

LB TOWER HAMLETS SCHOOLS FORUM

Date of Meeting: 12 January 2022
 Venue: Virtually via Zoom
 Chair: Fanoula Smith
 Vice-Chair: Brenda Landers/ Liz Figuerolo
 Clerk: Salma Siddiqua

MEMBERSHIP

TYPE	MEMBERSHIP
GOVERNORS	Alan Morton (AM)*; Jo Falkner (JF)*; Pip Pinhorn (PP)*; Abdul Chowdhury (AC)*.
HEADTEACHERS	Fanoula Smith (Chair)*, Brenda Landers (BL)*, Liz Figuerolo (LF)*; Paul Woods (PW)*, Maria Lewington (ML)*, Astrid Schon (AS), Kevin Jones (KJ), Becky Dolamore (BD)*, Veronica Armson (VA)*, Danny Lye (DL) and Graham Clifford (GC)*; Jemima Reilly (JR)*;
Non-School Members	Kim Arrowsmith (PVI EYs Providers)*; Alex Kenny (NEU Trade Union Rep)*; and Tracy Smith (THEP).
OBSERVERS	
Officers in Attendance	James Thomas (JT)*; Kay Goodacre (KG)*; Farhad Ahmed (FA)*; Jess Milne (JM)*; Pat Chen (PC)*; Jess Milne; (JM); Sarah Walsingham (SW)*; Steve Nyakatawa (SN)*;

*denotes attendance

[The meeting commenced at 8:33 hours]

Agenda Item 1: Introductions and Apologies for Absence

The Chair welcomed everyone to the meeting. Apologies were received from Veronica Armson. The Chair informed the Forum that she will be leaving the meeting at 9am for a short period and the meeting will be chaired by the Vice Chairs in her absence.

The Chair also welcomed Sarah Walsingham and Jess Milne.

Agenda Item 2: Minutes of the Last Meeting held on 13 October 2021 and Matters or Arising

Presenting: Chair

2.1 Minutes of the last meeting

The minutes of the previous meeting held on 13 October 2021 were **APPROVED** as a true and accurate reflection of the meeting subject to the following amendment:

Item 7, page 6, the carry forward balance for all schools was just £34,684million without taking into consideration any committed funds.

2.2 Review of Action Log

Item 5 - Response to the consultation from London Councils has been shared by Kay Goodacre. Kay Goodacre updated that the response to the Fair Funding Consultation was not shared as it was an online response, and a copy could not be retained. The LA has also responded to the Schools Improvement Grant consultation which supports the work of THEP.

Item 6 - The High Needs Funding Group has not met since the last Schools Forum meeting.

Agenda item 3: Scheme for Financing Schools Presenting: Sara Walsingham

A report of the scheme for financing schools was sent to all members along with 2 appendices.

Sara Walsingham presented the Scheme for Financing Schools and said that this is brought back to the Schools Forum each time it is adjusted. SW highlighted the proposed changes which fall into 2 categories: the directed changes which came into effect from April 2021, and existing practice.

SW clarified that under 2.2 section '2.6.2 Costs Incurred in securing termination of employment contracts' should be 'Section 6.2.6' and not 'Section 2.6.2'. This section has been removed and added to Appendix B. This section now includes the 3 overarching principles recommended by the DfE.

[The Chair left the meeting at 8:44 and the meeting was chaired by Brenda Landers, Vice Chair of the Schools Forum.]

The Chair suggested that section 4.2 – Reporting on the intended use of surplus balances is deleted from the scheme as this is not statutory and therefore not necessary that it is in the LA Scheme for Financing Schools. SW replied that a section on how surplus balances will be managed is necessary, however it is not necessary to have clawback. KG added that the criteria for surplus balance management is being relaxed, and this is included in the scheme to allow the LA to have the option of clawback where appropriate under extreme circumstances if cumulative balances keep accruing and are not being used appropriately for children. KG suggested that the paper is agreed, and that a clause is discussed at the next meeting.

