

## **MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 20 JULY 2016 AT CITY HALL, BRADFORD**

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Commenced 0810, Adjourned 0955  
Reconvened 1010, Concluded 1130

### **PRESENT**

#### SCHOOL MEMBERS

Bev George, Brent Fitzpatrick, Chris Quinn, Dianne Rowbotham, Dominic Wall, Ian Morrel, Kevin Holland, Nick Weller, Nicky Kilvington, Sami Harzallah, Sue Haithwaite, Tahir Jamil and Trevor Loft

#### NOMINATED SUB SCHOOL MEMBER

Irene Docherty

#### NON SCHOOL MEMBERS

Donna Willoughby

#### LOCAL AUTHORITY (LA) OFFICERS

Andrew Redding	- Business Advisor (Schools)
Angela Taylor	- 14-19 Lead Officer, Vulnerable Children
Dawn Haigh	- Principal Finance Officer (Schools)
Jane Arundale	- Primary Achievement Officer
Jenny Cryer	- Assistant Director Performance, Commissioning and Partnerships
Raj Singh	- Business Advisor
Sarah North	- Principal Finance Officer (Schools)
Stuart McKinnon-Evans	- Director of Finance

#### OBSERVER

Councillor Ward

#### APOLOGIES

Members: Dwayne Saxton, Gareth Dawkins, Helen Williams, Ian Murch, Leslie Heathcote, Nigel Cooper and Ray Tate. Officers: Michael Jameson, Strategic Director of Children's Services. Judith Kirk, Deputy Director of Education, Employment and Skills. Regular Observer: Lynn Murphy, Business Manager, Feversham College

#### DOMINIC WALL IN THE CHAIR

### **164. DISCLOSURES OF INTEREST**

A declaration was received from the Chair for agenda item 6 "Standing Item - Bradford Education Improvement Commissioning Board" (New to English Hubs), (minute 166).



**ACTION:**     *City Solicitor*

## **165. MINUTES OF 18 MAY 2016 & MATTERS ARISING**

The Chair reported that he has written to the Education Funding Agency (EFA) on the issue of the funding of additional High Needs Block places (the additional 360 places) and additional free schools. In response, a seminar has been arranged with the EFA and the DfE on 22 September to discuss this further. He encouraged all that are interested (and interested in new free school provision) to attend.

The Chair also indicated to Members that, in his correspondence, he has detected that the DfE may be considering softening its position on the proposal for the ring-fencing of the Schools Block in transition to National Funding Formula arrangements.

In his introduction to the meeting, the Business Advisor (Schools) advised that a number of agenda items were to be reported verbally (rather than via written reports) due to fluidity and uncertainties e.g. with academy conversions and the timescales for publications, especially National Funding Formula.

The Business Advisor (Schools) then reported on progress made on “Action” items as follows:

- The Council’s National Funding Formula 1<sup>st</sup> stage consultation response was published on Bradford Schools Online, as agreed by Members.
- Vice Chair Election – Dianne Rowbotham was the sole nominee. Dianne therefore, is confirmed as Vice Chair of the Schools Forum for 2016-17.
- Report to Scrutiny Committee on the take up of 2 Year Old Places (purple document): The Business Advisor explained that the Forum has previously had sight of the annual reports to the Children’s Services Scrutiny Committee. The most recent report presents a 73% total take up of the 2 year old entitlement in spring 2016, up from 66% in spring 2015, with a target take up of 80% in the autumn term. The report states that the rate of take up varies by ward and that the Council’s support work and incentivisation strategy is now focused on lowest take up areas. The Forum was advised that, although this report is tabled primarily for awareness, Members should consider the position of the take up of the 2 year old offer under agenda item 8 and the Forum’s thinking about the use of DSG one off monies.
- Review of SEND – Following from the presentation of the Deputy Director Education, Employment and Skills presentation at the meeting of 18 May 2016, indicating 68 additional places for September plus a further 360 places by September 2018, the Business Advisor explained that he would provide a verbal update under agenda item 8 and that SEND review will also come up under agenda item 9 (National Funding Formula), focusing on cost pressures. He reported that the Forum’s SEN Reference Group has met since the last Forum meeting and that Members will also see, in the BEICB report under agenda item 6, that the SEND review is a strand of work to be financially supported by the BEICB monies.



