

## Schools Forum

### Minutes of the meeting held on Monday, 26 September 2022

**Present:** Andy Park, Paul Greenwood, Cathryn Baggaley, Antonio de Paola, John Morgan, Alan Braven, Helen Child, Vandhna Kohli, Amanda Corcoran, Anne Summerfield, Cllr Reid, and Cllr Bridges

**Also present:** Patrick Grant – Department for Education

**Apologies:** Andrew Burton, Edward Vitalis, Tony Daly, Michael Crson, Mike Cooke, Gavin Shortall, Philip Geldard, Hatim Kapacee, Lee Ormsby and Saeeda Ishaq.

#### **SF/23/21. Minutes**

The minutes of the meeting held on 18 July 2022 were submitted for consideration as a correct record.

#### **Decision**

To agree the minutes of the meeting held on 18 July 2022 as a correct record.

#### **SF/23/22. High Needs Block (HNB) Recovery Plan**

The Forum considered a report of the Directorate Finance Lead – Children’s and Schools which discussed the High Needs Block portion of the Dedicated School’s Grant (DSG). The HNB had an overspend of £3.14m in 2021/22 but this deficit was offset by underspends in the early years block and school’s block.

The report noted that a structural deficit had been created in the DSG, primarily due to the exponential growth in Education, Health, & Care Plans (EHCP) and Post-16 within the HNB. This pressure had been acknowledged at national level and formed part of the Government’s SEND review.

The report and presentation at Appendix one sought to illustrate the potential funding gap over the next three years, whilst providing detail on the draft HNB Recovery Plan and its associated risks. The report requested School Forum to note the projected deficit identified in the HNB three-year projected position: 2022/23 to 2024/25, which could reach £20m. The report also requested School Forum to comment on the draft recovery plans and actions to try to mitigate the HNB gap, and the HNB risk register.

Key questions/comments in the meeting were:

- Concerns about the growing demand and the situation this could create.
- An Academy Representative discouraged the proposal to transfer 0.5% from the school’s block to support the HNB. They encouraged more money to be spent in schools on preventative measures and felt that taking away funding from schools could lead to a higher demand on the HNB.
- Concerns were raised that there are a number of pupils ready to return to mainstream education, provided there was a change in environment for those

pupils to learn. It was felt that there is sometimes a reluctance from schools to do that.

The Head of Finance – Children’s, Education Services and School stated that based on the proposals, the deficit in the HNB reduces from a possible £20m to around £5m. However, this included the proposed 0.5% transfer from the school’s block, which concerns had been raised about. They noted that the Local Authority had been reporting a deficit for a number of years, and stated that a new requirement to demonstrate how that deficit will be covered will come into effect next year due to the lifting of the ring-fence on the DSG.

The Director of Education stated that there would be monthly HNB Recovery meetings to report on the progress on the suggested workstreams. Alan Braven had agreed to attend as the Special School Representative. A request was made for a Primary and Secondary Representative. The Chair volunteered to be the Secondary Representative. As there were no Primary Representatives at the Forum, the Director of Education stated they would write to each of them.

### **Decision**

To note the projected deficit identified in the HNB three-year projected position: 2022/23 to 2024/25.

### **SF/23/23. 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.

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

However, there was not enough Maintained Schools Forum members in attendance and therefore did not meet the Quorum rules required for a vote and so members were invited to note and comment on the report.

The Special School Headteacher noted that with ongoing budget pressures, surplus budgets could be reduced. However, they did not understand why the surplus budget

is not already spent on children, acknowledging that some balances are too high and supporting reducing the clawback to two years.

The Chair noted that all schools can have an unintended surplus and felt the clawback mechanism is very generous in allowing 5 years. The mechanism itself had had an impact on reducing excessive balances. The Chair stated that if schools needed to save money for certain things, a mechanism is still there to allow for them to plan appropriately. Provided this mechanism remained, the Chair felt there was no reason to not reduce the number of years.

The Chair requested that this item be brought to the next meeting of the Schools Forum on 14 November 2022 to allow for the necessary vote to occur.

### **Decision**

To note the possibility of reducing the length of time schools excessive balance can be retained before becoming subject to a clawback.