

DUDLEY SCHOOLS FORUM

Tuesday 3rd October, 2006 at 6.00pm
Saltwells Education Centre, Bowling Green Road, Netherton

PRESENT

Mr Patterson (Chairman)
Mrs Blunt, Mrs Brennan, Mr Conway, Mr Francis, Mrs Griffiths, Mr Harrington, Mr Hatton, Mr James, Mr Leyshon, Mr Millman, Mr Mountney, Councillor Nottingham, Mr Ridley, Mr Rhind-Tutt, Mr Timmins, Mr Sorrell, Councillor Mrs Walker, Mr Warner and Mr Wassell.

OFFICERS

Director of Children's Services, Assistant Director of Children's Services (Resources), Assistant Director of Children's Services (Universal Services) and School Development Adviser for Special Needs – (Directorate of Children's Services), 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. **APOLOGIES FOR ABSENCE**

Apologies for absence from the meeting were submitted on behalf of Mr Bell, Mrs Elwiss Mrs Hazlehurst, Mr Janjua, and Mrs Lonergan.

2. **MINUTES**

RESOLVED

That the minutes of the meeting of the Forum held on 11th July, 2006, be approved as a correct record and signed.

3. **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, the detail of what training members required was currently unclear. In order that a training programme tailored to these requirements could be formulated, he requested that members notify Mr Jewkes in the seven days following the meeting of the specific areas in which they felt training would be useful to them personally.

In relation to Minute Number 3 – Matters Arising from the Minutes, Mrs Cocker circulated a document detailing the reserve balances held by all primary, secondary and special schools in Dudley at the close of the 2005/06 academic year. She reported that the total balance held in reserve by Dudley schools amounted to approximately £12.8 million, an increase on the equivalent figure for 2004/05. The Director of Children’s Services commented that this figure was unacceptably high.

A member raised the question of what the total reserve balance would be had the DfES guideline of 5% of the total Dedicated Schools Grant (DSG) been met. In responding, Mrs Cocker stated that according to this DfES guidance, the total balance held in reserve should amount to approximately £7 million.

In response to a question from a member regarding whether the information included funds which had been set aside by schools to fund specific projects and other work, Mrs Cocker confirmed that all reserves held by the schools were accounted for in the information, whether or not they had been earmarked for specific purposes. In relation to this, the Director of Children’s Services stated that when considering the balances held by schools, he did take into account the reasons for the reserves. He acknowledged that different schools held reserves for different purposes. Notwithstanding this, he agreed that it would be beneficial, in order for members to get a more detailed understanding of the balances issue, for the Forum to be provided with information detailing the amount of uncommitted funds schools were holding in reserve. It was agreed that this information would be submitted to the next Forum meeting.

4. SPECIAL SCHOOLS FORMULA REVIEW - UPDATE

A verbal update was given by the School Development Adviser for Special Needs in respect of the Special Schools Formula Review.

It was reported that the project Sub-group working on the revision of the special schools formula had now finalised a model which reflected the needs of pupils in terms of learning and cognition; behaviour, emotional and social; and social and communication/ASD. While the ‘bands’ which would make up the matrix had now been agreed by the special schools, work on the weighting of each band in terms of funding was now under way, and representatives of the schools would be meeting in the autumn term to discuss this. A consultation paper on the new formula would be going out to interested parties by the end of the October half-term break.

RESOLVED

That the verbal update be noted.

5. REORGANISATION OF SCHOOLS FORUM REAPPOINTMENT PROCESS

A report of the Director of Children's Services was submitted on the implementation of a new mechanism for appointing and reappointing members of the Forum, designed to ensure that changes in its membership were gradual and stable.

Mr Jewkes reported that when the Forum had been established in 2002, its constitution had made provision for the entire membership to be reappointed simultaneously every three years. At a meeting of the Schools Forum Working Group in April 2006, it had been agreed that under this system, destabilisation could occur where at the end the end of a three year period a large number of members were replaced, resulting in a large influx of new, inexperienced members. In view of these concerns the Forum had resolved at its May meeting to adopt a 'rolling' system whereby one third of the membership would be reappointed each year, in order to facilitate stable, gradual changes in the membership.

To this end, a schedule of annual reappointments for the years 2006-2008 was proposed, a copy of which was appended to the report. The schedule made provision for all members to be reappointed on a three yearly basis and for continuity of membership to be maintained within the Forum's constituent groups. In addition, it was proposed that the Dudley Schools Forum Constitution and Terms of Reference be amended to reflect the changes.

RESOLVED

1. That the proposal to reorganise the process for appointing and reappointing members of the Forum, as set out in Paragraphs 7 and 8 of the report submitted, and in Appendix 1 to the report, be approved.
2. That Mr Jewkes be authorised to take action to facilitate the reappointment or replacement of members according to the schedule set out in Appendix 1 to the report submitted.
3. That Mr Jewkes be authorised to amend the Constitution and Terms of Reference of the Forum to reflect the changes, using the wording proposed in Paragraph 9 of the report submitted.

