

# 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, 17 JUNE 2019

**Present:** Reverend Mark Bennet, Councillor Dominic Boeck, Catie Colston, Antony Gallagher, Keith Harvey, Alan Henderson, Jon Hewitt, Brian Jenkins, Hilary Latimer, Sheila Loy, Ian Nichol, Councillor Erik Pattenden, Janet Patterson, Chris Prosser, David Ramsden, Graham Spellman (Vice-Chairman), Suzanne Taylor and Charlotte Wilson

**Also Present:** Melanie Ellis (Chief Accountant), Ian Pearson (Head of Education Service), Andy Sharp (Executive Director (People)), Annette Yellen (Accountant for Schools Funding and the DSG) and Jessica Bailiss (Policy Officer (Executive Support))

**Apologies for inability to attend the meeting:** Councillor Jeff Cant, Jonathon Chishick, Jacque Davies, Lucy Hillyard, Michelle Sancho, Jayne Steele and Bruce Steiner

#### PART I

##### 1 Election of Chairman and Vice-Chairman

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

**RESOLVED that** no nominations were received and therefore election of Chairman would be deferred until the next meeting of the Schools' Forum on 15<sup>th</sup> July 2019.

**RESOLVED that** Graham Spellman would continue as Vice-Chairman of the Schools' Forum for the 2019/20 municipal year.

##### 2 Minutes of previous meeting dated 11 March

*Graham Spellman in the Chair*

The minutes of the meeting held on the 11<sup>th</sup> March 2019 were approved as a true and correct record and signed by the Vice-Chairman.

##### 3 Actions arising from previous meetings

Melanie Ellis referred to actions Ac1a and Ac1b from the previous meeting, detailed on page nine of the report.

A detailed explanation had been provided to all schools and members of the Schools' Forum setting out the funding allocations and why errors had been made. The final allocations would be considered by the Schools' Forum later on the agenda and required agreement.

A detailed explanation of errors that had occurred were also provided to the Heads' Funding Group (HFG) on the 5<sup>th</sup> June 2019. The funding allocations had been discussed and the actions that needed to take place to prevent the situation occurring in the future. The HFG were satisfied with the arrangements that had been put in place.

David Ramsden commented that a detailed discussion had taken place at the HFG. A thorough response had been received from Councillor Lynne Doherty following the last Schools' Forum meeting in March 2019 and Ian Pearson had attended the Secondary

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Heads Forum. The response that had been provided was considered to be robust and honest. Keith Harvey, on behalf of primary schools, concurred with David Ramsden.

Catie Colston stated that in the past useful finance training had been provided for Governors and schools' finance staff. It was felt that an introduction to the new system had been overlooked and it had been particularly difficult to get up to date with the new system in the short period of time available. Catie Colston asked if training could be provided going forward. Melanie Ellis agreed to ensure this would be organised

David Ramsden stated that the discussion at the HFG had covered two main areas, firstly the errors that had occurred and secondly the new software that had been used, which had compounded the situation.

Reverend Mark Bennet stated that schools business managers that he had spoken to would be in favour of a live model or an opportunity to view the formula in advance so that feedback could be provided. He added that some schools did not have a full time bursar and there was increased pressure on these schools.

Ian Pearson acknowledged the points that had been raised and suggested that a response regarding finance training be taken to the next HFG for discussion. He also stated that next year there could be a reality check run on the formula before the allocations were distributed to schools.

**RESOLVED that** a report be taken to the HFG regarding finance training for Governors and schools' finance staff.

### 4 **Declarations of Interest**

There were no declarations of interest received.

### 5 **Membership**

Jessica Bailiss provided the following updates regarding Membership:

- Catie Colston had been re-elected a Primary Governor Representative for a further three years.
- Patrick Mitchell had to stand down from the Forum as he had moved on to a new position. The Heads Association was seeking a replacement Primary School Business Manager representative for the Forum.
- Lucy Hillyard would be standing down from the Schools' Forum in August 2019 and a replacement member would be sought accordingly.
- There was still a secondary governor vacancy. An election would be run again in the coming weeks.

