

SOUTHWARK CHILDREN'S SERVICES

SCHOOLS FORUM

Members are requested to attend a meeting to be held at: **Notre Dame High School,
118 St George's Rd, London SE1 6EX**

Thursday 14th March 2019 3.45pm – 5.00pm

David Cross

Email: xdavidcross@yahoo.co.uk

All documents distributed in advance will be taken as read

AGENDA

ITEM

1. Apologies for Absence, quorum and welcome to new members (5 minutes)
2. Declaration of interests – the Education (Schools Government) Regulations 1989 (as amended) oblige members with a pecuniary interest in a contract or other matter to disclose the fact, to withdraw from the meeting when it is being discussed and not vote on it.
3. Minutes of the Meeting of 17th January 2019 (15 minutes)
4. Matters Arising not on the Agenda (10 minutes)
 - a) Transfer of Funds between blocks – whether approved by DfE
 - b) Distribution of Maintained Nursery Supplementary funding - Consultation
 - c) Review of Early Years centrally retained budgets
5. Dedicated Schools Grant- 2018-19 Budget Monitor (10 minutes)
6. Dedicated Schools Grant- 2019-20 – Schools Budget (30 minutes)
7. Scheme for Financial Management (10 minutes)
8. A.O.B. Any items must be with the Clerk by Noon 10th March 2019 (5 minutes)
 - a) Supplementary Devolved Formula Capital
9. Dates of Further Meetings for 2018/19:
16 May 2019, 4 July 2019

THE SOUTHWARK SCHOOLS FORUM

MINUTES OF THE MEETING

Thursday 17th January 2019
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1. Attendance and Apologies: See Annex A

2. Declaration of Interests

Members were asked to declare any pecuniary or other interests they might have that were greater than the interests of other members of the Schools Forum in any matter on the agenda for discussion. There were none.

3. Minutes of the Meeting of 6 December 2018

3.1 These were agreed with the numerical change to paragraph 5.

3.2 Matters Arising: none as all were covered in the reports on the agenda.

4. Dedicated Schools Grant 2018-19 Budget Monitor & Provisional Allocation 2019-20

4.1 A report setting out the detail of the financial position relating to the 2018-19 Dedicated Schools Grant (DSG) and the provisional allocation for 2019-20 had been previously circulated to the Schools Forum.

4.2 The Local Authority (LA) confirmed the position was as before i.e. a projected £10.6m overspend, which was as result of spending in the High Needs Block.

4.3 The provisional 2019-20 DSG allocation of £321.5m before recoupment (funding that goes direct to academies & free schools, included growth and per place funding for high needs. This reflected an increase in secondary pupil numbers and a decrease in primary. Following a question about the current trends in pupil numbers, the local authority confirmed that it appeared that this would continue for a few years yet but are subject to external influences such as types of housing becoming available.

4.4 The rates per pupil for pupil premium in 2019-20 will be the same as last year which are as follows:

Pupils Year R to Year 6	£1,320
Secondary aged pupils 11-15	£ 935
LAC as defined in Children Act 1989	£2,300
Children who have ceased to be LAC by a LA because of adoption, a special guardianship order, a child arrangements order or a residence order	£2,300

This report was noted

5. School Funding 2019-20

5.1 This report previously circulated gave the detail of the mainstream school funding formula for 2019-20 and its associated school budgets. This will be formally

submitted to the Education & Skills Funding Agency (ESFA), using their template Authority Proforma Tool (APT), on the 21st January 2019.

