

Minutes of the Schools Forum Meeting held on 28 March 2019

Present: Steve Barr (Chairman)

Attendance

Jane Rutherford	Mark Sutton (Observer)
Richard Redgate	Philip White (Observer)
Philip Tapp (Vice-Chairman)	Nicky Crookshank
Kirsty Rogers	Richard Lane
Chris Wright	Anita Rattan
Kevin Allbutt	Jennie Westley
Steve Swatton	Keith Hollins
Judy Wyman	Vicki Lewis
Richard Hinton (Observer)	Julie Rudge
Liz Threlkeld	Tim Hopkins (Substitute)

Also in attendance: Alison Barnes, Tim Moss, Will Wilkes, Tina Gould, Mel Scott and David Bingham (Entrust).

Apologies: Wendy Whelan, Philip Siddell, Claire Shaw, Stuart Jones, Karen Dobson, Ally Harvey, Sara Bailey, Wendy Keeble and Anne Tapp

PART ONE

36. Declarations of Interest

There were none at this meeting.

37. Minutes of the meeting held on 13 February 2019

RESOLVED – That the minutes of the Schools Forum held on 13 February be confirmed and signed by the Chairman.

38. Matters Arising and Decisions taken by the Chairman

The inclusion of an item on the Schools Forum in the schools' bag was welcomed by members and would be well received by Head Teachers.

The Education and Skills Strategy was on course to be published in April.

With reference to the figures in the High Needs Block on page 2 of the minutes. The County Commissioner for School Quality Assurance and Intervention (the County Commissioner) stated that once current balances were exhausted no further funding would be available.

The Chairman reported that a debate on school funding in the House of Commons had taken place on 4 March, but no Staffordshire MPs were present.

<https://www.local.gov.uk/sites/default/files/documents/20190304%20LGA%20briefing%20-%20e%20petition%20on%20School%20Funding-FINAL.pdf>

A further debate had taken place on 11 March. An Early Day Motion had been scheduled but due to pressure on parliamentary time it was unlikely that this would take place.

<https://www.theyworkforyou.com/debates/?id=2019-03-11c.12.5>

The National Association of Head Teachers have arranged a lunchtime Conference on 7 June and have invited all Staffordshire MPs.

With reference to the High Needs Block Recovery, AEN Funding, schools will be consulted on this during the summer term.

Members asked for clarification on the statement that “*the costs for preventive placements would increase from April 2019*”. Members stated that due to the high numbers of permanent exclusions there were limited places in PRUs for preventive placements. The cost for a permanent placement will be £7,300 p.a. for a PRU Dual Roll Placement. This equates to £38 per day.

The Chairman reported that the Constitution was being reviewed and revised. This was proving a challenge due to the continuing change in school governance. Some wording requires clarification or change as it is out of date, but it was also important to ensure that all types of school were represented at the Schools Forum, whilst still supporting the principle that reflected the number of children in schools, given the rise in the number of academies. This will be discussed at the July meeting. Members were asked to send any comments to julie.roberts@staffordshire.gov.uk.

39. Update to the Staffordshire Scheme for Financing of Schools

The Senior Accountant (Entrust) introduced this report drawing members’ attention to the additional reasons for the issue of a Notice of Concern. This indicated that a more proactive approach was being taken to the relationship between the authority and each of the maintained schools in Staffordshire.

Section 2.15 had been expanded to include a number of reasons why a Notice of Concern should be issued to an individual school. These reasons included *failure to set an in year balanced budget by 31st May during a particular year, when a school’s first two years are considered to be in financial difficulty as a result of their multi-year budget submission as at 31 December or when a school causes sufficient concern to the local authority.*

Members stated that if a school is in financial difficulty in the first two years it is unlikely that this could be rectified in year. Members asked what would happen if schools did not respond with plans to rectify the situation and asked if monitoring visits would be recharged to the school. The initial monitoring visit will not be charged to the school, but subsequent visits, if required, will be recharged.

Members asked if there were any plans to clawback underspends. There were no plans to introduce clawback arrangements at present. Any future amendments to the Scheme would be made in line with statutory guidance.

Members raised concerns regarding the difficulty of running a budget monitoring report on MyFinance. These concerns had been raised at the Secondary Heads Forum. This had resulted in schools paying for more monitoring visits and staff training. Officers agreed to feedback these operational concerns to the My Finance Working Group.

RESOLVED – That:

- a) The report be approved; and
- b) Concerns regarding the running of budget monitoring reports on MyFinance be fed back to the MyFinance Working Group.

40. Notices of Concern

There were no new Notices of Concern.

Members expressed concerns regarding their ability to operate a balanced budget and stated that they would expect the number of new Notices of Concern to increase in light of the previous discussion. Schools expressed the view that they had already implemented restructuring and reduced staff to reduce costs. There were some restrictions on how far this could be extended as schools were required to have a minimum number of classes. Concerns were also expressed regarding adult:child ratios. Members considered that reducing staff numbers could lead to an increase in redundancy costs and this was not sustainable in some schools. Details of the costs were given at the end of Section 11. There had been no changes in this regard. The Chairman asked if this could be reconsidered.

