**Schools Forum Meeting Minutes of 10th July 2024**

**held at**

**Chelmsford City Racecourse**

**08:30 – 11:45**

*(Approved 25 September 2024)*

In Attendance

|  |  |  |
| --- | --- | --- |
| Ruth Bird – Chair | Jo Barak (JB) | Jody Gee (JGe) |
| Jeff Fair (JF) | Carole Herman (CH) | Stuart Roberts (SR) |
| Sean Moriarty (SM) | Luke Bulpett (LB) | Philomena Cozens (PC) |
| John Hunter (JH) | Marilyn Smith (MS) | Emily Welton (EW) |
| Claire Styles (CS) | Harriet Phelps-Knights (HP-K) | Robin Taverner (RT) |
| Debs Watson (DW) | Pam Langmead (PL) | Lyn Wright (LW) |
| Rod Lane (RL) | Jinnie Nichols (JN) | Sue Bardetti (SB) |
| Ruth Sturdy (RS) | Liz Gelston (LG) | Scott Caygill (SC) |
|  |  |  |
| **LA Officers** |  |  |
| Yannick Stupples-Whyley (YSW) | Andrew Page (AP) | Cllr Tony Ball (TB) |
| Clare Kershaw (CK) | Ralph Holloway (RH) | Val Cleare (VC) - Minutes |
| Carolyn Terry (CT) |  |  |
|  |  |  |

|  |  |
| --- | --- |
| **1.** | **Apologies for Absence and substitute notices**  Apologies were received from Chanel Lassman, Scott Bowak, James Saunders, Charlotte Little, Dan Leonard, Jo Santinelli, Ferliene Willis,  RB welcomed Liz Gelston who joined Schools Forum for the first time today as Primary Academy Headteacher.  Scott Caygill substituted for James Saunders and Carole Herman substituted for Dan Leonard. |
| **2.** | **See separate Confidential Decision Paper**  **SEND Funding and Capacity** |
| **5a.** | **See separate Confidential Decision Paper**  **Minutes of HMRG – 17th June 2024.** |
| **3.** | **Falling Rolls Fund – Jeff Fair**  JF presented to the Schools Forum the schools recommended by the Finance Review Group (FRG) to be funded through the Falling Rolls Fund for 2024/25.  There are 7 schools currently within the Falling Rolls Fund for 2023/24.   * Prettygate Infant School * St Mary’s Primary, Hatfield Broad Oak * Clavering Primary * Holt Farm Infant School * Wethersfield Primary * The Alderton Junior School * Finchingfield Primary   There are 21 more schools which met the criteria. They were all contacted and asked to complete the proforma (Annex A showed). Table 2 showed the schools that were contacted and those that have submitted an application for funding.  The FRG has reviewed the applications in Annex A and recommended the following schools to continue to receive Falling Rolls funding.   * Clavering Primary * Finchingfield Primary * Prettygate Infant * St Mary’s Primary, Hatfield Broad Oak * Wethersfield Primary   (NB: St Mary’s Primary was issued a load in 2022/23, that will be repaid by 2025/26.)  4.7 (JN declared an interest)  Holt Farm Infant and The Alderton Junior School did not meet the balance criteria. FRG did discuss keeping the schools within the Falling Rolls Fund but not to allocate any funding for 2024/25. The recommendation to Schools Forum was to remove Holt Farm Infant from the Falling Rolls Fund. As The Alderton Junior School is an academy, the school will be allowed to apply later in the year should their balance at 31st August 2024 comply with the balance criteria.  4.8 FRG reviewed the applications from the new schools listed in Table 2 and recommended the following schools are added to the Falling Rolls Fund for 2024/25.   * Tollesbury Primary * St John the Baptist Primary, Pebmarsh * St Mary’s Primary, Ardleigh   (NB: Tollesbury Primary was issued a loan in 2023/24, that will be repaid by 2027/28.)  4.9 The following schools did not meet the balance criteria on their published 31st August 2023 balance, but do on the forecast balance for 31st August 2024. FRG recommended these schools are allowed to resubmit their applications once the actual balance for 2023/24 is known.   * Mistley Norman Primary * Chigwell Primary   4.10 FRG recommended the following applications, as shown in Annex A, but are not recommended as the schools do not meet all the required criteria.   * William Read Primary * Little Waltham Primary * Highwood Primary * Wimbish Primary * Birch Primary * Belchamp St Paul’s Primary.   5.2 Table 3 showed the funding that will be paid to each school if the Schools Forum approved the schools listed at 4.6.  **Recommendations**  Forum approved the recommendation of FRG that the schools currently in the Falling Rolls Fund listed at 4.6 continue to receive funding in 2024/25.  Forum approved the recommendation of FRG that Holt Farm Infant is removed from the Falling Rolls Fund as the school does not meet the balance criteria at 4.7.  Forum approved the recommendation of FRG to remove The Alderton Junior School from the Falling Rolls Fund unless the balance at 31st August 2024 complies with the balance criteria at 4.7.  Forum approved the recommendation of FRG that the schools listed at 4.8 are added to the Falling Rolls Fund for 2024/25.  Forum noted further applications for Falling Rolls funding may be received from academies where they meet the balance criteria on their published balance at 31st August 2024 at 4.9.  Forum approved the recommendation of FRG that the schools listed at 4.10 do not qualify for the Falling Rolls Fund.  Forum approved the funding of **£679,000** as shown at 5.2.  NB: JN abstained as she declared an interest. |
