

# **DRAFT**

**Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee**

## **SCHOOLS FORUM**

### **MINUTES OF THE MEETING HELD ON MONDAY, 7 DECEMBER 2015**

**Forum members Present:** Katharine Andrews (Substitute) (In place of Sheilagh Peacock), Reverend Mark Bennet, Julia Bond (In place of Brian Jenkins), Patricia Brims, Angela Hay, Reverend Mary Harwood, Jon Hewitt, Peter Hudson, Stacey Hunter, Chris Prosser, David Ramsden, Clive Rothwell, Graham Spellman, Suzanne Taylor, John Tyzack and Keith Watts

**Also Present:** Avril Allenby (Early Years Service Manager), Ian Pearson (Deputy Corporate Director (Communities) & Head of Education Service), Claire White (Finance Manager (Schools)) and Annette Yellen (Accountant for Schools Funding and the DSG), Councillor Dominic Boeck (Executive Portfolio: Education), Jacquie Davies (Pupil Referral Units), Maria Legge (Strategic Support) and Jo Reeves (Policy Officer)

**Apologies for inability to attend the meeting:** Paul Dick, Kate House, Brian Jenkins, Councillor Mollie Lock, Sheilagh Peacock and Derek Peaple

**Forum members Absent:** Fadia Clarke, Bruce Steiner and Charlotte Wilson

#### **PART I**

##### **1 Minutes of previous meeting dated 28 September 2015**

The minutes of the previous meeting dated 28 September 2015 were approved as a true and correct record and signed by the Chairman.

##### **2 Actions arising from previous meetings**

Actions 1,2,4,6 and 7 were either on the agenda for the meeting or had been completed and could therefore be removed from the list of actions arising from previous meetings.

Ian Pearson updated that regarding action 3, relating to re-election of members to the Schools Forum, the Chair of the Primary Heads Forum had been approached to elect representatives. It was noted that Angela Hay, Headteacher at the Winchcombe School, had joined the Schools Forum for the meeting and had put herself forward as a Primary School Representative.

Regarding action 5, Ian Pearson noted that at the Heads Funding Group meeting on 24 November 2015, a range of issues had been considered relating to spending in the High Needs Block. He had had a conversation with Cathy Burnham and agreed that the information should be provided in partnership with Stacey Hunter. Further discussions would take place with Stacey Hunter and it was anticipated that the information would be brought to the meeting of the Schools Forum on 25 January 2016.

##### **3 Declarations of Interest**

There were no declarations of interest received.

##### **4 Membership**

## **SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES**

The Forum noted the following information in respect of the membership of the Schools Forum and Heads Funding Group:

- Richard Blofeld had stepped down from his role on the Schools Forum and Heads Funding Group.
- Angela Hay had put herself forward as a Primary Representative to the Schools Forum and Heads Funding Group.
- There were still two vacancies for Primary Representatives.

### **5 Proposed Changes to the Scheme for Financing Schools**

The Forum considered a report (Agenda Item 6) which proposed changes to the Scheme for Financing Schools, a statutory document which set out the financial relationship between the local authority and the schools it maintained. In order to make changes to the Scheme, all schools had to first be consulted, and having reviewed the consultation responses the members of the Schools' Forum representing maintained schools would be required to approve each change proposed.

The consultation went out to schools prior to 2<sup>nd</sup> November, and closed on 13<sup>th</sup> November. The consultation document was attached as Appendix A to the report and the full Scheme tracking the proposed changes was attached at Appendix B.

Apart from two statutory changes and minor corrections, there were six discretionary changes being proposed and which were consulted on.

The proposed changes were:

1. to formalise the current arrangement for imprest schools to submit a month nine forecast and bank report (as at 31<sup>st</sup> December) by mid January each year
2. to move the budget plan submission date to 1<sup>st</sup> May
3. to specify within the Scheme a requirement for schools to set a de-minimus level for capital spend
4. that the current scheme for the claw back of excess surplus balances should be removed and replaced by a light touch review by the Schools' Forum
5. that schools closing the year with an unplanned deficit carried forward to the following financial year, should for that year be required to submit the same additional information as schools setting a planned deficit budget
6. amendments to the current loan scheme

There were 40 responses to the consultation, from 27 (38%) schools; though not all respondents replied to all questions (some answered none at all). The report set out the questions asked in the consultation and the responses received. Schools' Forum was required to agree or otherwise on each of the main changes proposed.

