

# 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, 9 DECEMBER 2019

**Present:** Reverend Mark Bennet (Church of England Diocese), Jonathon Chishick (Primary Schools), Catie Colston (Primary Schools), Jacquie Davies (Pupil Referral Units), Antony Gallagher (Primary Schools), Keith Harvey (Primary Schools), Jon Hewitt (Special Schools), Brian Jenkins (Private, Voluntary and Independent Nurseries), Hilary Latimer (Primary Schools), Ian Nichol (Primary Schools), Councillor Erik Pattenden (Shadow Portfolio Holder: Children, Education and Culture), Janet Patterson (Primary Schools), Graham Spellman (Roman Catholic Diocese), Jayne Steele (Newbury College), Bruce Steiner (Academies) and Charlotte Wilson (Academies)

**Also Present:** Amerie Bailey (Contracts Manager), Robert Bradfield (Service Manager - Commissioning), Melanie Ellis (Chief Accountant), Ian Pearson (Head of Education Service), Jane Seymour (Service Manager, SEN & Disabled Children's Team) and 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 Dominic Boeck, Sheila Loy, Councillor Ross Mackinnon, Julia Mortimore, David Ramsden, Suzanne Taylor and Gary Upton

**Absent:**

#### PART I

#### 45 Minutes of previous meeting dated 14th October 2019

The minutes of the meeting held on the 14<sup>th</sup> October 2019 were approved as a true and correct record and signed by the Chairman.

#### 46 Actions arising from previous meetings

The Chairman drew the Schools' Forum's attention to the actions from the last meeting on 14<sup>th</sup> October 2019 Oct19-Ac3, Oct19-Ac4 and Jul19-Ac2 were completed or in hand.

Oct19-Ac1: Melanie Ellis confirmed that finance training was being set up by the School's Team and would form part of the Governor Training, which would take place in January 2020.

*(Post Minute comment from Schools' Accountancy Team: As part of our Service Level Agreement we provide:*

- *Up to two days on site support offered for all new Finance Officers (FOs)/ School Business Managers (SBMs) (additional days may be purchased).*
- *On-site visit to a new Head Teacher. This is to explain the West Berkshire Council financial processes and procedures which are the responsibility of the Head Teacher.*
- *A half day visit is offered in either the summer or autumn term to review/discuss any developments in schools accountancy and ensure current work practices are robust and up to date.*
- *Training on any new systems/procedures e.g. a half day training for every SBM/FO on the new budgeting system in autumn 2018. This is being replicated in January 2020 for anyone newly employed since the last training.*

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*Adhoc chargeable training e.g.:*

- *School Finance and the Role of the Governor – provided to school governors in conjunction with the Audit team.)*

Oct19 – Ac2: Bruce Steiner reported that Jessica Bailiss had followed up the action. The ESFA's Good Practice Guidance did not specify a length of time for Term of Office. The Term of Office could therefore be extended to four years as suggested at the last meeting of the School's Forum. If agreed, any new or re-elected members, from the 9<sup>th</sup> December 2019, would have a Term of Office of four years.

Jonathan Chishick proposed that the Term of Office be extended from three to four years and this was seconded by Catie Colston. At the vote the motion was carried.

Jan19-Ac1: Jessica Bailiss reported that there was still a Secondary Governor vacancy on the Forum. Effort would continue in the new year to fill the position.

**RESOLVED** that the Term of Office be extended from three to four years and the Constitution be update accordingly.

### 47 **Declarations of Interest**

There were no declarations of interest received.

### 48 **Membership**

The following points were raised:

- Two of the Academy headteacher positons had been filled by Derek Peale from Park House School and Julia Mortimer from St Bartholomew's School, with Gemma Piper from Kennet School as her substitute.
- In October, Jonathon Chishick was re-elected as Primary Governor Representative for another three year term.
- There were still a number of vacancies on the Forum. These included a maintained primary business manager position, a maintained secondary governor position and one Academy Headteacher position. Effort would continue in the New Year to fill these positions.

### 49 **De-delegations 2020/21 (Ian Pearson)**

Ian Pearson introduced the report (Agenda Item 6), which set out the details, cost and charges to schools of the services on which maintained school representatives were required to vote whether or not they should be de-delegated.

