

# DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

## SCHOOLS FORUM

### MINUTES OF THE MEETING HELD ON MONDAY, 18 JUNE 2018

**Present:** Reverend Mark Bennet, Jonathon Chishick, Catie Colston, Chris Davis, Lynne Doherty, Reverend Mary Harwood, Brian Jenkins, Mollie Lock, Patrick Mitchell, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor and Keith Watts

**Also Present:** Wendy Howells (Finance Manager: Schools), Ian Pearson (Head of Education Service), Annette Yellen (Accountant for Schools Funding and the DSG) and Jessica Bailiss (Policy Officer (Executive Support))

**Apologies for inability to attend the meeting:** Councillor Anthony Chadley, Jacquie Davies, Antony Gallagher, Keith Harvey, Angela Hay, Jon Hewitt, Lucy Hillyard, Chris Prosser, David Ramsden, Michelle Sancho and Jane Seymour

#### PART I

#### 85 Election of Chairman and Vice-Chairman

*Ian Pearson in the Chair*

Ian Pearson opened the meeting and informed members that the former Chairman of the Schools' Forum John Tyzack had sadly passed away. Ian Pearson stated that John Tyzack had chaired the Schools' Forum from its inception and had sat on the Schools' Consultative Panel, as well as being a Governor and Chair of Governors at a number of schools. He had been a great supporter of the work of the Schools' Forum and had brought a great sense of humour to meetings. A letter would be set from the Chairman on behalf of the Forum, expressing its condolences.

Ian Pearson invited the Forum to nominate and vote on the positions of Chairman and Vice-Chairman for the coming year.

**RESOLVED that** Bruce Steiner would continue as Chairman of the Schools' Forum for the 2018/19 municipal year, subject to continuing for a further term from July 2018 (see Membership).

*Bruce Steiner in the Chair*

**RESOLVED that** Graham Spellman would continue as Vice-Chairman of the Schools' Forum for the 2018/19 municipal year.

#### 86 Minutes of previous meeting dated 12th March 2018

The minutes of the meeting held on the 12<sup>th</sup> March 2018 were approved as a true and correct record and signed by the Chairman.

#### 87 Actions arising from previous meetings

There were no actions from the previous meeting.

#### 88 Declarations of Interest

There were no declarations of interest received.

#### 89 Membership

## SCHOOLS FORUM - 18 JUNE 2018 - MINUTES

The following points were noted regarding Membership:

- Mark Bennett's term ended in March 2018 and he confirmed that he had consulted his relevant colleagues and wished to continue.
- Bruce Steiner's term would end in July.
- Helen Newman had stood down from the Schools Forum as she was no longer a Governor at The Willink.

**RESOLVED that** Chris Prosser and David Ramsden to consult with the relevant governing bodies regarding the secondary governor vacancy.

### 90 **Scheme for Financing Schools 2018/19 (Wendy Howells)**

Wendy Howells introduced the Scheme for Financing Schools document (Agenda Item 7), which highlighted changes that had been made.

Wendy Howells reported that schools had to be consulted on the document. The copy included with the agenda highlighted what needed to be changed. Text highlighted in yellow/orange were statutory changes and text highlighted in blue showed changes that were for the Local Authority area.

The Local Authority change (on page 21) included an amendment to the policy for schools in deficit, which would mean that the whole document did not have to be brought back for agreement each time a change was required to this section.

**RESOLVED that** the Scheme for Financing Schools would be brought back to the Schools' Forum in July for agreement.

### 91 **DSG Outturn 2017/18 (Ian Pearson)**

Ian Pearson introduced the report (Agenda Item 8), which set out the actual deployment of the Dedicated Schools Grant (DSG) in 2017/18, explained the main variances and proposed the amount to be carried forward to 2018/19.

The report recommended that the Schools' Forum approve the overall carry forward, and the utilisation of the unspent DSG funds being carried forward from 2017/18 to 2018/19 as set out in section eight of the report. The Heads Funding Group (HFG) had considered the report at its meeting on the 6 June 2018 but had not reached a proposal on how the money should be used and therefore would reconsider the item at its meeting in July 2018. Therefore the item was only for discussion and would be brought back to the Forum in July with proposals, seeking agreement.

Ian Pearson explained that the report set out spend against the various blocks and identified any underspends. A breakdown of how DSG funding had been used could be seen under Appendix A to the report on pages 57 and 58. The situation had improved from what had been forecast and although there were still pressures to be faced going forward, there was an improved position.

Wendy Howells reported that Table 1 on page 50 of the agenda summarised the overall year end position for each DSG block, also compared to the Month Ten forecast, which was used when setting the budget for 2018/19. The final position was an overspend of £13,549. The final budget for 2017/18 was set at an overspend of £844k, so the final outturn was £787k better than the planned overspend and £689k better than the forecast overspend of £702k at Month 10.

