

**SCHOOLS FORUM
17 JULY 2014
4.30 - 6.30 PM**



Present:

Schools Members

Sue Barber, Primary School Governor
Liz Cole, Primary School Representative
Ed Essery, Secondary School Governor
Martin Gocke, Pupil Referral Unit Representative
Keith Grainger, Secondary Head Teachers Representative
Anne Shillcock, Special Education Representative
David Stacey, Primary School Governor Representative
John Throssell, Primary School Governor (Vice-Chairman)
Mark Williams, Academy School Representative

Observer:

Councillor Dr Barnard, Executive Member for Children, Young People and Learning

Apologies for absence were received from:

George Clement, Union Representative (Chairman)
Karen Davis, Primary Head Representative
Brian Fries, Secondary School Governor
John McNab, Secondary School Governor
Joanna Quinn, Primary School Representative
Tony Reading, Primary School Governor
Paul Salter, Secondary School Representative
Trudi Sammons, Primary School Representative
Robin Sharples, Oxford Diocese (Church of England)
Kathy Winrow, Academy School Representative

JOHN THROSSELL, VICE-CHAIRMAN IN THE CHAIR

31. Declarations of Interest

Keith Grainger declared an interest in respect of Items 5 & 7, as the Headteacher of Garth Hill College.

Councillor Dr Barnard declared an interest as a member of the Management Board at the Pupil Referral Unit and as a governor at Garth Hill College.

32. Minutes and Matters Arising

RESOLVED that the minutes of the meeting held on 13 March 2014 be approved and signed by the Chairman as a correct record.

33. Membership of the Schools Forum

The Forum received a report regarding a change to the membership of the Forum.

Nominations were recently sought to fill two vacancies for primary school governor representatives on the Forum following the end of the term of office for Tony Reading and there was one other vacancy in this category. One application form was received; from Tony Reading, who was a governor at Sandy Lane Primary School.

In accordance with the Forum's Constitution and as the nomination was uncontested Mr Reading was duly appointed to fill one of the vacancies.

The Forum noted that Mr Reading would be appointed to the Forum for a period of three years until 31 August 2017.

34. Education Capital Programme

The Forum received a report providing an update on the Education Capital Programme.

The Education Capital Programme constituted a significant capital investment into the school estate with multiple projects across all sectors. It was therefore appropriate that the Schools Forum was aware of the Programme and the key projects that came under it.

The value of the school places projects currently funded on the programme was £17.7m. Adding the value of the identified future projects not currently funded, then the overall value of the Education Capital Programme could exceed £100m. There was a further £1.9m available in the current year for school planned maintenance works, £0.6m of Devolved Formula Capital directly managed by schools, £0.3m to assist with the implementation of universal infants free school meals and £0.8m for other projects not directly impacting on schools. In total, the approved capital budget for 2014-15 amounted to £21.3m.

The Forum noted the current status and progress of the projects, which were set out in the main body of the report. Annex 1 provided a summary by financial year. Only those schemes listed in the 2014-15 Current Budget column were approved. All schemes in other columns were subject to Council approval and were on hold.

35. Schools Budget Outturn 2013-14

The Forum received a report informing members of the 2013-14 Schools Budget provisional outturn and which sought members' agreement on the allocation of balances and the use of Earmarked Reserves.

The provisional final accounts for the Schools Budget, as summarised at Annex A, showed a net under spend of £0.495m. This comprised a number of over and under spendings of which the most significant were explained in the body of the report.

The Forum had previously agreed a number of transfers to and from earmarked reserves and these were summarised in Table 1. One new transfer was proposed relating to closing the Family Tree Nursery Reserve and moving the £0.090m balance to the Schools Budget General Reserve. This reflected the likelihood that no further liabilities would arise.

The report concluded that Earmarked Reserves held in the Schools Budget were considered sufficient to meet future know cost pressures together with £0.691m in the General Reserve which was considered adequate to manage unforeseen cost pressures that may arise in-year.

The Forum **NOTED**:

- i. that the outturn expenditure for 2013-14, subject to audit, showed net income of £0.390m which represented a £0.360m under spending (paragraph 5.5);
- ii. that after previously agreed transfers to and from earmarked reserves, the Schools Budget was under spent by £0.495m (paragraph 5.6);
- iii. the main reasons for budget variances (paragraph 5,7);
- iv. the previously agreed year end transfers to and from Earmarked Reserves (paragraphs 5.9 and 5.10);
- v. that the current balances on specific earmarked reserves within the Schools Budget amounted to £5.889m (paragraph 5.8);
- vi. the current balance on the Schools Budget General Reserve of £0.691m (paragraph 5.12);
- vii. the approach to setting a minimum balance for the Schools Budget General Reserve (paragraphs 5.13 to 5.17).

