

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, 6 JUNE 2016

Forum members Present: Reverend Mark Bennet, Patricia Brims, Catie Colston, Chris Davies, Paul Dick, Keith Harvey, Angela Hay, Jackie Hegg (Substitute) (In place of Ben Broyd), Peter Hudson, Stacey Hunter, Brian Jenkins, Sheilagh Peacock, Chris Prosser, Clive Rothwell, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman) and Keith Watts

Also Present: Caroline Corcoran (Education Service Manager), Ian Pearson (Head of Education Service) and Claire White (Finance Manager (Schools)), Councillor Anthony Chadley (Council Member) and Jo Reeves (Policy Officer)

Apologies for inability to attend the meeting: Ben Broyd, Jacquie Davies, Mary Harwood, Jon Hewitt, Councillor Mollie Lock, Derek Peale, David Ramsden, Suzanne Taylor and Charlotte Wilson

Forum members Absent: Councillor Dominic Boeck and Anthony Gallagher

PART I

13 Election of the Chair

Ian Pearson in the Chair

RESOLVED that Bruce Steiner be elected Chair of the Schools Forum.

a Appointment of the Vice-Chair

Bruce Steiner in the Chair.

RESOLVED that Graham Spellman be appointed Vice-Chair of the Schools Forum.

14 Minutes of the previous meeting dated 14th March 2016

RESOLVED that the minutes from the meeting held on 14th March 2016 be approved as a true and correct record.

15 Actions arising from previous meetings

It was noted that all outstanding actions had been completed.

16 Declarations of Interest

There were no declarations of interest received.

17 Membership

Bruce Steiner congratulated Catie Colston and Peter Hudson on their election to the Schools Forum. Councillor Anthony Chadley, newly appointed Portfolio Holder for Finance and Transformation, was also welcomed to the Schools Forum.

18 Exclusion of the Press and Public

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RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that they involve the likely disclosure of exempt information as contained in Paragraphs 1, 2 and 6 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.

19 **Alternative Provision: Education Plan**

RESOLVED that the information in the exempt report be noted.

Part I: Continuation of meeting

20 **DSG Outturn 2015/16 and Carry Forward to 2016/17**

Claire White presented the outturn from 2015/16's Dedicated Schools Grant (DSG).

Table 1 summarised the overall year end position for each DSG block, also comparing to the month 10 forecast which was used when setting the budget for 2016/17. The final position was an underspend of £253k.

The DSG grant variance for 2016/17 would be made up of £127k planned overspend in the high needs block, and £246k in relation to the early years block. This block could not be accurately estimated until towards the end of the financial year because it was partly based on the in-year January census, unlike the other two blocks which were confirmed prior to the start of the financial year.

Schools Block

No carry forward was assumed when setting the 2016/17 budget, so the total underspend of £373k would be available for allocation in 2016/17.

During 2015/16 there was only one school receiving funding from the schools in financial difficulty de-delegated fund. It was highly likely that there would be several bids for funding during 2016/17, and it was proposed to add the carry forward to the funding available in 2016/17 – this would provide a total budget of £332,600 for 2016/17.

For this and all other de-delegated services, the only other option was to hold the carry forward in the current year's budget for each specific service, and use to reduce the cost of that de-delegated service to schools in the following year (in other words, to benefit only those schools that have pooled their budgets). This was the proposal for the other de-delegated services – the virtual school service £3k, and behaviour support service £11k.

The overspend on maintained school delegations was due to actual business rates being higher than originally budgeted for in the school formula. For maintained schools the adjustment was carried out in year, whereas for Academies the DSG was adjusted in the following year.

There were several schools benefitting from growth funding in 2015/16. No schools qualified for falling rolls funding. It was proposed that the underspend (net of the overspend on business rate delegations and underspend on the other centrally retained services) was added to the 2016/17 budget – this would provide a total budget of £433,920. In the Government's consultation on 2017/18 school funding it was being proposed that growth funding would become part of the school formula, but until this was confirmed and the details were known it would be prudent to hold these funds for future growth, including the new primary school due to open in Newbury in September 2017.

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Paul Dick encouraged the Schools Forum to be brave regarding holding money in contingency funds, expressing the point that this might not be getting best value from the funds.

Claire White explained that although in the Government's consultation on 2017/18 school funding it was being proposed that growth funding would become part of the school formula, the current proposal is that it would be based on historical costs and this would not cover the costs of future growth, including the new primary school due to open in Newbury in September 2017.