6. FAIR FUNDING FORMULA – SMALL SCHOOLS PROTECTION

A report of the Director of Children's Services was submitted on issues regarding small schools protection within the Fair Funding Formula in Dudley.

It was reported that the small schools protection formula was one of a number of factors used to distribute funds to mainstream schools in line with Dudley's Scheme of Fair Funding. The allocations within this formula were based on two elements: Pupil Number Taper and Teacher Employment Protection. In 2006/07, a total of £550,000 had been allocated to twenty-four primary schools and one secondary school which met locally set criteria for small schools assistance.

At a meeting of the Budget Working Group (BWG) in September 2006 it had been unanimously agreed that the current arrangements were not appropriate and that proposals for change should be developed. This view was grounded chiefly in the fact that with the number of primary school children in the Borough falling due to the decline in birth rate, the number of schools qualifying for small schools assistance was increasing year on year. As the volume of small schools assistance grew, these schools were in effect being subsidised by every mainstream school in Dudley. It was felt that the current arrangements provided little incentive for the smaller schools to address the financial impact of falling numbers.

In view of these issues, it was proposed that a Working Group be established comprising members of the Forum, with the support of officers, to consider the following: -

- the minimum funding needs of schools with 210 places (age 5 – 11) and more than 25% surplus places e.g. 158 pupils or less.
- the case for any additional funding for schools with more than 158 pupils including those with annual reductions in pupil numbers e.g. 500 pupils on roll but 5% drop from previous year.
- the case for additional funding for small secondary schools.

It was also proposed that the Group would report to Schools Forum with recommendations for improvements to the existing formula arrangements.

Questions were raised as to why, in view of the urgency of dealing with the issue, it was proposed in the report that a revised small schools protection formula would be introduced in April 2008, rather than April 2007. In responding to these points, the Director of Children's Services stated that the LA was legally required to hold a consultation on any proposed change to the formula lasting at least a term. It would therefore not be possible to introduce changes in April 2007. In addition to this, the Children's Services Finance Manager reported that indicative budgets for the 2007/08 academic year had already been set and whilst the LA did have the ability to revise the funding formula, DfES guidance discouraged this. It was therefore felt

that April 2008 would be the earliest realistic opportunity to incorporate any changes to the formula.

RESOLVED

1. That the report be received and noted.
2. That a Working Group comprising Mr Conway, Mrs Griffiths, Mr Millman, Mr Timmins and Mr Warner be established to consider the issues referred to above and make recommendations to the Forum as appropriate.
3. That the members of the Working Group arrange a date for their first meeting, in consultation with the relevant officers from the Directorate of Children's Services.

7. FUNDING FOR SPECIAL EDUCATIONAL NEEDS (SEN) WITHOUT STATEMENTS

A report of the Director of Children's Services was submitted on the outcomes of a recent meeting of the Budget Working Group (BWG), in respect of proposed changes to funding Special Education Needs (SEN) without statements in primary schools.

It was reported that following a previous request by the Forum, the BWG had met to consider the possibilities for remodelling the way in which SEN funding for children without statements was allocated in Dudley. Under the current arrangements, in 2006/07, £2,737,000 had been allocated, of which £1,870,00 was driven by under-attainment in particular schools, and £867,000 driven by free school meal eligibility. As it was felt that these arrangements no longer managed to distribute resources equitably and according to need, the Budget Working Group had developed and modelled two alternative schemes for distributing the funding. The details of Model A and Model B were set out in the report and the Forum was requested to endorse one of the models and also to approve the recommendation that the chosen model would be implemented as of April 2008.

In responding to the report the Chairman commented that the replacement of the current arrangements would inevitably create 'winners and losers' as some schools would experience an increase in their funding at the expense of some other schools. It was noted that under Model A, the difference between the school which gained the most and the school which lost the most was approximately £40,000, whereas under Model B this figure was just £20,000.

A member commented that although Model B did create a bigger gap between 'winners and losers', this method of distributing the funds more accurately reflected the needs of individual schools and also recognised where schools had achieved progress with SEN children without statements. The changes in funding could be phased in over time and, in the context of the full budgets allocated to individual schools, were relatively small. Although Model B would mean more drastic adjustments to the levels of funding enjoyed by each school, these changes would be proportionate and more equitable in the long run.

In responding to the comments made, the Director of Children's Services advised that where schools did experience a larger drop in funding, it was likely that the Minimum Funding Guarantee (MFG) would be triggered, meaning that the school would receive extra support to mitigate against any problems.

Following further discussion on the matter, the Chairman called a vote asking members to express a preference for Model A, Model B, or the status quo.

