

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, 17 OCTOBER 2022

Present: Reverend Mark Bennet (Church of England Diocese), Clare Beswick (Maintained Primary School Headteacher), Councillor Dominic Boeck, Melissa Cliffe (Maintained Primary School Headteacher), Catie Colston (Academy School Governor), Paul Davey (Maintained Primary School Governor), Jackie Davies (Pupil Referral Unit Headteacher), Gemma Duff (Maintained Primary School Governor), Sarah East (Maintained Primary School Headteacher), Richard Hand (Trade Union), Keith Harvey (Maintained Primary School Headteacher), Richard Hawthorne (Academy School Headteacher), Jon Hewitt (Maintained Special School Headteacher), Maria Morgan (Maintained Nursery School Headteacher), Gemma Piper (Academy School Headteacher), Chris Prosser (Maintained Secondary School Headteacher), Campbell Smith (Academy School Governor), Graham Spellman (Roman Catholic Diocese) and Phil Spray (Maintained Primary School Governor)

Also Present: Avril Allenby (Early Years Service Manager), Melanie Ellis (Chief Accountant), Ian Pearson (Head of Education Services), Michelle Sancho (Acting Head of Education Services) and Jessica Bailiss (Policy Officer (Executive Support))

PART I

The Chair announced that it was Ian Pearson's (Head of Education Services) last meeting of the Forum as he would be retiring at the end of October. Ian Pearson was thanked for his work over a time when the education sector had been through unprecedented challenges and wished a long and happy retirement.

122 Minutes of previous meeting dated 18th July 2022

The Minutes of the meeting held on 18 July 2022 were approved as a true and correct record and signed by the Chair.

123 Actions arising from previous meetings

It was noted that all actions were in hand or completed. The written response from Adrian Slaughter (Energy and Carbon Manager at West Berkshire Council) on page nine of the agenda pack regarding the impact of changes to the energy cap was noted.

124 Declarations of Interest

There were no declarations of interest received.

125 Membership

The following new members were welcomed to the Schools' Forum:

- Gemma Duff – elected as the new Maintained primary governor representative from Kintbury St Mary's Primary School.
- Clare Beswick (Mortimer Primary School) and Sarah East (Springfield Primary School) – new maintained primary headteacher representatives.

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- Ant Sizer (The Willink School) – new maintained secondary representative.

It was reported that no other members are currently approaching the end of their term of office.

126 Schools Funding Formula Consultation 2023/24 (Melanie Ellis)

Melanie Ellis introduced the report (Agenda Item 6), which set out the requirements and changes for setting the primary and secondary school funding formula for 2023/24 and to approve West Berkshire Council's funding proposals to go out to consultation with all schools.

Melanie Ellis explained that the draft allocation for West Berkshire was £125.7m, which was an increase of £5.9m from the previous year and excluded growth funding, which would be allocated at a later date. The funding could change because it would be updated based on the pupil numbers from the October 2022 census.

Melanie Ellis drew attention to the briefing and consultation document for schools on page 17 of the agenda pack. The purpose of the consultation was to outline and seek views on the areas listed under section 2.1: the proposed funding formula; an up to 0.5% block transfer from the Schools Block to other funding blocks; the criteria to be used to allocate additional funds and the proposed services to the de-delegated (covered on more detail under Agenda Item 7).

The consultation would be open for a period of three weeks from 19th October until 9th November 2022.

Melanie Ellis explained that 2023 was the first year of a move to a direct schools National Funding Formula (NFF). All the funding formula factors now had to be used and local authorities needed to move their local formula factor values at least 10% closer to the NFF. In the majority of cases West Berkshire already mirrored the NFF with the exception of sparsity. A minimum funding guarantee had to be set like in previous years and up to 0.5% could be transferred from the Schools' Block to another block. The Local Authority was still responsible for making the final decision on the formula.

Once the October census pupil numbers were received, figures would be adjusted to calculate the final allocations and the growth funding allocation would also be known.

Melanie Ellis drew attention to section five of the report regarding sparsity, which was an area where West Berkshire had slightly differed from the NFF in previous years. Last year 16 local authorities had diverted from the NFF for sparsity with 15 of them setting a lower value. West Berkshire had set sparsity at 80 percent of the NFF value. For 2023/24 West Berkshire would need to set this closer to the NFF and the minimum value was 82 percent of the NFF. Following the Heads' Funding Group meeting (HFG), Officers had formed a recommendation supported by the HFG to continue to use the minimum sparsity rate.

