

Minutes of the Schools Forum Meeting held on 16 January 2018

Present: Steve Barr (Chairman)

Attendance

| | |
|-----------------------------|-------------------------|
| Philip Siddell | Steve Swatton |
| Stuart Jones | Judy Wyman |
| Philip Tapp (Vice-Chairman) | Liz Threlkeld |
| Karen Dobson | Nicky Crookshank |
| Ally Harvey | Richard Lane |
| Chris Wright | Anita Rattan |
| Kevin Allbutt | Chris Best (Substitute) |

Observers: Mark Sutton, Philip White and Richard Hinton

Also in attendance: Will Wilkes, Julie Roberts, Richard Hancock, Graham Pirt and Tim Moss

Apologies: Wendy Keeble, Richard Osborne, Wendy Whelan, Alison Gibson, Sara Bailey, Claire Evans and Matthew Baxter

PART ONE

83. Declarations of Interest

There were none at this meeting.

84. Minutes of the meeting held on 3 October 2017

RESOLVED – That the minutes of the Schools Forum meeting held on 3 October 2017 be confirmed and signed by the Chairman.

85. Matters arising and Decisions taken by the Chairman

In response to the feedback on the questionnaire in the Self-Assessment Toolkit in the EFA's Revised Guidance on Schools Forum, the following actions had been taken:

- a link to the four recently updated EFA documents had been included on the website;
- the category of schools which members represented had been included on their nameplates; and
- a meeting was being arranged to consider the Constitution.

In relation to contact details of Forum Members being included on the webpage, the Chairman reported that there had been a low response to the request for members' permission for this in writing. The Clerk was therefore requested to send out a further email. The issue of the web page being more clearly signposted would be addressed as part of a wider project to update the County Council website.

A Cabinet meeting was to take place the day after Forum for political ratification of the National Funding Formula. Following consultation with schools the consensus had been that they agreed with the Forum's view and consequently the Chairman had decided to cancel the Extraordinary Meeting of the Forum which had been set up for 12 December 2017.

The Chairman reported that the NJC Green Book Pay Award offer for 2018/19 for support staff had been announced, but not ratified. This was for an increase of a minimum of 2% over the period 2018/20, with an uplift for those on the lower increments. There would be a new pay spine in 2019/20, to accommodate changes in the living wage. A note on this would be included in the Schools E-bag next week. Tim Moss was requested to contact HR to request clarification on the proposals for the award for 2019/20 for this to be reported to Forum as early as possible.

In relation to queries raised previously on the de-delegation figures for 2018/19, it was confirmed that both the Primary Support Services figure and the figure for Licences and Subscriptions would remain the same as those stated in the report considered at the previous meeting.

The Chairman informed Forum that he had responded to the EFA consultation regarding the provision of loans for the purpose of redundancy payments, as had the County Council.

86. Growth Fund 2018-19: Funding of New Schools

[Geoff Crockett, County Manager for Education, in attendance for this item]

In relation to Free Schools, DfE advice on the Free School Presumption stated that "local authorities are expected to work with selected proposers to agree a reasonable and mutually acceptable funding allocation for the local authority to cover pre and post opening costs". This was also reflected in the Schools Revenue Funding 2017 Operational Guidance. On the basis of DfE guidance, advice from the Educations and Skills Funding Agency (ESFA) and concerns expressed by potential academy sponsors, the current level of Growth Funding for new free schools in Staffordshire was insufficient to support "reasonable" pre and post opening costs until a "school reaches full capacity". The number of new schools required in Staffordshire over the next five years was thirteen, with a further thirteen needed post 2022.

All new schools opening in Staffordshire would have to be free schools, and there were currently two routes for this to happen:

- **DfE Free School "Wave" route** – where applications were administered by the DfE, and where start-up costs were funded by the ESFA for schools that were to open as two Form Entry (FE) or greater.
- **Local Authority Free School Presumption** – where the new free schools were needed to meet demand from new housing developments and were less than two FE. These schools would be established in accordance with Section 6A of the Education Act 2011 and the authority would therefore be expected to provide funding for their pre and post opening revenue start-up costs, at least until

2019/20 when the proposed changes to the National Funding Formula may potentially come into effect.

Brand new schools had a range of revenue start-up costs, of which the main elements were:

Pre-Opening Start-Up Costs prior to opening, for example the appointment of a head teacher/principal and other key staff for a period prior to opening, so that they can prepare the school to open to pupils; and

Post-Opening Start-Up Costs following the opening, in respect of:

Resources – A brand new school would need classroom materials and resources. The cost of building and equipping the new school, including IT and furniture and equipment would be met from the separate capital budget.

