

## DUDLEY SCHOOLS FORUM

Tuesday 12<sup>th</sup> December, 2006 at 6.00pm  
Saltwells Education Centre, Bowling Green Road, Netherton

### PRESENT

Mr Patterson (Chairman)  
Mrs Blunt, Mrs Brennan, Mr Conway, Ms Cosgrove, Mrs Elwiss, Mr Francis, Mrs Griffiths, Mr Harrington, Mr Hatton, Mr James, Mrs Jessup, Mr Millman, Mr Mountney, Councillor Nottingham, Mrs O'Neill, Mr Ridley, Mr Rhind-Tutt, Mr Timmins, Mr Warner and Mr Wassell.

### OFFICERS

Director of Children's Services, Assistant Director of Children's Services (Resources), Children's Services Finance Manager and Principal Accountant (Directorate of Finance, ICT & Procurement) and Mr Jewkes (Directorate of Law & Property) - All Dudley M.B.C.

#### 1. CHAIRMAN'S REMARKS

On behalf of the Forum, the Chairman welcomed new members Ms Cosgrove, Mrs Elwiss, Mrs Jessup and Mrs O'Neill.

#### 2. APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were submitted on behalf of Mr Bell, Mrs Hazlehurst, Mr Ingram, Mr Leyshon, Mr Sorell and Councillor Mrs Walker.

#### 3. MINUTES

##### RESOLVED

That the minutes of the meeting of the Forum held on 3rd October, 2006, be approved as a correct record and signed, subject to the second sentence of Paragraph 2 of Minute Number 12 – Oldswinford Hospital: Funding from Local Authority Resources – being amended to read, 'The LA funded the educational costs of 11-16 provision, while the costs of running the boarding school element were met by charities or privately by parents.'

4. MATTERS ARISING FROM THE MINUTES

In relation to Minute Number 3 – Matters Arising from the Minutes, the Chairman commented that although he was aware that training issues existed within the Forum, no members had yet notified Mr Jewkes of the specific areas in which they personally felt training would be useful to them. He requested that members, in particular those who were new to the Forum, pass on their training requirements to Mr Jewkes in order that they could be acted upon.

In relation Minute Number 9 – Budget Fact Sheet Number 5, the Assistant Director of Children’s Services (Resources) advised that progress was being made in his discussions with the Directorate of Law and Property in relation to the possible negotiation of additional framework contracts and other improvements to procurement processes.

5. 2007/08 SCHOOLS BUDGET – FUNDED BY THE DEDICATED SCHOOLS GRANT

A report of the Director of Children’s Services was submitted on the planning process and estimated budget position in relation to the Dedicated Schools Grant (DSG) for 2007/08.

The Children’s Services Finance Manager reported that planning for the 2007/08 financial year had now commenced, with a number of potential budget pressures being identified and weighed up in the context of the projected overall DSG income. It was estimated that although the DfES had advised Local Authorities of a 6.67% increase in the per pupil rate, an expected reduction of 656 in pupil numbers in Dudley would in effect reduce this to a 5.2% cash increase.

Furthermore, it was expected that the pressure applied to the Schools Budget by the reduction in pupil numbers would be exacerbated by continued pressures in relation to exclusions and out of Borough placements, as well as the projected carry-over of an overspend of approximately £1.4 million from 2006/07. A table setting out an indicative model of how the DSG could be distributed in 2007/08, based on these estimated figures, was appended to the report.

It was reported that although the final figures relating to the amount of funding to be allocated to Dudley LA for 2007/08 would not be available until well into 2007, the budgetary process dictated that decisions regarding the principles to be followed in the distribution of the budget needed to be made in advance of that date. The Forum was therefore requested to approve in principle the allocation of the DSG as detailed in the appendix to the report. Members were advised that the adoption of this model would commit the LA to breaching the

Central Expenditure Limit (CEL) for 2007/08, meaning that the amount of funding being held in centrally retained budgets, relative to the amount being directed to the Individual Schools Budget (ISB), would surpass the level regarded as acceptable by the DfES.

In the discussion on the item, the Director of Children's Services reported that the major centralised pressures on the Schools Budget were out of Borough placements for Social Care and SEN provision, and Special Educational Transport. Although it would take time to reduce the costs to the LA of these services, extreme efforts were being made in this regard.

In relation to the recent proposal by the LA to remove Special Educational Transport, Mr Rhind-Tutt expressed serious concern regarding both the proposal itself and the way in which the LA had so far sought to implement it. He commented that the arbitrary reorganisation of the service would be detrimental to attendance, and therefore to the education of a large proportion of the children currently attending special schools in the Borough. In responding to this point, the Chairman stated that the issue did not fall within the remit of Schools Forum and therefore should not be discussed further at the meeting. However, given the strength of feeling on the subject, he requested that the Director of Children's Services take urgent action to try and address the issues raised.

