

DUDLEY SCHOOLS FORUM

Tuesday 11th July, 2006 at 6.00pm
Saltwells Education Centre, Bowling Green Road, Netherton

PRESENT

Mr Patterson (Chairman)
Mrs Blunt, Mr Conway, Mr Francis, Mrs Griffiths, Mr Hatton, Mr Millman,
Councillor Nottingham, Mr Ridley, Mr Robertson (as substitute for Mr
Rhind-Tutt, Mr Timmins, Councillor Mrs Walker, Mr Warner, Mr Wassell
and Mr Williams.

OFFICERS

Director of Children's Services, Assistant Director of Children's Services
(Resources) – (Directorate of Children's Services), Children's Services
Finance Manager and Mrs Coates (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 Harrington, Mrs Hazlehurst, Mr Heavisides, Mr Janjua, Mr Leyshon
and Mrs Lonergan.

2. **MINUTES**

RESOLVED

That the minutes of the meeting of the Forum held on 9th May,
2006, be approved as a correct record and signed.

3. **MATTERS ARISING FROM THE MINUTES**

In relation to Minute Number 5 – Matters Arising From the Minutes,
the Chairman enquired as to whether or not the Director of Children's
Services (Mr Freeman) had contacted the Learning and Skills Council
regarding their non-attendance at Forum meetings. Mr Freeman
responded by saying that he had discussed the matter with Julie
Cosgrove, Director of Young People's Learning, who had agreed that
a 'joined up' approach was required in view of the 14-19 agenda. He
gave an undertaking to further pursue the matter with her at an
appropriate time.

In relation to Minute Number 5 – Matters Arising From the Minutes, the Chairman gave an undertaking to contact John Lawton, the Council's Governor Training Manager, to arrange a training session in financial management for Members of the Forum.

In relation to Minute Number 8 – Social Deprivation Statement, the Assistant Director of Children's Services (Mr Watson), circulated the web link to the information referred in resolution 2 of the Minute, concerning Index of Multiple Deprivation (IMD) values for each super output area in the Borough.

In relation to Minute Number 13 – School Reserves 2005/06 Provisional Outturn, it was confirmed that the update in relation to the finalised reserve balances for 2005/06 referred to in resolution 2 of the Minute would be submitted to the October meeting of the Forum.

In relation to Minute Number 17 – Primary Review – Further Information on Costings, Mr Watson confirmed that the report referred to in the Minute would be submitted to the October meeting of the Forum.

In relation to Minute Number 19 – Schools Forum Working Group, Mr Jewkes confirmed that a written report establishing the reappointment mechanism described in Item vii of the resolution would be submitted to the October meeting of the Forum.

4. SCHOOL SPECIFIC CONTINGENCY OUTTURN 2005/06

A report of the Director of Children's Services was submitted on the use of the centrally held school specific contingency budget in 2005/06.

The Children's Services Finance Manager (Mrs Cocker) reported that the purpose of the contingency was to provide for in-year allocations for significant increases in pupil numbers, in-year changes in floor area, interest on carry-forward balances, school based emergencies, union duties, premature retirements and redundancies and other unforeseen costs. Details of the expenditure in 2005/06 were appended to the report. It was reported that the budget of £1,283,723 was overspent by £244,446 and that this balance would be rolled forward and recovered from the 2006/07 budget allocation.

In responding to the report, the Chairman referred to the appendix which showed that a deficit of £273,485 had been carried forward from 2004/05, and commented that although an overspend had again occurred, the level of deficit appeared to be falling. In responding, Mrs Cocker agreed with this analysis and suggested that if a similar sized overspend continued to be carried forward in future years, the Forum would need to allocate additional funds from the DSG in order to 'wipe

out' the deficit and start afresh.

Concern was expressed that almost 20% of the contingency budget had been used to cover interest on school balances. It was suggested that reducing school balances would reduce the amount of interest payable and that therefore the Local Authority should continue to impress on schools the need to reduce their balances.

RESOLVED

That the report be received and noted.

