

MINUTES OF THE SCHOOLS' FORUM VIRTUAL MEETING
Wednesday 10 June 2020 @ 10.00 am
VIA MS TEAMS

Present:

Primary School Representatives

Christine James (CJ) - HT Dorothy Barley Infants School
Chris Harrison (CH) - HT George Carey Primary School
Julie Philips (JP) - HT Godwin Primary School
Martin Nicholson (MN) - HT Grafton School
Paramjit Roopra (PR) - HT Northbury Primary School
Scott Halliwell (SH) - HT Southwood Primary School
Richard November (RN) - HT Valence Primary School
Gill Massar (GM) - HT William Bellamy Primary School

Secondary School Representative

Andy Roberts (AR) - Riverside School

Governor Representatives

David Dickson (DD) - HT Eastbury Community School
Janis Davis (JD) - HT Sydney Russell School

Academy / Free Schools

Academy Special School Representative

Roger Leighton (RL) (Chair) - Chief Executive Partnership Learning

Special Needs Representative

Susan Ball (SB) - HT Trinity School

Non-School Representatives

John Trow Smith (JTS) - Early Years Representative

Head of Specialist Alternative Provision

Annie Blackmore (AB) - HT Mayesbrook Park School

Trade Union Representative

John McGill (JMc) - NASUWT

Other:

Councillor Evelyn Carpenter (EC) - Cabinet Member for Education and Schools
Jane Hargreaves (JH) - Commissioning Director – Education
Patricia Harvey (PH) - Senior Professional High Needs Block
Katherine Heffernan (KH) - Group Manager LA Finance and Investment
Shaj Sivadasan (SS) - Principal Accountant Schools LA Finance
Kofi Adu (KA) - Group Accountant LA Finance
Ronan Fox (RF) - Joint Children's Commissioner for Barking & Dagenham
Ges Smith - Executive Headteacher Jo Richardson School
Graham Bland, Community Music Service
Digby Hunt, Community Music Service
Susan George, LBB
Karen Pyle (KP) – LA Minute Clerk

1. APOLOGIES FOR ABSENCE

Jayne Meech (JM) - HT Village Infant School

2. MEMBERSHIP

RL welcomed the group to the first virtual Schools Forum meeting and discussed the membership of the group. It was agreed for an attendance table to be produced for each meeting stating who has attended and if the meeting is quorate.

Action: KP to produce a table of membership for agreement

RL & KH asked the group to kindly adhere to the Virtual Meeting Process document that had been circulated, to ensure that all users were able to participate in the meeting. The main points being to turn off all cameras and mute microphones (whilst not speaking), and to use either the 'raise your hand' emoji or the MS Team chat function to ask a question.

3. DECLARATIONS OF INTEREST

Nothing to declare.

4. MINUTES AND MATTERS ARISING

4.1 The minutes of the meeting held on 21 January 2020 were confirmed as an accurate record.

4.2 Actions from 12 Jan 2020

No.	Date of Meeting	Item No	Action	Owner
1	12/01/2020	Item 3.6	<u>High Needs Block</u> A report is required (in a short format) for Governing Body so they can see the pressure on budget and action. <u>Due to Covid-19, this action has not been completed. This will now be covered in the HNB Meeting on 11 June 2020</u>	HNB Sub Group
2	12/01/2020	Item 8.1	<u>Pilot for the introduction of BACS payment in schools</u> KA asked for volunteers to be part of the pilot. The finance team have communicated to the volunteers in schools. There will be training sessions arranged for school Business Managers. The proposed pilot will now commence in April 2021. <u>To remain as an action.</u>	Kofi Adu
3	10/6/2020	Item 2.0	<u>Membership</u> The minute clerk to produce a table of membership for agreement and use at each meeting.	Minute Clerk
4	10/06/2020	Item 5.7	<u>Provision of Financial Regulations for Schools</u> KA to contact all schools and headteachers to ask for volunteers to join a Work Group to draft a paper for discussion at the next meeting on 20 October 2020.	Kofi Adu
5	10/06/2020	Item 5.9	<u>Community Music Service (CMS)</u> Agreement was given for a working party to be set up, with a draft paper to be produced and discussed at the next meeting on 20 October 2020.	Graham Bland & Digby Hunt

