

## **LANCASHIRE SCHOOLS FORUM**

**Date of meeting 2 July 2020**

### **Item No 8**

#### **Title: Recommendations of the Schools Block Working Group**

#### **Executive Summary**

In June 2020, the Schools Block Working Group considered a number of reports using the Urgent Business Procedure, including:

- Schools Budget Outturn, School Balances and Clawback 2019/20;
- Schools Forum Annual Report 2019/20;
- Urgent Business Outcomes - Supply Scheme update and alternatives to May 2020 schools census;
- Charging for the Operation of Schools Local Bank Account;
- Service De-delegations 2020/21 – School Financial Health Check Funding;
- Trade Union Facilities Agreement;
- Scheme for Financing Schools in Lancashire;
- Split Site Funding Appeal.

## **Background**

In June 2020, the Schools Block Working Group considered a number of reports using the Urgent Business Procedure. 22 responses were received, which have been collated to form the Working Group's recommendations. A summary of the key issues and recommendations are provided in this report.

### **1. Schools Budget Outturn, School Balances and Clawback 2019/20**

Information and recommendations are incorporated in the report at item 6 Schools Budget Outturn, School Balances and Clawback 2019/20.

### **2. Schools Forum Annual Report 2019/20**

Information and recommendations are incorporated in the report at item 7 Schools Forum Annual Report 2019/20.

### **3. Urgent Business Outcomes - Supply Scheme update and alternatives to May 2020 schools census**

On 20 May 2020, a request was distributed to members of the Schools Forum, using the Forum's Urgent Business Procedure. This request sought urgent views over 2 matters, relating to:

- an update on the operation of the Lancashire supply scheme;
- actions to be taken in response to the Government's decision to cancel the summer term 2020 school census for High Needs Block pupils (Views have already been sought in connection with Early Years Block funding ).

Members were asked to respond by the end Friday 22 May 2020 and by the closing date, 25 responses had been received. All responses supported both proposals without amendment, but two responses included comments and responses were provided to these members.

Both the proposals were supported by Director for Education and Skills.

Arrangements have now been made to implement the decisions:

- The Supply Cover Insurance policy update allows schools to claim for staff that are self isolating or shielding due to COVID-19, where the school can demonstrate that they are incurring additional costs which could not be met by other flexible working options available at the current time. Under normal operation, the scheme only reimburses schools for sickness absence. Further information has now been issued to schools.
- The agreed alternative data sources are being implemented to replace the information from the now cancelled May 2020 school census to enable summer term funding redeterminations to be calculated. Slightly different methodologies have been agreed for different sectors, to reflect the needs of each phase. Arrangements are now taking place to collect and calculate the data.

## **The Working Group:**

- a) Noted the report.**

#### **4. Charging for the Operation of Schools Local Bank Account**

In October 2019, the Forum supported revised bank account charges being introduced from April 2020.

The revised charges for 2020/21 are:

- Set up a new school bank account –Charge £1,000.
- Annual maintenance charge for operating a school bank account - Charge £500

The 2019/20 charges were:

- £500 to set up a new school bank account;
- £350 annual maintenance charge for operating a school bank account.

In reviewing the charges for the 2020/21 financial year, some key factors the Forum considered were:

- In recent years, schools establishing a bank account have needed considerable additional support over and above that originally envisaged in setting the charge. This has particularly involved additional work for Schools Financial Service (SFS) staff to visit the schools and rectify problems and ensure that relevant returns are submitted to the County Council, as required by the Scheme for Financing Schools;
- The maintenance charge is still not achieving full cost recovery.

In response to the original reports, members had sought clarification of the services provided, which included reconciling local bank records into the county council's accounts, investigation and correction of errors, reconciling payroll, ensuring completion of statutory VAT returns, offering support and guidance etc.

The 2020/21 charges were due to be issued in June 2020 to bank account schools and the accompanying notification will specify that the revised charges were agreed with the Forum. This report acts as a reminder of the discussions if Forum members are contacted about the decision from October 2019.

#### **The Working Group:**

- a) Noted the report.**

#### **5. Service De-delegations 2020/21 – School Financial Health Check Funding**

In October 2019, the primary and secondary school representatives on the Forum voted in favour of a number of de-delegation proposals for 2020/21. Group Buy-back arrangements were also agreed with other phases of schools to mirror the relevant de-delegations from April 2020.

2020/21 budgets for all types of maintained school were therefore adjusted to reflect the agreed de-delegations and group buy-backs.

One of these de-delegations related to the Support for Schools in Financial Difficulty (SIFD). The specific SIFD service offer for 2020/21 included an enhanced proposal relating to the inclusion of financial health checks for schools. Other elements of the SIFD support remain unchanged.