On the subject of proposal 3, to set a de-minimus level for capital spend, Patricia Brims sought clarification that £2000 was to be the smallest amount to qualify for a spend of capital. Claire White answered that £2000 was a guideline and if a school's governing body felt a smaller amount was necessary they could argue their case if challenged as some very small schools would have a small amount of capital. Reverend Mark Bennet expressed the view that small schools required flexibility for capital spending and officers could consider in future that the de-minimus level should be 10% of the school's total capital. Claire White advised that the figures were a guideline and it was for the school's governing body to set the de-minimus level for capital spend.

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

John Tyzack (Chair) invited the Maintained School Representatives to make a decision on the report. Patricia Brims proposed that the changes to the scheme for financing schools be approved as laid out in the report. The proposal was seconded by Clive Rothwell and agreed by the Maintained Schools Representatives.

**RESOLVED that the Proposed Changes to the Scheme for Financing Schools be approved.**

### 6 **Estimated Dedicated Schools Grant (DSG) Budget for 2016/17 - Overview**

*David Ramsden entered the meeting at 5.24pm*

The Forum considered a report (Agenda Item 7) to present an overview of the estimated Dedicated Schools Grant (DSG) budget for 2016/17.

In the Spending Review in November 2015, the government had suggested that schools would see a 'real term' increase in funding. Claire White explained that West Berkshire's number of pupils had increased and so the total allocation would increase however the funding rate per pupil would remain the same.

It was highly likely that there would be a significant shortfall in funding in 2016/17, due mainly to the following factors:

- A significant overspend in the 2015/16 high needs block which would need to be met from 2016/17's DSG.
- Carry forward of under spend from previous years in the high needs and early years blocks would have been used up in 2015/16.
- Pupil numbers and needs in the high needs block continued to rise without any increase in funding.

If the assumption was made that there would be no increase to the DSG, and taking an early estimate of the budget requirements for next year, the following table would summarise the funding position for 2016/17. A breakdown of the funding and budget, split between the three blocks was shown in Appendix A of the report, with a more detailed breakdown of expenditure by cost centre shown in Appendix B.

<b>2016/17 Estimate</b>	<b>DSG Funding £'000</b>	<b>Budget Estimate £'000</b>	<b>Headroom/ (Shortfall) £'000</b>
<b>Schools Block</b>	96,093	96,228	-135
<b>Early Years Block</b>	6,997	7,764	-767
<b>High Needs Block</b>	19,109	21,126	-2,017
<b>Total</b>	<b>122,199</b>	<b>125,118</b>	<b>-2,919</b>

Since the report was produced, some of the census data had been received which was needed for the calculations of the Schools Block. A draft calculation had demonstrated that £200k headroom might be available instead of a £135k shortfall.

*Avril Allenby entered the meeting at 5.28pm*

The funding could be confirmed, once the following had taken place:

- Actual funding settlement received from the DfE.

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

- School census data received from the DfE and the school formula run.
- Officers would continue to work on obtaining their best forecasts for the current year spend and next year's estimates for all other budgets.

The school formula was set for 2016/17 but a decision would need to be taken on the funding rates at the January 2016 meeting of the Schools' Forum. It had been assumed that there would be enough funding in the schools block to maintain the current funding rates. If there was a "surplus" in this block, consideration would need to be given on whether this could be used towards the shortfall in the high needs block rather than increasing the funding rates. Consideration would also need to be given to *reducing* current funding rates in the school formula. For example, a reduction of £10,000 from the lump sum paid to every school would generate £760k funding for the high needs block, or for each £10 deducted from the per pupil rate funding would generate approximately £220k funding for the high needs block. The Heads Funding Group was opposed to this proposal.

The Early Years Block position was difficult to predict however there was an indication that it might be possible to balance this block if there was an underspend in 2015/16 which was carried forward. In the Spending Review it was proposed that there would be a national funding formula for Early Years that might be in place for 2017/18, although was likely to be introduced on a phased basis. This might be a positive development because West Berkshire received below average funding nationally in this block. The Early Years Steering Group would draw up their proposals for balancing this block, which might require a reduction in funding rates to providers.

Graham Spellman asked if the figures on schools budgets would be brought to the January 2016 meeting alongside the information on funding rates; Claire White confirmed that they would.

