**LBTH SCHOOLS FORUM**

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| Date of Meeting | 19th June 2019 |
| Venue | Bethnal Green Centre, 229 Bethnal Green Road, E2 6AB |
| Chair | Lorraine Flanagan |
| Clerk | Runa Basit; Head of Governance & Information |
| Clerk & Minutes | Naomi Bell; Governor Support Officer  |

# MEMBERSHIP

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| **TYPE** | **MEMBERSHIP** |
| **GOVERNORS** | Jill Cochrane(JC); Conor Magill (CM)\*; Gwen Wright(GW)\*; Alan Morton (AM)\*; Bridget Cass(BC)\*; Dave Lake (DL)\*; Pip Pinhorn (PP) |
| **HEADTEACHERS** | Lorraine Flanagan\* (Chair); Esther Holland(EH) (Vice-Chair)\*; Sarah Helm (SH)\*; Matthew Rayner (MR)\*; Jill Baker (JB)\*; Joanna Clensy (JC)\*; Sheila Mouna(SM)\*; Avril Newman (AN)\*; Belinda King (BK)\*; Martin Nirsimloo (MN)\*; Monica Forty (MF)\*; Jemima Reilly (JR)\*; John Bradshaw (JBr)\* |
| **Non-School Members** | Alison Arnaud (Tower Hamlets College); Kim Arrowsmith (PVI EYs Providers); Alex Kenny (NEU Trade Union Rep)\* |
| **OBSERVERS** | Tracy Smith\*; Pauline Hoare (Head of Integrated EYS) (PH); Kevin Jones (KJ)\*; Kevin Bartle (Interim Director Finance, Procurement & Audit) (KB)\*; Sandra Smith (Interim Head of Strategic Finance for Children & Culture) (SS)\*; Shamila Ganeshalingam (Senior Accountant) (SG)\* |
| **Officers in Attendance** | Debbie Jones (Director of Children and Culture); Christine McInnes (CMc)\*; John O’Shea (Head of SEN) (JOS)\*; Steve Worth (Schools Finance Advisor) (SW)\*; Neville Murton (Corporate Director of Resources) (NM)\*; Runa Basit (Clerk)\*; Naomi Bell (Clerk & Minutes)\* |

**\*denotes attendance**

**[The meeting was brought to order at 08:32 hours]**

## Agenda Item 1: Introductions and Apologies for Absence

The Chair welcomed everyone to the last meeting of the Schools Forum for the 2018/19 academic year. Introductions were made and apologies were **NOTED** from Debbie Jones, Kim Arrowsmith and Pip Pinhorn.

It was also **NOTED** that it would be the last meeting for the following members whose terms of office had come to an end:

*Joanne Clensy, Matthew Raynor, Sheila Mouna and Jemima Reilly*

The Chair welcomed Kevin Bartle, Sandra Smith and Shamila Ganeshalingam to their first meeting of the Schools Forum as observers.

## Agenda Item 2: Minutes of the Last Meeting held 24th April 2019 (Circulated), Matters Arising, Review of Action Points

## Presenting : Chair

2.1 The minutes of the previous meeting were **APPROVED** as a true and accurate reflection of the meeting subject to the following minor amendment:

**[Page 2: Review of Actions – Any Other Business]** *Haskell* should read *Hassell*

*08.05.2019* should read *26.06.2019*

2.2 **Matters Arising and Review of Actions:**

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|  | **Carried Forward Action Points 6th March 2019**  | **Lead** | **Update/Timescale** |
| Item 2: Review of actions of previous meeting | **AP – 03/2019 -03 –** Outturn statements to be presented to the Forum. | SW | **RESOLVED**– Discussed under Agenda Item 3: DSG Outturn 2018/19 below. |
| Item 3: Scheme for Financing Schools | **AP –03/2019 -05–** Feedback proposals from the consultation for approval of changes to the scheme for financing schools**Originally due to be heard under agenda item 3 of 24.04.2019 meeting** | SW | **RESOLVED**– Discussed under Agenda Item 6: Scheme for Financing Schools 2019/20 below  |
| Item 4: Falling Roll Fund  | **AP – 03/2019 -06** – Alternative methodology model to be worked out on schools overall PANS to identify a comparison between schools with falling rolls at Reception and those schools with falling rolls in other years**Originally due to be heard at the SF meeting–24.04.2018** | SW | **RESOLVED-**Discussed under Agenda Item 5: Falling Roll Fund 2019/20 below  |
|  | **AP – 03/2019 -07 –** Ascertain how many of the 20 schools with potential access to the FRF were in Scope **Originally due to be heard at the SF meeting -24.04.2019** | SW | **UNRESOLVED**Carried forward to the next SF meeting- 16th October 2019 |