Services were only de-delegated to mainstream schools however, academies were able to buy back the majority of de-delegated services.

Ian Pearson drew attention to the recommendations under section two of the report which were phased. The recommendation under section 2.1 for primary schools included an additional de-delegated fund which was the Primary Schools in Financial Difficulty Fund. It was also highlighted that the recommendation related to funding in 2020/21 and not 2019/21 as stated in the report.

Regarding Health and Safety services, Health and Safety Level One included Option Two services, which was the most basic option of services. Schools wishing to offer a more comprehensive level of service could buy back services included in Option One.

The proposals set out in the report would be included in the consultation with all schools on the proposed school funding arrangements for 2020/21. The recommendations detailed under section two of the report, were those that had been supported by the Heads funding Group at its meeting on the 26<sup>th</sup> November 2019. Given that the information would be sent out shortly to schools for consultation a final decision would not be sought from the Schools' Forum regarding de-delegated services until its meeting

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on 20<sup>th</sup> January 2020, once the consultation period had concluded. At this stage agreement was required regarding the information that should be included within the consultation document.

Jonathon Chishick noted on the table under section three of the report that the 2020/21 Primary Budget for the Schools in Financial Difficulty Fund was marked as 'to be confirmed'. Jonathon Chishick noted that the balance of the fund was at £181k and recalled that a threshold had been set for the fund of £250k. He therefore queried if the reserve would need topping up. Ian Pearson referred to paragraph 8.2 of the report, which made the assumption that there would be no further bids to the fund in 2019/20. They had not however, reached the end of the financial year and therefore further bids were possible. The issue was therefore whether they should work on the basis that the shortfall should form the target that needed to be de-delegated. This would be included in the consultation. Keith Harvey queried the threshold that had been agreed and recalled that it was £200k rather than £250k. Ian Pearson confirmed that this point would be checked. *(Post minute comment: this was subsequently checked and confirmed as £200k).*

Ian Nichol referred to the table under section 5.2 regarding the Therapeutic Thinking Service (Previously Behaviour Intervention) and noted that the budget for Primary Schools had risen by only £6k for 2020/21 however, the cost per pupil had risen substantially. Melanie Ellis reported that this was due to there being fewer pupils to spread funding over, due to academy conversion. Ian Nichol commented that it would be helpful to include pupil numbers within the table.

Ian Pearson stated that as part of the process the Schools' Forum could agree what was set out within the report or alternatively that some costs should be reduced. If the latter was decided then the figures sent to schools as part of the consultation would need to be adjusted.

The Chairman asked the Schools' Forum if it agreed in principle with the recommendations set out under section two of the report, which would be included in the consultation with schools. As there were no maintained secondary headteachers present the Forum was unable to consider section 2.2.

Keith Harvey proposed that maintained primary school members support the information set out in section 2.1 of the report, and this was seconded by Antony Gallagher. At the vote the motion was carried.

Jon Hewitt proposed that maintained special, nursery and PRU schools support the information set out in section 2.3 of the report and this was seconded by Jacque Davies. At the vote the motion was carried.

### **RESOLVED that**

- The threshold for the Primary Schools in Financial Difficulty Fund would be checked and confirmed at the next meeting of the Schools' Forum in January.
- Pupil numbers to be included within the table under section 5.2 regarding the Therapeutic Thinking Service, for the next meeting in January 2020.
- The relevant maintained school members supported the recommendations set out in section two of the report that would return to the Schools' Forum on 20<sup>th</sup> January 2020 for final decision, once the consultation with schools had concluded.

### **50 Additional Funding Criteria (Melanie Ellis)**

Melanie Ellis introduced the report (Agenda Item 7), which aimed to set out the current criteria and budgets for additional funds for review by the Schools Forum to ensure they were still relevant and met their purpose.

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The Growth Fund would be calculated by the Department for Education (DfE) and received in December 2019. Melanie Ellis reported that the reserve for the Schools in Financial Difficulty Fund was currently at £181k. A decision would need to be made as to whether to de-delegate this service in 2020/21, in order to top up the fund, or whether to leave it at £181k, assuming no further bids were received in 2019/20. This would be included within the consultation with schools.

