

## Attendance

### Members of the Schools' Forum

Barry Bond	Special School Sector Governor Representative
Jon Dovey	Primary Sector Governor Representative
Lynne Law	Academy Sector Representative
Carroll McNally	Non-School Member Diocesan Schools Representative

Alberto Otero	Secondary Sector Headteacher Representative
Stephen Smith	Primary Sector Governor Representative
Arthur Thompson	PRU Sector Head Teacher Representative
Lucia Jayne Turner	Nursery Sector Governor Representative
Sarah Whittington	Special School Sector Head Teacher Representative
Phil Williams	Academy Sector Representative
Graham Tate	Highfields Secondary School
Louisa Craig	Our Lady & St. Chad's Academy

### In Attendance

Councillor Lynne Moran	Cabinet Member for Education and Skills
Bill Hague	Head of School Planning and Resources
Claire Nye	Director of Finance
Tanbir Duhra	Business Support Manager – Education
Adrian Leach	Head of Special Educational Needs and Disability
Shelley Humphries	Democratic Services Officer

*Item No.*    *Title*

1        **Welcome and Introductions**

2        **Apologies**

Apologies were received by Susan Lacey, Ray Green, Karen Elliott, Jeremy Parkes, Ian Browne and Jon Hopkins.

Claire Foster attended as a substitute for Susan Lacey.

3        **Declaration of Interest or Confidentiality**

4        **Minutes of the Previous Meeting - 26 February 2018**

Resolved:

That the minutes from the previous meeting be approved as a correct record.

5        **Matters Arising**

It was noted by the Chair that the meeting was a public meeting and for this to be amended on future paperwork.

The resignation of Gill Morris and Gemma Draycott had been noted and finding replacements would be addressed as part of the Constitution and Membership review.

## 6 **School Balances Report**

Debra Boniface, Finance Manager presented the School Balances report and highlighted key points. In addition to the information contained in the report, several points were raised.

It was queried what the Department for Education [DfE] attitude was to devolved formula capital (DFC); there had been work done on this and the Forum were advised that:

- there was a time limit of three years and five months in which to spend the money
- the money could be used during April – August terms [this extension was due to work being done over the summer]
- the return to the DfE was related to how much surplus remained
- If a school was carrying surplus for longer than three years, this would be investigated to find out why

A report on DFC balances could be brought to the next Forum

One of the cases highlighted was that of the Orchard Centre with a balance of £1.2 million. It was explained that the PRUs work budgets as a whole and the case had been considered at the Arbitration Panel. In this case, there were genuine plans to utilise the money to fund the construction of a large sports hall. The build had been fully costed and was of a considerable size and it was stated that it would also be available for wider community use.

A concern was raised about the projected deficits and the Authority were advised by Forum members to keep these in check with appropriate recovery plans. In the specific case discussed, the school had grown in size and the Forum were assured that plans were in place to take the deficit down to zero within two years.

This led to a discussion on the subject of schools being converted to academies and the risk of this causing a deficit. The Forum were advised that, in one case where a school converted, the existing deficit of £899,000 was reduced to £500,000. Another case was highlighted where a deficit of £150,000 increased to £250,000 following conversion; the concern here was that the debt would be passed on to other schools. The Forum were assured by Bill Hague that the point had been noted, that each case was different and treated as such and that deficit balances were absorbed by the Local Authority General Fund, and not passed to other schools, in line with DfE regulations. The key issue was that schools were supported effectively and that any extra money was used for the benefit of pupils.

The point that schools that planned to convert to Academy under the convertor mechanism (as opposed to the sponsored mechanism) carrying deficit took it with them was raised and Claire Nye, Director of Finance explained that Senior Executives and elected Members within the Council were aware of the deficit and the importance of monitoring and efforts were being made to make schools more accountable for spending. It was, however a challenge to prevent spending and it was queried whether there was a facility to take financial control.

A licensed deficit application could be put in place which was a form of monitoring which required regular returns from the schools in order to keep track of their balance. Most applications resulted in monitoring for three years and, in some cases, up to four.

Resolved:

That Debra bring a paper to the next Forum on DFC balances.

## 7 **DSG Out-turn Report**

Debra Boniface, Finance Manager presented the DSG Out-turn report to the Forum and highlighted key points. She explained the presentation of the data and that the layout had been realigned this year to sit in line with Agresso and submissions to DfE so all information appeared in the same format.

