

Schools Forum 10 July 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 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. Appendix A – Staffing at Cradley High school.
5. Appendix B – Summary of funding to follow pupils transferring from Cradley High School.

Sue Coates
Senior Principal Accountant
25 June 2007

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Purpose of Report

1. To advise Schools Forum of the 2007/08 funding process together with 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 February 2007 meeting that Cradley High school's delegated budget could potentially 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 potential deficit situation. Any closing school deficit will be a charge against the Dedicated Schools Grant (DSG). In the light of this, Schools Forum agreed at the meeting on 20 March 2007 to set aside an amount of £350k from the 2007/08 DSG to support the cost of closure in respect of Cradley High school.
4. The 2007/08 delegated budget of £2.262m for Cradley High comprises two elements: £1.530m in respect of those pupils at Cradley High school during the 2007/08 financial year and £0.732m set aside to fund from September 2007 those former Cradley High pupils who move to other Dudley schools.
5. At the 2006/07 financial year end Cradley High accounts show:

Budget Area	2006/07 Financial Position - Overspend £'000
Delegated Budget	85
Leisure Account	61
Adult Education	14
Total Overspend at 31.3.07	£160

6. Thus at 31 March 2007 Cradley High accounts show a total deficit balance of £160k. This will be reported in the Section 52 outturn statement and the school's Consistent Financial Reporting data. This deficit has been carried forward into 2007/08 in line with the LMS regulations.
7. It should be noted that both the leisure and adult education activities ceased prior to 1.4.2006.
8. For the 2007/08 financial year, Cradley High has a delegated budget allocation of £1.530m (paragraph 4). The latest budget position for Cradley High can be reported as follows:

Budget Details	Carried Forward Position From 2006/07	2007/08 Budget Position – excluding carry forward	Net Position for 2007/08
	£'000	£'000	£'000
Delegated Budget	85	514	599
Leisure/Adult Ed. Account	75	0	75
<i>Sub Total</i>	<i>160</i>	<i>514</i>	<i>674</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)
Net Financial Position – Forecast Overspend at June 2007.	160	164	324

9. Whilst the 2007/08 budget position is projecting a net deficit of £324k, which will be a charge against the DSG, School's Forum members should note that this projection accounts for a reduction of staffing from 87 to 59 (28 staff) who have already secured alternative posts either with Dudley or elsewhere. Of the 28 staff, 25 are teaching staff. Appendix A details the complement of staff. The Directorate of Children's Services will continue to work closely with the staff at Cradley High in order to ensure an effective school closure in July 2008. Thus it is anticipated that the costs will continue to reduce.
10. Schools Forum were advised at the meeting on 20 March 2007, of the proposals to re-distribute 2007/08 funding to schools receiving pupils who transfer from Cradley High school in respect of the period September 2007 to March 2008. An amount of £732k representing pupil led elements of delegated funding has been retained for re-distribution in September 2007 (*paragraph 3*), in addition to pupil led elements of a number of Standards Fund grants. A summary of the amount per pupil to be re-distributed has already been provided to Headteachers of the relevant schools and is attached at Appendix B for information.
11. The 2007/08 budget position will be continually monitored. A further update will be provided to Schools Forum at the meeting in October 2007, when the disbursement of funding to follow former Cradley High pupils will have been made, and any additional developments regarding the movement of staff will be reflected in the projected outturn.

Finance

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

Law

14. 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

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

Recommendation

16. 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

Contact Officer:

Karen Cocker, Children's Services Finance Manager

Karen.cocker@dudley.gov.uk Tel: 01384 815382