- School's Outturn Revenue Balances – A verbal update will be provided under agenda item 10 on the budget positions of maintained schools and academy conversions, and a report back from the meeting of the Working Group, which was brought together following the request made by Member at the last meeting. The Business Advisor reported that 6 primary schools had converted to academy status since the last Forum meeting on 18 May 2016; 2 on 1 June and 4 on 1 July. Members were reminded that the Authority currently expects somewhere in the region of 34 schools to convert between 1 August and 1 September.

**Resolved –**

- (1) That progress made on “Matters Arising” be noted.
- (2) That the minutes of the meeting held on 18 May 2016 be signed as a correct record.

**ACTION:** *City Solicitor*

## **166. MATTERS RAISED BY SCHOOLS**

The Business Advisor (Schools) reported that a letter to the Schools Forum has been received from the Chair of Governors at Oastler School, which asks the Forum to provide financial support for the school's cumulative deficit balance, setting out the reasons why support should be given. Members were referred to a copy of the letter in their paper packs.

The Business Advisor recommended that the Forum considers this letter and request under agenda item 10 and in the context of the report back on the recommendations of the Working Group, which met to discuss academy conversion financial matters on 15 July. The Business Advisor reported that this Working Group, as well as recommending general approaches and principles, also considered the letter from Oastler School.

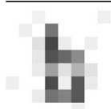
**Resolved –**

**That the letter to the Schools Forum from the Chair of Governors of Oastler School be considered under agenda item 10 (2016/17 School Budget Positions and Academy Conversions – Update).**

## **167. STANDING ITEM - DSG GROWTH FUND ALLOCATIONS**

No allocations from the Growth Fund were proposed to this meeting.

**No resolution was passed on this item.**



## **168. STANDING ITEM - BRADFORD EDUCATION IMPROVEMENT COMMISSIONING BOARD (BEICB)**

Document GB was presented, to update Members on the activities of the Bradford Education Improvement Commissioning Board (BEICB); the financial allocations agreed with objectives and impact so far.

The Forum also received PowerPoint presentations from representatives of 2 of the recently established New to English hubs (Southfield Grange and Bowling Park Primary School), which have been funded in their initial start up periods by the BEICB. The Primary Achievement Officer reported that 6 hubs have now been established, each having identified their programmes and outreach support offers and developing and employing expertise in e.g. pastoral support, language provision, and community support / engagement. She stated that presentations are taking place in forums across to District to further advertise the support services available for schools and that each hub has a space on Bradford Schools Online.

Forum Members made the following comments and asked the following main questions:

- The Vice Chair stated that she was very impressed with the provision at Bowling Park following a tour
- It was confirmed that the hubs can help schools to correctly complete the language assessment elements of their censuses.
- What additional value is expected to be delivered by the hubs by the end of the investment period (what return will be had on the BEICB's investment)? The Primary Achievement Officer stated that each hub uses a Gantt chart to record impact and that each will be required to present case study evidence back to the BEICB. So far, the hubs have had 3 times the contact with schools and pupils than previous support services.
- Understanding that the first 2 lots of £20,000 start up monies have been allocated by the BEICB to each hub, is it the case that by the time the 3<sup>rd</sup> lot of £20,000 is required the hubs will be in a position to trade services to generate this? The Primary Achievement Officer responded that this is the expectation (that the hubs will be self sustaining).
- A number of Members commented that impact is crucial to future success and sustainability (schools will buy in if the services add value). A Member identified that, if this strategy has an impact but is not financial sustainable through a trading model, the Authority and the Forum should consider how it can be financed rather than losing the value through the cessation of services.

**Resolved –**

**That the information in Document GB be noted.**

## **169. SOCIAL IMPACT BOND BUSINESS CASE AND PROPOSAL**

The Business Advisor (Schools) introduced this item by explaining that the Council is seeking to secure the Forum's approval to progress an application to enter into a Social



Impact Bond. It was reported that the Council's Corporate Management Team has approved the application and that approval is now being sought from education (the Schools Forum) and from health.