RESOLVED

1. That the report be received and noted.
2. That approval be given to the adoption of Model B, as set out in Paragraph 9 of the report submitted, as a replacement for the current system of allocating funding for pupils with Special Education Needs without statements.
3. That the proposal to implement the new system as of April 2008, be approved.

8. POOLED BUDGETS – HEALTH ACT 1999 SECTION 31

A report of the Director of Children's Services was submitted on the application of the Independent and Voluntary sector pupil placements budget of £511,800 in line with pooling arrangements covered by Section 31 of the Health Act 1999.

The Children's Services Finance Manager reported that since April 2003 the Council and the Dudley NHS Primary Care Trusts (PCTs) had held a pooled budget designed to improve services commissioned specifically for children under 19 years of age who had severe disabilities. The pooled budget was split 85% to 15%, with the Council's 85% contribution being divided between the Social Care budget and the Dedicated Schools Grant (DSG).

The original three-year agreement relating to the pooled budget was now due for renewal. It was therefore proposed that the current agreement be extended for a further five years, covering the period from April 2006 to March 2011. The pooled budget would operate within a service level agreement, a copy of which was appended to the report. The funding pooled by the Directorate of Children's Services would be taken from the DSG, meaning that the consent of the Forum was required in order for the funds to be allocated. The Forum was therefore requested to give their approval for the renewal of the pooled budget arrangements for the period from 2006 to 2011.

In response to a question from a member regarding why it was proposed that the new agreement would last for five years when the original lasted just three, the Children's Services Finance Manager stated that the PCT had requested a five year agreement in view of NHS funding arrangements. She added that although the DSG was determined on a two-yearly basis, the establishment of an agreement lasting five years would not cause any problems in terms of budget planning.

A member raised the question of why mental illness was not covered as 'severe disability' in the Children's Disability Team criteria set out in the agreement. In responding, the Director of Children's Services stated that the scope of the agreement was limited at its conception amid fears that it may not be successful. He gave an undertaking to look into the possibility of amending this section of the agreement and report back to the Forum accordingly.

RESOLVED

1. That the report be received and noted.
2. That the Forum approve the proposed extension of the pooled budget partnership outlined above, and the allocation of funds from the Dedicated Schools Grant required to meet the Council's obligations under that agreement.

9. BUDGET FACT SHEET NUMBER 5

A report of the Director of Children's Services was submitted on the latest 2006/07 Budget Fact Sheet (number 5) to be issued to schools.

The Children's Services Finance Manager reported that the fifth Budget Fact Sheet for 2006/07 had been circulated to schools in September. A copy of the Sheet was appended to the report and the main points covered in it were summarised as follows: -

It was reported that following the Chancellor's announcement in March 2006 that new funding would be made available to assist schools in delivering personalisation of learning, these funds had been paid direct to schools in September via the School Standards Grant.

It was reported that the DfES had now published the findings of the Social Deprivation Funding review it had conducted earlier in the year. Copies of a document summarising these findings were circulated at the meeting. Following on from the review, the DfES had requested that all LAs undertake a full review of their own deprivation funding arrangements and implement any proposed changes from April 2008. The BWG would initially be responsible for the review and further reports would be submitted to the Forum when appropriate.

In relation to falling pupil numbers in Dudley, it was reported that the previous demographic predictions by the LA that the Dedicated Schools Grant would fall by approximately £2.5 million in 2006 had proved correct, with pupil numbers falling by 715 in that year.

Reference was again made to the rise in school balances. The Director of Children's Services advised that although he had judged that it was not currently necessary to claw back any funds from schools with excessive balances, he would keep the situation under review and ensure that schools followed through on their statements of intent.

In relation to this issue, several members expressed concern that the main reason many schools had excessive balances was that they were either waiting for work to be done by Dudley Property Consultancy (DPC) or outside contractors, or were waiting to be invoiced for work which had already been completed. The possibility of inviting a senior officer from the Directorate of Law and Property to a future Forum meeting to examine these problems was discussed. In responding to these concerns, the Assistant Director of Children's Services (Resources) advised that he was aware of problems schools were experiencing with DPC in terms of delays in work and in invoicing and that he was currently liaising with colleagues in the Directorate of Law and Property to look at ways improving procurement processes.

In addition to these comments, Councillor Mrs Walker commented that the process of obtaining planning permission also often slowed down schools' development plans. She gave an undertaking to raise the issues discussed at the meeting with her colleagues and investigate further as to what measures could be taken to improve the situation.

RESOLVED

That the report be received and noted.

10. DEDICATED SCHOOLS GRANT (DSG) BUDGET MONITORING

A report of the Director of Children's Services was submitted on the latest budget monitoring data to 31st August 2006, in respect of the Schools Budget for the 2006/07 financial year.