5. REPORT FROM THE GROUP ACCOUNTANT – FINANCE

5.1 Dedicated Schools Grant (DSG) Outturn for 2019/20

The DSG funding and expenditure forecasts are set out in the table below. The total DSG allocation for the year, after recoupment, is £221,539k. The in-year overall outturn position for the DSG is an overspend of £1,476k. This the net effect of £1,507k overspend on High Needs, £303k overspend on Early Years, and £334k underspend on Schools Block. This overspend will be funded from the overall Dedicated Schools Grant reserve. There is sufficient funding in the reserve to cover this, but it is now reduced to £1.726m.

	Funding £'000	Block Transfers	Revised Funding	Expenditure Forecast March 2020	Deficit surplus) as of March £'000	Outturn Forecast as at January 2020
Schools Block - ISB	168,020	(1,039)	166,981	166,646	(334)	0
Early Years Block	22,230		22,230	22,533	303	0
High Needs Block	28,714	1,039	29,753	31,260	1,507	2,021
Central Block	2,575		2,575	2,575	0,0	
Total	221,539		221,539	223,014	1,476	2,201
B/f unallocated DSG balances					(3,202)	(3,202)
DSG unallocated reserves (surplus)					(1,726)	(1,001)

Recommendation (i):

Schools forum are requested to note and comment on the 2019/20 DSG out-turn forecast.

Noted.

5.2 High Needs Block (HNB) Outturn for 2019/20

As a reflection of the historic underfunding and the high levels of demand in previous years there have been severe financial pressures on the High Needs Block which required the transfer of circa £1.1m (or 5%) from the Schools Block to the High Needs Block. The table below shows the detailed outturn position for High Needs for 2019/20. During the year, a significant overspend was forecast which required a recovery plan to be put in place. This plan was successful in containing the overspend to a greater than forecast effect thus reducing the impact on the overall DSG balance.

	2019/20 Budget	Final Outturn	Variance +deficit / (surplus) March 2020	Variance +deficit / (surplus) January 2020
Alternative Provision	3,544,000	3,367,951	-176,049	48,629
ARP Funding	6,032,800	6,204,955	172,155	(141,397)
DSG - High Needs Education Inclusion	1,666,000	1,482,668	-183,332	(119,564)
Top-ups (inc.OB and NMSS)	6,662,200	6,632,472	-29,728	2,525,508
High Needs Top Ups - Post 16	969,000	1,467,388	498,388	(1,610)
SEN Panel Top Ups	1,418,000	1,183,195	-234,805	(611,357)
LACHES, Language Support	331,000	310,118	-20,882	(96,482)
Initiatives	200,000	44,830	-155,170	(200,000)
Special School Funding	7,493,000	10,224,464	2,731,464	1,986,928
Early Years & Integrated Youth Services	398,000	341,897	-56,103	704,441
Total	28,714,000	31,259,938	2,545,938	4,095,095
Schools Block transfer			(1,039,000)	(1,039,000)
Management Action				(855,000)
Position after successful management actions			1,506,938	2,201,095
19/20 DSG Reserve			(3,202,000)	(3,202,000)
Projected Net DSG Reserve Position after funding HNB overspend (surplus)/+deficit			(1,695,062)	(1,000,905)
Add EY overspend (Net Position)			303,000	
Add Schools Block Underspend			334,000	
Estimated DSG Carry Forward (Reserve)			1,726,062	

The High Needs Block areas reporting overspends for 2019/20 were the Special Schools budgets of £2,727m. This pressure was due to lagged funding in support of LA commissioned places in-year to Special Free Schools and Top Up payments. Also, Post 16+ £498k pressure was due to an increase in recoupment in support of place growth from LA commissioned places.

SH commented that pupils banded G and above (that are not placed in ARPS's) require the same amount of funding, as currently the funding for SEN pupils in mainstream school is less. The disparity between the funding and with the falling rolls that LBB is predicting, this will make the school budgets harder to manage. It was agreed in the headteachers pre meeting, that a banding review is required. There is a High Needs Sub Group Meeting on 11 June 2020 where this issue will be discussed.

Recommendation (ii):

Schools Forum are requested to note and comment on the 2019/20 High Needs Outturn position.