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| **Agenda Item**  | **Action Points 24th April 2019**  | **Lead** | **Update/ Timescale** |
| Item 2: Review of Actions of previous meeting | **AP –04/2019 -01 -**  Invitation to AP/LEAP to be circulated to the membership | Clerk | **RESOLVED** – JBr thanked colleagues for visiting LEAP and further visits could be arranged by contacting him at john.bradshaw@londoneastap.org.uk  |
| Item 3: Admin of LA Grants  | **AP –04/2019 -02–** Direct EH to the January report regarding the breakdown of SI Grant spend  | Chair | **RESOLVED** – at the meeting on 19.06.2019 |
|  | **AP –04/2019 -03–** Grant release dates to be circulated via Heads Bulletin Top-Up dates also to be circulated  | SW | **UNRESOLVED** – This action would now be actioned by SW- Next Issue of Heads Bulletin |
| Item 4: High Needs Block | **AP – 04/2019 -04 –** A report on the EP service to be presented to the Forum | CMc | **UNRESOLVED** – To be presented in the autumn term – HNFB consultation was in its final stages of completion which would be shared with the JOS prior to sign off |
|  | **AP – 04/2019 -05 –** The report to separate out SEND and AP funding  | CMc | Refer to **AP– 04/2019 -04** above for update |
|  | **AP – 04/2019 -06 –** Specific questions around LEAP to be included in the consultation questions | CMc | Refer to **AP– 04/2019 -04** above for update |
|  | **AP – 04/2019– 07 –** Volunteers to assist in ensuring that the online version of the consultation paper was written for a parental audience  | All | Refer to **AP– 04/2019 -04** above for update |
|  | **AP – 04/2019–08–** Email questions/suggestions regarding the consultation to CMc/JOS  | All | Refer to **AP– 04/2019 -04** above for update |
|  | **AP – 04/2019 – 09 –** Press release to be circulated to the membership.  | AK | **RESOLVED –** update provided under Review of Actions Item 6: AOB- School Cuts Campaign below  |
| Item 5: SEMH Review | **AP – 04/2019 – 10 –** Volunteers for an SEMH/SEND prospective working group to notify CMc | All | **RESOLVED**-Volunteers had approached CMc to be part of the working group which would commence in the autumn term  |
| Item 6: AOBSurplus Ex Plans | **AP – 04/2019 -11** – Provide clarity around the LA action plan for surplus balances | SW/NM | **RESOLVED** – this item would be discussed under Agenda Item 4: School Balances below  |
| School Cuts Campaign | **AP – 04/2019 -12** – Circulate the details of the conference/ rally to the membership and for Heads to cascaded to Governors. | AK | **RESOLVED** – refer below |

**[Agenda Item 6–Any Other Business – School Cuts Campaign – AP – 04/2019 -12, Page 10]** - AK reported that over 600 people had booked to attend the rally/presentation event taking place at Central Hall on 22.06.2019, which was supported by the F40 Group, education sector TUs and a speaker from the majority of political parties would also be in attendance. School funding was currently a major issue in the Conservative Party leadership election and a journalistic piece in the FT had reported that the PM and Philip Hammond, MP had argued over the issue. It was believed that the PM wanted to leave a legacy before she left office. The event intended to raise ideas that would shape the next phase of the campaign ahead of the next Government spending review in November 2019. A meeting with the Mayor and local Cllrs would be arranged to discuss the strategic developments at local level.

On 21st June 2019 there would be a national launch of the campaign to secure long-term funding for maintained nursery schools in Birmingham, as well as a petition. Angela Rayner, the shadow Education Secretary, would be a guest speaker along with Liberal Democrat MPs.

The SDLB had yet to announce the potential level of funding available to offset the cost of the teachers’ pay award. Pressure was being exerted by the TUs to secure confirmation as early as possible.

All other actions had been completed.

## Agenda Item 3: DSG Outturn 2018/19 (Circulated)

## Presenting: SW

## Challenge/Discussion

The Forum **NOTED** and commented on the report entitled ‘***Dedicated Schools Grant Outturn’***.

The report considered the overall position on the Dedicated Schools Grant (DSG) with the exception of individual school balances, which were the subject of a separate report to be discussed under agenda item 4: School balances 2018/19 below.

Table 1 entitled ‘***Net DSG, Net Expenditure and Under/Over Spends 2018/19***’set out the overall position against the 4 funding blocks: Early Years Block (EYB), High Needs Block (HNB), Schools Block (SB) and Central School Services Block (CSSB).

There were variances against all Blocks with the exception of the EYB. The most significant overspend related to the HNB, which had been reported to the Forum at previous meetings along with LA plans to control its related overspend. The overspend was considerably higher than initially anticipated and currently stood at approx. £7m.

The level of overspend had exceeded the permitted 1% of the DSG threshold and the LA was required to submit an action plan to the Education and Skills Funding Agency (ESFA) by 30th June 2019 demonstrating its strategy to bring the HNB back under control. The LA had previously shared its initial plans for different elements of control within the HNB, but they needed to be reviewed in order to resolve the higher than anticipated overspend.

The LA was required to seek approval from the Forum before the plan could be submitted, but there was a limited timeframe. The LA had been unsuccessful in negotiating an extension for submission, but the DfE had allowed the LA to submit a draft action plan which would be brought back to Forum for approval in the autumn term.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -01–** The LA action plan to resolve the overspend in the HNB to be presented to the Forum | SW | Autumn Term |

The pressure on the HNB was not unique to LBTH; it was a national issue. The DfE was conducting a survey as to the pressures experienced by LAs. It was anticipated that the Government would announce additional funding for the HNB at its next spending review, but in the interim any plan had to be drawn up on the assumption that the LA needed to control spend within current funding levels.

