

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, 5 DECEMBER 2016

Forum members Present: Reverend Mark Bennet, Ben Broyd, Jonathon Chishick, Catie Colston, Jackie Davies (Substitute) (In place of Stacey Hunter), Chris Davis, Paul Dick, Keith Harvey, Reverend Mary Harwood, Angela Hay, Jon Hewitt, Peter Hudson, Brian Jenkins, Sheilagh Peacock, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor 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), Andy Walker (Head of Finance), Claire White (Finance Manager (Schools)) and Annette Yellen (Accountant for Schools Funding and the DSG), Councillor Anthony Chadley (Council Member), Councillor Lynne Doherty (Executive Portfolio: Children and Young People), 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: Anthony Gallagher, Stacey Hunter, Derek Peale, Chris Prosser and Charlotte Wilson

PART I

50 Apologies

Apologies for inability to attend the meeting were received from Antony Gallagher, Stacey Hunter, Derek Peale, Chris Prosser and Charlotte Wilson.

51 Minutes of previous meeting dated 10 October 2016

The Minutes of the meeting held on 10th October 2016 were approved as a true and correct record and signed by the Chairman,.

52 Actions Arising from Previous Meetings

The progress against actions arising from previous meetings was noted.

Cathy Burnham provided an update against Action 1 regarding the impact of the Vulnerable Children's Fund. She had sent out a survey to all schools and received 7 replies. The majority of those responses explained that the fund was used on one-to-one support and the fund prevented 4 out of 7 exclusions. In response to a question from Keith Watts, Cathy Burnham explained that 46 schools had accessed the fund in the previous year.

An update regarding Action 2 would be covered under the Membership update later on the agenda.

Action 3 was covered by a report later on the agenda.

53 Declarations of Interest

There were no declarations of interest received.

54 Membership

Jonathon Chishick was welcomed to his first meeting of the Forum.

David Ramsden updated the Forum that he had asked his governing body if there was any interest in the secondary governor vacancy and a governor might put themselves forward in the New Year.

55 School Formula Proposals 2017/18

Claire White introduced the report (Agenda Item 6) to set out the proposal for the primary and secondary school funding formula for 2017/18, following the consultation held with schools. The formula agreed by the Schools' Forum would be submitted to the Council's Executive for decision in January.

As previously reported, the proposed change to a national school funding formula would not be going ahead in 2017/18 and had been put on hold for a year. No significant changes were therefore being made to the funding arrangements for primary and secondary schools in 2017/18.

Local authorities were, however, still required to review their formula and consult with schools. Following the review of the formula at the last meeting of the Schools' Forum, a briefing and consultation document was sent out to schools on 11th October. The closing date for responses was 8th November.

The Council's Executive would make the final decision on 19th January 2017 with submission of the formula due to the Education Funding Agency (EFA) on 20th January 2017.

Querying table 1 on page 16 of the agenda, Councillor Lynne Doherty asked why Secondary Key Stage 3 and Key Stage 4 were funded at the same rate when the national average suggested that they were funded at different rates. Claire White explained that about half of Local Authorities funded KS3 and 4 the same and when agreeing to the new formula in 2013, the Schools Forum agreed to use the same rate. This would mean that when pupil numbers changed there would not be a disruption to the schools' funding.

Reverend Mark Bennet asked whether the transfer of funding in 2016/17 from the Schools Block to the High Needs Block had led to a reduction in the per pupil funding rate received. Claire White advised that was correct, however the impact was a decrease of approximately £400k in the schools block but an increase in approximately £1m funding to the High Needs Block therefore overall West Berkshire had gained funding by this transfer.

RESOLVED that:

- **There be no change to the formula factors used.**
- **If there was a funding shortfall, this would be addressed by adjusting the basic entitlement rate (per pupil funding) downwards, so all schools had a proportional cut to their budgets according to the size of their school.**
- **If there was additional funding available, that for the first £848k, 55% be added to the basic entitlement (per pupil funding) and 45% be added back to the lump sum. This was in proportion to the deduction that was made to school budgets in 2016/17 to transfer funding to the high needs block. Any additional funding over this amount would be added to the basic entitlement.**

56 Draft DSG Funding & Budget 2017/18

Claire White introduced the report (Agenda Item 7) which set out the position known so far on the Dedicated Schools Grant (DSG) funding and budget for 2017/18.

