

**Schools Forum – Tuesday 2<sup>nd</sup> October 2007**

**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 funding process together with the revenue budget position in respect of Cradley High school.

**Budget Working Group Discussed**

2. No.

**Schools Forum Action**

3. To note the funding process and latest revenue budget position in respect of Cradley High school.

**Attachments**

4. None

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**Purpose of Report**

1. To advise Schools Forum of the 2007/08 funding process together with the latest revenue 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 July 2007 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 has a delegated budget allocation of £1.530m. The latest budget position for Cradley High can now be reported as follows:

<b>Budget Details</b>	<b>Carried Forward Position From 2006/07</b>	<b>2007/08 Budget Position – excluding carry forward</b>	<b>Net Position for 2007/08</b>
	£'000	£'000	£'000
Delegated Budget	85	364	449
Leisure/Adult Ed. Account	75	0	75
<i>Sub Total</i>	<i>160</i>	<i>364</i>	<i>524</i>
'One Off' 2007/08 budget approved by Schools Forum to cover anticipated budget overspend at Cradley High ( <i>para. 3 above</i> )		(350)	(350)
<b>Net Financial Position – Forecast Overspend at August 2007.</b>	<b>160</b>	<b>14</b>	<b>174</b>

5. Whilst the 2007/08 overall budget position is projecting a net deficit of £174k, which will be a charge against the DSG, School’s Forum members should note that this includes the estimated costs for the remaining 55 staff employed at the school; it is anticipated that some of these staff will leave before 31 March 2008. The projected deficit is now £150k less than that reported to Schools Forum at the meeting of the 10<sup>th</sup> July due to a number of staff securing alternative employment.

6. For those pupils who have now transferred from Cradley High school, an amount of £732k is available in respect of the period September 2007 to March 2008; this will be distributed in respect of the pupil led elements of delegated funding. In addition, there is also a budget for the pupil led elements of a number of Standards Fund grants. Final appeals in respect of pupils from Cradley High School are due to be heard on 28 September 2007. Therefore, following the outcome of these appeals it is anticipated that funding will be distributed to schools during October 2007.
7. The 2007/08 budget position is continually monitored at the centre. A further update will be provided to Schools Forum at the meeting in December 2007, at which time any additional developments regarding the movement of staff will be reflected in the projected outturn.
8. The Directorate is working closely with the headteacher to ensure the assets held by the school are properly safeguarded.

### **Finance**

9. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2007.
10. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DCSF grant: Dedicated School Grant (DSG).

### **Law**

11. 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**

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

### **Recommendation**

13. It is recommended that Schools Forum note the contents of this report in respect of the closure of Cradley High school and advise the Director of Children's Services of any further action necessary.



**John Freeman**

**Director of Children's Services**

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