**Underspends 2018/19**

The issue of centrally retained budgets had been previously discussed at Forum and the LA had committed to present further details in the autumn term following a review of all centrally retained budgets.

**The SB underspend**

There was an underspend of £1.18m on the funding retained from the SB in 2018/19 which related to the Growth Fund (GF) and various de-delegated budgets therein as set out in Appendix 1:

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| BUDGET LINE | VARIANCE |
| Growth Fund | 0.722k |
| Contingency | 0.413k |
| FSM Eligibility | 0.002k |
| TU Facilities | 0.042k |
| TOTAL | £1.179m |

There was an underspend of £722k in the GF and 3 underspends in the various de-delegated budgets that had been retained, the most significant of which related to the Contingency for Schools in Financial Difficulty (CSFD).

**Growth Fund (GF)**

The DfE had changed its methodology for allocating the GF to LAs which had led to a significant reduction in funding from £2.471m in 2018/19 to £1.496m in 2019/20. The LA would review the GF, but there may be a requirement for it to use some of the roll forward to boost the GF, but any proposals for the use of any remaining carried forward balance would be presented to Forum in the autumn term.

The rationale for retaining the GF and CSFD was set out in s2.5 of the report; schools were experiencing difficulty in setting balanced budgets and there was an expectation that there would be a significant increase in applications to the fund.

**CSSB Underspend**

SW reported that there was an approximate underspend of £1.37m on the budgets retained in the CSSB. However, there were some variances that required further investigation, particularly in relation to the underspend on the independent schools (non-SEN) which covered the fees for pupils in secure accommodation, because there was a possibility that the underspend may be as a result of payments having been allocated against the HNB in error.

KB commented that the Forum needed to be cognisant that the issue of the HNB was a significant pressure across the UK. Unfortunately, the level of overspend in LBTH had come to the attention of the external auditors for the wider-council accounts and there would be a need to explain how the LA planned to resolve this issue, which included the action plan currently being written. Carrying the level of overspend forward would place significant pressure on allocated budgets for 2020/21 and there was a need to convince the external auditors and the DfE that the LA had a sustainable position going forward.

**Q&A - BK sought confirmation as to the original predicted overspend in the HNB?** It had been approx. £4.5m.

**Q&A – the Chair queried from where did the additional overspend originate?** The Forum was referred to s2.3 of the report which highlighted the main pressures in terms of the HNFB.

**Q&A - AM queried at what point did the LA become aware that the overspend in the HNB had increased by an additional approx. £2.5m?** SS advised that the increase came to light towards the end of 2018/19 financial year when it became apparent that some payments remained outstanding.

KB appreciated that the increase in the overspend should have become apparent sooner and senior management needed to ensure that LA finance officers focussed on the detail in 2019/20.

JOS reminded the Forum that since the SEN Business Manager had left LBTH employ in November 2018 the LA had experienced some difficulty in deciphering the processes used which had taken a significant amount of time and remained on-going. The LA had begun to ensure that each budget line was clearly outlined and tracked more forensically.

1. *The Forum was asked to note the DSG outturn position for 2018/19*.

**RESOLVED** - The Forum **NOTED** the DSG outturn position for 2018/19.­­­­­­­­­­­­­­­­­­­­­­­­­­­­­

1. *The Forum was asked to agree to carry forward the underspends from the Growth Fund (£0.722m) and de-delegated funding (£0.457m) to their corresponding areas under the 2019/20 budget.*

The Forum **UNANIMOUSLY AGREED** that the underspend in the Growth Fund and the de-delegated funding totalling £1.18m should be carried forward to corresponding areas in 2019/20.

1. *The Forum was asked to agree to apply the underspend (£1.37m) on the Central School Services Block to the overspend (£7.07m) on the High Needs Block.*

The action plan needed to consider the in-year overspend in the HNB, the overspend bought forward from 2017/18, as well as, address the remaining balance that would not be offset by the underspend.

EH commented that it was difficult to accept that the additional £2.5m overspend was not known prior to year-end and that the LA needed to provide assurances that it now had the correct checks and balances in place going forward to ensure that there would not be recurrence of the situation. There also needed to be an assurance that a robust mechanism subsisted to ensure that spending was authorised with reference to the budget.

**Q&A - EH queried whether the robust mechanism formed part of the action plan?** JOS confirmed that once the level of the additional overspend had been identified initial conversations within the LA had been around ensuring that the correct checks and balances were put in place.

MF suggested that the LA might find it a useful exercise to review other LA action plans to determine if lessons could be learned.

