

SCHOOLS FORUM
15 JULY 2021
4.30 - 5.45 PM



Present:

Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)
Karen Davis, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Jo Lagares, Primary School Representative (Headteacher)
Elizabeth Savage, Academy School Representative (Headteacher)
Phil Sherwood, Primary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)

Observer:

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

Apologies for absence were received from:

Sue Butler, Early Years PVI Provider
Jane Coley, Academy School Representative (Headteacher)
Martin Gocke, Pupil Referral Unit Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Debbie Smith, Secondary School Representative (Headteacher)
Greg Wilton, Teacher Union Representative

183. Apologies for Absence/Substitute Members

The Chair welcomed Cheryl Eyre who had been appointed as Assistant Director for Education and Learning.

The Chair noted that this was the last meeting of the Forum that Kashif Nawaz would attend. The Chair and Councillor Barnard expressed thanks to Kashif for all his hard work and support to the Forum.

184. Declarations of Interest

In respect of Item 5 (2020-21 Balances held by Maintained Schools), affected interests were declared from Karen Davis (as Headteacher of Whitegrove Primary School), Phil Sherwood (as Headteacher of Uplands Primary School), and Richard Stok (as a Governor of Meadowvale Primary School).

In respect of Item 7 (2020-21 Funding Allocations to Mainstream Schools from Budgets Centrally Managed by the Council), affected interests were declared from The Chair (as Headteacher of Edgbarrow School), and Peter Floyd (as a Governor of Edgbarrow School).

185. **Minutes and Matters Arising**

RESOLVED that the minutes of the meeting of the Forum on 11 March 2021 be approved as a correct record.

Arising from minute 177, Paul Clark advised that a report showing the overall pressures on schools from the forecast numbers would be presented to the Forum under Item 8 (2021-22 Arrangements for Additional Financial Support to Schools).

Arising from minute 179, updates on the collation of SEN data for the Childcare Sufficiency Assessment would be presented to the Forum when available.

Action: Cherry Hall

Arising from minute 181 which stated that "Paul Clark also answered a question on Support for Learning which was an in-house SEN service and to what extent the funding was secure. He explained that all budgets within the HNB were regularly reviewed and could be subject to future changes", Paul Clark clarified that Support for Learning was a budget area which the council was reviewing and where reductions could be made as part of the £84,000 target. This clarification had been sent in an email to the member who had posed the question.

186. **Minutes from the High Needs Block Sub Group on 10 March 2021**

The Forum received and considered the minutes of the High Needs Block (HNB) Sub Group held on 10 March 2021. The Forum also received a summary of the HNB business change project scope and update from July 2021.

Cheryl Eyre explained that the HNB business change project was moving at a fast pace with up to four SEND meetings a week. However, there remained a large amount to do. Once all the objectives had been met, the HNB was expected to be in a far stronger place.

Councillor Barnard expressed that it was his primary commitment to move this agenda forward and acknowledged the focus that Cheryl Eyre and all the other officers were bringing to this project. There was a significant increase in high level resource going into this project in the last three to four months and the project had the backing of the Chief Executive to move forward.

Cheryl Eyre proposed that the Sub Group would be involved in the final stage of this project and wondered if any new members wanted to be part of that. The first part of the final stage was around building relationships with partners including schools, external agencies, the local authority (the LA), and parents. The second part was around frameworks and processes; identifying best practice and highlighting any gaps. Cheryl Eyre explained that the expectation was that the processes would be agreed by the autumn and would be signed off and embedded shortly after.

The Forum commented that Headteachers have been actively working in partnership for the past seven years and would continue to support going forward. However, the Forum was unclear about what the specific expectations were of the Sub Group regarding this project. Cheryl Eyre replied that she would like to meet regularly and present the recommendations to get feedback from the Sub Group and agree what to take forward. It would be a working group and would include all stake holders.

The Forum expressed a willingness to help but were cautious about the timetable as schools were breaking up for summer and it would be difficult for Headteachers to

have a say during that time. The Forum needed a timeline of agendas and themes. Cheryl Eyre explained that her team would be progressing work over the summer holidays and Headteachers would not be needed until September. At that point activities would need to be worked through quickly. However, Cheryl Eyre would ensure that requests made on Headteachers would be reasonable, acknowledging the pressures. Councillor Barnard added that the timescales were needed to ensure that commissioning and resourcing work in parallel.