| **4.** | **Building Schools for the Future – Refinancing Gain**  **– Yannick Stupples-Whyley**  JF stated we looked at this at the last Finance Review Group (FRG), looking at the best way to make a difference with this money.  YSW presented the recommendation of the FRG for allocating the gain from refinancing the Building Schools for the Future (BSF) contract.  4.1 On 30th April 2010 the Authority entered into a Project Agreement with Essex Schools Limited under the Building Schools for the Future (BSF) programme for the refurbishment and/or construction and provision of facilities management services for Columbus School, Castle View and Cornelius Vermuyden. The PFI contract commenced in 2011/12.  4.4 The current project is 14 years old.  4.5 The Project Agreement set out that ECC shall be entitled to receive a 50% share if the refinancing gain up to **£1m**, a 605 share if the refinancing gain is between **£1m and £3m**, or a 70% gain if over .  4.7 The Schools Budget and the High Needs Block would get the gain in the near future.  4.8 The split of the refinancing gain is **£1.26m** to the Schools Block and **£160,000** to the High Needs Block.  4.10 The total school contribution for the 3 schools was **£636,000**. This has increased to **£2.4m** in 2024/25. It was noted non PFI schools can choose to reduce facilities management costs where PFI schools have no choice.  4.11 Therefore based on FRG’s decision the refinancing gain is allocated to each of the 3 schools on a per pupil basis. The indicative allocations are:   * Castle View £707,000 * Cornelius Vermuyden £521,000 * Columbus School £192,000   4.12 Agreement of the Authority’s s151 officer has been obtained.  **Recommendations**  Secondary school members approved the recommendation of FRG that the refinancing gain should be allocated to Castle View School and Cornelius Vermuyden School rather than distributed through the Essex Formula for Funding Schools.  All members approved the recommendation of FRG that the refinancing gain should be allocated to Columbus School rather than an additional allocation to the High Needs Block. |
| **5.** | **Any other business, feedback from schools through Associations and from Schools Forum representatives on other Bodies.**  **ASHE**  CH acknowledged the challenge of the holistic pressures with SEN and these pressures on the ground are continuing.  Another key area is outreach work to support behaviour and need to permanently exclude students and lack of capacity. As a headteacher, recruitment is a real issue. Schools are largely staffed now, but on some occasions, it has continued to be a challenge.  Funding of pay increases and pay review funding is awaited with abated breath from Bridget Phillipson.  **EPHA**  PHK informed we await the decisions about the teacher’s pay awards, and support staff settlement and, of course, any announcements from the new government about funding support for schools going forward.  A key issue for schools continues to be the huge challenge of recruiting and retaining support staff, in particular those working with children with complex educational and additional needs. Feedback from EPHA Executive members noted that:   * Support staff can earn more and not get hit, bitten or shouted at and are able to take days off in term time if they work in garden centres or supermarkets. * There are far less applications than there used to be for teacher vacancies. Many applicants do not have QTS. Many are retired and do not want to work full time or have a subject leadership role. Supply agencies sometimes try to hit us with a "finder’s fee" if a supply teacher decides to apply for a job with us. * Nobody wants to work in a school kitchen it seems. * Office staff have been a lot easier to recruit but we are happy to appoint people who may not have school experience which probably helps. * Governor recruitment is a nightmare!   Some schools continue to struggle with the ongoing challenge of needing to have landlord’s consent for even the simplest of tasks. Whilst we recognise the accountability and responsibility for the LA this is hampering development and improvements in schools. Anecdotally it is quicker to get planning permission from the local council than it is landlord’s consent from ECC.  