**Q&A – MF queried whether the action plan would be presented to the Forum prior to it submission to the DfE?** There was not sufficient time for the draft plan to be presented to the Forum ahead of the 30th June 2019 deadline, but the LA would present its final action plan in the autumn term.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -02–** The draft action plan to be circulated to the membership | SW | ASAP |

BC commented that the Forum did not receive previous years headline budgets and actuals which would be useful in providing a year on year comparator. SW referred the Forum to Appendix 1 of the report which showed the actuals against the agreed budget and the LA had committed to present historical information in the autumn term. He stated that where the Forum had agreed centrally retained budgets it should have oversight, in broad terms, of the spends against the agreed budget.

The Chair commented that the scale of the overspend was linked to the process of reorganisation of the SEND Dept. and the Forum had faith that there would not be a recurrence of the situation going forward, otherwise it would be evidence of a more deeply rooted issue. LBTH schools had pupils with additional needs which needed to be funded through available mechanisms in excess of what was currently allocated to individual schools.

The Forum would do its utmost to maintain a robust oversight of the financial process, but would not solve the problem on behalf of the Government.

**RESOLVED** - The Forum **UNANIMOULSY AGREED** that the underspend (£1.37m) from the CSSB should be applied to the overspend on the HNB.

## Agenda Item 4: School Balances (Circulated)

## Presenting: SW

## Challenge /Discussion

The Forum **NOTED** and commented on the report entitled ‘***School Balances’****.*

The report contained provisional balances because as at 18th June 2019 only 31% of LBTH schools had provided the information requested, but the LA was in the process of contacting schools to confirm balances and obtain information on surplus expenditure plans (SEP).

The provisional position was set out in Appendix 1 and s3.2 of the report which showed that school balances at year-end 2018/19 had increased by £1.084m (£390k revenue balances and £694k capital balances) to £28.584m (£25.227m revenue balances and £3.357m (*corrigedo errorem*) capital balances). The overall position showed that there were substantial balances across LBTH, but it was clear from the 2019/20 school budgets that had been set that there were increased pressures facing schools. There were also some schools with substantial deficit budgets.

**Licence Deficits**

SW reported the changes to Schemes for Financing Schools (SFS) which would be discussed more fully under agenda item 6: Scheme for Financing Schools 2019/20 below.

Historically, there had been loans made to schools that had been identified as being in financial difficulty by way of licenced deficits which amounted to approx. £2.2m and had not been reflected in the balances presented in the report because they had been issued as loans to cover a licenced deficit. There was a significant revision which precluded the LA from using its loan mechanism to cover licenced deficits and going forward the full deficit would be recorded against school balances.

**Q&A - The Chair queried s4.2 of the report which showed that the limit imposed by the DfE for surplus balances was 15% and sought confirmation as to why LBTH had set a robust limit of 5% for Secondary and 8% for Primary?** Historically, there used to be a surplus control mechanism in place whereby any balance in excess of 5% for Secondary and 8% for other schools would, if it could not be demonstrated as committed for specific purposes by a school’s governing body (GB) and used within a specific timescale, be clawed back by the LA and reused within the Schools Block. However, it was no longer a statutory requirement, but the LA was allowed to retain the mechanism within their scheme for financing schools at the same levels.

**Q&A – was utilising the surplus balance to protect and offset against the cuts in the coming year** **a good plan?** Appendix 2 set out the historical position within LBTH under ‘*planning for uncertainty over future rolls, staffing or funding*’, but it was dependent on a range of factors, such as, how long the surplus budget had been retained, whether they were set aside for particular purposes which never materialised etc. The position in LBTH had been that surpluses had not been clawed back from its schools.

**Falling Roll Fund**

This item would be discussed more fully under agenda item 5: Falling Rolls Fund 2019/20 below.

LBTH needed to adopt a more strategic approach to achieving sustainability in school finances which could include putting mechanisms in place to help schools better plan their budgets and to make use of the different elements of funding available to schools in difficulty e.g. GF and CSFD.

The Chair acknowledged that whilst it remained a noble ambition, it could only be achieved if there was a consistent financial climate and framework for schools. Those schools with surplus balances had valid reasons for those balances.

**Q&A – the Chair queried why, if it was no longer a statutory requirement, did the LA set the surplus budget rates as low as 5% and 8% when the DfE quoted 15%?** SW reported that the DfE was dealing with thousands of schools across the UK and used the most significant balances, but it was usual for a LA to retain the previous rates of 5% and 8%. However, the question of how the LA intended to challenge its schools on their plans for surplus budgets remained. He suggested that there could be a role for the Forum in relation to the challenge process.

The Chair stated that, although on paper it represented a significant surplus, in reality schools were not sitting on vast amounts of surplus funding. SW advised that some schools had significant surplus budgets and queried whether there was evidence that those budgets had been challenged year on year, especially where the balance remained static.

MF commented that whilst Ben Jonson had a healthy surplus budget no challenge had been received from the LA. She had submitted an annual SEP, but the process had become a mere paper exercise. The School’s 3-year financial forecast projected a £500k deficit for 2021/22. School finances used to fall under the remit of the School Improvement Team’s (SIT) which challenged schools, but as the team had decreased in size there was no longer a mechanism to allow for such challenge.

