

Minutes of the Meeting of the Schools Forum

**Thursday 10th May 2018 at 1.30 p.m.
at Hawley Hall High School**

Present:

Members: A.P. Hardy (Chair) E. Loftus, E. Ellis, F. Quinlivan, H. Phillips, A. Birchall, A. McGlown, N. Amber, A. Isherwood, T. Cunningham, P. McGhee, R. Lewis, T. Warren and A. Wells.

Observers: M. Atkins, M. Wilkinson and K. Winnard.

LA Officers: A. Lindsay (Assistant Director) J. McDonald (Strategic Finance Manager) F. Gore (Clerk) and M. Larkin (observer)

1A. Apologies for absence

Apologies for absence were received from V. Birchall and G. Hayes and from Cllr J. Bullen.

1B. Welcome to Ms. N. Amber and Ms M. Larkin

The Chair extended a warm welcome to Ms. Nicola Amber following her appointment to the Forum as the PVI Nursery representative and to Ms Melanie Larkin who was attending her first meeting as an observer prior to her appointment as Clerk to the Forum.

2. Item for inclusion under AOB:

None.

3. Minutes of the meeting of the Forum held on 22 March 2018

It was agreed: That the minutes of the meeting held on 22 March 2018 be approved as a true and correct record subject to the following amendment at minute 5B:

“Ms Isherwood made a request that the LA move funding upwards in the system to help to remove the present blockages at The Three Towers by creating more specialist school places within the Borough’s good and outstanding special schools”

Matters Arising: None.

4 National Funding Issues:

A. Schools Funding – School Cuts Website Information

Mr McDonald referred to information contained on the School Cuts website and to queries raised with the LA concerning the basis of the data shown. He confirmed that the data given related to the period 2015-20 and was based on 2017-18 pupil census

information; the figures also included the inflationary impact on school budgets over that period of time.

Representatives accepted that whilst some elements of the data could be open to challenge, the fundamental premise of the information given and the picture it showed of increasing pressures on school budgets and a reduction in real terms of per pupil funding were accurate.

It was agreed: That the information be noted.

B. F40 feedback from Conference

Mr McDonald reported on the recent F40 Fair Funding Conference; the view of the F40 Authorities was that.

- There was continued uncertainty regarding the views of the DfE on a range of future funding issues;
- The new National Funding Formula continued to have major discrepancies due to it being linked to historic funding;
- There was insufficient funding within the education system;
- All LA's were facing funding difficulties;
- On average in all LA's the High Needs Block was running at a deficit of £2m.
- There was a need for the DfE to recognise that capital funding needed additional revenue support.

It was agreed: That the information be noted.

C. "Worth Less Campaign"

Mr McDonald reported on the outcome of a survey of 1500 Headteachers by the Worth Less Campaign. The headline findings as reported were that:

- To make budgets balance in 2018/19, 60% of schools reduced staffing by one or more teacher(s);
- To make budgets balance in 2018/19, 80% reduced TAs / support staff by at least one – over 50% by 2 plus;
- 90% of Heads stated that under NFF they have no financial certainty for 'meaningful financial planning' beyond 1 year;
- 90% of schools use at least a portion of Pupil Premium funds to 'prop up core budgets' i.e. that money targeted for the poorest and most needy families is actually having to be used to support the school budget;
- 92% stated that the DfE 'has no realistic idea of how much it costs to effectively run a school';
- 80% of schools that contribute to the Apprenticeship Levy don't get any benefit from it;
- 15% of schools think that in real terms they are better off under NFF. 60% state that they are worse off.

Members echoed the findings of the survey and also referred to evidence shown in an Education Policy Institute Report that showed that 26% of secondary schools nationally had a budget deficit.

It was agreed: (1) That schools in the Borough be informed of the result of the survey and they be asked to respond directly to the Secretary of State for Education by writing to him, showing how their school has managed their recent budgets through a range of cost saving measures; and highlighting the need for additional funding in all sectors of education.

(2) That the LA prepare a draft-letter for schools to populate with their respective financial information and details of the impact of reduced per pupil funding in recent years.

5. Schools / DSG Outturn 2017/18: Mr Myers to report

Mr McDonald presented a report (circulated prior to the meeting) on the financial out-turn position for 2017/18 including details of all resources allocated from the Dedicated Schools Grant (DSG) and other school specific grants.

