

SCHOOLS FORUM

26 June 2018

Commenced:	10.00am	Terminated:	11.50am
Present:	Karen Burns (Chair)	Primary Schools – Academies	
	Steve Marsland	Primary Schools – L/A Maintained	
	Maire Wright	Primary Schools – L/A Maintained	
	Jon Murray	Primary Schools – L/A Maintained	
	Lisa Gallaher	Primary Schools – L/A Maintained	
	Simon Wright	Primary Schools - Academies	
	Susan Marsh	Governor, Primary Schools – L/A Maintained	
	Anthony McDermott	Governor, Primary Schools – L/A Maintained	
	Gill McFadden	Secondary Schools - Academies	
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained	
	Robin Elms	Special Schools – L/A Maintained	
	Maureen Brettell	Pupil Referral Service	
	Elaine Horridge	Diocesan Representative	
	Alison Hampson	TCC	
	Councillor Fairfoull	Executive Member (Performance and Finance)	
	Tom Wilkinson	Assistant Director of Finance	
	Christine Mullins	Finance Business Partner	
	Louisa Siddall	Senior Accountant	
	Wendy Lees	Senior Finance Officer	
	Joanne McLauchlan	Interim Head of School Improvement	
Apologies for absence:			
	Brendan Hesketh	Secondary Schools - Academies	
	Jeffrey Mellor	Governor Special Schools – Academies	
	Anton McGrath	14-19 Sector	
	Councillor Feeley	Executive Member Lifelong Learning, Skills and Employment	

17. CHAIR'S OPENING REMARKS

The Chair welcomed everyone to the meeting, in particular, Jon Murray, who was new to the Forum, replacing Bev Allford, who had recently retired. The Chair, on behalf of the Forum, formally thanked Bev for her valuable contribution and wished her well for the future.

The Chair announced, with sadness, the death of Pam Hirst, Governor Representative, who had been a member of the Forum since inception. On behalf of Forum members, the Chair extended sincere condolences to Pam's family and friends.

18. MINUTES

The Minutes of the meeting of the Forum held on 13 February 2018, having been circulated, were approved as a correct record with the following amendment:

In respect of Minute 11 – Dedicated Schools Grant Funding Formula 2018/19, final bullet point of the final paragraph should read:

- £499,160 of DSG to support elements of the Councils Centrally retained duties (formally the retained duties element of the ESG).

19. DEDICATED SCHOOLS GRANT OUTTURN POSITION FOR 2017/18 AND BUDGET UPDATE FOR 2018/19

Consideration was given to a report of the Director of Finance, providing details of the outturn position for the financial year 2017/18 and an update of the budget position for the 2018/19 financial year.

It was explained that the opening position in 2017/18 of DSG (held in reserve) was a \$4.024 million surplus. An in year deficit of £0.143 million resulted in a cumulative position of a £3.881 million surplus. The in year deficit related to a combination of previously agreed commitments and some surpluses/deficits in year. The known commitments for 2017/18 were:

- The retrospective gains cap of £0.308 million;
- Diseconomies funding of £0.172 million; and
- The provision for the early years adjustment relating to 2016/17 of £0.228 million.

The breakdown of the £0.143 million deficit and the balance of the DSG reserve were detailed in the report.

In respect of the DSG note to the accounts, it was reported that the 2017/18 Council Statutory accounts were completed on 30 May 2018 and submitted for external audit. An extract from this was included within the report for Forum members to note. The extract disclosed details of the 2017/18 DSG and its cumulative surplus of £3.881 million.

With regard to the budget summary update for 2018/19, details of the current DSG settlement for 2018/19 and projected use of the grant were included in the report.

In respect of High Needs Funding, it was reported that the current DSG Settlement for 2018/19 was £19.396m. This included an increase in funding of £0.583 million (3.4%). The increase was based on historic spend and the proxy factors. There would be a further increase in 2019/20 of £0.540 million (2.8%). The current planned spend against the settlement was set out in the report.

Details of the known commitments and projected pressures on the DSG were included in the report. However, further work was being undertaken in a number of areas, therefore further pressures could be identified which resulted in a further reduction in the DSG reserve.

It was further reported that, as part of the DfE continuing work on the national funding formula (NFF) for schools, they were developing a formula to allocate growth funding to enable Local Authorities to respond to significant in year pupil growth. For 2018/19 the growth factor had been allocated to Tameside on the basis of what Tameside planned to spend on its growth from its 2017/18 DSG, because it assumed future growth would follow the same pattern as historic growth. The allocation for Tameside was £0.326 million. However, the required growth funding amount for 2018/19 was £0.657 million due to the increase in pupil numbers coming through from the primary sector into the secondary sector.