- 5.2 The local authority took members through the key points of the report stressing that the most significant proposal relating to school funding was that the majority of formula factor values applied in the previous year would continue into 2019-20.
- 5.3 It was stated, however, that the Minimum Funding Guarantee (MFG) protects schools from excessive year-on-year changes but allows for some changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through. Under national regulations the MFG can be set between minus 1.5% and plus 0.5% per pupil. The initial calculations have been based on a MFG of 0.0%. In the current year it was -1.5% and by setting the MFG at 0.0% increases funding protection to schools. This MFG rate would also now be applied to special schools.
- 5.4 In addition, as the ESFA no longer permits local authorities to set a primary weighting for low prior attainment therefore the funding rates have been correspondingly adjusted so as to leave the funding distributed at the same level as the current year, but adjusted for reduced pupil numbers.
- 5.5 The review of the Split Sites factor continues and to date had shown one school who was receiving this factor pending completion of building works will no longer be eligible. The Schools Forum had supported the previously recommendation that the criteria for split sites should be applied consistently across such schools and that the current level of funding for this criteria be ring fenced to those eligible schools.
- 5.6 Following a question, the local authority confirmed that a number of schools had said that the level of funding applied to the factor was inadequate and so by ring fencing the previous year's total and redistributing it to fewer schools had gone some way to address the issue.
- 5.7 The funding rates for the Resource Base Units would also be unchanged although they are being reviewed, using benchmarking data, by the High Needs Working group. It was noted that individual school balances cannot be taken into account when setting and applying the formula rates – details of the school balances for 2017-18 was the subject of a report to the Schools Forum in July 2018.
- 5.8 The local authority had been consulting with schools on the transfer of funds from the schools block to the high needs block and although the consultation, as at the time of this meeting, had not closed the completed questionnaires received to date, 10 indicated 8 in favour of the local authority's proposal and 2 against. The final outcome will be reported back to the next meeting of the Schools Forum.
- 5.9 The balance of funds to be distributed, known as "Headroom", was £0.7m and the local authority had identified the priorities for its use, the highest being to transfer it to the High Needs Block in order to reduce the deficit.
- 5.10 The proposals by the local authority were then put to the Schools Forum for their consideration and the outcome was as follows:
 - a. Agree that the minimum funding guarantee be fixed at 0% for 2019-20
Agreed - unanimously.

- b. Agree that the split sites factor for schools that are separated by a public road be increased from £42,847 to £54,272
Agreed - unanimously.
- c. Confirm the funding rates for the schools formula will remain the same as 2018-19 apart from prior attainment factor which will be set at £407
Agreed - unanimously.
- d. Confirm the funding rates for the resource base funding formula will stay the same as 2018-19
Agreed - unanimously.
- e. Confirm the funding rates for the Special Schools funding formula will stay the same as 2018-19
Agreed - unanimously.
- f. Agree to approval being sought from the Secretary of State for the transfer of the reduction in growth fund budget of £0.5m to the high needs block
Agreed - unanimously.
- g. Approval be sought from the Secretary of State for the transfer of the headroom funding of £0.7m be made from the schools block to the high needs block
Agreed - unanimously.
- h. Agree the special schools MFG be set at 0.0%
Agreed - unanimously.
- i. It was noted that there will be no change in the terms and conditions of the maternity fund

6. Early Years Funding 2019-20

- 6.1 This previously circulated report sets out the provisional detail of the Early Years block of the Dedicated Schools Grant (DSG) for 2019-20 and requested the Schools Forum to agree the funding rates for early year providers.
- 6.2 The local authority explained that there were three key components to this report that required approval and as the funding is distributed through the Early Years Single Funding Formula (EYSFF) and as there has been no significant change, it was proposed that the funding rates remain the same as this year. This applied to the two year old rate as well as the three and four year old rate for all settings.
- 6.3 Another key component of the early years block was the centrally retained budgets. In 2018-19 the limit for central retentions on the early years block was reduced from 7% to 5% and continues at the 5% level for 2019-20. Based upon the December allocations the cash limit is now £0.9m.
- 6.4 The maintained nursery school representative of the Schools Forum expressed concerns that the nursery schools had about aspects of what the budget was being spent on and that the cross-working of some of the services was not as good as it

might be. Also the previous offer of using the expertise in the maintained nursery schools to support the other settings was not being taken up. Finally, the Headcount Portal ICT system was not working as it should.

- 6.5 The Schools Forum noted that any changes relating to staffing required a long lead in time and requested that the local authority review the centrally retained budgets and they involve input from the providers.
- 6.6 Finally, relating to the supplementary funding provided by the government specifically for local authority maintained nursery schools, the local authority would consult with those schools before its distribution.
- 6.7 The Schools Forum then considered the specific requests from the local authority, set out below:
- a) the funding rates for Early Year providers of:
- 3 and 4 years olds base rate of £5.95 per hour
 - 3 and 4 years olds deprivation funding rates
 - 2 year old funding of £6.25 per hour

Agreed - unanimously

- b) that the distribution of the supplementary funding of £1,468k for local authority maintained nursery schools be determined following consultation with those providers

Agreed - unanimously

- c) that the centrally retained budget should be set at £921k and noted that the local authority would carry out a review of those budgets

Agreed – unanimously

7. Dates of Future Meetings

14th March 2019, 16th May 2019, 4th July 2019 (or perhaps 11th July)