The information showed:

- School balances had increased by £0.866m.
- There was an underspend on the Early Years Block which would be transferred to reserve and used to support future spending plans and pressures within the DSG.
- The High Needs block was reporting a significant overspend for 2017/18. The pressures facing this block of funding had previously been reported to Forum, the last report indicated a projected over spend of £1.035m. The final out turn position is £0.966m overspend. As agreed by Forum the deficit would be carried forward to 2018/19.
- There was an underspend in relation to central funding on contingency of £77k as reported to Forum in June 2017. There had also been some underspends across other de-delegated and central services. This in total came to £107k which had been credited to the centrally held DSG reserve. This would be ring fenced for maintained schools only.

The report listed the balances held by schools; which was as follows:

Balances	Nursery & Primary (£)	Secondary (£)	Special (£)	Total (£)
As at 31/3/17	7,810,096	4,832,762	1,151,576	13,794,435
As at 31/3/18	8,822,350	5,132,279	706,261	14,660,891
Annual Increase / Decrease (+/-)	1,012,254	299,517	-445,315	866,456
Annual % Increase / Decrease (+/-)	12.96%	6.20%	-38.67%	6.28%

Number of Schools	89	12	6	107
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Average Balance 31/3/18	99,128	427,690	117,710	137,018
Average Annual Increase	11,374	24,960	-74,219	8,098

Members noted that a number of schools were having difficulties in setting a balanced budget after taking reserves into account. Schools had a variety of reasons for carrying forward higher than recommended levels of balances in order to support future planned developments or support their revenue budget.

The LA were working with schools that had gone into deficit during 2017-18 and with schools that had applied to use the LA's Licenced Deficit Scheme to manage their short and medium term budget problems.

Q. was the LA aware of the reasons why those schools carrying balances above the threshold figure were doing so?

A. yes, the LA asked every school in that position to explain what they planned to fund from their balances.

It was agreed: (1) That the out-turn position and level of balances held be noted.

(2) That the LA continue to monitor the level of balances held and submit a summary report to a future meeting on why schools held balances above the 15% threshold figure..

6. Growth Funding:

A copy of the presentation given at a recent Conference held by the DfE as part of the consultations on options for the allocation of funding for growth from 2019-20 had been circulated prior to the meeting.

The initial options included:

- using lagged growth data as the best match to actual growth experienced. The DfE were looking to develop this as the lead option for 2019-20.
- using the SCAP forecasts collected by the department for basic need capital allocations as part of revenue growth funding in the longer term. Continue to explore this as a long term option.
- Discussions were in the context of the soft formula in 2019-20- so Local Authorities would still have flexibility to retain additional funding.

The following key questions had also been raised:

1. How should the DfE measure growth?
 - a) At what level should it measure growth?
 - b) Should it set a threshold, and how should this work?
2. What other factors should be taken into account in the growth factor?

Views had also been sought on the challenges with adopting a lagged growth approach.

Representatives noted that it was difficult to be specific when projecting where growth in pupil numbers might take place and in making investment decisions a number of years in advance.

It was agreed: That the minutes of the above Conference be circulated to Forum members when available.

7. Central Funding Summary:

Mr McDonald presented a report (circulated prior to the meeting) reminding members that centrally retained funds were available to schools to support the areas below

- growth
- falling rolls
- disproportionate SEN
- contingency (maintained only)

In order to access funding individual schools had to submit a business case to the Schools Finance Team detailing the amount of funding required and supporting information. The bids were assessed by Finance before submission to the Assistant Director of Education for approval.

The total value of received bids was £1.369m (21 schools). The value of approved allocations was £786k, details of which were set out in Appendix 1.

The growth fund had been set at £0.850m based on projected data at the time of setting the budget. The circumstances had changed for a number of schools who were included in initial projections. Any unspent funding would be reported to the Forum to determine that it either be carried forward or fed back through the formula in 2019/20.

There were ongoing discussions with two schools around support for SEN and contingency funding.

It was agreed: That the report be accepted.

8. AOB

None.

9. Next Meeting: 21st June 2018 at 1.30 p.m. at Bedford High School.

Meeting closed at 2.10 p.m.