The Children's Services Finance Manager reported that the latest financial projection to the 31st March 2007 indicated that the DSG would be overspent by £1.4 million. This projected overspend had increased by £550,000 since the last budget monitoring report was submitted to the Forum in July. The main reasons for overspend, as detailed in Appendix B to the report, were the over-programming of the DSG for 2006/07, and increases in the costs of independent and voluntary sector placements for pupils, and exclusions.

The Director of Children's Services reported that since the increase of the projected overspend had come to light he had taken a series of measures designed to reduce spending and bring the budget back on track. He commented that the LA had no control over external factors like the costs associated with exclusions and added that nationally the number of independent and voluntary sector placements had risen by 48% in the last four years, placing increasing strain on LAs across the country. It was also expected that falling pupil numbers would further exacerbate the budgetary situation in future years.

In response to a question regarding what progress the LA had made in relation to Children's Centres, the Children's Services Finance Manager reported that three LA centres were now up and running in Dudley, with a further eleven to be completed by 2008 for phase 2 and a further three centres for phase 3 after this date. When the programme was completed twenty centres would be in operation (including the Sure Start Local Programme). They would be funded jointly through a revenue formula and the income they generated from parents and other sources. The Director of Children's Services suggested that it could be beneficial for a report reviewing the progress of the implementation of Children's Centres to a future meeting of the Forum.

RESOLVED

1. That the report be received and noted.
2. That a report reviewing the progress made in terms of the implementation of the Children's Centres programme, and providing further detail of the financial arrangements for their operation, be submitted to a future meeting of the Forum.

11.

REVIEW OF FORUM DECISIONS REGARDING FUNDING FOR SCHOOL CLOSURES

A report of the Assistant Director of Children's Services (Resources) was submitted on funding proposals approved previously by the Forum in relation to Primary school closures.

The Forum was provided with updates in respect of a series of financial commitments it had made in December 2005. The Forum had approved three proposals designed to support schools affected by closures in order to assist them during the transitional period following closure. The Forum had committed to funding a one-off grant to all closing schools and their 'partner schools' to assist them in making the transition, support for parents with regard to uniform costs for children transferring to alternative schools as a result of closures, and support for staff salary protection if required.

In relation to the one-off grants awarded to schools affected by closures, it was reported that six primary schools had received grants of £40,000, totalling £240,000. Schools had received grants of £50 for each of the children they had received as a result of closures in order to assist them in providing uniforms. This funding had been provided for 408 children so far, with further take up expected as additional children left Beauty Bank Primary School. It was also reported that of the 111 staff displaced as a result of the school closures, more than 90 had now been redeployed, mostly into vacant positions, in other schools around the Borough. The support committed by the Forum for staff salary protection had barely been used in this process, and the LA was working with those staff who had not yet obtained a new position to help them find a positive outcome.

In addition to the statistical information provided regarding the closures, it was reported that positive feedback had been obtained from children affected by the closures. Direct quotations from the children showed that, by and large, they had settled in well in their new schools, and that the transition had been relatively smooth.

In response to a question concerning whether or not any further closure proposals were planned for the coming year, the Director of Children's Services advised that the LA had already published two further closure proposals relating to Cradley High School and Halesowen CE Primary School. It had been agreed that following the determination of these proposals by the School Organisation Committee, a review would be conducted looking at how well the provision of school places across the Borough matched the demand for those places. It was not yet known whether further statutory proposals would be deemed necessary as a result of the review.

In relation to the current situation regarding Beauty Bank Primary, a member raised a concern that although the LA had given a commitment to provide children leaving the school with places in alternative schools within walking distance, he understood that several children were being transported to their new schools in buses and taxis. In responding, the Assistant Director for Children's Services (Resources) explained that this situation had arisen due to parents of Beauty Bank children exercising their right to send their children to schools in other areas of the Borough which had places available.

RESOLVED

That the report be received and noted.

12. OLDSWINFORD HOSPITAL – FUNDING FROM LOCAL AUTHORITY RESOURCES

Following a previous Forum request, the Assistant Director of Children's Services submitted statistical information in relation to Local Authority Funding for Oldswinford Hospital School. The information had been requested in the context of the recent approval by the DfES of a bid the school had submitted for capital funding under the Expansion of Popular and Successful Schools programme.

In addition to the statistical information, the Director of Children's Services advised that state boarding schools like Oldswinford were anomalous in terms of planning and funding. The LA funded the education of 'day students', while the costs of running the boarding school element were met by charities or privately by parents. He explained that the figures in the information related to the cost of providing education for day students at the school and were met from the DSG, or in the case of sixth form pupils, by the LSC.

RESOLVED

That the information be noted.

13. DATES OF FUTURE MEETINGS

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

- Tuesday 12th December 2006
- Tuesday 6th February, 2007
- Tuesday 20th March 2007
- Tuesday 22nd May, 2007

The meeting ended at 8.25pm

CHAIRMAN