The DfE was considering options for funding growth in 2019/20 and beyond. Therefore at this stage it was not known how much funding would be received after 2018/19. The implications of this were that any reduction in funding would mean that there would either have to be:

- A reduction in the amount allocated through growth to match the resources available; or
- A reduction in the schools block formula allocations for all schools (reflecting that we are still in a soft formula) to enable funds to be moved into the growth pot to match the resources required.

The DfE had invited officers from each Local Authority to attend an information session on the 2019/20 schools NFF. The session had taken place on 18 June 2018. This report was completed prior to this event taking place and therefore updates for 2019/20 and beyond would be reported at Schools' Forum in October 2018.

RESOLVED

- (i) That the content of the report be noted;**
- (ii) That the unspent 2017/18 funding totalling £0.89 million pro rata to the original contribution made by each School for the contingency budget, be allocated back to schools; and**
- (iii) That the unspent 2017/18 funding totalling £0.008 million pro rata to the original contribution made by each School for the Trade Union Support service, be allocated back to schools.**

20. ACTUAL SCHOOL BALANCES 2017/18 AND BALANCE MECHANISM SCHEME 2018/19

The Director of Finance submitted a report updating members of Schools Forum on the actual school balances at the end of 2017/18 and the Balance Mechanism Scheme for 2018/19.

School balances for the financial year 2017/18 by sector and the change from 2016/17 were summarised in the report.

It was identified that overall, school balances had increased by £0.111m or 2.7% from 2016/17.

In the primary sector surplus balances increased by £1.179 million or 10.10% whilst the deficit in the secondary sector increased by £1.108 million or 49.08%. there was a small change overall in the special sector.

In 2017/18, 3 primary schools and 2 secondary schools converted to academy.

There were 10 schools that closed the financial year 2017/18 carrying forward a deficit. This included 3 primary schools with deficits totalling £0.002 million; 5 secondary schools with deficits totalling £3.753 million and 2 special schools with deficits totalling £0.238 million.

The Local Authority was acutely aware of the financial pressures facing some schools particularly with increasing pay awards and superannuation costs and would be available to support schools in this position.

Schools would be required to have a Deficit Recovery Plan in place, approved by Governors in the following situations:

1. Where school were carrying a deficit out turn balance forward from 2017/18;
2. Where the school had a forecast deficit out turn at the end of the 2018/19.

Schools could only set a deficit budget where it was licenced to do so by the Section 151 Officer in the Council. The Schools Finance Team would need to work with and review schools plans and would be available to provide additional support if required to discuss and review what actions could be taken to manage the deficit in future years.

With regard to the Balance Mechanism Scheme 2018/19, following the report submitted to Schools Forum in February 2018 and as agreed with Schools forum the Local Authority had been working to review the Balance Control Mechanism for balances and a number of changes had been incorporated to monitor schools balances in 2018/19.

It was explained that the approach this year would move from a backward looking review, of looking back to see what the school should have spent against the 2017/18 funding, to a forward looking approach. The school would need to identify how they would utilise their projected surplus balance at the end of 2018/19 (after taking into account their planned spend into 2018/19 against their 2018/19 DSG funding including any balances brought forward from 2017/18).

Schools would still have to gain governor approval to hold balances above permitted levels. For 2018/19, the approach would be to look at the year end balances the school had control over in the current financial year, i.e. schools would be asked to submit plans for their 2018/19 Year End balance (or contingency) so this would include the 2017/18 balance brought forward along with the current in year surplus/deficit for 2018/19.

Forum members were further informed that permitted levels remained the same and were detailed in the report.

For 2018/19, four reasons on which Surplus Balances could be held would be introduced. This would enable clearer monitoring and reporting of surplus balances to Schools Forum as well as helping schools when planning and forecasting budgets. The four reasons were detailed in the report.

With regard to next steps, it was reported that, in order to support schools in managing their resources effectively and to enable more accurate projection of year end balances, the Schools Finance Team launched a budget monitoring template last financial year. This summer, the Local Authority would be offering all schools training on budget monitoring and support completing the template. This would support schools and provide governors with detailed monitoring information to enable support and challenge on budgets and also enable the LA to carry out their statutory duty to monitor schools budgets.

The deadline for schools returning the 'Use of Surplus' balances template for 2018/19 is the 30 June 2018. The LA would assess all returns to ensure they meet the Balance Control Mechanism Scheme and an update would be presented to Schools Forum in the autumn term.

