

# **Report of the Director of Children's Services to the meeting of the Children's Services Overview & Scrutiny Committee to be held on 11 April 2017.**

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**Subject:**

**Schools Forum Update**

**Summary statement:**

**Children's Services Overview and Scrutiny Committee has asked for a regular update on the work of the Schools Forum.**

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**Portfolio:**

**Education, Employment and Skills**

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**Overview & Scrutiny Area:**

**Children's Services**

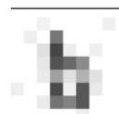


## **1. SUMMARY**

- 1.1 The Committee has asked for regular updates to be provided on the work of the Schools Forum.
- 1.2 The last update was presented to the Committee on 24 January 2017. The Schools Forum has met once since on 15 March 2017. The decisions list from the 15 March meeting is attached at Appendix 1. The 2<sup>nd</sup> spring term Schools Forum meeting is typically low key in terms of agenda items, falling between the DSG setting process and the presentation of more detailed information about the position of school balances, which is available following the closure of accounts in May. As a result, this is a short update report.
- 1.3 As the Committee will be aware, the Schools Forum's recommendations for the allocation of the 2017/18 DSG were ratified by Council on 24 February 2017. The Local Authority is now engaged in delivering these recommendations.
- 1.4 The Government's 2<sup>nd</sup> stage of consultation on Schools and High Needs Block National Funding Formula arrangements was published on 14 December 2016. The deadline for responses to this consultation was 22 March 2017. The Local Authority's / School Forum's response is attached for the Committee's information at Appendix 2. It is expected that the outcomes of the consultation, and final details on the National Funding Formula, will be announced by the DfE towards the end of the summer term.

## **2. BACKGROUND**

- 2.1 Under national Regulations, every local authority is required to operate a Schools Forum. The primary function of a Schools Forum is to recommend to the Council's Executive Committee how the funding, which the Government provides for schools and individual pupils (known as the Dedicated Schools Grant), is managed. The Forum also has some specific technical decision making powers. The DfE has stressed that it is essential that Forum membership arrangements keep pace with the changing landscape, in particular the conversion of maintained schools to academy status. The Forum must consider annually how best to provide for responsive arrangements, to ensure the Forum remains representative and to avoid any unintended bias towards any one phase.
- 2.2 29 maintained schools have converted to academy status between 1 September 2016 and 1 March 2017. There are currently 9 academy members on Bradford's Schools Forum, alongside 18 representatives of maintained schools.
- 2.3 The Schools Forum meets every half term with an additional meeting in the autumn.



### 3. OTHER CONSIDERATIONS

- 3.1 The Committee may wish to focus on the National Funding Formula consultation and the latest news from Government regarding the implementation of this. The Local Authority's response is attached at Appendix 2.
- 3.2 The reports to the Schools Forum meeting on 15 March provided updates on a number of DSG and school budget matters, including an interim update on the anticipated volume of conversions of maintained schools to academy status in Bradford and the likelihood of liabilities resulting from the conversion of schools holding deficit budgets. The report to the Forum stated:
- Since February 2016, the Local Authority has completed the financial close of 13 maintained schools that have converted to academy status. None of these have closed with deficit budgets. A total of £1.90m of surplus balances has been paid across for these 13 conversions.
  - The Local Authority is currently processing the financial closures of 24 maintained schools that have converted to academy, 4 of which are sponsored academies i.e. there have been 37 conversions of maintained schools to academy status in total between February 2016 and March 2017. There is risk of a small value of deficit in one of these 24 conversions (a primary sponsored academy). However, on current information, the other 23 schools will convert with surplus balances. We will continue to keep the Schools Forum informed about the position of these conversions.
  - At 1 March 2017 we have 133 maintained schools. We have immediate sight of around 30 schools that are planning conversion / may convert / are likely to convert during 2017. The position is moving regularly. 5 of these 30 would potentially be regarded as sponsored academies. On current information, there is risk of a small value of deficit in one of the 5 potential sponsored conversions (a primary sponsored academy) and risk of a larger value of deficit in a secondary sponsored academy conversion.
  - In terms of the financial positions of maintained schools generally, at March 2016 we had 6 maintained schools in deficit. At March 2017, we currently forecast that 10 maintained schools will be in deficit. 10 represents 7.5% of our total number of maintained schools. We are seeing a general reduction in the values of balances held by maintained schools. The schools that are still maintained held a net £15.2m surplus balance at March 2016 and are currently forecasting to hold a net £7.7m at March 2017. Although we expect that the forecast of £7.7m is an underestimation, as schools have historically underestimated their balances in their prior-year end forecasts, this does identify that the values of balances are reducing. 71% of our schools forecast to have in year deficits in 2016/17 (where in year spending exceeds in year income and the school's budget is supported by the use of carry forward balances). The Schools Forum will receive a report about 2016/17 final balances; deficits and surpluses in May 2017 and a report on forecasted 2017/18 budget positions in July 2017.



#### **4. FINANCIAL & RESOURCE APPRAISAL**

Not applicable – this is an update for information.

#### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

Not applicable – this is an update for information.

#### **6. LEGAL APPRAISAL**

Not applicable – this is an update for information.

#### **7. OTHER IMPLICATIONS**

##### **7.1 EQUALITY & DIVERSITY**

Not applicable – this is an update for information.

##### **7.2 SUSTAINABILITY IMPLICATIONS**

Not applicable – this is an update for information.

##### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

Not applicable – this is an update for information.

##### **7.4 COMMUNITY SAFETY IMPLICATIONS**

Not applicable – this is an update for information.

##### **7.5 HUMAN RIGHTS ACT**

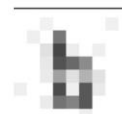
Not applicable – this is an update for information.

##### **7.6 TRADE UNION**

Not applicable – this is an update for information.

##### **7.7 WARD IMPLICATIONS**

Not applicable – this is an update for information.



## **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

Not applicable – this is an update for information.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None

## **9. OPTIONS**

Not applicable – this is an update for information.

## **10. RECOMMENDATIONS**

**10.1 Committee Members are asked to consider and to note the information provided in this update.**

## **11. APPENDICES**

Appendix 1 – Decisions List 15 March 2017

Appendix 2 – National Funding Formula Consultation Response

## **12. BACKGROUND DOCUMENTS**

None