JB explained that there was a need to understand the rationale behind surplus balances, because although George Green School currently reflected a significantly high surplus balance of over £2m, the majority of the surplus had been committed against a building project to renovate its buildings which were in a dreadful condition. However, that commitment was halted because it was determined that the entire premises needed to be replaced.

The school had informed the LA that it was not in a position to compile an accurate and transparent SEP because it was waiting for a final decision about the future of its building. If the decision was made to build a new site the surplus balance would be utilised to undertake renovations of its current building whilst the new site was completed. If the school did not secure a decision for the building of new premises a significant portion of the surplus budget would be utilised to ensure its’ pupils had classrooms that were fit for purpose.

The school’s 3-year budget forecast also projected a significantly high deficit for 2021/22.

KB stated that the Forum needed to consider the equity of distribution of funds. The LA would not want to claw back funding from schools and he supported the view that the Forum should be involved in the challenge process because the longevity of the balances needed to be considered.

**Q&A - EH queried what percentage rate were academies permitted to carry forward?** SW would ascertain the permitted percentage and report back to the Forum.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -03 –** Ascertain what percentage in relation to surplus balances that academies were permitted to carry forward. | SW | 1st meeting of the Autumn Term |

EH commented that in these uncertain times for schools to maintain a surplus balance to offer some protection against projected deficits in 2020/21 could be considered prudent planning, but the current mechanism imposed did not allow schools to adopt that approach.

If schools did not receive a grant to cover the increase in staff salaries, plus the on-costs associated, then Central Foundation Girls School would need to find an additional £300k to meet that increase. If schools were allowed to carry forward a higher percentage of surplus budgets that cost could be eased over time. The current level of carry forward was restrictive to schools and there could be a valid argument, in the short term, that where such a level of uncertainty subsists, that the LA should increase the percentage rates because schools were unable to financially plan in the current circumstances.

The Chair commented that realistically schools would need more than 5% and 8% for a longer period to survive the next 2 financial years.

**Q&A – The Chair queried whether it would be more palatable to raise the limits, but remain within the 15%?** A blanket increase could not be applied unilaterally and any clawback would be dependent on individual schools circumstances. The contingencies for setting money aside to deal with unexpected events were explained in Appendix 2 of the report.

The Forum had been invited to discuss and comment on the issues, which it had, and the Chair, on behalf of the Forum, suggested that the LA formulate a strategic plan which would be reviewed at future SF meetings.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -04 –** to present the LA strategic approach to deal with schools in difficulty | SW | Autumn term |

## Agenda Item 5: Falling Roll Fund 2019/20 (Circulated)

## Presenting: SW

## Challenge /Discussion

The Forum **NOTED** and commented on the report entitled ‘*Falling Roll Fund’.*

SW reported that the FRF had been newly created for 2019/20 and £600k funds had been top-sliced from schools budgets to finance the fund. Papers had been presented at Forum previously, but there was not a strategic view on how the methodology should be applied.

The basic purpose of the FRF was set out in s1.1 of the report which was to specifically protect good/outstanding schools which faced a temporary fall in pupil roll where provision in that locality was still required. The LA had considered both a less specific allocation, as well as, a more targeted use of the FRF.

Discussions around the minutiae of the fund should take place away from the Forum, but the FRF needed to be linked to a more strategic approach in achieving schools financial stability. The LA recommended that, as part of the more strategic approach, a working party should be set up comprising LA officers and members of the Forum to determine a suitable approach.

GW sought confirmation that the decision taken in January 2019 would be revisited in January 2020 and that none of FRF had been applied. She suggested that there may not be the incentive to draw up a more strategic plan if the decision was not upheld in January 2020. SW confirmed the decision review process and that the fund had not been applied.

**Q&A - SH asked whether the process applied to maintained Nursery schools which also had falling rolls?** Access to the FRF was restricted to mainstream schools and academies because the funds had been specifically top-sliced from the SB and Nursery schools were funded from the EYB.

**Q&A - SH queried whether a similar provision could be established for maintained Nursery Schools which experienced a falling roll in the autumn terms and were oversubscribed in the remaining 2 terms?**

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -05 –** Nursery school funding to be placed on the agenda | Clerk/PH/SW | Autumn term |
| **AP- 06/2019 -06- A r**equest for volunteers to be part of the FRF working party to be made | SW | ASAP |

The Chair commented that the wider group of Headteachers and School Business Managers (SBM) had the best of intentions in setting up the FRF, but the consequences were perhaps not fully appreciated or understood.

## Agenda Item 6: Scheme for Financing Schools 2019/20 (Circulated)

## Presenting: SW

## Challenge /Discussion

The Forum **NOTED** and commented on the report entitled ‘*Scheme for Financing Schools (SFS).’*

SW reported that the SFS was a statutory requirement which set out the relationship between the LA and maintained schools. The LA was reviewing its SFS to ensure it met current guidelines. The DfE model template was updated in February 2019 to reflect the changes in legislation, job titles, etc. and listed the provisions to be included in the SFS, including the periodic directed revisions made by the Secretary of State, which came into effect on the date of the direction.