Details regarding the Additional High Needs Fund was contained under section 4.5 of the report. It was apparent that the number of schools with a disproportionate number of high needs pupils was continuing to grow and funding needed to be set aside from the High Needs Block at the current level of spend, in order to fund those schools qualifying. It was proposed that this remained at £100k.

A decision was required from the Schools' Forum to agree the proposed criteria for the Growth Fund, Financial Difficulty Fund and Additional High Needs Fund in order for this information to go out to consultation with schools. The budget for each fund also needed to be agreed.

Jonathon Chishick referred to the Additional High Needs Fund and noted that this money was used to fund schools with higher number of pupils with Education, Health and Care Plans (EHCPs) than assumed in the formula. He felt that schools with higher numbers of pupils with Special Educational Needs (SEN) but not EHCPs, should also benefit from the funding. Jonathon Chishick stated that he had raised the matter before however, acknowledged that the area was a challenge because of the way schools self-identified pupils against a set of measures regarding SEN. There were particular primary schools that were more attractive to parents, due to how they catered for certain SEN pupils, and as a result these schools were being placed under increased pressure.

Ian Pearson acknowledged the issue raised by Jonathon Chishick and the potential difficulties due to schools using their own self-identification measures. It would be difficult to include this matter as part of the consultation document for 2020/21 due to timescales however, Ian Pearson suggested that Officers could work on a proposal that could be presented at a future meeting in 2020, including proposals and implications. It was important to note that this could place further pressure on the High Needs Block. Jonathon Chishick was satisfied with the proposed way forward on the issue and timescale. He stated that it seemed to be a growing issue and therefore it needed to be looked at. Jane Seymour agreed but, stated there was a lot of variation between schools regarding how they placed pupils on the SEN register and there was risk that a perverse incentive could be caused.

Catie Colston felt that investigation into the issue was wise seeing as the thresholds for EHCPs had risen. Keith Harvey concurred and supported that the issue needed to be looked at however, also agreed with Jane Seymour's comment that a perverse incentive could be created. It might however be an opportunity to bring the number of EHCPs down.

Hilary Latimer stated that over 4% of the pupils at her school had EHCPs. The school received £24k to meet the needs of these pupils however, this did not adequately cover costs. Hilary Latimer felt that schools under increased pressure from higher numbers of SEN pupils needed support.

Jane Seymour clarified that the threshold for EHCPs had not increased. The number of EHCPs had actually risen by 33% and the matter was that the level of needs were getting higher.

Catie Colston suggested that Officers could investigate what other local authorities were doing on the issue. Ian Pearson noted that members of the Forum were supportive for the issue to be taken to the Heads' Funding Group for further discussion.

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The Chairman invited members of the Forum to vote on whether they agreed the proposals included within the report regarding the criteria and budgets for additional funds for 202/21, in order to go out to consultation with schools. Keith Harvey proposed that the Schools' Forum support the proposals set out in section four of the report and this was seconded by Ian Nichol. At the vote the motion was carried.

### **RESOLVED that**

- A report would be brought to a meeting of the Heads' Funding Group in 2020 including proposals and implications for dealing with schools under increased pressure due to higher numbers of SEN pupils.
- The Schools' Forum agreed the proposals under section four of the report, in order to go out to consultation with schools.

### **51 Resourced Schools (Jane Seymour)**

Jane Seymour introduced the report (Agenda Item 8), which aimed to inform the Schools' Forum of the proposed action in response to concerns expressed by some mainstream schools with resourced units, in that they had a shortfall in funding, and to seek agreement from the Schools' Forum regarding the action proposed within the report.

It was proposed under section five of the report that a survey was sent to all schools with resourced units in December 2019 to identify specific pressure areas and enable a targeted review of resourced school funding to take place. It was also proposed that any potential changes required to the resourced unit banding system were identified and considered by the Heads Funding Group and Schools Forum in March 2020, in the context of the High Needs Block (HNB) shortfall in 2020-21. Jane Seymour stressed that it was important that pressure on the HNB was kept in mind when considering what action should be taken.

The Chairman invited members of the Schools' Forum to consider and vote on the proposals contained within the report. Catie Colston proposed that the Schools' Forum agreed the proposals set out in section five of the report and this was seconded by Jon Hewitt. At the vote the motion was carried.

