

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, 25 JANUARY 2016

Forum members Present: Patricia Brims, Peter Fry (Substitute) (In place of Chris Prosser), Anthony Gallagher, Keith Harvey, Reverend Mary Harwood, Jon Hewitt, Peter Hudson, Stacey Hunter, Brian Jenkins, Sheilagh Peacock, David Ramsden, Clive Rothwell, Graham Spellman, Bruce Steiner, Suzanne Taylor, John Tyzack and Keith Watts

Also Present: Cathy Burnham (Principal Education Psychologist), Ian Pearson (Head of Education Service), Jane Seymour (Service Manager, SEN & Disabled Children's Team), 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), Councillor Mollie Lock (Shadow Executive Portfolio: Education and Young People, Adult Social Care) and Jo Reeves (Policy Officer)

Apologies for inability to attend the meeting: Reverend Mark Bennet, Kate House and Chris Prosser

Forum members Absent: Fadia Clarke, Paul Dick, Derek Peale and Charlotte Wilson

PART I

1 Minutes of previous meeting dated 7 December 2015

The Minutes of the meeting held on 7 December 2015 were approved as a true and correct record and signed by the Chair.

2 Actions arising from previous meetings

Actions 1 and 3 had been completed and could be removed from the list of actions arising from previous meetings.

Action 2 concerned the Home Tuition report which would be received by the Schools Forum at its next meeting on 14 March 2016.

3 Declarations of Interest

There were no declarations of interest received.

4 Membership

Keith Harvey (St Nicolas Junior School) and Anthony Gallagher (Burghfield St Mary's Primary School) had volunteered to fill the two vacancies for Primary Heads and were welcomed by the Schools Forum.

John Tyzack announced that on medical grounds, he had been advised to reduce his activities. He had been Chair of the Schools Forum for some 18 years and had worked in the Education sector locally for 29 years. After medical advice, however, John would be resigning as a school governor and as a Primary Governor Representative on the School Forum at the end of the Spring Term.

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5 DSG Monitoring 2015/16 Month 9

The Schools Forum considered a report (Agenda Item 6) which set out the current position of the services funded by the Dedicated Schools Grant, highlighting any under or overspends forecasted at month 9 of the 2015/16 financial year.

At the end of December 2015 the total DSG overspend position forecast for year end was £495k, compared to the month 7 forecast of £680k overspend, all in the high needs block. The data was shown at table 1 in the report:

Table 1 Financial Position as at Month 9	Total Current Budget £	Forecast Year End @ Month 9 £	Outturn Variance Month 9 £	Outturn Variance Month 7 £
Schools Block (inc ISB)	65,464,140	65,461,440	-2,700	-2,700
Early Years Block	7,629,750	7,629,750	0	0
High Needs Block	16,141,010	16,639,240	498,230	683,270
Total Net Expenditure	89,234,900	89,730,430	495,530	680,570
Support Service Recharges	720,890	720,890	0	0
Total Expenditure	89,955,790	90,451,320	495,530	680,570
DSG Grant	-89,955,790	-89,955,790	0	0
Net Position	0	495,530	495,530	680,570

The Schools Block was expected to be largely on line.

Although Table 1 showed no variance on the early years block, there was likely to be an under spend. Due to the volatile nature of both early years block funding and payments to providers, forecasts could only be based on current trends. Once the January 2016 census data was available to determine the actual funding received in year, and spring term payments had been made for actual hours of provision, the forecast for this block could be accurately assessed. It was anticipated that there would be a large under spend in order to support the early years budget for 2016/17, otherwise the rates paid to providers would need to be reduced.

The High Needs Block was currently forecasting an overspend of £498k, most of which was due 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 maintained special schools, and payments to private hospital tuition providers, but these were offset by under spends in top ups for non maintained special schools and further education colleges. The forecast had gone down compared to month 7, and represented the position as at the end of the autumn term.

In addition to the £498k overspend on the high needs expenditure budget, the Schools Forum had set the budget for this block £127k over the actual grant available. This meant that £625k would need to be met from the 2016/17 allocation of DSG.

Ian Pearson concluded that the report provided a reasonably accurate forecast of the year end position.

RESOLVED that the report be noted.

6 Overview of DSG Funding and Draft Budget 2016/17

The Forum considered a report (Agenda Item 7) which provided an overview of the total budget position for 2016/17 following the Government's announcement on school funding in December 2015.

