

NOTTINGHAM CITY COUNCIL

SCHOOLS FORUM

MINUTES of the meeting held at Loxley House, Nottingham on 25 February 2016 from 13.50 - 15.07

Membership

Present

Mark Precious (Chair)
Sian Hampton (Vice Chair)
Bev Angell
Susie Artis
Sally Coulton
Andy Jenkins
Judith Kemplay
Janet Molyneux
Tracy Rees
Terry Smith
James Strawbridge
Marcus Wells
Tracey Ydlibi

Absent

Caroline Caille
Paul Halcro
Gary Holmes
Chris Manze
Richard Matthews

Colleagues, partners and others in attendance:

Mandy Bryce	- Finance Analyst, Children and Adults
Alistair Conquer	- Head of Education Partnerships
Pat Fielding	- Director of Education
Julia Holmes	- Finance Analyst, Children and Adults
Lucy Juby	- Project Manager, School Organisation
Kathryn Stevenson	- Finance Analyst, Children and Adults
Ceri Walters	- Finance Business Partner, Children and Adults
Phil Wye	- Governance Officer

30 APOLOGIES FOR ABSENCE

Paul Halcro
Gary Holmes
Richard Matthews
Councillor Sam Webster

31 DECLARATIONS OF INTEREST

None.

32 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting on 21 January 2016 were agreed as a correct record and signed by the Chair.

33 WORK PROGRAMME

The work programme for the next meeting of the Forum was noted, with the addition of a report on the Funding Formula for the meeting in April.

Alistair Conquer announced that there are currently 4 vacancies for membership of the Forum in the categories of Maintained Pupil Referral Units, Secondary Academies, Maintained Primary Governors and 16+ Further Education Provision.

34 CONSULTATION ON THE REVISED FAIR FUNDING SCHEME

Ceri Walters, Finance Business Partner, Children and Adults, introduced the report updating the Forum on the findings of the consultation on the revised Fair Funding Scheme and seeking approval for the recommended changes to the scheme. Ceri highlighted the following:

- (a) the consultation document was circulated to all head teachers of maintained primary and secondary schools and their chair of governors on 8th January 2016 and the consultation period was open for a two week period;
- (b) key changes proposed to the scheme are:
 - to clarify the notification period for any schools that intend to use an alternative payroll provider to Schools Finance Support from one month to three months in line with payroll requirements;
 - to specify the write-off of debts limits and the approval process in line with the Local Authority's Financial Regulation;
 - to re-introduce the submission of a 3-year budget plan from all maintained schools by 15th July each year;
 - to change the order threshold from £10,000 to £5,000 in accordance with Financial Regulations;
 - to change the April cash advance payment from 5% of 5/12th of the indicative non-pay budget to 10% to help with schools' cash flow;
 - to change to no interest charges on cash advances to schools using external payroll to make it consistent with schools using EMSS payroll;
 - to change the deadline from 3 months to 4 months to finalise closed school accounts in line with the DfE guidance;

- to specify the treatment of a deficit school balance and the arrangements in place to minimise the deficit level to prevent the LA from picking up debt from an academy conversion;
- (c) the change of order threshold from £10,000 to £5,000 is in line with Department for Education guidance and in accordance with financial regulations;
- (d) information on the new fair funding formula has still not been published. No core cities or comparators to Nottingham are involved with the drafting of this so it may not be favourable to Nottingham.

RESOLVED to approve the changes made to the Fair Funding Scheme

35 DEFICIT FUNDING FOR HADDEN PARK HIGH SCHOOL

Lucy Juby, Project Manager, School Organisation, introduced the report seeking approval to fund the closing deficit balance for Hadden Park High School from the Statutory Schools Reserve. Lucy highlighted the following:

- (a) when Hadden Park High School closed, it had a deficit balance of £0.013m due to falling pupil numbers at the school;
- (b) following the school's closure, a late water bill was received that had not been included in the school's projections;
- (c) when a school with a deficit is converted to an academy, the deficit remains with the local authority, to be funded from its core budget. However there is no available funding from the core budget, so it is proposed to fund this from the Statutory School Reserve (SSR);

The following answers were given in response to questions from members of the Forum:

- (d) it is enshrined in law that the sponsor academy trust should not pay any deficits from the original school;
- (e) when a school is due to convert to an academy, the finance team write to them 3 months beforehand for monthly financial outturns. If a deficit is observed, then a plan is put in place to minimise this. A licensed deficit cap must be approved by the Corporate Director for Children and Adults before a conversion. If the school is not managing the budget in a satisfactory manner, the conversion to academy status can be delayed;
- (f) had Hadden Park High School not become an academy, its deficit due to low pupil numbers had been predicted to increase further. Since the school has become an academy it is now full in year 7;
- (g) the criteria and process for academisation is very robust and stringent to avoid these situations arising in future.

RESOLVED to approve the allocation of £0.031m from the Statutory School Reserve (SSR) to fund the closing deficit balance of -£0.031m for Hadden Park High School, which converted to an academy, sponsored by Bluecoat Academy, on 1st April 2014 (11 in favour, 2 against)

36 SCHOOLS BUDGET 2016/17

Ceri Walters, Finance Business Partner, Children and Adults, introduced the report presenting the proposed Schools Budget for 2016/17. Ceri highlighted the following:

- (a) funding streams for educational funding are the Dedicated Schools Grant (DSG), Education Services Grant, Pupil Premium, Universal Free School Meals and the Devolved Formula Capital Grant. The majority of this funding goes direct to schools;
- (b) other main areas for funding identified in the report are de-delegated funding, central expenditure, early years and high needs. Approvals for these have all been gained from Schools Forum at earlier meetings;
- (c) the amount of DSG has increased for 2016/17, mainly due to increased pupil numbers and adjustments to high needs;
- (d) the schools' funding formula is used to allocate schools' budgets with specific rates. This has been changed in the following ways:
 - the Income Deprivation Affecting Children Index (IDACI) scores have been updated as they had not been amended since 2010;
 - Free School Meals data was updated according to the 2015 census and showed a reduction in numbers;
 - there was an uplift of all pupil-led factor rates of 2.5%;
 - 96.04% of the schools block is allocated to schools, which is an increase from 95.9% in 2015/16;
- (e) the majority of schools will see an increase in funding for 2016/17, with those that will have a decrease being due to reductions in pupil numbers;
- (f) funding for early years is based initially on actual pupil numbers from the 2015 census, and there has been no increase in the per pupil rates from the DfE. A new national formula will be implemented for 2017/18 which will increase the national average rate by 30p per hour and implement a new distribution method;
- (g) funding for high needs has increased by £0.410m. Some of this will be needed to support a planned increase in Special Educational Needs places from September 2017.

RESOLVED to

(1) note the value of the 2016/17 DSG schools budget is £243.280m;

(2) note how the funding has been allocated;

- (3) note that any unallocated DSG will be transferred to the Statutory Schools Reserve (SSR);**
- (4) note the allocation of Pupil Premium, and Year 7 Catch Up Premium will be confirmed in Summer 2016 and will be allocated to schools in accordance with the grant conditions.**