**RESOLVED that** the proposals under section five of the report were agreed by the Schools' Forum.

### **52 School Meal Catering and Cleaning Contracts (Robert Bradfield)**

Bruce Steiner welcomed Robert Bradfield and Amerie Bailey to the meeting. A comprehensive report had been circulated (Agenda Item 9), which aimed to update the Schools' Forum on the progress made with the school meal arrangement.

Robert Bradfield reported that consultation with schools regarding a procurement strategy had now come to an end and only 10 schools had opted to remain in the West Berkshire Council (WBC) tendered provision for school meals. The cleaning contract was still an issue as only three schools had opted to remain in a WBC led tender process.

Hilary Latimer stated that her school was one of the schools that had opted into the WBC led contract and were in an impossible situation because it was likely that bids would cause schools meals to be too expensive. This could potentially result in the school losing its kitchen facility and becoming less attractive to potential parents. Hilary Latimer stated that small schools like her own were not able to go out to tender on an individual basis as the contract amount was too expensive. Amerie Bailey stated that this reflected the feedback starting to be received from schools. Those that had left the WBC led scheme were being faced with requests for enormous management fees.

Ian Pearson stated that smaller schools were more vulnerable due to their size and often rural location. There was no further money in the system for WBC to subsidise the cost to

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schools and therefore schools were having to meet costs from their own delegated budgets. This was particularly hard for small schools.

Catie Colston noted that some of the schools that had opted out of the WBC led process were small schools and queried what they were doing. Robert Bradfield stated that he was unsure what action was being taken on an individual school basis however, smaller schools were beginning to realise that they would not achieve economies of scale. Some schools were working in clusters to obtain contracts.

The Chairman commented that there did not seem to be enough money within education to go around to all schools. He hoped that this would change after the General Election due to take place on 12<sup>th</sup> December 2019.

Catie Colston noted the decision a number of schools had taken to opt out of the WBC led cleaning contract and queried how final this decision was, as many were being faced with a very volatile situation. It was possible that schools had opted out due to the recent situation with the school meals catering contract. Robert Bradfield explained that the timescales for the tendering process were the problem. It was hoped that the process would be launched in January 2020 and then there would need to be six months before the contract could go live.

Brian Jenkins felt that it seemed like action had been taken by the WBC commissioning team without doing a full analysis. Robert Bradfield explained that presentations had been provided to schools to ensure that they could make an informed decision.

The Chairman invited members of the Schools' Forum to consider the proposal set out under section six of the report for a tender for schools to be undertaken on a cross-subsidised model, with no cap on gains. Catie Colston proposed that the Schools' Forum agree the proposal set out in the report and this was seconded by Ian Nichol. At the vote the motion was carried.

**RESOLVED** that the proposal set out under section six of the report was agreed by the Schools' Forum.

### 53 Draft High Needs Budget (Jane Seymour)

*(It was decided that item 10 would be discussed prior to item 11)*

Jane Seymour introduced the report (Agenda Item 11) which set out the current financial position of the High Needs Block (HNB) Budget for 2019/20 and the position known so far for 2020/21, including the likely short fall.

Jane Seymour drew attention to section 3.6 of the report, which stated that in 2020/21 the Government had increased the Local Authorities HNB budget. In West Berkshire's case, the HNB budget would increase from £20,070,067 to £21,595,616, which was an increase of £1,525,616 or 7.6%. There would also be an in year import / export adjustment, which was difficult to estimate at this stage.

Section 3.7 of the report highlighted the net shortfall in the 2020/21 HNB, which was £3,158,616. This included a predicted overspend for 2019/20 of £2,050,052. Table One on page 115 of the agenda showed a breakdown of the pressure on the HNB and highlighted the latest estimate of expenditure in the HNB budget for both 2019/20 and 2020/21. Currently an overspend of £1.5m was predicted. Jane Seymour explained that this overspend had been planned as a planned deficit of £1.6m had been set.

The current in year pressure was £1.1m and Appendix A set out the areas where pressures on the HNB could be seen and the reasons for the pressure on the 2020-21 HNB budget.

