

Schools Forum

Wednesday, 22nd June, 2016
at 3.30 pm

PLEASE NOTE TIME OF MEETING

The Testhub - Compass School,
Green Lane, Southampton, SO16 9FQ

This meeting is open to the public

LEAD OFFICER

Sevil Rush, Finance Manager

Tel : 023 8083 3878

Email : sevil.rush@southampton.gov.uk

FORUM ADMINISTRATOR

Pat Wood

Tel: 023 8083 2302

Email: pat.wood@southampton.gov.uk

AGENDA

Agendas and papers are now available via the City Council's website

1 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)

2 MINUTES OF PREVIOUS MEETING (Pages 1 - 4)

To approve the Minutes of the meeting held on 27 April 2016 and to deal with any matters arising, attached.

3 DECLARATIONS OF INTEREST

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

4 SCHOOLS BALANCES (Pages 5 - 12)

Briefing paper of the Principal Accountant – Early Years & Education detailing Schools Balances for 2015/16, attached.

5 DEFICITS AND FUTURE POLICY

Verbal update from the Finance Manager regarding budget deficits and future policies.

6 UPDATE ON SECONDARY SCHOOL EXPANSION

Verbal update from the School Based Planning Officer on Secondary school expansion.

7 UPDATE ON SCHOOLS IN FINANCIAL DIFFICULTY FUND

Verbal update by the Principal Accountant – Early Years and Education on the Schools in Financial Difficulty Fund.

8 DATES OF FUTURE MEETINGS

Dates identified on the work programme are:

- 14/09/2016
- 19/10/2016
- 11/01/2017 / 18/01/2017
- 8/03/2017
- 28/06/2017
- 13/09/2017

17 June 2016

Service Director, Legal and Governance

This page is intentionally left blank

Agenda Item 2

**SCHOOLS FORUM
NOTES OF THE MEETING HELD ON
WEDNESDAY 27th APRIL, 2016
REGENTS PARK COMMUNITY COLLEGE**

Present:

<u>Primary School Representatives</u>	
Richard Harris (Chair)	Moorlands Primary Governor
Peter Howard	Fairisle Junior School
Julie Swanston	Woolston Primary School
Amanda Talbot-Jones	St Denys Primary School
<u>Secondary School Representatives</u>	
Jonty Archibald	Regents Park Community College
Toni Sambrook	Woodlands Community College
Harry Kutty	Cantell School
<u>Special Schools Representatives</u>	
Andy Evans	Great Oaks Primary
<u>Academy Representatives</u>	
David Turner (Vice-Chair)	Townhill Infant School (Governor)
Sean Preston	Hamwic Trust
<u>Pupil Referral Unit Representative</u>	
Alison Parsons	Compass School
<u>Nursery Schools Representative</u>	
<u>Non Schools Representative</u>	
Chris Ode	TLP
<u>Observers</u>	
Anna Wright	PVI Provider
Keith Pinney	Senior Finance Officer, Cantell School
<u>Also in attendance:</u>	
Judy Cordell	Clerk
Jo Cassey	Principal Officer for Early Years and Education
Irfan Khan	SCC Principal Accountant
Sevil Rush	SCC Finance Manager

1. **APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)**

The Forum noted the apologies of Councillors Keogh and Jeffery, Martin Brown, Anne Downie, John Draper, Anne Murphy and Sue Thompson.

The Chair welcomed from Cantell School Harry Kutty, Headteacher (September 2016) and Keith Pinney, Senior Finance Officer.

The Chair thanked Regents Park Community College for hosting the meeting.

2. **NOTES OF PREVIOUS MEETING AND MATTERS ARISING**

The Minutes of the meeting held on 9th March, 2016 were approved as a correct record with the following amendments:

Minute 1: Apologies were received from Amanda Talbot-Jones and Julie Swanston.

Minute 2: Secondary Schools Expansion (verbal update) to read:

The Forum noted that the matter continued to develop and was being considered by the Council's Capital Board.

3. **UPDATE ON SECONDARY SCHOOL EXPANSION**

Irfan Khan confirmed there had been no real change since 20th January meeting. Forum members were encouraged to review the Budget Share Guidance which detailed factors considered and taken into account.

Jo Cassey reported there was good news for schools this week who were in scope for expansion and repair and maintenance. She would be writing to schools affected this week.

4. **RESPONSE TO STAGE 1 CONSULTATION (SCHOOLS NATIONAL FUNDING FORMULA)**

The Forum considered a report detailing the current position with regards to the National Funding Formula (NFF) for schools as detailed in the briefing paper circulated with the agenda.

