

**SCHOOLS FORUM
15 SEPTEMBER 2016
4.30 - 6.00 PM**



Present:

Schools' Members

Sue Barber, Primary School Governor
Brian Fries, Secondary School Governor
Martin Gocke, Pupil Referral Unit Representative
Keith Grainger, Secondary Head Representative
Anne Shillcock, Special Education Representative
Grant Strudley, Primary Head Representative
John Throssell, Primary School Governor (Vice-Chairman)

Academies' Members

Beverley Stevens, Academy School Representative

Non-Schools' Members:

George Clement, Union Representative (Chairman)

Observer:

Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning

Apologies for absence were received from:

Karen Davis, Primary Head Representative
Trudi Sammons, Primary School Representative

24. Election of Chairman

RESOLVED that George Clement be elected Chairman of the Schools Forum for the academic year 2016/17.

25. Appointment of Vice-Chairman

RESOLVED that John Throssell be appointed Vice-Chairman of the Schools Forum for the academic year 2016/17.

26. Declarations of Interest

Declarations of Interest were received from Brian Fries, Dr Keith Stapylton and Grant Strudley in relation to item 8 on additional financial support to schools, being connected to one of the schools.

27. Minutes and Matters Arising

In respect of milk provided free of charge to eligible children that is part funded by the EU, it remained Council policy to continue to fund any residual cost of milk and the management of the scheme. It was not known at this stage what the long-term cost to the Council would be following the Brexit vote in June 2016.

Item 23 would be deleted from the Minutes as it was a repeat of item 21.

RESOLVED that the minutes of the meeting held on 10 March 2016 be approved and signed by the Chairman as a correct record.

28. **Review of Provision for Academy and Secondary School Representatives on the School Forum**

The Forum received a report of an amendment to the Forum's composition which was intended to bring it in to line with the Schools Forum (England) Regulations 2012 to reflect the proportion of pupils in schools maintained by the Local Authority.

Officers had undertaken a review of school pupil numbers in Bracknell Forest to assess whether the current allocation of seats was broadly proportionate to the different groupings. The figures were detailed in the report and suggested that with Brakenhale becoming an Academy school, an Academy School Governor representative needed to be added to the Forum's Constitution and the number of Secondary Heads reduced to 2 from 3. This would ensure representatives were broadly proportionate as stipulated by the guidance issued by the DfE. The Forum noted that the terms of office for senior schools staff, Governors and non-schools members would be 3 academic years and 1 year for the Chairman and Vice-Chairman, following which they could stand for re-election from the body they represented.

In addition, nominations took place in May 2016, as a result of which David Stacey and John McNab both stepped down from their roles on the Forum as Primary School Governor Representative and Secondary School Governor Representative respectively. Dr Keith Stapleton had taken up one of the Primary School Governors Representative position. It was agreed that Anne Shillcock would continue as Special Education Representative for a further year.

The following positions were vacant on the Forum:

- Primary School Governor
- Secondary School Governor
- Academy Governor
- 14-19 Partnership Representative
- Diocese Representative (Roman Catholic)
- Diocese Representative (Church of England)

Anne Shillcock commented that as Special Education Representative and Governor of Kennel Lane School she was not in a position to represent SEN in mainstream schools and suggested a mainstream schools SEN representative and mainstream SENCO was considered for future membership to the Forum.

The Forum **AGREED** the following recommendations made in the report:

- That the composition of the Bracknell Forest Schools Forum as set out in the report be approved.
- That the Governing Bodies of the three Academies be asked to confirm their nominee for the Academy Governor vacancy.
- That the Secondary Heads Group be asked to confirm two representatives.

29. 2015-16 School Balances

The purpose of this report was to update Members on the level of balances held by schools as at 31 March 2016, how these compared to the previous financial year and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.

Members were again asked to consider performance information excluding Harmanswater Primary School as their current surplus significantly distorted the data. The key points highlighted included:

- Aggregate surplus balances had decreased by £0.537m, from £3.031m to £2.495m (-17.3%).
- On average, at 3.8% of total budget, overall reserves were considered to be below the prudent level of 5% required for working balances to cover unforeseen circumstances and therefore an increased risk existed of schools developing year end deficit balances.
- At £0.072m (6.4% of budget), the average surplus balance for a primary school was greater than the £0.050m (0.1%) average balance held by secondaries.

Members were also updated on schools with significant surplus balances, as defined by the approved scheme. As usual, officers had collected signed statements from relevant headteachers to confirm the intended use of the funds and also the anticipated spend date. This indicated that all funds were being held within the provisions of the scheme and should not be subject to claw-back.

