

Report of the Strategic Director, Children's Services to the meeting of the Children's Services Overview & Scrutiny Committee to be held on 11 April 2018.

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Subject:

Schools Forum Update

Summary statement:

Children's Services Overview and Scrutiny Committee has asked for regular updates on the work of Bradford's Schools Forum.

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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 17 January 2018. The Schools Forum has met once since on 14 March 2018. The decisions list from this meeting is attached at Appendix 1.
- 1.3 Members of the Committee will be aware that the Schools Forum has made its recommendations on the allocation of the 2018/19 Dedicated Schools Grant (DSG) and these were accepted by Council on 22 February 2018. The Local Authority is now engaged in delivering these recommendations. The summary table from the report to Council on the allocation of the 2018/19 DSG is copied below for the Committee's reference.

Description	Early Years Block £m	Schools Block £m	High Needs Block £m	Central Schools Block £m	Total DSG £m
Estimated DSG available 2018/19	£43.997	£415.336	£65.793	£2.853	£527.979
Estimated DSG B'fwd from 2017/18	£1.523	£4.775	£1.631	£0.000	£7.929
Total Estimated DSG (Schools Budget) 2018/19	£45.520	£420.111	£67.424	£2.853	£535.908
Delegated to Schools / Providers	£42.970	£411.422	£52.317	£0.000	£506.709
Non-Delegated Items	£1.027	£3.913	£13.825	£2.853	£21.618
Allocation of One Off	£0.606	£0.550	£1.631	£0.000	£2.787
Total Funding Allocated	£44.603	£415.885	£67.773	£2.853	£531.114
Difference (reserve)	+ £0.917	+ £4.226	- £0.349	£0.000	+ £4.794

- 1.4 The reviews of SEND and SEMH provisions, and Bradford's High Needs Block financial strategy, will continue to be high priority agenda items for the Schools Forum and for the Authority during 2018. The Forum has requested that the Authority establishes, as quickly as possible, a new standing sub group, indicatively entitled the 'High Needs Block Steering Group' to provide a vehicle through which SEND and alternative provision (places) matters, High Needs Block financial issues and substantial change management programmes can be taken forward and monitored within a framework of collective responsibility (between the Authority, schools, MATs and other provider organisations). The Authority is currently establishing this group.

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 33 maintained schools converted to academy status between 1 September 2016 and 1 September 2017. A further 2 schools converted on 1 October and 1 on 1 December 2017. We now have 82 primary / secondary academies and 107 primary / secondary maintained schools. The composition of the Schools Forum has been reviewed in the light of the number of pupils in maintained and academy settings. There are currently 13 academy members on Bradford's Schools Forum, alongside 14 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 Please see Appendix 1 (the decisions list from the 14 March Schools Forum meeting).
- 3.2 Two reports presented to the Schools Forum are specifically highlighted for the Committee:
- The report of the Headteacher of the Virtual School on the allocation of Pupil Premium Plus monies for Children Looked After. £500 of the current £1,900 per CLA value is retained by the Authority to fund additional activities and support. From April 2018, the value per CLA nationally increases to £2,300 with the Authority planning to continue to retain £575 (25%) of this, passing £1,725 per CLA to schools and academies. The Forum wishes to receive an update annually on the work of the Virtual School and the impact of Pupil Premium Plus monies.
 - The 'benefit vs. cost' analysis of Trade Union Facilities Time funded from the DSG via de-delegation from maintained schools and trading with academies and high needs providers. This analysis provided more information on the value of the support services and on how our spending on Facilities Time in our DSG compares with that in other authorities and against government's previously stated expectations. The Forum confirmed its recognition of the value of these support services to schools and has ratified its initial decision to continue de-delegation at current values in the 2018/19 financial year.
- 3.3 Other reports to the Schools Forum meeting on 14 March provided updates more generally on DSG and school and academy 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:

- The Local Authority has completed the financial close of 3 more maintained schools that have converted to academy status between April 2017 and March 2018. 1 of these has closed with a small deficit balance. This is a converter academy and the Authority has processed this as such with the ESFA and expects the value of this deficit to be repaid. At the time of writing this report, the Local Authority is processing the financial closures of 3 more conversions; 2 converters and 1 sponsored academy. All 3 of these schools are expected to close with surplus balances.
- There have been 46 conversions in total since September 2015. The number of conversions in 2017/18 (6) was substantially lower therefore, than the number that took place in the previous year. We have 125 maintained schools at 1 March 2018. We have immediate sight of around 20 schools that are planning conversion / may convert / are likely to convert over the next 12 months. The position is moving regularly. We would expect 5 of these 20 to be regarded as sponsored academies. On current information, there is risk of small values of deficits in 3 of the potential sponsored conversions (these are 3 primary sponsored academies).
- In terms of the financial positions of currently maintained schools, more generally, at March 2017, 8 schools held deficit revenue balances. We currently forecast that 10 schools will be in revenue deficit at March 2018, which is 8% of our total number of maintained schools. We continue to see a reduction in the total value of revenue balances held. The schools that are still maintained on 1 March 2018 held total net revenue surpluses of £9.1m at March 2017. These schools currently forecast to hold £4.5m at March 2018. Although we would assess that £4.5m 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 continuing to reduce. 63% of our maintained schools forecast to have in year deficits in 2017/18 (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 full report on 2017/18 final balances, deficits and surpluses, on 16 May 2018.
- Intended as an estimated guide only for discussion - using the expenditure profiles recorded in the 2016/17 outturn positions and making some assumptions about funding levels and salaries costs increases, it is estimated on a very general basis that the average basic pressure on expenditure in schools and academies across 2018-2021 could fall around 10% (between 8% - 11%). This excludes the impact of changes in pupil numbers and increases in pupil need and other specific / local factors that may impact on individual schools and phases differently. In cash terms, on this basis, every £1m of budget that a school or academy has now could buy £100,000 less (between £80,000 and £110,000 less) activity in 2020/21. This continued pressure, which is primarily driven by increased staffing costs (pay awards, pension contributions etc), comes in the context of schools and academies already having responded to the reduction in the real terms value of funding since 2015 and as revenue reserves are now much smaller in value.

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 – Schools Forum meeting 14 March 2018 Decisions List

12. BACKGROUND DOCUMENTS

None