It was noted that at this point evidence was being gathered as part of

Stage 1, with no deadline set for Stage 2. Details considered significant included:

- A new Central Schools block would be created which will include funding for central schools services.
- In 2019/20 the NFF would no longer include funding for Looked After Children, mobility and post 16.
- The deprivation factor in the NFF was proposed to use a combination of IDACI and FSM.
- Pupil Premium would remain separate to NFF for the duration of this Parliament.
- Discretion would be given to authorities on setting minimum funding levels.
- There were no proposals at this stage to remove the role of the Schools Forum.
- Funding would be cut from the Education Services Grant between April 2017 and August 2017 and then entirely cease.
- DfE were addressing overspends in high needs.

The Forum discussed timescales for change being implemented and questioned whether the transition period was realistic as well as the unpredictable impact of losing funding and how this would be managed across the Authority.

Forum members were encouraged to read the White Paper on the Funding Formula to inform future discussion as the consultation proceeded.

5. PROVISIONAL PROGRAMME OF WORK/DATES FOR 2016/17

The forum received and noted a provisional work programme for the 2016-2017 year.

This page is intentionally left blank

BRIEFING PAPER

SUBJECT: School Balances
DATE: 22 June 2016
RECIPIENT: SCHOOLS' FORUM

THIS IS NOT A DECISION PAPER

SUMMARY:

1. This paper details the revenue and capital balances held by schools at the end of financial year 2015/16.

The risks of schools facing potential financial problems are significantly increasing as a result of a number of factors (e.g. increasing staffing costs). Therefore, a risk-based approach to providing support to schools that face financial difficulties is required, particularly in relation to deficit balances. Southampton City Council Finance and School Improvement Officers are continuing to work closely with schools.

BACKGROUND and BRIEFING DETAILS:

2. **School Revenue balances as at the end of 2015/16**

The ever-tightening grip on public sector spending has necessitated a focus on ensuring value for money and the achievement of efficiency savings. Whilst schools budgets have been relatively protected, the Government continues with its policy of 'flat cash' funding in the Dedicated Schools Grant (DSG) i.e. no increases in per pupil funding year on year (other than the Pupil Premium). Whilst in the past most schools have been able to deal with these financial pressures, there is growing concern amongst heads and their governing bodies and the potential impact on the overall schools budget.

Revenue balances reduced in 2015/16 by £2.194m when compared to the balances held at the end of 2014/15, after removing the effect of schools transferring to academy status.

Revenue balances increased in 18 schools compared to 28 schools in 2014/15 (a change of 10%) and fell in 34 schools compared to 25 schools in 2014/15 (a change of 18%).

The balances held by individual schools for 2014/15 and 2015/16 are shown in Appendix 1.

3. Schools' own approved budgets were set at a level that would reduce balances by £3.5m by the end of the financial year 2015/16. This compares to an actual reduction of £2.194m analysed in the table below:

School Type	2014/15 Outturn £'000	2015/16 Outturn £'000	Change in year £'000
Early Years Centres	35	25	(10)
Primary Schools	6,753	6,052	(701)
Secondary Schools	1,530	364	(1,166)
Special Schools	663	346	(317)
Total	8,981	6,787	(2,194)

4. The table below shows the number of schools across a range of balances:

Amount of Balance £'000	Early Years	Primary	Secondary	Special	Total
Deficit		5	3	2	10
0 - 50	1	6			7
50 - 100		6	1	1	8
100 - 150		5	1	2	8
150 - 200		2		1	3
200 - 250		3	2		5
250 - 300		3			3
300 - 350		2			2
350 - 400			1		1
400 - 450		3			3
450 - 500					
500 +		2			2
Total	1	37	8	6	52

5. Schools in Deficit at the end of 2015/16

At the end of Financial Year 2015/16 there were ten schools in deficit totalling £1,129,900 (this compares with two schools in deficit at the end of the previous Financial Year). Five of the ten schools in deficit were approved.

6. Schools with an Excess Balance as at the end of 2015/16

The number of schools with an excess balance (excluding schools who converted to academy in 2015/16) reduced from 30 at the end of 2014/15 to 22 at the end of last year. Of these 22 schools, 21 had an excess balance in the two previous years; the excess has risen year on year in that period in 12 of these schools. The total value of the excess reduced from £4,068,688 in 2014/15 to £3,757,087 in 2015/16 (after adjusting for academy transfers and primary mergers).

7. Devolved Formula Capital (DFC) Grant

Schools may carry forward their devolved capital grant for up to three years, enabling them to save their annual allocations towards the cost of larger projects. The balance of capital grant held at the end of 2014/15 was £594,000, as shown below. The total available to schools for capital funding in 2016/17 is £1.080m.