The Schools Block had seen a larger underspend than usual and this was set out in Table 2 on page 51. During 2017/18, five schools had received funding from the maintained schools' Primary Schools in Financial Difficulty de-delegated fund, leaving an unspent budget of £259,099.

## SCHOOLS FORUM - 18 JUNE 2018 - MINUTES

The Early Years Block was in a better than expected position. This was partially due to take up of the additional 15 hours (particularly in the autumn term and to a lesser extent the spring term) being lower than expected and what was budgeted for. This was the main reason why total payments to providers in 2017/18 were £481k below budget. Also the final level of funding for early years in 2017/18 was based on the January 2018 census. As the take up of the additional hours was higher in the spring term than in the autumn term, the estimated final level of funding for the Early Years Block was only £364k below the budgeted level, giving an estimated deficit for the Block at the end of 2017/18 of £118k.

The High Needs Block had anticipated an overspend of £490k and achieved a £309k overspend at year-end, an £181k improvement with the top up funding for Further Education being the largest contributor to the improved position. This was largely because of an overestimation of Newbury College costs in 2017/18. The main overspend in the High Needs Block was the PRU top ups and it was noted the PRU ended the year with a significant balance.

Wendy Howells referred back to page 51, which set out options for how unspent funds could be utilised. The unspent primary schools in financial difficulty funding (£259,099) could be added to the funding available in 2018/19 to help meet restructuring costs for schools in deficit, which would provide a total budget of £379,120. Alternatively for this and other de-delegated services un-utilised funding could be carried forward to the following funding period as with any other centrally retained budget. There was an option to use the underspend specifically (as one off expenditure) in the current years' budget for each specific service area, or be used to reduce the cost of the de-delegated service to schools in the following year. Wendy Howells stated that this part was still undecided and would need to go back to the HFG so that recommendations could be formed.

A decision would also be required regarding school improvement funding. School improvement was funded via a new school improvement grant and therefore the under spend of £73,410 relating to school improvement could be used to either fund additional school improvement services or increase the budget of any other de-delegated services. Alternatively it could be carried forward to the next funding period to reduce the cost of de-delegations in 2019/20.

Wendy Howells highlighted that the table on page 57 gave the 2017/18 budget monitoring year end position.

Reverend Mark Bennett noted that the Schools in Financial Difficulty Fund seemed to be accumulating year on year. Wendy Howells confirmed that there had already been three to four bid applications received from schools for the fund since the beginning of the financial year and some of these were for substantial sums of money. Bids to the fund would go the HFG and Schools' Forum for consideration in July 2018.

Ian Pearson stated that there were some schools with a deficit balance and some with a surplus. Part of the deficit recovery work would involve looking at the cause of these differences. The Schools in Financial Difficulty Fund had an agreed expanded use and could be used for deficit recovery work and helping to meet redundancy costs. Reverend Mark Bennett noted that although it was uncertain how many schools would apply for funding, it seemed to be growing year on year. He asked how the money could be used strategically. Ian Pearson stated that in due course the Schools' Forum might wish to cap the budget. A decision on this would be required.

Councillor Lynne Doherty noted that Table 1 under paragraph 4.1 set out the year end position for each DSG Block and felt that it would be useful to have trend data so that comparisons could be made to the previous year. There were often variances between month 10 and year-end and Councillor Doherty felt it would useful to know if this was

## SCHOOLS FORUM - 18 JUNE 2018 - MINUTES

occurring annually. Wendy Howells felt that for the Schools' Block, the underspend in de-delegated services could possibly have been foreseen. The Early Years Block on the other hand was more difficult to predict.

Councillor Doherty commented that the information would hopefully show where focus was required on modelling work going forward. Wendy Howells acknowledged the point however, did not feel that all the issues could be attributed to modelling.

Ian Pearson highlighted that part of the report considered how unspent funding could be allocated going forward. He stated that the Forum had often discussed how there was not enough funding available to meet the needs of pupils falling within the High Needs Block. A change in the funding formula was unlikely and therefore an 'invest to save' approach could be considered.

As the 2018/19 High Needs Block had been set with a £565k overspend, but the actual position was £256k, it was proposed that £156k be used to reduce the deficit in 2018/19 and to utilise £100k in invest to save proposals, to lower the cost of the High Needs Block and in line with the SEND Strategy. It was highlighted that the money would be a one off sum.

Ian Pearson added that he needed to flag an issue regarding costs associated with resource units. Some schools provided an area wide resource, however the funding allocated to the resource units through the formula did not cover all the costs incurred by these services. The system did not seem to be working as planned as schools hosting a resource unit should be able to do so without incurring any net costs.

