

## SCHOOLS FORUM

17 October 2017

<b>Commenced:</b>	<b>1.30pm</b>	<b>Terminated:</b>	<b>2.45pm</b>
<b>Present:</b>	<b>Karen Burns (Chair)</b>	<b>Primary Schools – Academies</b>	
	<b>Andrea Ives</b>	<b>Primary Schools - Academies</b>	
	<b>Steve Marsland</b>	<b>Primary Schools – L/A Maintained</b>	
	<b>Lisa Gallagher</b>	<b>Primary Schools – L/A Maintained</b>	
	<b>Maire Wright</b>	<b>Primary Schools – L/A Maintained</b>	
	<b>Amanda Thornton Jones (for Bev Alford)</b>	<b>Primary Schools – L/A Maintained</b>	
	<b>Pam Hirst</b>	<b>Governor, Primary Schools – L/A Maintained</b>	
	<b>Susan Marsh</b>	<b>Governor, Primary Schools – L/A Maintained</b>	
	<b>Anthony McDermott</b>	<b>Governor, Primary Schools – L/A Maintained</b>	
	<b>Janet Burns</b>	<b>Secondary Schools – L/A Maintained</b>	
	<b>Richard O’Regan</b>	<b>Secondary Schools – L/A Maintained</b>	
	<b>Betty Jones</b>	<b>Governor, Secondary Schools – L/A Maintained</b>	
	<b>Gill McFadden</b>	<b>Secondary Schools - Academies</b>	
	<b>Maureen Brettell</b>	<b>Pupil Referral Services</b>	
	<b>Elaine Horridge</b>	<b>Diocesan Representative</b>	
	<b>Alison Hampson</b>	<b>TCC</b>	
	<b>Councillor J Fitzpatrick</b>	<b>First Deputy (Performance and Finance)</b>	
	<b>Councillor L Travis</b>	<b>Executive Member – Lifelong Learning</b>	
	<b>Bob Berry</b>	<b>Assistant Director, Learning</b>	
	<b>Christine Mullins</b>	<b>Finance Business Partner</b>	
	<b>Louisa Siddall</b>	<b>Senior Accountant</b>	
<b>Apologies for absence:</b>	<b>Bev Alford</b>	<b>Primary Schools – L/A Maintained</b>	
	<b>Robin Elms</b>	<b>Special Schools – L/A Maintained</b>	
	<b>Jeffrey Mellor</b>	<b>Governor – Academy Special Schools</b>	

### 1. APPOINTMENT OF CHAIR AND DEPUTY CHAIR

#### RESOLVED

That Karen Burns be appointed as Chair and Susan Marsh be appointed as Deputy Chair of the Schools Forum for the 2017/18 Academic Year.

### 2. MINUTES

The Minutes of the meeting of the Forum held on 11 July 2017, having been circulated, were approved as a correct record.

Further to Minute 69 – Council Managed Dedicated Schools Grant Monitoring Update 2016/17, members sought further information in respect of Schools forum budget, particularly in respect of volunteer/governor members’ expenses.

The Senior Accountant agreed to seek further clarity on the operational guidance for this budget and report to a future meeting.

### 3. FINAL SCHOOLS OUTTURN BALANCE 2016/17

Consideration was given to a report of the Assistant Director, Finance, giving details of the reconciled school balances at 31 March 2017, with updates from schools relating to the potential use of those balances.

With regard to final Primary School balances, it was reported that there were 62 primary schools (84% of all Tameside schools) with surplus balances at 31 March 2017. There were 30 primary schools with surplus balances which equated to less than 8% of their 2016/17 delegated school budget. There were 32 primary schools with a surplus which was greater than the permitted threshold. The total of excess surplus balances in primary schools was £1.615 million at 31 March 2017. There were 2 primary schools (3% of a Tameside schools) with deficit balances. The total level of deficit balances in primary schools was £0.016m at 31 March 2017.

In respect of final Secondary School balances, it was reported that there were 2 secondary schools (4% of all Tameside schools) with surplus balances at 31 March 2017. There was 1 secondary school with a surplus balance, which equated to less than 5% of their 2016/17 delegated school budget. There was 1 secondary school with a surplus which was greater than the permitted threshold. The total of excess surplus balances in secondary schools was £0.210m at 31 March 2017. There were 6 secondary schools (8% of all Tameside Schools) with a deficit balance. The total level of deficit balances in secondary schools was £2.687m at 31 March 2017.

With regard to final Special School balances, there were 4 special schools (6% of all Tameside Schools) with surplus balances at 31 March 2017. There were 3 special schools with surplus balances, which equated to less than 8% of their 2016/2017 delegated school budget. There was 1 special school with a surplus which was greater than the permitted threshold. The excess element of this school's balance was £0.129m.

It was explained that, along with other Local Authorities, Tameside introduced a new funding model in April 2013. Whilst the new model had meant changes for many schools in the levels of their funding, the Minimum Funding Guarantee had protected those schools which would have seen a large decrease in funding. The nature of the Minimum Funding Guarantee meant that this protection reduced in future years and therefore it was now having an impact on school balances.