The Department for Education (DfE) announced the school funding Dedicated Schools Grant (DSG) settlement for 2016/17 on 17 December 2015. DSG funding was split into three funding blocks – schools, early years and high needs, each calculated in a different way. As expected, there would be no increases to the funding rates for the schools block and early years block, but there would be a small increase to the high needs block allocation.

The below table summarised the overall funding and budget position for 2016/17.

2016/17 Estimate	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000
Schools Block	96,718	96,112	606
Early Years Block	6,708	6,824	-116
High Needs Block	19,464	21,379	-1,915
Total	122,890	124,315	-1,425

Schools Block

Although the DSG funding rate for the schools block had not increased, the overall number of pupils had risen, with a corresponding grant increase of £626k. The increase in pupil numbers was in the primary sector, with numbers in the secondary sector showing a decrease. This had resulted in headroom of approximately £213k in per pupil funding, due to the fact that the primary funding allocation (AWPU) was lower than secondary – so less of the funding received (at £4,368 per pupil) was required in the primary allocation of the funding (at £2,937 per pupil).

The remaining headroom of £393k had arisen due to a reduction in the number of pupils meeting the prior attainment and deprivation criteria. If the funding rates for these factors were to remain the same, less funding would be required, though this would result in many schools receiving less funding than they currently did for these factors.

The figures assumed there would be no carry forward of funding in this block from 2015/16. John Tyzack clarified that Agenda Item 9 would require Schools Forum members to make a decision on how to allocate, or not, the headroom in the Schools Block.

Early Years Block

Early years funding for 2016/17 would be based 5/12 on the January 2016 census and 7/12 on the January 2017 census. The figures presented in the report had also been presented at the previous meeting but they would be revised once the outcome of the January 2016 census was known. The figures assumed there would be a net carry forward from 2015/16 of £450k.

High Needs Block

The significant shortfall in funding in the high needs block for 2016/17 (£1.9m), was due mainly to the following factors:

- A significant over spend in the current year high needs block which will need to be met from next year's DSG.
- Carry forward of under spend from previous years in the high needs block have been used up in the current year.

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- Pupil numbers and needs in the high needs block continue to rise without any increase in funding.
- Only a minor increase to our funding allocation to go towards increasing numbers and demands.

The Government had allocated a small increase to this block of funding of £284k. Since the last report, current year and next year forecasts had been revised using the latest information on placements, but even with the additional funding the position has not significantly moved and an overspend of £1.9m was still anticipated.

Appendix B demonstrated the DSG reconciliation between the DfE notification and West Berkshire Council's budget.

Bruce Steiner expressed the view that the method by which schools were funded was illogical and it would be difficult for the Schools Forum or Local Authority to make strategic decisions when funding remained level in the High Needs Block despite increased pressures. He asked whether there was any scope to appeal the DSG settlement. David Ramsden advised that Bruce Steiner should contact the Secretary of State for Education and that Ian Pearson had formally taken this up with the government. Claire White agreed that the original allocation for the High Needs Block was not based on actual need. The government was due to launch a consultation of changes to the funding of all three block which would provide all with an opportunity to respond.

Peter Hudson, referring to paragraph 4.2 of the report, enquired whether levels of deprivation had reduced, or whether the assessment criteria for deprivation had changed. Claire White advised that the government had been using out-of-date indicators and schools had previously been receiving funding that they would not have been entitled to had more up-to-date data been used to assess levels of deprivation.

RESOLVED that the report be noted.

7 High Needs Budget - Savings Options for 2016/17

The Forum considered a report (Agenda Item 8) which presented saving options for balancing the high needs budget for 2016/17. Schools Forum was required to offer their views on the options presented and to recommend any other options for consideration. A final proposal would then be brought back to the meeting on 14 March 2016.

Ian Pearson noted that a thorough discussion had been held around these options at the meeting of the Heads Funding Group, resulting in none of the options being ruled out.

The predicted overspend on HNB in the 2015-16 financial year was currently estimated at £498k. This was in addition to the original budgeted shortfall of £127k. The total overspend of £625k would need to be met from the 2016/17 HNB allocation.

The main area of pressure in this budget was the increase in numbers of children with SEND attending specialist placements as opposed to mainstream schools. Specialist provision included resourced units, maintained special schools, special free schools, independent and non maintained special schools and PRUs.

