

## Item 8

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

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#### **Brief Summary**

On 7 December 2023, the Schools Block Working Group considered several reports, including:

- **School Budget 2024/25**
- **Lancashire Schools Forum Operational Arrangements**
- **Clawback Exemption requests 2023/24**
- **School Teaching and Support Staff Reimbursement Scheme**

A summary of the information presented, and the Working Group's recommendations are provided in this report.

#### **Recommendations**

The Forum is asked to:

- a) Note the report from the Schools Block Working Group held on 7 December 2023.
- b) Ratify the Working Group's recommendations.

#### **Detail**

On 7 December, the Schools Block Working Group considered several reports. A summary of the information presented, and the Working Group's recommendations are provided below:

##### **8.1 School Budget 2024/25**

Following the Autumn statement on 22nd November 2023, no further funding was announced for the education sector. Therefore, the additional high needs funding allocated to support transitions and the creation of the IEST teams in 2023/24 will not be available for the 2024/25 financial year due to anticipated pressures within the funding blocks.

#### **The Working Group.**

- a) **Noted the information.**



## 8.2 Lancashire Schools Forum Operational Arrangements

The working group reviewed the proposed amendment in section 2.6 around conflicts of interest. The amendment requests members complete an annual form to declare any potential conflicts. In addition, if there is a possible conflict arising on an agenda, members will be required to inform the Schools Forum Clerk and the appropriate working group chair in advance.

If the proposed change is agreed by the three working groups, declaration forms will be sent to all members.

### The Working Group.

- a) **Noted the amendment to the Operations Arrangement**
- b) **Supported the completion of annual declaration forms for forum members.**

## 8.3 Clawback Exemption Requests 2023/24

In July 2023, the Forum considered the School Balances and Clawback Policy for 2023/24 and agreed that clawback should be reintroduced on excessive revenue balances at March 2024.

The working group considered four requests.

### *Request A – roof pro*

A Lancashire Secondary School is requesting an exemption request for £794,916 at March 2024. The Schools forum granted an exemption at March 2023, the works planned in the 2022/23 have rolled into the new financial year and costs have increased. Therefore, the school is requesting a further exemption. Please note the school is not a member of the LCC PROP scheme.

An overview of the project from the school is provided below.

### Roof Project

The school currently does not have a sports hall, and the space is used as an open space for dining, assemblies, examinations, and indoor sports. The roof project has been planned by the school for several years and reserves set aside to contribute towards not only the repair of the roof but to build additional classrooms on top of the existing building. As this was proving to be too costly the decision was made to repair the roof in this building to allow the school to continue to use the sports hall area as multipurpose use as there is no capacity to accommodate a sports hall onsite. Currently the roof has a number of leaks causing disruption to teaching and learning.

The roof structure and pitched roof covering that was due to take place over the summer of this year was delayed due to the timing of school closure. Due to unforeseen circumstances the school has decided to carry out the work in summer 2024 and to avoid relocation of classrooms and catering to allow minimal disruption for the students and staff.



## Modular Build

As we are not able to accommodate for the additional classrooms and sports hall in the project above, we have had to look into alternative arrangements to meet our requirements and decided to opt for a modular build onsite. These additional teaching spaces would significantly reduce the crossing of public road for pupils between lessons, significantly reduce time loss from teaching and learning and make staff more productive.

## *Request B*

A Lancashire Secondary School is requesting a full exemption at March 2024 due to expansion building work.

An overview of the project from the school is provided below.

We have accumulated a substantial reserves balance over the past couple of years in preparation for a large expansion of the school, at a cost of £3.3 million, funded by Lancashire County Council to accommodate an additional 150 pupils. The start date for the works was Monday 30 October 2023 with a completion date of 2 September 2024. Because of the rapid increase in prices and costs in recent years, the works have been subject to a large number of 'value engineering' amendments, and items which we deem essential, such as the improvement and updating of the current kitchen facilities, additional toilet facilities and the widening and improvement of external steps to introduce an additional entrance/exit to the school in an attempt to alleviate some of the foot traffic over the single track railway bridge, were removed from the project. The attached spreadsheet indicates the items we plan to use the funds on, as well as leaving us with a small surplus of approximately £69,820, as a contingency. I am aware that our current forecasted outturn figure is below the threshold, but I am also conscious that we face a year of unknown possible additional costs as the building work progresses. We may not use our surplus this financial year but would need it next year. It's a very difficult time to try and accurately forecast these sort of figures, but the ones below are as accurate as we can be.