**RESOLVED that the report be noted and an update be received at the next meeting.**

### 7 Update on High Needs Place Funding 2016/17

The Forum considered a report (Agenda Item 8) which provided an update on the High Needs Place Funding for 2016/17. At the previous meeting, the Heads Funding Group had heard that place funding in 2015/16 was based initially on place funding allocated by the Education Funding Agency (EFA) in 2014/15. The local authority had attempted to make 'exceptional' requests for increases to the planned places at Brookfields, The Castle, Trinity ASD Resource, West Berkshire Training Consortium (WBTC) and Newbury College but all were refused apart from 4 planned places for the WBTC and Newbury College due to the stringent criteria. A formal challenge against this decision was unsuccessful; an experience shared by many other local authorities.

Since the last meeting, the EFA had notified Local Authorities that it would base 2016/17 financial year place funding on the place funding allocated for 2015/16. There would be no opportunity for Local Authorities to request additional planned places as there was the previous year. However, local authorities would have the flexibility to move planned place funding between institutions in line with any changing patterns of need and the regulations.

Local Authorities might request additional planned places for academies and Further Education Colleges, but if these were agreed, the funding would be taken from the Authority's DSG. Any places which needed to be funded over and above the current total of 609 would therefore represent a pressure on the High Needs Block (HNB).

There had been a shortfall in 2015/16 in planned place funding for Brookfields, The Castle, Trinity ASD Resource, Newbury College and Speenhamland PD Resource. However, there had been over provision of planned place funding at some other establishments, with

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

the net shortfall being 7 places currently. Numbers at The Castle and Brookfields continued to rise and were likely to further exceed planned place numbers in 2016/17, which would be an additional pressure on the High Needs Block. It was anticipated that the Trinity ASD Resource would take two or three more children in September 2016. Newbury College numbers were likely to fluctuate and could increase.

As some institutions had more planned places than they required, a decision would need to be taken for 2016/17 as to whether some of the “surplus” planned places would be reallocated. However, this was likely to be difficult for small resourced units as they might then be unable to fund the required basic level of staffing to run the resource. Post 16 planned places could not be removed from schools’ budgets.

A request has been made to the EFA for 5 planned places for the Trinity ASD Resource which opened in September. If agreed, this funding would be removed from the DSG. These places were already being funded and therefore this did not represent an additional funding pressure on the HNB. No other requests for changes to planned places at academies or FE Colleges had been made. Changes to planned places at maintained schools, either up or down, did not require approval of the EFA.

There was surplus post 16 planned place funding in five mainstream schools, but under EFA regulations this funding could not be removed from schools without agreement. There might, however, be opportunities to reduce top up funding to these schools to take in to account surplus place funding.

Four schools with resourced units had more planned places than High Needs students. These were: Kennet, Westwood Farm Infant, Westwood Farm Junior and Winchcombe.

Discussions with these Headteachers were being held and had not all yet been concluded. However, initial indications were that in most cases numbers would be higher in 2016-17 than they were currently and therefore there was likely to be limited scope to remove any planned place funding. An update would be given at the January 2016 meetings of the Heads’ Funding Group and Schools Forum.

Any additional planned place funding allocated to special schools would therefore be an additional pressure on the HNB.

*Peter Hudson entered the meeting at 5.44pm*

David Ramsden assessed that balancing place funding would not redistribute a large sum of money. He further asked what decisions would need to be made and by whom. Ian Pearson advised that officers were negotiating with all schools to give back surplus funding.

Reverent Bennet noted that some schools would be subjected to small year-to-year fluctuations in their High Needs pupil numbers and the challenge would be to maintain a high quality and consistent provision.

David Ramsden advised that since the meeting of the Heads Funding Group he had considered the perceived surplus in funding received by Little Heath School and concluded that two pupils had signed up to courses and ultimately decided not to continue on the course so those pupils were now attending different institutions.

Ian Pearson summated that should officers’ negotiations not be successful the Schools Forum might have to take a decision on whether to reduce the place funding of particular institutions. At this stage however, Schools Forum were invited to acknowledge the issues and note the progress.

**RESOLVED that the report be noted.**

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

The Forum considered a report (Agenda Item 9). Ian Pearson advised that the report title was not correct as it was not putting forward budget proposals for 2016/17 but set out the 2015/16 High Needs budgets, the forecast for the current year, and the latest estimates for 2016/17.

