

SCHOOLS FORUM
16 JULY 2015
4.30 - 6.25 PM



Present:

Schools Members

Sue Barber, Primary School Governor
Liz Cook, Secondary Head Representative
Martin Gocke, Pupil Referral Unit Representative
Keith Grainger, Secondary Head Representative
John McNab, Secondary School Governor
Debbie Smith, Secondary Head Representative
David Stacey, Primary School Governor
Beverley Stevens, Academy School Representative
John Throssell, Primary School Governor (Vice-Chairman)

Non-Schools Members:

George Clement, Union Representative (Chairman)

Observer:

Councillor Dr Barnard

Apologies for absence were received from:

Brian Fries, Secondary School Governor
Ruth Huckle, Primary Head Representative
Trudi Sammons, Primary School Representative
Anne Shillcock, Special Education Representative

33. Declarations of Interest

Keith Grainger, Sue Barber, Liz Cook and Debbie Smith declared an interest in respect to Item 8, which involved decision making in relation to their schools.

Councillor Dr Barnard declared an interest in respect to Item 8, as a governor of Garth Hill College.

34. Minutes and Matters Arising

RESOLVED that the minutes of the meeting held on 12 March 2015 be approved and signed by the Chairman as a correct record.

Matters Arising

Minute 30: In relation to the deadline for submission of budget plans for schools in financial difficulties and in discussion with the Local Authority, the date would be moved to the end of July. All 17 schools that responded to the consultation agreed to the revision of date. The Scheme for Financing would be updated accordingly.

35. **Update on Family Focus**

Karen Frost, Head of Prevention and Early Intervention, gave an update on the Council's progress and successful delivery of Phase 1 the Family Focus Programme (known nationally as the Troubled Families programme), and proposals being made in respect of delivering Phase 2 of the programme.

Phase 1 of Troubled Families was a three year programme that commenced in 2012, part funded by the government on a payment by results basis. The programme aimed to improve outcomes for those children and families with complex needs. In addition, the programme was expected to lower costs and reduce future expenditure by lowering dependency on Council funded services.

The key aim of the Bracknell Forest Council (BFC) programme was to avoid families progressing to requiring high cost, statutory children's social care services and providing ongoing support to those families that can be stepped down. In this respect, the programme has been very successful. BFC had been working on the original programme since January 2012. Its key objectives were to:

- Improve timely access to holistic support for families with complex and multiple problems;
- Ensure a clear process to get the right level of support for families;
- Improve the range and quality of services for families;
- Ensure improved transition at each key stage in a child's/young person's life;
- Drive systemic change.

BFC had achieved a 100% success rate (115 families). These cases had now been closed, however the key workers would maintain contact via monthly telephone calls, where appropriate, to ensure that they did not re-enter the system and incur ongoing costs.

98 of the 115 families (85.3%) successfully improved the sustainable attendance and behaviour at school of their children/young people. Young people within 17 of the 115 (14.7%) families entered the workplace. This would directly impact on school stats for NEET young people and raise aspirations of young people living with parents who would previously have been receiving out of work benefits.

For Phase 2, which will run from 2015, the Department for Communities and Local Government (DCLG) has estimated that the total number of families eligible in BFC for inclusion in the five year expanded programme is approximately 380, a significant increase on previous targets.

During Phase 2, the DCLG will be focusing on the following:

- The development of an independent national evaluation for the expanded Troubled Families Programme;
- The completion and continued improvement of the Troubled Families online cost savings calculator;
- The design and implementation of a new system of Family Progress Data;
- The refinement of the indicators suggested to identify families and the development of best practice approaches to measuring significant and sustained progress with families;
- The design of the 'spot check' process for results and engagement of local authority Internal Auditors in the approval of local results claims;

- The introduction of a model of transparent local accountability for the success of the programme as a tool to drive greater service transformation, using streamline data collection tools.

The Council received £0.6m grant funding for Phase 1 and estimates to receive around £1.452m for Phase 2.

The Forum noted:

- i. The progress and success of Phase 1 of the programme;
- ii. The progression into Phase 2 of the potentially longer, five year programme, on the proposed basis set out in the body of the report;
- iii. The outline budget plan as set out in Annex 2.