Top Up Funding

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The largest area of pressure was Top Up Funding, detailed on page 117 of the report, with a pressure of £540,780 being placed on the HNB. Positively a lot of spend in this area would go in to provision provided by West Berkshire Council. Mainstream maintained and mainstream academies were causing an increased pressure of nearly £170k. The pressure in this area reflected the increase in Education, Health and Care Plans (EHCPs) within mainstream schools. Positively the pressure from Independent Special Schools had reduced by £136k.

### Pupil Referral Units (PRUs)

The next significant pressure on the HNB was PRUs and this was detailed on page 120 of the report. This was because of the increase number of EHCPs. Placements at a PRU were more cost effective then placing pupils at mainstream or special schools.

### Non Statutory Services

The cost in this area would remain however, some invest to save proposals had been added.

Non statutory services had been used to create savings over recent years however, some of these savings had impacted negatively on other areas of the system. For example, charges for Language and Literacy Centres (LALs) were introduced in 2018/19 at 50% of the placement cost. As a result the take up of placements had fallen. It was therefore proposed that the Schools' Forum might wish to consider restoring the LAL budget to its original figure of £116,200 and removing charging.

There was also a proposal included to increase the Vulnerable Children's Grant (VCG), which had been gradually reduced from £120k over the past years. Schools making calls on the fund were often finding it was depleted before year end. It was therefore proposed that £60k was added to the fund in 2020/21 to increase the budget to £110k.

Finally, there was also a proposal included on page 126 of the report to fund a Therapeutic Thinking Officer. Without this post there was a serious risk that the potential of the Therapeutic Thinking to realise savings in the HNB would not be realised.

Jane Seymour reported that all of the proposals for invest to save would be up for discussion by the Heads' Funding Group (HFG) and Schools' Forum. No savings proposals had yet been formed however, savings could only be made to non-statutory services and as seen in the past savings in this area often impacted negatively on statutory services.

Jane Seymour highlighted that a transfer of funding from the Schools Block to the HNB was proposed as part of agenda item 10.

Keith Harvey commented that even if the maximum amount was transferred from the Schools Block to the HNB and all statutory services were cut, the deficit would continue to rise. Ian Person commented that a cash injection had been received from the Government however, it had not had the desired impact as the deficit had continued to grow. A proposal was included under agenda item 10 that sought views from schools regarding a transfer of funds from the Schools Block to the HNB. Schools would need to consider if they were willing to contribute to help tackle the issue being faced. In order to tackle strategic issues in a structural way, consideration needed to be given to what should be invested in.

Ian Pearson explained that a second section to the consultation document showed how any budget transfer from schools could be used and that it would not be used to simply reduce the deficit.

Gemma Piper referred to pupil numbers and felt it would be helpful to see the pressures broken down by pupil numbers. Jane Seymour commented that this had been carried out

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as part of the SEN Strategy. There had been a 33% rise in EHCPs. Until recently this rise had only been amongst the 19-25 age group however increases were also now being seen in younger age groups. More cost effective placements were required for students and it was about putting funding into schools to help them support the needs of their pupils.

Gemma Piper further queried the figures under Table Four with regards to home tuition. Ian Pearson stated the figure for home tuition was the result of the conflation of two figures due to the service being brought in house. This had reduced the cost by £40k as a savings contribution to the HNB.

Ian Pearson concluded the report was for information at this stage however, further discussion would take place under agenda item 10 regarding the proposal to transfer funding.

**RESOLVED** that the Schools' Forum noted the report.

### 54 **School Funding Formula and Consultation (Melanie Ellis)**

*(It was decided that item 10 would be discussed prior to item 11)*

Melanie Ellis introduced the report (Agenda Item 10), which set out the requirement and changes for setting the primary and secondary school funding formula for 2020/21 and to set out West Berkshire Council's funding proposals to go out to consultation with all schools.

The basic structure of the National Funding Formula (NFF) had not changed for 2020/21. The factors that would be taken into account when calculating the Schools Block Dedicated Schools Grant (DSG) funding through the NFF were shown under section 4.1 of the report.

Appendix One to the report compared schools' allocations to the previous year. A decision would need to be reached on how any shortfalls or surpluses were allocated.