There was likely to be a significant shortfall in funding in the High Needs Block (HNB) in 2016/17 of approximately £2m, mainly due to the following factors:

- No increase in funding expected for this block (other than the full year neutral effect of changing from residency to location basis for place funding).
- The carry forward in funding from previous years which had supported the budget in the current year had been used up.
- There was likely to be an overspend in 2015/16 which would need to be funded from the 2016/17 HNB allocation.
- Continuing increase in numbers and level of support required for high needs pupils.

**Table 1** summarised the position on the HNB. The current forecast for 2015/16 was a shortfall of circa £695,780 which would need to be funded in 2016/17. The estimates for 2016/17 were based on all services continuing and at current staffing levels/contract costs, and funding rates for top ups remaining the same for the current and/or known number and funding level of pupils.

<b>TABLE 1</b>	<b>2015/16 Budget £</b>	<b>2015/16 Forecast £</b>	<b>2016/17 Estimate £</b>
Place Funding	6,285,400	6,285,400	7,030,000
Top Up Funding	8,507,580	8,940,060	9,027,880
PRU Funding	2,201,000	2,401,000	2,401,000
Other Statutory Services	1,213,860	1,254,650	1,233,490
Non Statutory Services	858,570	868,570	1,031,730
Support Service Recharges	515,750	401,600	401,600
<b>Total Expenditure</b>	<b>19,582,160</b>	<b>20,151,280</b>	<b>21,125,700</b>
HNB DSG Allocation	19,100,550	19,100,550	19,795,150
HNB DSG C/F	344,950	344,950	-695,780
EY DSG Allocation	10,000	10,000	10,000
<b>Total DSG Funding</b>	<b>19,455,500</b>	<b>19,455,500</b>	<b>19,109,370</b>
<b>Shortfall</b>	<b>-126,660</b>	<b>-695,780</b>	<b>-2,016,330</b>

### Place Funding

**Table 2** on pages 82 and 83 of the agenda pack currently showed no increase to special school planned places, as there was no additional planned place funding to allocate unless there was surplus planned place funding in other institutions which could be reallocated. This information related to Agenda Item 8.

### Top-Up Funding

**Table 3** on page 84 showed the budget and forecast for 2015/16 – the forecast was a £432k overspend. The forecast for top up funding in 2015/16 was based on pupils receiving this funding in the Autumn term 2015/16 and assumes no change in numbers to the end of that financial year.

The main areas of pressure in the top up budgets were non West Berkshire special schools, West Berkshire maintained special schools and non West Berkshire resourced units.

### Pupil Referral Units (PRUs) and Home Tuition

## **SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES**

David Ramsden stated that the pressure was primarily caused by non West Berkshire special schools; Ian Pearson corrected that top ups to Pupil Referral Units were also causing significant pressure.

David Ramsden commented that Table 4 on pages 84 and 85 was interesting; usually the budget for the next financial year was identical on the Month 7 forecasting. Claire White advised that the 2016/17 budget was based on the current numbers of pupils.

Ian Pearson commented that Schools Forum would need to evaluate whether a single top-up for PRUs would be appropriate. The top-up was causing a problem in one of the PRU services. The matter had been previously considered by the Schools Forum and they might need to consider making an in-year adjustment in January 2016 to be applied across February and March 2016.

### **Other Statutory Services**

**Table 7** detailed the changes made to statutory services budgets between 2014/15 and 2015/16 and the latest forecast. The main change between 2014/15 and 2015/16 was recognising therapy services needed to be funded by the HNB. The pressure in the current year was mainly due to hospital tuition placements.

Stacey Hunter noted that hospital tuition had no set budget in 2015/16 and enquired if it was known that the service needed to be paid for. Ian Pearson explained that the service had not previously been charged and the Local Authority had received an invoice from a third party. The matter was being investigated but it did appear that there was a statutory obligation to fund this service. At present, the legislation required that any child of statutory school age receive tuition between the dates of admission and discharge. West Berkshire Council were seeking to be informed of a child in hospital within two days of admission and further details to allow scrutiny of other factors as it was suspected that the council was being charged for more tuition than the child was receiving.

Ian Pearson outlined that the position relating to non-statutory services funded within the HNB were outlined in the report.