The Government was intending to reform the way funding for each block was allocated to local authorities. The reform of the school and high needs funding had been delayed by a year, and it was now proposed to take place from 2018/19. Second stage consultations and exemplifications were still outstanding and due by the end of the year. Changes to early years funding were due to take place from 2017/18, and the results of the consultation which closed in September had been received late the previous week after the agenda had been dispatched.

A clearer picture on the DSG funding allocations for 2017/18 would emerge in mid December when final allocations for the schools and high needs blocks are due, when the arrangements for early years funding were analysed, and when the official October 2016 census data was made available.

The draft 2017/18 budget requirement for each block was also set out, indicating where there could be differences between funding expected and expenditure, after taking into account likely carry forward of funds or deficits at the end of the 2016/17 financial year.

Final grant allocations were subject to the October 2016/January 2017 census data. Further work on the budget was also ongoing. The indications were, however, that there would be enough funding in the schools block, but further savings needed to be found in the high needs block.

Paul Dick asked what proportion of primary and secondary schools might set a deficit budget in 2017/18. Claire White responded that there were a handful of schools indicating a deficit for next year and it was likely that more could set deficit budgets in the next year, however until budget allocations were known it was difficult to predict.

Councillor Lynne Doherty asked whether the Early Years formula would still include a quality supplement. Claire White advised that the government had originally proposed that there would be no quality rate in the new early years formula, even though it was used in West Berkshire, however it was now proposed that there would be a quality rate but that it would be capped. This would mean that if West Berkshire chose to use the quality supplement, those providers who were to gain from the new formula would gain less, but those who might lose would lose less. Brian Jenkins raised the point that the area cost adjustment for West Berkshire remained low compared to our neighbouring authorities. Claire White advised that she had written to the Department for Education to ask how it had been calculated. The detail in the document released the previous week stated that rateable values would be reviewed periodically.

RESOLVED:

- **To allocate all schools block headroom to schools.**
- **Not to transfer any funding from the High Needs Block to the Schools Block.**
- **To note the position on the early years and high needs blocks, particularly in reference to other reports on this agenda.**

57 Draft High Needs Budget 2017/18

Ian Pearson introduced the report (Agenda Item 8) which set out the current financial position of the high needs budget for 2016/17 and the position known so far for 2017/18. Options in order to balance the budget in 2017/18 were listed.

The high needs budget for 2016/17 was set after taking a two year view, and many of the savings originally proposed towards closing a £1.9m funding gap did not go ahead. The two year view was taken with regard to the Government changing the funding formula for

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high needs from 2017/18 as set out in their March 2016 stage one consultation 'high needs funding formula and other reforms'. The Government recently announced that their proposed changes had been delayed, and a second stage consultation which should also provide an exemplification was still awaited. Paul Dick asked for further clarification on the reasoning behind this. Ian Pearson explained that if all the savings options were taken it was likely, from the information available at the time, that there would be a surplus balance in the High Needs Block at the end of 2017/18 so the budget was set to balance over two years to protect the long term position of the Block.

The Government had, however, rebased funding according to how much of the total allocated Dedicated Schools Grant (DSG) was being spent on high needs in 2016/17. This had therefore "locked" into the high needs block funding allocation the £858k of funding that was transferred in 2016/17 from the schools and early years block.

The Heads Funding Group had rejected Option 2 in the report to transfer money from the Schools Block to the High Needs Block.

There was still more high needs funding to be allocated by the Government for 2017/18, but it was not known whether West Berkshire will benefit or by how much. This would be announced by mid December.

Unless West Berkshire received additional funding in the December settlement, there remained a funding gap in 2017/18 for the following reasons:

- The planned over spend in the current year high needs block which would need to be met from next year's DSG.
- Pupil numbers and needs in the high needs block continue to rise.

Options for closing this gap will need to be considered.

Paul Dick expressed the view that more financial information was required before the Schools Forum could make decisions on the savings options. Jane Seymour agreed to provide figures for the next meeting in January 2017. Ian Pearson noted that Appendix B demonstrated the budget build for the High Needs Block and was a useful starting point for understanding the costs of services.