Using the PowerPoint, the 14-19 Lead Officer Vulnerable Children and an analyst from Social Finance Ltd presented the proposal and the business case. It was explained that the Social Impact Bond would finance a new service to help young people with learning disabilities and behaviours that were at high risk of residential education and / or care entry to achieve better outcomes by supporting these young people to remain at home. It was explained that this will also help control the increase of / reduce the Council's spending on these placements. The education element of the cost of the Bond would be financed from the High Needs Block, but with savings achieved also benefiting this Block.

Forum Members made the following comments and asked the following main questions:

- That the emphasis of rationale for the Bond needs to be on improving outcomes for young people, not financial affordability.
- That the Bond needs to be joined into a wider District strategy (part of a holistic sustainable strategic approach, not just a single initiative). The Director of Finance responded that the Bond is a targeted experiment that the Council is very keen to try.
- How significant is the High Needs Block element in the Bond? The Business Advisor (Schools) clarified, using estimates, that the bigger elements were health and social care; the DSG currently spends c. £4.5m on out of authority provisions (of which £220,000 of spend would be affected by the Bond). The analyst from Social Finance Ltd clarified the rough % splits of contributions: 10-15% lottery funded, 60% Council social care, 5% each of the CCGS (health) and 10% High Needs Block.
- Who would be the commissioner of the education element if the Schools Forum was not to exist in the future? The Business Advisor clarified that the Authority is actually the commissioner of the education element (as it is the decision maker on the High Needs Block) and that the Forum is being consulted on this.
- Would the referral process be specific to Bradford? The analyst from Social Finance Ltd confirmed that this would and that the details of the process would be worked out locally.
- Is the Bond's target group young people with learning disabilities? The analyst from Social Finance Ltd confirmed that this is the case.
- That the measure of success will be simply whether an identified young person stays out of residential care? Yes
- Would 3 young people from 1 family be seen as 1 or 3 separate units?

**Resolved –**

- (1) That the Schools Forum gives its support, in principle, to the Council's application to enter into a Social Impact Bond, where a proportion of the contribution to the successful outcomes payments for the proposed service will be met from the High Needs Block as indicatively set out in the PowerPoint presentation.**



- (2) **That the School Forum's final agreement on the detail of the Social Impact Bond (and funding from the High Needs Block) is subject to consideration of the confirmed Social Impact Bond contract.**

## **170. UPDATE ON 2016/17 DEDICATED SCHOOLS GRANT MATTERS**

An update was presented to the Forum verbally on Dedicated Schools Grant matters, including the reconciliation of the 2015/16 DSG spending position (and available one off monies) and the forecasted spending position of the High Needs Block in 2016/17. This updated incorporated discussions at the SEN Reference Group on 29 June, which followed from the presentation made to the Schools Forum on 18 May about the requirement to increase SEND places provision from September 2016 and to fund these from the 2016/17 DSG.

The key matters that were reported verbally on the 2015/16 one off monies reconciliation were:

- Following the close down of accounts, the confirmed value of the DSG's underspend at 31 March 2016 is £1.6m higher than estimated; £0.4m from additional general underspends across DSG headings, but an additional £1.2m underspend specifically within the DSG's earmarked budget for 2 year old places (where the DfE has previously allocated to the DSG sizeable sums to support the introduction and development of 2 year old places, where we have earmarked this budget for this purpose but have not fully spent it and not yet released it).
- The Forum has a fund of £750,000 in 2016/17 to continue to support the development and take up of 2 year old places, in addition to the £1.2m. Referring to the Scrutiny report tabled for the Forum under matters arising, there is work to do to raise the take up of the 2 year old offer in certain parts of Bradford, and the £750,000 is being used for this.
- Critically then, the Forum will need to take a view on whether the £1.2m additional monies should continue to be held for the 2 year old offer or whether it can now be released back to the DSG for re-allocation, including to other pressures. Having discussed this with the Council's Early Years strategic leads, their advice is that the £750,000 is sufficient and that the £1.2m should be released back to the DSG to support other pressures.
- The Forum is not asked to take decisions on the use of reserves at this meeting. This item is just flagging up that an additional £1.6m of one off monies is available from the reconciliation of the 2015/16 accounts and that recommendations on the use of this should be taken 'in the round'.

Members responded to recommend that the position of the £1.2m under spending in the DSG's 2 year old budget be referred to the Early Years Working Group for consideration. It was also identified that a piece of strategic work should be carried out to look at the impact of the 2 year old offer on the mainstream sector (including the affordability of the offer at current funded rates and the funding of SEND).