The Forum felt that a small group of people could make more rapid progress, and that those people already on the Sub Group should be allowed to finish the job rather than introducing new people. It was agreed that the current Sub Group would be best placed to support with this project. The Chair suggested liaising with Jenny Baker for a more detailed discussion and to agree timescales.

Paul Clark brought to the Forum's attention the Department for Education (DfE) funding consultation which was published on 8 July. The 30 September deadline to the consultation meant there would be time for further reflection on this at the next meeting of the Forum.

Paul Clark explained that the DfE intended to expand further the current policy objective of maximising a standard, national approach to education funding with the aim of removing the current flexibilities in the Education Funding Framework that local authorities could use. This would remove some powers and controls from the authorities and Schools Forums.

Any changes would take effect from financial year 2023-24 meaning there will be no changes to the existing Funding Framework for at least 1 more financial year.

A key objective would be a requirement for LAs to mirror the National Funding Formula (NFF). The consultation indicated this could still be work in progress after 2025-26. With the Council already mirroring the NFF, no immediate to medium term significant impact was expected.

A second consultation would follow once results to this one had been evaluated. A number of other, linked, more specific consultations would also need to take place on the following areas if the changes the DfE was proposing to make were to be effectively managed:

- Premises funding in NFF e.g. split sites, rentals, PFI, rates
- Central school services i.e. statutory duties, de-delegation and traded services
- Supporting effective SEND provision – linked to the wider government review on SEND
- Future role of Schools Forums

Additionally, the SEND government reform paper was expected to link into some parts of the funding reforms which meant further changes may emerge once that was published. The DfE was also considering moving to academic year budgets for maintained schools. Further detail would be reported to the Forum in September.

Action: Paul Clark

187. **2020-21 Balances held by Maintained Schools**

The Forum considered a report which updated on the level of balances held by maintained schools as of 31 March 2021 and how they compared to the previous financial year (in particular through the impact of the coronavirus pandemic).

Paul Clark highlighted that, against expectations, aggregate surplus balances had nearly doubled during the year and on average schools held a 3.6% surplus compared to annual income. However, six schools had deficit balances and five schools had surpluses below the 3% level recommended to be able to safely manage unforeseen in-year pressures. Overall, deficits had reduced which was positive.

Paul Clark explained that information provided by schools now indicated that in general the pandemic had helped balances as a number of schools made one-off savings on areas such as staffing and general resources as well as some intended projects needing to be deferred to 2021-22.

Paul Clark explained that eight schools had a significant surplus of funds. The Forum had previously agreed a claw-back scheme where significant balances were not being held for a valid purpose or if the surpluses were above the maximum cap. However, schools were permitted to make applications to retain funds where they were held for appropriate purposes and all relevant schools had provided such an assurance.

Uplands Primary School was the only school with a surplus balance above the maximum cap and its governors had submitted a request to retain this amount as it related to funds held in respect of the Teaching School which provided services to support all Bracknell Forest schools. Therefore, the recommendation was to retain that surplus and make an amendment to the policy moving forward to exclude any surplus generated from this activity from the normal calculation of the school's surplus balance.

Paul Clark reported that the schools which had significant surplus balances at the end of 2019/20 have confirmed that they had spent the money as planned. Forum members had previously requested more information on the frequency that individual schools generated a significant surplus. The report showed that two schools had generated a significant surplus balance in each of the past five years, and two schools had generated a significant surplus for three consecutive years. Over the last five years, 13 different schools have reported significant surplus balances.

The Forum sought clarification on what the activity of the Teaching School at Uplands Primary School would be referred to as. Paul Clark replied that it would be referred to as activity that performs borough-wide benefit for more than one school.

RESOLVED

1. to NOTE

- 1.1 the key performance information on school balances, as set out in paragraph 6.3 of the report, and in particular:
 - i. aggregate surplus balances have increased by £1.041m to £2.141m (+95%);
 - ii. the value of surplus balances has increased by £0.768m to £2.971m;
 - iii. the value of deficit balances has reduced by £0.273m to £0.830m which continues to require careful monitoring;