Keith Watts asked how long the issue with the resource centres had been occurring. Ian Pearson stated that members of the Forum might recall that the funding formula for resources had been reworked recently however, it did not seem to have worked and would need re-visiting.

Patrick Mitchell agreed that the situation with the resource centres seemed unfair however, there was a similar situation when a school accepted a child with an EHC Plan. The school was often not the catchment school but could offer better support for the needs of the child. Ian Pearson reported that they were talking about strategically formed resource units. If a child with significant needs required an EHC plan, then funding would be attached to this.

Jonathon Chishick asked what level of shortfall schools with resource centres were facing. Ian Pearson stated that he only had anecdotal information on this however, Trinity had stated that it was having to subsidise funding provided by West Berkshire Council by circa £20k.

Jonathan Chishick referred to the £100k for spend to save projects and asked if this was a finalised figure and what the process would be for agreeing projects. Ian Pearson stated that officers would be expected to provide a business case for each proposal. All proposals could for example accumulate to £200k however, the Schools' Forum would then need to agree which projects should be adopted.

**RESOLVED** that in due course a decision needs to be taken on how to effectively manage the Schools in Financial Difficulty Fund.

### 92 School Balances 2017/18 (Wendy Howells)

Wendy Howells introduced the report (agenda item 9) which set out for information purposes the year end balances for all maintained schools, highlighting those schools with a deficit or significant surplus.

## SCHOOLS FORUM - 18 JUNE 2018 - MINUTES

Table 1 summarised the overall closing balances of West Berkshire maintained schools compared to the previous year and Table 2 gave a breakdown of the 2017/18 year-end balances by type of fund.

Ian Pearson stated that last year, the Schools' Forum had been concerned about unspent Pupil Premium funding. An investigation was carried out and miscoding was identified as a contributing factor. It was uncertain as to why certain schools had not corrected the issue. Work would need to take place going forward to investigate schools with significant surpluses. Patrick Mitchell commented that it could be a timing issue particularly regarding Pupil Premium funding and the Sports Fund, as these funds were reported in line with the academic year. This would explain why there was still a significant balance at the end of the financial year.

Catie Colston queried if schools were able to merge Pupil Premium funding with other budgets. Ian Pearson stated that schools had to separately report on how Pupil Premium funding was utilised.

Suzanne Taylor asked if Pupil Premium funding details had been viewed on individual schools' websites to see if the funding matched what they had been given. Councillor Lynne Doherty added the caveat that not all schools were as robust in their reporting as others.

Patrick Mitchell commented that regarding the Sports Fund, schools had received an increased budget late in the year and therefore they might be acting cautiously about spending it.

Councillor Doherty referred to paragraph 4.5 and noted the £2.9 million being held in revenue balances. Councillor Doherty asked if like with the Council, there was a reserve budget for schools. Ian Pearson stated that schools would be aware of their balances in advance and a surplus of 10% or over was considered in excess of the norm.

Councillor Doherty asked what was considered to be a healthy balance and Ian Pearson commented that 5% was generally what was expected. The Chairman stated that it was important to note that governors often had varying views on this. Keith Watts stated that it also depended on the size of a school's budget to begin with. Reverend Mark Bennett stated that unexpected costs such as maternity costs and recruitment could have a big impact on schools budgets.

Suzanne Taylor felt that caution needed to be taken as the aim was to motivate schools to save money and plan ahead. Chris Davis concurred with this and stated that this was why the HFG had asked for further information from schools with a budget of more than 10%. Money being held back would have little benefit to children. Chris Davis added that the HFG had also discussed that a clear format was required when asking schools for information on their balances. There were a higher number of schools ending the year with a surplus or a deficit and therefore the question that needed to be asked was what was being done to ensure schools across West Berkshire were receiving the right amount of funding from the offset.

Reverend Mary Harwood stated that she was aware that Chaddleworth (considered a school with a significant surplus) and Great Shefford Primary Schools were predicting a deficit for the following two years and she felt that some small schools needed congratulating for thinking ahead.

Wendy Howells reported that Table 1 showed the position of school balances at the end of the year and some schools had moved out of deficit, which was very positive. The seven schools that had closed the year with either a worse deficit than planned or an unplanned deficit would be worked with closely.

## SCHOOLS FORUM - 18 JUNE 2018 - MINUTES

Patrick Mitchell noted that some of the narrative provided by the Willows Primary School did not match the information within the table in the report. Wendy Howells confirmed this was a typographical error and would be corrected.

It was asked if the Schools' Forum had a role to play in obtaining further information from schools. Wendy Howells confirmed that the HFG had requested further information from schools of concern and this information would be brought to the meetings of the HFG and Schools' Forum in July 2018.

