

## Minutes of the Schools Forum Meeting held on 26 March 2018

Present: Steve Barr (Chairman)

### Attendance

Wendy Keeble	Sara Bailey
Richard Osborne	Jonathan Jones
Wendy Whelan	Kevin Allbutt
Lesley Wells	Steve Swatton
Philip Siddell	Judy Wyman
Richard Redgate	Liz Threlkeld
Alison Gibson	Richard Lane
Stuart Jones	Anita Rattan
Philip Tapp (Vice-Chairman)	
Karen Dobson	

**Observers:** Mark Sutton and Philip White

**Also in attendance:** Alison Barnes, Julie Roberts, Andrew Marsden, Michelle Williams and Graham Pirt

**Apologies:** Claire Shaw, Ally Harvey, Chris Wright, Claire Evans and Matthew Baxter

### PART ONE

#### 93. Declarations of Interest

There were none at this meeting.

#### 94. Minutes of the meeting held on 16 January 2018

**RESOLVED** – That the minutes of the Schools Forum meeting held on 16 January 2018 be confirmed and signed by the Chairman.

#### 95. Matters arising and Decisions taken by the Chairman

The Chairman reported that he had attended the first meeting of the Staffordshire Education and Skills Strategy 2018-22 Group in February. The second meeting was to be held at the end of April and the Vice-Chairman would be attending this on behalf of the Schools Forum. In response to a question, officers advised that engagement with Forum would be considered as part of a communications strategy.

There was a lengthy update in the schools e-bag on “My Finance”, and as part of addressing the issue of making this more effective there was a short survey for schools to complete.

Other follow-up action included:

- a meeting had been arranged early in April for officers to consider the Constitution; and
- a message had been included in the schools e-bag containing a link to the Forum webpage and giving dates of meetings up to 2019.

It was suggested that proposals for the NJC Green Book Pay Award Offer for 2019/20 should be included on the Work Programme.

The Chairman informed members that Geoff Crockett, County Manager for Education, was to take early retirement. He wished to record his appreciation for everything that Geoff had done, in a variety of roles over a number of years in the Education Service.

## 96. Schools Budget 2018/19

*[Jo Galt, Accountant from Finance and Resources, in attendance for this item]*

At the 3 October 2017 Forum Members had considered the indicative level of planned central expenditure for 2018-19 and had given approval to the budget provision for a range of areas to enable the local authority to meet the DfE timescale for submitting individual school budgets to ESFA in mid-January.

De-delegated items remained unchanged following the 3 October 2017 vote. The Forum also considered Central Expenditure Budgets, and Members agreed to delegate the School Improvement Budget of £818,250. The following tables include the 2017-18 budgeted value, the indicative value discussed at the October meeting and the final value used to set school budgets.

	2017-18 £	Indicative 2018-19 £	Final 2018-19 £
Admissions & appeals	786,050	786,050	786,050
Maintenance and servicing of Schools Forum	11,780	11,780	11,780
Prudential borrowing	924,130	924,130	924,130
Combined Services			
Families First - Local Support Teams	1,448,000	1,448,000	1,448,000
Entrust - School Improvement Services	818,280	818,280	-
SEN transport	250,140	250,140	250,140
	<b>4,238,380</b>	<b>4,238,380</b>	<b>3,420,100</b>

	2017-18 £	Indicative 2018-19 £	Final 2018-19 £
Infant Class Size	95,000	95,000	95,000
Significant Pupil Growth / New school funding	500,000	500,000	500,000
Falling rolls fund	n/a	n/a	n/a
	<b>595,000</b>	<b>595,000</b>	<b>595,000</b>

In October the Forum had agreed that the amount included in the Central Schools Block to fund Education Functions (services previously funded by the Education Services

Grant (ESG) retained duties rate) be retained centrally for this purpose. The amount retained for 2018-19 was £1.768m.

Individual schools budgets were the largest part of the funding for the majority of schools. Formula Budgets were now based on the National Funding Formula (NFF), as approved by Schools Forum in December 2017 and Cabinet in January 2018. As part of the new arrangements the Schools Block of the Dedicated Schools Grant (DSG) was now ring-fenced. However, local authorities had limited flexibility to transfer schools funding to other areas, such as High Needs. These transfers were limited to 0.5% of the Schools Block and could only be made with the agreement of Schools Forum. Given the current forecast overspend on the High Needs Block it was likely that this transfer of funding would be necessary in 2019-20.