Early Years Block

The actual numbers of hours of provision for 2, 3, and 4 year olds remained much the same in 2015/16 as in 2014/15 and did not see the level of increase that had been experienced in previous years and had been budgeted for. It had also been predicted that the DSG would be uplifted based on this increase being recorded in the January 2016 census. Only a minimal increase to the DSG for early years in relation to 2015/16 was expected (in June 2016), and the budget for this would be adjusted accordingly when the amount was notified.

The uptake of pupil premium grant had also been extremely low, and the DfE was not clawing back any funding given for this.

Month 10 forecast was for a net underspend of £577k, and this figure was assumed as funding available in setting the 2016/17 early years block budget. The actual was £516k, which was £61k lower. It was proposed to reduce the available funding in the early years block budget accordingly (i.e. to reduce the assumed carry forward of DSG underspend at the end of 2016/17 from £148k to £87k).

Keith Watts enquired what the reason for low take up of Pupil Premium Funding was. Ian Pearson explained that it had not long been introduced and agreed that there was a need to improve take up, particularly among two year olds. Brian Jenkins supposed that the affluence of the Thames Valley could be a reason for the low take up.

Reverend Bennet noted the large underspend in this block and sought assurance that the Local Authority was delivering the service it was supposed to. He asked what practical action could be taken to improve take up. Ian Pearson described a number of actions already being taken to improve take up of places, including engaging with Health Visitors and General Practitioners. One of the challenges was to encourage the providers to offer the places.

Paul Dick stated that the low take up of these places was disastrous because the money could have a huge impact on peoples lives. He challenged the Local Authority to set an ambitious target.

Brian Jenkins explained that one of the limitations to providers offering the places was that currently, providers were being underfunded for the 15 hour place provision and this would be exacerbated if an additional 15 hours was offered. There were national inconsistencies in the rates paid to early years providers and further information from the governments was awaited.

Keith Watts stated that early intervention improved children's life chances. There was a dual issue that the parents of these children did not know they were entitled to the service and also the parents were difficult to engage. Ian Pearson noted that financial support was only available to a working parent. The government's motive was to create childcare to enable more people to work, whereas the motive of the School Forum partners would be to support the children.

Brian Jenkins concluded that many providers were at risk of going out of business should they provide the places to two year olds under the current funding rates.

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High Needs Block

The main overspends in the high needs budget were in relation to top ups, mainly for placements in specialist settings. This had been documented in reports throughout 2015/16, the main variances being placements in non WBC schools (particularly Thames Valley Free School) and PRUs.

The month 10 forecast was for a net overspend of £731k, and this figure was assumed as needing to be met from the 2016/17 high needs block budget. The actual was £635k, which was £96k lower. As the 2016/17 high needs budget had been set with a £889k overspend, it was proposed to reduce this budgeted overspend accordingly (i.e. to reduce the assumed DSG carry forward of overspend at the end of 2016/17 to £793k).

In addition to the main accounts, the local authority operated a holding account which received funding deducted from schools for pupils they exclude, and paid this funding out to schools receiving the excluded pupils or towards the cost of placements in PRUs for these pupils. There was a balance in this account of £40k, mainly due to pupils moving out of the authority and the other authority claiming a lower sum or not claiming the funding at all. For some authorities there was a reciprocal agreement not to do so. It was proposed that these funds were added to the vulnerable children fund and used to help prevent exclusions from our schools.

RESOLVED that the Schools Forum approve the utilisation of the DSG funds being carried forward from 2015/16 to 2016/17 as set out in section 8 of the report.

21 School Funding Arrangements for 2017/18

laire White introduced the report which provided an update on the Schools Funding Arrangements for 2017/18. She explained that she had hoped the second stage consultation was released before the meeting because it otherwise would not be released until after the EU referendum on 23 June 2016 and that would make the timescale for consultation shorter. Concern was expressed about the tightness of any consultation and whether it would therefore be meaningful.

The second stage consultation would attach values to formula factors and provide indicative impacts on local authorities and individual schools. It was not known whether West Berkshire would receive more funding or not as a result of these proposals. This would be a key determinant on whether any changes would need to be made to the existing West Berkshire school formula.

The same timetable as in previous years would apply for setting the local school formula for 2017/18 (i.e. submission to the DfE by 31st October), so it was likely that the decision making and consultation with schools would need to take place in a very short timescale.