The Forum **AGREED** that reporting on the intended use of surplus balances should be included in the scheme with the caveat that any decision on clawback would need to come back to the School Forum before being enforced. A process note will be added to the scheme and agreed at the next meeting. The Chair commented that this should also include how the appropriate use of balances will be decided.

Action Point: Add a process note to the Scheme for Financing Schools. KG

Referring to the summary of revisions, Annex B, 6.2.6, under 'additional text regarding local arrangement', a member suggested that swapping the first sentence with the second sentence will bring greater clarity.

The Forum **AGREED** the proposed changes to the Scheme for Financing Schools.

Agenda item 4: Final DSG Outturn 2020/21 Presenting: Kay Goodacre

A report on the DSG Final Outturn was sent to all members before the meeting.

Kay Goodacre gave an update on the report presented in June 2021. Forum was asked to **NOTE** that the net overspend in 2020-21 was £0.09m. A large overspend in HNB was offset by underspends in the other 3 blocks.

KG said that based on the 2021-22 initial funding, it will be possible to live within the means of the HNB and it is projected that there may be a small underspend. There is a long-term plan for managing the DSG account and the HN Working Group is working on managing the HNB.

Agenda item 5: School Block Strategy

Presenting: Kay Goodacre

A report on the Schools Block Strategy was sent to all members before the meeting.

Kay Goodacre presented the paper and said that papers presented at earlier meetings gave a breakdown of different funding blocks and the implementation of a hard NFF in 2023-24. This paper asks Forum to:

1. Confirm that the proposal to fully replicate the National Funding Formula from 2022 to 2023 funding.
2. Agree to a targeted high needs block transfer form headroom.
3. Primary school representatives are asked to agree to include in the formula modelling the proposed de-delegation of services, rates and values
4. Secondary school representatives are asked to agree to include in the formula modelling the proposed de-delegation of services rates and values
5. Schools are asked to consider the introduction of de-delegation to facilitate school improvement support, following the proposed end of the government grant

Voting on these items will be separate for separate streams.

KG presented the Schools Funding Formula 2022-23 and requested that all de-delegation rates are increased by 2%. This should represent no real increase in percentage terms to schools.

The Chair asked if the School Forum has received a report from the BASS team? KG said that a mid-year report was presented in June 2021. The Chair replied that June is too early on in the financial year and does not allow schools to review the impact of funds or the priorities moving forward. It may be more appropriate for the report to be presented in the October meeting.

Action Point: BASS to present mid-year report in October.

The Chair said that there is some work happening between the Local Authority and Trade Union Facilities and asked if Schools Forum is asked to agree the cost per pupil at today's meeting? KG confirmed that this is correct, the amount will be deducted and allocated to the schools which have Trade Union reps. KG clarified that this is only for maintained schools and academies are charged the same amount per pupil separately.

JR asked about 1.3, second paragraph, and asked if the criteria can be reviewed as there had been some questions raised by headteachers last year? KG said that the criteria and methodology of allocation can be reviewed within the HN Working Group. JR requested that this be presented to the Secondary Consultative and KG said that this can be managed.

Veronica Armson joined the meeting at 9:10am.

AC informed the Forum that he is a member of the Forum as a Primary Governor rep and may have a conflict of interest in the voting as he is also a trade union representative. KG said that AC can vote on the other items with the exception of the trade union facilities component.

The Chair commented that members are struggling to approve the Trade Union Facilities component as the Forum had been very clear about the review and had not seen this paper presented to the Forum yet. KG said that the Schools Finance Team just manages this amount and does not benefit financially from it. Last year there was a considerable overspend on this and the proposal is to keep the amount of the de-delegation level the same this year. The alternative would be that this is managed separately and the collected from schools separately.

AK commented that AC may not have a conflict as he does not stand to gain any financial benefits from any decisions made about Trade Union Facilities. As a Primary School Governor he can vote in that capacity.