The NFF included two transitional protections: a minimum per pupil funding level, and 0.5% per pupil uplift, these protections replaced the Minimum Funding Guarantee. In order to ensure that individual school budgets are affordable within the Schools Block DSG, gains had been capped at 3.05% or 20% of formula gains, whichever was greater. This ensured that very small schools did not receive very small cash increases.

At the October Schools Forum meeting, Maintained School members agreed to a levy of £52.95 to fund services previously funded by the general duties element of ESC, with the exception of non-statutory education welfare. This was higher than in 2017-18 due to the transitional grant ending. The actual levy per pupil for 2018-19 had been set at £48.73. This was lower than anticipated in October due to a higher number of pupils on roll at maintained schools.

The PVI (Early Years) representative raised a number of questions regarding funding for early years funding, as follows:

- a) At a recent meeting of the National Day Nurseries Association, Staffordshire members had asked why providers were not receiving £4.00 per hour?
- b) Why has the £5.00 rate for 2 year olds not increased in line with increased costs?
- c) In relation to the contingency fund: has any of this been spent; why do we need it; what is it for; why is it higher for 2 year olds?

[Note by Clerk: Subsequent to the meeting, the following responses were provided:

- a) Staffordshire has been allocated £4.30 in a unit rate by central government for 2018-19. The County Council is allowed to centrally retain 5%, which equates to 0.22p. This means that £4.08 is the pass out rate to providers. The reason that all providers do not receive £4.00 per hour is because 1% (0.04p) is retained for contingency and 2.5% is channelled into deprivation (0.11p). The range of rates for Staffordshire providers in 2018-19 are:
  - £3.93 Universal Base Rate for all providers
  - £4.13 Universal Base Rate + deprivation band 1
  - £4.23 Universal Base Rate + deprivation band 2.

It should be noted that the deprivation element of the formula is also designed to ensure that providers who do not take many “fee paying” parents benefit from this additional funding to support their sustainability.

- b) The rate for 2 year olds will not increase further until we can assess variance between yearly census points. In 2016-17, due to the way funding is generated by yearly census points, we had to use DSG reserves of £600K to prop up the

budget. Clearly, this is unsustainable in the long term and therefore we have set a contingency budget in order to ensure that we are covered. Following analysis later this year, if we have overset the contingency figure we will be able to increase early years rates in the future.

- c) A contingency fund had also been set up to manage fluctuations in census figures from year to year of 1% for 3 and 4 year olds and 3.85% for 2 year olds. The contingency figure is higher for 2 year olds because it is not a universal entitlement and is criterion driven. This means that we see more fluctuation in take up term on term and it is this budget that has proven to be more difficult to forecast in previous years. With 30 hour childcare introduced as a new entitlement in September 2017, we had similar concerns with regard to take up and fluctuation and therefore have set a contingency budget to ensure that we are covered.]

The Schools Forum has a consultative role in the financial arrangements for pupils with Special Education Needs (SEN). As in previous years the ESFA had not permitted bids for growth in planned place numbers. However, the new NFF for high needs was beginning to recognise the challenges related to growth in pupil numbers by including a population factor in determining DSG allocations.

The budget had needed to deal with pressure on independent school fees. This cost was anticipated to be around £1.3m in 2018-19. This was as a result of sustained growth of about 20% (55% over the last 2 financial years) in independent special school places, with an average cost of approximately £46,500 per placement. A contributing factor to this growth was SEND tribunal rulings which were placing children at these schools, and also an overall strain on the authority's provision. The post-16 high needs budget for colleges and independent providers remained at the same level as in previous years. However, there did remain a risk that there could be further pressure on this budget due to the impact of the SEND reforms which meant that young people up to the age of twenty five were now able to access education. This could increase the number of required places.

Staffordshire currently had 2 primary schools which had speech and language centres attached to their schools and received a devolved budget to manage the costs. The funding was based on an agreed number of places at £10,000 per place. There was no top-up funding available. Although places for 2018-19 remained the same as in previous years at Victoria Community School (23 places), provision at Flash Ley (10 places) was to be decommissioned from September 2018. It was confirmed that this was due to fewer children being referred.

Due to the pressures on High Needs, a contribution from the DSG balances continued to support the overall budget. A Task Force Group was currently reviewing how funding could be managed in future years, as unless Staffordshire received higher funding from a new fairer funding system the situation was not sustainable in the long term.