At March 2017, there were 32 primary schools with excess surplus balances of £1.615 million, 1 secondary school with an excess balance of £0.114 and special school with £0.011 million. Further review of these schools would take place along with any further schools identified as having a surplus balance after 30 June 2018.

RESOLVED

- (i) That the content of the report be noted;**
- (ii) That the actual school balances for 2017/18 be noted;**
- (iii) That, within the Balance Mechanism Scheme 2018/19, the introduction of the four specified reasons for holding balances and the new template for schools to complete, be noted.**

21. SCHOOLS FINANCIAL VALUE STANDARD (SFVS) 2017/18

A report of the Director of Finance was submitted providing an update on the requirement for schools to complete the self-assessment process against the Schools Financial Value Standard by 31 March 2018.

RESOLVED

That the content of the report be noted.

22. SCHOOLS FORUM FORWARD PLAN

Consideration was given to a report of the Director of Finance providing details of the Schools Forum Forward Plan for reports 2018/19.

An error in the dates of future meetings was identified and the correct dates were confirmed as follows:

Tuesday 23 October 2018

Tuesday 4 December 2018

Tuesday 12 February 2019

An additional item was added to the forward plan for the agenda for the meeting scheduled to take place on 23 October 2018: Review of funding of PFI schools.

RESOLVED

That the content of the report be noted, including the meeting dates for 2018/19 and reports to be tabled at each meeting.

23. URGENT ITEM

RESOLVED

That the following item be considered as urgent due to time constraints.

24. INTERIM ARRANGEMENTS FOR LEP AND PFI DELIVERY FOLLOWING CARILLION LIQUIDATION

The Assistant Director of Finance presented a report circulated prior to the meeting, which had been submitted to the meeting of Executive Cabinet on 20 June 2018, giving details of the progress being made in relation to transfer of former Carillion contracts to Robertson by the Local Education Partnership (LEP) and Private Finance Initiative (PFI) Project Companies and to outline the action required to provide certainty and direction in relation to the future of these contracts and of the LEP itself.

The report explained:

- PFI contractual arrangements;
- Impact on Facilities Management and Catering Service Delivery;
- Cost of the service since liquidation; and
- The future of the LEP.

It further proposed that the formal review of the LEP commenced immediately with a further report to be taken to the July meeting of the Executive Cabinet setting out the timescales of the review, with a view to commence the procurement or in sourcing process by the end of the calendar year. It would necessary to bring in expert external resources to deliver this review.

The Assistant Director outlined the recommendations agreed by Executive Cabinet as follows:

1. The Council consented to the replacement of Carillion in the PFI Contracts to Robertson's subject to their being sufficient safeguards for the protection of the Council and the existing staff; and the Borough Solicitor (in consultation with the Director of Finance and Deputy Executive Leader) be authorised to enter into such arrangements to facilitate this noting the increased project risks that result as a consequence of the Carillion liquidation.
2. The Council agreed to extend the Council's arrangement with Inspired Spaces Tameside Ltd (the LEP) until 31 July 2019 to enable an orderly transfer of existing contracts to Robertson's as the preferred provider and to enable sufficient time to review the current arrangements with a view to securing a long term sustainable and affordable solution;
3. Also Agreed to the LEP proposal to transfer its existing additional services including Facilities management and catering contracts from Carillion to Robertson FM and to align these with the Council's arrangement with the LEP to end on 31 July 2019 to enable the continuing delivery of services;
4. Agreed that any schools receiving services under the catering contract remain until its expiry and/or alternative arrangements being agreed and any schools wishing to terminate sooner will

pick up any termination/mobilisation costs to ensure that such costs are not subsidised or incurred by the remaining schools.

5. That the Borough Solicitor is authorised to enter into any contracts and or ancillary agreements such as Pension Admission Agreements to facilitate the arrangements proposed in the report.
6. That officers bring a further report to Executive Cabinet outlining the scope of the review of the LEP arrangements and a project timetable to enable a long term and sustainable solution to be in place following 31 July 2019;
7. Approved the release of up to £100k from the Medium Term Financial Strategy Reserve to fund a detailed strategic review of the LEP and the services delivered by it in order for the Council to determine how best to deliver sustainable and affordable services going forward.

Detailed discussion ensued with regard to the content of the report and Forum Members;

RESOLVED

That the content of the report and the recommendations agreed by Executive Cabinet be noted.

16. DATE OF NEXT MEETING

RESOLVED

To note the date of the next meeting of the Schools Forum as Tuesday 23 October 2018 at 10.00am, Discovery Academy, Porlock Avenue, Hyde.