There were two significant changes:

* LAs were prohibited from making loans as means of funding licensed deficits and, going forward, loan arrangements could only be put in place to assist schools in spreading the cost over more than 1-year of large one-off significant capital expenditure that would benefit the school over more than 1 financial or academic year. The loan mechanism for licensed deficits, whereby those schools that had been identified as being in financial difficulty were allowed a period of time to implement their recovery plans, would be removed from the LBTH SFS.

SW emphasised that those schools would still have access to additional funds through cash advances for a maximum period of 3-years which would act as a cash flow support rather than a loan, but the value of any cash advance not repaid by year-end would form part of those schools accumulated deficits.

The criterion ‘up to 5-years with exceptional circumstances’ was no longer applicable and should have been changed to 3 years previously, but the LA would honour existing agreements with LBTH schools.

* Community Facilities Power had been updated to reflect the changes to the Children and Families Act (CFA) 2014. Under the new arrangements schools were no longer required to consult the LA which previously had the power to veto schools proposals, subject to the caveat that schools needed to consult with interested parties in any decision making process.

**Q&A - BK asked how would the LA manage amendments made mid-year which were not directed revisions e.g. redundancies etc. and would the SFS be updated to reflect the changes and brought back to the Forum?** If there was a change that opposed what was contained within the SFS, there would be a requirement to consult on those changes and come back to the Forum to agree the proposed change.

**[GW left the meeting at 09:33 hours]**

JB commented that LBTH employees received redundancy payments as well as severance payments, which provided schools with a significant expenditure which was not sustainable going forward. The process of restructuring usually concerned finances and those expenses limited what processes could be undertaken to ensure schools were placed a good footing. The Chair agreed that the process placed an additional pressure on schools budgets, that there was an ongoing process around the TOWER Rewards and should there be any amendments to the LBTH SFS it would require consultation with the Forum.

**Q&A - SM queried what would be the effect of schools not repaying loans within the 3-year timescale?** It was a difficult area. In setting up a licenced deficit an application would be made to the Director of Children and Culture and the Chief Finance Officer by the GB. The application would be accompanied by an action plan that would set out how the school was going to bring its budget back into balance and clear any brought forward deficits.

As part of a proposed strategic approach the LA would consider ways in which it could provide additional financial management support to draw up realistic action plans for schools in difficulty.

**Q&A - DL asked what protection was available for those schools which had a pre-existing financial arrangement, regarding the maximum 3-year deadline for repayment?** The mechanisms available were dependent on the initial reason for the loan. Loans for capital projects were still permissible under the new guidance, but were not permissible to offset a deficit. There were historical issues with some licensed deficits/ loans which were being reviewed by the LA in order to determine what mechanism could be used to support those schools going forward because the LA did not want to place schools in further difficulty which could result in untenable positions.

**Q&A – the Chair referred to point 8 of the report and queried what mechanisms were in place to prevent schools from accumulating a deficit and then pursued the academisation route leaving the LA to assume the debt?** The LA had the power to impose the ultimate sanction of removing delegations from GBs and manage the budget itself.

EH referred to s12.3.2 which stated that the ‘*funding for repairs and maintenance of kitchens and kitchen equipment had been delegated to all schools’*, but schools were being charged for repairs. SW confirmed that the delegation took place in 2001/02.

EH commented that the recharges associated with the PFI scheme were the baseline costs of the agreed amount of the contract and the baseline costs for PFI in 2018/19 should have reflected a 4.39% increase, but her school had incurred a 6.4% increase. She had contacted the LA regarding the issue and the PFI contact, but to date, no response had been received. There was a significant discrepancy in her PFI costs which had increased from £1.4m to £1.6m. It would appear that procedures as laid down in the SFS were not being adhered to

**Q&A – EH queried to whom should the concerns be referred?**

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -07 –** Forward email to SW regarding PFI recharges | EH | ASAP |

AM sought clarification as to the figure of £10k quoted in s12.2.2 which appeared to imply that where a school spent its devolved formula capital (DFC) it could not be counted under capital expenditure because DFC was approx. £8k per annum.

**Q&A – AM queried how would that work in practice?** SW believed that s12.2.2 referred to budgets where the LA was putting in capital expenditure below £10k.

*The Forum was asked to agree the proposed changes to the Scheme for Financing Schools 2019/20.*

The Forum **UNANIMOUSLY AGREED** the changes as set out above to the Scheme for Financing Schools 2019/20.

## Agenda Item 7: SEND Improvement Progress Update (Circulated)

## Presenting: JOS

## Challenge /Discussion

The Forum **NOTED** and commented on the report entitled ‘*SEND Improvement Progress Update*’.

JOS thanked schools for their commitment to pupils with SEND and the outcomes attained for those pupils and young persons. The process was about recommitting to working with schools to ensure that they continue to deliver good outcomes for pupils with SEND despite the pressures on budgets.

