

MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Friday 15 January 2016 at 9.30 am

Present: Mrs J Rees (Local Authority Maintained Primary School) (Chairman)

Mrs S Bailey	Special Schools
Mr P Barns	Pupil Referral Unit
Mrs W Bradbeer	Academies
Mr P Burbidge	Roman Catholic Church
Mr J Docherty	Academies
Mr T Edwards	Local Authority Maintained Primary School Governor
Mr M Farmer	Academies
Mr N Griffiths	Academies
Mrs L Johnson	Local Authority Maintained Secondary School Governor
Mr T Knapp	Academies
Mr C Lewandowski	Trade Union Representative
Mrs S Lines	Church of England
Mrs A Pritchard	Trade Union Representative
Mrs K Weston	Local Authority Maintained Primary School
Mr K Wright	Local Authority Maintained Primary School

226. APOLOGIES FOR ABSENCE

Apologies were received from Mrs S Catlow-Hawkins, Mrs J Cohn, Mr A Davies, Mr J Godfrey, Ms A Jackson, Ms T Kneale, Mr M Lewis and Mrs R Lloyd.

227. NAMED SUBSTITUTES

There were no named substitutes.

228. DECLARATIONS OF INTEREST

There were no declarations of interest.

229. MINUTES

RESOLVED: That the Minutes of the meeting held on 23 October 2015 be confirmed as a correct record and signed by the Chairman.

230. DEDICATED SCHOOLS GRANT 2016/17

The Forum considered final budget proposals for school budgets and the high needs block for the dedicated schools grant (DSG) for 2016/17.

A supplementary report from the Budget Working Group (BWG) containing some additional recommendations and some presentation slides had been circulated separately.

The Chairman of the BWG introduced a presentation. He thanked members of the Group and officers for their work. He summarised the position to date that, in response to a forecast overspend on the high needs budget, a savings plan had been agreed by the high needs task group. The DSG settlement had been better than expected meaning that there was no need to top slice school budgets to fund high needs. The BWG had supported the preferred option for allocating the additional resources to the high needs block. He also highlighted a list of guiding principles that had evolved to underpin the BWG's approach and invited the Forum to endorse them.

The School Finance Manager (SFM) continued the presentation. This included some draft guiding principles for high needs, which it was noted were to be considered by the high needs task group before a recommendation was made to the Forum; the final DSG settlement of £114,379k, the high needs forecast overspend of £906k for 2016/17, and the proposed high needs savings of £941k as set out in the published report. The SFM noted that many authorities nationally were experiencing similar pressures on the high needs budgets.

The SFM identified that the outstanding issues for consideration were: funding for special school costs in part or in full, funding for the Primary School SEN threshold protection scheme, extra delegation for secondary schools to support Pupil referral unit (PRU) charges to help reduce exclusions, funding of the multi-agency support hub – noting that the Secretary of State had not yet agreed to grant approval to vary the base Dedicated Schools Grant (DSG) budget to fund posts at the hub; and the need for investment in more in-county places to reduce the future costs of expensive out-county placements.

He reported that a member of the Forum, who was unable to be present, had submitted concerns about the introduction of a £6,000 charge for medical needs/visual impairment/hearing impairment, when previously these had been regarded by schools as separate to other high needs, and had also commented on the importance of retaining an SEN protection scheme for primary schools. The SFM commented that the view had been taken that all special needs should be treated the same. The proposal provided a modified SEN protection scheme for primary schools for 2016/17 only. All the medical, visually impaired and hearing impaired high needs pupils would be included within the SEN protection scheme. He noted that this matter would have to be considered in the light of the forthcoming DfE consultation on high needs and any changes required would be the subject of a further report to the Forum.

He invited the Forum to identify if there were any other issues of concern. None were forthcoming.

The SFM noted that a short consultation exercise had been undertaken with schools before the end of the last term in the expectation that funding would be required to be transferred from school budgets to support the primary SEN protection scheme, extra delegation to high schools to support PRU charges and to help meet the impact of higher pension costs. Subsequently, additional Dedicated Schools Grant funding of £342k had been made available by Government meaning that it was no longer necessary to consider taking funding from school budgets to support the high needs budgets. The consultation had therefore to a degree been overtaken by events.

He outlined three options for using the additional DSG funding of £342k: option 1: Transfer from Schools Block, half funded pension and investment for the future, but breaks DSG funding block principle; option 2: Transfer from Schools Block fully funded

pension and no investment, but breaks DSG funding block principle; and Option 3: (the preferred option), half funded pension, investment, retains DSG funding block principle. He commented that a degree of mixing of the options was possible but only option 3 met the BWG's guiding principles. The primary SEN protection was for 2016/17 only and would need to be subject to review, having regard also to the forthcoming DfE consultation papers.

The published recommendations invited approval of the high needs savings plan, the allocation of additional high needs funding, and the confirmation of the school funding formula at the values endorsed by the Forum in October 2015 and submitted to the Education Funding Agency with the addition of £22 per pupil to the funding of low prior attainment for high schools.