Another area that required consideration by the Forum was how to allocate any under or overspends against the block and the recommendation for this area, like in previous years, was to amend the AWPUs. There were other options available and this was included as a question in the consultation.

Allocations per schools compared to last year were detailed in Appendix A.

Regarding a block transfer, Melanie Ellis reported that setting a balanced budget in the HNB continued to be a challenge. The overspend position at the end of 2021/22 was £3.6m and the overspend in the block was set to reach £5.3/5.6m by the end of 2022/23. Block transfers required approval annually. The HFG had requested information on what transferred funding could be used for and it was proposed that if a transfer was supported it could be used to increase the band values for Education, Health and Care

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Plans (EHCPs) for mainstream and resource schools. The implication of this would be that a transfer was only one off funding and if the uplifted values were to continue then permanent funding would need to be built in from 2024/25. HFG had supported block transfer options (0/0.25/0.5 percent) being included in the consultation.

Melanie Ellis drew attention to section eight of the report, which detailed additional funds outside of the school formula. West Berkshire currently did not have a falling rolls fund as this had been stopped in 2018/19. The criteria for allocating the funds would be included in the consultation with schools.

Ian Pearson explained that a regular report to the HFG and Schools' Forum was on deficit schools. Demographic decline in the primary sector was having a disproportionate negative impact on a number of school budgets. It was felt that there was a case to be made for reconsidering the reintroduction of a falling rolls fund. A question of whether this fund should be put back in place could be included as part of the consultation. It would help support schools finding themselves in financial difficulty on the basis of losing a large number of pupils. Schools could take a view on this through the consultation and the Schools' Forum would then need to take a view of the responses before making a decision.

Melanie Ellis reported that the consultation proposal were included under section 10 of the report, with an additional question to be added on falling rolls.

Reverend Mark Bennett stressed that schools were facing huge uncertainties currently over what would happen in the next year along with pressures with energy costs; recruitment of support staff and unfunded pay increases. He queried if there was a case for adding an additional question to the consultation, which asked schools for the three most challenging areas for their budget going forward so that the Forum could map the challenges being faced. Melanie Ellis agreed that this question could be added.

Gemma Piper referred to section 7.11 on page 17 of Appendix A, which set out the possible use for transferred funding if agreed. Gemma Piper queried if there was anything that could be added to the information that would demonstrate how the funding would be distributed and how many pupils it would support. Melanie Ellis reported that she would speak to Jane Seymour about adding this information.

Ian Pearson added that fundamentally it was being suggested that schools might wish to consider setting aside money, which all schools would potentially benefit from. Regarding funding the Local Authority received for these children, there was no direct link between the number of EHCPs and the amount of special needs funding received. The cost of employing staff who worked with these children had risen. The aim would be to try and rebalance this and ensure schools received a more appropriate level of funding for children with an EHCP receiving support by additional staffing. It was felt to be a positive way to use funding that supported the most disadvantage pupils.

RESOLVED that:

- A question be added to the consultation that asked schools for the top three areas of challenge for their budget going forward.
- Information to be added to the proposed possible use for a transfer of funding to demonstrate how the funding would be distributed and how many pupils it would support.
- The Schools' Forum agreed the consultation should be undertaken with all schools on the areas detail under section 2.1 of the report, including an additional question regarding the falling rolls fund and exclusion of item four (de-delegations) as this would be voted on as part of the next agenda item.

127 Draft De-delegations 2023/24 (Lisa Potts)

Lisa Potts introduced the report (Agenda Item 7), which set out the details, cost, and charges to schools of the services on which maintained school representatives are required to vote (on an annual basis).

The de-delegation proposals would be discussed in more detail at the next round of meetings following the consultation with schools. The report set out the services that had been de-delegated previously along with costs. Lisa Potts reported however, that costs would need to be updated following the result of the October 2022 census.

Lisa Potts drew attention to the area of school improvement. This had previously been grant funded however, in the current year was part de-delegated and part grant funded. Rather than passing the entire cost to schools in 2023/24, the underspend in the current year had been taken in to account and used to offset costs so that schools were not having to pay the full amount.