The key matters that were reported verbally on the High Needs Block spending position in this current financial year were:





- Members were reminded of the presentation to the last meeting from Judith Kirk, which stated that a further 68 places are needed from September 2016 to meet demand, plus a further 360 places by September 2018 to keep up with growth in demand from demographic growth. For financial planning purposes, it is currently estimated that an additional 120 places will be needed in each of the next 3 years to deliver the 360 places at September 2018. Prior to the opening of new schools, these places will have to be delivered in interim provision.
- Work is currently taking place to forecast the spending position of the High Needs Block in this current financial year and then in 2017/18. A rough forecast has been shared with the Forum's SEN Reference Group and with the Academy Working Group. This will firm up over the next few months.
- Key areas of pressure are special school places, out of authority provision and home tuition.
- The current rough forecast suggests, based on funding 68 + 120 places filled from September 2016, and meeting other pressures, a total overspend of £2.7m this year in the High Needs Block vs. the Forum's planned budget set back in January. The full year impact in 2017/18 of the 68 additional places, plus a further 120 places at September 2017, suggests a High Needs Block spending requirement in 2017/18 of £61.8m, which would require a further £4.67m of budget. If sufficient further income is received into the DSG we would be looking for a fairly significant additional contribution from the other Blocks within the DSG to the High Needs Block, subject to this being permitted (under the 1st stage NFF proposals, a contribution from the Schools Block would not be permitted), but also possibly from reserves.
- These forecasts will continue to be developed and confirmed and we expect to have more detailed conversations with the Schools Forum in autumn term.

Members responded to ask whether the £2.7m anticipated overspending this year is just from the revenue cost of places, not including additional capital costs. It was clarified that the £2.7m is just the revenue cost of places and that further work is taking place to look at how provision can be made before new schools can be established (September 2019) and the capital costs of this. Members stressed again that the correct location of new schools is critical and that the Authority's planning data on which decisions on schools will be made (locations and types of need) must be accurate. Members expressed concern about some inconsistencies in this data currently. It was reported that a lot of work is going on behind the scenes on the data.

#### **Resolved –**

- (1) **That the information provided be noted.**
- (2) **That the position of the £1.2m unallocated sum within the DSG allocation, previously earmarked for the development of the 2 year old free entitlement offer, be referred to the Early Years Working Group for consideration.**

***ACTION: Business Advisor (Schools)***



## **171. NATIONAL FUNDING FORMULA CONSULTATION**

The Business Advisor (Schools) reported that the Department for Education's 2<sup>nd</sup> stage consultation has not yet been published and therefore, there was little further to report at this stage. It is believed that the EU referendum and receipt of more than 6,000 responses to the 1st stage consultation are behind the delay.

The Business Advisor expressed his concern about the difficulties that further substantial delay in announcements may cause especially in taking decisions about our funding of high needs places. He also expressed concern that nothing has yet been announced on early years funding reform or how the new 30 hours entitlement from September 2017 is to be financed.

Member asked that they be informed of announcements if these come over the summer break.

**Resolved –**

- (1) That the information provided be noted.**
- (2) That Members are kept informed (by email) over the summer break should further announcements be made on the National Funding Formula.**

***ACTION: Business Advisor (Schools)***

## **172. 2016/17 SCHOOL BUDGET POSITIONS AND ACADEMY CONVERSIONS - UPDATE**

The Business Advisor (Schools) explained that the purpose of the item is to provide an update verbally on discussions around the financial implications of conversion of maintained schools to academy status, including the Working Group meeting, and also to provide some re-assurance about the position of maintained school budgets in 2016/17 and the Authority's tracking, support and challenge of budget issues in schools. In this context, the Business Advisor reminded Members of the Financial Classification of Schools, which is presented under agenda item 12.

The key matters that were reported verbally on the budget positions of maintained schools in this current financial year were:

- At March 2016, as reported to the last Forum meeting, 6 schools held cumulative revenue deficit balances, with a gross total value of £1.13m, of which we reported the deficit of one secondary school accounts for £0.8m. The remaining schools held gross surpluses of £20.0m.
- At March 2017, for the same set of schools (remembering that not all will still be maintained by the Authority at the end of the financial year), there are 9 schools currently forecasting revenue deficit balances, with a gross value of £3.56m. The remaining maintained schools forecast gross surpluses of £12.88m, which is (as per the normal pattern of how forecasted balance increase during the year) probably significantly pessimistic (in the 2015/16 financial year, schools predicted to hold £12.3m in their initial budgets at 31 March 2016 and actually closed with £18.9m).



