

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, 21 JANUARY 2019

Present: Reverend Mark Bennet, Jonathon Chishick, Catie Colston, Jacquie Davies, Lynne Doherty, Antony Gallagher, Keith Harvey, Lucy Hillyard, Brian Jenkins, Hilary Latimer, Mollie Lock, Sheila Loy, Patrick Mitchell, Chris Prosser, Graham Spellman (Vice-Chairman), Jayne Steele (Newbury College), Bruce Steiner (Chairman) and Suzanne Taylor

Also Present: Melanie Ellis (Chief Accountant), Amin Hussain (Schools Finance Manager), Ian Pearson (Head of Education Service), Jane Seymour (Service Manager, SEN & Disabled Children's Team), Annette Yellen (Accountant for Schools Funding and the DSG), Jessica Bailiss (Policy Officer (Executive Support)) and Michelle Sancho (Principal EP & Service Manager)

Apologies for inability to attend the meeting: Councillor Anthony Chadley, Alan Henderson, Jon Hewitt, David Ramsden and Charlotte Wilson

PART I

49 Minutes of previous meeting dated 10th December 2018

The minutes of the meeting held on the 10th December 2018 were approved as a true and correct record and signed by the Chairman.

50 Actions arising from previous meetings

The Schools' Forum received an update regarding actions recorded during the previous meeting. Actions Dec18 – Ac1 and Ac2 had been completed and therefore could be removed from the list of actions arising for the previous meeting. The action Jun18-Ac1 regarding the Secondary School Governor vacancy would be discussed under Membership (Item 5).

51 Declarations of Interest

There were no declarations of interest received.

52 Membership

Jessica Bailiss reported that there was still a secondary governor representative vacancy on the Schools' Forum, which had been the case for some time. It was therefore suggested that a formal election process be conducted to help fill the position.

Jessica Bailiss reported that an election was currently underway to fill the position of Primary Governor Representative on the Schools' Forum. The result of the election would be announced on 24th January 2019.

RESOLVED that an election be conducted for the position of Secondary Governor Representative on the Schools' Forum.

53 Final Schools Funding Formula 2019/20 (Amin Hussain)

Amin Hussain introduced the report (Agenda Item 6), which set out the final primary and secondary school funding formula for 2019/20. Consultation had taken place on the Funding Formula and, as a result, a 2% per pupil cap on gains and 0% Minimum Funding Guarantee had been approved.

The final schools block Dedicated Schools Grant (DSG) funding for 2019/20 was £100.09m. After deducting £0.555m for the growth fund this left £999.535m to be allocated to schools.

Appendix A showed the school formula allocations for each school. Overall there was £3m of extra funding going into West Berkshire Schools. Amin Hussain added that the final decision would be taken by the Council's Executive in February.

The Chairman reminded the Forum of the recommendations set out in the report:

- 1) To note the final formula rates and allocations to schools, to be approved by the Council's Executive on 14th February 2019.
- 2) For schools that gained funding under the new formula, additional funding be capped at 2% per pupil (as per the National Funding Formula).
- 3) For schools that lost funding under the new formula, a minimum funding guarantee of an additional 0% per pupil increase be applied (maximum affordable).

Keith Harvey proposed that the Schools' Forum agree the recommendations set out in section two of the report (as above) and this was seconded by Chris Prosser. At the vote the motion was carried.

RESOLVED that the recommendations as set out in section two of the report were agreed.

54 Central Schools Block Budget Proposals 2019/20 (Amin Hussain)

Amin Hussain introduced the report (Agenda Item 7) that set out the budget proposal for services funded from the Central Schools' Services (CSSB) Block of the DSG and proposed measures to enable the budget for this block to be balanced.

Amin Hussain drew attention to the recommendations under section 2.1 of the report, which suggested balancing the CSSB by using the 2018/19 underspends of £68,155 and releasing £63,649 of unutilised Education Support Grant (ESG) from Council reserves. For 2020/21 it was anticipated that costs would need to reduce further to bring the block into balance.

Keith Harvey queried what the longer term outlook was for the CSSB, which had faced a continuous deficit. Ian Pearson explained that the issues faced by the block were a result of the funding formula. Firstly assumptions were made about the per pupil element and secondly the way the formula was applied to different sized local authorities was unfair. The agreed approach going forward was to lobby Government on the issue, so that a fairer way to fund smaller local authorities be sought. Councillor Lynne Doherty would be supporting this area of work and writing to local MPs.

The Chairman drew the Forum's attention to the recommendations set out in section two of the report, which proposed that the CSSB be balanced by:

- 1) Using the 2018/19 underspends totalling £68,155
- 2) Releasing £63,649 of unutilised Education Support Grant for Council reserves.

Graham Spellman proposed that the Schools Forum agree the recommendations set out above and this was seconded by Catie Colston. At the vote the motion was carried.

RESOLVED that the recommendations set out in section two of the report were agreed by the Schools' Forum.