It was proposed and seconded that the de-delegation proposals be included with the consultation with all schools. The Chair invited the Schools' Forum to vote and at the vote the motion was carried.

RESOLVED that the de-delegation proposals would be included in the consultation with all schools.

128 Scheme for Financing Schools Consultation 2022/23 (Melanie Ellis)

Melanie Ellis introduced the report (Agenda Item 8), which sought approval of the proposed consultation on the updated Scheme for Financing Schools. The changes from the last version of the Scheme were highlighted under Appendix B. If there were no changes proposed following the consultation, it was proposed that the updated scheme should be adopted at the next Schools' Forum.

Paul Davey referred to the front cover of the report and noted that there was no box ticked to indicate if the matter needed to be referred to the Council or the Executive for final determination. It was confirmed that it did not need to be referred to Council or the Executive.

It was proposed and seconded that the updated Scheme for Financing Schools should be included in the consultation with all schools. The Chair invited the Schools' Forum to vote and at the vote the motion was carried.

RESOLVED that the updated Scheme for Financing schools would go out to consultation from three weeks from 19th October until 9th November 2022.

129 Early Years - Deficit Recovery Plan (Avril Allenby/Lisa Potts)

Avril Allenby introduced the report (Agenda Item 9), which aimed to update the Forum on the deficit recovery for the Early Years Block (EYB) and explore the impact of any amendments to the deficit recovery plan on Covid recovery for children and provider stability.

Avril Allenby explained that the report set out some of the context behind the deficit recovery plan for the EYB. A new budget had been set in 2019/20 and this was when the EYB had first gone in to deficit. This was then compounded by a number of factors set out in detail under section two of the report including increased local rates and the Covid-19 pandemic. This had meant that the way funding had been distributed in early years nationally had changed annually with no consistency.

A deficit recovery plan had been put in place, which had been discussed in full with the Early Years Funding Group. A five year plan had been agreed, which provided lower

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savings in the first few years as providers recovered from the Covid-19 pandemic, with larger savings planned in later years. Due to some of the factors, work on the deficit recovery plan had been delayed and not start until 2020/21. Alongside this, ways to support providers locally had been required because of the impact of Covid and growing financial pressures. Local sustainability grants had been given to providers locally to mitigate some of the issues being faced.

Avril Allenby reported that reduced funding rates had resulted in changes in the pass through rate and the Government had committed new funding to early years as part of the Spending Review. This money would be distributed over a three year period (starting with the current year's budget) however, had needed to be balanced against the need to recover the deficit.

Avril Allenby that they had not managed to save as much as hoped in the first year of the deficit recovery plan however, the deficit had not increased which was positive. It was clear however, that the plan was not achieving what it had set out to achieve and it would be important to keep monitoring it in the current year. The plan might need to be changed for future years to introduce a faster rate of recovery by the end of the five year period. No changes could be made to the plan in the current year as the budget had already been set. Work would continue with the Early Years Funding Group regarding the impact of the deficit and financial climate on providers.

Catie Colston stated she did not envy the situation facing the Early Years team and queried how far they were able to consult with similar staff within other local authorities over what must be a national issue. Avril Allenby reported that there were network groups across the country and there had been a number of briefings by the Department for Education (DfE) on early years funding. West Berkshire also met with the DfE on a six to eight week basis due to the changes in the way the sector was being funded and this provided an opportunity for issues to be fed back. Avril Allenby confirmed that issues facing West Berkshire were the same as those being faced nationally.

Ian Pearson supported the comments from Avril Allenby regarding the complexity of the area. The report showed that the target set in the deficit recovery plan for 2021/22 had not been met. They were now in quarter two of 2022/23 and he felt that it was important that the Forum understood the current year's target, which was detailed under section 4.1 of the report (£153,616) and the position against this target currently. As r modifications were made to how the deficit was approached, the plan would need to be recalibrated. The consequences of any proposed changes would need to be highlighted and any decisions would needed to be made with these consequences in mind.

Ian Pearson reported that the Government had just reached the end of a period of consultation on early years funding. The funding for the block was not only complicated but was also changeable.