Diseconomies of scale and financial viability in the period after opening. New free schools typically opened with only one year group, for example Reception or Year 7, and the number of year groups would increase annually. As some cohorts would be empty, the number of funded pupils would be low in the years after opening, whilst the fixed costs of leadership, management, premises, etc. would be a disproportionately high proportion of a school's budget. Post-opening funding was therefore necessary to ensure that schools had a sufficient level of revenue funding to ensure viability. Funding would be payable only for brand new free schools established under Section 6A of the Education Act 2011, where there had been no predecessor schools.

Proposed Pre-Opening Start-Up Costs: Allocation Formula – a one-off allocation of £65,500 for any primary school, generally paid up to two terms before the opening of the new free school. This figure had been set in the light of guidance provided by the DfE – A Guide to New Mainstream Free School Revenue Funding 2017 to 2018. New schools would be able to use the allocation as they considered appropriate.

Proposed Post-Opening Start-Up Costs:

Resources: Allocation Formula – this would be calculated as £7,000 per 30 places created (excluding nursery). For example, a one FE 210-place primary school would create 210 places and receive a one-off allocation of £49,000 and a two FE school would receive £98,000. This funding would be paid over the first three years that the free school was open, proportionate to the build-up of pupil numbers.

Diseconomies of Scale and Financial Viability: In the years after opening, an amount would be paid annually based on the number of “empty cohorts” due to incremental year groups being admitted. The amount would depend on how many year groups with pupils aged 5-11 were empty, as set out below:

Table for one FE school – a two FE school would receive double

| Empty Cohorts | 6 | 5 | 4 | 3 | 2 | 1 | Total |
|---------------|---------|---------|---------|---------|---------|--------|----------|
| 1FE Primary | £40,250 | £33,750 | £27,000 | £20,250 | £13,500 | £6,250 | £141,500 |

Source: A guide to new mainstream free school revenue funding 2016 to 2017, DfE.

It was queried whether the option of developing an existing school to accommodate additional pupils was taken into consideration. It was confirmed that the School

Organisation Team would have discussions about what was possible, although ultimately it would be the decision of the Governing Body whether to approve the development of a school.

On 3 October 2017, the Forum had set a budget of £500,000 to support “Exceptional Pupil Growth/New School Funding” and £95,000 for Infant Class Size Funding. Allocations from both categories of funding were administered by the School Organisation Team and the total budget of £595,000 had been underspent for the last two years. The current estimated spend showed a projected underspend for 2018/19 totalling £155,885. However, with the opening of seven new free schools in the next two financial years this would require Forum to agree, at a later date, an increase in the total budget.

RESOLVED – That the revised criteria and increased allocations for the element of Growth Fund which provides funding for brand new primary free schools and academies be agreed.

87. Update on Procurement Regulations

[Deborah Fern and Michelle Williams, Entrust, in attendance for this item]

The Procurement Regulations for Schools lays down the detailed regulations and procedures that schools must follow in order to demonstrate proper safeguards and controls for ensuring best value in purchasing decisions and to safeguard the governors and staff of the school when making purchasing decisions. The scheme was last updated in 2016 and a copy of the current version was available on the Staffordshire Learning Net to be viewed by any interested party. The Council’s procurement regulations had recently been revised/published, in September 2017. The limit for obtaining quotations had been increased from £15k to £25k. Consequently this needed to be matched within the Procurement Regulations for Schools, with amendments to the following Sections:

- Section E – Your discretion to enter into contracts valued below £25,000 (E1 and E2)
- Section F – When you must get tenders (F1, F3 and F4)
- Section G – Full procedure (G1)
- Section H – Accepting quotations and tenders (H3 and H5)

RESOLVED – That the revised Procurement Regulations for Schools be approved.

88. Update to the Staffordshire Scheme for Financing of Schools

[Deborah Fern and Michelle Williams, Entrust, in attendance for this item]

Any amendments to the Staffordshire Scheme for Financing Schools (SSFS) require the approval of Schools Forum.

The SSFS sets out the financial relationship between the authority and each of the maintained schools in Staffordshire. The scheme was last updated in July 2017.