Regarding the High Needs Block (HNB) the report proposed the possibility of a funding transfer and this was included within modelling options. Section 5.6 of the report set out six different options for allocating funding to schools. The Local Authority had modelled a number of scenarios to determine the impact on the options of individual schools' budgets. Options four to six under section 5.6 had not been taken further. Modelling was based on an assumption that the funding available to schools would be reduced by £520k. Melanie Ellis highlighted that some schools would not contribute as they were already at the minimum per pupil funding level.

Melanie Ellis reported that Option Three (a combination of options one and two) had been supported by the Heads' Funding Group. This option protected 17 schools and provided a more even distribution of funding across schools. The information would go out for consultation with schools from 10<sup>th</sup> until 31<sup>st</sup> December 2019. Melanie Ellis reported that Appendix B to the report provided a consultation document on the Funding Formula and Appendix C was a document consulting schools on the potential block transfer.

Catie Colston was concerned about the short turnaround time for the consultation. Melanie Ellis reported that councils normally received the allocation information in July however, this had not been received until October 2019. The formula had to be submitted to the Department for Education (DfE) by a statutory deadline of 21<sup>st</sup> January 2020. Keith Harvey felt that some of the language used within the consultation document was difficult to understand and suggested that a summary document be included when the information was sent out to schools.

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Jonathon Chishick queried why schools were not listed alphabetically and Melanie Ellis agreed to update this.

Graham Spellman referred to pupil numbers and queried when the October 2019 census data would be available. There was uncertainty when this would be available. Ian Pearson reported that a re-balancing of phased numbers might be required and this would need to be looked at.

Ian Pearson referred to Appendix C on page 111 of the report, which set out the consultation proposals regarding a transfer for the Schools Block to the HNB. A sliding scale had been used and was detailed under section 6.3 of the report. The table under section 6.4 of the report showed how this funding could be allocated if schools approved the transfer. The exact detail of how the funding would be used would need to be agreed by the Schools' Forum.

Jonathon Chishick noted the sliding scale that had been applied under section 6.4 however, queried why any increase in funding as a result of the sliding scale was shown under the Vulnerable Children Grant (VCG). He queried, if money was no object, how much this area would require. Ian Pearson reported that this fund had been reduced over time and was being exhausted. Schools using this fund were schools that had a need that could not be met by any other fund. Issues requiring schools to call on the fund were often short term. The VCG was currently being depleted very quickly. Ian Pearson reported that currently areas were not funded based on their level of need and this formed a structural problem in the way local authorities were funded. An attempt was being made to re-balance the costs to schools that currently schools were trying to re-balance on an individual basis.

Michelle Sancho reported on the area of Therapeutic Thinking and that ideally she would fund more Officers to lead the area or work and would fund further training. The VCG was however, currently the largest issue of concern. For example the VCG might be required by a school if it was faced with a child at risk of being permanently excluded that it was unable to retain due to pressures on its budget. The child might not meet the criteria of requiring an EHCP however, was still vulnerable. This was an example of when a call would be made on the VCG.

Jane Seymour commented that if there was more money available for ASD services then she would increase the size of the team. Jane Seymour reported that she had tried to form realistic proposals.

Ian Pearson reported that a transfer of funding had been proposed in 2018/19 however it had not been supported by the Schools' Forum. Ian Nichol queried what view the Heads' Funding Group had given regarding the transfer of funding. Ian Pearson reported that it had been agreed that it should be included in the consultation. Ian Pearson had also attended the Secondary and Primary Headteacher Forums to help schools understand the background to the issue. It was up to individual schools how they should respond on the issue.

Catie Colston referred to page 112 and struggled to see how schools would answer the question regarding the transfer without knowing what they would have to forfeit as a result. Jonathon Chishick felt that there should be another option for schools to choose, which was to transfer no funding. Schools should also be given the opportunity to provide an explanation for their choice.

Jon Hewitt added that 0.5% was not the maximum amount that could be transferred, but anything above this would need to be agreed by the Secretary of State.

The Chairman invited members of the Schools' Forum to consider the proposals under section two of the report. Keith Harvey proposed that the Schools' Forum approve the recommendation that the proposals included in the report should be sent to all schools

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for consultation before setting the school funding formula for 2020/21. Secondly, due to short timescales, the results of the consultation should be emailed to Schools' Forum members to review and comment ahead of the next meeting in January. Keith Harvey's proposal was seconded by Jonathon Chishick and at the vote the motion was carried.