Maintained schools have welcomed the health and safety audit programme being carried out by the Health and Safety team – these have been supportive and helpful.  **ESSET**  EW reported recruitment and retention continue to be challenging. EW confirmed outreach posts have been recruited to. Also, looking forward to how things are moving forward from Bridget Phillipson. In terms of challenges – lack of predictability in school budget, i.e., forecasting.  **PRU’s**  JB informed that permanent exclusions throughout the year had reduced capacity. We have been able to start the outreach programme and have two members of staff employed and they are now working across our secondary schools in Essex.  Recruitment – we have very few applicants coming through. However, we do manage to hold on to staff. Recruitment of new staff is very difficult. We had two Health and Safety audits recently and very positively received.  **Early Years**  DW is looking forward to hearing decisions around pay. Recruitment is as reported before. We trained a lot of nursery nurses, and they are working in schools, and we are retraining. We are facing the same as everyone else. DW reported we had a Health and Safety audit which was ok. Landlord consent continues but they are supportive, however there is a backlog.  **SEND** – DW gave examples for everything raised and why assessments for children and the worries we have. Out of 14 EHCP’s only 2 were agreed. Schools are panicking. The focus this year will be where we are. We are trying to work on positives and options moving forward with schools we work with. Worked here on schools on transition. 12 not agreed and 2 not agreed over single school campaign in first half of the summer for EHCP to put right support in for those children.  Transition project is moving forward, but cannot do anything about funding. We have done a lot of work on data from children last year and this year not just children with additional needs which will cause concern, but also mainstream children need a lot of our support too. Every point is valid that has been raised.  In terms of early intervention, we will do our best. When those children go into school, they ask if you have put EHCP in place. In the last two weeks it has been accepted how we raise the situation. It is a problem to change the mindset from transition from Early Years to mainstream schools. The expectation is they need an EHCP in place to get support because schools need that money and funding for it. We did meetings early this time so that schools could get this in.  Positives are – schools in May worked hard with transition for those children going into settings.  **ESGA**  RL reported recruitment has been difficult.  JH informed that schools have been investigated. There have been parental complaints on governing panel. Parents are finding everything to complain about and that is taking over to actually deal with parents that schools are not doing their job, not doing safeguarding right, and we do not know how we can resolve this.  CS spoke about handling complaints etc. Partnership teams have existing frameworks in place, and we see how we can apply to Governors to help each other.  RB confirmed we have had two successful coffee and chats. One was about wellbeing and the other was about finance. We are aware of the difficulties within schools of recruiting Governors and Trustees as well.  **Unions**  MS reiterated what everyone has said. Recruiting – staff are employed on contracts, on a low salary and have to lose two months’ a year where not paid and go to work in Tesco’s to earn more money.  JF informed from the union perspective there is increasing concern about workload. An increase in supporting members through events and circumstances which are problematic at least, and not fully within their own behaviours and actions. We are very aware of huge financial pressures in schools, re-engaging contract changes, and not justifiable. Also, increasingly aware of the workforce. As unions we have to recruit members. We are feeling optimistic but there is not a solution to everything in the short-term.  **Church Reps**  No report.  **High Needs Review Group** – We have looked at confidential Item 2 and minutes 5a.  **Finance Review Group** – Minutes of 17th June 2024, we have discussed all.  **Early Years Sub-Group** – Agenda Item 9, minutes not available.  **Any Other Business** – none. |
| **6.** | **Minutes of 10th January 2024**  The minutes were accepted as a true record of the meeting held. |
| **7.** | **Minutes of 5th March 2024**  The minutes were approved. |