Addressing the question raised by the Chair, AK said that Trade Unions have submitted their annual report in the same way as every year on how the allocated time has been used. This was submitted for the December meeting and is on the agenda for today's meeting. In AK's opinion Trade Unions have presented all the information they had been asked to present.

A member commented that it is the overall TU facilities time and not the allocation of the budget between unions that was relevant. KG replied that the Schools Forum would agree the amount and the Forum is requesting information on how that time is used. Pat Chen has worked on this and it will continue to be reviewed.

The Chair asked if greater clarity is needed on how the TU Facilities budget is spent? KG suggested that it would be helpful to receive updates on all de-delegated items in the Autumn 1 meeting.

Action Point: Receive updates on all de-delegated items in September/October.

All Primary Schools representatives **AGREED** the de-delegation.

All Secondary Schools representatives **AGREED** the de-delegation.

KG asked the Forum to consider the introduction of an additional de-delegation to facilitate School Improvement Service, following the phasing out of the School Moderation and Brokering Grant. This grant was usually transported to THEP who undertook the monitoring of schools. The DfE is phasing out this grant by reducing it by 50% in 2023-24 and a 100% reduction on 2024-25.

To replicate the current value of the grant Forum is asked to agree additional de-delegation of £5.60 (£5.49 + 2%) per pupil (£157k) in maintained primary & secondary schools, the remaining budget (£13.8k) will be set aside for special schools. This represents 50% of the total amount in the first year and will double in the second year.

LF asked if all schools will benefit from this or only the schools who buy services from THEP? KG replied that this is a statutory service, and all schools receive services from THEP in relation to the statutory services. THEP is commissioned to deliver core, statutory services to all maintained schools.

The Chair suggested that it will be helpful to work alongside the LA and THEP to evaluate how the de-delegated funds are used. SN added that there are other LAs with Education Partnerships and some way may be needed to explore how this is funded moving forward.

TS commented that THEP already has an agreed format for reporting commissioned work to Headteachers and the LA. Going Forward for April 2022 there will be greater clarity about the commissioned element and the membership element of the offer from THEP.

Forum **AGREED** to the de-delegation for School Improvement Services for one year.

Agenda item 6: CSSB 2022/23

Presenting: Kay Goodacre

A Report on Central School Services Block was sent to everyone before the meeting.

Kay Goodacre presented the paper and said the report summarises the central schools services provided by Local Authorities and the funding Tower Hamlets receives for the Central Schools Service Block. This comprises two distinct elements: ongoing commitments and historic commitments.

The total annual CSSB allocation represents less than 1% of the total Dedicated Schools Grant (DSG) funding, before recoupment and deduction for direct funding of high needs places by the Education and Skills Funding Agency (ESFA). The CSSB provides funding to local authorities (LA's) for a prescribed list of statutory services held on behalf of schools.

On-going commitments include services that fall into the following categories: statutory and regulatory duties; education welfare; asset management; and other ongoing duties. The historic commitments element relates to pre 2013 Schools Forum agreed budgets and relates to early retirements, clothing grants and others.

The Forum AGREED for the continued use the CSSB.

Agenda item 7: School Budget Allocation 2020/23

Presenting: Kay Goodacre

KG shared a presentation on the Schools Block Allocation.

KG said that the DSG settlement was received around mid-December and have been working on the budget modelling over the last few weeks.

Forum was asked to **NOTE** the total Schools Block Allocation. KG said that from this year the budget calculations will include a notional amount for the NNDR however schools will no longer be settling their NNDR bills. From April 2022 the LA will claim all school's NNDR directly from the DfE. The total grant allocation will be less NNDR.