Reverend Mark Bennett asked what had been learnt from the process and Wendy Howells reported that there had been one school that the Schools' Finance Team had not expected to report a deficit at year end. A process would begin whereby the Schools' Finance Team would work with the school to identify the issues. Reverend Mark Bennett asked if there were any indicators that could have flagged up that there were problems. Wendy Howells explained that if a school predicted a deficit then they would be monitored. If the school did not set a deficit or seek support then the Schools Finance Team were not able to send an officer in to provide support as they would not be aware of the situation. Schools had a delegated budget and were not obliged to send in additional information until they were in deficit as per the Scheme for Financing Schools.

Keith Watts asked if schools were asked about their expected levels of expenditure. Wendy Howells reported that schools were asked these questions when setting their budgets and a judgement was made regarding whether their figures were realistic. When a school was at risk of going into deficit then the Schools Finance Team would work with the school. However, it needed to be noted that there were also staffing pressures within the Schools Finance Team.

Chris Davis commented that he was interested to understand what could be improved, for example conducting a mid-term check to ensure all schools were monitoring their budgets. Wendy Howells agreed that it was these kinds of checks that needed to be carried out however, like in other areas of the Local Authority, it was about having the funding and resources to be able offer this level of support.

Ian Pearson noted that it was highlighted in the report that in some instances governing bodies were unaware of the situation being faced by their school and improving communication in this area might have a role to play going forward.

Wendy Howells reported that corporately the Local Authority monitored budgets at months three, six and nine, so the Schools' Forum might be minded to take the same approach, or alternatively just monitor at month six and nine if resources were an issue. Patrick Mitchell concurred with this approach however, stated that the capability of schools was being relied upon and in some instances the information received at month six might not be reliable. Wendy Howells acknowledged this point.

Suzanne Taylor asked if any training was offered to schools on forecasting. Wendy Howells felt that this was something that could be looked into. Reverend Mary Harwood stated that it was important to ensure that governing bodies were asking the right questions in order to get to grips with and deal with situations when they occurred.

Wendy Howells moved on to Table 4, which showed schools with significant surpluses in excess of 10% of their budgets. The HFG had asked for further information on schools showing a continued surplus and this was detailed in Table 5.

Chris Davis commented that the information contained within table 5 was very interesting. He felt that if schools with a continued surplus above 10% had been asked in 2013/14 what they expected this to look like going forward, none of them would have been likely to predict a larger surplus. There was a level of scrutiny required that would need to investigate annual data and would require robust justifications from schools.

## SCHOOLS FORUM - 18 JUNE 2018 - MINUTES

Keith Watts felt that important points had been raised about governing bodies. He was concerned that there was an element of governors who viewed a surplus as profit and allowed it to build up. There could also be an element of overzealous housekeeping and the relevant questions needed to be asked to discover the cause of surplus build up.

Wendy Howells confirmed that a table including predications for main schools budgets for 2018/19 and 2019/20 would be brought the next round of meetings in July 2018.

**RESOLVED that** a report would be brought back to the HFG and Schools' Forum meetings in July including:

- Further information on school balances and schools in financial difficulty.
- Information on work taking place to reduce the number and size of deficit being faced by schools.
- Forecast information for the main schools budgets.

### 93 **Vulnerable Children's Fund - Annual Report for 2017/18 (Michelle Sancho)**

Ian Pearson introduced the report which aimed to review the Vulnerable Children's Fund for 2017/18. The report set out how much money had been used in 2017/18 in the form of a table shown on page 80.

Graham Spellman noted that the fund was obviously well utilised and had received good feedback from those able to access it. He queried if it would be worth considering reimbursing the £10k that had been cut from the fund in 2017/18. Ian Pearson stated that this could be done however, highlighted this would only increase the fund for a year. It could be a bid against the £100k.

**RESOLVED that** the Schools' Forum noted the report.

### 94 **Trade Union Facilities Time - Annual Report for 2017/18 (Keith Watts)**

Keith Watts introduced the report that aimed to inform members of the activities of the teacher trade unions and invited any questions.

**RESOLVED that** the Schools' Forum noted the report.

### 95 **Forward Plan**

Jessica Bailiss stated that she had noted the additional items that needed to be added to the Work Programme and would update it accordingly.

**RESOLVED that** the Schools' Forum noted the Work Programme.

### 96 **Any Other Business**

There was no other business.

### 97 **Date of the next meeting**

The next meeting would take place on Monday 16<sup>th</sup> July 2018, 5pm at Shaw House.

*(The meeting commenced at 5.00 pm and closed at 6.15 pm)*

**CHAIRMAN** .....

**Date of Signature** .....