- The Business Advisor stressed that these are only forecasts of balances based on information from schools. Both schools and the Authority are working to minimise deficits where these have been initially predicted. We are currently collecting quarter 1 budget monitors and continue to have detailed discussions with schools.
- This gives a general picture of financial stability in the vast majority of schools. However, there are challenges. Members will see this simply in the revised Financial Classification, where the number of Category C schools (indicating future year budget issues) has increased from 46 to 53. This is 30% of schools.

The key matters that were reported verbally on the budget positions of maintained schools that are planned to or may convert to academy under sponsored arrangements were:

- The Authority has identified that possibly 69 schools currently maintained may be considered to be 'sponsored academies' by the DfE should these convert. These are our priority 3 and 4 schools under the School Improvement Classification system. Members are reminded that the financial risk, including deficit, is mostly present in sponsored academies. This is only a rough guide, as there are priority 3 and 4 schools that are being treated by the DfE as converter academies. However, this identification helps us with our tracking / prioritisation of support and challenge of budget issues.
- At March 2016, 1 of these 69 held a cumulative deficit revenue balance. The rest held cumulative surplus balances.
- At March 2017, based on original budget submissions (as reported above), 4 of these 69 forecast to hold a cumulative revenue deficit balance. The gross total forecasted value of deficit is £2.75m. The Business Advisor stressed again that these are only forecasts of balances based on information from schools. Both schools and the Authority are working to minimise deficits where these have been initially predicted.

The key matters that were reported verbally on the position of the conversion of maintained schools to academy status were:

- We currently have a view of 64 academy conversions, and are expecting as many as 34 conversions to take place between now and 1 September. There are split:
  - 49 primary
  - 9 secondary
  - 3 special
  - 3 prus
- We also expect 2 nursery schools to enter into SLA with new MATs (these schools will remain maintained)
- Of the 64, approximately 19 may be considered sponsored conversions. Of the 34 we expect to take place imminently, 8 of these may be sponsored academies.
- The position is very fluid and is adjusting all the time, in terms of our view of which schools are progressing conversion and the timetable for this.

Members made the following comments and asked the following main questions in response to this information:

- How has the Local Authority permitted one secondary school to accrue such a large deficit balance? A Member stated strongly their view that the Authority has not acted sufficiently and has not taken ownership of this situation. The Business

Advisor (Schools) responded to say that he accepted the criticism that comes from presenting such a position. He explained that the financial position of this school is more complicated however, including a number of contractual issues. He reminded Members of the previous discussions in the Forum about these and that the Forum set aside a few years ago a sum of £650,000 to provide financial support, which is still available. The Business Advisor also stressed that the figures stated in this meeting are forecasts only and that work is taking place to minimise the school's deficit budget.

- It will be helpful for the Authority to provide further guidance on what collective purchasing options are available to schools and academies through the Council.

The Business Advisor reported that the Working Group, convened to discuss academy conversion financial matters, met on 15 July. He reported that:

- The purpose of the meeting was to have an initial 'scoping' discussion, using information about the academies landscape and current conversations with the Regional Schools Commissioner (RSC), with a view to thinking about some guiding principles going forward for what 'collective' contribution to financial issues may look like.
- The Working Group was supportive of the line that the Authority is currently taking with the RSC about specific financial issues present in current conversion projects.
- The Working Group outlined the following guiding principles for consideration of requests for financial support:
  - That any decisions (about financial support from the DSG) must only be taken on a case by case basis.
  - That the implications for such decisions must be tested to their 'furthest point' i.e. whether a decision:
    - is equitable (would stand up to external challenge)
    - could set a dangerous future precedent, or
    - could be challenged because similar circumstances have previously been settled in a different way.
  - Decisions must not actively open the door to claims from the general schools and academies estate (past, present and future). The likelihood then is that the exceptional nature of the circumstances that are being supported would need to be proved.
  - Decisions must not incentivise, and must not be perceived to incentivise, poor financial management or behaviour.
  - That 'unblocking' barriers does not simply mean allocating sums of money without recovery. The Authority / the Schools Forum have mechanisms in place and have previously taken decisions to avoid incurring additional cost to the DSG, for example, in using the licensed deficits framework so that deficits are repaid, in providing loans for capital works, in requiring contractual costs to be met from delegated budgets. This may mean that the DSG is used initially to provide financial assistance, but that the cost of this assistance is repaid over time.