He reported the following highlights:

* The report was based around the LA’s preparations for inspections which would take place in autumn term. S3 of the report referred to the logistics of the inspection in ensuring that the correct team/communications were put in place.
* The Inspection Handbook had been updated to reflect the process to follow should a LA receive a written statement of action.
* He had conducted an exercise with special schools and schools with resource base provisions with regard to potential visits during the inspections, but information would be circulated to all schools around the process.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -08 –** Circulate information regarding the inspection process to all schools | JOS | ASAP |

* The SEND Progress Group met on a bi-weekly basis to consider the inspection preparations and the SEN Improvement Group whose complement comprised senior service managers to ensure a more collaborative way of thinking and working in relation to the offer for SEND and monitor the SEN strategy.
* Improvements in the SEND process were already noticeable and searching questions around assessment times were being asked by colleagues from Health, Social Care etc. but there remained more work to be done in this area.
* There was a new Governance structure in place which reported through the Born Well Growing Well (BWGW) Board and the Health & Wellbeing Board which was working well, which was considering areas of governance and to present information to hold the local area to account. The process was building capacity within the system by ensuring that service managers understood their roles as strategic leaders for SEND.
* Within the updated SEF the outcomes submitted by schools showed that pupils with SEND made good progress.
* The SEND action plan included reviewing the question around the number of pupils with Educational Health Care Plans (EHCP) in LBTH, in particular, were the achieved outcomes good because the threshold was lower.
* In relation to the financial pressures there was a toxic combination between the number of EHCPs and the corresponding reduction in funding from central Government which had created pressure.
* There remained more than 1 type of assessment in place across the SEN system. However, in terms of care packages Health and/or Social Care colleagues dealt with the issue, but who were not bound by the 20 week deadline cited in the SEND Code of Practice for issuing/not issuing of an EHCP.

**Q&A – BK queried what was the impact of the overspend in the HNB on actual inspection outcomes?** It would be a legitimate line of enquiry and inspectors would be informed about the overspend, but it was not expected to form part of their judgment.

MR suggested that the Forum needed to focus on the number of EHCPs currently issued and whether that number was increasing/decreasing. Consideration should also be given to determining whether EHCPs were being issued in line with other LAs and whether the level of funding applied to those plans were comparable with other LAs. There were other aspects of the SEND provision that required consideration, in particular, the cost and quality of transport. In relation to the HNB overspend the outcome of the above considerations should be brought back to the Forum

The draft consultation report should be available on line from week commencing 17th June 2019 and the final version of the formal consultation was expected to be made available shortly.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -09 –** a more focused feedback on SEND improvements in relation to the Forum’s constitution to be presented to the Forum | JOS/Clerk | Autumn term |
| **AP –06/2019 -10 –** Respond to questions raised within the online version of the formal SEND consultation | All | ASAP |

## Agenda Item 6: Any Other Business

## Presenting: All

**DSG Matrix entitled ‘*DSG 2019/20 - A Quick Guide’***

SW tabled quick guide to the DSG for 2019/20.

The Chair commented that SW’s contribution to the Forum included his ability to disseminate information and provide valuable support which it was hoped would continue.

**Provider Portal**

The EY had introduced a provider portal for Nursery schools and schools with Nursery provisions in order to permit schools to validate the 30-hours eligibility codes. Information had been circulated via the Heads Bulletin, but further information would be made available through the phased Consultatives.

**Q&A –SH queried whether the portal was going to make the process easier or harder because the information was incomprehensible?**

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -11 –** Concerns regarding the Provider Portal process to be fed back to EY | Clerk | ASAP |

**Q&A - MR queried whether the process applied to special schools since its funding comes from a separate block?**

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -12 –** Ascertain whether the process applied to special schools | Clerk | ASAP |

**Schools Forum Work Plan**

SW tabled with draft work plan for 2019/20.

The Chair reminded the Forum that the work plan was requested in order to familiarise members with the cycle of items for discussion and to pre-empt the difficult issues. It would provide an opportunity for the LA to share the appropriate information in a timely manner.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -13 –** submit agenda items to be added / removed from the work plan to SW  | All  | ASAP |

**Review of Membership**

Terms of Office were due to expire for the following members: *Sheila Mouna, Jemima Reilly, Joanne Clensy and Matthew Raynor.*

Historically the issue of membership had been discussed at the 1st Consultative meeting of the new academic year, prior to the 1st Forum meeting. The Chair reported that comments had been raised around the proportional representation in relation to the types of schools represented, particularly in the Primary sector. She suggested that all types of schools were represented through Governors participation and that the Phased Consultatives, formally/informally, ensure that schools were proportionally represented.

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| **Action Point – 19th June 2019** | **Lead** | **Timescale** |
| **AP –06/2019 -14 –** Discuss with respective Consultative Chairs regarding ensuring there was adequate representation of all types of schools which should be fed back to the wider school community | All  | ASAP |

The Chair thanked the membership for its participation in Forum meetings through what had been a constructive and thoughtful year. Gratitude was also expressed to those Governors who gave of their time freely which was very much appreciated, not only by the schools they serve, but also the wider families of schools.

Thanked the LA for bringing its expertise to the table.