Section 4.10.2 – The ESFA was currently consulting with schools regarding the provision of loans for the purpose of redundancy payments. It was likely that this scheme would be withdrawn. The date of withdrawal would be either 1 April 2018 or the date of publication of the results of the ESFA consultation, whichever was the earliest.

Section 4.9 (a) – Statutory guidelines stated that the maximum length of loan should not exceed three years. The County Council were proposing a change to the wording to identify the three years as the normal period over which the loan should be paid, with additional years offered at the discretion of the County Council. It was agreed that any communication with schools would need to be very clear and unambiguous.

The SSFS included, as Annex A, a list of maintained schools to which the SSFS applied. Over the years schools opened, closed, became academies or changed names. This list had been updated to reflect the schools maintained by the authority as at 1 September 2017. It was planned to update this Annex to the SSFS annually from now on.

RESOLVED – That the revised Staffordshire Scheme for Financing Schools be approved.

89. Notices of Concern

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

| | |
|------------------------------|-------------------------|
| Holy Rosary Catholic Primary | Directive Academy Order |
| Chaselea Pru | Directive Academy Order |

Since the last Forum meeting the County Council has withdrawn the following Notices of Concern for the reason given:

| | |
|-------------------------|-------------------------------------|
| Dosthill Primary School | 01.01.18 Sponsored by Fierte MAT |
| Perton Middle School | 24.11.17 Licensed Deficit Agreement |

RESOLVED – That the issue/withdrawal of Notices of Concern to the schools listed above be noted.

90. High Needs Block 2017/18 Projected Outturn

Members considered details of the overspend within the High Needs Service and the need for a combined strategic approach with all education providers to meet the financial challenges. Failure to mitigate the High Needs overspend would mean that a 0.5% switch would be required from the Schools Block to the High Needs Block in 2019/20.

The financial risk within the High Needs Service had been previously notified to Schools Forum. The 2016/17 outturn was £2.5m over budget before planned use of reserves. This had mainly arisen from an increase in numbers and, as a consequence, costs relating to High Needs top-up funding to pupils in both mainstream, known as Additional Education Needs (AEN), and special schools, known as Matrix funding.

The indicative allocations within the National Funding Formula (NFF) 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. These figures included the additional allocation as a net importer of SEND pupils in special schools.

The forecast overspend for 2017/18 was estimated to be £4.96m rising to between £4m - £7m based on current trends. The Direct Schools Grant (DSG) balances currently stood at £8.4m, if these overspends were realised the DSG balances would then be in deficit. The effect of balances are outlined in the following table:

DSG Balances – Without High Needs Recovery plan

| | Scenario 1 High Needs forecast continues to grow at levels seen in 2017/18 | Scenario 2 High Needs forecast grows at rates experienced in the last 3 years |
|--|--|---|
| | £m | £m |
| 1st April 2017 Opening balance | 8.35 | 8.35 |
| High Needs Overspend | (4.96) | (4.96) |
| 1st April 2018 Opening balance | 3.39 | 3.39 |
| High Needs Overspend | (7.11) | (4.16) |
| 31st March 2019 Closing balance | (3.72) | (0.77) |

A breakdown of the 2017/18 overspend in the High Needs Block is outlined below:

| Service Area | Budget 2017/18 | Forecast Outturn 2017/18 | (Over) / underspend 2017/18 |
|--|---------------------------|---|--|
| | £m | £m | £m |
| Staffordshire Special Schools and Academies | 35.986 | 37.159 | (1.173) |
| Staffordshire Pupil Referral Units & District Inclusion Partnerships | 5.944 | 6.106 | (0.162) |
| Special Units | 0.318 | 0.318 | 0.000 |
| Staffordshire Mainstream Schools | 7.715 | 9.629 | (1.914) |
| Pupils in other LA Special & Mainstream Schools & Academies | 1.062 | 1.329 | (0.267) |
| Early Years Inclusion Fund | 0.222 | 0.255 | (0.033) |
| Independent Schools Mainstream | 0.319 | 0.425 | (0.106) |
| Independent Schools Special | 6.567 | 8.186 | (1.619) |
| Tier 4 Education in Hospital Provision | 0.323 | 0.295 | 0.028 |
| Top Up Funding - Post 16 Academies and Independent | 3.956 | 3.956 | 0.000 |
| SEN Support Services | | | |
| Families First | 4.725 | 4.436 | 0.289 |
| Entrust | 2.788 | 2.788 | 0.000 |
| Grand Total | 69.925 | 74.882 | (4.957) |

Some reasons for the forecast overspend were linked to:

- a) The overall population within Staffordshire schools had increased by 1.9%, but the greatest increase is highlighted below within the PRUs and Special Schools, which were funded from the High Needs Block.