36. **Education Capital Programme 2015-18**

Chris Taylor, Head of Property & Admissions, outlined a report informing the Schools Forum about the progress with the 2015/18 Education Capital Programme including the recent Department for Education (DfE) capital grant funding announcements for a further £33m of investment into the Bracknell Forest school estate over this period.

Recent applications of grant funding had led to good news for schools and it was now possible to plan projects across financial years, which allowed more flexibility and achievement of greater value for money. The funding streams were detailed in Appendix A of the report with around £25.3m allocated for school places, £6.3m for building maintenance, £0.9m to individual school and £0.3m for school kitchens. Allied with contributions from developers, this would significantly finance the cost of the planned school places programme for the 3 year period.

To support the allocation of funding for condition, Property Data Surveys of schools – which are similar to the condition surveys undertaken by BFC - have been undertaken by consultants working for the Education Funding Agency (EFA) in 2014/15. These suggest that Bracknell Forest Council (BFC) maintained schools sat in the third quartile (68.5%) of identified condition need across all 352 Responsible Bodies (RBs), which meant the condition of BFC maintained school buildings was better than 31.5% of RBs. BFC Voluntary Aided (VA) schools sat in the second quartile (48.6%) of identified condition need across all 352 RBs, which meant the condition of our VA school buildings was better than 51.4% of RBs.

A further development regarding condition need was that BFC had successfully bid for funding for under the EFA Priority Schools Building Programme, PSBP2. This was a new capital grant funding stream worth £2bn nationally, delivered through a five year programme of works between 2015-2021. Specific works to be undertaken and estimated values had yet to be confirmed by the EFA.

In response to a question relating to potential building works at College Hall, it was confirmed that the urgent and pressing need was to complete a substantial number of high cost roof repairs. A balance of funds was held for other work but has yet to be fully allocated.

The Forum noted the progress with the 2015/18 Education Capital Programme including the recent DfE capital grant funding announcements for a further £33m of investment into the Bracknell Forest school estate over this period.

37. **School Balances 2014-15**

The Forum were presented with an annual report which gave an update on the level of balances held by schools as at 31 March 2015, how these compared to the previous financial year and were asked to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.

In general terms, revenue balances were continuing to fall and whilst average balances in primary schools remained adequate at 6.4%, secondary schools were now at 2.5% which needs to increase to be able to safely manage in-year fluctuations and emergencies. The significant draw down in secondary school balances would need to be carefully monitored, especially in light of the on-going tight financial settlements and level of loans now being requested.

There was also a need to ensure that significant surplus balances being held by schools were for the right reasons and that sufficient money was being spent each year to support the achievement of pupils on roll. The approved policy in relation to managing surplus balances had been updated and any funds above a certain level not being held for valid reasons could be clawed back for re-distribution within the Schools Budget. A review of information provided by schools to support significant surplus balances confirmed that all money was being held for valid reasons, but there was a concern that 90% of funds were being held for capital investments, rather than in support of day to day expenditure in classrooms.

There were no significant concerns in relation to capital balances and school had plans to spend funding within deadlines set by the Department for Education.

The members discussed the possibility of Learning & Achievement identifying schools whose curriculum needed enrichment, and where the school had a surplus balance, it could be suggested to the Headteacher or Governors to direct funds to providing additional curriculum support.

The Forum **NOTED**:

- i. The key performance information on all school balances, as set out in paragraph 5.4;
- ii. That due to the significant size of surplus, it is more appropriate to draw conclusions from overall school performance excluding Harmans Water Primary School, as set out in paragraph 5.6, and in particular;
 - a. At 4.6%, average balances are considered adequate to cover unforeseen circumstances;
 - b. Aggregate surplus balances continue to decline, with an in-year reduction of £0.644m (-17%);
 - c. Secondary schools are drawing down more from their reserves than primary schools.

The Forum **AGREED**:

- i. That all of the qualifying significant surplus balances held by schools has been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 5.15).

- ii. The claw-back scheme text is updated to make clear that primary schools can retain the higher of £150,000 or 16% of annual income, subject to providing a valid explanation (paragraph 5.20).