5. DEDICATED SCHOOLS GRANT (DSG) 2006/07 FINANCIAL YEAR

A report of the Director of Children's Services was submitted on the actual Dedicated Schools Grant (DSG) for the 2006/07 financial year, as announced by the DfES on 2nd June, 2006.

Mrs Cocker reported that the budgets issued to Dudley schools in March 2006 for the 2006/07 academic year had been based on an estimation of the level of DSG the Local Authority (LA) expected to receive, reports on which had been submitted to the Forum in December 2005 and February 2006. The DfES had announced an actual DSG for Dudley of £173.955m, which was £489,000 lower than the estimated figure on which the 2006/07 schools budgets had been based. The discrepancy was mainly attributable to a lower than expected number of Early Years nursery pupils. As a consequence of this, the LA was seeking a steer from the Forum as to how the shortfall should be dealt with. Three options for action; a, b and c, were included in the report for members' discussion and a decision was requested as to which option should be pursued.

The Chairman requested further clarification as to why the projected Early Years pupil numbers had proved inaccurate and asked if it was likely that the problem would arise again in future. In responding, Mrs Cocker confirmed that the DSG estimations relating to 2006/07 and 2007/08 which had previously been reported to the Forum were based on the same flawed method of calculating Early Years funding. However, she did not see much potential for the problem reoccurring in future, as the LA was now fully aware of the DfES method of calculating Early Years numbers and would employ this system in future.

Following further discussion on each of the options for managing the shortfall set out in the report, and the detail of how they would be implemented, the Chairman called a vote on each option and it was unanimously

RESOLVED

That the proposal, as set out in paragraph 11c of the report submitted, to relinquish £200,000 of the Early Years funds previously identified for the appointment of SEN mentors and carry forward the remaining £289,000 deficit, offset by any surplus in the 2006/07 schools budget, to 2007/08, be approved.

6. DEDICATED SCHOOLS GRANT (DSG) – BUDGET MONITORING FOR 2006/07

A report of the Director of Children's Services was submitted on the latest budget monitoring data in respect of the Schools Budget for the 2006/07 financial year. A copy of the financial monitoring report covering the period from 1st April to 31st May, 2006, was appended to the report

In opening the item, Mrs Cocker reported that the figures contained in the financial monitoring report were collated prior to the DfES announcement of the DSG for 2006/07, and as such were based on the previous estimated DSG of £174.4m and would need to be revised in light of the Forum's decision under the previous item as to how to the shortfall would be managed. A set of supplementary notes accompanying the monitoring report were circulated to the meeting and the following issues were raised in respect of the data: -

- Schools Specific Contingency – It was noted that the appearance of a £244,000 overspend for 2006/07 was due to the 2005/06 deficit being carried forward, as had been discussed earlier in the meeting.
- Union Duties – It was reported that an Authority employee had been seconded to the NASUWT National Executive Committee for three days each week and that the arrangements for covering her work were causing additional cost to the budget. A further pressure related to the additional time allocated to the Union representatives to cover the remodelling agenda and TLRs.
- Statemented Pupil Support - It was reported that a cost pressure of £248,000 was expected for 2006/07 due to Out of Borough statemented costs for mainstream pupils, together with the cost of staff remaining with the local authority as a result of statemented funds being delegated to schools. Mrs Cocker reported that the budget holder had discussed the matter with the schools concerned and was preparing a decision sheet to recommend a way forward regarding the ongoing salary costs.
- Key Stage 4 Pupil Referral Unit – It was reported that the underspend indicated in the report was due to staff vacancies. It was envisaged that these vacancies would be filled by September.

- Exclusions – Stephenson House – It was reported that in addition to a £32,000 overspend being carried forward from 2005/06, the LA was in the process of negotiating a new SLA with the provider, to increasing the number of pupils from 6 to 12.
- Exclusions – Rathbone Project – It was noted that the overspend of £54,000 for this provider was due to cost increases associated with the registering of all full time providers as independent schools, which was now a requirement of DfES guidance
- Out of Borough Placements – It was reported that the overspend in this area was due to thirteen additional children being allocated places outside of the Borough due to suitable provision not being available in Dudley.

