

## SCHOOLS FORUM AGENDA ITEM

For Action



For Information

**Brief Description of Item**

Members are asked to consider the recommendation from the Panel on the letter received by the Schools Forum from Oastler School.

**Date (s) of any Previous Discussion at the Forum**

The Schools Forum considered the initial submission of the letter from Oastler School at its meeting on 20 July 2016. The record of the Forum's recommendation at this meeting is set out below.

**Background / Context**

The letter received by Oastler School was considered initially by the Schools Forum on 20 July 2016. The minutes of the 20 July meeting record the following recommendations:

*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.*

*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.*

At the same meeting, the Schools Forum also considered the recommendations from an informally convened Forum panel, which was asked to consider the criteria that could be established for the Forum's management of requests for financial support from individual schools wishing to convert to academy status where finance is a barrier. The Forum agreed the panel's recommended criteria, which are as follows:

- o That any decisions (about financial support from the DSG) must only be taken on a case by case basis.
- o 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
- o 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.
- o Decisions must not incentivise, and must not be perceived to incentivise, poor financial management or behaviour.
- o 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.
- o That requests for financial support are subject to a rigorous process of scrutiny by a delegated panel of the Schools Forum.

The Forum's Panel, made up of 4 Forum members, met on 2 occasions with representatives from Oastler School, to discuss Oastler School's request for financial support from the DSG. These meetings were facilitated by the Business Advisor (Schools).

Oastler School held a deficit balance of £163,454 at 31 March 2017. It is this value of deficit that the Panel was requested to consider supporting from the DSG.

Financial support allocated from the DSG would be charged to the High Needs Block.

### **Details of the Item for Consideration**

The full recommendation from the Panel is as follows. The Panel:

- Agrees that the school has faced a difficult financial position, that this position is 'exceptional'.
- Agrees that the evidence presented identifies the cause of the deficit to be the lower than planned occupancy between the period April 2014 and April 2015 and that this was the result of the Local Authority slowing down the admission of pupils as well as 'pausing' the transfer of pupils from Ellar Carr, meaning that the Local Authority moved away from its own opening plan (which was for the school to be at full occupancy by April 2014 at the latest); this is referenced in the following documents – Report of the Strategic Director for Children and Young People to the meeting of the Executive to be held on 23rd February 2010 and a number of sets of minutes of the School Specific Monitoring Group Meeting.
- Understands that the primary reason for this change was the significant issues the transfer of groups of vulnerable students into a new setting was causing. The Local Authority should have understood this difficulty in planning the opening of the school and therefore, should have set out a more incremental approach to its establishment.
- Agrees that the deficit is acting as a barrier to the forward development of the school within the District's strategic plan.
- Recommends therefore, that the Local Authority should take responsibility for the cost of writing off the school's deficit.

In considering this recommendation, Forum Members must be aware of the following:

- The Authority accepts that the opening plan for Oastler School was adjusted to 'slow down' the admission of students into the school. This was done in response to significant transition issues to ensure the successful and safe establishment of the school. The Authority has previously accepted that the behaviour strategy could have been clearer, and could have been communicated more clearly, over the period of the school's establishment.
- In recommending that 'the Local Authority should take responsibility for the cost', the Schools Forum does not have the power to spend against the Authority's base-budget. The Forum also does not have statutory authority over the spending of the High Needs Block. Regarding the High Needs Block, the Forum is a consultative body, with the Authority's Executive Committee being the decision maker. It is the role of the Schools Forum therefore, to decide its final recommendation to be presented to the Executive. The final decision will be the Executive's.
- Was a more incremental opening plan followed for the school, the cost to the DSG in post-opening financial support for the school would have been greater and extended for a longer period of time. An indicative model suggests that the actual cost to the DSG, including the write off of a £163,000 deficit, is £69,800 lower than the cost of an example incremental opening plan. This information will also be presented to the Executive.

### **Implications for the Dedicated Schools Grant (DSG) (if any)**

Financial support at a value of £163,454 (the value of deficit held at 31 March 2017), where allocated from the DSG, would be charged to the High Needs Block.

### **Recommendations**

**Members are asked to consider the recommendation from the Panel on the letter received by the Schools Forum from Oastler School. The Schools Forum is asked to agree its recommendation on this matter for presentation to the Executive.**

### **List of Supporting Appendices / Papers**

None

### **Contact Officer (name, telephone number and email address)**

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