The Forum **AGREED**:

- viii. to close the Family Tree Nursery Reserve and transfer the £0.090m balance into the Schools Budget General Reserve (paragraph 5.11).

36. **School Balances 2013-14**

The Forum received an annual report updating members on the level of balances held by schools as at 31 March 2014 and how these compared to the previous financial year. This showed that there was a £0.135m (2.9%) reduction in aggregate surplus school revenue balances to £4.438m with average surplus balances standing at 6.3% of annual income which was considered more than an adequate level for working balances and that more funds could have been spent by schools on their key priorities. Capital balances reduced by 56% to £0.247m which reflected the lower amounts of funds now being allocated and schools drawing down funds that had been accumulated over a number of years to delivery new projects.

The Forum also reviewed significant surplus school revenue balances, as defined in the approved scheme, and in light of information provided by relevant schools, agreed that all significant surpluses were being held for valid reasons and would not, therefore be subject to claw-back.

In light of the small number of schools that continued to increase their surplus balances, the Forum was asked to consider whether schools should be encouraged to spend more of their budget by making changes to the existing criteria within the claw-back scheme, including removing the clause that excluded schools from the scheme if they lost funding as a result of the April 2013 national funding reforms and whether an absolute cap should be applied to the percentage of budget that could be retained.

The Forum concluded that more information was needed on the claw-back scheme in relation to schools and that a consultation was needed before any amendment could be made to the scheme. Forum members advised caution before making any

changes to the claw-back scheme due to tighter budgets for schools year-on-year, but recognised the need for schools to give reasons for not spending funding.

Forum members were in broad agreement that the clause that excluded schools from the scheme if they lost funding as a result of the April 2013 national funding reforms should be removed and concluded that more information on potential options should be presented at a future meeting when it could be decided if a consultation on potential changes to the scheme should be undertaken with all schools. As well as potential changes to the conditions of the scheme, there would need to be more robust and detailed information provided by schools, including how balances had arisen and explanations as to why they were different from amounts projected in initial budget plans.

Forum members also suggested that schools would welcome support in relation to spending funding, as it was sometimes difficult to monitor budgets in schools on a day-to-day basis and that funding settlements continued to be tight and were expected to remain that way for the foreseeable future.

The Forum **NOTED**:

- i. The level of aggregate surplus revenue balances as at 31 March 2014 totalled £4.438m, a decrease of £0.135m (2.9%) from the previous year (paragraph 5.3 (1));
- ii. That at 6.3% of annual income, average surplus balances were in excess of the amount required for working balances and that more funds could have been spent by schools on their key priorities (paragraph 5.3 (3));
- iii. That significant surplus revenue balances totalled £1.251m, an increase of £0.107m (9.3%) from the previous year (paragraph 5.6);
- iv. The average surplus balance for a primary school is £0.096m (6.4% of budget) and £0.264m (4.3%) for secondaries (paragraph 5.3 (5));
- v. The largest surplus balance as a percentage of budget was 26.9% (was 16.8%) and that there were very limited circumstances where this could be warranted (paragraph 5.3 (6));
- vi. That £0.247m of Devolved Formula Capital grant remained unspent at 31 March 2014, a decrease of £0.196m (56%%) from the previous year (paragraph 5.21 (1));
- vii. That relevant schools had indicated that the £0.014m of Devolved Formula Capital grant funding that was due to expire at 31 August 2014 would be fully spent (paragraph 5.21 (5)).

The Forum **AGREED**:

- viii. That all of the qualifying significant surplus balances held by schools would be assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 5.8).
- ix. That the Local Authority would present options to amend the approved claw-back scheme to the next meeting of the Schools Forum to consider whether attempts should be made to reduce the highest levels of surplus balances through encouraging additional spend in relevant schools (paragraph 5.16).

37. **Budget Update 2014-15**

The Forum received a report updating members on the latest position on the 2014-15 budget together with feedback on a number of items that were requested by members at the last meeting.

The level of Dedicated Schools Grant (DSG) income anticipated for 2014-15 had now been confirmed by the DfE with a £0.282m funding reduction on the High Needs Block element of the Schools Budget. In addition, the Forum was aware of an underlying budget pressure on High Needs Pupils which is now estimated at £0.376m. A number of savings had been managed within the Schools Budget which reduced the forecast over spending from these pressures to £0.333m. This forecast was made very early in the financial year and so was subject to change, but the expectation was that the Schools Budget General Reserve would need to be used to fund a significant over spending.

To help alleviate the cost pressure, the Council proposed to develop a 56 place Autistic Spectrum Disorder facility at Eastern Road. This would have benefits for students and reduce costs. The funding model indicated medium term annual savings of around £0.5m, although in the short term, there would be a £0.8m additional cost pressure as the facility moved to full capacity and the number of out of borough places fully reduced.

