

LANCASHIRE SCHOOLS FORUM

Date of meeting 16 March 2023

Item No: 10

Title of Item: Clawback Suspension Requests

Executive Summary

This report provides information about a requests for a clawback suspension due to issues relating from implementing Oracle Fusion.

Recommendations

The Forum is asked to:

- a) Note the report;**
- b) Express any views about the requests for a clawback suspension 2022/23;**
- c) Ratify clawback position for 2022/23.**

Background

At the Forum's meeting in July 2022, the School Balances and Clawback Policy for 2022/23 was discussed and it was agreed that clawback should be implemented again at the end of March 2023 on excessive revenue balances.

A meeting of Chairs was held on 10 February 2023 to discuss a temporary suspension of clawback, and the minutes of this meeting can be found under Item 14. The Chairs decided not to suspend clawback as it will apply for the entire year and schools build up balances over recent years due to clawback being suspended.

Recently school forum has received further request to consider for the clawback to be suspended and School Forum is asked for their views on this. Please see below;

Email (1) from a Nursery

A nursery has written that they would benefit amount of £10,000 to be exempt (Reserves 31 March £84,000), due to implantation to Oracle Fusion.

"Clarity and justification - 1) – Unable to spend with 4 major suppliers (Cosy, TTS, Hope and YPO) as our account has been suspended due to invoices not being paid by LCC since November 2022 due to the implementation of fusion.

2) Gas, Elec and Water charges have not been received since Aug22. While our Finance officer has provided estimates for these based on price rises given by the Energy Team I'm concerned the estimates may be too high following information I have looked at on the Sigma system. When these charges are finally made onto the oracle system there will be no time to spend further. LCC charges at least should be made in a timely manner if LCC are imposing clawback.

- *Estimated reserves at 31 March - £84,000*

This is not just request for exemption. I want to ensure the decision to reinstate clawback this year has been made knowing all the current facts that are affecting spending at this time. Nursery schools particular y have difficulty monitoring due to the termly nature of the funding we receive. The above only makes it harder. If any more information is needed, please contact myself or my finance officer".

Email (2) from a Primary

"I would like to raise my concern about the impact on the financial year-end due to the disruptions to our financial year caused by the transition to ORACLE fusion and associated technical issues at LCC with this transfer.

This transition has caused enormous uncertainty and disruption to our budget management and forecasting and has provided uncertainty in terms of working effectively to our end of year projections.

Because of this difficulty, It has been significantly challenging in terms of ensuring an accurate and efficient year-end.

This will result in a number of schools, including our own, potentially facing unnecessary financial clawback which would otherwise have been avoided.

I will be urging my Governors to raise this as a concern with LCC and if required will be seeking further independent advice if we are financially impacted by the situation. "

Email (3) from a Primary

"I am just wondering if clawback for this year is still going to be implemented. With all of the problems with Oracle Fusion and the gas and electricity invoices still not coming through this is leaving us in a really difficult position.

At this point in the year, I am usually in a position where I have a good idea of what my outturn will be. Unfortunately, due to the ongoing problems we are facing I have no idea where our finances are at. I haven't had an electricity bill since August. I have chased this numerous times with the energy team and there is a problem with my account billing. I can see on Sigma that there are invoices for gas but they have still not come out on Oracle. I also send in meter readings every month and I know that these haven't been used for my bills, again leaving me in a position where I am struggling to work out my end of year balances.

The wage rises only going through in November and December have also caused issues with knowing our financial position.

This is the first time I have ever felt really uneasy about our financial situation. I cannot advise my headteacher nor the finance committee at our governors meeting where we stand. I know throughout the year we knew we were going to be near clawback but through no fault of our own I don't know if we will hit this or not this year."

Please can you tell me if clawback is still going to be applicable?"