

# 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, 12 MARCH 2018

**Present:** Jonathon Chishick, Chris Davis, Lynne Doherty, Angela Hay, Jon Hewitt, Mollie Lock, Patrick Mitchell, Chris Prosser, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor, Nicola Walters (Substitute) (In place of Brian Jenkins) and Keith Watts

**Also Present:** Avril Allenby (Early Years Service Manager), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), Wendy Howells (Finance Manager: Resources & Environment), Ian Pearson (Head of Education Service), Claire White (Finance Manager (Schools)), Annette Yellen (Accountant for Schools Funding and the DSG) and Jessica Bailiss (Policy Officer (Executive Support))

**Apologies for inability to attend the meeting:** Councillor Anthony Chadley, Catie Colston, Jacquie Davies, Anthony Gallagher, Keith Harvey, Reverend Mary Harwood, Lucy Hillyard, Brian Jenkins and Helen Newman

#### PART I

#### 74 Minutes of previous meeting dated 22nd January 2018

The minutes of the meeting held on the 22<sup>nd</sup> January 2018 were approved as a true and correct record and signed by the Chairman.

#### 75 Actions arising from previous meetings

There were no actions arising from the previous meeting.

#### 76 Declarations of Interest

There were no declarations of interest received.

#### 77 Membership

The Chairman introduced Wendy Howells from West Berkshire Council's Finance Team, who would take on the role of Schools' Finance Manager from Claire White in May 2018.

#### 78 Final High Needs Block Budget 2018/19 (Jane Seymour/Michelle Sancho)

*The Chairman highlighted that a press officer from Newbury News would be recording the meeting.*

Ian Pearson introduced the report which set out the current financial position of the high needs budget for 2017/18 and the proposals for setting the budget for 2018/19.

Ian Pearson explained that the High Needs Block Budget (HNBB) had been discussed over several meetings and the report included with the agenda was comprised of recommendations formed by the Heads Funding Group (HFG) at its meeting on the 27<sup>th</sup> February 2018.

Ian Pearson drew attention to paragraph 3.1 which highlighted that setting a budget for the HNBB continued to be a challenge. He felt that this was an understatement of the difficulties being faced. Since the implementation of the SEND reform, there had been a

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14% increase in the total number of children in West Berkshire with a Statement or EHC Plan. This was mainly as result of the eligible age range extending to 25, which had caused a significant impact on the budget, which had remained static.

The table on page 16 of the report showed the total place funding available for 2017/18. Funding had only been provided by the Education and Skills Funding Agency (ESFA) for 675 pupils when the actual number of pupils was 736. Due to the 2018/19 changes in high needs funding, only additional places in special schools were to be funded (compared to the current level), and only at £4k.

The net shortfall in the 2018/19 HNBB was estimated to be £1,009,200. This included a carried forward overspend of £564,640 in 2017/18. Table one of page 13 showed how the shortfall in the HNBB was forecast to increase up until 2019/20. This had meant that difficult decisions had been required in order to try and decrease the shortfall going forward. The Schools' Forum needed to take a decision on what savings could be made.

Section two of the report set out the recommendations for consideration by the Schools' Forum. At the last meeting of the Schools' Forum a table had been presented which contained a number of savings options. In February, the HFG had gone through each of these possible options again and made some changes. A revised set of options was now included under Table Two on page 14 of the agenda.

A review of the Home Education service for pupils who could not attend schools because of health needs and options for charging for this service was presented to the HFG and the group had recommended implementing option four from the 1<sup>st</sup> April 2018. As a result of a saving in this area the HFG determined that the savings relating to the Cognition and Learning Team (CALT) and to the Specialist Inclusion Support Service (SISS) should be removed until the strategic review was completed. The CALT had submitted evidence including support from Headteachers, setting out why the service should not be cut.

