

Minutes of a meeting of the Schools Forum

Held at 1.00 pm on Thursday 20th October 2022 as a Remote Meeting via Zoom

Present:-

Members

James Birkett (Chair)
Sandra Appleby
Siobhan Hearne
Nikki Lamond
Jo Sanchez-Thompson

Paul Wheeler (Vice Chair)
Peter French
Lee Hughes
Angela Prodger
Robert Tite

Officers

Sariya Bi
Ann Marie Dodds
Neil Goddard
Salik Khan
Judy Matthews
Yoke O'Brien
Raj Sohal

Senior Finance Business Partner
Executive Director – Children's Services
Assistant Director - Education
Finance Business Partner
Early Years Strategic Advisor
Strategic Finance Business Partner
Democratic Services Officer

Also in attendance – Councillor Scott Edwards

62 **Apologies for non-attendance, Forum membership changes and declarations of interest**

Apologies for non-attendance were received from Peter Cantley (Peter French was in attendance as a substitute).

63 **Minutes of meeting held on 7 July 2022 and points arising/officer feedback**

RESOLVED that:

The minutes of the meeting held on the 7th July were agreed as an accurate record.

64 **2021-22 DSG Budget Outturn and 2022-23 DSG Budget Update**

The Forum considered a report by The Senior Finance Business Partner, which outlined North Northamptonshire Council's 2021-22 DSG outturn and provided an update regarding the 2022-23 DSG.

During discussion, the principal points were noted:

- Members queried how the high needs overspend from the previous year compared with that of the high needs balance brought forward from the legacy Northamptonshire County Council authority and whether a deficit had been carried into the current year.

- Regarding the 2022-23 DSG funding, members queried whether officers had an expenditure forecast, to predict the local authority's position against its income.

In response, The Senior Finance Business Partner clarified that:

- The high needs block deficit brought forward from the legacy authority had been repaid, therefore no deficit was carried into the new year.
- A forecast report would be brought to the December Forum meeting, to outline local authority income against expenditure.

The Chair requested officers to bring a schedule of DSG budget updates to the December meeting of the forum.

RESOLVED that:

The report be noted.

65 2021-22 Maintained School Balances and Schools Facing Financial Difficulty in 2022-23

The Forum considered a report by The Finance Business Partner, which outlined the final 2021-22 maintained school balances, as at 31st March 2022.

During discussion, the principal points were noted:

- Members queried what action could be taken by the local authority to prevent maintained schools from reporting false balances.
- One member queried whether the deficit figures listed in the report were in-year deficits or cumulative deficits.
- Members queried whether the local authority was working internally, or alongside school resource management advisors, where schools were in difficulty, to see how they could offer support and cost adjustments.
- Members queried what support was put in place to communicate with schools around the categorisation of reserve carry-forwards.
- Members queried how the local authority differentiated maintained nurseries money from other activities.

In response, The Finance Business Partner clarified that:

- Through the school balances control policy, the local authority would clawback balances regardless of whether they had been committed or not. Schools would be asked to complete a surplus balance analysis form, which would outline committed balances and conditions for them to be classified as committed, as per DfE guidance.
- The figures provided in the report were cumulative deficits.

- Schools would be asked to provide budget plans on a quarterly basis, linked with school effectiveness. The local authority had also begun to request cash flow forecasts from schools, for further budget management.
- The categorisation of carry-forwards would be addressed by the surplus balance analysis form, as schools would be asked to provide evidence for any committed balances.
- Work around early years finance was underway to carry out an audit of maintained nurseries.

RESOLVED that:

The Forum approves the recommendations outlined in the report, not to apply a clawback policy for 2021/22 and to update the balance mechanism control policy and surplus analysis form for 2022/23.

66 School Balances Control Policy

The Forum considered a report by The Finance Business Partner, which outlined North Northamptonshire Council's policy on the Control of Surplus Balances in schools.

During discussion, the principal points were noted:

- Members requested that the local authority provide support to schools when submitting returns (surplus balance analysis form).
- Members queried whether clear criteria would be outlined, for schools to ensure they had submitted returns correctly.

In response, The Finance Business Partner clarified that:

- Under the policy, where the local authority would be satisfied with the returns submitted by schools, it would continue monitoring to verify that plan expenditure would eventually be realised. The local authority made a commitment to support schools and maintain clear communication around any potential clawback.
- The criteria for required evidence from schools would be clearly outlined, through guidance on the analysis form.

RESOLVED that:

The Forum approves the School Balances Control Policy.

67 North Northamptonshire School's Deficit Budget Policy

The Forum considered a report by The Finance Business Partner, which outlined North Northamptonshire Council's School Deficit Budget Policy.