Members expressed serious concerns about their ability to cut budgets any further.

Members raised objections to the public shaming of the issue of Notices of Concern and one member suggested that it should be clear as to why a Notice had been issued.

Members asked if a maintained school went into special measures, who would pay off the deficit budget. The County Commissioner responded that this would be funded from DSG reserves unless a loan had been agreed before the school went into special measures. With reference to redundancies, he explained that although the local authority had removed the facility for schools to take out loans against redundancy payments following the publication of statutory guidance, the local authority did work with schools to establish how the deficit could be met and there was regular monitoring of this. If progress was made to reduce the deficit the Notice of Concern would be removed. The Council will work proactively with schools to manage their budgets.

Members stated that using reserves was not sustainable and asked if the multi year modeller could be expanded to five years. The County Commissioner explained that some schools had a significant level of balances across all sectors. Members suggested that holding money in reserves could be a reason for issuing a Notice of Concern.

The Chairman summarised that there was a great deal of concern amongst Members regarding the criteria for issuing Notices of Concern and asked if a further detailed report could be brought back to the Forum to include what schools should do if they are issued with a Notice of Concern. Members were asked to let the Senior Accountant (Entrust) have details of specific concerns that would be addressed in a future report to the Forum.

RESOLVED – That:

- a) The report be noted;
- b) Notices of Concern contain some narrative in future reports;
- c) The Cabinet Member for Education and Skills agreed to investigate the issue regarding redundancy costs and report back to the next meeting; and
- d) The Senior Accountant (Entrust) should come back to a future meeting with a report on Notices of Concern.

41. Schools Budget 2019/20

The Senior Corporate Accountant summarised his report drawing members' attention to the actual centrally retained budgets to fund Education Functions remaining at the same level as agreed in October 2018, detailed in paragraph 15. This is lower than anticipated in October due to the higher number of pupils on roll at maintained schools.

Moving on the individual school budgets, detailed in paragraphs 9-16 of the report. Attention was drawn to the 0.5% of Schools Block funding that has been transferred to the High Needs Block for 2019-20. This amounted to £2.4m.

Members asked what the impact of this was.

The National Funding Formula (NFF) included two transitional protections: a minimum per pupil funding level and a 1% uplift from the 2017-18 baseline. It was explained that when the NFF was introduced additional funds had been put into the formula. In order to ensure that individual schools' budgets are affordable with the schools' block DSG, gains had been capped at 0.7% except where the gain is greater than 15%. In this case the alternative gains cap had been applied and schools also receive 20% of the gains above the cap. This ensures that small schools do not receive very small cash increases.

The actual levy per pupil for 2019-20 had been set at £48.49. This is lower than anticipated in October (when members agreed to a levy of £51.78) due to the higher number of pupils on roll at maintained schools.

It was brought to the Schools Forum attention that within the schools' block DSG allocation, there is an allocation for pupil growth. From 2019-20 this allocation is based upon actual growth in pupil numbers between Censuses rather than historical spend on growth funding. For 2019-20 there has been an increase in growth funding, which has been passed on to schools through the formula. However, growth in pupil numbers is likely to fluctuate and schools should be aware this will lead to fluctuations in the amount allocated through the formula in future years.

Moving on to Early Years Funding, with reference to the requirement in 2019-20 for local authorities to pass 95% of early years' funding to providers, members asked if this figure of 5% was high given the number of maintained nurseries and asked if this 5% was still required.

It was explained that this covered the contract with Entrust for £1m in addition to SCC overheads. The Cabinet Member for Children and Young People stated that the local authority was keen to increase the money per hour and representations were being made regarding the disparity in rates between Staffordshire County Council and other local authorities. The amount is calculated on what we receive, rather than what we spend. The Cabinet Member for Children and Young People agreed to review the 5% and establish what it was being spent on.

Members asked how much of the contingency was being spent on Early Years. The Senior Corporate Accountant replied that he only had one year's data for 2017-18, which showed an overall underspend for the Early Years Block.

Moving on to the High Needs Funding. The Senior Corporate Accountant explained that for 2019-20 every local authority will receive an underlying increase of at least 1.0% per head of 2-18 population. This is still a high-risk area. Special schools continue to be funded on a place plus top up basis, the value of which is £10,000. The Minimum Funding Guarantee continues to apply to special schools and prevents the top-up element of a schools' budget from reducing by more than 1.5% based on the same pupil numbers and profile of needs. Special school gains have been capped by 0.7%. The post 16 high needs budgets for colleges and independent providers had been adjusted to reflect a transfer of post-16 provision between providers. All other allocations remained as at 2018-19.