Peter Hudson expressed that it might be considered the Schools Forum set the budget too low for the HNB. Ian Pearson replied that at the beginning of the financial year assumptions had to be made regarding the number of pupils with High Needs and their respective levels of need. During 2015/16, there were more pupils than expected and the levels of need were greater. There had also been some unanticipated costs such as the hospital tuition. The Schools Forum had decided when setting the budget for 2015/16 not to move money between each of the three blocks in order to mitigate any overspend that might occur in the HNB. Most of the overspend had not been predicted. One lesson might be that more money was required to be allocated to the HNB in the 2016/17 budget but if the Schools Forum continued to take its current approach the situation would worsen. A higher percentage of statemented/EHC children were now placed in specialist settings.

Reverend Bennett asked if officers had compared the position of West Berkshire with other Local Authorities. If the problem in the HNB persisted, a structural solution would need to be found. Reverend Bennett asked if other Local Authorities could be approached for a joint provision of some services in order to achieve economies of scale.

Ian Pearson responded that the ability to address the overspend in part was determined by the available resources in the local area. For example, a significant cost was incurred by non west Berkshire school places for pupils with behavioural difficulties and severe autism spectrum disorder (ASD) because there was no appropriate provision within the local authority area. Some local authorities do have local provision and the action to be taken to address this would depend on the pattern of provision. Seven years ago there was no in-authority ASD resource and it was a low incidence- high cost issue so places

## **SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES**

outside the area would be bought. However, two ASD resources at Theale Primary and Theale Secondary Schools enabled pupils with ASD to be educated at a lower cost than previously. Strategically, the next step would be to create two new ASD resources in the west of West Berkshire. One is already open at Trinity School. It could also be considered that current resources such as the Castle School could be expanded and might be offered additional funding to provide more places but at an overall lower cost than the cost of placements at non West Berkshire special schools.

Ian Pearson further added that the local authority did benchmark spending against comparator local authorities; this information would be discussed later on the agenda. The data which had been collected demonstrated that all Local Authorities were overspending on their HNB which would indicate that nationally the funding system was flawed. In the longer term, investment in services would be required to help them grow.

Taking the example of Westwood Farm, Ian Pearson went on to add that previously, places had been 'sold' to Reading to raise income for the authority, however this was no longer enough to make the provision viable. There would be a need to look beyond West Berkshire's border for opportunities to improve service provision and the situation was not unique to West Berkshire.

### **Non-Statutory Services**

Returning to the report, Ian Pearson reminded the members of the Forum that £202k savings were agreed by the Schools' Forum in 2014/15 and the forecast was that in the majority of cases these budgets should be on-line.

Regarding Language and Literacy Centres, the Schools Forum had been presented with the option to close one or both of the Centres in order to alleviate pressure on the HNB but this did not find favour.

The Specialist Inclusion Support Service budget was reduced by £36k in 2015/16 with the special schools providing the service absorbing the cost.

The Cognition and Learning Team had received a reduction in its 2015/16 budget and was now charging schools for some of its services to generate income.

The Pre School Teacher Counselling Service (PSTCS) was funded by the central education budget rather than the DSG. West Berkshire Council, in setting its revenue budget for 2016/17, was consulting on proposals to reduce spending on the PSTCS.

The Heads Funding Group had acknowledged that they would like the Learning Independence for Travel (LIFT) service to be retained, however did not feel that the service could be funded from the HNB given its current position. David Ramsden agreed that money from the HNB should not be spent on additional services when savings were needed.

Ian Pearson advised that further work on the above would be carried out before the January 2016 meeting.

Peter Hudson opined that he hoped the Schools Forum would reflect on the issues and consider what lessons they had learnt from 2015/16 for setting the budget in future financial years.

Ian Pearson commented that if the Schools Forum knew then what they know now, some different decisions might have been made but there would have been different implications. For example, Early Years Providers had been clear that without the maintenance of the funding rates, some providers might have gone out of business.

*Keith Watts left at 6.24pm*



## **SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES**

Suzanne Taylor expressed the view that if services continued to be provided in the same way they would only become more expensive and West Berkshire should consider combined contracts with other Local Authorities to deliver its services. She noted that other authorities delivered services such as the PSTCS in other ways.

David Ramsden agreed that all Forum members would consider their areas to be the most important priority for funding, however a strategic review was required.

Julia Bond agreed there was a need to deliver services in different ways and thanked Ian Pearson for his useful explanation of the issues outlined in the report.

Peter Hudson asked if mitigation plans could be written which would be enacted should a budget reach a particular level and be forecasted to overspend.

Ian Pearson responded that the biggest problem was that the demand on the budget was need-led. Some of the services provided in West Berkshire were attractive to parents in other local authority areas and they had been moving into the area to access them, which increased pressure on the services. Officers had sought to reconfigure provision to be delivered more economically.