38. **Provisional Outturn on the Schools Budget 2014-15**

The Forum was presented with a report which informed members of the provisional outturn on the 2014-15 Schools Budget, including the allocation of balances and the use of Earmarked Reserves.

The changes to the originally approved budget were highlight, and it was confirmed that the provisional outturn on the Schools Budget showed a £1m over spending, which after taking account of draw down from earmarked reserves to finance relevant expenditure, the final over spending was £0.483m. There was £0.691m in the Schools Budget General Reserve to finance the over spending, meaning that £0.208m remained in the General Reserve at 1 April 2015.

Whilst the over spending was lower than previously reported, SEN costs were down £0.332m and £0.265m of funding approved for capital investment had been returned to revenue pending re-consideration of actual needs. A surplus of £0.208m was still £0.302m below a prudential level of balances, and this would need to be addressed as part of the 2016-17 budget setting process.

The Forum **NOTED**:

- i. that the outturn expenditure for 2014-15, subject to audit, shows net expenditure of £1.088m which represents a £1m over spending before allocation of reserves and balances (paragraph 5.7);
- ii. that after transfers to and from earmarked reserves, the Schools Budget over spent by £0.483m (paragraph 5.8);
- iii. the main reasons for budget variances (paragraph 5,9);
- iv. that due to delays in finalising capital projects for creating additional places for 2 year olds, £0.265m of Early Years DSG revenue funding transferred to capital has been returned to the Schools Budget General Reserve pending a decision on any future bid for funds (paragraph
a. 5.9 viii);
- v. that the current aggregate surplus on balances and Earmarked Reserves within the Schools Budget amount to £5.152m (paragraph 5.10);
- vi. the previously agreed transfers to and from Earmarked Reserves (paragraph 5.11);
- vii. that at £0.208m, the current balance on the Schools Budget General Reserve is below the £0.51m minimum prudential balance which will need to be addressed as part of the 2016-17 budget setting process (paragraph 5.16);

The Forum **AGREED**:

- viii. the transfers processed as part of the accounts closedown process to and from balances and Earmarked Reserves (paragraph 5.12);

39. **Proposals for Additional Financial Support to Schools and other Associated Matters 2015-16**

The Forum received a report which updated members on proposals for financial support to schools, including loans and one-off funding allocations from the budget to support Schools in Financial Difficulties.

In terms of one-off funding allocations that did not need to be repaid, two proposals totalling £0.085m were supported by the Local Authority (LA) in respect of schools rated as 'requires improvement' in their latest Ofsted inspections. In both instances it was considered unreasonable to expect the school to be able to implement all elements of the action plans from within their existing resources.

In respect of loans, which were granted to cover a temporary funding difficulty which over time can be fully repaid, four new loans to secondary schools were being supported by the LA. Three of these new loans would be financed by future growth in pupil numbers which would increase the school budget at a greater rate than associated cost increases, with one invest to save scheme, where the purchase of solar panels would reduce future electricity bills to a greater extent than the annual cost of the borrowing associated with the loan. It was also confirmed that the existing loan to a primary school was on course to be repaid in line with the agreed repayment terms.

The number and size of loans now being requested had not been experienced before, so presented a new challenge not only to the schools required to make the payments, but also the LA as loans were financed from the aggregate surplus balances held by all schools, and capped to 40% of the total. Whilst the current £0.950m of loans represent 25% of total balances, with the on-going tight financial settlements, balances are expected to continue to reduce, as were the significant surpluses held by a small number of schools as they implement their investment plans. The conclusion from this is that the LA could be in a position where it would not be possible to grant significant additional loans in the near future.,

Forum members suggested that this information should be communicated to all schools in relation to what loans they could take up in the future, if these options would be reduced.

Headteachers on the Forum also commented that it was difficult to predict income streams to schools based on the number of pupils, and only census figures could be relied upon for this. With future loan repayments being funded from this source, there was a risk that funding could be lower than anticipated. This risk is further heightened by the potential impact of the new secondary school opening in Binfield Learning Village and the impact this could have on pupil numbers at other schools in the borough. An update was also provided in respect of the current level of Dedicated Schools Grant, which was still subject to change, the revised budget proposed for Rise@GHC, the new Autistic Spectrum Disorder SEN unit and post 16 grant funding.