| **8.** | **Minutes Action Log**  YSW had corrected the minutes of agenda item 4 of the minutes of 29th November 2023 from NEAT to NEET.  YSW reported with regards to the confidential minutes of 29th November 2023 about the School Meals Advisory Service, a new service has been offered and will be brought to the next meeting. |
| **9.** | **Early Years and Childcare Update – Carolyn Terry**  CT updated the Forum on the forecast budget requirement for 2024/25 of the two, three and four year old Free Early Education Entitlement (FEEE), the initial take up of the new working parent entitlements for eligible parents of two year olds, the progress of the roll out of the Childcare Reforms Expansion and the spend to-date on the agreed funding projects.  CT explained across Essex in the spring term 2024, currently 21.3% of all two-year-olds are eligible to access the funding.  The take-up of the two-year-old FEEE during the spring 2024 term was 3,027, which was 86.2% of the 3,513 eligible two-year-olds in the county. This take-up figure remains significantly higher than the national take-up level for spring 2024 term of 73.9%.  The take-up of the universal three- and four-year-old FEEE at the summer term 2023 headcount was 21,545, which is 93.9% of the eligible three- and four-year-olds. This is slightly below the national take-up % of 93.7%.  CT reported on the number of codes that were issued for the new two-year old working parent entitlement that came into operation from April 2024.   * 7,649 codes were issued to eligible working parents, and of these 6,793 were validated to allow for a childcare setting to claim the new entitlement. * This is 89% of the codes issued and this percentage matches the national conversion rate of 89%.   CT gave updated information of 90% of codes were validated.  **Financial Implications – 2023/24**  Table 2 showed the draft outturn for 2023/24.  CT drew attention to 5.3. The Authority has notified the DfE that it believes the January 2023 Census used to fund the 2022/23 and 2023/24 Early Years Block allocation is too high. The DfE were contacted on 15th March 2024, but no response has been received. Agenda Item 10 showed a closing balance for the Early Years Block of **£21.3m**, of which the Authority has calculates **£13.4m** could be clawed back. The Authority will update the Early Years Sub Group, the Finance Review Group and Schools Forum once the final outcome is known.  Table 3 showed the budget and forecast outturn for 2024/25. The Authority estimates the provisional allocation is overstated by **£12.1m** and this is included in the contingency budget.  **Update on the roll out of the Childcare Reforms Expansion programme**  An analysis of the number of new places for both the early years and wraparound elements that were needed to be created to meet the Childcare Reforms Expansion was undertaken. This analysis was used to advertise the areas where new places were needed.  Table 4 set out the funding that is in the process of being agreed along with the number of new places to be created at a district level. These decisions require final sign off via the Council’s governance process and this is currently under way.  **Next Steps**  A second phase of advertising revenue funding to create additional new wraparound childcare places was launched week commencing 17th June 2024, and it is intended that this will be a rolling monthly cycle until the funding is awarded to create sufficient new places.  A second phase of advertising capital to create additional new early years places will be launched before the end of the summer term and will remain open until the end of September 2024.  It may be possible to also advertise some additional capital funding to support the creation of new wraparound places and this will be confirmed as soon as possible.  Funding has been ringfenced from the grant received from the DfE to ensure there is financial support for schools and settings for any enhanced staffing levels that may be needed to support children with SEND to access a wraparound place.  **Update on spend against Early Years Block underspend proposals**  Table 5 provided an update on the progress and financial commitment against each of the agreed projects to date. A cost benefit analysis of these projects will be brought to the November meeting.  We are seeing a drop in inclusion funding applications.  Additional Business Management Consultancy and childcare sufficiency staffing support is to be provided in the Early Years sector for 2 years.  Speech and Language Club has been commissioned and trialled in in one district and in the process of rolling out a targeted offer and the reach is far greater than had been anticipated.  Schools Forum Early Years and Childcare Reference Group has continued to meet during 2024, with ongoing representation from all early years’ sector types and each district.  **Recommendations**  Forum noted the forecast outturn for 2024/25 at 5.4.  Forum noted the spend to-date on the agreed funding projects set out in 7.1. |