The Growth Funding Allowance received was higher than expected, the growth is calculated based on median super output areas which consists of a few schools and looking at the growth in those areas. All schools have been allocated the full NFF allocation with the maximum allowable per pupil MFG of 2%. If pupil numbers remained the same the increase would be 2%. Cash changes vary from +26% to -5% with an average cash increase of 4%. The modelling includes allocation of budget of the new school due to open in 2022 based on 60 reception pupils and free school set up funding. Two schools have in year planned growth; all schools were asked to submit any plans for in year growth. The full 0.5% of allowable transfer to the High Needs Block is available, this will be allocated later to schools with exceptional high needs.

KG said that the Finance Team are fairly confident that all schools will receive a 2% increase and schools may want to start planning their budgets with that in mind. In Early March a paper will be presented on all other grants. There will be a separate grant in relation to National Insurance changes.

Agenda item 8: Trade Union Facilities Time Presenting: Pat Chen

Pat Chen presented a report on Trade Union Facilities Time and said that a report was presented to Schools Forum in June to consider the arrangements for the funding of trade union facilities time in schools. This set out the current arrangements for trade union facility time in schools and gave options for future funding arrangements. Pat Chen thanked the Forum for agreeing the de-delegated funds for TU facilities time.

This paper sets out options for managing the facilities time budget. In this financial year, the facilities budget will incur a deficit of c.£36K and, if current arrangements continue, this deficit will occur in the next and following financial years. This needs to be addressed so that facilities time is managed within the available budget. Options available are to reduce the cost of facilities time or to reduce the amount of facilities time.

Pat Chen shared some of the ways cost of facilities time can be reduced:

- (a) Reimbursing the day rate to cover the cost of backfilling the teaching days when trade union representatives are carrying out their duties, rather than covering the whole salary cost based on the FTE amount of release time.
- (b) Funding a proportion of the salary costs with schools meeting the difference.
- (c) Paying a fixed amount for trade union release, again with schools meeting any additional cost.

Accurate membership numbers from Unions are needed. A report has been circulated by Alex Kenney on how Trade Union Facilities time is currently used. The current allocation only covers teacher reps and not support staff reps but there is a cost for support staff reps which needs to be reflected in any facilities agreements in place.

The Local Authority will arrange to meet with the Heads of the school's consultative meetings and trade unions to discuss the options set out in 2 above. Costed proposals will be tabled at the Heads Consultative and trade union meetings to seek agreement for any revised arrangements. A revised consultative framework and facilities agreement will reflect any revised arrangements. These arrangements will be implemented in April 2022 to ensure that the cost of facilities time in schools is within agreed budget levels.

Schools Forum was asked to confirm the de-delegation of the schools' facilities time budget and the funding arrangements that will determine the available budget.

A member asked if there has been an overspend this year and how it will be funded? Pat Chen replied that this will be included as an overspend in the budget this year.

The Chair stated that it is important to ensure that there will be overspend next year. Pat Chen said that Facilities time is being reviewed in order to make changes which will reduce the spend.

Action Point: Present a report on Trade Union Facilities time before the end of the financial year. Pat Chen

A document produced by the Trade Unions showing the current allocation of TU time was shared on screen with everyone and will be used to finalise plans for the next year.

Fanoula Smith returned at 9:55 and resumed as Chair.

Agenda Item 9: Early Years Funding Block Presenting: Jess Milne

The Chair introduced Jess Milne as interim Head of Early Years. Jess Milne presented a report on Early Year Block Funding and said that Forum is asked to agree the continuation of the Early Years centrally retained funding for 2022-23 of 5% which subsequently confirms the base rate passported to the sector.

JM said that multiple options and variables were worked through, based on projected hours for funding using EYNFF DSG allocations, previous years' uptake and an assessment of trajectory for the upcoming year taking into account political and local changes such as Covid. The chosen option is deemed the best option available to continue balancing the commitment to passport as much as financially viable with internal expenditure.

LBTH has received an increase in the base rate for the 2-year-old base rate of £0.21, and an increase in EYPP of £0.07 and an increase in DAF.