Forum members commented on the Autism and Social Communication Service budget providing a diminished service to College Hall Pupil Referral Unit and secondary schools and this had been raised at a Headteachers meeting and with the Director of Children, Young People and Learning. Officers would provide an update at the next meeting.

The Forum **NOTED**:

- i. That in respect of previously agreed loans:

- a. Wildmoor Heath Primary school was complying with the repayment terms (paragraph 5.15);
 - b. Sandhurst Secondary School was requesting a further advance to cover a medium term funding shortfall (paragraph 5.16);
- ii. the estimated amount of Dedicated Schools Grant for 2015-16 at £78.052m subject to increase once funding for 2 year olds was confirmed at the end of July (paragraph 5.25 and Table 3);
 - iii. the £0.093m of post 16 SEN funding expected to be received above budget that would be available to support any in-year pressures on budgets supporting High Needs Pupils (paragraph 5.27);
 - iv. an update report on progress against containing expenditure to budget and making savings in future years on High Needs Budget areas would be presented in the autumn term once greater certainty exists on costs and likely new academic year costs (paragraph 5.28).

The Forum **AGREED**:

- i. that Winkfield St Mary's Primary school receives a one-off funding allocation of £0.030m from the budget to support Schools in Financial Difficulty (paragraph 5.8);
- ii. that Easthampstead Park school receives a one-off funding allocation of £0.055m from the budget to support schools in Financial Difficulty (paragraph 5.9);
- iii. new loan requests, subject to receipt of request from the chair of governors confirming compliance with loan conditions for:
 - a. Brakenhale, Easthampstead Park and Sandhurst Secondary schools to cover medium term budget shortfalls (paragraph 5.18); and
 - b. Garth Hill Secondary School for an invest to save scheme relating to a Photovoltaic (PV) Solar Panel installation (paragraph 5.19);
- iv. the revised funding plan for Rise@GHC, the Special Educational Needs Unit for young people on the Autistic Spectrum Disorder (paragraph 5.23, Table 1 and Annex B);
- v. The budget adjustments required as a result of the revised level of DSG, post-16 sixth form and SEN grants and the updated funding plan for Rise@GHC (paragraphs 5.22 to 5.27).

40. **Funding Policy for New and Expanding Schools**

The Forum were presented with a report which advised of the requirement to develop a revenue funding policy for new and expanding schools. This arose from the new build programme currently envisaged and the need to allocate revenue resources to cover initial start-up costs and the diseconomies of scale that would be experienced until sufficient numbers of pupils are on roll. It also reminded the Forum that this was a significant financial pressure at a time of cash flat funding settlements and growing cost pressures.

A substantial amount of preliminary work had been undertaken on this issue, ensuring compliance with DfE requirements and building on the experiences of other LAs. However, it was proving very difficult to produce a solution that would meet the needs of the different types of new schools being planned whilst at the same time making it affordable with acceptable impact on all other schools. More work would be undertaken over the summer holidays with the target being to report back the Forum in the autumn with financial implications. There would be a consultation with all schools on this with the intention being three options identified for consideration in preparation for implementation in April 2016.

Forum members commented on:

- The possibility of strong competition between schools for pupils;
- The impact of decisions taken by Wokingham in terms of housing developments would impact on schools in the south of the borough;
- The potential for the new academy schools to be operated by organisations with no knowledge or links to the area;
- A general concern about the changes taking place and the impact on all schools.

The Forum **NOTED**:

- i. a significant revenue funding pressure is anticipated as a consequence of increased pupil numbers arising from the anticipated school building programme;
- ii. the potential need for a new factor to be added to the BF Funding Formula for Schools to recognise the additional costs incurred at schools operating on two different sites;
- iii. that detailed proposals for a funding policy for new and expanded schools will be presented to the Schools Forum for approval in autumn 2015 together with associated financial implications.

41. **Dates of Future Meetings**

The next meetings of the Schools Forum are scheduled at 4.30pm in the Council Chamber at Easthampstead House for:

Thursday 17 September 2015

Thursday 22 October 2015

Thursday 10 December 2015

Thursday 14 January 2016

Thursday 10 March 2016

Thursday 21 April 2016

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

CHAIRMAN