Ian Pearson reported that if all the savings proposed (Table Two, page 14) were made then the total saving in 2018/19 would be £306,300 and in 2019/20 £341,800. Table three on page 15, showed the impact on the overall budget if the revised proposals were taken. The amount for 2019/20 looked much lower (-£209,370) because it included a possible transfer of funds from the Schools Block for the maximum amount of 0.5% (£500k).

Ian Pearson invited questions from the Schools' Forum on the proposals. David Ramsden asked for assurance that that there would be a discussion on the option of transferring £500k from the School's Block and Ian Pearson confirmed that it would be brought to a future meeting of the Schools' Forum for discussion. The aim of the strategic review would be to 'invest to save' and meet the needs of children and young people whilst decreasing the deficit.

David Ramsden commented that he had raised concern in the past that cuts were not being made deep enough however, based on the comments made he was satisfied with the saving options.

Jonathan Chishick felt that the real focus needed to be put on dealing with the cumulative deficit and Ian Pearson reported that this would form part of the strategy going forward.

Keith Watts was concerned about cuts to the Language and Literacy Service (LALs) as there would be a move from a system where pupils with needs were able to access the service to a system whereby pupils could only access the service if their school was willing to pay for it. Ian Pearson reported that this recommendation had not been an easy one for the HFG however, teachers present had felt that if they had a child who required the service then they would do their utmost to ensure access however, Ian Pearson commented that unfortunately this could not be guaranteed.

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Keith Watts was concerned that savings were being made by charging schools however, schools were already short of money. If a school had a pupil with a particular need then they would face going further into deficit to ensure the pupil received the services they required. Ian Pearson sympathised with the point raised by Keith Watts and stated that those in worse financial position would have difficult decisions to make. Ian Pearson reported that by retaining the CALT, which was a core service it was hoped that the impact on schools would not be as extreme as children accessing LALs often also accessed CALT.

Keith Watts was aware that there was not enough money available due to methods being used by Central Government and he asked Councillor Lynne Doherty what was happening to raise awareness of this. Councillor Doherty stressed that essentially there were 61 pupils in West Berkshire not attracting the level of funding required to meet their needs. This had been raised with Central Government and the response from the Education Minister had not been satisfactory and therefore another letter would be sent. Councillor Doherty reassured the Schools' Forum that the issues being faced were a national problem and it was hoped therefore that Central Government would revisit the area. Claire White added that at a recent regional event she had attended, all local authorities had been facing deficit in their high needs budget apart from Hertfordshire, which had been a 'winner' under the new National Funding Formula for high needs.

The Chairman invited the Schools' Forum to vote on whether they agreed with the recommendations set out in section two of the report. David Ramsden proposed that the recommendations set out in section two of the report be agreed and this was seconded by Chris Davis. At the vote the motion was carried.

**RESOLVED that** the Schools' Forum agreed the following recommendations:

- Implement savings totalling £306,300 in 2018/19 and £341,800 in 2019/20 as set out in paragraph 4.11 of the report.
- Set a deficit budget of £702,900 for 2018/19, with a strategy to be worked on over the coming months in order to determine a longer term savings plan which will balance this budget in future years.
- Top up funding rates for special schools, resource units, and mainstream schools to remain the same as the 2017/18 rates.
- Special school place funding for additional "unfunded" places be increased from £5,000 to £7,500 from 1 September 2018.
- The top up rate for iCollege to be set at £106 per day from 1<sup>st</sup> April 2018 for all placements.

### 79 **Early Years Block Budget 2018/19 and 2019/20 (Avril Allenby)**

Avril Allenby introduced the report, which set out the proposal for the Early Years Budget, which was based upon the recommendations of the Early Years Funding Group.

The Early Years budget had always been difficult to set. It had been affected by changes to the funding formula and also by changes in what was being offered to parents from September 2017 (from 15 to 30 hours of free childcare for working parents of three and four year olds).