During discussion, the principal points were noted:

- Members queried what would happen to school's deficits if they were to become academies.
- Members queried whether the 1% figure required for schools to agree a planned budget came from the DfE or North Northamptonshire Council.
- One member queried whether schools would be obligated to submit a deficit recovery plan immediately after falling into an in-year deficit.

In response, The Finance Business Partner clarified that:

- If schools in deficit were to convert to academy status, this deficit would follow them. However, if the academy was sponsored, the debt would remain with the local authority.
- The 1% required for a planned budget came from the local authority's Scheme for Financing Schools. Under DfE guidance, schools would not be allowed to operate under a deficit, without license.
- As soon as schools became aware of passing the 1% deficit threshold, they would apply for a license deficit. ('Schools should develop plans for deficit recovery as soon as potential deficit is identified.')

RESOLVED that:

The Forum approves the Deficit Budget Policy.

68 2023-24 Provisional National Funding Formula for Schools and High Needs

The Forum considered a report by The Strategic Finance Business Partner, which outlined details of the National Funding Formula (NFF) 2023-24 policy for schools and high needs.

During discussion, the principal points were noted:

- Members expressed concern that the minimum funding guarantee listed in the report would cause another funding gap in future, which would hinder schools from delivering best possible services. The Forum requested that officers bring further information concerning how it might work with the local authority to lobby and express the effects of such funding to central government.

RESOLVED that:

The report be noted.

69 Split Site Policy and Update

The Forum considered a report by The Interim Capital Programme Consultant, which outlined North Northamptonshire Council's proposed Split Site Policy, funded from the Schools Block of the DSG for 2023-24.

RESOLVED that:

The Forum approves the Split Site Policy.

70 Pupil Growth Fund Policy and Update

The Forum considered a report by The Assistant Director for Education, which outlined the Pupil Growth Fund.

During discussion, the principal points were noted:

- Regarding the dispersal of funding to schools which had taken on refugee and asylum-seeking students, members queried whether the local authority could consider what support for refugee children might be provided through the pupil growth fund.
- One member queried whether it might be deemed risky to apply growth funding to schools whose budget trajectories demonstrated significant future deficits.

In response, The Assistant Director for Education clarified that:

- There had been a 600 pupil increase, in-year, since the previous academic year - of this figure, 100 places were related to the Ukrainian refugee scheme. The local authority had waited for further guidance from the DfE concerning the 'Homes for Ukraine' scheme and had, at the time of meeting, received only a quarter of committed funding. Until full funding was received from central government, the local authority would allocate this capital to schools.
- The local authority would ensure that where it would seek to put growth into schools, it would not adversely affect their budgets. For planned growth, the local authority would need to be aware of schools' financial capabilities and robustness to manage growth.

RESOLVED that:

The report be noted.

71 Implementing the Direct National Funding Formula Consultation

The Forum considered a report by The Assistant Director for Education, which outlined the Direct National Funding Formula Consultation by the DfE, which closed on the 9th September 2022.

RESOLVED that:

The report be noted.

72 National Funding Formula Central School Services Block 2023-24

The Forum considered a report by The Strategic Finance Business Partner, which outlined North Northamptonshire Council's proposals for central expenditure on education functions for 2023-24.

During discussion, the principal points were noted:

- Members queried whether officers anticipated a deficit in the high needs funding block, since in the previous year, the Forum had been asked to approve a contribution transfer of 0.11 to the high needs funding block.

In response, The Strategic Finance Business Partner clarified that:

- The local authority had inherited a high needs block deficit of £1.6 from the legacy authority, which had been paid in 2021/22. There was no longer a deficit in the high needs funding block, as the legacy structural deficit had been resolved.

RESOLVED that:

The report be noted.

73 Early Years Update

The Forum considered a report by The Early Years Strategic Advisor, which provided an update regarding North Northamptonshire Council's activity around the Early Years sector.

RESOLVED that:

The Forum approves two additional places for wider representation of the PVI sector.

74 Proposed Changes to Scheme for Financing Schools

The Forum considered a report by The Finance Business Partner, which outlined proposed changes to the Scheme for Financing Schools. All maintained schools would be consulted on any amendments or additions to the scheme.

During discussion, the principal points were noted:

- One member suggested that it would be more helpful to receive updates regarding forecasts of the scheme on a termly-basis, rather than quarterly.

RESOLVED that:

The Forum approves the questionnaire to be included in the schools budget consultation.

75 Schools Forum Plan

The Democratic Services Officer introduced the item and highlighted the following:

- The next meeting of the North Northamptonshire Schools Forum would be held on the 14th December 2022.

RESOLVED that:

The Forum noted the report.

76 Urgent Business

There was none.

There being no further business the meeting closed.