

**MINUTES OF A MEETING OF THE
SCHOOLS FORUM
HELD ON 29 MARCH 2017 FROM 9.30 AM TO 11.40 AM**

Schools Representatives

Helen Ball	Primary Head - Polehampton Infant
Ali Brown	Primary Head - Nine Mile Ride Primary
Sally Hunter	Primary Head - Wescott Infant
Brian Prebble	Primary Head - Rivermead Primary
Elaine Stewart	Primary Head - Aldryngton Primary
Sylvia Allen	School Business Manager - Hawkedon Primary
Julia Mead	School Business Manager - St Sebastian's CE Primary
Carol Simpson	School Business Manager - Colleton Primary
Ginny Rhodes	Secondary Head - St Crispins
Derren Gray	Academy Headteacher - The Piggott School
Janet Perry	Academy Business Manager - The Holt School
Corrina Gillard	Headteacher - Emmbrook Infant School
Kerrie Clifford	Maintained Nursery Acting Headteacher
Jay Blundell	Special School Headteacher - Foundry College
Sara Attra	Special School Head - Addington School
Ben Godber	Academy Headteacher - Bohunt
Keith McConaghy	School Business Manager - Oakbank
Paul Miller	Governor - St Crispins - Chairman
John Bayes	Governor - Foundry College - Vice-Chair
Ian Head	Governor - Aldryngton Primary

Non School Representatives

Anne Andrews	Oxford Diocese
Richard Dolinski	Wokingham Borough Council Representative
James Taylor	Wokingham and Bracknell College
Mary Parker	Early Years Representative

Also Present

Luciane Bowker, Senior Democratic Services Officer
Hawa Bedwa, Schools Finance Manager
Piers Brunning, Service Manager, Policy, Strategy & Partnerships
Graham Ebers, Director of Corporate Services
Jane Winterbone, Interim Head of Learning and Achievement

38 APOLOGIES

An apology for absence was submitted from Amanda Turner, Shinfield Primary Headteacher.

The Chairman welcomed Jane Winterbone, the new Interim Head of Learning and Achievement. Jane introduced herself and gave a brief explanation of her professional background.

39 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Forum held on 22 February 2017 were confirmed as a correct record and signed by the Chairman, subject to the correction of a typing error on page 8.

Matters arising

The Chairman suggested that the numerous matters arising and outstanding actions be included for consideration in the forward plan. Jane Winterbone agreed to work with colleagues to pick up pending actions, reshape the forward plan and to report back to the Forum.

40 DECLARATION OF INTEREST

There were no declarations of interest submitted.

41 DRAFT YEAR END 2016/17 CLOSURE

The Draft Year End 2016/17 Closure report and Appendixes were tabled at the meeting by Hawa Bedwa, Schools Finance Manager.

Elaine Stewart pointed out that the reports in the Agenda for this meeting were all marked '*to follow*'. In the past Schools Forum had been cancelled when reports were not available prior to the meeting as members did not have enough time to consider them. The Chairman agreed that the reports had not been delivered in a timely manner, but due to the importance of the items to be discussed, he had decided to go ahead with the meeting.

Councillor Dolinski stated that it was unacceptable to elected Members to receive agendas with '*to follow*' items. He stated that the Executive Member for Finance was aware and concerned about the late delivery of reports to Schools Forum. However, there were a number of critical issues that needed to be discussed with Forum. Councillor Dolinski stated that he was not prepared to accept late reports in the future.

The Chairman adjourned the meeting for five minutes so that Members could read the report.

Hawa apologised for the lateness in delivering the report and explained that this was due to work pressures and not having sufficient resources available to achieve deadlines.

Hawa stated that instead of doing a normal monitoring and providing a forecast, she had reported a snapshot of actuals that were posted to date, so these were projected figures for year-end closure position. Hawa accepted that there had been variations in the reporting of figures and she was undertaking work to make sure there was a consistent trail of movements going forward. In order to do that it was necessary to reconcile systems, forecasts and reports.

Hawa stated that regarding the budget summary, the Budget was as set at the beginning of the year. There were variances to forecast reflected in the actuals to date. The bottom line figure was accurate but it may be necessary to move transactions from one line to another. This seemed to be the result of earlier posting to different lines for different items.

Hawa explained that the initial DSG Budget for income was set at a level lower than the final allocation settlement received; the improvement had been incorporated in the figures reported and was why the actuals seemed higher. These changes had been passed on to schools.

In response to a question Hawa stated that the budget was set based on an indicative settlement. Hawa believed that in the past the final settlement, when published in July each year had not been formally presented to Schools Forum.