- iv. significant surplus school balances have increased by £0.203m to £0.452m (81%);
 - v. at 3.6%, average balances are considered to be slightly above the minimum level required for working balances to safely cover unforeseen circumstances;
 - vi. the three-year average change shows net balances in:
 - a. primary schools deteriorated by £0.488m to £1.562m surplus (-24%);
 - b. secondary schools improved by £0.959m to £0.268m surplus; and
 - c. specialist providers deteriorated by £0.059m to £0.311m surplus (-16%);
 - vii. that £0.730m of surplus balances are estimated to arise from the impact of the coronavirus pandemic:
 - a. £0.465m from one-off savings; and
 - b. £0.265m arising from having to defer spending plans to 2021-22; and
 - viii. the intention to amend the claw-back scheme to exclude from surplus balances calculations funds held from activities supporting a number of schools across the borough, such as the Teaching School; and
- 1.2 initial school spending plans anticipate £1.104m of funding to be set aside for recovery; and
2. to AGREE
- 2.1 that the entire 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 6.20 of the report); and
- 2.2 that the £0.048m of surplus above the maximum cap held by Uplands Primary School is retained to meet the financial obligations arising from the Teaching School.

188. **2020-21 Provisional Outturn on the Schools Budget**

The Forum considered a report which informed of the provisional outturn on the 2020-21 Schools Budget, including the allocation of balances and use of Earmarked Reserves. Those funds were ring-fenced for the support of schools and pupils.

Paul Clark highlighted that as previously reported, there was a significant overspend in the Schools Budget. The main factor of the overspend was from the HNB and this was a national issue, not just BFC. The report highlighted the changes over the year from the approved budget plan after transfers to or from reserves and balances. The DfE had recognised the significant financial effect arising in HNB budgets and has confirmed that in the medium term, liability for any debt accrued would fall on the DfE and not LAs. BFC would still be responsible for managing the HNB services but not liable for the debt.

Regarding the early years block underspend, the Forum asked for clarity as to what is included within the term “free entitlement”. Paul Clark replied that it covered all funded places: 15 or 30 hours for 3- and 4-year-olds, and 15 hours for the most disadvantaged 2-year-olds. The Forum asked whether there was any way for providers to recoup money they had lost in fees from parents above the free entitlement. Paul Clark explained that, as there was still a large overspend in the whole Schools Budget, and loss of parental income was outside the scope of the Schools Budget, it would not be appropriate to consider such an approach. The LA had met all its obligations on funded places so no providers should be financially disadvantaged on their free entitlement offer. The Forum asked if it could be clarified whether all unspent Early Years money would be going back into part funding the HNB budget overspend. Paul Clark confirmed that was the case.

RESOLVED

1. to NOTE
 - i. that the outturn expenditure for 2020-21, subject to audit, shows an over spending of £4.402m (paragraph 6.6 of the report);
 - ii. the main reasons for budget variances (paragraph 6.8 of the report); and
 - iii. the cumulative £0.484m deficit balance held in the Schools Budget Dedicated Schools Grant Reserve, responsibility for which rests with the Department for Education (paragraph 6.10 of the report); and
2. to AGREE the proposed transfers to and from Earmarked Reserves (paragraph 6.11 of the report).

189. 2020-21 Funding Allocations to Mainstream Schools from Budgets Centrally Managed by the Council

The Forum considered a report which presented information on the in-year allocation of funds to mainstream schools through School Specific Contingencies and other budgets that are funded from the Dedicated Schools Grant (DSG) and in the first instance centrally managed by the council. It also presented the opportunity to amend existing funding relating to mainstream schools.

Paul Clark explained that these budgets would possibly be subject to change following DfE consultations that were highlighted at the start of the meeting and could in future be included in a standard, national approach. The report set out the Funding allocations made in the year and also proposed a small number of clarifications on some policies to make processes clearer. The report also stated the intention to update the funding values. All policies had been previously agreed by the Forum.

Regarding the £7,500 given to Binfield and Oakwood Primary schools when they opened new classes in September 2020 to equip the classes with day-to-day resources, the Forum queried what those resources included.

Paul Clark clarified that this payment was specifically for new schools each time they open a new class, and the purpose was to ensure that schools could open on the first day with a fully equipped class as only core buildings were provided through the capital works. All revenue resources needed to be purchased at the same time for new classes, whereas an established school generally refreshed a proportion of resources in a class each year which was more affordable from the annual budget allocation. The Chair added that it was a contractual obligation and BFC's position was similar to other LAs. Councillor Barnard further clarified that schools were tied to the initial commissioned agreements and resources would only be released as and when required.

