

**MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, Brockington, 35 Hafod Road, Hereford HR1 1SH on Friday 25 January 2013 at 9.30 am**

**Present:** Mrs D Strutt (Chairman)  
Mr NPJ Griffiths (Vice Chairman)

Mrs S Bailey, Mr P Barns, Mrs J Cecil, Mr JA Chapman, Mr K Crawford, Mr T E Edwards, Mrs A Jackson, Mrs C Lawson, Mr R Leece, Mr C Lewandowski, Mrs R Lloyd, Mr S Matthews, Mr I Peake, Mrs J Rees, Mr S Robertson, Mr A Shaw, Mrs L Townsend and Mr K Wright

**In attendance:** None

**Officers:** Mr C Baird, Assistant Director People's Services Commissioning, Mrs W Boulter, Senior Secondary School Improvement Adviser, Mr M Green, Senior Finance Manager, Mr A Hough, interim Head of Sufficiency and Capital Commissioning, Mr L Knight, Head of Provider Services (Additional Needs), Mr T Brown, Governance Services.

**100. APOLOGIES FOR ABSENCE**

Apologies were received from Mr P Burbidge, Mr J Docherty, Ms T Kneale, Mrs K Rooke and Mrs S Woodrow.

**101. NAMED SUBSTITUTES**

None.

**102. DECLARATIONS OF INTEREST**

Mr T Edwards declared an interest in agenda item 6: Report of Budget Working Group as a Governor of Fairfield High School.

Mr S Robertson declared an interest in agenda item 6: Report of Budget Working Group as a member of staff at Aylestone Business and Excellence College.

**103. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 19 October 2012 be confirmed as a correct record and signed by the Chairman.

**104. UPDATE ON COUNCIL BUDGET**

The Forum received a presentation from the Assistant Director People's Services Commissioning providing an update on the Council's budget.

A copy of the presentation has been put on the Minute book with the agenda papers.

The Assistant Director commented that he intended to meet colleagues to discuss options individually as well as meeting existing groups, rather than establishing a new working group for this specific purpose. He highlighted the wish to explore what the unintended

consequences of service reduction proposals might be, especially where the local authority provision was to receive a significant reduction.

A concern was expressed about the reduction in early years funding given the research evidence that had been produced on the benefits children derived from early years provision. The Assistant Director reiterated that the proposals the Forum were considering were concerned with the shifting of funding from the early intervention grant, to the Dedicated Schools Grant, in line with national government requirements, and reductions in support to providers. Discussions would take place as proposals were confirmed.

## **105. REPORT OF BUDGET WORKING GROUP**

The Forum considered the report of the Budget Working Group (BWG) on the following matters: the Council's financial position, Dedicated Schools Grant (DSG) settlement and proposed budget 2013/14, funded early education for 2 year olds, schools ICT network about cross-subsidisation and future development options, DSG underspend 2011/12, and a request from Fairfield High School – low prior attainment funding and underfunding of pupils from outside Herefordshire.

The Vice-Chairman of the Forum presented the report on behalf of the BWG with additional detail provided by the Senior Finance Manager.

The Senior Finance Manager highlighted that since the school funding values had been declared to the Education Funding Agency in October 2012 the Department for Education (DfE) had made an additional £149k available to fund new growth of 14.5 places in special schools. As the previous budget assumptions had provided for growth funding to be transferred from the Schools Block it was therefore proposed that this extra funding be added to the Schools Funding Block, increasing the per pupil funding by £7 per pupil in the final submission to the Agency.

The SFM also emphasised the complexity of estimating the funding requirement for the High Needs Block. A number of proposals before the Forum therefore sought to protect that budget alongside a review of the expenditure on services within that block and their management. It was observed that the need for special school places had grown significantly over the last ten years and that this trend was expected to continue.

Fairfield High School had requested a recalculation of its budget for Additional Educational Needs, which had been calculated on the known prior attainment scores of 61 pupils in year 7 rather than the 89 pupils actually admitted. Unfortunately no prior attainment information was available from Wales and so the average attainment had been used for all pupils. It was asked whether in future there could be some mechanism for recalculating budgets in such cases. The SFM commented that the National Funding Formula was quite prescriptive and would not permit such an approach.

The Forum gave particular consideration to the DSG underspend 2011/12 and the proposal to set aside a provision to meet the potential deficits of sponsored academies.

The Budget Working Group had been advised that the DfE had indicated that three schools, each with a deficit, could progress as sponsored academies during the next 12 months. In these circumstances, under The Academies Act 2010 all three schools could close and open as new academy schools leaving any deficit behind. School finance regulations provided for any such deficits to be treated as DSG central expenditure. The BWG's recommendation in the report to the Forum proposed that a provision should be set aside to meet this deficit were it to materialise.

The Vice-Chairman drew attention to an article that had appeared in Hereford Times on the proposal to set aside a provision. A paper was circulated on behalf of two of the schools in response to the article in the Hereford Times.