There were also a number of other budget matters presented to the Forum including proposals for additional financial support to Jennett's Park Primary School, support to small schools experiencing excessive in-year increases in pupil numbers and funding allocations to schools from the High Needs Contingency.

The Forum **NOTED**:

- i. that the amount of DSG funding expected for 2014-15, as confirmed by the Department for Education in April was £76.024m (paragraph 5.2);
- ii. that with the impact of early management actions, there was a forecast over spending on the Schools Budget of £0.333m which in the first instance would need to be financed from the Schools Budget General Reserve (paragraphs 5.8 and 5.9);

The Forum **AGREED**:

- iii. that in order to achieve significant medium term savings, the development of an SEN facility at Eastern Road was a high revenue budget priority (paragraph 5.12);
- iv. that £0.077m of additional financial support was provided to Jennett's Park Primary School in 2014-15 from the school specific contingency (paragraph 5.16);
- v. that as the school was now well established, future top up funding to Jennett's Park Primary Schools should be made on the basis of the per pupil amount from the Funding Formula for Schools for 30 pupils, for the period each new class was open after the funding census has been taken, currently estimated at around £0.049m (paragraph 5.19);

- vi. that changes to the criteria for allocating funds in-year to schools experiencing significant increases in pupil numbers should be presented to all schools as part of the annual financial consultation (paragraph 5.29);
- vii. that a change in the fixed lump sum allocation payable to primary schools should be presented to all schools as part of the annual financial consultation (paragraph 5.29);
- viii. that the original criteria for allocating funds to schools from the SEN Contingency be applied in 2014-15 and that the need for change was reviewed as part of the 2015-16 budget setting process (paragraphs 5.34 and 5.35).

38. **DfE Consultation on Fairer Funding in Schools 2015-16**

The Forum received a report updating members on the Department for Education (DfE) consultation Fairer Schools Funding in 2015-16 which presented proposals on how an extra £350m should be allocated to Local Authorities through the Dedicated Schools Grant in 2015-16.

The consultation proposed allocating additional funds to the areas currently receiving the lowest level of funding, aiming to move all Local Authorities to the average funding rates used in School Funding Formulas. Based on 2013-14 data, BFC would receive an additional £1.4m (2.3%) that could be used to fund costs anywhere within the Schools Budget.

The Council's response to the consultation was included at Annex A.

The report also confirmed the intention of the DfE to increase the employer contribution rate to the teachers pension scheme from September 2015 from 14.1% of basic pay to 16.4%. This was estimated to increase costs in schools in a full year by £0.848m.

The Forum **NOTED**:

- i. that based on 2013-14 data, the proposals contained in the DfE consultation Fairer Schools Funding in 2015-16 if implemented, would result in an additional £1.4m (2.3%) of funding for the Bracknell Forest Schools Budget (paragraph 5.5);
- ii. the Council's response to the DfE consultation Fairer Schools Funding in 2015-16 as attached at Annex A;
- iii. proposals from the DfE to increase the employers contribution to the Teachers Pension Fund from 14.1% to 16.4% of basic pay from September 2015, which was estimated to increase costs in schools by £0.848m in a full year (paragraphs 5.9 and 5.10).

39. **DfE Consultation on Savings to the ESG in 2015-16**

The Forum received an update on the Department for Education (DfE) consultation Savings to the Education Services Grant (ESG) for 2015-16 which sought to gather views on how £200m of savings could be achieved nationally against the services intended to be funded from the ESG in 2015-16 and the potential impact. The likely financial effect from this on BFC was a £0.4m reduction in funding and whilst outside

the Schools Budget, the changes required to be made to achieve the savings would impact on schools.

The Council had reviewed benchmarking data available of the services intended to be funded from the ESG and had concluded that the areas where efforts should be concentrated on were:

- School improvement;
- Asset management;
- Statutory / regulatory duties.

And that the best approach to take to make savings would be through:

- Reducing the scope of services currently being provided without charge to schools;
- Charge schools for a wider range of services;
- A combination of both;
- Charging more costs to capital (subject to accounting code of practice).

The report also presented the consultation response from the Council at Appendix 4.

The Forum **NOTED**:

- i. The proposals from the DfE consultation;
- ii. The anticipated approach to be taken by the Council to achieve the required savings (paragraph 5.36);
- iii. The Council's response to the consultation at Appendix 4.

40. **Dates of Future Meetings**

The Forum noted that the next meetings were scheduled at 4.30pm in the Council Chamber at Easthampstead House for:

Thursday 18 September 2014
Thursday 16 October 2014
Thursday 27 November 2014
Thursday 15 January 2015
Thursday 12 March 2015
Thursday 23 April 2015

If there was no business to discuss, meetings would be cancelled.

CHAIRMAN

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