**RESOLVED** – That Schools Forum note the update on the Schools Budget for 2018-19.

## **97. Update on the High Needs Block Recovery Plan**

The Forum was informed of the work which was being undertaken to remove the overspend within the High Needs Block, and of the need for a combined strategic approach with all education providers to meet the financial challenges which this presented. Failure to mitigate the High Needs overspend in 2018-19 would mean that a 0.5% funding switch would be required from the Schools Block to the High Needs Block in 2019-20. This would amount to £2.4m based on the 2018-19 Direct Schools Grant (DSG) allocation.

A High Needs Recovery Task Force had been convened and had now met 4 times and explored a range of options available for recovery of the High Needs Block overspend. Discussions had explored the benefits and risks attached to the withdrawal or reduction of a number of areas of funding. These included options for distribution of the Additional Educational Needs (AEN) funding, reduction in the overspend for out of authority Special School placements and options for addressing the overspend in alternative provision. Further work would be done on these areas as well as a number of other areas including top-up funding for post-16 independent provision.

The current High Needs forecast overspend was driving a number of discussions around potential options to manage the funding within the financial envelope available. There were already Transformation Projects taking place to pilot alternative ways of working and it was becoming apparent that there were ideas within these that would link directly with the High Needs Recovery Plan, including the Transformation Prototype in Leek, the new Prototype in South Staffordshire and the planned Early Years Prototype. The function of the prototypes was to consider a more localised approach to SEND provision leading to early intervention for pupils identified with SEND. The plan was that, because of the early intervention, there would be less recourse to requests for Education, Health and Care Plans (EHCPs). No financial modelling had yet taken place to quantify the financial implications of these. However when this has been done, and the impact evaluated, this may influence future decision making or further conversations around other ideas going forward, such as locality control of additional educational needs funding to reduce the requests for EHCP assessments. These had grown over the past 3 years from 609 in 2014-15 to 1,052 in 2016-17.

It was planned that the Prototypes would lead to a reduction in the requests for EHCPs and consequent Special School pressures resulting in the large percentage growth in Special School placements compared to the growth in primary population and the reduction in secondary school population. A panel had also been introduced to review permanent exclusions, in order to reduce alternative provision costs where demand for places had grown, greater than the growth in primary and secondary. Discussions were also taking place around reducing costs on independent Special School placements, through a planned joint social care, health and education review panel. Discussions had also commenced with Staffordshire Maintained and Academy Special Schools to review the funding of Special Schools in order to seek to reduce the pressure on Exceptional Needs funding.

The indicative allocations within the National Funding Formula had identified that there would be an additional £2m added into the High Needs Block in 2018-19, rising to an additional £3.8m added in for 2019-20. The forecast overspend for 2017-18 was

estimated to be £4.96m rising to between £4m - £7m in 2018-19 based on current trends. The DSG balances currently stood at £8.4m, if these overspends were realised the DSG balances would then be in deficit. Members were informed that the financial pressures within the County Council meant that the likelihood was that there would be no funding available from the local authority. Forum members raised objections to the fact that the cost of all of the overspend would have to be borne through the schools budget, given that a lot of the costs did not relate to children of school age and also that the decisions leading to this situation had been made by local authority officers. Concern was also expressed over how long it may take to bring this situation under control, and members requested that the update to the next meeting should provide an indication of the direction of travel, projections of expenditure and more detail on options.

**RESOLVED** – That the progress of the High Needs Recovery Strategy Group be noted.

#### **98. Notices of Concern**

Since the last Forum meeting the County Council had issued the following Notice of Concern:

Winshill Village Primary and Nursery School     Directive Academy Order

**RESOLVED** – That the issue of a Notice of Concern to the school above be noted.

#### **99. Work Programme**

Forum members agreed that an item on the NJC Green Book Pay Award offer for 2019/20 should be included on the Work Programme, with a note to say that the date that this will be considered will be confirmed.

**RESOLVED** – That this addition to the Work Programme be noted.

#### **100. Date of next meeting**

**RESOLVED** – That the next Schools Forum meeting be scheduled for Tuesday 3 July 2018, at 2.00 pm at the Kingston Centre, Stafford.

#### **101. My Finance Update**

[**Note by Clerk:** Forum was informed that a feedback group had been set up on “My Finance”, and Wendy Keeble invited members to let her have any comments, queries or concerns which she would feed back to the group on their behalf. Email:

[W.Keeble@blythebridge.staffs.sch.uk](mailto:W.Keeble@blythebridge.staffs.sch.uk)]

**Chairman**