

SCHOOL FORUM

ANNUAL REPORT 2006/2007

1.0 Purpose of Report

- 1.1 The revised Constitution, approved by the Forum on 13th June, 2006, requires that an annual report of the work of the Forum shall be submitted to the Forum at its meeting in June of each year. This report is in response to that requirement, and covers the period 13th June, 2006 to 13th March, 2007.

2.0 Constitution

- 2.1 The Forum has reviewed its Constitution in accordance with the Department for Education and Skills publication 'Schools Forums: Operational and Good Practice Guidance' issued in December, 2005, and the Schools Forum (England) (Amendment) Regulations, 2005.

In doing so, the Forum has agreed to the establishment of a Forward Plan setting out decisions which the Forum intends to take. The purpose of the Forward Plan being to give plenty of notice and an opportunity for consultation on the issues to be discussed.

3.0 Practical Learning

- 3.1 The Forum has received a report bringing further information on allocation of funds to secondary schools for practical learning. The Forum noted that the Dedicated Schools Grant for 2006/07 and the indicative DSG for 2007/08 contained earmarked funding to increase practical learning opportunities for 14 - 16 year old pupils but that it was the responsibility of the Schools Forum to agree a methodology for the distribution of the funding amongst secondary schools and noted that secondary Head Teachers had been consulted on the possible funding methodologies. The Forum subsequently agreed that the funding should be distributed on the basis of pupil numbers.

4.0 Scheme for Financing Schools

- 4.1 The Forum has received a report informing of changes that the Department of Education and Skills (DfES) proposed to add to the Scheme. The Forum noted that all Local Authorities were required to establish and maintain a Scheme, the purpose of which was to set out the financial relationship between the Local Authority and the schools it maintains. The Forum also noted that Walsall's Scheme had been updated and approved by the Forum in October, 2005.

4.2 The Forum noted that four substantive revisions to the Scheme were proposed by the DfES as follows, along with some minor amendments making general updates for changes in the law:-

- (a) to give Local Authorities the ability to request a financial forecasts from schools covering each year of the new multi-year budget period;
- (b) to give Local Authorities the ability to issue a *Notice of Concern* to a Governing Body where it feels it is appropriate to do so to safeguard the financial position of the school;
- (c) to give Local Authorities the ability to make the achievement of the Financial Management Standard in Schools compulsory for certain phases and types of schools and declare external assessment of the standard compulsory;
- (d) to require Local Authorities to include a Balance Control Mechanism in their scheme.

4.3 The Forum noted that Education Walsall did not take any action to reduce the balances of primary schools when they exceeded 8% of the budget, nor of secondary schools when their balances exceeded 5%.

4.4 The Forum subsequently recorded their views on the proposed changes to the scheme of local management of schools as follows:-

- (1) That Local Authorities be given the ability to request the financial forecast from schools covering each year of the new multi-year budget period, subject to the use of “notional” figures and not “actual” figures;
- (2) That Local Authorities be given the ability to issue a “notice of concern” to a governing body where it feels it is appropriate to do so to safeguard the financial position of the school in the case of both deficit and surplus budgets;
- (3) That the proposal to give Local Authorities the ability to make the achievement of the Financial Management Standard in Schools compulsory for certain phases and types of schools and declare external assessment of the standard compulsory, be not supported;
- (4) That the proposal to require Local Authorities to include a balance control mechanism in their scheme be not supported.

5.0 **Governor representation**

5.1 The Forum received a report on the progress of seeking Governor representatives and noted that an election would be held where all Governors would be asked to vote for a representative of their education phase. The election was duly held and the following were elected Governor representatives for the category indicated for the period expiring 31st March, 2010:-

Primary Governor	-	G. Deakin
Secondary Governor	-	F. Hodgkinson
		M. Sweeney

6.0 Deprivation Funding Review

6.1 The DfES asked all Local Authorities to undertake a fundamental and systematic review of local arrangements for deprivation funding.