Claire White then drew attention to paragraph 4.5 of the report regarding the sparsity factor which the Schools Forum had so far chosen not to apply. It was anticipated that this would be incorporated into the National Funding Formula.

Graham Spellman congratulated officers on the content of their response to the consultation. He asked which services were funded by the Education Services Grant (ESG). Ian Pearson explained that the government was proposing to reduce the level of ESG paid to maintained schools and Academies. The ESG currently paid for management of school estates and more importantly school improvement. It was not known how much the reduction might be. Graham Spellman queried how schools would drive up standards if the funding for school improvement was cut, Ian Pearson advised that a schools commissioner would be required to make those decisions.

RESOLVED that the report be noted.

22 School Balances 2015/16

Claire White introduced the report which presented the school balances at year end for 2015/16.

School revenue balances had decreased over the last year. This was by £791k or 20%, the greatest reductions being in primary and secondary schools. The overall level of balances did however remain high in special schools and PRUs.

In addition to £3.2m being held in revenue balances, £169k was held in before and after school club funds and over £1.1m in capital balances. Of the revenue balances, £588k was unspent pupil premium grant.

The eight Schools closing the year in deficit had been asked to provide an explanation and what actions they were taking, and the responses were included in the appendix. . Although the number of schools closing the year in deficit had decreased (from nine to eight), for two schools with unexpected deficits at year end the amounts were significant and were of concern. Most of the schools with an unexpected deficit had set a budget with little or no contingency.

Other than John O'Gaunt, the schools that actually set a deficit budget in 2015/16 all closed in surplus, reflecting the hard work by all involved to achieve this.

There were a few schools that closed 2014/15 in deficit, set a balanced budget for 2015/16, but closed the year in deficit again. The scheme for financing schools had now been amended to require all schools closing in deficit to be subject to the same scrutiny as schools setting a deficit budget, even if they had set a balanced budget.

Although the Schools' Forum agreed to remove the claw back scheme for schools with excess surplus balances, it was agreed that information on high surplus balances would still be looked at.

Overall, balances were reducing, though there were still some schools with significant surpluses. A further report on school budgets for 2016/17 would be brought to Schools Forum in July 2016.

Catie Colston noted that it was useful to see a narrative from the schools who had closed the year in deficit, also from The Castle school. She suggested that a narrative from all schools in excess surplus would be useful.

Claire White commented that it was interesting to see the disparity between forecasted surpluses a month 9 of 2015/16 and the year end outturn. Bruce Steiner commented that it was concerning that some forecasts were out by 500%.

Catie Colston enquired how the schools balances linked with underspending on Pupil Premium Grant. Reverend Mark Bennet explained that it may be a timing issue if schools received the grant late in the accounting period. Claire White disputed this, explaining that although the grant was received quarterly the allocations were known the previous June.

Paul Dick left the meeting at 18.30pm.

Keith Watts, referring to Catie Colston's suggestion, noted that the Schools Forum had previously decided that it would not require all schools to provide a commentary. He further added that it was a concern that schools did not know what balance they would have and spend surpluses wisely. Claire White explained that the Schools Forum had decided not to clawback surplus balances but would maintain a level of scrutiny.

Reverend Mark Bennet left the meeting at 18.35pm.

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Graham Spellman expressed the view that schools who cited poor financial management over a two to three year period would be cause for concern. Claire White offered assurance that in all schools who claimed this reason, the issues had been resolved.

RESOLVED that the report be noted and all schools with excess surplus balances be requested to provide an explanatory comment.

23 Trade Union Facilities Time - Annual Report for 2015/16

RESOLVED that the report be noted.

24 Forward Plan

Jo Reeves commented that the Work Programme agreed at the previous meeting had included the Annual Report on the Vulnerable Children’s Fund but due to staffing issues this report had not been completed and it was hoped that it would be presented to the meeting in July 2016.

Claire White noted that the deadline for submission would not accommodate the inclusion of the DSG Monitoring M3 2016/17 report and officers would discuss how to ensure the information was seen by the Schools Forum.

RESOLVED that the Forward Plan for the next two meetings be agreed.

25 Date of the next meeting

The next meeting would be held on Monday 11th of July 2016, 5pm at Shaw House.

(The meeting commenced at 5.02 pm and closed at 6.37 pm)

CHAIRMAN

Date of Signature