David Ramsden voiced his dissatisfaction that the Schools Forum would need to make a decision on the Schools Block budget in January 2016 because they might regret some of the choices made; Claire White explained that this was due to a deadline set by the Department for Education. Ian Pearson reminded the Forum that it could choose not to allocate any anticipated surplus so as to potentially support the pressures in the HNB.

Julia Bond summated that a £2m overspend was not sustainable and there needed to be a process to resolve it.

Ian Pearson concluded that between this meeting and the meetings of the Heads Funding Group and Schools Forum in January 2016 there would be a series of discussions between Headteachers and officers to consider what savings could be made in services and what services could be delivered in a different way.

John Tyzack thanked Ian Pearson for explaining the report in a detailed manner.

**RESOLVED that the report be noted.**

### **9 Early Years Block Budget Update**

The Forum considered a report (Agenda Item 10) which provided an update on the position of the Early Years Block Budget (EYBB) for 2015/16 and the forecast for 2016/17.

In setting the 2015/16 EYBB, it was assumed that the in year growth in numbers experienced in the previous few years would be repeated, and so the same percentage increase was included in the estimate. On this basis there was a shortfall in 3 and 4 year old funding, but the under spend in 2014/15 (mainly from 2 year old funding) was carried forward to support this budget without the need to adjust downwards the funding rates paid to providers. It was recognised that this would be a solution for one year only.

The Autumn payments had been made to Early Years Providers and officers were forecasting the same Autumn to Spring increase in pupil numbers as 2014/15. At this stage there was no indication what the actual increase would be and it might be greater than in 2014/15. Typically, the lowest uptake was in the Autumn term and it would increase to the highest number in the Summer term. Based on this calculation there would be an underspend in 2015/16.

Because the Dedicated Schools Grant (DSG) funding for 2, 3, & 4 year olds was based 5/12 on the January 2015 census and 7/12 on the January 2016 census, based on the predicted number of

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

children in January 2016 West Berkshire's DSG funding would significantly reduce to reflect the lower numbers and payment to providers.

In the November 2015 Spending Review, the Government had stated that it would increase the "average" funding rate paid to providers for the free entitlement alongside the increase to 30 hours provision for 3 & 4 year olds from working families. This would take place in 2017/18. The average rate quoted was slightly higher than West Berkshire's current rate: £4.36 for 3 and 4 year olds excluding the Pupil Premium Grant (PPG) element, compared to the current rate received of £4.12, and £5.39 for 2 year olds compared to the current rate of £5.36.

Avril Allenby commented that the Department for Education had provided conflicting information regarding whether they would clawback any unspent PPG, which had had a low uptake nationally and locally.

Claire White continued that the overall position indicated an under spend of over £400k in 2015/16 but these figures ought to be treated with caution as it was impossible to predict the actual additional numbers of children who would be accessing early years provision in the Spring term and what the DSG funding would be. A clearer picture would be obtained following the January 2016 census when officers would consult with the Steering Group on its proposals for setting a balanced early years block 2016/17 budget, and present these proposals to the Schools' Forum for decision in March 2016.

Julia Bond commented that at St Gabriel's, calculations had already been undertaken which suggested there would be a 44% increase in pupil numbers between Autumn 2015 and January 2016 and would support officers' hesitation to forecast an underspend. She further pointed out that 2016/17 would have 39 weeks of payments, as opposed to 37 weeks in 2015/16 and each week cost approximately £200k.

**RESOLVED that the report be noted.**

### 10 Update on Schools in Financial Difficulty

The Forum discussed a report (Agenda Item 11) to provide an update on the maintained schools that had set a deficit budget for 2015/16. The details were as follows:

	<b>Actual Opening balance 01.04.15</b>	<b>Budgeted Closing Deficit 31.03.16</b>
John O'Gaunt Secondary	-605,233	<b>-967,030</b>
Long Lane Primary	19,537	<b>-15,660</b>
Kintbury Primary	26,913	<b>-3,010</b>
Purley	9,039	<b>-24,060</b>

John O'Gaunt School was reviewing options to significantly change the way it was structured and managed in order to reduce the deficit and be able to balance its budget in year, whilst at the same time improving performance. The school's financial position continued to be monitored by the Corporate Director for Communities, Head of Finance, and key Members of the Council.