55 High Needs Block Budget Proposals 2019/20 (Jane Seymour)

Jane Seymour introduced the report (Agenda Item 8) which set out the current financial position of the High Needs Block Budget (HNBB) for 2018/19 and the position known so far for 2019/20, including the likely shortfall.

Jane Seymour reported that as set out on page 49 of the report, the HNBB continued to be under great pressure. Savings of £219k were implemented in 2017/18 and a further £306k in 2018/19. However, despite these savings there would still be an overspend of just under £500k in the current year due to increasing needs and pressure upon the HNB.

Jane Seymour reported it was announced in December 2018 by the Education Secretary that additional funding would be available for high needs and West Berkshire would receive an additional sum of £381k in 2019/20. This had improved the situation slightly for 2019/20 however, there was still a forecast shortfall of £1.8m.

There was increasing pressure on Place Funding Budgets. The budget for this area was £5.8m however the estimated spend was over £6m and this was largely due to the fact that the Local Authority now had to cover the cost of planned places at Newbury College. Top Up Funding was another area of pressure that was facing a shortfall of just under £700k.

Jane Seymour drew attention to page 55 of the report, which showed the pressure being faced by the PRU Budget due to increased numbers of children with Education Health and Care Plans (EHCPs). Fewer schools had also been placing students at iCollege due to the charging system that was in place, which had placed further pressure on the budget.

Budgets for other statutory services were detailed under section four of the report and it could be seen from the figures that spend was increasing. The Sensory Impairment budget was under pressure because of an increase in the number of children with severe hearing and visual impairments requiring support.

Jane Seymour drew attention to the non-statutory services on page 59 of the agenda. The latest forecast for the budgets for these services was that most should be balanced apart from the Learning and Literacy (LAL) service. As a result of charging being introduced, referrals to the service had reduced for the first time. Jane Seymour reported that also included within the report was detail on the impact of each of the services.

Jane Seymour reported that a five year Special Educational Needs (SEN) Strategy had been agreed and was being rolled out. The aim of the strategy was to decrease spending and increase capacity in mainstream schools. It was hoped that local provision would be increased by September 2020.

A discussion had taken place at the Heads Funding Group (HFG) regarding a range of savings proposals, which were included within Appendix B to the report. The HFG had recommended that the only savings that should be taken from the HNBB in 2019/20 were those which would not have a negative impact on children with SEND and on schools. This had included:

- 1) Bringing the Home Tuition Service in house, which would deliver and estimated saving of £23k, and;
- 2) Reducing the charge for PRU places from 80% of the cost to 50%. This would aim to increase take up of PRU places and achieve a saving by reducing HNB spend on PRU Top Ups.

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Ian Pearson added that when the Schools' Forum had been through the cycle of making savings within the HNB previously, an initial discussion would take place at the HFG. The HFG would recommend areas that savings could be delivered on and then the Schools' Forum would make a decision on which savings options required further investigation. A more detailed proposal would then be formed by Officers and brought back to the HFG and Schools' Forum for final decision. However, at the last meeting of the HGF, headteachers had found it particularly difficult to agree on further savings to the HNB that would not be detrimental to meeting the needs of pupils.

Ian Pearson explained that there were two competing pressures. Firstly there was already pressure being faced by schools and secondly, further HNB savings were likely to be counterproductive resulting in additional costs in future years.

Keith Harvey reported that he had carried out his own analysis of the pressure on the HNB over time, which was detailed within Appendix D to the report. Keith Harvey reported that issues within the high needs budget had ranged across a number of years and in light of this he had looked at the budget for 2015/16 in comparison to the current budget. The allocation from the Government in this time had only increased by 2.3% however inflation had risen by almost 9%. In this time the budget for the PRU in West Berkshire has decreased from £3.6m to £1.8m in 2018/19. The biggest apparent pressure was top up funding, which was 40% higher in 2018/19 than in 2015/16.

Keith Harvey explained that he had drawn his own conclusions that had not been universally agreed on by the HFG. In his opinion cutting non statutory provision led to increase spending on Top Up Funding. Further savings to non-statutory services could also lead to increased numbers of children requiring EHCPs. Keith Harvey felt that in his view cuts had been taken far enough. He was aware that other local authorities were facing similar pressures and it was not a local issue.

Ian Pearson suggested that the Schools' Forum take a view on whether to agree the recommendations from the HFG on page 66 of the report. This would however not solve the problem and in Ian Pearson's view, there were three options:

- 1) The Schools' Forum could take a view that no further savings should be taken in 2019/20 beyond the recommendations of the HFG.
- 2) The Schools' Forum could look in more detail at the savings options and request that Officers bring back further detail on selected options to the next meeting in March 2019.
- 3) The Schools' Forum could ask Officers to carry out further work on saving options to try and deliver an agreed figure. This would not necessarily mean the savings would be agreed and implemented but would place the Forum in a better position to make a decision on savings at the next meeting in March 2019 if required.