Number of Pupils on Roll in the January School Census

Excluding subsidiary registrations

Only includes statutory school age - NCY Reception to year 11

| School Type | Jan 2012 | Jan 2017 | Percentage Increase |
|--------------------|----------------|----------------|---------------------|
| Primary | 57,911 | 62,725 | 8.3% |
| Secondary | 48,613 | 45,506 | -6.4% |
| PRU | 171 | 204 | 19.3% |
| Special | 1,607 | 1,950 | 21.3% |
| Grand Total | 108,302 | 110,385 | 1.9% |

- b) The wider SEND population was significantly increasing. Since September 2014 there had been a marked increase (29%) in the overall number of EHC Plans/Statements.

| Year | Total Number of EHCP & Statements |
|---------|-----------------------------------|
| Jan 15 | 3,400 |
| Jan 16 | 3,631 |
| Jan 17 | 3,933 |
| current | 4,381 |

- c) There had been a substantial increase in both the number of requests for EHC assessments (72%) and the number of assessments completed (92%). During the 2016/17 academic year, of the 1,052 EHC applications received, 575 were from schools (54.657%).

| Academic Year | Requests for EHC Assessments | EHC Assessments completed |
|---------------|------------------------------|---------------------------|
| 14/15 | 609 | 321 |
| 15/16 | 889 | 541 |
| 16/17 | 1,052 | 617 |

- d) Provisional data analysed in December indicated that 49% of pupils with EHCs were placed in specialist provision, as compared to 28% in mainstream schools.

| Type of Provision | No as at Dec 2017 | % |
|--------------------------------|-------------------|-----|
| Specialist Provision | 1,945 | 49% |
| Mainstream Provision | 1,119 | 28% |
| Education Other than at School | 383 | 10% |
| Post 16 (FE & Specialist) | 534 | 13% |
| Grand Total | 3,981 | |

- e) The increased demand for places within specialist provision through parental requests and SEND Tribunal decisions had resulted in an increase in pupils being placed in the independent specialist school sector, creating a 24% increase in this school population. The cost of an independent specialist placement can cost up to circa £200k per pupil.
- f) Numbers of pupils who had been permanently excluded for both primary and secondary were above the national average. In 2014/15 there were 130 permanent exclusions, however in 2016/17 this increased to 234 (48 of which were primary aged pupils). Early indications for the 2017/18 academic year predicted in excess of 300+ pupils would be permanently excluded.

The immediate short term task was to identify a joined up strategy with education providers to reduce the overspend on the High Needs Block and by 2019/20 to bring the High Needs expenditure to within the DSG allocation. A High Needs Recovery Strategy Group was being established to look at this issue. Members queried whether there was a College representative and SEN representative on the Group. The Head of Families First and Deputy Director of Children's Services informed Forum that he would be happy to include additional representatives on the Group if they could add value. The Clerk undertook to circulate details of the membership, contact details for lead officers, and the date of the meeting. If the strategy was unsuccessful the DSG balances would be brought into deficit. The financial pressures within the County Council meant that the likelihood was that there would be no funding available from the local authority. Consequently this would mean that in 2019/20 funding would have to be switched from the Schools Block to the High Needs Block.

It was acknowledged that this was a countrywide problem. However, Staffordshire's exclusion rates were higher than the national average, the number of pupils with EHC Plans put the County in the top quartile, and the authority was in a worse position than its statistical neighbours. If expenditure on the High Needs Block could be reduced to the average this would be a significant improvement.

RESOLVED – That:

- a) The report be noted; and
- b) The progress of the High Needs Recovery Strategy Group be regularly reported to Schools Forum in 2018.

91. Work Programme

A copy of the 2018/19 Work Programme was tabled at the meeting. Forum members agreed that a report should be requested about the NJC Green Book Pay Award offer for 2019/20, as early as possible, and that this should be included on the Work Programme when the timescale was known.

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

92. Date of next meeting

RESOLVED – That:

- a) The next Schools Forum meeting be scheduled for Monday 26 March 2018, at 2.00 pm at the Kingston Centre, Stafford; and
- b) The dates of future meetings, as follows, be noted:
 - Tuesday 3 July 2018
 - Thursday 18 October 2018
 - Thursday 10 January 2019
 - Thursday 28 March 2019

Chairman