

Scrutiny and Performance Panel

Agenda
Item No. 6

8 November 2011

Sneyd Balance and closure

Ward(s) All

Portfolios: Councillor R Andrew, Children's Services

Executive Summary:

The report highlights why each school closure can be different. Sneyd has closed with significant balances due to the particular way it closed. The report outlines the situations relating to Brownhills school and former Sneyd pupils.

Reason for scrutiny:

At the Children's Services Scrutiny meeting on 20 September 2011, Scrutiny and Performance Panel requested an update on the Sneyd closure and resulting balance. This report addresses that and also adds further detail around pupil transfers from Sneyd to Brownhills and other local schools.

Recommendations:

That:

- 1) Scrutiny note the contents of this report.

Resource and legal considerations:

Schools Closures

- 1.1 The management of a school closure is difficult and sensitive, particularly when there is no *replacement* school. The trend of poor educational outcomes and rapidly declining pupil numbers, were the two principal factors that led Cabinet to take its decision to close Sneyd school on 31 August 2012.
- 1.2 Once a closure decision has been taken and parents, staff, pupils and the local community become aware of the situation then life within any such school may become turbulent and unsettled. However, each closure is different, and it is difficult to predict the outcome. Staff and pupils can either choose to stay for the full duration of the closure period, or they may move at any time during the period, making budgeting difficult. This is especially true

in the secondary sector where the full breadth of curriculum offer must be maintained and the fixed costs are high.

- 1.3** Following the announced closure, the council through Walsall Childrens Services Serco worked closely with Sneyd school's leadership team to help manage its resources, staffing and money during this difficult period. However, during the whole of the transition period the school management and the governors or IEB retained the delegated authority to make decisions regarding the deployment of these resources.
- 1.4** The Sneyd closure was agreed on a phased basis, with pupils leaving the school at the end of Key Stage 3 or Key Stage 4. For those pupils leaving at the end of Key Stage 3 (Year 9) Sneyd school received a pro rata share of pupil funding for the April to August period (Summer Term) and the receiving Walsall schools were allocated the remaining funding for the September to March period, that is the Autumn and Spring academic Terms. Thereafter, these pupils are automatically included in their new school's budget.
- 1.5** A plan was in place to sustain the financial viability of Sneyd through to its closure 31 August 2012. However, due to a very rapid reduction in pupils a decision was taken by Cabinet to accelerate the school closure by one year. This was accompanied by a significant reduction in the number of staff as part of a managed programme in addition to staff successfully securing alternative employment. As a result of this staffing movement, balances quickly accrued to support pupils through to 31 August 2012.

Allocation of Sneyd Balances

- 2.** The balances of any closing school revert back to the local authority as per paragraph 4.8 of the Walsall Scheme for Financing Schools.
- 2.1** Any surplus within The Schools Budget regardless of how it has been created is ring fenced to The Schools Budget. It cannot be used for any purpose other than supporting schools. The rules of how a surplus can be used are defined in law under The School Finance Regulations 2011. If delegated to schools in year, the local funding formula would be used, in consultation with Schools Forum
- 2.2** The initial local authority proposal for any balances returned from Sneyd was to fund the £1.03m cash shortfall created by the DfE when it decided to withhold the 5% balance it owed to Walsall (and all other local authorities) for the 2010-11 Standards Fund Grant. This proposal was supported by the Schools Forum, to avoid the £1.03m being funded from the DSG in future years.
- 2.3** However, on 3 October 2011, DfE issued a letter to all local authority Chief Finance Officers stating that the Department intends to pay the outstanding

2010-11 Standards Fund grant over the life of the current Spending Review period which ends 31 March 2015. This is excellent news for local authorities and the management of this grant receipt needs to be factored into future Schools Budget plans for discussion with the School Forum. Before any proposals are made the local authority will need to look at emerging budget formula pressures, such as the increase in the number of FSM children and the number of pupils in special schools, particularly in the post 16 sector.

2.4 Sneyd's balances were reported at c£1m in the 2010-11 S251 Outturn Statement. Of this the Local Authority has used the balance control mechanism to recover c£700k. The remainder has been used to support the school's operating costs through to the 31 August 2011 and all other costs involved in the closure, such as outstanding lease payments. Any surplus remaining from this sum, once all the loose ends have been tied up, will also be returned to the Schools Budget.