### **RESOLVED that:**

- A summary document be included with the consultation with schools.
- Schools should be listed alphabetically within the consultation document.
- The recommendations set out in section two of the report were approved by the Schools' Forum.

### **55 Draft Central Schools' Budget (Melanie Ellis)**

Ian Pearson introduced the report (Agenda Item 12), which set out the budget proposal for services funded from the Central Schools' Services Block (CSSB).

The final allocation of funding for the CSSB for 2020/21 was £951,820. The table on page 86 of the report showed the budget requirement for services that fell within the CSSB for 2020/21 compared to 2019/20.

There had been a shortfall on the block since it was established and section 5.1 of the report set out how this shortfall had been managed. Areas for discussion going forward included the transfer of funding from one of the other blocks. More detailed proposals on this would be brought to the next round of meetings in January 2020.

Ian Pearson referred to page 131 of the report, and stated that there were numerous activities supported by the Central Schools Services Block, including servicing the Schools' Forum which benefitted all schools though the pupil number used to calculate the allocation excluded nursery special and PRU.

Ian Pearson stated that in 2018 there had been a transfer from the Early Years and High Needs Blocks into the CSSB to properly reflect activity. This would be looked at in more detail at the next round of meetings in January 2020.

Jonathon Chishick queried if there was scope for sharing services across smaller local authorities. Ian Pearson reported that this had been explored in the past and some of West Berkshire Council's services were already shared. However, due to a number of factors including economies of scale and decision making, agreement for a shared service had never been reached.

*(Reverend Mark Bennet joined the meeting at 6.23pm)*

Jonathon Chishick referred to Copyright Licensing and felt that this was an area that could potentially be shared. Ian Pearson reported that some areas were negotiated at a national level by the Department for Education (DfE). More detail including the time spent by teams on each area could be found under Appendix A.

Councillor Erik Pattenden referred to section 4.2 and the reduction in staff and asked what impact this reduction was having. Ian Pearson reported that regarding team reductions, the Finance Support Team was under the most pressure with a 29% reduction. Melanie Ellis reported that there had been many changes to the Schools' Finance Team over the past year. Sustainability would need to be evaluated going forward.

**RESOLVED that** the Schools' Forum noted the report.

### **56 High Needs Place Funding (Jane Seymour)**

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Jane Seymour introduced the report (Agenda Item 13), which aimed to advise the Schools' Forum of planned places allocated currently to special schools, resourced schools.

The Education Skills and Funding Agency (ESFA) would base 2020/21 planned place funding on the place funding allocated for 2019/20 for schools which received their planned place funding through the Local Authority. There would be no opportunity for local authorities to request additional planned places for these schools, although it was possible to move places between schools.

If agreed, funding for additional places would be top sliced from the HNB. 17 new planned places had been request however, a request had also been made to remove 13 places from Newbury College and therefore there was a net increase of four planned placed.

Jonathon Chishick referred to the table on page 136 of the report and queried why it referred to 'post 16 only'. Jane Seymour confirmed that this combined a number of places including children with EHCPs in resourced units with the post 16 group.

**Resolved that** the Schools' Forum noted the report.

### **57 Proposed banding system for funding children with EHCPs attending PRUs (Jane Seymour)**

Jane Seymour introduced the report (Agenda Item 14), which aimed to provide information on the implementation of the banding system for funding children with Education, Health and Care Plans (EHCPs) who attended PRUs. The banding system was agreed by the Schools' Forum in November 2018 and there were different bands for the different levels of need.

Jane Seymour drew attention to the figures under section 4.7 which set out that the banding system had been applied to children with EHCPs in the PRUs and would cost approximately £502,760 in the 2019-20 financial year. It was estimated that the costs would be approximately £578,230 in the 2020-21 financial year due to increasing numbers of children with EHCPs in PRUs. This represented a pressure of £246,830. However, PRU placements for children with EHCPs were more cost effective than non-maintained and independent special school placements.

Jane Seymour explained that the banding system was applied retrospectively to pupils who had attended the PRUs from April 2018 and since that time 34 pupils with EHCPs had been placed at iCollege (some only on the temporary basis).