In response to a question Hawa stated that the Budget setting followed this pattern: the indicative Budget was set in December; in January the draft Budget was presented to Schools Forum for agreement and submission to DFE/EFA and in July the final settlement was received from DFE. In future Hawa would like to share the final settlement with Schools Forum and explain how variances are mitigated. If this practice was agreed, the budget could be revised and variances explained.

The Chairman noted that variances in the Budget had incorporated mid-year figures and that these variances had not been formally reported previously, he welcomed the greater transparency. He explained that because the Budget allocation to schools once agreed was fixed for the year, any changes/ variances identified mid-year could only be addressed in the following year.

In response to a question Hawa stated that it was difficult to predict mid-year variations, some of these had arrived as a result of schools '*academisation*' during a year, for example. Jane Winterbone confirmed that in her experience it was not possible to predict final settlements based on history. Jane and Hawa advised that it was critical to inform Forum on the final settlement, revised figures and options.

Janet Perry asked about the difference in the carry forward figure presented today compared to the previous report. Hawa stated that the differences related to three transactions which were listed in Appendix C of her report. Hawa explained that there was still an overall surplus and the reason for the difference was that some transactions which had not been anticipated had now been received. Hawa predicted that a surplus of £500k was going to be achieved, which was very close to the figure presented to Schools Forum in previous meetings.

Hawa stated that she was striving to provide more consistency in reporting for 2017/18.

John Bayes requested that the conventional method of reporting to show positives and negatives be used. He also questioned some lines in the report. Hawa agreed to meet him outside of the meeting to clarify any issues.

Hawa went through Appendix B - Schools Block and Early Years Contingencies. Schools Block had a variance of around £100K from last month. The re-evaluation for business rate for Ambleside Centre had now been received; the increased expenditure item had not been budgeted. This item was posted to contingencies. It was anticipated that £340K of the contingency would be spent.

The Chairman believed that business rates were recoupable as opposed to a direct cost, as per previous discussions. Hawa stated that business rates were allocated to schools budget directly as part of APT allocations and presented to Schools Forum. The reason for the decision to put allocation revaluations to contingencies was that it was not certain what the revaluation figure would be. Hawa stated that she would meet with the business rate team to ascertain the possibility recovering this money. This equated to £197k to date of the £340K budget, so this was a significant amount of money. Hawa stated that if this was recoupable, it would be. Hawa agreed to investigate and report back to Schools Forum.

Janet Perry asked if the money recouped was refunded directly to the Local Authority. Hawa agreed to double check and report back. The final reporting would be in May.

The Chairman asked that Hawa changed the description from '*anticipated spend*' to unallocated contingency.

The Chairman stated that the greater transparency was welcome, but a better methodology in terms of receiving the reports in a timely manner was important in order to make sure Schools Forum meetings were more effective.

Hawa gave a brief explanation of Appendix C – Growth Spend Analysis. She stated that the initial budget was £1.2 million, the projects were costed at £1.4 million, every costing was being evaluated to try and find savings to offset the difference. £39K had been identified in savings, but if this did not materialise, Schools Forum may be asked for an increase in the budget.

Keith McConaghy asked the reason for the budget increase for Shinfield West if the school was not going to open in September. Hawa believed this was because the money had already been committed. Piers Brunning, Service Manager, Policy, Strategy & Partnerships explained that the intention was that the school was going to open in September 2017 and a number of families had applied for a place at that school. Subsequently a decision was made not to open the school because the school was not viable. Jane Winterbone believed this increase related to the programme cost according to decisions that were made in relation to growth and expansion rather than the budget.

Janet Perry stated that the change / increase in the budget for growth spend had not been agreed by Schools Forum.

Ginny Rhodes asked for further detail about the increase in the budget for Montague Park School. Piers explained that this was a new school and as such had higher levels of spend initially. The school had started last year with one class in temporary premises and moved during the course of the year to permanent premises. Piers was not able to provide further financial detail. Jane Winterbone noted that it seemed that the increase in budget for this school had not been reported and explained to Schools Forum. Jane agreed to investigate the reason for the increase and report back to Schools Forum.

Members noted that the original budget for Hawkedon had significantly reduced. It seemed that original projected budgets were often not accurate.

John Bayes wished to have more detail and clarity around the differences between academies and maintained schools growth fund budgets. He accepted that they involved different expenses but it was important to know what they were.