Gabrielle Esplin reported that the financial position for the Early Years Block was better than originally anticipated. This was because the take up by parents of the additional 15 hours had been slow. The budget for payments for the additional 15 hours was based on the Department of Education's estimate of take up of approximately 165,000 hours per terms. Actual intake had only been 110,000 hours in the autumn term and was estimated

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to be 127,000 hours in the spring term. Forecast spend on provider payments was therefore expected to be £611,000 below budget. The final level of funding for 2017/18 was based on the January 2018 census, and the number of early years hours had been significantly higher in the spring term than the autumn term. For this reason the reduction in funding from the budgeted level was only £384,000 and this gave a forecast net underspend of £227,000, which would bring the deficit down to £33,000 by the end of the current financial year.

Gabrielle Esplin highlighted that the table under section 3.6 (page 42) showed estimated funding for 2018/19.

Taking all the factors into account it had been forecast that it would be possible to increase the basic provider base rate and quality rate by 1.2% in 2018/19 (£4.30 and £0.66 per hour respectively). Avril Allenby added that providers had not seen an increase in basic rates for five years.

Suzanne Taylor stressed that smaller providers had closed across the district due to the funding rates. Ensuring there were sufficient places to be able to offer the 30 hours to working parents was an ongoing challenge. Although only a small increase in basic rates was being proposed, Suzanne Taylor explained that it would serve as a gesture to providers and would help them support places to children who required them.

David Ramsden was confused as to why estimated figures were so inaccurate within the Early Years Block. Gabrielle Esplin explained that the budget had been set based on two terms however, the take up of the additional hours had been much lower than the DfE had estimated. Avril Allenby reported that the slow uptake had been partially caused due to the requirements for parents to assess their own eligibility and these issues had now been resolved. Suzanne Taylor added that the Early Years Budget had always been particularly difficult to predict. Claire White explained that this was because funding was based on the January census, assuming this was an average of actual take up throughout the year which was not usually the actual position. For 2017/18 the January census is *higher* than the annual average take up.

Claire White reported that she had been concerned that the DfE might not provide the funding for the additional hours based on seven twelfths of the January 2018 census due to the fact it was significantly greater, however, she had checked this and the DfE had verbally confirmed that they would be providing the full seven twelfths of funding.

Ian Pearson added that it was important to note that a number of provider budgets were supported by the Minimum Funding Guarantee, which would stop in 2019/20.

The Chairman invited the Schools' Forum to vote on whether they agreed with the recommendations set out in section two of the report. Patrick Mitchel proposed that the Schools' Forum agree the recommendations and this was seconded by Graham Spellman. At the vote this motion was carried.

**RESOLVED that** the Schools' Forum agreed the following recommendations:

- 1) To agree the two year budget model for the Early Years block, as set out in section 5 of this report.
- 2) To agree the following provider funding rates for 2018/19:
  - Increase the three and four year old base rate by 1.2% from £4.25 to £4.30 per hour.
  - Increase the three & four year old quality supplement by 1.2% from £0.65 to £0.66 per hour.
  - Three and four year old deprivation supplement to remain the same at £0.47 per hour.

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- Two year old rate to remain the same at £5.45 per hour.
- The maintained nursery school lump sum supplement to remain the same at £133,810 per school.
- A minimum funding guarantee of 10% (meaning no provider will see a reduction in their rate of more than 10% of their 2016/17 rate).
- A cap on increase in funding rate of 10% (meaning no provider will see an increase in their rate of more than 10% of their 2016/17 rate).

### 80 Final DSG Budget Overview 2018/19 (Claire White)

Claire White introduced the report, which set out the 2018/19 DSG settlement for each block. Claire White stated that the high needs and early years budgets had just been agreed and therefore the overall position as set out in section four of the report was accurate.

Claire White drew attention to paragraph 6.4 under the section on the Central Schools Services Block, which stated that although the Council's Executive had agreed to meeting the statutory and regulatory duties costs in 2018/19, this would only be a one year decision and there would be a requirement to find significant savings in 2019/20. In addition the funding for this block would reduce by about £25k in 2019/20.