This enhanced proposal had been developed in response to comments from Lancashire schools and the Schools Forum and proposals in a DfE consultation on the 'Financial transparency of LA maintained schools and academy trusts'. The final outcome of the DfE Financial Transparency consultation had not been published in October 2019, but the Government's documentation indicated that any new requirements would be introduced from April 2020.

Costings for the Lancashire health check proposal had therefore been estimated and an additional figure of £0.73 per pupil for both primary and secondary schools had been included in the SIFD de-delegation proposals for 2020/21. During the discussions of this extended service offer it was confirmed that the additional funding in the Schools in Financial Difficulty de-delegation for school financial health checks was subject to confirmation and would only be taken if the LA intended to proceed with proposals set out in the consultation document.

Members will recall that a number of DfE announcements in connection with the school funding arrangements for 2020/21 were then delayed due to the purdah period around the December 2019 snap general election, including Dedicated Schools Grant (DSG) allocations for 2020/21 and the DfE response to the consultation on the 'Financial transparency of LA maintained schools and academy trusts'.

After receipt of DSG allocations, 2020/21 school budgets were issued in Lancashire on 26 February 2020, following a slightly truncated budget setting process, and included the agreed de-delegations/group buy-backs. At that time, no announcements had been received in connection with the outcome of the Financial Transparency consultation, but informal intelligence suggested that the Government were still considering the consultation responses with the aim of issuing their final guidance ahead of April 2020.

However, the onset of the COVID-19 pandemic changed priorities for many organisations and in April 2020, the DfE published updated Statutory Guidance in connection with Schemes for Financing Schools. A separate item on the agenda deals with this guidance in more detail, but the DfE announcement indicated that, due to the current COVID-19 situation, scheme changes had been kept to a minimum, for example by delaying the publication of the 'Financial transparency of LA maintained schools and academy trusts' consultation response.

Whilst the LA had done some preparatory work around a school health check service offer, which enabled a cost to be calculated for the de-delegation, it is not intended to proceed with any local arrangements at the current time. Furthermore, it is not expected that any DfE requirements would become effective before April 2021.

A decision now needs to be taken around what should be done with the de-delegation and group buy-back funding that had been collected in good faith to deliver the expected health check requirements, which equates to circa £140k in total.

The views of the working group were sought on the options available.

#### **The Working Group:**

- a) Noted the report;**
- b) Expressed views about the options available for the funding within the Support for Schools in Financial Difficulty (SIFD) de-delegation relating to financial**

**health checks for schools. There was no overall consensus and an analysis of the views expressed are shown below:**

<b>Feedback on possible options in connection with funding relating to the school financial health check element of the 2020/21 SIFD de-delegation funding.</b>	
<b>Option</b>	<b>No of responses</b>
Hold the funding in the de-delegation reserve specifically earmarked for school health checks	6
Utilise the funding as part of the wider Schools in Financial Difficulty support in 2020/21	6
Use the health checks funding as a further DSG contribution to the 'structural deficits' reserve	4
Reimburse the 'health check' element of funding to all schools on the basis that it was collected	5
No response	1

**One member raised concerns about the collecting of this money from schools for a potential purpose and as it has been found unnecessary suggested that this type of "speculative taking of funds" be avoided in future and should not have happened in the first place.**

## **6. Trade Union Facilities Agreement**

Following a consultation with schools, the Forum agreed a 2020/21 de-delegation for 'Staff costs – Public Duties/Suspensions', which included the trade union duties at 2019/20 levels.

A report was provided for the working group, which had been produced by the Schools HR team, offering the annual update around the Trade Union Facilities Time Agreement. This information was provided for consideration ahead of any possible de-delegation decisions that may need to be taken in October 2020, relating to FY 2021/22.

It was noted that the Staff Costs de-delegation also incorporates support for certain public duties and when staff are suspended. Whilst there was reference in the HR report about a certain element of facilities time not being utilised each year, it was noted that the overall staff costs de-delegation was overspend in 2019/20, by circa £120k, and it was therefore likely that the costs of this de-delegation will need to increase in 2021/22.