Members were in agreement that more transparency was needed. Members pointed out that Schools Forum had been requesting more information about the secondary school place strategy for the last 12 months. Members were concerned that three secondary schools in the Borough now had huge vacancies in Year 7 and were being funded via lagged funding. Jane Winterbone stated that she was in conversation with schools in regards to Published Admission Numbers (PAN) and school place strategy. She recognised that there was tension in the system and that it was important to continue negotiations with schools.

Hawa stated that Appendix D outlined the timetable for year-end closure. She had sent the final system reports to schools to meet the 28 March deadline and was awaiting responses. Hawa would report back to Schools Forum accordingly.

Jane Winterbone stated that she had concerns over the High Needs Block and offered to undertake forensic analysis and report back to Schools Forum.

Corrina Gillard stated that specialist resource spaces in schools were filling up. This may result in more children having to attend independent schools, which would have an implication on the High Needs Block.

Hawa reported an improvement in Independent Special Schools; she stated that there had been a reduction from £6.4 million to £6.1 million.

RESOLVED That:

- 1) The conventional method of reporting income and expenditure would be used in future reports;
- 2) Reports would be dispatched in a timely manner;
- 3) The final budget settlement from the DFE would be shared with Schools Forum every year;
- 4) Hawa Bedwa would confirm if it was possible to recoup the additional in-year changes to business rates from the DfE;
- 5) A report containing a detailed analysis of growth fund would be presented to Schools Forum;
- 6) A report containing a detailed analysis of High Needs Block would be presented to Schools Forum.

42 RECONCILIATION OF 2015/16 SETTLEMENT DISCREPANCY AND IMPACT ON 2018 BUDGET

Graham Ebers, Director of Corporate Services addressed the Forum and went through the report which was set out in page 17 of the supplementary agenda.

Graham stated that there was a period of time where it was perceived that there was a discrepancy between the 2015/16 school budget allocation and the funding received from the Education Funding Agency (EFA) of circa £1 million. This had created anxiety and concern, which appeared to be validated after a notification from EFA that there were discrepancies in the annual return that had been submitted.

Graham explained that given the imminent issuing of schools budgets for 2017/18, the issue was speedily raised with the Chairman of Schools Forum, so that options could be explored in addressing the perceived over-allocation. A forensic analysis and reconciliation of the schools finances was undertaken, going back to 2014/15, to attain a comprehensive understanding of the financial position.

Graham informed Schools Forum that the perceived over-allocation did not exist: £89.32m grant was allocated and paid by the EFA in 2015/16, and £89.32m was allocated to the

Budget. The source of the suspected over-allocation was a note in the Statement of Accounts (year ended 31 March 2016) that incorrectly indicated a total of £90.37m had been allocated to schools budget. Although the declared Dedicated Schools Grant (DSG) Schools Forum balance of £2.177m was correct, the note explaining the balance was erroneous. It is the balance figure (level of Reserves), not the note, that becomes a substantive part of the Council's financial statements.

Graham stated that the EFA has subsequently been notified of the £89.32m and there was now agreement on this figure. It was proposed that future financial statements to Schools Forum include a reconciliation to the latest EFA funding notification for that year.

Graham stated that part of the explanation for the erroneous note was that there had been a lot of staff changes within the finance team. He believed that the lack of continuity had also contributed to this situation arising. There had been three different senior school finance officers in a short period of time, each individual had been very committed, but this had caused problems. The Local Authority was aware that high staff turnover was an issue and that it needed to be addressed.

The Chairman thanked Graham for his attendance at the meeting and invited Members to discuss the item. Some of the points raised during the discussion of the item are listed below:

- Janet Perry stated that over the last two years Schools Forum had been presented with regular large differences in figures. She asked Graham how satisfied he was that he had the right team and resources were in place to address this issue. Graham responded that he was not satisfied at the moment, this was a transitional period. He confirmed that he was aware that papers for Schools Forum were often late and stated that this was not the level of financial support delivered elsewhere in the Council. He believed that more money would have to be applied to secure the level of resource that was required for this particular function;
- Julia Mead asked what controls were going to be put in place to make sure this situation did not happen again. Graham stated that lessons had been learnt, for example in the future it may be considered better not to act in such an expedite manner and take more time to undertake the necessary analysis. On this occasion there had not been an actual problem, but only a perceived problem. However, on this occasion communication was made before a full analysis was undertaken. Graham advised that giving Schools Forum a full reconciliation of the latest EFA funding would provide a good control mechanism;
- Graham stated that a new financial system was being implemented and this new automated system would improve reporting and free up resources. It was hoped that Schools Forum work would become more proactive rather than reactive;
- Graham believed that creating more senior posts within the finance team would help retain people and improve continuity;
- Ginny Rhodes emphasised that Schools Forum had suffered terribly with the lack of staff continuity. She believed that poor decisions had been made as a result of Schools Forum not having enough information available. She stated that the constant *'interim behaviour'* was not good and referred to recent press cover about interim staff employed by the Council;
- Graham pointed out that Donna Munday had been in post for a long time, and it was only since her departure that interim staff had been employed. He stated that the Local Authority had no choice in controlling when people decided to leave. Ginny

acknowledged Graham's point but stated that staff changes had happened in other strategic areas related to school support as well, and this had affected efficiency;