With regard to item 2.1 of the report, it was highlighted that there had been an error. It was queried how it had occurred and who was to accept accountability. The reason for the error was thought to be due to a change in staffing and that it may have occurred during the handover. The individual in question had left the authority before the error could be identified. Nothing had been lost however Debra's team was noted to have worked hard to reconcile the issue and change the coding to ensure a similar problem didn't reoccur.

Resolved:

That the report be received and noted.

## 8 **Arbitration Panel Issues**

Bill Hague presented the report, in the absence of Tom Knott, and highlighted key points. It was explained that the case of Penn Hall Special School was highly unusual and it was worth noting that school had changed leadership since the ratification to recover the excess money from the school. This led to the school being placed in a vulnerable financial position, so permission had been sought for the Arbitration Panel to reconvene and be recommended to return the funding to Penn Hall Special School.

A discussion followed during which the following key points were made:

- It was important to ensure that excess money recovered from schools was allocated. The main view held by some Forum members was that unallocated money should not have been allowed to sit unused in the first instance. This was not thought to be best practice; if excess money was recovered, it should be used as soon as possible and spread across the City for the benefit of other schools.
- It was noted that bidding had been opened for the recovered money, but not all bids had been successful which was why there was still unallocated money remaining. It was suggested that the bidding process be revisited.
- It was suggested that clear guidelines should be added to the Terms of Reference for the Forum, so it is understood fully what happens following a decision made at Arbitration Panel to recover funds. These guidelines should be concise and watertight enough to hold up to scrutiny. It was not agreeable

to the Forum to revisit the Arbitration Panel to request to directly return funds to a school it had been recovered from; the money should, in principal, not be made available to return. It was felt that this activity would give a poor perception of decisions made by the Arbitration Panel. Bill Hague, Head of Schools Organisation offered to prepare a paper for a review of these guidelines as part of the Constitution Review for the next meeting.

- It was important to keep in mind that schools should not suffer as a result of any financial decisions. A better use of the money was thought to be to use it to prevent Wolverhampton's children having to go outside the City. This could be done using matrix banding to filter it down to individual children.

Resolved:

1. That there would be no second determination by the Arbitration Panel
2. That the remaining uncommitted money be used to prevent children from having to attend school out of the City
3. That Adrian Leach prepare a paper detailing how the money was allocated to the next meeting
4. That the review of the Schools' Forum constitution includes a review of the Arbitration Panel as well as the bidding process for uncommitted monies

#### 9 **Update on High Needs Review - Sub Group**

Adrian Leach, Head of SEN presented the High Needs Review update in Tom Knott's absence. The report covered a refresh of the High Needs Funding Sub-Group and three recommendations were made to approve: the proposed Terms of Reference, the Work Programme and the principles of the High Needs Funding Sub-Group.

Resolved:

To approve all three recommendations.

#### 10 **Review of Forum Constitution and Membership**

Resolved:

**That the Chair, Vice-Chair and Bill Hague review the Constitution and Membership and bring a paper with details to the next meeting.**

#### 11 **Any Other Business**

Unitary Charge Payments

The Forum were interested in further clarification on this subject. It was agreed that a better understanding of its principles, how it's set and what drives its formula was required across the board.

Council Officers present advised the group that they had not been party to the decision themselves and it was noted that the lack of understanding of the charges posed a problem for budget setting however, a piece of work was being undertaken to investigate the issue and gain a clearer understanding to pass on to the Forum. The complexities of the models had been a challenge, but Bill Hague advised that once a report was ready, this would be brought to the Forum.

Members agreed it was a serious issue and that a legally sound, transparent and cost-effective agreement was required. It was noted that the Schools' Forum had approved the Private Finance Initiatives [PFI] but it was queried whether this may need revisiting? It was stated that Meredith Teasdale, Director of Education had enlisted the assistance of the Council's legal department to contribute to the investigation.

#### Northern House – Special School

An ongoing situation with financial pressures had been identified at the school. It was supported by the local authority and work had been done with trust legacy issues. Members of the Forum queried how the school had come by these pressures and would the Forum be given details; however it was considered unfair to discuss this at the Forum.

#### Resolved:

That Bill Hague bring a report and findings on Unitary Charges to the Forum once available.

The Chair thanked the Forum for their insights and closed the meeting at 18:20.

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