

Decisions of the Schools Forum

7 July 2020

Members Present:-

Councillor David Longstaff

Also in attendance

Apologies for Absence

Chater

Sweetingham

1. **APOLOGIES**

Apologies were received for Ziz Chater & Curtis Sweetingham

2. **DECLARATIONS OF INTEREST**

No interests were declared

3. **MINUTES OF PREVIOUS MEETING**

Previous meeting was inquorate and minutes just reflected that fact.

4. **MATTERS ARISING**

Ben Thomas (Assistant Director – Education, Strategy & Partnerships) gave an update on developments within the Council in relation to its partnership with Cambridge Education. This partnership to manage the Education Skills Service was due to expire in March 2023, but issues caused by the COVID-19 epidemic have led Mott Macdonald (parent company of Cambridge Education) to notify the Council that, as a result of a force majeure event, the contract would have to be significantly revised in order for the partnership to continue. The LA entered negotiations and the decision was made to end the contract.

A paper was presented to the council's Policy and Resources Committee on 17th June, which reported on an initial analysis of options for the future of the Education and Skills service. The committee agreed to consult on two options - to bring the service in house, or to create a new company to carry out these services, owned by Barnet Council.

After a consultation, the decision was made to transfer the service to a Barnet Council owned company, subject to the negotiation of a termination agreement with Cambridge Education. This is planned to happen on 1st September.

The new company will have a board made up of stakeholders and the Chief Executive will be Ian Harrison (Education & Skills Director). Val White will be interim Chief Executive until 1st of September when the transfer of the service officially happens.

(a) 2019/20 DSG FINAL OUTTURN

Jonathan Castle presented the paper which shows the final outturn position for the DSG in 2019/20. As a whole, the DSG was reserve increased by £0.265m from £1.543m to £1.808m.

An analysis of the various blocks saw an overspend in the High Needs block of £533k on top of the £1.543m b/f reserve added to the High Needs income received from the DfE. This was offset by an underspend in the schools block, specifically in the growth fund, which will go into the DSG reserve for use in future years.

(b) SCHOOLS BALANCES & DEFICITS

Jonathan Castle presented this paper which showed an overview of changes to maintained school held balances for the year 2019/20.

Overall maintained school balances have decreased by £3.66m over the course of the year from £13.49m to £9.83m (excluding balances held by the LA for the Medium & Long Term Sick scheme). 64 schools in total saw a decrease in balances, and 25 saw an increase.

20/21 Budget- 5 schools have agreed licensed deficit budgets with the LA, and a further 10 schools have been unable to set a balanced budget for 2020/21.

Keith Nason commented that usually a table showing the movements of school balances for individual schools is presented to the Forum. Jonathan indicated that this would be provided for the next SF meeting

(c) 2020/21 DSG BUDGET

Jonathan Castle presented this paper which shows the initial DSG allocations granted by the DfE to the LA. The current budget shows an intention to spend fully the DSG grant allocated, within the blocks it has been allocated, with no intention to either add to or draw down from the DSG reserve.

The DSG is significantly larger in 2020/21, with an increase of £6.875m compared to 2019/20; the majority of this increase is within the High Needs block (£4.348m).

The paper continues to show how the expenditure is budgeted broken down in section 251 categories to allow comparison with the figures presented at the equivalent meeting last year. However, the LA will not need to report the figures in this format for the rest of the year, and subsequent updates will be in summary format.

Simon Horne asked if there was any indication as to how funding will work in relation to the extra capital funds indicated by the government and also any extra funds as a result of COVID-19 financial implications for schools. There was no new information to be given at this time.

6. HIGH NEEDS BLOCK COMMISSIONING ARRANGEMENTS

This paper was postponed until the next meeting

7. CONSULTATION ON CHANGES TO SCHEME FOR FINANCING SCHOOLS

Jonathan Castle presented this paper which indicates the changes in wording and dates in the Scheme for Financing Schools. These changes have all been indicated by the DfE in its standard changes made every year. The LA will consult on the changes officially before implementing them

8. SCHOOLS PAYMENTS - TRANS SYSTEM

Jonathan Castle presented this paper which explains that the LA is changing the way schools will be paid and how their allocations and the payments will be communicated. It was explained that the current system has been developed over a number of years and the knowledge of how it is designed and maintained is held by only 1 person, who will be leaving the LA this year. As a result, the LA had to make a decision to either continue the current system or move to something new.

An analysis of the amount of time and resource it would take to learn the current system, in comparison to the current size of the schools' finance team, led to the decision being made to move to a new system.

Linked to this, schools who use the Capita Barnet Payroll service currently have c85% of their budget withheld by the LA to pay for their salary expenditure. It was felt that this leads to difficulties on cash flow management for schools as there are always large reconciliations that need to take place at year end. In addition, this arrangement is not in line with the current Scheme for Financing Schools. The new payment system will change this arrangement to bring it in line with what is written in the Scheme.

Barnet met with 4 other LAs to ascertain how they organise their payments and payment communications with schools. Barnet seemed to be an outlier in that it has fewer staff to

service more schools and provides a more complex system. This is unsustainable and so changes will be made to bring in the new system for September.

The new system will be simpler and will be in line with the Scheme for Financing Schools instructions.

The LA has met with some HTs and Business Managers from our maintained schools and their feedback will be built in to the new system.

Jonathan highlighted the fact that this will be an iterative process, and can be improved and altered over time as more feedback from schools is received.

The LA will hold a briefing session for schools in new school year to fully communicate the changes and present the new system

9. AOB

The meeting finished at Time Not Specified

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