### 6 **Schools Funding Formula 2019-20 (Melanie Ellis)**

Melanie Ellis introduced the report (Agenda Item 7) which set out the final formula rates and allocations to schools. This required approval from the Schools' Forum and would then be submitted to the Council's Executive on 25<sup>th</sup> July 2019.

Keith Harvey proposed that the funding formula and allocations to schools for 2019/20 be approved and this was seconded by Ian Nichol. At the vote the motion was carried.

**RESOLVED that** the Schools' Forum approved the final formula rates and allocations to schools as set out in the report.

**7 2018/19 Dedicated Schools Grant: End of Year Outturn Report (Melanie Ellis)**

Melanie Ellis introduced the report (Agenda Item 8), which aimed to report on the outturn of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or overspends, and to highlight the reserves deficit at 31<sup>st</sup> March 2019.

At year end, overall DSG funding received was £115k less than budgeted, but expenditure was underspent by £479k resulting in a deficit reserve of £100k.

The report highlighted each of the funding blocks and section 5.3 of the report outlined that approval was sought so that de-delegated surplus balances could be used to support future budgets.

Melanie Ellis reported that the High Needs Block (HNB) was detailed under section eight of the report, which showed a deficit reserve of £521k. This area was the main area of concern.

Catie Colston proposed that the de-delegated reserves be used to support future budgets and this was seconded by Chris Prosser. At the vote the motion was carried.

**RESOLVED that** the recommendation set out in section 2.1 of the report was approved by the Schools' Forum.

**8 Highwood Copse Funding (Ian Pearson/Melanie Ellis)**

Ian Pearson introduced the report (Agenda Item 9), which sought discussion on funding of Highwood Copse School.

A new school (Highwood Copse) had been due to open in September 2019 and funding was set aside for this purpose, which had been agreed by the Department for Education (DfE). The school would have been classed as a 'free school' and operated within the same framework as academy schools. The Academy Sponsor was Newbury College and Theale Primary School was a support partner. The process had been on schedule however, the construction company had gone into administration and the issue had not yet been resolved. The contract was currently out to tender.

The Education and Skills Funding Agency (ESFA) had awarded £88,682 in grant money for the new school for 2019/20 and had confirmed that they would not recoup the money but alternatively recommended that the funding should be moved to the Growth Fund and allocated out to the schools that had taken on the pupils (detailed in section 3.3 of the report).

Ian Pearson concluded that the recommendation was to use the funding that had been allocated to Highwood Copse to fund the schools that had taken on the pupils (set out in 4.1) and to fund Theale Primary School for the costs they would incur (set out in 4.2).

The report had been considered by the Heads' Funding Group (HFG) on 5<sup>th</sup> June 2019 and it had recommended that the allocation amounts set out in the report should be approved by the Schools' Forum. David Ramsden added that the HFG had discussed the shortfall faced by Theale Primary School and the reasons behind it.

Jon Hewitt proposed that the Schools' Forum approve the recommendation to use the funding to fund the schools that had taken on the pupils and to fund the costs incurred by Theale Primary School. This was seconded by Reverend Mark Bennet and at the vote the motion was carried.

**RESOLVED that** the recommendation set out in section 2.1 of the report was approved.

### 9 Schools: Deficit Recovery (Melanie Ellis)

Melanie Ellis introduced the report (Agenda Item 10), which reported on the outturn position of the nine schools that had set a deficit budget in 2018/19 and provided an update on the work that had been carried out to support these schools.

Melanie Ellis reported that nine schools had a licensed Main School Budget deficit in 2018/19 totally £870k. At period nine, the forecast deficit for these nine schools was £640k and the final outturn position was a closing deficit balance of £212k.

Section 6.1 of the report detailed that three schools had ended the financial year with an unlicensed deficit however, each of the three schools had submitted a balanced budget for 2019/20.