Keith Watts asked if the matter of larger authorities being awarded higher levels of funding had been raised. Claire White reported that this had been included within the Local Authorities response to the consultation. Larger authorities were gaining more with regards to their Central Schools Services Block and as a result many were transferring some of this funding into their high needs budget. Claire White added that despite this these authorities were still setting a deficit budget.

Ian Pearson reported that there was a parallel issue with the Central Schools Services and High Needs Block Budgets, regarding the proxy measures that were used to calculate funding. It was possible that these measures were impacting upon authorities with a particular profile and Officers would continue to seek opportunities raise this issue with the DfE. Ian Pearson was of the view that as schools funding included a lump sum, perhaps the formula for these DSG blocks should also include a lump sum.

The Chairman invited the Schools' Forum to vote on whether to agree the recommendations set out in section two. David Ramsden proposed that the recommendations be agreed and this was seconded by Chris Davis. At the vote the motion was carried.

**RESOLVED that** the Schools' Forum agreed the following recommendations:

1. To agree the final DSG (schools) budget for each block as set out in each section of the report and in Appendix B to the report.
2. To agree the overall deficit budget in 2018/19 of £655,040.

### 81 Primary Schools in Financial Difficulty (Claire White)

Ian Pearson introduced the report, which summarised the bid that had been received from a school in deficit to access funding for the 'primary schools in financial difficulty' de-delegated fund.

Ian Pearson explained that only primary schools put funding into the pot and therefore only primary schools could vote on whether to approve applications for funding. Paragraph 3.3 of the report set out the size of the fund and the amount of expenditure to date. There had been two payments so far in 2017/18, totalling £29,421. The bid up for

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consideration was from Beenham School, who were asking for £25, 430 to cover the unforeseen closure costs of the After School Club, which were not accounted for in the original budget.

Ian Pearson reported at its meeting on the 27<sup>th</sup> February 2018, the HFG had interrogated the Headteacher from Beenham regarding their application to the fund and the bid for funding had met the criteria set out in section 3.4 of the report. Ian Pearson stated that if the bid was successful the money would not be used to help cover the Schools' main deficit.

The HFG had agreed unanimously to recommend that the bid be approved in full. The school were meeting all other school related redundancy cost from their budget and had limited their bid only to the particular unusual and exceptional circumstance, which had increased their deficit in 2017/18.

David Ramsden asked if the Headteacher presenting the bid was the same Headteacher that had received £72k funding from the Schools' Forum to repay a loan. Ian Pearson stated that this was correct and had been noted by members of the HFG. The school had a deficit recovery plan in place to help recover the schools main deficit and the bid for funding concerned only the costs associated with the closure of the After School Club. Chris Davis concurred that the loan to Beenham School had been picked up by the HFG in its discussions with the Headteacher on the 27<sup>th</sup> February 2018.

The Chairman invited the Schools' Forum on to vote on whether to approve the bid for funding by Beenham School. Jonathan Chishick proposed that the bid be approved in full and this was seconded by Chris Davis. At the vote the motion was carried.

**RESOLVED that** maintained primary school members of the Schools' Forum approved the bid from Beenham School for £25,430.

### 82 **Work Programme 2018/19 (Jessica Bailiss)**

The Chairman drew attention to the Schools' Forum's Work Programme for 2018/19 on page 59 of the agenda.

A typographical error was noted on the first line of the Work Programme in that the date of the Schools' Forum should be detailed as 18/06/18.

**RESOLVED that** the Schools' Forum approved the Work Programme for 2018/19, subject to the amendment highlighted above.

### 83 **Any Other Business**

The Chairman announced that it was Claire White's last meeting of the Schools' Forum. He thanked her for her continuous support over the last 12 years and wished her the very best for the future.

### 84 **Date of the next meeting**

The next meeting would take place on Monday 18<sup>th</sup> June 2018, 5pm at Shaw House.

*(The meeting commenced at 5.00 pm and closed at 6.02 pm)*

**CHAIRMAN** .....

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