

**Schools Forum 20 March 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 budget process in respect of Cradley High school.

**Budget Working Group Discussed**

2. The 2007/08 indicative funding processes were highlighted but the full details of the report were not discussed.

**Schools Forum Action**

3. To note the anticipated budget process in respect of Cradley High school.

**Attachments**

4. Appendix A – Cradley High 2<sup>nd</sup> indicative budget allocation for 2007/08.

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**Purpose of Report**

1. To advise Schools Forum of the 2007/08 budget process in respect of Cradley High school.

**Background**

2. School Organisation Committee approved the closure of Cradley High school on 7 February 2007.
3. The distribution of delegated funds to Cradley High school for 2007/08 will be in accordance with the School Finance Regulations (England) 2006, which permit amendments to a school's budget where a school is closing or changing during the financial year.
4. Schools Forum were advised at the February 2007 meeting that Cradley High school's delegated budget could show a deficit of £1m by 31 March 2008, and that forward financial planning would be necessary immediately in order to manage this process and minimise the deficit situation; any closing school deficit will be a charge against the DSG.
5. This report identifies the proposed budget distribution for 2007/08. Appendix A details the 2007/08 formula budget for Cradley High together with the funds 'clawed back' in respect of the current year 7, 8 and 9 pupils who will transfer to alternative schools in September 2007. The budget of £722k set aside for the period September to March 2008, will be used to fund those pupils transferring from September 2007 as part of the managed move process. This allocation will be distributed to schools in September 2007 once the Admissions team has confirmed the destination of all pupils. The 'one off' allowance of £175 per pupil in respect of a uniform allowance (£75) and in recognition of the additional management and administration costs incurred due to the admissions process (£100), will also be funded from the £722k but a separate distribution process will be proposed in due course.
6. The Assistant Director of Resources will update Schools Forum as to the processes that will be put into place in order to minimise the 2007/08 year end deficit position for Cradley High school. This will include the setting up of a Steering Group to assist with the financial management of the school and could include the withdrawal of delegation, if the Director of Children's Services requests this course of action.

7. It is proposed that a regular updated report is presented to Schools Forum identifying the latest position.

### **Finance**

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

### **Law**

10. 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**

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

### **Recommendation**

12. It is recommended that Schools Forum:
  - a. Note the process for distributing the 2007/08 delegated budget for Cradley High schools and advise the Director of Children's Services accordingly regarding the estimated £1m deficit budget which is expected to occur unless tight financial management is exercised immediately;
  - b. Request that regular updates are presented to Schools Forum in respect of the closure process for Cradley High school.



**John Freeman**

**Director of Children's Services**

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**Cradley High School – 2007/08 Budget Allocation**

<b><u>Budget</u></b>	<b><u>2007/08 Full Allocation</u></b>	<b><u>2007/08 Adjusted Allocation Cradley High</u></b>	<b><u>2007/08 Changing School Allocation (to Fund Pupils Sept. 2007 &amp; other)</u></b>	<b><u>Comments</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	
Age Weighted Pupil (AWPU)	1,468,849	857,977	610,871	Assumed Y7, Y8, Y9 & Y11 will leave Cradley 31 August 2007. Funding to transfer to new schools Sept 07
Pupil Led Funding (unweighted)	26,034	14,901	11,133	
Socio Economic Need : Free School Meals	115,455	65,810	49,645	
Socia Economic Need: Free School Meal Numbers unweighted	42,962	26,461	16,501	
Personalised Learning	44,528	25,381	19,147	Actual statemented pupils – funding will transfer with pupils to new school. Current funding = high incidence Y10
Pupils With Statements of SEN	49,134	39,686	9,448	
SEN: Pupils Without	44,493	38,814	5,679	Assumed funding allocated from KS2 results will relate to Y7,8 & 9 and will transfer with pupils in Sept 07.
Practical Learning Options	15,561	15,561	0	Funding relates to KS4 pupils only
Teacher Pay Performance	69,482	69,482	0	Assume teachers will either remain at Cradley or leave system. Difficult to track funding to follow specific teachers
Premises:Insurance/Repairs and Maintenance	132,900	132,900	0	Premises required until closure August 2009
Premises: Area of Grounds	9,276	9,276	0	
Premises:Rates	83,472	83,472	0	
Insurance: Employee Liability	6,923	6,923	0	Where ever employees are there will need to be full year cover – leave budget and cost with Cradely
School Specific: Basic Allocation	70,120	70,120	0	School still operational and require budget
DGfL: Equal Allocation	1,422	1,422	0	Where ever pupils are there will need to be full year charge – so leave budget and cost with Cradley
DGfL: Pupil Led	15,180	15,180	0	
<b>Total</b>	<b>2,195,790</b>	<b>1,473,366</b>	<b>722,424</b>	