In responding to the report, Mr Freeman commented that many of the services provided for in the DSG were demand led and therefore the LA had to be responsive in meeting budgetary needs as and when they became apparent. In relation to the £97,000 overspend on out of Borough placements, he added that the LA and schools needed to work in partnership to ensure that provision in the Borough was as effective and fit for purpose as possible, in order to reduce the costs of out of Borough placements.

Mrs Griffiths raised the question of why, given the inevitability of some permanent exclusions occurring each year, no budget was set aside to cover the associated costs. In responding, Mrs Cocker explained that when a child was permanently excluded, the funding which had previously been allocated to the school for that child was returned to the LA. When arrangements had been made either for the child to attend a new school or for alternative provision to be made, the funding was redistributed as appropriate, meaning that in theory the process was cost-neutral, making the setting of a specific budget unnecessary. However, recent increases in costs resulting from providers being registered as independent schools had led to an overspend in the area.

In relation to the stated pupil support budget, Mr Francis highlighted the fact that his school was affected by the staff transfer and added that he would be discussing the issues regarding the allocation of funds to the school further with Joanne Tasker.

RESOLVED

That the report be received and noted.

7. FAIR FUNDING – PROTECTION FOR SMALL SCHOOLS

The Assistant Director of Children's Services (Mr Watson) gave a verbal report on funding protection for small schools. He reported that the LA intended to bring forward proposed changes to the funding formula in the Autumn which would affect the funding provided by the LA to assist small schools. Whilst there were no schools in Dudley which would be defined - under the DfES criteria of having fifty or less pupils - as being a small school the LA did direct additional protective funding to the smallest schools in the Borough.

This funding was allocated in varying degrees according to two factors; the number of teachers employed by the school and the number of pupils on roll at the school. Twenty-five Dudley schools currently received additional support under these criteria. The nature of the funding system was such that the 'cost per pupil' figures both in Dudley schools and nationally varied considerably between schools which received additional 'small school' funding and those which did not. As part of the Building Schools for the Future initiative, LAs were increasingly required to demonstrate that their schools offered value for money and it was felt that at present the disparity between cost per pupil figures in different schools was not justifiable. In view of this, a report would be submitted to the Forum in the Autumn providing further information on the situation and making proposals for action. It was emphasised that any changes to the formula would be phased in over time in order to allow the affected schools to adjust.

In responding to Mr Watson's report, Mrs Griffiths commented that the allocation of small schools funding according to the number of teachers employed at the school was disingenuous as it inadvertently encouraged schools to keep teacher numbers low. Schools could obtain the additional funding simply by employing a minimal number of teachers and recruiting several Teaching Assistants.

In the discussion on the issue, Members expressed broad agreement with the analysis set out by Mr Watson in terms of the need to root out abuse of small schools protection and maximise value for money. However, comments were made to the effect that whilst the size of a school did affect a school's per pupil cost, many other factors had an impact on this figure. Small schools assistance funding was not the only reason for disparity between the cost per pupil of different schools.

RESOLVED

1. That the verbal report be noted.
2. That a report providing further detail in respect of small schools protection funding in Dudley, and giving proposals as to how it should be reformed, be submitted to a future meeting of the Forum.

8. SPECIAL SCHOOLS SEN MATRIX FUNDING

Ms Coates gave a verbal update on the implementation of the special schools SEN Matrix. She reported that the project sub-group, led by Mr Rhind-Tutt, had met three times since the last Forum meeting. Whilst the matrix model was moving forward, the finance model was up and running. The sub-group was due to meet on 18th July, following which a further update would be given at the next Forum meeting.

RESOLVED

That the verbal update be noted.

9. DATES OF FUTURE MEETINGS

RESOLVED

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

- Tuesday 3rd October, 2006
- Tuesday 12th December 2006
- Tuesday 6th February, 2007
- Tuesday 20th March 2007
- Tuesday 22nd May, 2007

The meeting ended at 7.20pm

CHAIRMAN