Long Lane Primary School's deficit recovery plan showed the school returning to a balanced budget again in 2016/17.

Kintbury Primary School was expected to achieve a balanced budget by the end of 2015/16.

Purley School was anticipated to return to a balanced budget in 2019/20 but had not supplied additional information to the Finance team. .

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

Out of the 29 schools showing a deficit in 2016/17 when submitting their three year plan in Summer 2015, four primary schools still expected to set a deficit budget in 2016/17 and four primary schools were unclear whether or not they will set a deficit in 2016/17 (this excluded the schools already in deficit and the PRUs and special schools). Of these schools, none had requested support from the Finance team; however two schools (not referred to above) had made contact.

Peter Hudson noted that the deficit budget at Long Lane Primary School was caused by a reduction in pupil numbers and asked if there was a fund which could be utilised to assist the school. Claire White advised that there was a Falling Rolls fund, however it was designed to assist a school with a temporary reduction in pupils numbers but Long Lane was not eligible to access that funding because it was part of a longer term plan to downsize the school.

David Ramsden noted that Purley School was upsizing from an infant school to a primary school and noted that they had not been forthcoming with additional information. He asked what action could be taken. Claire White suggested that she could draft a letter to the school to be signed by the Chair of the Schools Forum. John Tyzack (Chair) agreed that would be appropriate action.

**RESOLVED that the report be noted and a letter be sent by the Chair on behalf of the Schools Forum to Purley School requesting additional information on its budget position.**

*(Post meeting note:*

*A letter was sent to Purley School, the following response was received on 9 January 2016:*

*Purley has grown from 78 pupils in 2014/2015 to 100 pupils in 2015/2016. The school has also had to absorb the growth from infant to primary from 2013/2014. The intakes have not met the costs of supplying an extra teacher per class. We also have a high intake of SEN children also contributing to the financial strain. Redundancies are being considered and may take place in 2016/2017 which should enable the school to recover by 2019/2020. Currently, the school is forecasting a slightly better financial year end position than predicted in 2014/2015, and will continue to spend and monitor funds carefully.*

*End of post meeting note.)*

### 11 Schools Funding Benchmarking Tables 2015/16

The Forum considered a report (Agenda Item 12) to present the Department for Education (DfE) benchmarking information on school funding, based on 2015/16 Section 251 budget submissions.

The appendices to the report provided the key funding data for West Berkshire Council (WBC) compared to its statistical neighbours and to all other unitary authorities.

Compared to WBC's statistical neighbours, West Berkshire was still funding schools well above the median – though dropped to third highest (Appendix B), and this was also reflected in the unit of funding received – being the second highest (Appendix A).

WBC's schools block unit of funding received (£4,368) was below average compared to unitary authorities (Appendix E), and individual school budgets (ISB) were also below the average at £4,201 (Appendix F). Due to the additional £390m distributed to the lowest funded local authorities in 2015/16, the national average unit of funding had increased to £4,612, with the highest funded authority being Tower Hamlets at £7,007 per pupil, and the lowest Wokingham at £4,151 per pupil. The highest ISB is £6,842, which was Tower

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

Hamlets. The lowest is £3,000 at Middlesborough. Wokingham, although the lowest funded was £4,150.

There were wide variations in spending on high needs budgets per pupil, even when comparing WBC's statistical neighbours (Appendix C). WBC's high needs budget was higher than the average for unitary authorities (Appendix G) with spending of £318 per pupil, compared to local authorities such as Portsmouth at £158 (the lowest) and Hampshire at £176. However, this year there were more local authorities spending more than West Berkshire compared to last year. Nationally, the highest spending on high needs was Tower Hamlets at £566.

*(Post meeting note, it was agreed that the following information be included in the minutes:*

<b>Benchmarking Data 2015/16 - Breakdown of High Needs Block</b>			
<b>Amount spent per pupil - Pupil divisor is based on total population aged between 0 - 19</b>			
	<b>WBC</b>	<b>Hampshire</b>	<b>National Average</b>
Top up funding - maintained providers	138	84	129
Top up funding - Academies & Free Schools	16	27	38
Top up funding - Independent Providers	89	43	70
Additional Targeted Funding (for schools with disproportionate number of high needs pupils)	1	0	4
SEN support services	50	14	35
Hospital Education	0	1	3
Other alternative provision	11	0	10
Support for Inclusion	13	7	12
<b>Total</b>	<b>318</b>	<b>176</b>	<b>301</b>

*It must be noted that the divisor is total population rather than number of pupils with additional needs, so therefore should not be taken as a comparator of actual cost of provision per child receiving it. Hampshire might have a lower proportion of children with high needs*

*End of post-meeting note)*

WBC's total schools budget at £4,734 per pupil was close to average when compared to statistical neighbours (Appendix D), but below average when compared to unitary authorities (Appendix H). The national average is £4,943 and highest is £8,132 at Tower Hamlets.