A proposal was made that a provision should be made for sponsored academies deficits. However this should be subject to a further report being made to the Forum in May 2013 in the expectation that further information would then be available from the Department for Education.

In discussion the following principal points were made:

- Some Members questioned the retention of the £900k, which equated to a one-off payment to schools of an additional £45 per pupil. It was suggested this funding could be put to good use in schools now, rather than being set aside to provide for a situation which may or may not transpire, within an unknown timeframe.
- Officers advised that in their view retention of the provision was the prudent course to manage the risk that £900k would have to be found to pay off the deficit of the three schools. Recouping money from schools would be a painful process and because of the effect of the Minimum Funding Guarantee, some schools would bear disproportionately more of the cost than others. In addition, as a one off sum, it needed to be borne in mind that the money would not support ongoing expenditure, including situations where schools were currently considering redundancies.
- It was acknowledged that recouping money from schools was a painful process.
- That other options for funding the deficit, other than the DSG should be explored.
- That research should be carried out to establish whether there had been any instances where the DfE had insisted upon conversions to academies and required the Local Authority to meet a deficit.

It was proposed that the meeting scheduled for 13 May should be rearranged to 3 May for consideration of this issue.

The Chairman emphasised that the Forum was addressing a matter of principle not the circumstances of the individual schools.

In relation to the remainder of the unallocated underspend clarification was sought and provided on the proposed appointment of a School Safeguarding Officer and the postholder's role.

**RESOLVED:**

**That (a) The Cabinet Member (Education and Infrastructure) be recommended that:**

- 1. In principle the Authority should try to maintain the school funding values already declared to the Education Funding Agency in October 2012 but with an increase the per pupil funding by £7 per pupil in the final submission to the Agency;**
- 2. The following budget transfers be made from the High Needs Block to the Schools Block in order to make the schools budget balance:**

- a. £332k previously allocated to fund Band 3 & Band 4 top-ups; and
  - b. £225k reflecting the £6,000 school spend (out of the £11,500) for the centrally retained banded funding for new band 4s for primary schools in 2012/13.
3. the additional £149k notified for special schools growth be allocated to the Schools Block;
  4. the one-off additional budget for early years of £127k be divided equally between the contingency sums in the High Needs Block and Early Years;
  5. the proposed Dedicated Schools Grant Budget 2013/14 as set out in the appendix to the report be approved;
  6. it would be prudent to provisionally allocate a reasonable amount of any potential underspend on the 2012/13 DSG to protect the High Needs Budget in 2013/14 and 2014/15 until experience is gained of how the new funding arrangements for the High Needs Block will operate in practice;
- (b) given the complexity and scale of the funding changes, the High Needs Block would benefit from a detailed review to consider how the spend patterns and demand management might be altered particularly in the light of past and expected future increases in expenditure and this work be undertaken in 2013/14 alongside the preparatory work for the new top-up tariffs;
  - (c) the Budget Working Group should receive regular updates on expenditure on the High Needs Block;
  - (d) the Cabinet Member (Education and Infrastructure) be recommended that the DSG underspend 2011/12 be allocated as follows:

Provision for sponsored academies deficits – to be released only with agreement of Schools Forum in future if deficits crystallise, and subject to a further report being made to the Forum on 3 May 2013 in the expectation that further information will then be available from the Department for Education.	£900k
Music Service Deficit – meeting existing commitments	£75k
School Safeguarding Officer for 24 months	£121k

- (e) the request from Fairfield High School for a recalculation of its Additional Educational Needs Funding for 2012/13 should not be supported.

**106. UPDATE ON SCHOOLS' CAPITAL INVESTMENT PROGRAMME**

The Forum received an update on the capital funding programme for 2012/13.

The interim Head of Sufficiency and Capital Commissioning presented the report.

It was noted that because of the limited funding available for 2013/14 schools had not been invited to submit bids. The Capital Working Group would meet to discuss the allocation of funding.

It was confirmed that a contingency sum within the capital maintenance allocation was needed to deal with issues such as the consequences of severe weather and was ring fenced.

The Forum noted the report.

**107. MEMBERSHIP OF THE BUDGET WORKING GROUP**

The Forum considered the membership of the Budget Working Group.

In accordance with the Forum's decision on the Group's composition in October 2012 nominations had been invited and received from representative groups. These were set out in appendix 1 to the report.

**RESOLVED:**

- That (a) the membership of the Budget Working Group be approved as set out in appendix 1 to the report; and**
- (b) Mr A Shaw be appointed Chairman of the Budget Working Group for the remainder of the ensuing year.**

**108. WORK PROGRAMME**

The Forum agreed that the following matters would be discussed at the meetings in March and May:

Friday 12 March: To consider proposals for the "Top up" funding tariffs for the High Needs Block 2013/14.

Friday 3 May (rearranged from 17 May): Dedicated Schools Grant Underspend 2011/12.

**109. MEETING DATES**

The Forum noted the dates of future meetings and the change of the date of the meeting scheduled for 17 May to Friday 3 May 2013.

The meeting ended at 11.25 am

**CHAIRMAN**