Suzanne Taylor expressed concern that the Early Years Block was already likely to be in deficit the following year and the impact would be more dramatic if option 3 was pursued to transfer early years high needs services to the Early Years Block.

Councillor Anthony Chadley noted the omission of the Pupil Referral Unit (PRU) reorganisation savings. Cathy Burnham indicated that there would be a discussion on the PRUs later on the agenda,

RESOLVED that the Schools Forum:

- **Rule out Option 2 - a transfer of funding from the Schools Block to the High Needs Block.**
- **All other options should remain, until a clearer picture emerges of the funding position and savings required for 2017/18.**

58 Criteria and Budget for Additional Funds 2017/18

Ian Pearson introduced the report (Agenda Item 9) which set out the current criteria and budgets for additional funds, for review by members of the Forum Group to ensure they were still relevant and met their purpose. No changes were proposed for 2017/18. However the criteria for each fund were included in the appendices for members of the group to review and to propose any amendments. The budget for each fund also needed to be agreed, and the proposed amounts were shown in Table 1.

Peter Hudson joined the meeting at 17.43.

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Reverend Mark Bennet asked what happened to the funding in each of the funds if it was not spent. Claire White advised that it could either be transferred back to the Schools Block or carried forward to the next year. The Schools Forum had chosen to build up the Growth Fund using underspends in previous years as a new school was anticipated, now in 2018. The government had proposed to include the Growth Fund in the national funding formula but there was uncertainty regarding these arrangements. Ian Pearson noted that Heads Funding Group had recommended a lower budget for the Growth Fund which was reflected in the figures contained within the report. Claire White explained that there was currently £144k in the Growth Fund carried forward from previous years.

David Ramsden asked what the forecast was for the Growth Fund; Claire White responded that based on the October 2016 school census it was likely that the allocated amount would be fully utilised.

David Ramsden asked what the forecast was for the Primary Schools in Financial Difficulty Fund; Claire White responded that £100k had been spent and she was unaware whether there would be more bids.

Paul Dick asked what schools were eligible for the Additional High Needs Fund. Claire White responded that historically small schools had qualified for funding but now there was no trend.

David Ramsden asked how the funds were allocated; Claire White explained that the criteria were laid out in the appendices to the report.

Chris Davis noted that in Appendix D, the table at 2.4 was missing. Claire White advised that the table would be inserted with the latest data when it was circulated to schools in the spring.

RESOLVED that:

- **The criteria for each fund be agreed as set out in the appendices.**
- **The funding to be set aside for each fund be agreed as set out in Table 1.**

59 De-delegation Proposals 2017/18

Ian Pearson introduced the report (Agenda Item 10) which set out the details, cost, and charges (de-delegations) to schools of the services on which primary and secondary maintained school representatives were required to vote (on an annual basis) on whether to de-delegate or not.

The services where maintained schools had the option to pool funding in 2017/18 were:

- Behaviour Support Services
- Ethnic Minority Support
- Trade Union Representation
- Schools in Financial Difficulty (primary only)
- Consortium of Local Education Authorities for the Provision of Science Services (CLEAPSS) (new for 2017/18)

Claire White advised that from 2017/18 the General Education Services Grant (ESG) of £1.472m was being cut. This grant was received by local authorities to provide some mainly statutory services to maintained schools. Academies also received this grant in order to pay for the same services, and would also have their grant phased out. A consequence of this was that maintained schools would be charged for these services, and academies would continue to pay for these services but no longer receive the grant to pay for them.

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It was assumed that the process of charging maintained schools for these services would work the same as de-delegations, in that the cost of these services would in part be deducted from school budget allocations, and would need to be agreed by the Schools Forum for each phase.

Regarding the School Improvement Service, statutory elements would now be met by a new transitional government grant and the remainder would be either a de-delegation or a buy-back. It had also been clarified that the Standing Advisory Council on Religious Education would be met by the retained element.

Regarding Health and Safety, a large element was statutory and another element was a buy-back; it was proposed that the two portions be combined into a de-delegated fund.

David Ramsden expressed concern at the use of the phrase 'mainly statutory services' and asked that the January 2017 report made it clear exactly each services were statutory.