6.2 A Working Group of primary, secondary and special school Head Teachers and Forum Members was set up comprising Mr. Cheminais, Mr. Baker, Mr. Holtam, Mr. Clarke, Mr. Gee, Mr. Davies and a special school representative. Their remit was to review current funding arrangements and consider how funding might in future be better targeted to areas of deprivation and to consider the amount of funding allocated. The group were to produce a preliminary report of their findings by March, 2007. The following officers were subsequently added to the Working Group:-

EW Strategic leader for ICT & School Finance
EW FRAS Consultant
Education Walsall's Data Manager
Education Walsall's Head of Policy and Performance

6.3 The Forum received the preliminary report and noted that various ways of defining and refining the work had been looked at and a variety of funding indicators were being considered. It was noted that, at the next meeting of the Working Group, it was proposed that representatives from schools who were identified as having high level of deprivation would be invited to a meeting to provide some insight in how deprivation funding was used in their schools.

6.4 The Forum subsequently received a report on Deprivation in Walsall, together with notes of the Deprivation Working Party, commended the work of the Group and noted work in progress and agreed to await the final recommendations of the Group and a full consultation document to be sent to all schools in the summer term.

7.0 Budget 2006/07

7.1 The Forum received a report on this issue and noted that the DfES had not indicated whether the minimum funding guarantee would continue past 2007/08. Further SSG for personalised learning grant would be advanced in September, 2006 and individual schools would be informed in writing of the actual amount for 2006/07 and the indicative amount for 2007/2008. Questions were raised regarding extended schools and the Forum was advised that extended schools money would be allocated under the standards fund.

8.0 School Meals

- 8.1 The Forum received a presentation from Mr. Chris Holliday, Head of Leisure and Culture at Walsall Council, who expressed the need to look at the funding of school meals to ensure that the necessary service was provided. A further report detailing options and recommendations was requested for submission to a future meeting.
- 8.2 At a subsequent meeting, the Forum received a further presentation from Mr. Chris Holliday. Mr. Holliday explained that a review of the Catering Service was being undertaken, including a review of cash collection and the service was now undertaking fewer cash collections.
- 8.3 The service was being re-organised to include a marketing function and there would be a joined up message across the Authority so that it fitted in with other Local Authorities.
- 8.4 The provision per meal was also being looked at. The Authority was currently spending 60p per meal whereas the Government's recommendation was 50p.
- 8.5 On the marketing side, the intention was to introduce reward schemes that were linked to Leisure Centres.
- 8.6 The Forum was advised that the service currently operated on a deficit of approximately £320k and could not afford to continue on this basis. To break even, the Authority would have to charge in the region of £2 per meal for free school meals. The current free meal cost £1.37.
- 8.7 It was noted that there was already a Group established to look at the situation (the Jamie Oliver Group) and it was agreed that the Group should give this issue further consideration.

9.0 Section 52 Table 4 Data for 2006/2007

- 9.1 The Forum received and noted a report and requested that copies be forwarded to all schools, together with an additional sheet entitled 'Age Weighted Pupil Units 2006 - Radio table underpinning the distribution of the pupil led element of the ISB for 2006'.

10.0 Analysis of School Balances at the end of the 2005/2006 year

- 10.1 The Forum received a report and the point was made that there was a need to be very specific in the scheme, particularly in relation to unspent balances. The Forum requested a further report, including details from schools for spending plans on balances greater than 5%.

11.0 National Digital Infra-structure for Schools

11.1 The Forum received a report advising that the DfES had created an additional one-off standards fund around the National Digital Infra-structure for Schools with the aim of helping more institutions to a position where ICT is treated as a utility; driving aggregation of demand across institutions and between Local Authorities; and achieving the highest quality services and best value for money for the optimum collective spend at regional or multi-authority levels.

11.2 The Forum referred the report to Primary and Secondary Forums for comment.

12.0 Financial Management in Schools Standard - Proposed Time-table

12.1 The Forum received a report and, although there was concern over the additional workload achievement of the standard would generate, there was general acceptance that schools would have to comply with the FMSiS standard on the time-table presented.

12.2 It was noted that a traded service development of a half-day FMSiS preparation visit to schools was planned and that the Authority was also buying into the service of HCSS to help assemble the evidence needed to complete the self assessment for the FMSiS.