With reference to Pupil Referral Units, members asked if the 328 places commissioned by the Council represented a reduction in numbers. Members expressed concern regarding the number of pupils that could safely be accommodated in schools and recognised the immense pressure that PRUs were under and the need for a sustainable funding plan. Members also asked what the plan was to support schools who wished to not permanently exclude pupils. The County Commissioner explained that the plan was to support schools in accessing early help. Members asked for clarification that this was part of the SEND action plan. The County Commissioner acknowledged the challenge facing schools but stated that if (PRU) provision was increased it would be filled. PRUs should be 'short stay' schools, but in Staffordshire we have a high number of permanently excluded pupils in PRUs that should be moved into other provision. This issue should be addressed as part of the inclusion agenda. Members expressed concern regarding the financial challenges facing PRUs.

RESOLVED – That:

- a) The report be noted; and
- b) A further report on the Early Years' Funding expenditure be brought back to the Forum.

42. High Needs Block Update

The Chairman drew members' attention to the DSG balances under paragraph 7 of the report. The 2019/2020 figure of (£0.25m) should state £0.25m i.e. a positive figure.

The County Commissioner updated members on High Needs Block funding. The DfE had confirmed that Staffordshire will receive £1.7m in 2018/19 and a further £1.7m in 2019/20. The overall DSG balances were given in paragraph 7 of the report. An overspent of £5.60m was forecast.

Members asked for clarification of the £2.0m underspend on Early Years. The Senior Corporate Accountant responded that although there was an underspend forecast in 2018/19, this was a very volatile figure as an increase in 3 and 4 year olds could result in an overspend.

The main areas of forecast overspend were detailed in paragraph 9 of the report and indicated the need to address the spend on the High Needs Block differently including SEND and early help and reducing spend on costly services by early intervention.

Local authorities are measured by Ofsted and the DfE on the basis of inclusivity i.e. numbers of young people with an Education and Health Care Plan (EHCP) who are educated in a mainstream special school. Staffordshire has a large special school estate and therefore there are a large number of children educated in special schools. The numbers (of young people with an EHCP) in independent special schools is in line with the national average, but it should be lower as Staffordshire had a large school estate. Members referred to the aggressive marketing practices of independent special schools. They also stated that there are no places in maintained special schools. The numbers of children placed in special schools had risen by a third in the last few years and the funding had not kept pace with this increase. Members asked for a long-term strategy.

Members asked about the cost of out of county placements. The County Commissioner stated that Staffordshire's charges are lower than many other local authorities and the Council cannot charge local authorities placing children in special schools in Staffordshire any more than we would charge Staffordshire pupils in places in Staffordshire schools.

Members expressed concern at the time taken for district officers to deal with applications for places in special schools and the reduction in the budget for special schools.

Members questioned the inclusion in the High Needs Block of the residential element for five special schools. The County Commissioner stated that the residential educational element was not part of the statutory element of the budget and is not included in the EHCPs. This is being revisited.

RESOLVED - That the Schools Forum notes the update on the High Needs Block.

43. SEND Local Area Inspection - Written Statement of Action

The County Commissioner updated members on the draft joint local area SEND written statement of action attached as an appendix to the report. He explained that a number of operational action plans sat underneath this plan. The plan is being co-produced with Schools Forum representatives, parents, social care and health colleagues and must be submitted by 12 April. It was acknowledged that the plan would require additional funding and this will affect the deficits in the short-term.

Members stated that there was some confusion about what was happening at a local level and that it would be helpful to explain to head teachers what they could and could not do. There was an example quoted of parents getting private psychologists to undertake EHCPs to expedite getting their children into special schools. A similar example of schools paying for children in need of autism outreach to facilitate them getting an EHCP. The County Commissioner clarified that just because a child has an EHCP did not mean that they would automatically get a place in a special school. There was a need for an inclusive approach. Members stated that there was a graduated response document that was being developed by an Educational Psychologist that could help. There was a need for more openness regarding the criteria for placement and a less fragmented approach as reflected in the main findings of the report.

The Cabinet Member for Children and Young People stated that he was confident that the Hubs operating in Leek and South Staffordshire were the right way forward and understood that if children with special needs were to be taught in mainstream schools that schools required the resources. He asked members to inform him of any concerns and he would raise them with the SEND Transformation Group. Members stated that they were committed to early intervention, but there were already children (with special needs) in Years 5, 6, 7 and 8 (and their families) in school who had not had the benefits of early intervention, and who needed support. There was a need for a plan for these pupils and their families.

Members were pleased that action had already been taken to redress the capacity issues within the Children and Families team.

RESOLVED – That the content of the report be noted.

44. Work Programme

The Chairman proposed further discussion on the SEND local Area Inspection at the July meeting.

To address the questions raised by members promptly the Chairman advised that questions where a detailed response was required should be sent to him.

RESOLVED - That:

- a) An update on Early Years and Redundancy Strategy be added to the Work Programme in July 2019, at the request of the chairman; and
- b) Members forward any questions that required a detailed response to the Chairman.

45. Date of next meeting

RESOLVED – That the next meeting of Schools Forum be scheduled for Thursday 4 July 2019 at 2.00 p.m. in the Oak Room, County Buildings.

Chairman