RESOLVED that:

- **Maintained primary and secondary heads agree the de-delegations as set out in Table 7.**
- **The decision on services previously funded by the Education Services Grant be deferred until the January 2017 meeting of the Schools' Forum.**

60 Draft Early Years Budget 2017/18

Claire White introduced the report (Agenda Item 11), which set out the current financial position of the Early Years Block budget for 2016/17 and the possible position in 2017/18 based on the information received to date from the Government. Consultation results had been published late the previous week which meant that the options outlined in paragraph 6.1 were no longer applicable and the Early Years Funding Group would have to consider alternative models.

Peter Hudson noted that many of the reports on the meeting's agenda had made reference to detail and clarification pending from the Department for Education. He wondered how a school could begin setting their budget with so much information unknown. Claire White advised that schools would still receive their budget allocations by late January 2017. Peter Hudson asked whether schools could modify their budgets in-year. Claire White explained that schools could submit budget virements but she hoped that all the necessary information was known by the time schools set their budgets.

RESOLVED that the report be noted.

61 Alternative Provision: Joint Strategic Review of Pupil Referral Service

Ian Pearson introduced a report (Agenda Item 12), which sought comment and input on the proposals on *Alternative Education Provision: Education Plan for young people with additional needs*, arising from the public consultation.

The proposals as an outcome of the public consultation were :

- The reorganisation would proceed as per the original timetable.
- The two current services would merge to become one new Alternative Education Provision (AEP).
- Sites would reduce from 6-4, but the actual sites to be retained would be further reviewed

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- Pupil numbers to be further reviewed. It was noted that this was the most significant issue raised.
- That Home Education would remain as part of the new Alternative Education Provision service for 2017/18 but may be reviewed again to ensure efficient use of resources and best outcomes for young people.

Ian Pearson noted that for Home Education there was a £65k overspend forecasted by year-end. He also explained that the AEP will look at differing models of provision and move where possible to a proactive, rather than a reactive service and the number of pupil places did not necessarily represent the number of pupils whose needs can be met by the service. For example there would be 8 post-16 places but support could be offered to 12 pupils.

Jacque Davies explained that the delivery model was still to be determined, but there would be a greater emphasis on supporting pupils before exclusion to reduce demand and enable schools to support pupils with challenging behaviour themselves. In response to a question from Paul Dick, Jacque Davis explained that there would also be a need to move quicker to respond to the needs of schools and pupils.

RESOLVED that the report be noted.

62 Update on Schools in Financial Difficulty

The Schools Forum considered a report (Agenda Item 13), which provided an update from schools that had set a deficit budget in 2016/17.

Paul Dick and Suzanne Taylor left the meeting at 18.16.

The West Berkshire schools finance team reviewed the deficit recovery plans for each school, and the Head of Finance and Head of Education jointly wrote to each school at the end of the summer term setting out the conditions to adhere to whilst in deficit and any concerns/further work that they felt was required.

Most schools had received a visit during the autumn term from members of the school finance team to discuss their plans more fully, review progress, and offer advice. These meetings included attendance from key Governors and were well received. Each school will also be entitled to receive advice and support on their 2017/18 budget planning which will be paid for from the "Primary Schools in Financial Difficulty" contingency fund.

During October a training course on "effective financial management" was delivered jointly by school improvement and finance. This was well attended by all schools (heads, Governors, School Business Managers), it was not just for those in deficit.

Brian Jenkins left the meeting at 18.20.

Chris Davis queried the difference between the figure outlined in the table and the narrative provided by the schools. Claire White advised that the table outlined the position the schools had submitted in June 2016 and the narrative had been recently updated.

Graham Spellman noted that the 2016/17 closing balances for the schools did not include the Schools in Financial Difficulty Fund or its impact over subsequent years.

Reverend Mark Bennet commented that some schools were forecasting considerable surpluses as part of their five year view. Claire White responded that the forecasts were based on the assumptions that costs and expenditure remained the same over the five years, but the Schools Forum had received examples of where costs on schools would be increasing. David Ramsden expressed concern that John Rankin had received £68k from the Schools in Financial Difficulty Fund and were forecasting a budget surplus of

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£75k in four years. Bruce Steiner noted that budget forecasts were predictions and not fact.