The question posed by the Schools HR Team was:

*Forum are asked to consider whether the existing number of representatives (12 FTE) should be reviewed. Forum may wish to consider the fact that 14% of teachers now work in schools that do not fall under the facilities agreement, and that on average approx. 2.0 FTE facilities time is not used each year. This is despite the fact that overall HR casework statistics within the Schools HR Team are not reducing.*

For 2020/21, the Forum decided that information on the facilities time agreement should be included in the de-delegation consultation with schools to help inform the options for consideration. No Forum recommendation accompanied the information provided in the consultation. Members were asked to consider if the facilities time report should again be

shared with schools in a similar way, as part of the 2021/22 de-delegation consultation (assuming continued de-delegations are allowable in the 2021/22 funding regulations)

**The Working Group:**

- a) Noted the report;
- b) Expressed views about the Trade Union Facilities Agreement in connection with the proposed 2021/22 de-delegation, with a majority favouring the 'Yes, and with a Forum recommendation that the TU funding is reduced to reflect a smaller workforce' option, as shown below:

<b>Feedback on the updated facilities time agreement information being included in the 2021/22 de-delegation consultation with schools.</b>	
<b>Option</b>	<b>No of responses</b>
Yes, and with a Forum recommendation that the TU funding is reduced to reflect a smaller workforce	14
Yes and with a Forum recommendation that the TU funding continues at the 2020/21 levels	5
Yes, but without any accompanying Forum recommendation	3
No, don't include the information in the consultation	0

## **7. Scheme for Financing Schools in Lancashire**

The School Standards and Framework Act 1998 requires local authorities to publish a scheme for financing schools, which details the financial relationship with the maintained schools in the council. Any amendments to schemes must be the subject of consultation with all schools and be approved by the Schools Forum.

In April 2020, the DfE issued an 11th update to Statutory Guidance on schemes and details of the scheme updates introduced by the latest guidance were provided for the working group.

In issuing the updated guidance, the DfE indicated that, due to the current COVID-19 situation, they have kept changes to a minimum, for example by delaying the publication of the 'Financial transparency of LA maintained schools and academy trusts' consultation response, which may have had scheme implications.

The Authority has reviewed the Lancashire scheme and introduced the amendments set out in the DfE guidance. A revised draft Lancashire Scheme can be viewed [here](#), with amendments to the existing scheme shown as tracked changes.

The most significant change introduced in this update relates to the extension of the DfE's risk protection arrangement (RPA) to maintained schools from 1 April 2020. The amendment is required to ensure that the scheme allows this new arrangement to be available for those maintained schools that may have signed up for the RPA in 2020/21. Whilst we have not received formal confirmation from the DfE about any RPA sign up from Lancashire schools, a small number of schools have withdrawn from the LCC insurance arrangements from April 2020, which may suggest that these schools have joined the RPA.

As required by regulations, the county council issued a consultation with maintained schools on the proposed scheme amendments. A letter was distributed on the Schools Portal on 20 April 2020 seeking views. It acknowledged that schools may have other priorities at that time, but this consultation offered colleagues an opportunity to comment on the scheme edits if they so wished.

By the closing date for responses of 22 May 2020 no responses or comments had been received.

Members will be aware that scheme consultations do not stimulate many comments even in more normal times, with no responses having been received on previous occasions.

**The Working Group:**

- a) **Noted the report and that no views were received from schools during the scheme consultation;**
- b) **Supported the introduction of the proposed scheme amendments.**

**This is a formal Schools Forum decision and approval will be sought to update the Lancashire scheme as part of the decision making process for the July Forum meeting.**

**8. Split Site Funding Appeal**

Following a series of reports, a revised split site policy was agreed by the Forum in January 2019 and subsequent reports have presented appeals and later applications for the consideration of members.

On issuing the 2020/21 schools budget, a further split site appeal has been received. The school in question has made a previous appeal to their original split site categorisation ahead of the 2019/20 school budget being issued. The original appeal had two elements. One part of the appeal made representations about the costs incurred by the school as part of their split site arrangements and the second element of the appeal related to the notice period being given to schools.

At the time, the Forum accepted that the notice period for any school reductions in split site allocation for 2019/20 was tight, if schools were only receiving confirmation in January 2019, so all 2018/19 split site funding levels were honoured for 2019/20.

For 2020/21, schools in receipt of a split site allocation in 2018/19, received the higher of either, their allocation against the revised criteria, or 50% of their 2018/19 allocation. The reduced split site allocation has only therefore impacted on the school budget from April 2020. In addition, a new Headteacher has taken up post at the school and in discussion with the governors, has submitted an appeal.

The appeal information from the school was provided for the Working Group in full, although it was noted that the distance between the buildings has been reassessed by the school as 271m.

The views of the working group are now sought in connection with the appeal.

**The Working Group:**

- a) Noted the report;
- b) Expressed views about the split site appeal. There was no overall consensus and an analysis of the views expressed are shown below, with rejecting the appeal marginally the most popular view:

<b>Feedback on a school appeal against the application of the split site funding policy</b>	
<b>Option</b>	<b>No of responses</b>
Reject the appeal as the school does not meet the distance threshold for split site criteria 1	10
Support the appeal and award criteria 1 level funding due to the exceptional case made in the appeal	9
Support a reduced distance threshold for criteria 1 so that the school qualify	1
No response/not sure	2