12.3 The Forum agreed that those schools identified as being in the first tranche be advised accordingly and that should they wish to delay to the second tranche, they would be asked to identify exceptional circumstances to support their request. It was subsequently reported that there had been very little response, only one school wanting to transfer to tranche 2. It was noted that nursery schools were not included in the time table at the present time. It was subsequently agreed to include nursery schools in tranche 3.

13.0 Revision to the Scheme for Financing Schools

13.1 The Forum received a report advising that the DfES had introduced some new expectations on Local Authorities with regard to their Schemes for Financing Schools and, after a period of deliberation, agreed to inclusions as follows:-

Balance Control Mechanism

That the following be approved for implementation from 1st January, 2007:-

- (a) The Authority shall calculate by 31st May each year the surplus balance, if any, held by each school as at the preceding 31st March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial reporting Framework;

- (b) The Authority shall deduct from the balance any amounts for which the school has a prior year commitment to pay from the surplus balance and any unspent Standards Fund grant for the previous financial year;
- (c) The Authority shall then deduct from the resulting sum any amounts which the Governing Body of the school has declared to be assigned for specific purposes permitted by the Authority, and which the Authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned;
- (d) If the result of steps a-c is a sum greater than the prescribed sector percentage or £10,000 (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess.

Sector thresholds to be applied are for:

Secondary - 5%

Primary/Spec. with resources less than	£1.399 million:	8%
Primary/Spec. with resources between	£1.4 & 2 million:	7%
Primary/Spec. with resources over	£ 2 million:	6%

Multi Year Budgets

Education Walsall will require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year. Forecasts to be revised annually.

Financial Management in Schools Standard

All maintained schools must demonstrate compliance with the DfES' Financial Management in Schools Standard, in line with the time-table determined by the authority, and at any time thereafter.

The authority may require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. External assessments will be carried out by the Internal Audit section of Walsall Metropolitan Borough Council. A reasonable charge will be levied by the Council for work connected with external assessment for FMSiS.

Notice of Concern

That the following be approved in principle, subject to a provision requiring details of unallocated resources to be annexed to the Notice of Concern and that a final version of the amendments to this element of the Scheme be e-mailed to Forum Members:-

The Authority may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the [*Chief Finance Officer and Managing Director, Education Walsall*] the school has failed to comply with the provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

The notice will set out the reasons and evidence for it being made and may place on the Governing Body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:-

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body;
- Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools - such as the provision of monthly accounts to the authority;
- Insisting on regular financial monitoring meetings at the school attended by local authority [*Education Walsall*] officers;
- Requiring a Governing Body to buy into a local authority's financial management systems;
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share - for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the Governing Body does not comply with the notice.

14.0 National Digital Infra-structure for Schools

14.1 The Forum received a report indicating that the DfES had created an additional one-off standards fund around the National Digital Infra-structure for Schools with the following aims:-

- Help more institutions to a position where ICT is treated as a utility;
- Drive aggregation of demand across institutions and between Local Authorities;
- Achieve the highest quality services and best value for money for the optimum collective spend at regional or multi-authority levels.

14.2 The Forum noted that the amount of grant awarded to Walsall was £177,636 and agreed funding for individual projects as follows:-

	£
• Remote backup	58,940
• Aggregated Procurement	19,700
• FiTS	3,800
• Primary FiTS	46,100
• Collaborative Data usage	48,800

15.0 Remit and responsibilities of the Schools Forum

15.1 The Forum received and noted a report reminding Members of the remit and responsibilities of the Schools Forum, particularly with regard to decision making powers. The report also informed Members of further powers for the Forum with effect from April, 2007, when the Government intended to extend the role of schools by giving them the power to approve Local Authority proposals to vary the operation of some specific school funding regulations or put in place arrangements other than those in the regulations, that otherwise would have to be approved by the Secretary of State. The Forum was advised that, effectively, this would mean that they would be able to make decisions on:-

- To vary the date of delegated budgets for new schools;
- Approve changes to the Scheme of Financing Schools.

The Forum noted that they would have no power to initiate proposals, they could only exercise their power in relation to proposals put forward by the Local Authority.