In response to questions from Members, Officers advised that:

- surplus balances were planned and not set aside 'in case of need' for something not yet identified.
- Most surpluses were allocated for capital projects, some of which were phased over a number of years; this applied in particular to the larger amounts.
- In respect of the two largest surpluses as a proportion of the annual budget, both schools had advanced plans in place to deliver significant capital investments
- All investment plans were monitored regularly to ensure they were still needed and the use of surplus balances was still justified.
- Recent changes had been introduced to the claw-back scheme to apply an absolute cap on the amount of surplus schools could retain. The transitional period to allow schools to move towards the new arrangements ends at March 2017 at which point there would be stronger sanctions available to control excessive surplus balances.

The Forum **NOTED**:

The key performance information on all school balances, as set out in paragraph 5.3 of the report.

That due to the significant size of surplus, it was more appropriate to draw conclusions from overall school performance excluding Harmanswater Primary School, as set out in the report, and in particular;

- i. Aggregate surplus balances continued to decline, with an in-year reduction of £0.537m (-17.3%);
- ii. Secondary schools were drawing down more from their reserves than primary schools;
- ii. At 3.8%, average balances were considered to be below the level required for working balances to cover unforeseen circumstances and an increase risk existed of schools over spending their budgets.

The Forum **AGREED** the following recommendation made in the report:

That all of the significant surplus balances held by schools had been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back.

30. **2015-16 Provisional Outturn on the Schools Budget**

The Forum received the annual report of the provisional outturn on the 2015-16 Schools Budget, including the allocation of balances and the use of Earmarked Reserves.

This confirmed the budget movements required during the course of the financial year and that there was a year end under spending of £0.81m. The main budget variances were also reported, which in line with the earlier budget monitoring report highlighted savings on SEN costs. The report also confirmed that taking account of the opening balance, the in-year under spending and year end transfers to and from reserves, the Schools Budget held an unallocated surplus balance of £1.373m.

It was also confirmed that the Borough Treasurer has reviewed the financial risks in the Schools Budget and determined that a minimum prudential level of reserves of £0.66m needed to be held to manage in-year cost pressures, an increase of £0.15m. This meant that there is £0.713m of balances available to use, for which the report made recommendations for allocating £0.613m.

Questions and comments from Members were received in respect of:

- The £0.055m under-spend on the free entitlement to childcare for 2 year olds. Members were advised the under-spend was due to the take up being lower than had been projected.
- How many pupils were on the roll of the SEN Resource Unit for Rise@GHC, what was considered an economical size and how long would it take to reach that point? Members were advised the number currently on the roll was 15. The Garth Hill Principal stated that savings had been made against the original plan. Officers confirmed that the medium term budget plan for the Unit would, as usual, be presented to the Forum to consider. It would take account of the most up to date information and is intended to be available for the next meeting in October 2016 when these matters could be considered in more detail.
- Members were advised the earmarked reserve of £0.316m allocated to SEN Resource Units as at 31 March 2016 was expected to be required to meet diseconomy costs at Rise@GHC.
- Was there an amount available for the SEN Resource Units at Binfield Learning Village and other schools? Members were advised no specific amount had been earmarked and Binfield Learning Village in particular would be very challenging to forecast at this stage.

The Forum **NOTED**:

- That the outturn expenditure for 2015-16, subject to audit, showed net income of £0.463m which represented an under spend of £0.81m before allocation of reserves and balances;
- That after transfers to and from earmarked reserves, the Schools Budget under spent by £1.165m;
- The main reasons for budget variances;
- As at 31 March 2016, the aggregate surplus on balances and Earmarked Reserves within the Schools Budget amounted to £5.589m;
- The previously agreed transfers to and from Earmarked Reserves;
- The transfers to and from balances and Earmarked Reserves processed as part of the accounts closedown process;
- The £1.373m current balance on the Schools Budget General Reserve;
- To recognise the increasing difficult financial circumstances that schools were operating under, the decision of the Borough Treasurer to increase the minimum prudential level of balances by £0.15m to £0.66m.

The Forum **AGREED:**

The new allocations proposed from the Schools Budget General Reserve.

31. **2016-17 Proposals for Additional Financial Support to Schools and Other Associated Matters**

The Forum received the annual report of the 2016-17 Proposals for Additional Financial Support to Schools and Other Associated Matters. The purpose of the report was to update Members on proposals for financial support to schools and amendments to funding policies, including the Scheme for Financing Schools.

In terms of additional financial support to schools, the report set out that 2 main options are available; one-off allocations that do not need to be repaid, normally related to supporting schools in or at risk of entering an Ofsted category; or a loan that is advanced to cover a short to medium term cash flow shortage, that is fully repaid.