Annex A

SCHOOLS FORUM ATTENDANCE SHEET
17th January 2019

VOTING MEMBERS

NAME	CONSTITUENCY	PRESENT
Anita Gallagher	Primary School Headteacher	Yes
Susannah Bellingham	Primary School Headteacher	Yes
Pia Longman	Primary School Headteacher	Yes
Gregory Doey	Primary School Headteacher	Resigned
Laura Johnson	Primary School Governor	Apologies
Vacant	Primary School Governor	
Rebecca Sherwood	Nursery School Headteacher	Yes
Vacant	Special School Headteacher	Teresa Neary covering
Nicola Howard	Early Years – Private/Voluntary and Independent Settings	Yes
Steve Morrison	Academy	Yes
Mickey Kelly	Academy	Yes
Mike Antoniou	Academy	Yes
Maria Rodrigues	Special School Academy	Apologies
Yomi Adewoye	Pupil Referral Units	Apologies
Sister Anne-Marie Niblock	Secondary School Headteacher	Yes
Vacant	FE SEN	No
Catherine May	Diocese Board	Yes
Betty Joseph	Trade Unions	Yes

Senior Officers in Attendance

Nina Dohel	Yes
Russell Dyer	Yes
Dave Richards	Yes
David Cross	Clerk

<i>Date:</i> 14 March 2019	Item 5	<i>Type of report:</i> Information
Report title:	2018-19 Dedicated Schools Grant Budget Monitoring	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This report sets out the latest in-year budget monitoring for the 2018-19 Dedicated Schools Grant (DSG) and the forecast outturn position.

Schools Forum Actions

The Schools Forum is asked to note this report.

1. Dedicated Schools Grant 2018-19

1.1 The overall level of the DSG for 2018-19 is set out in the table below:

1.	DSG 2018-19 £m	Over/ (Underspend) £m
Schools Block	126.133	0
Central services block	1.655	0
High Needs Block	41.498	8.0
Early Years Block	27.890	0
Total	197.176	8.0
Deficit carry forward from 2017-18		4.1
	Total	12.1

1.2 The above figures have been adjusted for the academy recoupment by the EFSA of Spa Special School and Surrey Square Primary School. They do not include the adjustment for the likely conversion of St Paul's Church of England Schools. It does, however, include the additional £658k of grant for high needs

1.3 Still to be identified and applied is the 2017-18 adjustment for Early Year's adjustment. The forecast assumes that this will be carry forward and funded out of next year's allocation.

2 High Needs

- 2.1 Since the January 2019 meeting the forecast overspend on the High Needs block has increased through a combination of an increase in the number of Children with EHCP's and an increase in fees. It is expected the alternative provision overspend forecast at £0.6m will be lower by £0.15m
- 2.2 The Council has set up a Budget Recovery Board (BRB) which sits alongside the High Needs sub-group in looking at the High Needs block. The Board is made up of strategic directors with officer support. Their current work has two main aims, firstly to look at the implementation and delivery of the recommendations (made in the report received at the December 2018 meeting) to reduce the cost base and, secondly, to look at the budget monitoring of the High Needs block. This is focusing on cost/volume information and trends particularly in the area of independent special schools, non maintained special schools and FE colleges. Work is also underway regarding commissioning to see whether reductions can be made with joint procurement with other local authorities and the use of preferred provider frameworks.
- 2.3 The forecast overspend of this block remains at a significant level. Given the demand led nature of the budget there is a risk to the accuracy of the forecast of expenditure and therefore and so needs to be viewed with caution at this stage and the level of overspend may increase.
- 2.4 The High Needs Sub Group will reconvene towards the end of March and will include both monitoring the savings and planned actions/ reviews already proposed to ensure their delivery, as well as to look for further savings.

3. Financial position on De-Delegated Budgets and Growth Fund

The summary position is shown in the table below

2018-19	Budget £m	Forecast Outturn £m	Over/ (Underspends) £m
Schools in financial difficulty	0.5	0.5	0
Behaviour Support services	1.6	1.7	0.1
Maternity	0.8	0.8	0
Trade Unions	0.1	0.1	0
Growth Funds	0.6	0.4	(0.2)
Falling Rolls	0.1	0.1	0

- 3.1 It should be noted that the overspend of £0.1m on Summerhouse will be carried forward to next year in accordance with the funding regulations.

4. The Falling Rolls Fund

- 4.1 The Panel met on the 15 January 2019 and considered three applications. One bid was agreed for St Francesca Cabrini for £50k, one bid was deferred pending further information and one bid was rejected.
- 4.2 The school that the bid was deferred for met with officers and is expected to re-submit their bid with further information. The school that has had their bid rejected has asked whether they could appeal the decision. The terms of reference of the falling rolls funds does not allow for an appeal. However, nor does the procedure say that a school's bid can only be considered once. Therefore a school can re-submit there at bid if it fully addresses the reasons for the Panel's original rejection.
- 4.3 There has been some confusion amongst schools about the falling rolls funds and the support schools can expect, a clarification was sent to schools in January. While the fund is described as a falling rolls fund it is a fund that is designed to only protect schools where there is a temporary fall in pupil numbers in the short term (2 years) and the school roll is expected to rise. Its purpose is not to protect schools that have continuing declining rolls, which a number of our schools are currently facing.