The total number of pupils with Statements or EHC Plans had remained fairly static over the last four years, averaging around 760. However, as Table 3 showed, the proportion of children with Statements or EHC Plans who were included in mainstream schools was dropping quite rapidly.

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TABLE 3					
Year	2012	2013	2014	2015 (Jan)	2015 (Dec)
Total Statements/EHCP	759	773	758	747	768
% in mainstream	55%	53%	47%	45%	42%
% in specialist	45%	47%	53%	55%	58%

The Schools Forum would also need to consider the long term funding implications for the HNB if this trend away from mainstream inclusion continued.

Keith Watts enquired whether children with statements and EHC Plans had higher needs in December 2015 compared to 2012, or whether mainstream schools were less able to meet their needs. Ian Pearson answered that schools had reported they were less able to support children with moderate learning disabilities, in addition to a significant increase in the number of children being diagnosed with Autism Spectrum Disorder. Anecdotally, schools were also finding children with behavioural difficulties harder to keep in mainstream schools.

Jane Seymour added that other reasons for the increase in specialist school placements might include the favourable reputation held by West Berkshire's special schools which would lead a parent to choose a special school for their child. There were also independent schools setting up in the area which were drawing pupils to them.

Graham Spellman asked who made the decision regarding whether a child would be placed in a mainstream or specialist setting. Jane Seymour responded that there was a Special Education Needs (SEN) panel including a Headteacher and the SEN Manager, which took a robust approach in determining whether a child's needs could not be met in a mainstream school. In cases where it was the parental preference for the child to go to a special school, however the SEN Panel disagreed it was required, the case would be allowed to go to a tribunal. However if the mainstream school was advising that they could not accommodate the child, it would be very difficult for the Local Authority to argue otherwise.

Keith Watts summated that part of the pressure on specialist units might be that mainstream schools were less able to cope with children with high needs. Jane Seymour agreed that this was true to a point and the Local Authority always tried to support a school, however if a school could no longer support a child, the Local Authority could not avoid making a placement into a special school.

David Ramsden stated that it would be helpful to see a breakdown of the entry points at which a child moved to a special school. Jane Seymour replied that the data could be provided and that some placements were made at the transition from primary to secondary school but likewise there were a number of in-year placements.

David Ramsden opined that more information over time would be helpful and that as a Headteacher of a mainstream school, he often would have a child in the school who he thought would be better accommodated in a special school.

Keith Harvey asked whether the shift towards special schools in accommodating pupils with high needs corresponded with an increase in the number of places that the special schools could offer. Jane Seymour advised that there had been an increase in the number of free schools, but also ASD resources had opened in Reading, Bracknell and Oxfordshire.

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Ian Pearson noted that a further strategic discussion would be required between Local Authority, Schools and non-Schools partners because unless the funding situation changed, big changes would be required to how children's high needs were met.

A list of the 19 savings options that could be considered was presented to the Schools Forum members. All the options had implications for schools, whether this was removal/reduction of a service currently received by schools for free, or requiring schools to pay for the cost of services, whether this was through the blanket removal of funding from school budgets or requiring schools to purchase services at point of delivery. In order to reduce spend to the level of resource being received; reductions of this magnitude would be required.

Option 1 – Contribution from Schools Block – 16/17 headroom

Option 2 – Contribution from Schools Block – by reducing current funding rates to schools

Ian Pearson introduced savings options 1 and 2 and outlined that contributing the anticipated headroom of £607k from the Schools Block 2016/17 would have a positive impact to reduce the £1.9m pressure. Schools Forum would have to take a decision at this meeting on whether to agree to options 1 and 2 as the Schools Block Budget had to be submitted to the DfE. There might be an argument that while funds had been allocated to the Schools Block, there had been significant movement of children to being funded by the High Needs Block, and therefore the funding should follow suit.

Options 2a and 2b were:

Option (a) - reducing the per pupil funding (AWPU) by £10 per pupil. This would generate an additional £167k to transfer to the HNB (more schools would qualify for minimum funding guarantee). Funding removed would be proportional to size of school.

Option (b) – reducing the lump sum by £5,000 per school. This would generate an additional £240k to transfer to the HNB. Funding removed would be equal for all schools, irrelevant of size.

Councillor Mollie Lock expressed the view that option b would be particularly difficult for smaller schools with lower budgets. Ian Pearson advised that some schools would be protected by the Minimum Funding Guarantee and increases in funding as a result of increased pupil numbers, which would mitigate the impact of reductions to the lump sum.