In response to a question from the Chairman regarding what the consequences would be for the LA should the Forum endorse the breaching of the CEL, the Children's Services Manager advised that the CEL was a mechanism built into the financial arrangements by the DfES which was designed to support the principle of financial sustainability. However, though the DfES disapproved of the breaching of the Limit, eighty-two LAs had found it necessary in 2006/07 and there were no consequences for the LA in terms of penalty by the DfES.

#### RESOLVED

1. That the process and timescale for the setting of the 2007/08 Schools Budget, as funded by the Dedicated Schools Grant (DSG), be noted.
2. That the proposed allocation of DSG resources for 2007/08, as set out in Appendix A to the report submitted, be endorsed.

3. That, as a consequence of the adoption of the proposed allocation of DSG resources, as set out in Appendix A to the report submitted, the breaching of the Central Expenditure Limit (CEL) for 2007/08, be endorsed.

6. FUNDING OF SCHOOLS' REDUNDANCIES AND NOMINATIONS TO FORM THE REDUNDANCY PANEL

A report of the Director of Children's Services was submitted on schools' redundancies. The report requested approval for a proposed scheme of financing for future redundancies and premature retirements, as set out in the Standard Operating Procedure (SOP), a copy of which was appended to the report, and requested nominations for Headteachers to serve on the new Schools' Redundancy Panel. It was reported that this panel would have responsibility for making recommendations to the Director of Children's Services regarding whether the costs associated with proposed redundancies or premature retirements should be met from the various sources identified in the SOP.

In responding to the report, Mr Warner made reference to the section which stated that the Union Secretaries (Personnel Issues) committee had considered and agreed the SOP, commenting that his recollection of this meeting was that the Committee felt that the membership of the panel should not be made up solely of Headteachers. The Director of Children's Services responded by stating that he was not opposed in principle to other representatives being appointed to the panel, and gave an undertaking to discuss the possibilities in this regard with Mr Warner and his colleagues.

Members raised concerns regarding the use of the word 'dismissal' in several sections of the SOP, commenting that the use of the word was confusing, as it was generally used to describe situations where employees had been 'fired' for misconduct, whereas in this context it actually meant that an employee had been made redundant. Members requested that the final version of the document be amended to clarify this.

In relation to the nomination of Headteachers to serve on the Schools' Redundancy Panel, it was reported that both the Secondary Headteachers Forum and the Primary Headteachers Forum were due to meet shortly. Members felt that it would be appropriate for nominations for Primary and Secondary Headteacher representatives to be requested from these groups, with their decisions being communicated to the Director of Children's Services accordingly.

## RESOLVED

1. That the Standard Operating Procedure (SOP) in relation to the funding of Schools' Redundancies be noted, albeit with a request, as referred to above, that the word 'dismissal' in Paragraph 7 be replaced or clarified.
2. That, in respect of the appointment of Headteacher representatives to the School's Redundancy Panel, the following action be taken: -
  - i. That Mr Rhind-Tutt be nominated to serve on the Panel on behalf of Special School Headteachers.
  - ii. That at their forthcoming meetings, both the Primary Headteachers Forum and the Secondary Headteachers Forum nominate a representative to serve on the Panel, and arrange for these decisions to be communicated to the Director of Children's Services.
3. That the arrangements for the funding of future school redundancies, as set out in Paragraphs 11 to 13 of the report submitted and in Paragraph 7 of the Standard Operating Procedure (SOP), be endorsed.

## 7. SPECIAL SCHOOLS FORMULA REVIEW

A report of the Director of Children's Services was submitted providing an update in respect of the progress of the special schools formula funding review.

The Children's Services Finance Manager reported that emerging from the review undertaken by officers of the LA and the Headteachers of the seven Dudley special schools, a consultation document, a copy of which was appended to the report, had now been issued on the proposed amendment of the special schools formula with effect from the 2007/08 financial year. It was noted that the consultation period would run up until 17<sup>th</sup> January 2007, following which a final report would be submitted to Schools Forum on 6<sup>th</sup> February 2007, advising members of the outcomes and of the Director of Children's Services' recommendations.

In responding to the report, the Chairman encouraged Forum members to respond to the consultation individually if they so wished.

## RESOLVED

That the report be received and noted.

8. DUDLEY SCHEME FOR FINANCING SCHOOLS 2007

A report of the Director of Children's Services was submitted on the proposed amendments to the Scheme of Financing for Schools and the issue of the proposed scheme in a consultation document.

The Children's Services Finance Manager reported that the Scheme of Financing for Schools was based on a prescriptive template issued by the DfES. Whenever the LA wished to make alterations to the content of the Scheme, or the DfES revised its guidance on what should be included, the LA was required to consult on the proposed changes. A number of standard revisions had recently been put forward, most of which were not contentious. In addition to these, however, in view of the current situation within Dudley, the LA wished to amend the Scheme in order to state more explicitly the policy for monitoring and dealing with school balances.