| **10.** | **Schools Budget and Education Functions Draft Outturn 2023/24**  **-Yannick Stupples-Whyley**  YSW updated the Forum on the forecast outturn position for the year ended 31st March 2024 for both the Schools Budget and Education Functions.  **Relevant Schools Forum Power and Responsibility**  Table 1 showed the relevant responsibilities that the Forum has in relation to the Schools Budget, which are taken from the Education and Skills Funding Agency’s Schools forum powers and responsibilities published in September 2018.  Table 2 showed the overall forecast DSG balance at 31st March 2024.  4.4 The significant variations contributing to the outturn position are:  **Schools Block - £455,000 underspend - £696,000 adverse movement from Quarter 3**.  4.5 The Forum is aware the Authority is holding a contingency within the Growth Fund for a future year where the allocation from the DfE is insufficient to meet the growth fund requirement. The remaining balance carried forward is **£463,000**. This has slightly been offset by overspends in the funding de-delegated from maintained schools due to academy conversions.  **Central School Services Block - £71,000 underspend – Favourable movement of £249,000 from Quarter 3.**  4.6 The underspend is due to vacancies within Safeguarding **(£58,000)**, a reduction in statutory school consultations **(£9,000)** and a lower call on the free school uniform budget **(£3,000)**.  **High Needs Block - £2.2m overspend – Adverse movement of £1m from Quarter 3.**  4.7 The DfE contacted all Local Authorities on 26th March 2024 concerning ineligible DSG expenditure in particular the following categories:   * SEN transport. * Educational psychologists. * SEN administration, assessment co-ordination, and monitoring. * Social care and health costs.   4.8 We have removed **£2.2m** expenditure from DSG which was charged to the Council’s budget. It has been removed until discussion has been held with the DfE.  4.9 Top-up funding for maintained schools, academies and free schools **£6.1m** overspend is due to an increase in volume of pupils being awarded Education, Health and Care Plans (EHCPs). This is a favourable movement of **£1.4m** from Quarter 3.  4.10 Independent special schools **£3.9m** overspend due to an increase in volume and the cost of placements This is a favourable movement of £1m from Quarter 3.  4.11 SEN Services **£11.7m** underspend. The main cause of the underspend is the HNB contingency **£9.1m** which has arisen due to funding increasing faster than expected demand. The Authority has decided not to contribute to the pension deficit in 2023.24 resulting in a **£753,**000 underspend. Expenditure has decreased by **£2m** due to the removal of expenditure based on the DfE letter. This is a favourable movement of **£1.5m** since Quarter 3.  4.12 Other alternative provision services **£5.7m** overspend due to an increase in pupils being placed through the IPES contract. This is an adverse movement of **£3.7m** from Quarter 3.  4.13 Support for inclusion **£146,000** overspend due to increased expenditure through the Inclusion Framework **£506,000** which is offset by an underspend in the quadrant SEND teams **£301,000**, due to vacancies where new posts have yet been recruited to. This is a favourable movement of **£197,000** since Quarter 3.  4.14 Eligible expenditure towards the cost of personal budgets for SEND Transport has been identified and expenditure of **£690,000** has been charged to the High Needs Block.  4.15 Therapies and other health related services **£343,000** overspend due to an increased use of independent therapists whilst new contract have been developed. This is a favourable movement of **£83,000** from Quarter 3.  Therapists all now in place.  4.16 SEN Transport **£3m** underspend as some expenditure has been removed which is not eligible following notification from DfE. This leaves **£1.5m** which is chargeable as per the Schools and Early Years Finance (England) Regulations.  **Early Years Block - £13.8m underspend.**  Table 4 showed maintained members of School Forum agreed, at the meeting of 30th November 2022, to de-delegate from maintained school **£48.10** per pupil to fund the education functions.  4.20 The budgets in Table 4 are subject to recoupment each time a school converts to an academy. Table 5 reflects the effect of the 14 schools that have converted to academies in 2023/24.  4.21 Table 5 showed the forecast draft position for Education Functions 2023/24 which is a **£10,000** overspend, a favourable movement of **£113,000** since Quarter 3.  Annex A presented Schools Budget in Section 251 classification.  **Recommendations**  Forum noted the forecast outturn position for the year ended 31st March 2024. |