Jane Seymour, in introducing the remaining savings options, sought to reiterate that it had been an extremely difficult task to identify potential savings and in attempt to continue to meet the Local Authority's statutory obligations, had been forced to consider savings in areas that she would have preferred not to.

Option 3 - Resourced unit place funding

The number of pupils on roll at the Westwood Farm Schools' Hearing Impaired Resourced units had been consistently below capacity by 5 or more places for some time. This was in line with a national trend of falling numbers in hearing impaired resourced units, as more children with hearing impairment were attending their local mainstream schools. Funding for 5 planned places could be removed with effect from September 2016 (Full year savings would not be achieved until 17-18).

Option 4 - Mainstream top ups

When a pupil had a Statement of Special Educational Needs or an Education, Health and Care Plan, the cost of their additional support was topped up, over and above the first £6,000 which the school was required to fund. Top up bands were notionally based on a number of hours of teaching assistance, but schools were encouraged to use funding

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flexibly for small group support as well as one to one support. It would be possible to reduce funding bands by an agreed percentage, for example 5%.

At this point, David Ramsden sought to confirm that the Schools Forum would not be required to make decisions against these proposed savings; Ian Pearson clarified that only options 1 and 2 required a decision at the meeting.

Graham Spellman thanked officers for their work in providing savings options and asked if they could further advise which options it would be preferred the Schools Forum didn't take as for some options, the financial savings might not outweigh the implications and risks, particularly where withdrawal of the service might lead to an increase in parents seeking statements or EHC Plans. David Ramsden noted that if all the maximum savings options were taken, an overall saving of £2.1m would be achieved which was only £200k above the total savings required.

Jane Seymour advised that option 4 would only be successful if taken in partnership with schools, who would be required to absorb the reductions in top-up funding.

Option 5 – Resource unit top ups

Similarly, schools with resourced units receive planned place funding of £10,000 for each place. They then received top up funding based on the pupil's funding band. The funding bands were based on notional staffing ratios for different levels of need. It would be possible to reduce funding bands by an agreed percentage, for example 5%.

Keith Watts asked whether head teachers of resourced units had been consulted on these proposals. Jane Seymour advised that only the Heads Funding Group had been consulted on at present, which included a Headteacher with two resourced units and who was in support of the proposals.

Bruce Steiner stated that it was difficult for a layperson to fully assess the financial implications which might arise as a consequence of making the saving. Jane Seymour advised that she could consult more widely on this savings option.

Option 6 – Special school top ups

Special schools received planned place funding of £10,000 for each place. They then received top up funding based on the pupil's funding band. The funding bands were based on notional staffing ratios for different types and levels of need. It would be possible to reduce funding bands by an agreed percentage, for example 5% or 10%.

Option 7 – FE College top ups

FE Colleges received planned place funding of £10,000 for each place. They then received top up funding based on the cost of the course which the student was undertaking. There was some evidence that top up fees charged by FE Colleges in the Berkshire area are above the national average. It was proposed that negotiations take place with FE Colleges to reduce top up fees in the 2016-17 academic year. It was difficult to quantify to what extent costs could be driven down, so a notional reduction of the budget by 10% was proposed.

Cathy Burnham introduced the three options relating to top-up funding received by Pupil Referral Units. She advised that when she had submitted the options she had intended that one of the three options could be taken, however colleagues had suggested that the three could be taken in conjunction.

Option 8 – PRU Top ups – Reduction in daily rate

It is proposed that the daily rates paid to the PRUs are reduced – Alternative curriculum by £20.25 per day (from 1/9/16), and Reintegration Service by £10.25 per day (from 1/4/16). If the contributions made by schools remain as per the current arrangements the

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savings would be as shown in Table 5. This assumes all places are filled – the saving would be greater if not all places are filled throughout the year.

TABLE 5	Current	Proposal	Saving
Alternative Curriculum – from 1/9/15	£103.25	£83.00	£107,730
Reintegration – Primary week 1 – 12	£65.90	£55.65	£7,790
Primary wk 12 onwards	£103.25	£93.00	£15,960
Reintegration – Secondary week 1 – 6	£28.56	£18.31	£15,580
Secondary wk 6 onwards	£103.25	£93.00	£31,160
Total Saving			£178,220

Option 9 – PRU Top ups – Increase contribution paid by schools

Alternatively, or in addition to the above proposal, the amount contributed by schools towards placements could be increased by £10 per day in the Reintegration Service, and by £750 per year in Alternative Curriculum (from 1/9/16). This would reduce the amount required to be met by the DSG. The savings would be as shown in Table 6, assuming all places are filled.

