

**Schools Forum – 18<sup>th</sup> March 2008**

**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 February 2008 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 is detailed in Table 1.

**Table 1 – 2007/08 Financial Year Cradley High School Budget Monitoring**

<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 deficit	85	337	422
Leisure/Adult Ed. Account deficit	75	0	75
<i>Sub Total – deficit</i>	<i>160</i>	<i>337</i>	<i>497</i>
'One Off' 2007/08 budget approved by Schools Forum to cover anticipated budget overspend at Cradley High		(350)	(350)
<b>Net Financial Position – Forecast Overspend at January 2008.</b>	<b>160</b>	<b>(13)</b>	<b>147</b>

5. Whilst the 2007/08 overall budget position is projecting a net deficit of £147k (Table 1), which will be a charge against the DSG, School’s Forum members should note that this does include the estimated cost to 31 March 2008 in respect of the remaining 46 staff

employed at the school. The Director will update Schools Forum at the meeting on management action being taken to effect redeployment in a timely manner in order to minimise the ongoing salary costs.

6. Table 2 details the remaining staff by job type; Teachers include the Head and Deputy and the overall total includes five employees with a temporary contract. Since the last report to Schools Forum two teachers have been redeployed.
7. Should the remaining staff including the Head and Deputy not be redeployed, the estimated 'one off' redundancy and lump sum enhancement costs for those who would be eligible would be £542k. There will be an ongoing annual pension requirement of £43k payable by Dudley MBC. The Council is currently consulting the Cabinet on the latest position regarding staffing at Cradley High.

**Table 2 – Number of Remaining Staff by Job Type**

Teachers	20
Support Staff	1
Classroom Assistants	3
Technicians	5
Clerical	6
Caretakers	3
Midday Supervisors	1
Cleaners	5
Catering	2
<b>Total Number of staff</b>	<b>46</b>

8. The estimated redundancy cost of £542k and the net financial overspend of £147k projected for 2007/08 (Table 1) have been accommodated within the Schools Budget forecast outturn for 2007/08. There is currently no provision set aside to meet the 2008/09 and ongoing annual pension payments of £43k; this would need to be a charge to the Schools Budget in 2008/09 and future years. The budget monitoring of the Schools Budget and the Dedicated Schools Grant (DSG) is subject to a further report elsewhere on the agenda.
9. A further update will be provided to Schools Forum at the next meeting on 20<sup>th</sup> May 2008.
10. The Directorate is working closely with the school to ensure the assets held by the school are properly safeguarded.

## **Finance**

11. The funding of schools is prescribed by the DCSF through the School Finance (England) Regulations 2008.
12. Schools Forums are regulated by the School Forums Regulations 2002 as already amended by the Schools Forums (Amendment) Regulations 2004 the Schools Forums (Amendment) 2005 Regulations and the Schools Forums (England) (Amendment) Regulations 2008.
13. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DCSF 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**

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