JM shared the final indicative budget based on DSG EYNFF formula as follows:

Funded Entitlement	2021-2022	2022-2023
2 Year old base rate	£6.58	6.79*
Universal and Extended Entitlement	£7.16	£7.16**
EYPP	£0.53	£0.60
Deprivation	£0.30	£0.30
DAF	£615	£800

There has been a 9% decrease in the maintained supplements due to a reduction of children, however the LA will commit to allocate the same amount per MNS as last year and this will be met by the underspend.

Forum AGREED the continuation of the EY centrally retained funding for 2022-23 of 5%.

KG said that it is important that the census is completed correctly and the guidelines are changing slightly and it may be helpful to have a briefing on this.

Action Point: Information about completing the census in the Headteacher's Bulletin. KG

Agenda Item 10: School Balances Presenting: Kay Goodacre

This report was presented for information and KG said that there had been an initial report on balance control mechanisms and clawback of 2020-2021 balances and it was agreed that there would be no clawback on 2020-21 balances. This report sets out proposals for 2021-22 and review procedures for the future.

This report recommends Schools Forum to agree to the proposed clawback of school balances above the 12% threshold as at the end of 2021-22.

AC asked about how the clawback process is agreed and where the criteria and checks for clawback are agreed. The Chair replied that this will be decided at the Schools Forum.

BL stated that it is not a statutory duty for the LA to clawback surplus balances but rather it is a decision the LA chooses to make. KG replied that the LA has a statutory responsibility to monitor and manage school balances.

AM added that it is important to spend money on education children and not saving for rainy days. The availability of protecting committed balances and a higher threshold of 12% is a positive move. AM asked if all schools are aware that balance control mechanisms may be implemented? AM asked about the use of the balances and said that the paper presented says that initially funds will be used to fund the cost of school reorganisation, however elsewhere it says that funds will be used appropriately and agreed use is yet to be agreed.

The Chair replied that there had been discussions about committed and uncommitted balances and this had an impact on the number of schools affected. Some time is needed to finalise current accounting and end of year procedures before this can be implemented. KG added that the percentage balances the LA reports will be on the same bases as EY settings are reporting. KG said that year end procedures will be shared with schools.

KG said that clawback is likely to take place under extreme circumstances and would look at recirculating resources for schools that are in difficulty.

JR said that this is a bad time to be considering clawback as there are lots of uncertainties and unforeseen. Schools should have the autonomy to be thinking about spending for their school, in their context without an additional measure being held over them.

KG said that the current procedure, which the LA has not acted on, is a lot more stringent than the proposals. KG said that they are trying to put in checks and balances before any action is taken rather than acting on what was in the scheme, which allowed clawback at 5% and 8%. The proposal is giving schools the opportunity to look at how they use their balances.

The Chair suggested that the Forum will consider if the paper should be presented again at a later date. KG said that the LA has to present a report to the Schools Forum on balances and this will be done in September or October.

Agenda Item 11: Forward Planning

Forward Plan

- Reporting on balances – Autumn 1 2022
- Update from the HN working group.

The Chair updated that the HN working group has not met recently. Different members will be joining the group. KG added that John O'Shea and she have been meeting with the Headteachers of all special schools to look at their budget planning and this work has to be completed before the group can report back.

- Update on the finance improvement plan -March meeting

[The Chair drew the meeting to a close at 10:25 hours]

Chair's signature: _____ **Date:** _____

<u>Agenda item</u>	<u>Task</u>	<u>Task holder</u>	<u>Timescale</u>
<u>3</u>	Add a process note to the Scheme for Financing Schools.	<u>Kay Goodacre</u>	
<u>5</u>	BASS to present mid-year report in October.	<u>Kerri Marriner</u>	
<u>5</u>	Receive updates on all de-delegated items in September/October.	<u>Kay Goodacre</u>	
<u>8</u>	Present a report on Trade Union Facilities time before the end of the financial year.	<u>Pat Chen</u>	
<u>9</u>	Include information about completing the census in the Headteacher's Bulletin	<u>Kay Goodacre</u>	



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