Ian Pearson stated that schools needed to be congratulated for their hard work to balance budgets. Headteachers and Governing Bodies had been required to make difficult decisions. Ian Pearson reported that West Berkshire Council remained committed to helping schools and to early intervention.

Councillor Dominic Boeck commended the hard work that had been undertaken by schools. Councillor Boeck referred to the three schools with unlicensed deficits that would submit balanced budgets for 2019/20. He asked if these schools would continue to be supported despite submitting balanced budgets. Melanie Ellis confirmed that the Schools' Finance Team would continue to provide support to these schools as they were currently in deficit.

David Ramsden asked if support was being escalated for schools whose positions continued to worsen. Melanie Ellis confirmed that support would be provided to these schools by a dedicated accountant. David Ramsden commended the work taking place and commented that it needed to continue. Ian Pearson commented that if the relevant action was taken at the right time, schools could be prevented from falling into deficit.

Reverend Mark Bennet referred to schools that were struggling and where difficult decisions were having to be made. Some of these schools had newly recruited Headteachers, which in some circumstances had inherited a deficit. Reverend Mark Bennet asked if schools were improving the positions of their budgets without compromising the care of children. Ian Pearson stated that individual schools were able to speak for themselves however, schools, Headteachers and Governors prioritised the needs and care of children when making decisions. Difficult decisions were often made around staff or a reduction on particular periods. David Ramsden stated that other examples included increasing class sizes and curriculum adjustments. At Little Heath School difficult decisions had been made around its A Level offer. All decisions came at a cost however, most Headteachers and Governors were in agreement that children should be put first.

Ian Nichol as representative of Robert Sandilands School commented that there were many reasons that could cause a school to go into deficit. Changes were put in place and in the case of a school he represented, demographic issues had been addressed. On behalf of all three schools that he represented, he stated that the children were always put first.

Catie Colston noted that the schools listed under 6.1 as ending 2018/19 with an unlicensed deficit, were small rural schools. Such schools were often faced with demographic issues.

Councillor Erik Pattenden noted that in some cases it looked like school deficits would recover due to the extra income received. Ian Pearson reported that schools could receive incomes from a number of different places. All schools recognised that

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generating income supported budgets however, there was increased opportunity to do so for certain schools.

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

### 10 School Balances 2018/19 (Melanie Ellis)

Melanie Ellis introduced the report (Agenda Item 11) which set out, for information purposes, the year-end balances for all maintained schools, highlighting those schools with a deficit or significant surplus.

Total balances had increased by £1.6m from 2017/18, mostly comprising of £802k in main school budgets (MSB) and £699k in capital. The majority of the MSB change was due to the nine deficit schools reducing their combined MSB deficits by £600k. All schools had been required to make tough decisions to improve their financial positions and national agreements of funding were invariably agreed for limited periods of time and therefore could not be relied upon for future budgeting purposes.

Regarding capital funding, Melanie Ellis added that extra funding was not received until February 2019 and therefore schools had not had much time to spend the allocation before the end of the year.

Ian Pearson drew attention to table 4.6 which showed the increase/decrease by school category and in particular highlighted a substantial increase for primary schools. It was important to understand the reason for the increase and added that much of this funding had come through specific routes and there were restrictions regarding how it could be spent.

It was highlighted that nursery Schools and iCollege had seen a reduction in balances.

Ian Pearson reported that it was vital that schools planned ahead and this was a consistent message being sent to schools to help prevent them falling into deficit. Hilary Latimer stated that this was particularly important for smaller schools as it was an economies of scale issue.

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

### 11 Forward Plan

**RESOLVED that** the Schools' Forum noted the work programme.

### 12 Date of the next meeting

The next meeting would take place on 15<sup>th</sup> July 2019, 5pm at Shaw House.

*(The meeting commenced at 5.00 pm and closed at 5.43 pm)*

**CHAIRMAN** .....

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