2.5 Any money returned through the balance control mechanism or at the closure of Sneyd goes into the ringfenced Schools Budget. This budget is ringfenced from general Council funds and can only be spent on schools per strict legislation. This funding is allocated to schools per the funding formula agreed with Schools Forum or is allocated on a basis which also requires agreement from Schools Forum.

Former Sneyd Pupils and Brownhills

3. Brownhills school have previously requested additional funds for the extra pupils that were received from Sneyd. This request was received by Schools Forum in February. All schools are funded from 1 April to 31 March using the numbers on roll as at the previous January. In January 2010 Brownhills had 609 Y7-Y11 pupils, and this is the number that the school was funded on for the 2010-11 financial year (April 2010 to March 2011). In October 2010 Brownhills numbers had reduced to 588 pupils but by January 2011 this number had increased to 609 pupils due to a number of mid year admissions. The aggregate number of pupils at Brownhills was the same number as in the previous January. On this factual basis, there was no case to award the school extra money for extra pupils. The headteacher has since accepted this position as being correct.

3.1 In the 2010-11 financial year Brownhills school were provided with a one off sum of £10,000 to assist with the transport of former Sneyd children from the local authority's Home to School Transport budget, which is included within the Education Contract.

3.2 On 26 September 2011 the Headteacher of Brownhills once again wrote to the Schools Forum to request that additional funding be made available to the

school, the request was specifically for the cost of transport that the school has elected to provide for pupils travelling to school from the Bloxwich area. This request came in less than twenty four hours before the Schools Forum, which meant that there was no time for any analysis of the request to take place. The request was for **£168,000** as a one off payment.

3.3 It must be noted that Home to Schools transport is a cost borne by the local authority and not The Schools Budget. Therefore Schools Forum do **not** have a responsibility under statute to provide funding for this. Schools Forum does have discretion to provide funding up to 0.1% of the Individual Schools Budget (c£150k).

3.4 It must also be noted that the Transport Policy provides all secondary pupils who live more than three miles from school with a bus pass. Currently Brownhills school is being re-imbursed with the cost of bus passes for 24 pupils at a cost of £5,414 per annum.

3.5 The request for £168k would be funding a bus service for 7 years. Dedicated Schools grant (DSG) which is the substantive part of The Schools Budget can only be used for children in Year 11 and below.

3.6 Table 1 below summarises the destination for all former Sneyd pupils:

Table 1

	Year7	Year 8	Year 9	Total
Aldridge	1		1	2
Alumwell	1		2	3
Blue Coat	1	3	1	5
Brownhills	22	23	13	58
Cheslyn Hay			2	2
CME		2	2	4
Coppice	2	1		3
Frank F Harrison	10	5		15
Grace Academy		4	1	5
Great Wyrley		2	16	18
Joseph Leckie			1	1
Little Dinthill			1	1
New Leaf			2	2
Pool Hayes	4	4	3	11
Rainsbrook			1	1
Reading Girls		1		1
Shelfield Academy	2	1	3	6
Shepwell Centre			1	1
UTC		10		10
Walsall Academy		1		1
Wednesfield	21	33	12	66

Willenhall	2	5	3	10
Wolgarston	1			1
WOLVERHAMPTON			1	1

Table 1 shows the destinations of all the children transferred from Sneyd school. The year group shown is the year they were in at the start of the process in January 2010.

Summary

- The circumstances of the Sneyd closure pattern were such that large balances have accumulated. However, this could have been a very different scenario had staff and pupils remained in situ, or if huge gaps in curriculum areas had been created at any time in the process, which meant that expensive agency cover needed to be brought in
- Based on the number of pupils who transferred from Sneyd to Brownhills, without the Sneyd pupils Brownhills would have had 551 rather than 609. Former Sneyd pupils make up nearly 10% of the school and Brownhills would almost certainly have struggled financially without them
- The local authority meets the costs of a bus pass for pupils who live more than three miles from their school in accordance with the School Transport Policy and as such the school is already receiving £5,414 per annum in lieu of a bus pass for 24 of its pupils
- Providing funds for Brownhills may well set a precedent for all former Sneyd pupils.
- Brownhills request was for £168,000.

Environmental impact:

None.

Performance management:

None

Equality Implications:

None

Consultation:

Appropriate consultation with officers

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