Members expressed concern that the proposed procedure for monitoring and when necessary clawing back school balances would present schools with too many opportunities to 'fob off' the LA and avoid losing its balances. In responding, the Director of Children's Services commented that the procedure needed to strike a balance between allowing schools total freedom to accumulate balances and provoking constant dispute with schools regarding how their balances were being used. It was his view that schools needed to be given a suitable degree of freedom to plan for the future, but that a sturdy mechanism for dealing with the abuse of balances should run alongside this.

RESOLVED

That the proposed revised Scheme of Financing for Schools in Dudley, and the consultation process outlined in the report submitted, be noted.

9. SCHOOL RESERVES – PROVISIONAL PLANS NOVEMBER 2006

A report of the Director of Children's Services was submitted on the reserve balances being held by Dudley Schools as recorded in November 2006. The report included statistical information regarding the funds currently being held by individual schools in all state sectors, including details of the various schemes or projects for which the funds were being earmarked.

In response to comments from the Chairman regarding the total amount of funds being held in reserve across the Borough, the Children's Services Finance Manager reported that the overall level of balances had fallen from approximately £10 million at the close of the

2005/06 financial year, to roughly £6 million in November 2006. These funds had mostly been used to fund capital projects, for example refurbishment works, or to balance schools' delegated budgets.

The Director of Children's Services commented that although he wished to further reduce the overall level of school reserves, it was necessary to judge the case of each individual school on its merits.

#### RESOLVED

1. That the information in respect of schools' reserve balances held in November 2006, be noted.
2. That the proposed amendment to Paragraph 4.2.2 of the Dudley Scheme of Financing for Schools, as set out in Appendix B to the report submitted, be approved.
3. That, subject to them being monitored by the Director of Children's Services, the provisional plans for the allocation of schools' reserves, as detailed in Appendix C to the report submitted, be endorsed as approved plans.

#### 10. FORMULA FUNDING FOR CHANGING SCHOOLS (PAN INCREASES)

A report of the Director of Children's Services was submitted on admissions to a number of Dudley Secondary schools in September 2006. The report advised the Forum of the actual number of pupils admitted to those schools, compared to the funded increase in Published Admission Numbers (PANs) received by schools in April 2006.

It was reported that three Secondary schools had received funding in April 2006 for increased PANs which had subsequently not been met in the September pupil count, resulting in those schools being over funded for the 2006/07 financial year. As the School Finance Regulations now prohibited the mid-year amendment of budgets to reflect pupil count, it would not be possible to address the situation until the next financial year.

In this regard, it was proposed that in future years a review of pupils admitted in September compared to the funded increase in PAN should be undertaken on an annual basis, and that the approved increase in PAN or the increase in the number of actual pupils admitted in September, if this figure was lower, be reflected in funding for the following year.

It was proposed that this method be employed to address the situation faced by the three schools which had been over funded for 2006/07.

RESOLVED

1. That the report be received and noted.
2. That the proposals in relation to the future handling of funding for increased Published Admission Numbers (PANs), as set out in Paragraphs 7 and 8 of the report submitted, be approved.

11. FINANCIAL IMPLICATIONS OF PRIMARY AND SECONDARY REVIEWS – UPDATE

The Assistant Director of Children's Services (Resources) gave a verbal update in respect of the progress of the Primary and Secondary reviews. He reported that although four Primary schools had now been discontinued, it would not be possible to gauge the LAs overall financial position until mid-2007, by which time the financial outturn for the 2006/07 financial year would have been analysed. Although it was felt that the closures would have a positive impact on the LAs finances, the loss of a further 656 pupils in 2007/08 meant that Dudley was still in a difficult position.

In relation to the staff who had been displaced by the four Primary School closures, it was reported that of approximately 130 staff who had been affected, roughly 90 had now been redeployed in alternative positions. Work with the remaining displaced staff was ongoing, and the LA was working with them, in conjunction with the Trade Unions to find appropriate solutions.

RESOLVED

That the verbal update be noted.

12. SMALL SCHOOLS PROTECTION FUNDING REVIEW



A verbal update was given by the Assistant Director of Children's Services (Resources) in respect of the small schools protection funding review. He reported that following the last meeting of the Forum, at which a Working Group was appointed to look at this issue, Members had met in November to discuss the possibilities for restructuring the small schools protection funding scheme. A further meeting of the Working Group had been scheduled for January 2007, following which a detailed report on the issue containing proposals for action would be submitted to the February 2007 meeting of the Forum.

RESOLVED

That the verbal update be noted.

13. DATES OF FUTURE MEETINGS

It was noted that future meetings of Schools Forum were scheduled for the following dates:

- Tuesday 6<sup>th</sup> February, 2007
- Tuesday 20<sup>th</sup> March 2007
- Tuesday 22<sup>nd</sup> May, 2007

The meeting ended at 7.20pm

CHAIRMAN