TABLE 6	Current	Proposal	Saving
Alternative Curriculum – annual contribution (change from 1/9/16)	£4,500	£5,250	£24,000
Reintegration – Primary	£37.35	£47.00	£7,334
Reintegration – Secondary	£74.69	£85.00	£15,671
Total Saving			£47,005

Option 10 – PRU Top ups – Increase Number of Weeks Paid for by Schools

The current arrangement was that there is a cap placed on the number of weeks a school pays for a placement in the Reintegration Service, with the DSG picking up the full cost for the remaining weeks of the placement. The current trend is that most placements are exceeding this cap. Increasing the number of weeks that schools paid a contribution towards would provide a saving, though this was difficult to quantify as the length of placements at any one time changed from one week to the next. The savings shown in Table 7 assumed that two thirds of current placements were above the cap, and this would reduce to one half by increasing the number of weeks by 6.

TABLE 7	Current	Proposal	Saving
Reintegration – Primary	12 weeks	18 weeks	£14,193
Reintegration – Secondary	6 weeks	12 weeks	£56,765
Total Saving			£70,958

Peter Hudson sought clarification that option 8 would mean that schools would be paying the same rate; however a lower rate would be paid by the LA so less funding would be received by the PRUs. Cathy Burnham advised that interpretation was correct and that the implications of options 9 and 10 would be increased costs to schools.

Option 11 – Sensory Impairment

The Council was part of a joint arrangement with the five other Berkshire Local Authorities for the purchase sensory services. This included teachers of the deaf and

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teachers of the visually impaired who supported children in mainstream and special schools. The current contract would run until March 2017. The contract could be varied with 6 months' notice, i.e. by June 2016. Until then the Local Authority would be reliant on the service provider agreeing to make savings on a voluntary basis.

Options would include

- Reducing the number of visits for non stated children with hearing impairment and providing training for schools to meet more needs themselves
- Reorganising staffing so that a higher proportion of support for children with visual impairment is delivered by trained TAs rather than teachers.

Jane Seymour advised that this savings option was reasonably achievable.

Option 12 – Engaging Potential

Engaging Potential had 14 places for students who have a Statement or EHC Plan and who have significant behavioural difficulties. This provision was set up as an alternative to more costly out of area placements. Pupils might have previously attended mainstream schools, Pupil Referral Units or specialist schools. The current contract would run until 2018, but could be varied with 6 months' notice. An option would be to reduce the number of places from 14 to 10 from September 2016 and reserve places for students with the highest level of need. Full year savings would not be achieved until 2017/18.

Option 13 – Equipment

There was an option to reduce the budget from £20,000 to £10,000. Mainstream schools would need to fund more SEN equipment for pupils with Statements / EHC plans.

Jane Seymour advised that technically it was schools' responsibility to provide specialist equipment.

Option 14 – Therapy Services

The service includes speech and language therapy and occupational therapy for children with Statements / EHC Plans. The option would be to reduce the budget by 10% and explore possibilities to reduce overhead costs, change the ratio of therapists to therapy assistants and reduce the frequency of therapists' visits to schools. The associated risk might be possible legal challenge as therapy was quantified in Statements / EHC Plans.

Keith Watts asked if there was a risk in the reduction of the quality of the service provided if the provision was met by therapy assistants rather than therapists. Jane Seymour replied that evidence suggested that adequately qualified and trained therapy assistants could be very effective. As a saving of only £32k would be reached, there would not be a large impact on the service.

Option 15 – Language and Literacy Centres

Options could include

- closing both LALs in July 2016
- closing one LAL in July 2016 and retaining one LAL to serve the whole area
- Closing both LALs and employing a peripatetic dyslexia teacher.

The implications / risks were that if all provision was lost, there would be a high risk of increased EHC requests from parents and schools, with associated costs, so net expenditure might increase.

Option 16 – Special school outreach

This service supported children with learning difficulties and associated needs in mainstream schools. Options could include

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- ceasing the service
- Retaining the service and charging schools for it.