The Chair, on behalf of the Forum, thanked Joanne Clensy who was retiring after a long and distinguished career in Primary education. She was also a long serving participant on the Forum, having served 2-years. The support she offered colleagues across the wider family of schools was appreciated and she was wished well for the future.

The Chair also thanked Sheila Mouna and Jemima Reilly for their hard work and commitment to the Forum over 3-years and the contributions made were very much appreciated.

The Chair thanked Matthew Raynor who had served on many forums across the borough and on behalf of the Forum she thanked him for his expertise, passion for special education and commented that his passion and support had lifted the membership along with him. The Forum wished him well.

The Chair, on behalf of the Forum, conveyed its best wishes to Jill Cochrane and her family.

BC on behalf of the Forum thanked the Chair for her strong leadership over the last year.

***Addendum:*** in an email dated 19th June 2019, the Chair, on behalf the Forum, thanked Esther Holland, whose term of office had also expired for her commitment, warmth, challenge and support over the last 3 years.

## Agenda Item 7: Date of Next Meeting

The next meeting of the School’s Forum was to be confirmed.

**[The Chair wished the membership an enjoyable summer break and drew the meeting to a close at 10:06 hours]**

**Summary Action Log**

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|  | **Carried Forward Action Points 6th March 2019**  | **Lead** | **Update/Timescale** |
| Item 2: Review of actions of previous meeting | **AP – 03/2019 -02 -** A more detailed report on CRBs highlighting the spend against those budgets and strategy to take them forward to be presented to SF | SW | Autumn term |
|  | **AP – 03/2019 -04** – Historical budget showing actual spend against the budget for previous years. | SW | Autumn term |
| Item 4: Falling Roll Fund  | **AP – 03/2019 -07 –** Ascertain how many of the 20 schools with potential access to the FRF were in Scope **Originally due to be heard at the SF meeting -24.04.2019** | SW | **UNRESOLVED**Carried forward to the next SF meeting-  |

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| **Agenda Item**  | **Action Points 24th April 2019**  | **Lead** | **Update/ Timescale** |
| Item 3: Admin of LA Grants  | **AP –04/2019 -03–** Grant release dates to be circulated via Heads Bulletin Top-Up dates also to be circulated  | SW | **UNRESOLVED** – This action would now be actioned by SW- Next Issue of Heads Bulletin |
|  | **AP – 04/2019 -04 –** A report on the EP service to be presented to the Forum | CMc | **UNRESOLVED** – To be presented in the autumn Term – HNFB consultation was in its final stages of completion which would be shared with the JOS prior to sign off. |
| Item 4: High Needs Block | **AP – 04/2019 -05 –** The report to separate out SEND and AP funding  | CMc | Refer to **AP– 04/2019 -04** above for update |
|  | **AP – 04/2019 -06 –** Specific questions around LEAP to be included in the consultation questions | CMc | Refer to **AP– 04/2019 -04** above for update |
|  | **AP – 04/2019– 07 –** Volunteers to assist in ensuring that the online version of the consultation paper was written for a parental audience  | All | Refer to **AP– 04/2019 -04** above for update |

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| **Agenda Item**  | **Action Points 19th June 2019**  | **Lead** | **Timescale** |
| Item 3: DSG Outturn 2018/19 | **AP –06/2019 -01–** The LA action plan to resolve the overspend in the HNB to be presented to the Forum | SW | Autumn Term |
|  | **AP –06/2019 -02–** The draft action plan to be circulated to the membership | SW | ASAP |
| Item 4: School Balances | **AP –06/2019 -03 –** Ascertain what percentage in relation to surplus balances that academies were permitted to carry forward. | SW | 1st meeting of the Autumn Term |
|  | **AP –06/2019 -04 –** to present the LA strategic approach to deal with schools in difficulty | SW | Autumn term |
| Item 5: Falling Roll Fund | **AP –06/2019 -05 –** Nursery school funding to be placed on the agenda. | Clerk/PH/SW | Autumn term |
|  | **AP- 06/2019 -06- A r**equest for volunteers to be part of the FRF working party to be made | SW | ASAP |
| Item 6: SFS | **AP –06/2019 -07 –** Forward email to SW regarding PFI recharges | EH | ASAP |
| Item 7: SEND Improvement Progress Update | **AP –06/2019 -08 –** Circulate information regarding the inspection process to all schools | JOS | ASAP |
|  | **AP –06/2019 -09 –** a more focused feedback on SEND improvements in relation to the Forum’s constitution to be presented to the Forum | JOS/Clerk | Autumn term |
|  | **AP –06/2019 -10 –** Respond to questions raised within the online version of the formal SEND consultation | All | ASAP |
| Item 8: Any Other Business – Provider Portal | **AP –06/2019 -11 –** Concerns regarding the Provider Portal process to be fed back to EY | Clerk | ASAP |
|  | **AP –06/2019 -12 –** Ascertain whether the process applied to special schools | Clerk | ASAP |
| Membership | **AP –06/2019 -14 –** Discuss with respective Consultative Chairs regarding ensuring there was adequate representation of all types of schools which should be fed back to the wider school community | All  | ASAP |

**Chair’s signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Lorraine Flanagan**