<i>Date:</i> 14 March 2018	Item 7	<i>Type of report:</i> Decision
Report title:	Approval of the Scheme of Financial Management	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This report sets out, following consultation with schools, the Local Authority's Scheme of Financial Management for 2019-20.

Schools Forum Actions

The Schools Forum is asked:

- Agree the scheme of delegation in Appendix A to this report
- To note the escalation process

1 Background

- 1.1 Under the School Standards and Framework Act 1998, Local Authorities (LAs) are required to draw up a scheme for financial management of schools (The Scheme). This Scheme sets out the financial relationship between the LA and the maintained schools which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.
- 1.2 Any proposed revisions to the scheme are subject to consultation of Schools Forum for approval pursuant to regulation 27 of The Schools and Early Years Finance (England) Regulations 2015.
- 1.3 In line with statutory requirements, which have been in place for many years, the Scheme gives schools freedom to exercise choice over their spending plans. Like other local authorities, Southwark can only impose regulations which are consistent with the need for accountability and control over expenditure of public funds. The Scheme expects all schools to set a balanced budget and manage within the resources made available to them. This is specifically a duty on the governing body of the school.
- 1.4 The Secretary of State can make directed changes to the scheme. On the 22 March 2018 the Secretary of State directed that the text below shall be incorporated into the schemes of all local authorities in England:

Loan schemes

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school."

- 1.5 To avoid confusion with Southwark's current cash advances system the word loan has been replaced with either "short term cash advances" or "long term cash advances" of the school budget share or grants due to the school.
- 1.6 These cash advances allow the schools to continue to operate and to ensure sufficient cash is available to them to meet payroll costs and pay invoices due. They are made to a school that has short term cash flow problems; they bring forward and allow an early release of cash that the school would have received later in that year.
- 1.7 Long term cash advances are given to schools to cover cash shortages, mainly as a result of, but not always, due to a school entering into a budget deficit situation. A repayment plan has to be agreed and signed by the Headteacher and Chair of Governors before any cash is released. This has not always been the practice in the past. Again the plans allow a school to continue to operate and ensures that sufficient cash is available to them to meet payroll costs and pay invoices due.
- 1.8 The current scheme is on the following link

<https://www.southwark.gov.uk/schools-and-education/school-management/southwark-schools-forum>

2. Escalation Processes

- 2.1 Schools are facing considerable financial pressures and so financial control and monitoring is becoming more and more important. The financial decisions of a school are the collective responsibility of the governors. The governing body is supported by information and advice provided by the local authority. Under Section 151 of the Local Government Act 1972, the Local Authorities, Chief Finance Officer is responsible for the probity and regularity of the Authority's financial activities; this includes an overall responsibility to monitor school finances. This is specified in the Scheme of Financial management.
- 2.2 The Scheme states that schools are required to provide the authority with details of expected and actual expenditure and income, in a form and at times

determined by the authority. This takes the form of a budget monitoring statement at the end of June, September and December. The deadline for submission is 15 days after the end of the period (although schools are expected to monitor their budget on a monthly basis). Budget plans for the financial year are required to be submitted to the Local Authority by the end of May in the financial year concerned.

- 2.3 Recently there was an issue at a school whereby a budget monitoring was submitted and the LA asked for clarification on a number of separate occasions of the figures - however the Headteacher was not copied into the relevant emails and was unaware of the problems as they developed and became significant.
- 2.4 In the light of this the LA has re-considered our procedures and asks the Schools Forum to comment on the proposed escalation approach that will be adopted in the future for both budget monitoring and budget plans. Emails will be generated for returns that are late or if there are difficulties with them. The LA will take a pragmatic approach to this when there are unexpected difficulties such as staff sickness within the school.