- That requests for financial support are subject to a rigorous process of scrutiny by a delegated panel of the Schools Forum.

Members gave their agreement to these principles, subject to seeing them recorded in the minutes of the meeting. Members made the following comments and asked the following questions:

- What would happen if the DSG ‘ran out of money’? The Chair responded to explain that, at the beginning of the Working Group meeting, the Business Advisor presented the indicative High Needs Block spending position, so that the context for decisions about the provision of financial support from the DSG was understood.
- The Director of Finance expressed his concern to the Forum about the current incompatibility between government policies regarding academies, fiscal stability and his responsibility as the Council’s S151 officer. He stated that we are currently learning about the processes and expectations associated with academy conversion. A Council motion on academies has been agreed and we are making representations to the DfE. The Director also stated that his counterparts regionally and in Met Districts are saying they are not facing the same scale of pressure (in terms of numbers, timing and contractual complications).
- The Chair stated that we are current in an exceptionally fluid period of government policy. He suggested that a meeting with the RSC, the Authority and headteachers may be useful in furthering discussions on conversion matters.

Members were then asked to consider the letter that has been received from the Chair of Governors at Oastler School. Following a short discussion, in which views both for and against the request were expressed, Members agreed to refer the letter to a panel to be established and that the Chair of Governors be invited to attend the panel meeting. Members agreed that the panel should have representatives from all sectors, and should include a representative of governors. The panel will report a recommendation back to the Forum.

#### **Resolved –**

- (1) That the information provided be noted.**
- (2) That guidance be provided, for the Forum’s consideration, on the options that are available to schools and academies for collective purchase of services and buy-back from the Council.**
- (3) That the Schools Forum agrees with the principles proposed by the Working Group for the assessment and management of the financial implications of the conversion of maintained schools to academy status, including the assessment of requests for financial support from the DSG, subject to seeing a written recorded version of these principles in the minutes.**
- (4) That a formal ‘Panel’ of Forum Members be established with the remit to discuss in detail the financial implications of academy conversions and requests for financial support from the DSG that may be made. That this Panel includes Members representing governors. That this Panel makes recommendations back to the full Schools Forum.**



- (5) That the letter to the Schools Forum from the Chair of Governors at Oastler School be referred to this Panel. That the Chair of Governors be invited to the address the Panel to discuss the request. That the Panel's recommendation on financial support for the school's deficit budget be presented back to the Schools Forum.

***ACTION: Business Advisor (Schools)***

### **173. SCHOOLS' FINANCIAL VALUE STANDARD**

The Business Advisor (Schools) presented a report, **Document GC**, which provided the Forum with an update on the compliance of maintained schools with the Schools' Financial Value Standard (the SFVS) at 31 March 2016. This was presented for information and Members did not ask any questions and did not make any comments.

**Resolved –**

**That the information presented be noted.**

### **174. FINANCIAL CLASSIFICATION OF MAINTAINED SCHOOLS 2016/17**

The Business Advisor (Schools) presented a report, **Document GD**, which provided the Forum with a summary of the categorisation of maintained schools within the Local Authority's Financial Classification of Schools for the 2016/17 academic year. The content of this report was referred to and considered under item 172.

**Resolved –**

**That the information presented be noted.**

### **175. OTHER SCHOOLS FORUM STANDING ITEMS**

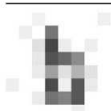
No further updates were presented on the Forum's standing items.

**No resolution was passed on this item.**

### **176. ANY OTHER BUSINESS (AOB); FUTURE AGENDA ITEMS**

No additional items of business for consideration were tabled.

**No resolution was passed on this item.**



## **177. DATE OF NEXT MEETING**

**The next meeting of the Schools Forum is Wednesday 21 September 2016.**

*committeeseecretariat\minutes\SF\20July*

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