As detailed above, there were 8 schools with deficit balances at 31 March 2017. The total of these deficits was £2.703m (Primary Schools £0.016m, Secondary Schools £2.687m).

The report gave details on the level of projected school deficits up to 31 March 2020, as follows:

Financial Year Ending 31 March	Number of schools projecting deficit balances				Value of projected deficit balances £m			
	Primary	Secondary	Special	Total	Primary	Secondary	Special	Total
<b>2018</b>	2	4	1	<b>7</b>	0.378	2.716	0.006	<b>3.100</b>
<b>2019</b>	3	5	1	<b>9</b>	0.780	3.356	0.173	<b>4.309</b>
<b>2020</b>	14	5	3	<b>22</b>	1.279	3.960	0.478	<b>5.717</b>

The report raised concerns over the accuracy of budget plans submitted to the Council. It was explained that school budget plans were used by the Council for a variety of purposes, including the calculation of cash deposits to schools. Submission of inaccurate data could lead to schools not receiving their correct cash allocation during the financial year, with adjustments required in the following year.

It was further explained that whilst figures above most likely represented a worst case scenario position, the trend in the decline of school balances was concerning. The Tameside Scheme of Financing for Schools dictated that licensed deficits would be no more than 20% of gross surpluses held by schools. As at 31 March 2017, cumulative school deficits represented 38% of gross school

surpluses. Based on the projections, as detailed above, at the end of March 2017 this figure would rise to 64% which would equate to a reduction in balances during the current financial year of approximately £2.5m.

Any school projecting a deficit budget position, either during or by the end of the existing three year budget period, was required to submit a deficit budget recovery plan to ensure a balanced budget was delivered. The associated recovery plan would require approval by the Governing Body and the Section 151 officer of the Council in accordance with sections 4.4 to 4.9 of the Tameside Scheme of Financing for Schools. The Finance Business Partner for Schools was progressing this with those schools this applied to during autumn term to explain the recovery plan procedure utilising the latest approved three year budget plan submitted to the Council. Associated meetings were being arranged with relevant schools to discuss the projected deficit in further detail and to provide support and guidance on options to consider, ensuring balanced budgets are delivered. Recovery plans would require approval by the Governing Body and Section 151 officer of the Council during the current financial year.

The report concluded by stating that all schools were contacted after the Forum meeting in October 2016 requesting that formal deficit recover plans be provided to the Council during the Autumn term 2016 and work was still on-going with schools to put these in place.

Discussion ensued with regard to school balances and Forum members once again raised concerns with regard to the level of a number of excess balances and the need to address this issue as a matter of urgency. The Chair and Deputy Chair agreed to meet outside of the meeting to discuss possible strategies going forward to manage this situation and report back to the next meeting of the Forum.

#### **RESOLVED**

- (i) That the content of the report be noted; and**
- (ii) That the Chair and Deputy Chair meet to discuss possible strategies going forward to address the issue of excess balances, and report back to the Forum for consideration.**

#### **4. COUNCIL MANAGED DEDICATED SCHOOLS GRANT MONITORING UPDATE 2017/18**

A report of the Assistant Director, Finance, submitted a report giving details of the centrally managed Dedicated Schools Grant for 2017/18.

It was explained that, for 2016/17 the Secondary sector chose to only de-delegate funding for the Trade Union Support service, whereas the Primary Sector voted to continue de-delegation for both the Trade Union Support and Contingency services. The same scenario was adopted by the Secondary and Primary sectors for 2017/18. The report provided details of the financial monitoring position for the 2017/18 financial year for these services at the end of September 2017.

In respect of de-delegated services, it was reported that those services were projected to spend at budgeted level.

With regard to Previously Centrally Retained services. It was reported that there were no current projected variations for those services.

It was further reported that Centrally Retained Services were all projected to spend at the budgeted level.

In respect of Centrally Retained High Needs Services, it was reported that all the services in this group were projected to spend at the budgeted level. The SEN team had updated the majority of bandings who had moved to new schools in September 2017. At present, the allocation of funding for children with SEN to Mainstream Schools was £204,862 greater than budget. A full review of

high need spend was currently in progress. This would advise the action required to fund the additional funding mentioned above.

With regard to Early Years Funding, it was explained that from September 2017, the free entitlement funding for 3 and 4 year olds would be processed by the Free Entitlement Funding Team within the Education Service of the Council. All Early Years Funding was being reported in this section. The budget for 2 year old places was based on the DFE allocation of funding for this area, but the Council currently expected to spend £133,478 less than this budget based on local projections of cost. This surplus in current DSG was expected to be retrospectively adjusted by the DFE once the actual take up of places was confirmed. The budget for 3 & 4 year old places was based on the initial DFE allocation of funding for this area, but the Council expected to spend £69,686 more than this budget based on local projections of cost. This deficit was expected to be retrospectively funded by the DFE once the actual take up of places was confirmed.

**RESOLVED**

**That the content of the report be noted.**

**5. DATE OF NEXT MEETING**

**RESOLVED:**

**To note the date of the next meeting of the Schools Forum as Tuesday 28 November 2017 at 10.00am, Discovery Academy, Porlock Avenue, Hyde**