- Carol Simpson stated that she found Schools Forum figure reports very difficult to interpret and reconcile. Janet Perry informed that she kept a spreadsheet containing the figures provided at Schools Forum and stated that they jumped considerably meeting by meeting;
- John Bayes confirmed that it had been very difficult for Schools Forum to operate receiving reports very late;
- Graham assured the Forum that there was a firm commitment to address the issues raised, but it would take time to make the necessary changes;
- Darren Gray asked what percentage of the overall Council Budget was in control of Schools Forum and what percentage of Graham's job involved schools finance. Graham responded that normally he would spend around 1% of his time working with schools finance, but it had taken 50% of his time this week. Graham explained that his responsibilities included all the support services for the Council. Graham stated that the Council had a council tax payers budget of about £250 million, a capital budget of about £140 million, a housing revenue budget of about £12 million and schools was in the region of £90 million (within this total some was retained and some was re-located directly to schools) per annum. The amount of time he spent on each of these depended on its complexity. Schools finance was not entirely within Council's control as it was subject to the funding formula;
- Darren Gray expressed discontentment that schools finance did not receive the same level of support as other areas in the Council, given that it amounted to a considerable amount of the overall budget. Graham accepted the point made and agreed that it was important to make sure it was right.

Graham emphasised that it was the premature communication of a perceived problem, and not a real problem, that was the reason for his report and presence at this meeting.

RESOLVED That the reconciliation of 2015/16 settlement discrepancy and impact on 2018 report be noted.

43 PUPIL MOVEMENT AND LAGGED / DOUBLE FUNDING

Piers Brunning, Service Manager, Policy, Strategy & Partnerships presented the Pupil Movement and Lagged / Double Funding report which was set out on the supplementary agenda pages 19-24.

Piers explained in great detail the contents of the report and gave various examples to illustrate different possible scenarios.

Piers highlighted the recommendations:

- That Forum agrees to fund primary schools for the additional cost associated with opening a new class until such a time as school formulaic funding is sufficient to make the class sustainable;
- $\text{Planned expansion} \times \text{AWPU (Age Weighted Pupil Unit)} \times \text{Operational months} / 12$
- That from 1 April after the expansion of the school the funding should be on the basis of:
 - $(\text{planned roll} - \text{allowance for unfunded places (lesser of 3 or 5\% of the planned year group roll)} - \text{actual roll}) \times \text{AWPU}$

- That in the event that planned roll numbers do not materialise Officers can agree that funding be based on a new planned roll based on mixed age groups (no more than two age groups within one Key Stage)

Piers recommended that the Local Authority should operate with a reasonable amount of surplus places, in the region of 3-5% because this was the figure the DFE recommended should be used. This was gap funding, the difference between the PAN and the actual number on roll.

During the discussion of the item the following points were made:

- Janet Perry asked for more detailed information on the plan, including proposed numbers, identified pressure areas and the cost and how this was going to be funded. Piers stated that Loddon was one of the schools that was identified for expansion in Year 1. He stated that a mechanism to sustain that expansion had to be found as there was need for additional school places in that area.
- Piers stated that no volunteers had been found for expansion in Years 2 and 4 to date. Part of the problem was the inability to demonstrate to schools a funding mechanism illustrating the viability of the extra spaces;
- The Chairman believed that this was part of the 1.3 million growth fund;
- Jane Winterbone stated that this was a strategic piece of work that needed to be undertaken back in the office, including a case by case scenario to understand the pressures. She strongly believed that a 1% surplus places was not enough, she would prefer a 5% surplus. The overall strategic picture should be shared with Schools Forum, explaining the rationale for decisions made;
- Corrina Gillard stated that on occasions School Admissions mistakenly told parents that her school was full when in fact it was not full. She believed that the communication between schools and School Admissions needed improving;
- Elaine Stewart stated that she felt uncomfortable with the idea of sustaining a 5% surplus places in her school. Jane Winterbone clarified that the 5% surplus would be spread across the Borough;
- Jane Winterbone explained that there were additional issues to be considered. For example, free schools had the liberty to open spaces without the Local Authority's agreement, and these places were not necessarily where spaces were needed. Jane informed that she was new to the service and she needed a bit of time to understand the demographics in order to advise on a strategy;
- Carole Simpson believed that the current formula worked well. Schools needed a degree of certainty in order to expand;
- Jane Winterbone stated that Forum may wish to consider top slicing the growth fund to enable an exceptional cost budget which schools could submit a request to, for example if there was a high percentage of SEN children within their growth cohort.