Approximate cost totals £519,976

## *Request C*

A Lancashire Secondary School is requesting a full exemption at March 2024. A letter providing an overview of the project from the school is provided below.

In December 2022, the DfE confirmed that the school would be included in the next phase of the 'Schools Rebuilding Programme.' This essentially means that a significant element of the school will be refurbished or rebuilt and, at the time of writing, it has not yet been confirmed how extensive this work will be. However we do know that either way, the site requires significant investment, not just in the future but at the present time to maintain a learning environment which is safe, warm and dry. A significant amount of school funds have already been spent on the site to comply with statutory and health and safety requirements, and this work is ongoing.



One consequence of this announcement is that our planned investment for areas in need of significant refurbishment, have now had to be shelved until we know the full scope of the DfE project. This, in turn, means that we will spend significantly less than we would have, had we not been included in the SRP. We also know from some initial conversations with the DfE, that certain elements of the project will need to be met from school funds, for example furniture.

Alongside this, we are currently working with the Football Foundation on a grant for the installation of a new artificial grass pitch, which will significantly enhance sporting provision both for our students and the community, both now and in the future. Although a large proportion of the cost will be met from the grant and other funders, as a school we must meet some of the professional fees and also make a contribution to the overall cost. This has been budgeted for within our Devolved Capital Funding over the next 3 years, but this in turn will mean that we need to maintain some reserves for areas that DFC would usually cover (IT spend, furniture, equipment etc). The school's contribution to the project in total is budgeted at £60,250, and this does not include some peripheral works such as paths and parking, which are still to be determined.

These projects represent a significant investment opportunity for the school, the community and Lancashire County Council, and are both the result of discussions between the school and many stakeholders over a number of years. Each year we have therefore had to carefully prioritise our expenditure in order to maintain the building but equally, without wasting money on projects which may be short lived or curtailed once the investment does materialise. The school has therefore maintained some reserves over the last three years and these years have also of course, included the pandemic when many projects and activities were stalled.

Currently, our Revenue Reserves are predicted to be slightly below the clawback threshold of 12% at 31 March 2024 - but there is a distinct possibility that this threshold will be breached, for the reasons stated above. Also, to note, the 3 year budget plan submitted to LCC in June 2023 shows that in future years, the school's reserves will reduce, and these figures only include regular/ongoing maintenance costs. In addition, the school's contribution to the new Astro pitch is included in the DFC figures have been provided to the Schools Forum Clerk.

With this in mind, I would be very grateful if you would approve our request that the school be eligible for a clawback exemption for the financial year 2023/24. I am mindful that the rebuild programme will span 2-3 years, and the first formal scoping meeting is not scheduled to take place until 6 December 2023 – almost a year to the day after being included on the list for SRP. It would therefore be ideal if this exemption could also be considered for the financial years 2024/25 and 2025/26.

#### *Request D*

A Lancashire primary school is requesting a full clawback exemption at March 2024.

This school has been allocated a Direct Payments of Education Contribution for the Permanent increase in School Places (DPEC) totalling £207,194.76 from a developer



due to the Schools Provision and Sufficiency Team identifying a need for school places in the area.

In September 2025, there is a requirement for 15 additional places for the September 2022 cohort when the cohort reaches Key Stage 2. Therefore, the school is increasing their PAN from 15 to 30 from September 2025 and sustain the places as the cohort moves through the school.

The school have recently been notified of the funding and are working with the PROP team to start the project. A small amount may be used in Spring/ Summer 2024 to fund a pathway and fencing costing approximately £10K-20k. The main project is to expand the school to create a new classroom, which is currently planned to begin in Summer 2024 and finish in Summer 2025, costing £180,000 approx. The remaining funds will contribute to vernal improvements around the school and the funding is expected to be fully utilised.