| **11.** | **Schools Budget and Education Functions Draft Budget Update 2024/25**  **-Yannick Stupples-Whyley**  YSW updated the Forum on the forecast outturn position for the year ended 31st March 2025 for both the Schools Budget and Education Functions.  4.2 The total Dedicated Schools Grant (DSG) expected to be received for 2024/25 after academy recoupment is **£679m**.  4.3 The DSG forecast overspend for 2024/25 is **£2.6m**.  Table 2 showed the overall forecast DSG balance at 31st March 2025.  4.4 The significant variations contributing to the outturn position are:  **Schools Block - £3.4m underspend**.  4.5 The forecast underspend is due to the Schools Block contingency where funding is being held as the DfE has recouped **£2.9m** less funding than is expected. The remaining **£0.5m** is additional funding for summer term growth funding for academies.  **Central School Services Block - £123,000 underspend.**  4.6 The forecast underspend is due to the CSSB contingency where the budget allocation is higher than the forecast expenditure for 2024/25.  4.7 Top-up funding for maintained schools, academies and Post 16 FE is forecasting a **£3.4m** overspend due to the average cost of banding increasing, as more pupils are awarded higher bands.  4.8 Top-up funding for Independent Providers is forecasting a **£1.6m** overspend due to increases in demand and cost.  4.9 SEN Support Services is forecasting a **£602,000** underspend which is due to the HNB contingency where funding exceeded the budget set **£452,000** and staffing vacancies across the quadrant and specialist teacher teams **£150,000** underspend.  4.10 Other Alternative Provision is forecasting a **£3.6m** due to a forecast increase in pupils receiving individual pupil resourcing agreements.  4.11 Support for Inclusion is forecasting a **£1.9m** underspend due to the impact of the communication from the DfE on eligible DSG expenditure on the 2024/25 budget. More details on the DfE communication are available in Agenda Item 10.  4.12 Looking back at 2023/24 the High Needs Block had an adverse movement of **£12.5m** between Quarter 1 and final outturn. Should a similar movement occur this year the HNB will be in a deficit position. Depending on the provisional settlement for 2025/26 there could be a request for a transfer from the Schools Block at the September meeting.  **Early Years Block – on target.**  **Education Functions**  4.14 Table 3 showed the funding Schools Forum agreed at the meeting of 27th September 2023, to de-delegate **£48.59** per pupil to fund the statutory duties the Authority holds for maintained schools for 2024/25.  4.16 Table 5 showed the forecast outturn position for Education Functions 2024/25 which is a **£66,000** underspend.  Annex A showed the Schools Budget Q1 Update 2024/25.  **Recommendations**  The Forum noted the forecast outturn position for the year ended 31st March 2025. |
| **12.** | **School and Academy Balances – Yannick Stupples-Whyley**  JF introduced and described the academy balance are taken from the accounts published on the Companies House website. Overall schools find this process difficult but it is consistent.  YSW updated the Forum on the level of school balances held across all schools in Essex and updated the Forum on the review of schools with balances in excess of 30%.  YSW confirmed the combined balances for maintained schools and academies is **£183.8m**, which is an increase of **£4.2m**. YSW explained how collected balances for academies.   * Standalone academies – Unrestricted general funds + restricted general funds (excluding the pension reserve). * Essex MATs – The Funds section lists the balances held by each school in the MAT. Also taken into account is the central services balance held by the MAT. * Multi-Authority MATs – The balances listed for each Essex academy, plus a pro-rata share of the central services balance based on the proportion of Essex pupils within the MAT. * Essex MATs that pool balances – the whole Trust balance is used. * Multi-Authority MATs that pool balances – a pro rata share of the Trust balance based on the proportion of Essex pupils in the MAT.   Table 3 showed the Trusts that pool balances and shows how many Essex schools are in the Trust.  **NB**: balances for the 2 special schools in the Trust are to be published.  Table 4 showed the movement in balances for maintained schools between 2022/23 and 2023/24. The balances for all maintained schools are shown in Annex A.  The balances for maintained schools have decreased by **£464,000**.   * There is a **£1.9m** reduction due to 14 schools converting to academies in 2023/24. * Balances for the remaining maintained schools increased **£1.4m**.   Table 5 showed the number of maintained schools by phase that had an in-year surplus or in-year deficit.  Table 6 showed the number of maintained schools in surplus and deficit. For the schools in surplus, it is also shown the number of schools above the DfE thresholds.  There are 14 maintained schools with deficit balances, which is an increase of 2 schools.  Chart 1 showed how maintained schools plan to use their balances.  RL asked is this comparable chart from previous years.  YSW confirmed we do have them. YSW explained the 3 top categories are consistent each year and YSW agreed to provide this. If you look at this, it is lower than reported.  **Action**: YSW.  Table 7 showed the movement in balances for academies between 2021/22 and 2022/23. The balances for each academy or Trust are shown in Annex C.  Balances for academies have increased by **£4.7m**.  Table 8 showed the number of schools by phase that had an in-year surplus or an in-year deficit.  Table 9 showed for academies the number of schools in surplus and deficit. For the schools in surplus, it is also shown the number of schools above the DfE thresholds.  Chart 2 showed the movement in school balances over the last 5 years.  Since 2029/20 balances have increased by **£55.5m** (43.2%).  Table 10 showed the schools that were contacted in October 2023.  Responses were received from 21 schools (65.6%) giving the reasons why balances were reduced to what was recorded or gave a reason why holding such a balance.  Where schools still have balances of 30% or more the reasons for holding high balances include funding held for property repairs, fluctuating pupil numbers, funding held to afford pay rises or trust policy to hold at least one month’s funding.  In November 2023, the Education & Skills Funding Agency updated their guidance on Academy Trust Reserves. Whilst Trusts are free to decide the level of reserves that they hold, it is claimed 90% of Trusts hold reserves of at least 5%. Where Trusts hold one month’s salary costs to protect cashflow, this is estimated to be around 6% - 8% of income.  Table 11 showed a breakdown of balances as a percentage of revenue funding.  Table 12 showed there are 20 schools that have balances of 30% or higher over the last consecutive 5 financial years and these schools will be included in the ongoing balances review. Then these will be reviewed in September.  **Questions/Comments**  Cllr Ball mentioned about changes which JF had highlighted. Due to change in Government, the picture in Essex makes it difficult in the context for Cllr Ball to argue with the DfE that we have not got enough funding in the system, because Ministers will be given information by officials. It makes it extremely difficult to make the argument. We do not know what the solution is. Some of the reasons put forward last year have not materialised this year into reality. Whether the DfE would welcome this. Energy costs were talked about earlier and the impact on temporary buildings like Honywood, and schools find themselves in difficulty. Cllr Ball highlighted we had moaned at funding for Local Government, and I need people behind me when Ministers are looking at finances going up.  EW stated 6.5% schools responded to the review. What happened to the schools that did not respond?  YSW responded because a lot of them are academies, we cannot ask them to respond. We can approach in a different way but at the moment we cannot make them respond.  CS spoke about the fact we cannot recruit posts. Do we need to think this is a long-term trend and maybe we cannot recruit people and use that money and stop keeping money back? As a Governing Body, they are the highest cases. Why see surpluses increasing which are seen to increase?  CK stated it is for Trust and Governing Body to make decisions over budget. The challenge that you have when you look at the overall system, we are not spending the money on the children here and now because money is going up. The issue is if the strategy you are using to run schools to best of ability and not working, are you spending money on children here and now? Can you look at those strategies differently? Key issue is there needs to be a degree of a surplus in the system to keep schools viable and continuous and where they are excessive, and therefore challenges and behaviours etc, we are not spending money on the system now at the right level.  SM informed if you look at the total balances of the maintained sector compared to the overall budget the balance is 13.78%. But if you look at academies it is 4% higher. There is a significant difference there.  