Keith Harvey asked if all the savings options were agreed, if the budget would be brought into balance. Ian Pearson stated that it would not be possible to balance the budget within the required timescales, even if all the saving options were taken. The Department for Education (DfE) were aware of the issue and Officers would be providing them with a report on the Local Authority's position in summer 2019, which would demonstrate the size of the problem. Identifying savings would show a willingness to tackle the problem. Councillor Lynne Doherty reported that the pressure was growing and a letter was being formed to continue efforts to lobby Members of Parliament. There was soon to be a Spending Review and it was hoped that as part of this it would be recognised that funding assigned to High Needs was insufficient.

Patrick Mitchell stated that there had been a long discussion at the HFG and it was concluded that any further savings would have a detrimental effect on children. A transfer of funding from the main Schools Block to the High Needs Block had been viewed as

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unpalatable and therefore the decision had been taken not to pursue this option. By continuing to accumulate a deficit it was sending the message that funding for High Needs services was not enough.

Hillary Latimer concurred and stated that to reduce the deficit further would send the message that schools could manage. Children would however, not be receiving the support that they required.

Jonathon Chishick asked what the implications would be of not addressing the shortfall. Ian Pearson confirmed that at this stage any deficit would be carried forward. Patrick Mitchell asked what would happen if the whole DSG pot for West Berkshire went into deficit. Melanie Ellis reported that there was little information on this situation currently. Ian Pearson felt that the DfE would need to review their rules. Local authorities had to submit recovery plans in the summer period of 2019 and a deficit would be shown. It was likely that this would also be the case of other local authorities. The DfE would then need to decide on what action to take, which could potentially include imposing cuts.

Graham Spellman concurred that cutting expenditure further was counterproductive and would not help the overall shortfall. A political push back was required. Ian Pearson added that positively the deficit had reduced from £2.6m to £1.8m.

The Chairman asked the Schools' Forum to reflect on the recommendations put forward by the HFG. Antony Gallagher proposed that the Schools' Forum agree the savings set out on page 66 of the agenda and this was seconded by Keith Harvey. At the vote the motion was carried. It was also agreed by the Schools' Forum that no further work should take place to identify further saving options.

RESOLVED that the Schools' Forum agreed the HFG recommendation's as follows and that no further work should be undertaken by Officers to identify further options for savings in the HNB:

- 1) To bring the Home Tuition Service in house, which would deliver and estimated saving of £23k, and;
- 2) Reduce the charge for PRU places from 80% of the cost of 50%. This would aim to increase take up of PRU places and achieve a saving by reducing HNB spend on PRU Top Ups.

56 **Dedicated Schools Grant (DSG) Funding Settlement and Budget Overview 2019/20 (Amin Hussain)**

Amin Hussain introduced the report (Agenda Item 9) that set out the overall calculation of the Dedicated Schools' Grant (DSG) and funding settlement for 2019/20. The report set out the 2019/20 DSG settlement for each block, as announced by the Government.

Amin Hussain reported that the figures for the High Needs Block and Early Years Block were subject to change. Details for each block would be confirmed in March 2019

Regarding the High Needs Block, Amin Hussain reported that West Berkshire would receive an additional sum of £381k in 2019/20.

RESOLVED that the Schools' Forum noted the report.

57 **Growth Fund and Falling Rolls Fund 2018/19 (Amin Hussain)**

Amin Hussain introduced the report (Agenda Item 10) which informed the Schools' Forum of payment made to schools from the Growth Fund and Falling Rolls Funding budget in 2018/19.

Amin Hussain drew attention to section four of the report regarding budgets and payments made in 2018/19. Two schools had made an application for growth funding.

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Theale Primary School and Bradfield Primary School. Only Theale Primary School met the Growth Fund Criteria and the relevant payment of £13,743 had been approved by the Head of Education. Further work was taking place with Bradfield Primary School.

RESOLVED that the Schools' Forum noted the report.

58 DSG Monitoring 2018/19 Month 9 (Ian Pearson)

Amin Hussain introduced the report (Agenda Item 11) which set out the current financial position of the services funded by the Dedicated Schools Grant (DSG) and highlighted any under or overspends.

The forecast position at the end of December 2018 was shown in table one on page 104 of the report. It was highlighted that the month nine figure of £499k included the deficit budget of £35k.

Amin Hussain drew attention to the High Needs Block under section eight on page 106 and highlighted that the main variances against expenditure were listed under section 8.4 and were driving the overspend within the block.

RESOLVED that the Schools' Forum noted the report.

59 Forward Plan

Jessica Bailiss drew attention to the Work Programme on page 113 of the agenda and reported that the Work Programme for 2019/20 would come to the next meeting of the Schools' Forum in March 2019 for agreement.

RESOLVED that the Schools' Forum noted the Work Programme.

60 Any Other Business

Graham Spellman noted that that there had not been a report on schools' deficit recovery and he was concerned given that the end of the financial year was approaching. Melanie Ellis explained that a report would come to the next meeting of the Forum in March 2019. There had been little change to report regarding schools' positions due to the Christmas period.

61 Date of the next meeting

The next meeting would take place on Monday 11th March 2019, 5pm at Shaw House.

(The meeting commenced at 5.00 pm and closed at 5.45 pm)

CHAIRMAN

Date of Signature