Noted

5.3 HNB Budget for 2020/21

The High Needs Working Sub Group met on 12th March 2020 and discussed the draft High Needs budget allocation to support ongoing pressure areas, including Special School budgets and top up increases (6%). The working group reviewed other London borough DSG reported reserves and proposed to earmark High Needs funding to the DSG reserves for future growth and ongoing pressures within the DSG block.

Although additional HNB funding of £5,656m to £37,334m (prior to recoupment) has been announced for 2020/21 it is likely that there will still be some level of pressure on the block in the coming year, due to a growing population and other demographic changes that will still increase demand for services. It is not possible to make another transfer from the Schools Block due to other pressures, so further options for controlling and reducing spend in the next financial year should continue to be explored, close monitoring and timely mitigation actions may be required to ensure that any risks are managed.

The latest High Needs budget allocation as of 27 March 2020 is £37,334m less recoupment of £3,547m for post 16 places and academies, making a net £33,787m received by the LA.

Due to the increase in funding, we have been able to set budgets in most areas at a similar or higher level as the outturn. However, there has been little scope to provide for further cost inflation or demand growth and so continued close monitoring and control will be required. This will particularly be the case for the Top Up budgets -especially Post 16.

Draft 2020/21 High Needs Budget	2019/20 Budget	Final Outturn	Variance +deficit / (surplus)	DRAFT 2020/21 Budget
Alternative Provision	3,544,000	3,367,951	(176,049)	3,574,000
ARP Funding	6,032,800	6,204,955	172,155	6,102,000
DSG – High Needs Education (Inclusion)	1,666,000	1,482,668	(183,332)	1,618,000
Top-ups (Inc. OB and NMSS)	6,662,200	6,632,472	(29,728)	7,635,000
High Needs Top Ups – Post 16	969,000	1,467,388	498,388	1,291,000
SEN Panel Top Ups	1,418,000	1,183,195	(234,805)	1,148,000
LACHES, Language Support	331,000	310,118	(20,882)	335,000
Initiatives	200,000	44,830	(155,170)	150,000
Special School Funding	7,493,000	10,224,464	2,731,464	10,643,000
Early Years & Integrated Youth Services	398,000	341,897	(56,103)	356,000
TOTAL	28,714,000	31,259,938	2,545,938	32,852,000
Schools Block transfer			(1,039,000)	
2019/20 Outturn (pressure)			1,506,938	
2020/21 HN Reserve				934,456
2020/21 HN Recoupment				3,547,500
2020/21 HN Block Budget (March 20)				37,333,956

It was agreed that in September 2020, All Top Ups Funding and the pressure on the Early Years budget will be reviewed.

RL asked if budget approval is required from the Schools Forum Group. KH confirmed that approval is not actually required, as the responsibility has been delegated to the High Needs Working Sub Group, but for transparency of accounting, it has been brought to this meeting to be noted.

Recommendation (iii):

Schools Forum are requested to note and comment on the draft High Needs budget for 2020/21.

Noted

5.4 DSG Budget for 2020/21

The total DSG funding allocations and updated recoupments as of May 2020 are set out in Table 4 below. The recoupment and direct funded adjustments are only finalised towards the end of each financial year and is therefore subject to change.

There was further refinement to the formula, relating to how growing schools are funded. The revised school funding model for 2020/21 was submitted to the DfE for compliance review and was approved. The maintained schools have now been notified of the final delegated budget allocation for 2020/21. The academies general annual grant allocation statements are issued by the Education and Skills Funding Agency (ESFA), and in respect of 2020 to 2021 academic year allocations the statements are issued by the end of February 2020.

The 2020/21 financial year funding statement issued to maintained schools by the local authority included provisional allocations for other funding streams, including Pupil Premium, Teacher Pay Grant, Teachers Pension Grant, PE and Sports grant and Universal Infant Free School Meals. Allocations for these funding streams are published at various points during the financial year.

