

## Schools Forum

### Minutes of the meeting held on Monday, 14 November 2022

**Present:** Andy Park, Lee Ormsby, Anne Summerfield, Andrea Daubney, Cathryn Baggaley, Hatim Kapacee, Cllr Reid, Paul Greenwood, Saeeda Ishaq, Tony Daly, Vandhna Kohli, Antonio de Paola, Alan Braven, Mike Cooke, Edward Vitalis, Matthew Hoeksma, John Morgan

**Also present:** Christopher Watkins (Energy Management Unit) and John Burke (Energy Management Unit)

**Apologies:** Gavin Shortall, Helen Childs and Amanda Corcoran

#### **SF/23/24. Minutes**

The minutes of the meeting held on 26 September 2022 were submitted for consideration as a correct record.

#### **Decision**

To agree the minutes of the meeting held on 26 September 2022 as a correct record.

#### **SF/23/25. De-delegated Budgets 2023/24**

The Forum considered a report of the Directorate Finance Lead – Education and Schools which sought permission from maintained school Forum representatives on the 2023/24 de-delegation, for the deduction of the education services grant duties and trade union facilities. It noted that the Local Authority had managed the loss of the School Improvement and Brokering Grant and is not looking to increase de-delegation in 2023/24 to cover the loss of this grant.

Maintained school representatives were asked to approve de-delegation for the following:

- Trade Union Duties: £196k which at current pupil levels equates to £5.37 per school aged pupil (section 2 of the report).
- Education Services Grant General Duties: £0.5m which at current pupil levels equates to £13.70 per school aged pupil (section 3 of the report).

The Chair invited question or comment from Forum members on the proposals. None were forthcoming.

The Chair proceeded to the vote of maintained school representatives on the proposals. 6 representatives were present and all 6 agreed to the proposals.

#### **Decision**

To approve de-delegation for the following:

- Trade Union Duties: £196k which at current pupil levels equates to £5.37 per school aged pupil (section 2 of the report).

- Education Services Grant General Duties: £0.5m which at current pupil levels equates to £13.70 per school aged pupil (section 3 of the report).

### **SF/23/26. Review of Excess Schools Balance Clawback**

The Forum considered a report of the Directorate Lead – Education and Schools Finance which detailed the method of controlling and clawing back, where appropriate, schools' excessive surplus balances. It noted an agreement, made at Forum in July 2022, for the 100% clawback for the ten schools subject to the clawback mechanism in 2022/23. The clawback totalled £193,000 from the ten schools and its intended use is to go towards the DSG deficit, subject to approval. The clawback mechanism can be used when a school has held an excessive surplus balance above the allowable threshold for five years, with a right to appeal. An excessive surplus is defined as 5% for Secondary Schools and 8% for Primary and Special Schools.

All School Forum members were asked to note and comment on reducing the length of time a school can hold an excessive balance before being subject to clawback. Maintained Schools Forum members had been asked to vote on the number of years that maintained schools can retain an excessive balance before becoming subject to a clawback:

- Option 1: Remain at five years (no change)
- Option 2: Reduce from five years to four years
- Option 3: Reduce from five years to three years
- Option 4: Reduce from five years to two years

The Chair invited questions or comment from Forum members on the report. A local ward Councillor raised concerns about schools having excessive balances as it appears that schools in Manchester do not need extra funding, which they felt was not the case. They also questioned if there was any similar mechanism in place for Academies.

The Chair responded, stating that in 2021, the Department for Education had surveyed Academy trusts, asking them to detail their reserves for each school and their intentions for those reserves. The Chair noted there was no formal mechanism in place but believe that one could be in the future.

An Academy representative addressed the Forum, noting concerns about the current financial uncertainty. They were concerned that if the clawback was to be reduced, there was a possibility that schools could be pushed into a deficit position and sought assurances this was not the case.

The Directorate Finance Lead – Education and Schools stated that individual analysis had not been performed on any schools' situation. However, they stated that there was an appeals process in place to allow for a school to appeal against the clawback of their excess school balance.

The Chair questioned if it was Local Authority policy that a school's annual budget should be set as a surplus without using carry forwards to balance the budget.

The Directorate Finance Lead – Education and Schools stated it would be financially prudent that a school's income covers their in-year costs. The allowable balance, before a surplus is subject to clawback, is there to provide schools with flexibility to cover additional costs. If a school is not operating a balanced budget, this flags an issue that needs to be addressed.

The Chair sought clarity that if schools needed to save money for certain things, a mechanism is still there to allow for them to plan appropriately. This was confirmed to be correct.

It was questioned if there was any mechanism in place to assist schools who have the recurring issue of excess surpluses. There was nothing in place, but it was noted that this is something that could be reviewed.

The Chair proceeded to the vote of maintained school representatives on the proposals. 6 representatives were present and 5 agreed to Option 4, and 1 agreed to Option 3.

### **Decision**

All School Forum membered noted the possibility of reducing the length of time schools excessive balance can be retained before becoming subject to a clawback.

Maintained Schools Forum members agreed to reduce from five years to two years the number of years that maintained schools can retain an excessive balance before becoming subject to a clawback.