

# Lancashire Schools Forum

## eNewsletter

• Issue 115 • July 2021 •

# Fair Exchange?

Welcome to Issue 115 of 'Fair Exchange?' a Post-Forum Edition of the eNewsletter of the Lancashire Schools' Forum. This issue deals with matters considered at the summer term 2021 cycle of meetings.

## Schools Budget Outturn 2020/21

The overall Schools Budget outturn position for 2020/21, excluding Individual School Budgets, was an underspend of £5m. A number of factors contributed to the underspend, which were reported across all the main funding blocks, but reduced provision and uncertainties created by the COVID-19 pandemic may have been significant .

## School Balances 2020/21

The final outturn position against schools delegated budgets at 31 March 2021 was an underspend of £42.832m. This means that school balances have increased by £42.832m in 2020/21, to a total of £90.151m.

This is by far the highest level of balances held by schools at any year end, but clearly reflects the exceptional year faced by the sector due to COVID-19. Core school funding had increased in 2020/21, additional funding has been allocated by DfE grants, but lockdowns have meant that school expenditure has been curtailed, so balances at March 2021 may be artificially high. School returns indicate that £36m of balances is 'committed' at 31 March 2021, compared to only £6m in March 2020.

30 schools ended the 2020/21 financial year in deficit compared to 41 schools a year earlier, but again this figure could be impacted by artificially high balances at March 2021.

## Clawback

The Lancashire clawback of excessive revenue balances policy has been suspended for last 2 years due to COVID-19 uncertainties (March 2020 and March 2021). In recognition of the continued funding uncertainties caused by the pandemic, the Forum have again agreed to suspend the application of clawback at 31 March 2022.

Whilst clawback will not be applied in 2021/22, it is the Forum's intention is to resume the School Balances and Clawback arrangements for March 2023.

The Forum have agreed to review the March 2023 clawback policy in 12 months time, in light of any ongoing COVID-19 issues, or other implications, before it is confirmed,

Further information will be issued about the 2021/22 and the 2022/23 clawback policies via the schools portal shortly.

## Schools Forum Annual Report 2020/21

The Forum have agreed their 2020/21 Annual Report for publication. This report highlights the key issues involving the Forum during the course of the 2020/21 financial year, including additional support provided in response to the COVID-19 pandemic.

A copy of the report is available [here](#).

### Scheme for financing Schools

In April 2021, the DfE issued a 13th update to Statutory Guidance on schemes, which included 3 main changes and some minor edits to wording. The main changes related to:

- Schools financial value standards (SFVS)
- Borrowing by schools
- Licensed deficits

The Authority has reviewed the Lancashire scheme and introduced the relevant amendments. In addition to the changes in the DfE guidance, the county council proposed two substantive local scheme amendments relating to

- Prohibition of the purchase of alcohol for human consumption from school funds, except where it is to be used in religious services.
- The extension of the 'Register of business interests' provision.

A consultation was held with maintained schools seeking views on the proposed national and local scheme changes and 71 responses were received.

An analysis of responses and comments were provided for the Forum, with the majority supporting the proposed amendments.

Changes to the Scheme are a formal decision for the Schools Forum and maintained school members of the Forum voted to approve the proposed amendments. A copy of the revised Scheme has now been published and is available [here](#).

### Service De-delegations 2022/23

The Forum supported de-delegation proposals being incorporated in the consultation with schools, which will be issued in September 2021 and will include similar proposals to those agreed for 2021/22, including:

- Staff costs – Public Duties/Suspensions
- Heritage Learning Service - Primary Schools Only
- Support for Schools in Financial Difficulty
- Inclusion Hubs - Primary Schools Only

One key issue to look out for relates to the charging methodology for the Staff Costs and the Support for Schools in Financial Difficulty de-delegations. Traditionally, the charging structure has included a lump sum element, which may have disadvantaged small schools. The Forum have agreed that the charges should transition to a purely NOR basis, but that this should happen over a two year period to minimise turbulence in the system.

## What else is Happening?

### Oracle Fusion

Lancashire County Council is replacing Oracle R12 with a cloud-based Oracle Fusion platform for HR, Payroll, Finance and Procurement business processes.

Oracle Fusion is a modern, more user-friendly system which should be faster and easier to navigate and Go Live for the HR & Payroll modules is currently planned for Spring 2022.

What does this mean for Schools & Academies?

- We will adopt best practice, standardised processes which are built into Oracle Fusion
- There will be some changes to our ways of working
- Where relevant and depending on job roles, training will be offered before Go Live
- Staff should have self-service access to their payslips on personal mobile and smart devices

More information is available [here](#) (Schools Portal login required)

### Occupational Health Charges to Schools for Former Employees

Information was provided in Issue 99 of Fair Exchange in June 2019 about Occupational Health charges to schools for former employees and schools are reminded about the situation below:

A small number of schools need to be occasionally charged with Occupational Health costs related to ill health retirement assessments for employees who may have left the school, in some cases many years previously. Pensions Regulations and Guidance require that, in certain circumstances, these assessment costs must be borne by the employer and the costs may need to be charged to schools, where the former employee was a member of school staff.

The County Council understands that schools will not be able to forecast any such charges and appreciates that there are already considerable pressures on school budgets.

Such charges are rare, and the costs are relatively small, but the County Council must ensure that statutory requirements are met, and schools must meet the costs when they arise.

### Schools Finance Review of Service Offer for 2022/23 questionnaire

The Finance Team issued a survey in the summer term seeking views from schools on the finance service going forward.

The Survey closed at the end of June 2021 and 165 responses were received from schools. An analysis of responses and the comments received are now being considered to help shape the service offer for 2022/23.

The team would like to say many thanks to all the schools that took the time to respond.



## What's Happening Nationally

### Unspent PE and sport premium grant funding

As a result of the coronavirus (COVID-19) outbreak, the DfE have relaxed the ring-fencing arrangements for the PE and sport premium in the 2019 to 2020 academic year to allow any unspent grant to be carried forward into the 2020 to 2021 academic year.

Any under-spends carried forward from the 2019 to 2020 academic year, and the 2020 to 2021 academic year, will need to be spent in full by 31 July 2022. Schools should factor this into PE and sport premium spending plans. The 2020 to 2021 conditions of grant documents have been updated to reflect this.

Details are provided [here](#)

## Who's Who? - Forum Membership

A number of Forum membership changes have recently taken place. The following members are leaving the Forum, with the thanks of their colleagues:

- Ian Ball, Primary School Governor
- Louise Martin, Primary School Governor
- Eleanor Hick, Primary School Governor
- Katrina Gale, Primary School Headteacher
- Mark Jackson, Secondary School Headteacher
- Anne Peet, Early Years PVI representative
- Sandra Thornberry, PRU Governor
- CC Phillippa Williamson, County Council Representative
- CC David Foxcroft County, Council Representative
- CC Christian Wakeford County, Council Representative

Following the recent local government elections, the county council's representatives on the Forum have been revised:

- CC Jayne Rear, Cabinet Member for Education
- CC Michael Goulthorp, Lead Member for Education and Skills/Children and Families
- CC Anne Cheetham
- CC Andrea Kay
- CC Sue Hind

The county council will seek to appoint replacement school and early years representatives from September 2021.

### Questions?

Remember, if you have any questions about the Schools Forum, please contact Paul Bonser, Forum Clerk, 01772 531815, or email [schoolsforum@lancashire.gov.uk](mailto:schoolsforum@lancashire.gov.uk)