Table 4

Block	Pre- recoupment £'000s	Recoupment /Direct Funding £'000s	Post Recoupment £'000s
Schools Block	226,041	54,786	171,255
Central School Services Block	2,364	0	2,364
High Needs Block	37,334	3,548	33,786
Early Years Block	22,542	0	22,542
Total DSG Allocation	288,281	58,334	229,947

Table 5

	Total (as at January 2020 Schools Forum) (£'000s)	Revised Position (£'000s)	Variance (£'000s)
Dedicated Schools Grant (Schools Block)	226,041	226,041	0
Total Income (a)		226,041	226,041
Formula Model	224,470	224,099	371
Centrally held growth	1,894	1,894	0
Falling Rolls	500	500	0
Total Expenditure (b)	226,864	226,493	371
Cash shortfall: (a) minus (b)	823	452	371
Less: Underspend on Falling Rolls		292	
Net cash advance requirement		160	

The group were asked to note the shortfall and adjustments in Table 5.

Recommendation (iv):

School Forum are asked to note the arrangements and revised cash advance to fund the 2020/21 schools funding model, and the DSG funding allocations for 2020/21

Noted

5.5 Falling Rolls Applications 2020/21

The primary phase is facing significant challenges arising from short term drops in funding in 2020/21 because of a temporary fall in pupil numbers. There are 26 primary schools that are reporting fall in numbers totalling 581 and the remaining 17 are reporting increases in numbers totalling 278.

At the last meeting, Schools Forum agreed to set up a one off £500k falling rolls fund. The purpose of this is to provide timely support to schools that are facing short-term funding turbulence.

The list of schools that have submitted applications for falling rolls funds are as set out in Table 6 below. It is a DfE mandatory requirement that the school must be good or outstanding. Other local criteria agreed at the last Schools Forum were:

- reductions of 5% or more in number of rolls after adjusting for impact of bulge classes
 - reduction in delegated budgets of 2% or more and
 - schools reserves not exceeding 2% of delegated budget along with submission of recovery plans.
- It was agreed that the qualifying schools are funded at 25% of 2020/21 AWPU of £3,375.

Table 6

Schools	% Reduction in Number On Roll (NOR) (19/20 vs 20/21)	% Reduction in Individual School Budget (19/20 vs 20/21)	Projected LMS as % of ISB +surplus / (deficit)
Dorothy Barley Infants'	(10.14)	(7.56)	(17%)
The James Cambell Primary School	(8.84)	(4.18)	2%
Parsloes Primary School	(7.28)	(5.37)	14%
Eastbury Primary School	(5.87)	(4.12)	(3%)
Ripple Primary School	(5.57)	(3.63)	(14%)
John Perry Primary School	(3.31)	(1.48)	2%
William Ford CofE Junior School	(1.69)	0.2	3%
Richard Alibon Primary	(0.96)	(2.11)	(0.73%)
Roding Primary School	3.26	4.18	11%

Recommendation (v):

Schools forum are requested to:

- Agree the revision to the falling roll unit of funding

Agreed

- Note the allocations of funds to schools that met the qualifying criteria

Noted

- Agree the release of £292k underspend to fund the cash shortfall on the school's block funding formula.

Agreed

5.6 School Balances 2019/2

The Local Management of Schools (LMS) reserves are reporting a net increase of £38k to £10,793k, however, there are significant in-year movements between schools and based on end of year out-turn statements from schools, 20 are reporting in-year surpluses totalling £2,528k.

These include Barking Abbey, Robert Clack and Gascoigne which between them are reporting surpluses of £1,450k. In contrast, there are 22 schools that are reporting in-year deficits totalling £2,490k and includes 3 schools that between them have a total in-year deficit of £910k. These are Ripple Monteagle, Dagenham Park.

The Local authority and the Financial Monitoring Group (FMG) will continue to monitor and work with schools that are in financial deficit, or on the verge of financial difficulty to provide advice, information and guidance on long term financial sustainability including curriculum and business strategies for a long term recovery plan.

KA confirmed that secondary schools with a surplus of 5% and primary schools with a surplus of 8% have been asked to present a report of what the plans and rationale are for the money going forward detailing how it is to be used.

RN asked how stringent the Finance Team are in questioning the surplus and deficit budgets. KH confirmed that there is a very difficult balance to strike, but schools are contact regularly in relation to deficit budgets and invited to attend finance meetings. The finance team do not want to take money away from a school that has worked hard to gain a surplus, but they are encouraged to spend it and inform the finance team of their plans.