Allocations of additional financial support to schools agreed by the Director under delegated powers of £0.031m were reported, along with a request to the Forum to agree that £0.07m be granted to Easthampstead Park Community School to ensure that when combined with the previously agreed loan, a balanced medium term budget plan could be set. In making this proposal, the Council considered that all reasonable savings measures had been taken by Easthampstead Park Community School and that the funding was necessary in order to be able to deliver the national curriculum.

For existing loans, an extension of 1 year was proposed for Easthampstead Park, with 3 new loans for primary schools being recommended that in total aggregate to £0.075m.

The report also confirmed that a proposed revision to loan conditions relating to outstanding balances when schools convert to academy status had been supported by 89% of schools that responded, and this should now be incorporated into the approved scheme, and that the schools applying for new loans this year had done so on the assumption that this change would be agreed. It was also reported that taking account of responses from 2 schools to this consultation, it was proposed that the de-

delegated school contingency budget should be available to fund any school deficit balances if these are not reimbursed by the Education Funding Agency.

The final matter dealt with on this report related to amending the criteria used to calculate top up funding to schools experiencing significant in-year increases in pupil numbers. A change in the calculation was proposed for schools opening a whole form of entry to reflect the actual capacity of the school each year, based on available classes, which would tend to increase by one each year, rather than the current calculation that is always based on the capacity when fully open.

Questions and comments from Members were received in respect of:

- The alternative wording provided by the 2 schools that did not agree the proposed change to the school loan scheme suggested that the “LA will, where necessary, negotiate exceptional and varied arrangements to prevent schools converting with a deficit carried forward”. Members queried whether this flexibility should be incorporated into the loan schedule to demonstrate that every effort would be made to achieve break-even when maintained schools became Academies. Officers advised members that the Council would always look to support those schools in financial difficulties but wording that was too specific could have the effect of restricting flexibility.
- The additional financial support provided to schools in Ofsted categories. Was the LA sure that schools could not afford the activities being funded, and how effective had the funded actions been? Officers reported that relevant schools were always required to confirm that they did not have sufficient funds for the activity. It was also confirmed that the next report on additional financial support to schools, expected to be presented to the Forum in March 2017 would provide an update on these matters.

The Forum **NOTED**:

That in respect of previously agreed loans:

- Wildmoor Heath Primary School was requesting a further advance to cover a medium term funding shortfall;
- Sandhurst Secondary School was on target to meet the original repayment terms;
- Easthampstead Park Secondary School was requesting an extension of one year to the repayment schedule;
- Garth Hill funded their planned expenditure from Devolved Formula Capitals so did not require the advance;
- An agreement was in place with Brakenhale Secondary Academy School to fully repay the outstanding balance.

Under the delegated powers awarded to the Director of Children, Young People and Learning, the one-off funding allocations agreed for schools in financial difficulties.

The Forum **AGREED** the proposed changes to:

- Eligible expenditure that can be charged to the school contingency;
- The calculation of funding thresholds to be applied to in-year growth allowances for schools that have expanded by a whole form of entry.

The maintained schools representatives on the Schools Forum **AGREED**:

- The proposed change to the loan conditions included in the Scheme for Financing Schools which was to be applied for all new loan agreements. Grant Strudley abstained.
- An allocation of £0.070m from the budget to support schools in financial difficulty to Easthampstead Park Secondary School to ensure sufficient funds were available to deliver the national curriculum.

In respect of the final recommendation relating to new school loans, Brian Fries, Dr Keith Stapylton and Grant Strudley had declared an interest as they were connected to one of the schools. However, in order to effectively manage the voting and minimise the need for Members to leave and return on each recommendation, and taking account of the nature of the recommendation, other Members of the Forum confirmed that they could remain during the voting but would not be permitted to vote on the item relating to the school they were connected to.

The maintained schools representatives on the Schools Forum **AGREED**:

The new loan requests / amendments to existing loan arrangements to cover medium term budget shortfalls, subject to receipt of request from the Chair of Governors and signed minutes from the relevant Governor meeting confirming the loan schedule and compliance with conditions for:

- a new loan for Birch Hill Primary School (£0.03m);
- a new loan for Great Hollands Primary School (£0.03m);
- a revision to the existing loan for Wildmoor Heath Primary School (£0.015m);

a revision to the existing loan for Easthampstead Park Secondary School extending repayment by 1 year to March 2020.