RESOLVED

1. to NOTE the following funding allocations to schools, made in accordance with approved policies:
 - i. £0.051m for significant in-year increases in pupils (paragraph 6.106.9 of the report);
 - ii. £0.153m for schools required to meet the Key Stage 1 Class Size regulations (paragraph 6.13 of the report);
 - iii. £0.015m for new and expanding schools (paragraph 6.18 of the report);
 - iv. £0.030m for schools with a disproportionate number of SEN pupils (paragraph 6.22 of the report);
 - v. £0.140m for schools in financial difficulty (paragraph 6.28 of the report); and
 - vi. no allocations were made from the general schools contingency (paragraph 6.30 of the report); and
- 2 to AGREE minor changes to text to improve clarity of a policy and the updating of funding rates where relevant (paragraph 6.32 of the report).

190. **2021-22 Arrangements for Additional Financial Support to Schools**

The Forum considered a report which sought agreement in respect of proposals for additional financial support to schools; in particular, approval of new or amended applications for licensed deficit arrangements. An update was also provided on the current position in respect of previously agreed financial support arrangements.

Paul Clark explained that a lighter touch approach to monitor schools which had deficits was used during the pandemic. It was now appropriate to fully apply approved policies and procedures to support schools. Relevant schools had responded very well to the increased financial scrutiny.

The overall position had improved, and the total level of deficit had reduced. There were 2 schools which needed further work on their recovery plans where work was progressing. There was also one school which had asked for a licensed deficit for the first time and this was supported by a recovery plan that demonstrated a plan in place to return to a surplus.

Surplus places were having an impact on the budget at a number of schools and had previously been highlighted by the Forum as a concern. The report set out how the authority was helping schools with a long-term approach, providing a pupil forecast model to run income scenarios and help budget planning. The accuracy of pupil forecasting at the authority had improved significantly. The authority had also reduced the number of spare places when there was agreement by governing bodies and was continuing to explore this approach.

Reflecting on more flexibility introduced into the DfE conditions that local authorities needed to meet when financing school deficits, and to provide an approach that was expected to be sustainable into the medium term, the authority proposed to amend the current policy to allow up to 3% of school budgets to be used to support deficits and loan.

The Forum asked whether Ascot Heath Primary School was getting the support it needed. Paul Clark replied that the deficit was a concern due to its size, but the school was working well with the Council and a recovery plan for the next five years had been developed that demonstrated a return to surplus. There was also the potential of a sale of the caretaker accommodation which could contribute significant funds to addressing the deficit. Restrictive covenants needed to be removed to enable the sale, and this was work in progress, so was not certain to happen. Furthermore, any sale of property would be a capital asset and would have to be swapped with some revenue funding that the council had set aside for this purpose. Should this sale conclude, there would be no further funds available to facilitate future funding "swaps".

The Forum was pleased to hear of the progress made and thanked Paul Clark for his work to support schools throughout the pandemic.

RESOLVED to AGREE

1. that subject to the school governors confirming the financing schedule and compliance with the associated terms and conditions of the deficit scheme:
 - 1.1 the following amendments to existing licensed deficits:
 - i. Sandhurst Secondary School's licensed deficit agreement be amended to a maximum deficit of £0.050m, for full repayment by 31 March 2023;
 - ii. Harmans Water Primary Schools receives a licensed deficit of up to £0.070m for full repayment by 31 March 2023;

- iii. The Pines licensed deficit agreement be amended to a maximum deficit of £0.075m, for full repayment by 31 March 2024; and
 - iv. Ascot Heath Primary School receives a licensed deficit of up to £0.330m, for full repayment by 31 March 2026; and
- 1.2 the following new licensed deficit arrangement:
- i. Cranbourne Primary School receives a licensed deficit up to £0.080m for full repayment by 31 March 2026; and
2. that the council continues to work on repayment schedules with the following schools, and that subject to the school governors confirming the financing schedule and compliance with the associated terms and conditions of the deficit scheme, that maximum deficits are as follows:
- i. Winkfield St Mary's receives a licensed deficit of up to £0.100m; and
 - ii. Easthampstead Park receives a licensed deficit of up to £0.200m; and
3. that subject to comments from schools following formal consultation, and agreement of the Schools Forum, that the financing arrangements for licensed deficit and loan applications are limited to 3% of final school budgets from the previous financial year (excluding brought forwards).

191. Dates of Future Meetings

The next meeting of the Forum would be held at 4.30pm on Thursday 16 September 2021.

CHAIRMAN