KA agreed the monitoring of the surplus and deficit budgets is taking place.

Recommendation (vi):

Schools forum are requested to note the 2019/20 closing school balances.

Noted

5.7 Provisional of Financial Regulations for Schools

Schools and Local Authorities are issued with a generic guidance by DfE on financial monitoring and management of school finance, this guidance can be found in the Scheme of Financing Schools which is updated periodically. In addition to this document, most local authorities issue bespoke financial regulations for schools for the running of school business and financial management of schools.

The purpose of this document is to serve as a point of reference to ensure that those responsible to carry out their duties in a consistent manner and comply with Statutory and Accounting requirements. The School Financial Regulations allow the Chief 10 Finance Officer to fulfil his responsibility under The Local Government Act 1972 and The Local Government Finance Act 1982.

The School Financial Regulations provide a framework for Governing Bodies to ensure that their decisions and the conduct of its school ensures:

- Financial Probity and Stewardship
- Value for Money
- Accountability by Schools for their actions
- Protection for all who are involved with the School's finances
- Clarity in the expectations of the Schools' conduct

We are therefore proposing to set up a new Working Group made up of school business managers and LA representative(s) to produce a draft financial regulation for consultation with schools and internal audit to be ratified by Schools Forum.

RL asked KA to email out to all schools and headteachers to ask for volunteers

Action: KA to contact all schools and headteachers to ask for volunteers.

Recommendation (vii):

Schools Forum are requested to note and approve the set-up of a Working Group of school business managers and LA officers to produce a draft financial regulation document for LBBB schools to be ratified by Schools Forum.

Noted

5.8 COVID-19 Information and Guidance for Schools

The Government have issued guidance and information relating to Coronavirus (COVID-19) for parents, schools, early years settings, colleges, and universities in relation to some of the following categories:

- School re-opening & closures
- Exams
- Learning and
- Health and Wellbeing etc.

The key message regarding funding is that DSG funding will continue to be paid as normal, even during any periods of school closure or part closure. Full details of the guidance can be found at: <https://www.gov.uk/coronavirus/education-and-childcare>

This guidance gives details on additional funding available to schools to cover costs related to the Coronavirus (COVID-19) outbreak. It covers the period up to the end of the 2019 to 2020 summer term. The Government will publish further guidance in June with more details of the claims process.

It was noted, that if furlough has taken place, then the DSG payment may be assessed as there is no double funding allowed.

Recommendation (viii):

Schools forum are requested to note information & guidance on Covid 19 for schools.

Noted

5.9 Community Music Service Delivery Model

The Community Music Service (CMS) reported an outturn position of c. £31k overspend at the end of 2019/20 financial year. The budget and the narrative outlining the pressures that caused this overspend are detailed in the report on Appendix (F).

The leadership of the CMS have agreed some immediate mitigating actions to be taken in 2020/21 financial year to avoid any further financial deficits, including how the service will absorb the DfE reductions to the central services block in the coming years.

The CMS would like to initiate a consultation with Schools' Forum and approve the creation of a working group to consider and support a transition to a new trading model for a long term sustainable financial strategy and delivery model.

GB stated that the headteachers that have already been consulted with, are in full agreement and recognise the need to move to a Traded Model. A Charging Policy will be slowly introduced, Pupil Premium payments can be used for the initial costs.

Recommendation (ix):

Schools Forum are requested to:

Approve the set-up of a working group to consider transition to a new trading model and a long term financial sustainability for CMS:

Agreed: for a Working Group to be arranged, but a draft model is to be brought back to the next Schools Forum for discussion.

The following headteachers have volunteered to be part of the working group:

- 1) Cathy Leicester – Dorothy Barley
- 2) Susan Ball - Trinity School
- 3) Jamie Bell – Warren Junior
- 4) Secondary School Headteacher, to be confirmed

Action: for the CMS to set up the Working Group and bring the draft paper back to the next meeting for discussion.

6. ANY OTHER BUSINESS

Nothing to report

**7. DATE AND TIME OF NEXT MEETING:
20 October 2020 @ 10.00 am – midday**

- The Chamber, Barking Town Hall or Virtually via MS Teams