32. **Update on School and Education Funding**

Members received a report on School and Education Funding. The purpose of the report was to update on the potential implications to the Council and schools from consultations issued by the DfE relating to proposed changes to education and school funding. The report provided a more detailed response to the verbal update presented to the last meeting of the Forum on 10 March 2016 and also presented updates where the DfE had subsequently issued more information.

The following key points from the report were highlighted:

A reminder of the original proposals from the DfE and impact:

- A Schools National Funding Formula would be introduced, with schools directly funded by the Education Funding Agency
- The role of LAs in education would be greatly reduced, with £600m of education related grants to be withdrawn from April 2017, for which BFC would lose £1.5m
- The Council would be seeking to make equivalent savings through the Transformation Programme, for which there would be representation from 4 head teachers to offer guidance.
- The Council would retain responsibility for the high risk Special Educational Needs budgets and those relating to Early Years.

June 2016 DfE update on Schools Funding:

- Implementation of the Schools National Funding Formula would be delayed one year to April 2018, with allocations of funds to LAs in 2017-18 remaining on the current, historic spend basis.
- No LA will see a reduction in per pupil funding rates from 2016-17 levels.
- The £600m cut in funding to LAs would proceed unchanged at April 2017.
- To provide LAs with a funding source to pay for education services, subject to Schools Forum agreement, a per pupil amount could be retained from maintained schools only.
- LAs would continue to be funded for high needs pupils on the current historic cost calculation, with no LA to receive a lower cash settlement than in 2016-17.

August 2016 update on Early Years Funding:

- From April 2017, DfE plans to introduce a national funding formula for Early Years. This follows the same approach as taken with schools and will move LAs away from receiving their funding at historic spending levels to an objective, national formula basis.
- At the same time, additional resources will be added to increase provider funding rates and help incentivise providers to ensure they are in a position to meet the increased demand for the free entitlement from September 2017 when entitlement increases to 30 hours per week for working families.
- Illustrative financial information issued by the DfE indicates that BFC will receive a 15.3% increase in per child funding next year, compared to a national average 7%, rising to 22% once transitional funding protection ends that has been put in place to ensure those LAs that will lose funding do not face the full reduction straight away.
- Changes will be required to the local Early Years funding formula, in particular to harmonise the amount of base rate funding to be paid to all providers and a review of the top up supplements to be paid, which can account for no more than 10% of total funds, with the existing quality supplement paid in BF no longer to be permitted by the DfE.
- The DfE consultation also included proposals on how funding could be made available to providers to ensure children with SEN could readily access the free entitlement.

The council would be considering these new requirements and expects to undertake funding consultations with schools and Early Years providers over the autumn and spring terms. The intention is for the Schools Forum to review the Early Years consultation document at the 8 December meeting, before it is issued to providers.

The Forum **NOTED**:

- The changed role for LAs in supporting schools, the potential for significant financial implications that could arise, and the requirement to review services that support schools and education related services in order for them to be operating on an affordable cost base.
- The changes likely to impact on schools, including the introduction of a Schools National Funding Formula, the additional £500m expected to be added to the SNFF to ensure those schools gaining from the changes received an early benefit, the new role of LAs in supporting schools and the expectation of enhanced hourly funding rate payments to be paid to early years providers.

33. **2016-17 Budget Monitoring**

Members received a report of the Schools Budget – 2016-17 Budget Monitoring and other financial matters.

The following key points from the report were highlighted:

- The budget adjustments that had been required since the original budget was agreed.
- Current budget monitoring information indicated a forecast year end over spending of £0.056m, with the reasons behind the significant anticipated budget variances detailed in the report.
- A change in presentation of financial data in the Schools Budget had been made this year in order to reflect the School Funding reforms and to allow clear focus on key areas likely to change, such as de-delegated budgets and combined services budgets where funding would be lost at some point in the near future.
- That the capital programme was forecast to spend at budget as the general policy in place was to recycle any budget variances to other schemes on the programme that were delivering new school places
- Progress to date against the main schemes on the capital programme

The Forum **NOTED**:

- The current level of anticipated Dedicated Schools Grant at £75.040m;
- The revised presentation of financial data to better reflect the future funding arrangements;
- The budget variances being forecast on the Schools Budget that total to an aggregate net over spending of £0.056m;
- That the accumulated year-end balance for the Schools Budget General Reserve was forecast to be £0.044m above the minimum prudential level required to be maintained to safely manage in-year budget risks;
- Progress to date on the Education Capital Programme.

The Forum **AGREED** the revenue budget virements proposed.

34. **Dates of Future Meetings**

The Forum noted that future meetings would be held on the following dates:

20 October 2016
8 December 2016
12 January 2017

CHAIRMAN