Other comment made:  It was observed that a Trust that has a nice surplus, yet the school has been told to make redundancies. Do not know what to do about this. Concern was expressed about cuts to High Needs SEN provision.  CK reminded this is in the public domain and you represent the sector confidentially with whoever.  SR suggested if you included percentage income, it would come down but nothing to change the overall picture.  YSW confirmed in terms of Schools Block, it is revenue balances that would be significantly lower, only a couple of percentage.  CK commented on a fact finding to understand, we can create a narrative, but we cannot. We would have to come back and agree it. How to create the narrative on which to create the argument. Overall, the system is healthy, overall subject to individual disparities. Last year, maintained balances did go down. The academies now having gone down, which makes it difficult to construct the narrative. Generally, 30%, and to see those schools still holding 30%, not getting that narrative. When going to the DfE it makes it more difficult.  JF felt one of the things concerning our ability to encourage our schools to budget effectively or not. There should not be any balances left. Year on year, the top things have been spending balances to balance off your budget for the year, and using the money because planned to be used. In the narrative trying to put together, within the system we do not believe there is enough money for children to have a good education. Unpick the reason: cashflow in and out, and there should never be a huge balance in a school unless on a cash basis that requires you to do something.  Despite change of Government, it is more national level. Those figures are not saying the education system is underfunded. We all know the reality on the ground but that is not what is reflected in this national picture and this needs to be unpicked. These are the good reasons why money is being held. You can argue a case.  JN asked is there a way to hold academies to account? There are 2 schools I had last year that were carrying a particularly large balance. JN said that is not my balance and did not have that money. If that money is being held by the Trust and the headteacher has no knowledge of this?  JF indicated it is about knowing the narrative. We know some Trusts are sitting on huge balances which is part of the narrative. It is to enable Cllr Ball and the Local Authority to actually have that information. We as a Forum can discuss.  CK made a practical suggestion. We cannot hold academies to account. If you have frustrated colleagues that are being told one thing by their Trust and what you are seeing, let the Local Authority know but with sensitivity. It is our intelligence piece as well. What the DfE do with this, we can only inform the DfE. There is an excessive 20%. Now we have got a new Government, and will look at that excessive limited balance for a Trust as much as the Local Authority have for maintained schools.  JH enquired, has there been an exercise done by the size of the Trust, how many schools, how many pupils. JH is on a Governing Body of a small Trust. They have got large balances. Are the smaller Trusts creating the problem?  YSW stated, we have not done that yet, but can certainly look at it.  **Action**: YSW.  **Recommendations**  Forum noted the level of school balances.  Forum noted the progress of the review of schools with balances in excess of 30%. |
| **13.** | **Constitution and Membership of Schools Forum**  **– Yannick Stupples-Whyley**  YSW updated the Forum on any changes required to the current membership of Schools Forum in light of the continuing transfer of maintained schools to the Academy sector and the change in pupil numbers. |
| **14.** | **Forward Plan**  YSW read this out and confirmed the dates of future meetings.  YSW added for September meeting – DSG in terms of consultation.  **Recommendation**  The Forum noted the dates of future meetings and that additional items as proposed by Schools Forum are included in the Forward Plan. |
| **15** | **Any Other Business** – none. |
| **16.** | **Chair’s Closing Comments (Ruth Bird)**  RB thanked everyone for attending. RB hoped everyone has a nice summer and look forward to seeing you in person at Hamptons in September. |
|  | **Next Meeting – IN PERSON**  **Wednesday, 25th September 2024 at 8.30 a.m.**  **at Hamptons Sports & Leisure, Tydemans,**  **Chelmsford, Essex CM2 9FH**  **NB: car parking is included. Once you arrive in the car park at Hamptons you have 15 minutes to register your car registration at the Reception desk, otherwise you will be charged a fine.** |