly given that the number of pupils attending Dudley schools

was to fall by 1.21% compared with 2005/06.

In view of the recommendation made by the Forum at its December 2005 meeting that any surplus or deficit resulting from in year adjustments made by the DfES in respect of schools budgets should be carried over to the next financial year, the Children's Services Finance Manager reported that it was anticipated that the budgets contained in the booklet would effectively be the final school budgets for 2006/07.

RESOLVED

1. That the contents of the report and the additional statistical information submitted to the meeting, be noted.
2. That approval be given to the proposal that in the event of a surplus of funding becoming available in the schools budget for 2006/07, the surplus should be distributed as a one off budget in 2006/07 amongst the schools in the Borough which offer full service extended school provision, in order to offset the envisaged reduction in central funding for those services.
3. That approval be given to the proposal that in the event of a deficit appearing in the schools budget for 2006/07, the deficit should be carried over and met from the schools budget for the 2007/08 financial year.
4. That the Directorate of Children's Services be requested to inform the 23 Extended Schools in Dudley of the situation in respect of the distribution of any available surplus for 2006/07.

5. SCHOOLS BUDGET 2007/08 – INDICATIVE ESTIMATE

A report of the Director of Children's was submitted updating the Forum of the latest estimates regarding the 2007/08 Schools Budget.

The Children's Services Finance Manager reported that it was a statutory requirement that the 2007/08 indicative budgets, together with the Section 52 budget statement, were issued to schools by 31st March 2006. The indicative estimates had been produced by the Children Services Finance team and were outlined for the information of the Forum in the report submitted. The estimates were based on a number of assumptions, including the progression of all current pupils to the next year group (and the progression of all Early Years children to reception), and as such were indicative and subject to change. The DfES had confirmed in December 2005 that the per pupil allocation for Dudley for 2007/08 had been set at £3785.70. The overall number of pupils was expected to fall to 48,596, 459 less than in 2006/07. The DSG for 2007/08 was estimated to be approximately £183.9m. This

would be required to fund both the schools delegated budgets and centrally retained budgets within the Schools Budget.

In relation to the written information submitted to the meeting, the Children's Services Finance Manager explained that there was an issue concerning how the funds allocated for pupils who would have attended schools which were to be closed prior to 2007/08 should be recorded in the budgetary data. If the closing schools were removed from the data it would not be possible to accurately redistribute their former pupils amongst neighbouring schools, as parental preference could not be predicted in time for the S52 data to be issued to the DfES. Conversely, retaining the closing schools in the data would give a false impression of the number of schools to be funded in the Borough and the level of funds to be allocated to other schools, particularly those which would be affected by the closures.

In the discussion on this matter, members commented that although the closure of Sycamore Green and Highfields was still a sensitive issue for those involved, the parents, staff and pupils were already aware that the decision had been made to close the schools. In view of the need to make the budget estimates as accurate as possible and of the difficulty of redistributing the pupils who would otherwise have attended Sycamore Green or Highfields, the Forum advised that the best course of action would be to include the closing schools in the data and mark them 'anticipated for closure'.

The Children's Services Finance Manager referred the Forum to a table in the booklet which provided information on mainstream pupil number changes in Dudley from 2002-2007. It was reported that although secondary school numbers had risen slightly in this period, the substantial fall in primary pupils meant that overall pupil numbers in Dudley had fallen from 49,552 in 2002 to an estimated 47,363 in 2007. This decline in numbers had led to an estimated reduction of approximately £7.52m in the funds allocated for Dudley schools over this period.

It was noted that according to the current estimates, in 2007/08 six Dudley primary schools would require additional assistance under the Minimum Funding Guarantee (MFG). This would require the reallocation of almost £57,000 to 'top up' their budgets. In relation to this, the Chairman asked if any of the Borough's secondary schools were close to 'triggering' the MFG. In responding, the Children's Services Finance Manager stated that although the indicative estimates for 2007/08 said that no secondary schools in Dudley would require MFG assistance, two schools had only narrowly met the minimum funding requirements.

Reference was made to statistics in the booklet which illustrated how close primary schools in the Borough were to triggering the MFG. It was noted that several schools were currently close to the minimum funding benchmark and that relatively small reductions in pupil numbers at those schools would have serious financial implications. In response to comments from a Forum member that the information being discussed at the meeting should be made available urgently to Headteachers in order that they could fully appreciate the gravity of the situation, the Assistant Director of Children's Services (Resources & Planning) confirmed that the data would be discussed at the meeting of the Head Teachers Consultative Forum (HTCF) on 31st March, and at the meeting of Headteachers and Chairs of Governors on 27th April. It was generally agreed that in addition to these meetings, it would be beneficial for the Primary and Secondary Forums, Governing Bodies and parents to be furnished with the information. It was also suggested that an officer should meet with the Chairs of schools' finance committees and work through the data with them, in order to ensure that they fully understood the situation and had any questions answered.

The Children's Services Finance Manager reported that the Standards Fund Grant allocation for 2006/07 was expected to be increased by 3% in comparison with 2005/06. In relation to Standard Fund 31a (ICT), it was reported that each year schools paid back 34% of their devolved Standard Fund Grant to the Local Authority to finance centralised services provided through the Dudley Grid for Learning (DGFL). The Children's Services Finance Manager, in seeking to establish the view of schools on whether these funds should be taken from the Revenue School Development Grant or the Devolved Formula Capital allocation, had prepared a diagram to be sent to schools explaining the different options available, copies of which were circulated at the meeting. The Forum was asked to comment on the diagram and on whether the DGFL funding should be reclaimed from either the capital or revenue budgets. Members generally agreed that it was preferable that DGFL costs were met from the Devolved Formula Capital allocation as this would allow schools to retain their revenue funds, providing them with more flexibility with regard to spending. In responding, the Children's Services Finance Manager confirmed that copies of the diagram would be sent out to schools with a covering note explaining the comments made by the Forum.

RESOLVED

1. That the contents of the report and of the additional budgetary information submitted, be noted.

2. That the Forum recommend that the schools anticipated for closure at the end of the 2006/07 academic year be included in the indicative budget estimates for 2007/08 and marked in the data as 'anticipated for closure'.
3. That the Forum recommend that in addition to the forthcoming meetings of the Headteachers Consultative Forum (HTCF) and Headteachers and Chairs of Governors, arrangements be made for the information submitted on the 2007/08 indicative budgets to be presented to the Primary Forum, the Secondary Forum, and to the Chairs of Governing Bodies Finance Committees.

In closing the item, the Chairman thanked the Children's Services Finance team on behalf of the Forum for their work in preparing the budget information in such a short space of time.

6. DATE AND VENUE OF NEXT MEETING

It was noted that the next meeting of the Forum would be held on Tuesday 9th May, 2006 at Saltwells Education Centre, Bowling Green Road, Netherton.

The meeting ended at 7.25pm

CHAIRMAN