Peter Hudson asked for further information on the types of support offered by special school outreach. Jon Hewitt responded that both the Castle School and Brookfields offer outreach support where referrals had been made to support children. Outreach workers would go into schools and work with staff with the objective to meet the child's needs in the mainstream setting, however sometimes it was necessary to identify a place in a specialist setting for the child.

Option 17 – PRU outreach

Options were to:

- a) Reduce this budget to £100,000 and encourage Outreach Team to generate more income – but this would result in increased costs for schools.
- b) Remove separate budget and allow the Reintegration Service (RS) to incorporate Outreach facility into main budget. If RS not full, then more Outreach could be offered. Outreach was likely to be severely reduced.
- c) No change in budget as it would have an adverse effect on support for schools. It was a cheaper 'buy-in' than an inreach RS place and therefore gave schools more choice and a reduction in costs.

Option 18 – CALT Team

The CALT Team had been working to an income target since April 2015. It could be possible to increase income generation by reducing what schools received in the free core service and increasing charges for annual packages of support and for pay as you go services and training.

Keith Watts enquired what the buy-in rate by schools was. Jane Seymour advised she did not have the data to hand but the decision to charge for some services came after most schools had set their budgets for 2015/16 so the buy in rate was estimated to be lower than it otherwise should be.

Option 19 – Vulnerable Children Fund

The option was to reduce the fund to a small budget of £60,000 (reduced from £80,000 in 2015/16). There were no staffing costs attached so it was an easy budget to remove but with a large impact on smaller schools. The Fund was used mostly by small schools to reduce the risks of exclusion for challenging pupils.

John Tyzack summarised that the intention was that officers would refine the options and present them to the Schools Forum on 14 March 2016. He asked if information could be collected regarding actions that Local Authorities with similar pressures in their High Needs Block were taking.

Councillor Dominic Boeck left the meeting at 18.20pm

Keith Watts asked that more robust analysis of the likely pressures caused by a cut to a service. Jane Seymour advised that this could be attempted; however it was difficult to predict what actions schools would take if, for example, CALT charges were increased. Regarding the option to close the LALs, a worse case scenario could be presented of the number of Statements/ EHC Plans being requested. Keith Watts further asked why charging for LAL services had not been presented as an option. Jane Seymour advised that the matter be considered but it would lead to an inequitable service based on the ability of the school to afford it.

Keith Harvey recognised the work that had been put in to identifying savings options and enquired whether there was any scope to reduce the amount spent on top up funding to non West Berkshire special schools as there was a predicted outturn of £1,085,240. Jane

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Seymour responded that officers could try to achieve savings in that area however the issue was that the free school in the area charged fees which were higher than mainstream schools but lower than independents so considered themselves as good value for money.

Peter Hudson asked whether the high figure spent on non West Berkshire special school top ups was due to West Berkshire not having the capacity in its own mainstream provision. Jane Seymour advised that ASD provision had increased in the area. One unit was opened in September 2015 and another unit would be opening in September 2016. Demand had increased, however parents were also attracted by services offered by non West Berkshire special schools.

Patricia Brims, referring to Statements and EHC Plans, explained that Educational Psychologists made recommendations and outlined requirements in their reports which the Local Authority became statutorily bound to provide. She enquired whether there was any way to reduce the level of requirements that Educational Psychologists specified. Cathy Burnham responded that in her capacity as the Local Authority's Principal Educational Psychologist she could advise that Educational Psychologists were not able to fetter their professional advice in the context of pressure on the Local Authority. Their reports were always careful to discuss a child's needs and not outline the provision required as needs could be met in a variety of ways. Although Educational Psychologists were employed by the Local Authority, they had to offer an independent service.

RESOLVED that the report be noted.

8 School Budget and School Formula 2016/17

The Forum considered a report (Agenda Item 9) which invited members to review the schools block DSG budget, agree the centrally retained budget, and to consider the options for the setting of the school formula funding rates for 2016/17.

The schools block DSG allocation for 2016/17 had now been confirmed as shown in Table 1 (shown alongside the 2015/16 allocation as a comparison).

TABLE 1

	2015/16	2016/17
Primary Pupils October census	12,811	13,060
Secondary Pupils October census	9,249	9,168
Adjustments (reception & Resource places)	-68	-93
Total Pupil Numbers	21,992	22,135
Guaranteed Unit of Funding	£4,367.93	£4,368.03
	£'000	£'000
Total School Block DSG	£96,060	£96,686
Add NQT Funding	£33	£32
Actual DSG to be Received for Year	£96,093	£96,718
Assumed Carry Forward from Prior Year	£148	0
TOTAL GRANT AVAILABLE IN YEAR	£96,241	£96,718

It was expected that there would be no carry forward from 2015/16.