The Chairman concluded that there were three aspects to be considered in relation to growth fund:

- There was more transparency of how the budget was put together and its implications;
- A policy was likely to be recommended of either 3-5% surplus places, aligned with costs;
- The implication of new build to Growth Fund and control over the fund.

RESOLVED That the report be noted and that Schools Forum would continue to monitor growth fund.

44 REVIEW OF SEN FUNDING/ HIGH NEEDS BLOCK

The Forum decided not to discuss this item.

Jane Winterbone stated that the report that was produced for the Forum was of an operational level. She would review the report and re-submit it to Forum at a future meeting.

RESOLVED That a SEN/ High Needs Block report would be re-submitted to Schools Forum containing a strategic perspective as requested.

45 CONTINGENCIES BREAKDOWN

The contingencies breakdown was considered during the discussion of item 41.

46 PUPIL GROWTH

The pupil growth was considered during the discussion of item 43.

47 FEEDBACK ON MEETING IN WESTMINSTER

Brian Prebble, Rivermead Primary Headteacher addressed the Forum providing feedback on a school funding meeting which he had attended in Westminster. Included in the supplementary agenda were letters from Nick Gibb, Minister of Education following that meeting.

Brian stated that the following issues were raised at the meeting:

School funding more generally and broader cost-pressures

- Funding disparities in the current system;
- National insurance and pension contributions;
- Staff wages
- The impact of the apprenticeship levy;
- High Needs funding

Teacher recruitment and retention

- Absence of Reading/ Wokingham allowance
- Affordable housing for teachers
- Recruitment of teachers from abroad

Brian stated that in answer to the questions raised at the meeting they were informed that a lot more money had been put in the system. However, it was noted that there were a lot more children, so the additional money did not equate to extra money to schools.

Brian also stated that they were strongly encouraged to respond to the consultation on the new funding formula.

Brian stated that the government made following points at the meeting:

- A lower lump sum would be set for schools;
- A higher AWPU would be set for schools;
- Small schools were not viable financially.

Forum members were interested to know what was considered a small school. It was noted that a school with less than 220 was considered small.

Brian believed that academies were still very high on the government's agenda, with less involvement of the Local Authority.

Brian informed that there were no answers in regards to the issue of teacher recruitment.

Councillor Dolinski stated that he and Councillor Haitham Taylor, Executive Member for Children Services had a meeting arranged with Nick Gibbs to put pressure regarding the need for increased funding for Wokingham schools. Councillor Dolinski informed the Forum that a letter was being sent to all Headteachers in the Borough to encourage them to write to local MPs regarding this issue.

Councillor Dolinski stated that the last Council meeting had received a motion in support of schools funding.

Councillor Dolinski stated that it was believed that the government would not make any changes to the funding formula at the moment.

RESOLVED That

- 1) the feedback on the funding meeting in Westminster be noted;
- 2) Headteachers are encouraged to write to politicians regarding schools funding.

48 NATIONAL FUNDING FORMULA REVIEW WORKING GROUP

The Chairman asked if Forum members would like to establish a Task and Finish Group to review the proposals for a new National Funding Formula and its implications for Wokingham.

Forum members agreed that it would be good to initiate discussions and the following Members volunteered to take part in the Task and Finish Group:

- Janet Perry
- Derren Gray
- Brian Prebble
- Carol Simpson

The Task and Finish Group would be supported by Hawa Bedwa and Jane Winterbone.

RESOLVED That a Task and Finish Group be established to analyse the implications of the proposed new funding formula for Wokingham schools.

49 FORWARD PROGRAMME

The Forum asked Jane Winterbone to work with Officers and to allocate items to the forward programme accordingly. The Chairman asked Jane to include SEN/ High Needs Block and other outstanding items / matters arising from previous meetings.

The next meeting on 24 May 2017 would be held at the Council offices in Shute End, Wokingham.