16.0 Updating School Budgets 2007

- 16.1 The Forum received and noted a report on the process for the updating of the 2007 school budgets. The Forum noted that the number of pupils appeared to be falling more quickly than anticipated and that this would have an effect on the centrally retained element.
- 16.2 The Forum noted that a further report would be brought to the Forum when all PLASC returns were available.

17.0 Funding for Extended Schools

- 17.1 The Forum received and noted a report on funding received by Education Walsall under Standards Fund Grant 106 (Extended Schools) across the financial years 2006-08. The Forum noted that a proportion of the funding was being devolved to clusters of schools under arrangements agreed with Head Teachers. The Forum was advised that not all schools were aware of the clusters they were in and it was agreed that a list of the clusters be circulated to all Forum Members.

18.0 Changes to the Financial Guidelines for Schools - Bank Imprest Accounts

- 18.1 The Forum received a report informing them of a change to the Local Management Unit Financial Guidelines for Schools. The Forum noted that, due to the fact that a number of schools now need re-imbursement of their imprest accounts more frequently than once per term, guidance had been updated to read "Photocopies of the reconciliation documents and copies of the relevant bank statements must accompany any claim for re-imbursement. Schools should keep the original documents at school, for audit purposes".
- 18.2 The Forum noted that all schools would be made aware of the change to the guidelines.

19.0 New delegations from April, 2008 - Maternity Leave

- 19.1 The Forum received a report asking that consideration be given to the delegation of expenditure related to making payments to, or in providing a temporary replacement for a woman on maternity leave or to a person on adoption leave.
- 19.2 The Forum noted the report and agreed to consult the Primary and Secondary Forums on the issue.

20.0 Further delegation to schools: Additionally Resourced Provision for Pupils with Sensory Impairments

- 20.1 A report was submitted informing Members of progress with regard to developments in provision for children with sensory impairments, particularly hearing impairments. The view was expressed that, should there be available headroom in the budget, consideration should be given to allocating funding to this provision. The Forum's view was consideration to this project should be given at the same time as all other identified spending pressures for 2007/2008

- 20.2 The Forum noted the report and agreed to consider the use of headroom at a later date.
- 20.3 The Forum received a presentation at a subsequent meeting on ARU provision on a school by school basis, and noted that any underspend would be ring-fenced and off-set against the next years provision. The Forum noted that there were issues around filling places. There was a rigorous monitoring framework in place and vacant places would be looked at.
- 20.4 The Forum was advised that the service wanted to develop an outreach facility if there was an underused resource. A pilot scheme was being implemented.
- 20.5 A review of resource provision was being undertaken which would identify trends.
- 20.6 The Forum asked that a copy of the presentation be supplied to all Forum Members and that the item be included on the Forward Plan for revisiting later in the year.

21.0 School Specific Contingencies

- 21.1 The Forum received a report seeking approval to the use of specific contingency funds in relation to Woodlands Primary School to rectify a mistake on the 2006 PLASC return regarding free school meal take up.
- 21.2 The Forum agreed to the payment of £14,000 to Woodlands School with the proviso that similar errors do not occur in the future and that Education Walsall be invited to consider re-imbursing the Education Budget.

22.0 Staff Side Associations - Request for representation on Schools Forum

- 22.1 The Forum received a report detailing a request from the Staff Side Associations to be represented on the Forum.
- 22.2 A question was raised as to whether it was constitutionally correct to approve changes to the Constitution with immediate effect, subject to which, approval was given to amend the Constitution to extend the non-school place on the Forum to be appointed by the JNC.
- 22.3 It was subsequently found to be constitutionally correct and Ms. Marion Letts was appointed as Staff Side Association representative on the Forum.

23.0 Recommendation

- 23.1 The Forum is asked to note the report.

Appendix 1

Summary of 2006/2007 accounts of School Forum	Cumulative Expenditure	Full Year Budget
PROVISIONS - DRINKS	22.50	0.00
STATIONERY AND GENERAL OFFICE EXPENSE	143.07	0.00
EXPENSES - OTHER EXPENSES	57.50	10,000.00
INTERNAL PRINT AND DESIGN CHARGES	579.80	0.00
	802.87	10,000.00
	Underspend	9,197.13