Although the DSG funding rate for the schools block had not increased, the overall number of pupils has gone up, with a corresponding grant increase of £626k. The increase in pupil numbers was in the primary sector, with numbers in the secondary sector showing a decrease.

Under School Finance Regulations, funding for a few specified purposes can be deducted from the DSG (be centrally retained) before the balance was allocated out to

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schools via the formula. It was recommended that the Schools' Forum approve the amounts to be centrally retained as shown in Table 2.

TABLE 2

Purpose:	15/16 Budget	16/17 Budget	Notes
Growth Fund/Infant Class Size	250,000	250,000	As agreed at SF on 28/9/15.
Falling Rolls Fund	40,000	40,000	As agreed at SF on 28/9/15.
Licences	122,410	126,780	National copyright licenses agreement – 16/17 rate as notified
Servicing of Schools' Forum	42,220	42,220	No change
School Admissions	309,070	309,070	No change
Total Centrally Retained	763,700	768,070	

After deducting £768k from the total grant available of £96,718k, this would leave £95,950k for distribution to schools.

Graham Spellman asked why the carry forward from the Growth Fund budget 2015/16 was not included in table 2. Claire White responded that the Growth Fund budget was ring fenced and it was necessary to build up that budget for new schools, as no additional funding would be received from the government.

At the meeting of the Schools' Forum on 28th September 2015, it was agreed that funding rates would remain the same for each factor, and should additional funding be available then its distribution be considered at the January meeting.

After uploading the formula with the October 2015 census data, and running the formula using existing rates, the total funding required was £95,344k. This left £606k headroom available for distribution.

The headroom was a result of growth in primary pupil numbers which were funded at a lower rate than the DSG rate, and a reduction in numbers of pupils meeting the prior attainment and deprivation criteria for funding.

Claire White referred to Appendix A and advised that even before allocating the headroom, a number of schools were showing a reduction in their funding allocation. This was mainly due to decreases in pupil numbers in these schools and that this position would have been known to schools in advance.

As the funding received per block was not ring fenced, the options for the schools block headroom were as follows:

- a) No increase to funding rates – all headroom (£607k) transferred to the high needs block.
- b) Allocate all the headroom through the AWPU. This would increase the per pupil rate by £32.
- c) Allocate all the headroom through the deprivation factor. This would increase the Free School Meal rate by £227 per eligible pupil.
- d) Allocate £200k through the AWPU, and/or £406k through the prior attainment and deprivation factors. This would increase the per pupil rate by £10, primary prior attainment rate by £25, Secondary prior attainment rate by £41 and Free School Meal rate by £100.

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- e) Reduce the AWPU rate by £10 and allocate the resultant headroom (£773k) to the high needs block.
- f) Reduce the lump sum by £5,000 and allocate the resultant headroom (£848k) to the high needs block.

Appendix B demonstrated the impact of each option on individual school budgets. There were only minor differences between options (b), (c) and (d) on individual school budgets.

Claire White outlined that if option (f) was chosen, there would be no scope to vary the lump sum by the size of the school as the Local Authority was required to provide the same lump sum to all schools. She added that many of the schools that would be disadvantaged by option (f) were already getting an increased budget due to higher numbers of pupils so they would still be gaining, but to a reduced level. Claire White gave the example of Brimpton Primary School, which would be losing a similar amount of funding, no matter which option was considered.

It was proposed by the Heads Funding Group that the centrally retained school budget as set out in Table 2 of this report be agreed and the school formula funding rates for 2016/17 be agreed as set out in options (a) and (f) in paragraph 6.5 and Appendix C of the report.

Graham Spellman commented that schools had been impacted already by the increase of National Insurance to 3.4%, which they might not have been prepared for. Claire White advised that this figure had been built in to the Council's budget planner tools in the previous financial year. David Ramsden agreed that schools should not be unaware of that change.

David Ramsden advised that he had not been able to attend the Heads Funding Group meeting at which the proposal was put forward. He asked how long the lump sum reduction would be in place. Claire White advised that no in-year changes could be made but the Schools Forum could decide to restore the lump sum when setting the 2017/18 budget.