**RESOLVED that** the Schools' Forum noted the report.

### **58 DSG Monitoring 2019/20 Month 7 (Ian Pearson/Melanie Ellis)**

Ian Pearson introduced the report (Agenda Item 15) which set out the forecasted financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any overspends.

There was a deficit recovery requirement of £1.8m for 2019/20 and this represented the difference between the expenditure budgets set across the blocks and actual funding received for 2019/20. £1.6m of the deficit was within the High Needs Block and £0.2m was in the Early Years Block. This was in accordance with the 2019/20 budget agreed by the Schools' Forum at its meeting on 11<sup>th</sup> March 2019. The month seven forecast position was shown under Table One on page 168 of the report.

Ian Pearson referred to a wider issue regarding the deficit in 2018/19. The deficit amount had fallen just below the threshold that required a deficit recovery plan to be submitted to

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the DfE. It was more likely that this would be required for 2019/20 and if this became a reality the Schools' Forum would need to take a view on the issue.

Reverend Mark Bennet noted there were figures provided on the overall budget and forecasts however, there were no actual figures provided. Melanie Ellis reported that currently this was how the Local Authority conducted its budgeting and figures were not looked at on a monthly basis.

Jonathon Chishick queried what lobbying had taken place regarding the lack of funding for high needs. Ian Pearson reported that lobbying efforts had been extensive including with the local Member of Parliament and the Local Government Association. Extra money had been received from the Government for high needs as a result of lobbying action that had taken place nationally however, the sums of funding were too small to solve the problems being faced long term.

Brian Jenkins added that lobbying by the early years sector was also taking place.

Hilary Latimer noted that there were some local authorities across the country not facing a deficit in their high needs budget and queried what these authorities were doing differently. Ian Pearson stated that there were only a minority of local authorities not facing a deficit in their high needs budgets. West Berkshire was in a better position than many other local authorities which were facing a deficit.

Jacque Davies queried what would happen next for the local authorities facing a deficit. Ian Pearson stated that some local authorities were submitting deficit recovery plans and others had refused. It was not possible to form a credible plan until it was known what funding was available the following year. Catie Coltson stated that the issues being faced were continuously being repeated and cautioned against creating a magic trick to fix the situation. It was important to be truthful about the real issues being faced.

Reverend Mark Bennet referred to the deficit being faced and queried when it would become a practical issue that would mean that bills could no longer be paid. He queried when this point would be reached. Ian Pearson stated that the DSG was owned by colleagues at the DfE and therefore an answer would be needed from them on this question.

**RESOLVED that** the Schools' Forum noted the report.

### 59 **Schools: Deficit Recovery (Melanie Ellis)**

Melanie Ellis introduced the report (Agenda Item 16), which provided the details of four schools which had submitted deficit budgets for 2019/20, the two schools which ended the 2018/19 financial year with an unlicensed deficit balance and a summary of the schools that submitted deficit forecasts for 2020/21.

An action from the last Schools' Forum in October 2019 had involved adding a section to the report on the number of schools predicting a deficit in year two. This was included under section five of the report. Melanie Ellis reported that although the summary indicated that the number of schools with a deficit would be high, this was not expected to be the case. Section 5.2 explained that historically schools did not tend to spend a significant amount of time on the two years of forecast (2020/21 and 2021/22) as the funding information available was not robust, the time available to schools to work on forecasts was limited and it had been noted that some schools were no longer preparing three year School Development Plans to support three year budget forecasting.

Year two budgets detailed under section five showed an increase in the number of schools with deficits. Melanie Ellis highlighted that this was only indicative and this number had historically reduced as time progressed.

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Antony Gallagher queried if the funding allocations sent to schools as part of the consultation would include the possible 0.5% transfer of funds. He was mindful that the position of some of the schools predicting deficits could worsen if this was agreed. Melanie Ellis responded that the schools included within the report might already be at the minimum funding amount per pupil and therefore would not be impacted upon if the transfer was agreed. The detail on this would be included within the consultation with schools.

**RESOLVED** that the Schools' Forum noted the report.

**60 Forward Plan**

**RESOLVED** that the Schools' Forum noted the forward plan.

**61 Date of the next meeting**

*Monday 20th of January 2020, 5pm at Shaw House*

*(The meeting commenced at 5.00 pm and closed at 6.47 pm)*

**CHAIRMAN** .....

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