Sector	2015/16 Capital Outturn £'000	DFC Grant 2016/17 £'000	Total available 2016/17 £'000
Early Years	5	5	10
Primary	163	292	455
Secondary	384	148	532
Special	42	41	83
Total	594	486	1,080

8. Other Balances

In addition to schools revenue and capital balances there is a further sum of £1.2m held in balances for other accounts such as community and grant accounts. In total there was £8.6m in schools balances at the end of 2015/16.

9. Loans from school balances

So that school balances are used as far as possible to support the education of children currently in Southampton schools, schools may borrow amounts of up to £200,000 from the pool of school balances to fund certain types of project. All loans in recent years have been to fund IT equipment or facilities. There are 3 loans outstanding with a total debt at the end of 2015/16 of £135,239. One of these loans is due to repay in full by 2016/17, with the remainder to be repaid by 2019/20. To date, in the current Financial Year there have been no new formal written applications for loans.

10. Balances of schools who converted to academy status during 2015/16

The table below details the surpluses paid to schools during 2015/16 following their conversion to academy status:

School	Balance
Tanners Brook Primary School	£210,406
Total	£210,406

Appendices/Supporting Information:

Appendix 1 Individual School Balances 2014/15 and 2015/16

Further Information Available From:

Name: Irfan Khan

Tel: 023 8083 3785

E-mail: Irfan.Khan@southampton.gov.uk

**SCHOOL REVENUE BALANCES YEAR
END 2015/16**

Cost Centre	School	Balance 31/03/2015 £	Balance 31/03/2016 £	Budget share 2015/16 £	% of Budget Share	Change in Year £	Excess as at 31/03/2016 £	Excess as at 31/03/2015 £
10020	Hardmoor Early Years Centre	(35,167)	(24,859)	545,000	4.56%	10,308	0	0
	Early Years Total	(35,167)	(24,859)			10,308	0	0

0

Cost Centre	School	Balance 31/03/2015 £	Balance 31/03/2016 £	Budget share 2015/16 £	% of Budget Share	Change in Year £	Excess as at 31/03/2016 £	Excess as at 31/03/2015 £
20030	Newlands Primary School	(388,772)	(272,993)	1,792,870	15.23%	115,779	129,563	250,528
20040	Sinclair Primary School	(228,308)	(254,108)	889,384	28.57%	(25,800)	182,957	158,349
24010	Mansel Park Primary School	(105,774)	(94,748)	1,463,838	6.47%	11,026		1,437
24030	Bassett Green Primary School	(32,901)	43,141	2,035,312	-2.12%	76,042		0
24050	Bevois Town Primary School	(159,562)	(120,551)	1,202,174	10.03%	39,010	24,377	70,546
24060	Bitterne Manor Primary School	(34,117)	(5,907)	824,064	0.72%	28,210		0
24070	Bitterne Park Primary School	(451,311)	(416,040)	2,048,956	20.30%	35,270	252,124	281,143
24090	Mount Pleasant Junior School	(421,469)	(410,360)	1,332,519	30.80%	11,110	303,758	320,611
24100	Maytree Nursery and Infants School	(158,611)	(182,348)	1,283,943	14.20%	(23,737)	79,633	54,065
24170	Valentine Primary School	(88,184)	146,672	2,239,230	-6.55%	234,856		0
24230	St Denys Primary School	(97,161)	(110,069)	874,461	12.59%	(12,907)	40,112	27,997
24240	St Johns Primary and Nursery School	(203,194)	(229,035)	1,030,872	22.22%	(25,841)	146,566	129,943
24280	St Monica Primary School	(8,350)	55,497	2,059,723	-2.69%	63,847		0
24290	Sholing Junior School	(186,873)	(174,430)	910,702	19.15%	12,444	101,573	115,828