2.5 Late Returns

1 day after deadline	Email from School Finance Team to school bursar
1 week after deadline	Email from School Finance Team to Headteacher and school bursar
2 weeks after deadline	Letter will be sent from the Head of School Improvement.
3 weeks after deadline	A Potential meeting set up with the school leaders including the Chair of Governors, with the Director of Education

2.6 Clarification of information

On receipt of the school information, the LA will perform reasonableness checks, while these should not be taken as a full health check of the data, it will provide the necessary assurance that the Chief Finance Officer requires, alongside the audit reports and the schools financial value standard, that schools are managing their finances properly. Of course these checks may generate some further questions and clarifications. The LA will ensure that the following process will be adopted to raise any issues

1 week after receipt	Email from School Finance Team to school bursar
2 week after receipt	Email from School Finance Team to Headteacher and school bursar
3 weeks after receipt	Letter will be sent from the Head of School Improvement.
4 weeks after receipt	A Potential meeting set up with the school leaders including the Chair of Governors, with the Director of Education

<i>Date:</i> 14 March 2019	Item 6	<i>Type of report:</i> For Decision
Report title:	Dedicated Schools Grant - 2019-20 Schools Budget	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This report updates the Schools Forum on Schools Budgets for 2019-20 and seeks to permit Maintained Special Schools to be part of the Schools Block De-Delegated Maternity Cover Reimbursement Scheme and also the Contingency Scheme.

Schools Forum Action

To agree to the Local Authority proposal that Maintained Special and Hospital schools be included in the:

- a) Maternity Cover Reimbursement Scheme
- and
- b) Have access to the Contingency and Falling Rolls Scheme
- c) That Maintained Nursery Schools confirm they wish to continue membership of both schemes.

1. Budget Approval

- 1.1 We are still in discussion with the Education & Skills Funding Agency (ESFA) about the approval of Southwark's 2019-20 schools budget. The delay is over the issue of the transfers from the schools block to the high needs block. Indicative budgets were issued to schools on 28 February 2019, albeit with a qualification on the matter above that they may increase should Secretary of State's approval not be obtained. Members will be updated on the position verbally at the Schools Forum.

2 Maternity Cover Reimbursement Scheme

- 2.1 At the last meeting in December it was agreed by the Schools Forum that the de-delegated amount for 2019-20 would be £40.15 per pupil. The pay-out rate would be capped at 70%.
- 2.2 When the Schools Forum agreed the de-delegation of this scheme, the maintained primary schools members of the Schools Forum are required to agree to buy into the scheme as a group, and, secondary schools as separate group. This is a statutory requirement. Once agreement is reached the funding is automatically deducted from the schools budget at source and an individual school cannot opt out.

- 2.3 maintained Special schools and Maintained Nursery schools operate on a different funding system and last year the Schools Forum agreed that they could also buy into the scheme as a whole group if they so wished. The Nursery school member reported that this had been discussed and agreed by the Headteachers. However, the maintained Special school representative reported that he could not commit all schools on Forum agreed to “buy-in” on behalf of nursery schools. The Maintained Special Schools representative, however, could not commit his constituent schools.
- 2.4 The Special Schools representative on the Schools Forum changed for the December meeting.
- 2.5 The Special Schools have subsequently met and considered their position and would now potentially like to buy into the Funds. The LA would re-iterate that for Maintained Nursery Schools, Maintained Special Schools and Maintained Hospital Schools they can only participate in the scheme if all of these schools by phase agree to contribute, as this is the case with the de-delegation for maintained Primary and Secondary Schools.
- 2.6 A charging method would need to be developed and adopted, Primary and Secondary schools are charged on the basis of pupil numbers. To charge the same rate per pupil would provide an unfair advantage to special schools as their school roll is comparatively small in relation to payroll costs. The following charges reflect the current pay bill and link this to pay bill and charges in primary and secondary schools.

	Maternity Fund potential Charge £	Contingency Fund potential Charge £
Highshore School	14,243	13,227
Evelina Hospital School	6,725	6,245
Bethlem & Maudsley Hospital School	9,154	8,500
Haymerle School	9,662	8,973
Beormund Primary School	5,828	5,413
Tuke School	8,857	8,225
Cherry Garden School	8,184	7,600
	62,653	58,183

- 2.7 There is an issue in the current year (2018-19) that the Special Schools are not within the scheme. There are some schools that have had already significant costs this year for both maternity and redundancy. They also claim that they were unaware that their representative could not commit them to the rules of the scheme. At the same time some schools would not any need to claim on the fund so may not wish to have, retrospectively, deductions from their budgets.

- 2.8 Special schools have also asked for it to be confirmed that it is only teachers with teaching commitments that are covered by the maternity scheme. To extend this would require an increase in the contributions to meet the extra cost in 2019-20 it would be unlikely that this could be changed and could in the future be reviewed.

3 Maintained Nursery Schools

- 3.1. Maintained Nursery Schools in the current financial year (2018-19) have agreed to buy back into both the Maternity Scheme and the Contingency/falling rolls funds.
- 3.2 They are asked to confirm that they wish to continue with the arrangements for 2019-20.