The school currently have circa £2500 in planned PROP approx. It is anticipated that this will be fully utilised by the new year due to planned work on the hall and essential plumbing work around school.

Following the distribution of the working group it was noted that DPEC cannot be legally clawbacked due to the agreement with the authority and developers.

Propose a portal posting following SBWG to note the deadline for requests has passed and Schools Forum Working Groups have now considered the cases will be presented to the Schools Forum on 12<sup>th</sup> Jan for ratification. This can serve as a general reminder.

#### **The Working Group.**

- a) **Noted the report.**
- b) **Supported Clawback Exemption Request A, B, C, D.**
- c) **Supported the reminder following the Schools Forum meeting on the 11 January 2024.**
- d) **Suggested to amend the policy for 2024/25 to include Direct Payments of Education Contribution (DPEC) within the exemptions.**

#### **8.4 School Teaching and Support Staff Supply Reimbursement Scheme**

Each year, reports are presented to the Forum about the arrangements for the School Teaching and Support Staff Supply Reimbursement Scheme. This report set out proposals for the 2024/25 Scheme changes for consideration.

##### *Outturn Position 2022/23*

The Teacher element of the Supply Insurance Scheme had a surplus at the end of the financial year. In line with the Scheme Service Level Agreement, the Schools Forum agreed to keep the reserves at £1.5 million and reimburse the surplus to Scheme members. Therefore, a total of £1.2 million was reimbursed to members of the teacher aspect of the Scheme, this was processed in October.



### *Scheme Arrangements 2022/23*

Following the finalisation of the supply scheme arrangements with the Forum in January 2023, individual offers were issued to schools and academies for consideration. For reference, 35 fewer schools signed up for the scheme in 2023/24 than were involved in 2022/23. In 2023/24, the processing of claims moved to within the Schools Finance team. This has allowed us to process claims more efficiently and monitor the scheme closely.

### *Scheme Proposals 2024/25*

The operation of the scheme has been flexible in recent years. It is proposed that the existing scheme rules operating in 2023/24 should form the starting point for 2024/25, including the proposed amendments below:

#### Teacher Maternity claims

Propose a pro rata flat rate rather than the current 90 days payable minus closure days. This is in response to the SPL issues faced by schools and will increase the average amount payable.

Two options were considered by the Working Group:

- Implement the increase from April 2024
- Implement the increase from April 2023 and adjust claims since April 2023

#### Acting Allowances

A change to formalise acting allowance entitlement, propose to remove the permanent wording in the Service Level Agreement to allow for occasions where there is no cover internally.

### *Scheme Premiums*

Scheme claims are submitted a month in arrears by schools, meaning that there is only a limited number of months available in the scheme monitoring since April 2023, information from April - October 2023 was presented to the working group.

Another factor to consider for 2024/25 relates to pay awards. A 6.5% increase is currently forecast for teaching staff. It is usual practice to increase teaching and support staff premiums annually so that reimbursement rates can also increase in line with likely pay rises for the different categories of staff.

### *Reimbursement rates*

It is proposed that the reimbursement rates be increased by 6.5% for 2024/25 to mirror forecast pay awards, in line with the proposed increase in scheme premiums.

### *Options for Consideration*

- To increase by 6.5% on all elements to allow for the reimbursement expansion in the teachers' maternity and acting allowances
- To make no changes to the current SLA, increase reimbursements rates by 6.5% and make no increases to the charges to schools to offset a potential surplus at year end
- Increase reimbursement rates to 6.5%, expand entitlements as proposed and hold charges at the 2023/24 rate



### *Service Offer to Schools*

Once scheme arrangements and charging/reimbursement rates are finalised by the Forum in January 2024, a formal individualised 2024/25 scheme offer will be issued to all schools and academies.

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

- a) Noted the report;**
- b) Recommended a 6.5% increase on the scheme charges and reimbursement rates**
- c) Supported the introduction of a flat rate for teacher's maternity reimbursement and recommended this be back dated to maternity claims from the 1<sup>st</sup> April 2023.**
- d) Supported the amendment to the Service Level Agreement for acting allowance reimbursements.**