In addition, with reference to the additional recommendations set out in the BWG supplementary report the SFM highlighted that as the Secretary of State had not yet decided to grant approval to vary the base Dedicated Schools Grant (DSG) budget to fund posts at the MASH it had been proposed to the BWG that, in the absence of such agreement, a further £3 would be added to the per pupil amount in the funding formula. However, this would mean that an administratively cumbersome service level agreement would be necessary from April 2016. Given the burdensome nature of that arrangement, subsequent to the BWG meeting, the SFM had identified that an alternative course that might be preferable would be for Schools Forum to agree an extension until midday on the 21st January for the submission of the funding formula values to the Education Funding Agency (i.e. the last day for submitting the funding formula) and that if no approval for MASH had been received by that point then £3 per pupil be added to the formulas on submission to the EFA.) The Assistant Director – Education and Commissioning reported that the Director of Children's Wellbeing was seeking to achieve a pragmatic outcome from the DfE.

The SFM also drew attention to the BWG's proposal for taking forward the Forum's plan to review school budget plans as part of the "looking to the future" initiative, and the BWG's invitation to the Forum to endorse the BWG's guiding principles. He highlighted the BWG's view that all schools, including academies, should be invited to submit budget plans.

In discussion, in relation to the draft high needs guiding principles it was acknowledged that it might be necessary to ensure that the principles had regard to both capital and revenue expenditure.

RESOLVED: That it be recommended to the cabinet member for young people and children's wellbeing that the dedicated schools grant allocation for 2016/17 be as follows:

- (i) In order to meet a forecast overspend in 2016/17 of £906k, the following savings plan for the high needs budgets be approved

	£'000
Fund special school places at actual numbers	(28)
Less 50% for in-year admissions 4 places	23
Medical/VI & HI £6,000 threshold charge from April 2016	(60)
Independent special school fees- reduced costs	(50)
SEN support teams – absorb cost pressures and vacancy savings	(50)
Phase out Bishop's out of catchment grant over 3 years reducing to £110k in 2016/17, £55k in 2017/18, £0 in 2018/19	(55)
Mainstream top-ups – more rigour in applications to save 10%	(100)
Primary SEN protection scheme – fund from schools block	(276)
Secondary PRU income delegation – fund from schools block	(150)

No tariff increases for special school pension costs	(195)
Total high needs budget reductions	(941)

- (ii) That the £342k additional funding received in the high needs block is allocated as follows:
- (a) the disproportionate impact of local government pension scheme pension cost increase on special schools is funded from the high needs block by an increase in tariff values at a cost of £98k and that high needs tariffs be increased for 2016/17 (and suitably rounded) as follows Tariff A: £1,300+0.75% B: £3,200 +1.5% C: £5,375+2.15% D £8,400 +2.75% E £11,975+3.5% F: £16,100 +4.25%;
 - (b) the primary school SEN threshold protection (option B) is implemented at £120 cap per pupil for all primary schools at an estimated cost of £151k for 2016/17 only and is reviewed for 2017/18 following the DfE's consultation on the national fair funding formula;
 - (c) the secondary school additional delegation to help meet PRU charges is ceased from 1 April 2016 and replaced with increased delegation for low prior attainment from the schools block – as set out in resolution (iv) below); and
 - (d) start-up development funding of £100k be approved to expand in-county provision for high needs pupils in order to reduce future expenditure on out-county placements.
- (iii) the interim proposals for the local application of the National Funding Formula for 2016/17 as submitted to the Education funding agency as below, be approved as follows, subject to (iv) below:

1. Basic entitlement per primary pupil	£2,875
2. Basic entitlement per secondary Key stage 3 pupil	£3,843
3. Basic entitlement per secondary key stage 4 pupil	£4,436
4. Deprivation per primary ever-6 free school meals pupil	£2,192
5. Deprivation per secondary ever-6 free school meals pupil	£1,419
6. Low prior attainment per primary pupil	£615
7. Primary lump sum	£87,000
8. Secondary lump sum	£143,000
9. Looked after children, primary and secondary	£1,300
10. Primary sparsity, on a taper basis, over 2 miles and less than 105 pupils.	£42,000
11. English as additional language per primary pupil	£505
12. English as additional language per secondary pupil	£1,216
13. PFI contract	£242,500
14. Business rates	At cost

- (iv) the funding for low prior attainment for secondary schools be increased by £22 per pupil from the £1,099 previously submitted to the Education Funding Agency to a sum of £1,121.

(Only school and early years members were eligible to vote on recommendations iii and iv above.)

- (v) if the Secretary of State does not grant approval to vary the base Dedicated Schools Grant (DSG) budget to fund posts at the MASH then a further £3 be added to the per pupil amount in the funding formula for submission to the EFA;

- (vi) all schools be invited to submit outline action plans and savings proposals on a proforma as part of a third letter on the “looking to the future” theme; and
- (vii) the following guiding principles for the operation of the Budget Working Group be endorsed:
- Act promptly on financial issues
 - Retain integrity of DSG funding blocks for schools, high needs and early years
 - Funding drives improved outcomes for all children
 - Final school budgets set at published values
 - Listen to school views
 - Financial stability whilst moving to national formula
 - Clear approach to supporting vulnerable pupils.

231. WORK PROGRAMME

The Forum considered its work programme.

The School Finance Manager highlighted the significance of the consultation papers expected to be issued by the DfE in February 2016. It was confirmed that these would be made available to all schools and to Forum members individually upon receipt.

He also highlighted that the Education Services Grant was to be reduced nationally by 75% from April 2017. This meant the Council’s budget for a range of strategic services to schools would be reduced by some £1m. This would have significant implications and a report was scheduled for Schools Forum in July 2016.

RESOLVED: That the work programme be noted, with the addition of a report on school balances added to the agenda for the meeting on 10 June 2016.

232. MEETING DATES

The Forum noted the programme of meetings.

The meeting ended at 10.15 am

CHAIRMAN