Cost Centre	School	Balance 31/03/2015 £	Balance 31/03/2016 £	Budget share 2015/16 £	% of Budget Share	Change in Year £	Excess as at 31/03/2016 £	Excess as at 31/03/2015 £
24300	Sholing Infant School	(107,701)	(68,928)	1,011,960	6.81%	38,773		32,806
24310	Swaythling Primary School	(39,523)	3,413	880,943	-0.39%	42,936		0
24320	Woolston Infant School	(38,906)	(44,291)	725,935	6.10%	(5,386)		0
24340	Weston Park Primary School	(334,612)	(271,293)	2,313,060	11.73%	63,319	86,248	156,442
24400	Banister Infant School	(255,177)	(328,849)	1,238,660	26.55%	(73,672)	229,756	174,019
24410	Mansbridge Primary School	(110,444)	(147,865)	929,003	15.92%	(37,421)	73,545	36,937
24460	Thornhill Primary School	(98,892)	(75,831)	1,391,917	5.45%	23,060		0
24480	Redbridge Primary School	(92,779)	(55,296)	918,212	6.02%	37,483		17,771
24550	Moorlands Primary School	(49,024)	(714)	1,084,447	0.07%	48,310		0
24620	Weston Shore Infant School	(27,699)	(20,966)	507,137	4.13%	6,733		0
24630	Townhill Junior School	(130,116)	(87,054)	1,193,121	7.30%	43,062		32,972
24710	Oakwood Primary School	(190,383)	(1,807)	1,428,034	0.13%	188,576		68,189
24750	Fairisle Infant and Nursery School	(124,414)	(103,070)	1,142,256	9.02%	21,344	11,690	43,854
24757	Fairisle Junior School	(212,671)	(230,433)	1,278,449	18.02%	(17,762)	128,157	103,246
27690	Foundry Lane Primary School	(11,481)	64,927	1,753,308	-3.70%	76,409		0
27700	Shirley Warren Primary and Nursery School	(191,229)	(349,596)	1,482,166	23.59%	(158,367)	231,023	80,222
27710	Mason Moor Primary School	(122,940)	(106,806)	1,197,371	8.92%	16,134	11,016	27,585
32000	Bitterne C of E Primary School	(42,366)	(68,945)	1,467,316	4.70%	(26,579)		0
32030	St Marks C of E Primary School	(86,847)	(40,811)	1,971,127	2.07%	46,036		0
32050	St Marys C of E Primary School	(963,125)	(951,983)	2,433,537	39.12%	11,142	757,300	782,227
36550	Highfield C of E Primary School	(174,515)	(207,347)	998,186	20.77%	(32,831)	127,492	97,216
36570	Holy Family Catholic Primary School	(393,371)	(515,134)	1,636,496	31.48%	(121,763)	384,215	264,652
36580	St Patricks Catholic Primary School	(389,918)	(417,659)	1,353,991	30.85%	(27,740)	309,339	287,302
	Primary Total	(6,752,720)	(6,051,617)			701,103	3,610,443	3,643,731

Cost Centre	School	Balance 31/03/2015 £	Balance 31/03/2016 £	Budget share 2015/16 £	% of Budget Share	Change in Year £	Excess as at 31/03/2016 £	Excess as at 31/03/2015 £
42620	Regents Park Community College	(522,940)	278,734	3,401,557	-8.19%	801,673		221,653
42640	The Sholing Technology College	(378,154)	(205,760)	5,067,043	4.06%	172,394		0
42700	Redbridge Community School	(304,064)	(356,045)	5,926,304	6.01%	(51,981)	59,730	0
42710	Chamberlayne Park School	84,547	223,505	2,729,666	-8.19%	138,958		0
42780	Bitterne Park School	(122,827)	(222,359)	7,389,460	3.01%	(99,531)		0
43060	Woodlands Community School	33,458	151,248	3,538,646	-4.27%	117,789		0
43110	Cantell School	(34,615)	(97,349)	5,271,850	1.85%	(62,734)		0
54150	St George Catholic School for Boys	(285,459)	(136,466)	3,109,388	4.39%	148,993		49,607
	Secondary Total	(1,530,054)	(364,492)			1,165,561	59,730	271,259
								0
Page 1 Cost Centre	School	Balance 31/03/2015 £	Balance 31/03/2016 £	Budget share 2015/16£	% of Budget Share	Change in Year £	Excess as at 31/03/2016 £	Excess as at 31/03/2015 £
11160	The Compass School	(189,073)	(134,182)	1,980,459	6.78%	54,891		0
70350	Springwell School	(267,372)	(169,477)	2,337,056	7.25%	97,895		107,605
70360	Great Oaks School	(68,131)	(71,449)	2,699,154	2.65%	(3,318)		0
70370	The Cedar School	(2,551)	39,817	1,331,388	-2.99%	42,367		0
70390	The Polygon School	(39,018)	122,956	955,631	-12.87%	161,975		0
70400	Vermont School	(97,022)	(133,365)	580,657	22.97%	(36,343)	86,913	46,092
	Special/AP Total	(663,167)	(345,700)			317,467	86,913	153,697
								0
	Grand Total	(8,981,107)	(6,786,668)			2,194,439	3,757,087	4,068,688

This page is intentionally left blank