David Ramsden further commented that many of the savings options for the High Needs Block budget, discussed in the previous item, had the repercussion of requiring schools to pay, or pay more, for services previously received for free. He asked whether the implication of Academies refusing to buy in to the service would be an increased cost to maintained schools. Ian Pearson advised that in principle, the size of the service offered would have to be proportionate to the amount of buy in by schools. However, Ian Pearson speculated that Academies and maintained schools were likely to make the same choices regarding which services to buy in.

David Ramsden sought clarification on why some savings could not be completely achieved in year. Claire White explained that some of the savings options could not be enacted until September 2016.

David Ramsden further asked whether the cuts could be staggered and if there was any scope to borrow money to support the High Needs Block while gradually making reductions to services. Claire White advised that this had already been done in 2015/16 because the Schools Forum had agreed to set an imbalanced budget, with the hope of making savings in-year. She recommended that the Schools Forum seek to set a balanced budget for 2016/17.

Ian Pearson commented that it would be difficult for the Schools Forum to decide which services to continue funding in order to support mainstream schools to accommodate children with High Needs and therefore avoid placing further pressure on the high Needs budget.

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Keith Watts expressed the view that Schools Forum had a difficult task as all options could have negative implications.

Ian Pearson reminded the Forum that the government's national consultation might lead to the introduction of a national formula.

David Ramsden asked whether it were possible to delay a decision regarding a reduction to the lump sum. Ian Pearson advised that a decision had to be made to set the Schools Budget so if a decision was not taken, the funding to address the High Needs overspend would be required to come from the High Needs and Early Years Blocks only.

Jon Hewitt proposed that the centrally retained school budget and the school formula funding rates for 2016/17 as set out in options (a) and (f) in paragraph 6.5 and Appendix C of this report be agreed as per the recommendation of the Heads Funding Group. The proposal was seconded by Anthony Gallagher.

The Chair invited the School Members to vote on the proposal, which was carried unanimously.

RESOLVED that:

- **The centrally retained school budget be agreed as set out in Table 2 of this report.**
- **The school formula funding rates for 2016/17 be agreed as set out in options (a) and (f) in paragraph 6.5 and Appendix C of this report be agreed, as per the recommendation of the Heads Funding Group.**

9 Growth Fund and Falling Rolls Fund 2015/16

The Forum considered a report (Agenda Item 10) regarding the payments made to schools from the Growth Fund and Falling Rolls Fund budget in 2015/16.

In 2015/16 six schools meet the Growth Fund criteria and the relevant payments had been approved by the Head of Education as follows:

- Calcot Junior £29,167
- Robert Sandilands £29,167
- Winchcombe £29,167
- Purley £29,167
- John Rankin Junior £29,167
- The Willink £12,728

As experienced in 2014/15, no schools were eligible for the Falling Rolls fund. In order to qualify, schools that were experiencing a significant fall in pupil numbers as set out in the criteria needed to have a good or outstanding Ofsted rating. There was only one school that met the criteria, but it was not expected that the fall in pupil numbers would be recovered in the short term.

The overall position on these budgets was as follows:

	Growth Fund	Falling Rolls Fund
DSG Budget Set Aside (including carry forward from 2014/15)	£282,160	£40,000
Less Payments Made	-£158,562	-£0
Unspent Balance	£123,598	£40,000

It was likely that the total under spend of £163,598 would be carried forward and added to the growth fund for 2016/17. This was required in order to build up funding to pay for new schools (a new primary school was expected to open in September 2017). No

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additional funding would be paid to the local authority in the first year of a new school or as year groups are added, due to the fact that funding was based on the previous year pupil numbers.

Graham Spellman enquired why an extra school was being built when the increase in pupil numbers was spread across schools throughout the District. Ian Pearson replied that three schools experiencing increased numbers were in Newbury which in addition to geographical demographic forecasting, meant that at least one more one-form entry school would be required. A primary school would be opening in South Newbury in 2017.

RESOLVED that the report be noted.

10 **Forward Plan**

The Forward Plan was noted.

11 **Any Other Business**

No other business was raised.

12 **Date of the next meeting**

The next meeting of the Schools Forum would be held on 14 March 2016, 17.00pm at Shaw House.

(The meeting commenced at 5.05 pm and closed at 6.55 pm)

CHAIRMAN

Date of Signature