Keith Watts sought assurance of the work offered by the Council to support schools in financial difficulty and stated that he hoped any school that found themselves with a surplus would find a way to spend the money on pupils. Claire White indicated that the report detailed the support and training offered to schools.

Catie Colston asked if triggers other than a school setting a deficit budget could be used to provide earlier support. Claire White advised that schools were required to set a three-year budget and those schools which anticipated a deficit in year two were contacted by the Schools Finance Team in the Autumn Term to clarify whether this was still the case. A handful of schools were still likely to be setting deficit budgets for 2017/18 and these schools would be provided with more support.

Reverend Mary Harwood left the meeting at 18.28.

Claire White further explained that schools had delegated budgets and governors must be responsible for providing challenge to schools management teams.

Keith Watts expressed the view that schools who received the financial difficulty fund were spending other schools money and it would be a concern if their financial position was a result of bad management,

Reverend Bennet left the meeting at 18.30.

Jonathon Chishick asked whether the Fund could be structured as a loan to mandate repayment if schools did realise substantial surpluses. Claire White advised that it had been considered in the past but Schools Forum members had previously felt that this would lead to future pupils receiving less while the school paid off the loan.

Ian Pearson noted that usually when a school asked for support the management team had changed from when the school entered financial difficulty. Funding was not granted lightly; schools' bids were scrutinised by officers, the Heads Funding Group and the Schools Forum.

Peter Hudson expressed the view that there needed to be a more proactive review of schools in financial difficulty, Claire White advised in January 2017 the schools finance team would carry out a Month 9 check of schools budgets, but it would not be possible to constantly scrutinise in detail the delegated budgets of all schools.

David Ramsden stated that in his experience West Berkshire Council offered a lot of support and agreed that the governing body should be key in having an overview of the school's finances and encouraging support to be sought if required. Schools wanted to keep control of their budgets but their options to ensure they set a balanced budget were decreasing over time as costs increased. Claire White stated that this had been the subject of the October 2016 training but attendees did not find some of the cost-reducing options palatable. The experience schools were having in attempting to set balanced budgets was a national issue.

RESOLVED that the report be noted.

Keith Harvey left the meeting at 18.39.

63 DSG Monitoring 2016/17 Month 7

The Forum considered a report (Agenda Item 14) regarding the DSG Monitoring for Month 7 of 2016/17.

RESOLVED that the report be noted.

64 Schools Funding Benchmarking Information

The Forum considered a report (Agenda Item 15), which set out key school funding benchmarking information for 2016/17.

David Ramsden noting Appendix J, requested the Unitary Authorities 2016-17 Individual School Budgets vs Progress 8 Score 2016. Claire White agreed to circulate it with the minutes of the meeting.

Councillor Lynne Doherty noted that West Berkshire was spending more than its statistical neighbours on High Needs and asked if any comparison had been made with how those authorities were managing. Peter Hudson enquired whether there was an opportunity to work with those authorities. Ian Pearson explained that neighbours such as Hampshire had a large variety of special schools in their areas; the main pressure on the High Needs Block budget was specialist placements.

Bruce Steiner noted that the tables were not comparing like-for-like as each area had its own level of provision and challenges; he stated that Tower Hamlets might as well be in a different country for all its differences to West Berkshire.

Graham Spellman asked when information regarding the new funding formula might be known; Claire White responded that the government had advised it would be in the Autumn.

RESOLVED that:

- **the benchmarking tables be noted.**
- **Claire White would circulate the Unitary Authorities 2016-17 Individual School Budgets vs Progress 8 Score 2016 with the minutes of the meeting.**

65 Forward Plan

The Forum considered the forward plan for the next two meetings (Agenda Item 16). Jo Reeves noted that for the January meeting there would be the following changes:

- PRU Strategic Review Update to be removed.
- Education Services Grant De-delegation to be added.
- Early Years update to be added.

RESOLVED that the forward plan be noted.

66 Any Other Business

No other matters for discussion were raised.

67 Date of the next meeting

The next meeting would be held on Monday 23rd January, 5pm at Shaw House.

(The meeting commenced at 5.00 pm and closed at 6.51 pm)

CHAIRMAN

Date of Signature