When comparing individual school budgets with GCSE results (Appendix I), West Berkshire still fell in the top quartile (below average cost, above average results) compared to the average for all unitary authorities. Although Tower Hamlet's ISB was

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

63% more than for West Berkshire schools, their results for 5 GCSEs grade A\* to C including English and Maths was only slightly better at 63.4% compared to 61.8%.

Patricia Brims enquired whether Pupil Premium Grants were reflected in the benchmarking information; Claire White confirmed it was not.

**RESOLVED that the report be noted.**

### 12 DSG Monitoring 2015/16 Month 7

The Forum considered a report (Agenda Item 13) which presented the Dedicated Schools Grant (DSG) monitoring information for month 7 on 2015/16. At the end of October 2015 the total DSG overspend position forecast for year end was £681k, compared to the month 5 forecast of £273k overspend, all in the high needs block, as shown in Figure 1 below:

Figure 1: Financial Position as at Month 7 (October 2015).

	<b>Total Current Budget £m</b>	<b>Actual Forecast Month 7 £m</b>	<b>Spend Month 7 Forecast Outturn Variance £m</b>
Schools Block (inc ISB)	65,464,140	65,461,440	-2,700
Early Years Block	7,629,750	7,629,750	0
High Needs Block	16,141,010	16,824,280	682,270
<b>Total Net Expenditure</b>	<b>89,234,900</b>	<b>89,507,780</b>	<b>680,570</b>
Support Service Recharges	720,890	720,890	0
<b>Total Expenditure</b>	<b>89,955,790</b>	<b>90,228,670</b>	<b>680,570</b>
DSG Grant	-89,955,790	-89,955,790	0
<b>Net Position</b>	<b>0</b>	<b>680,570</b>	<b>680,570</b>

The Schools Block was expected to be largely on-line. Any under spends in the growth fund contingency budget and primary schools in financial difficulty budget would be ring fenced and carried forward to 2016/17 and would not impact on the overall position of the DSG. There might be a small overspend on the delegated primary and secondary budgets due to rating revaluations. Admissions was showing a small under spend.

A detailed assessment of the forecast for the Early Years block budgets was being undertaken and will be complete once all the Autumn payments have been made to providers and a projection can be made for Spring payments. The current indication was that there would be an under spend in this block.

The High Needs Block was currently forecasting an overspend of £682k, the bulk of which was in relation to new placements in non West Berkshire Special schools, mainly Thames Valley Free School, and top ups at the PRUs. Other pressures included additional placements over and above allocated place numbers in West Berkshire's own special schools, and payments to private hospital tuition providers.

**RESOLVED that the report be noted.**

### 13 Forward Plan

The forward plan for January 2016 to March 2016 was noted.

It was noted that the March meeting of the Schools Forum would be held on 14 March 2016 and the Head Funding Group had been moved to 1 March 2016.

## SCHOOLS FORUM - 7 DECEMBER 2015 - MINUTES

### 14 Any Other Business

Peter Hudson raised that West Berkshire Council was currently undertaking a public consultation in relation to budget proposals for the 2016/17 revenue budget. He advised that some of the proposals related to education and he was particularly concerned about the proposals around Home to School Transport. He urged fellow Schools Forum members to respond to the public consultation which would close on Monday 14 December 2015.

### 15 Date of the next meeting

The next meeting of the Schools Forum would be held on Monday 25 January 2016, 5pm at Shaw House.

### 16 Exclusion of the press and public

**RESOLVED** that members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the [Local Government \(Access to Information\)\(Variation\) Order 2006](#). [Rule 8.10.4 of the Constitution](#) also refers.

### 17 Minutes from the Part II section of the previous meeting held on 28 September 2015

The minutes from the Part II section of the meeting held on 28 September 2015 were approved as a true and correct record and signed by the Chair.

*(The meeting commenced at 5.04 pm and closed at 7.01 pm)*

**CHAIRMAN** .....

**Date of Signature** .....