Lisa Potts added that whilst they could currently provide a forecast for the current year based on the number of hours however, they would need to wait for the January schools census data for more accurate picture. This data was used to calculate the income that would be generated for the year and was received mid to late February. It was likely that the current rates would remain for the new year until the impact of the deficit recovery plan in the current year was known.

The Chair acknowledged the complexity and changeable nature of the sector and thanked officers for their work in difficult circumstances.

RESOLVED that the Schools' Forum noted the report.

130 Deficit Schools (Melanie Ellis)

Melanie Ellis introduced the report (Agenda Item 10), which provided details of the five schools which were requested to submit license deficit applications for 2022/23. Historical data for these schools was detailed under table one on page 152 of the agenda pack. Following a review of the applications for each school all were licensed. The total value of the five licenses came to £123,118. All the schools had plans underway for how to address their deficits. Table two provided budget forecasts for each school. Some of the schools were in the very early days of their deficit and therefore some of the figures were prior to any mitigation taking place. Once mitigations and actions were put in place it was likely some forecasts would reduce. Meetings took place with each school and monitoring would take place throughout the year with updates brought to the Schools' Forum.

Keith Harvey queried if there was an indication of how many schools would expect to fall in to deficit given the huge increase in costs facing schools and if there was anything the Schools' Forum could do to mitigate this. Melanie Ellis reported that she did not have an answer on how many schools however, quarter two data was expected soon, which would be more informative.

Ian Pearson reported that there had been supplementary funding, which had been fed in to the formula however, the percentage increases in school budgets did not match inflation increases. Ian Pearson reported that the plan was to carry out a survey across schools so that schools could offer a view on their positions. Ian Pearson reported that he was unable to comment on what possible national decisions might be made regarding school funding going forward.

Richard Hawthorne reported that as a Schools' Forum member he was concerned about the moral element of balancing the need to reduce the deficit with the needs of pupils. He was concerned that cutting FTE was being considered by some schools and the impact this would have on provision. He queried if there was opportunity when meeting with schools to have realistic conversations regarding how far FTE could be cut. The need to balance the deficit needed to be balanced with providing quality provision. Ian Pearson reported that constructive conversations took place with schools as part of deficit reduction meetings. The majority of costs went on staffing and realistic conversations took place to try and find a way forward. Equally there were often different things about the way each school was structured and the people it employed. The earlier issues were identified the earlier incremental changes could be made to balance the budget. Secondly Ian Pearson explained that it was important to recognise that not all savings required could be made in a single year. Conversations were always sensible and focused on bring a school back in to balance in a planned and orderly way.

(Chris Prosser joined the meeting at 5.50pm)

RESOLVED that the Schools' Forum noted the report.

131 DSG Monitoring 2022/23 Month 6 (Ian Pearson)

Ian Pearson introduced the report (Agenda Item 11), which reported the forecast financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit on the DSG.

Ian Pearson reported that quarter two was early in the year to make an exact prediction. The table under section 5.4 of the report provided an overview of each of the blocks. It could be seen that the largest deficits were in the Early Years Block and High Needs Block (HNB). Forecasts were provided in the final column of the table. The deficit in the HNB was expected to be between £5.3m and £5.6m. There would be a clear idea of the final position at period nine at the end of quarter three.

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RESOLVED that the Schools' Forum noted the report.

132 **Forward Plan**

The forward plan was noted.

133 **Date and format of the next meeting**

It was agreed that the next meeting of the Schools' Forum on 5th December 2022 would take place virtually.

134 **Exclusion of the Press and Public**

RESOLVED that members of the press and public be excluded from the meeting for the under mentioned items of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraphs 3 and 6 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006. Rule 8.10.4 of the Constitution also refers.

135 **PART II - Therapies Potential Contract - Update (Jane Seymour)**

*(Paragraph 3 – information relating to financial/business affairs of particular person
(Paragraph 6 – information relating to proposed action to be taken by the Local Authority)*

The Schools' Forum considered an exempt report, which sought a decision from the Forum to award the new contract for therapy services for children which had speech and language therapy, occupational therapy or physiotherapy written in to their Education, Health and Care Plans as an educational need.

RESOLVED that the recommendation in the exempt report was approved.

(The meeting commenced at 5.00 pm and closed at 6.12 pm)

CHAIR

Date of Signature