

MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Friday 21 October 2016 at 9.30 am

Present: **Mrs J Rees (Local Authority Maintained Primary School) (Chairman)**
 Mrs S Catlow-Hawkins (Secondary Maintained Schools) (Vice Chairman)

Mrs S Bailey	Special Schools
Mr P Barns	Pupil Referral Unit
Mrs W Bradbeer	Academies
Mr A Davies	Academies
Mr P Deneen	Trade Union Representative
Mr J Docherty	Academies
Mr T E Edwards	Local Authority Maintained Primary School Governor
Mr N Griffiths	Academies
Ms A Jackson	Early Years Representative
Mrs L Johnson	Local Authority Maintained Secondary School Governor
Mr T Knapp	Academies
Mr C Lewandowski	Trade Union Representative
Mr M Lewis	Local Authority Maintained Primary School
Mrs S Lines	Church of England
Mrs R Lloyd	Early Years Representative
Mr P Whitcombe	Academies

(Mrs J Rees, Chairman, in the chair.)

Aberfan Disaster

The Forum observed a minute's silence in memory of the Aberfan disaster.

(Mrs S Catlow-Hawkins, Vice-Chairman, in the Chair)

241. NAMED SUBSTITUTES

There were no named substitutes.

242. APOLOGIES FOR ABSENCE

Apologies were received from Mr P Burbidge, Mrs J Cohn, Mr M Farmer, Ms T Kneale, Mr M Lewis and Mrs K Weston.

243. DECLARATIONS OF INTEREST

There were no declarations of interest.

244. ELECTION OF CHAIRMAN

RESOLVED: That Mrs J Rees be elected Chairman of the Forum for the ensuing year.

245. ELECTION OF VICE-CHAIRMAN

RESOLVED: That Mrs S Catlow-Hawkins be elected Vice-Chairman of the Forum for the ensuing year.

246. MINUTES

The Forum was informed that a correction needed to be made to Minute 234 to state that an observer had attended on behalf of Mrs L Johnson, not Mr Edwards who had been present.

RESOLVED: That the minutes of the meeting held on 15 April 2016, as amended, be confirmed as a correct record and signed by the Chairman.

247. ELECTION OF CHAIRMAN OF THE BUDGET WORKING GROUP

RESOLVED: That Mr N Griffiths be elected Chairman of the Budget Working Group for the ensuing year.

248. BUDGET WORKING GROUP

The Forum considered the report of the budget working group (BWG) on the following matters: consultation proposals for the 2017/18 schools budget; maintained schools five year budget planning; the government's early years funding consultation; dedicated schools grant (DSG) outturn for 2015/16 and a funding bid for social, emotional and mental health work with NEETS (young people not in education, employment or training); and the position of five maintained schools which were in excess of the 25% balance cap.

The Chairman thanked members of the BWG and officers who provided support to it, remarking on the complex task that the BWG had to undertake.

The School Finance Manager (SFM) presented the report. He highlighted the following principal points:

National Schools Funding Formula (NSSF): The stage 2 school funding consultation was now expected in autumn 2016. The new national formula values were proposed to take effect from April 2018 rather than September 2017. The DfE would undertake further consultation on the detail. The council was working with the F40 Group on the matter. In the meantime it was proposed that the same Herefordshire funding values for 2017/18 would be used as for 2016/17 as an interim measure. This would maintain financial stability for schools prior to consideration of the DfE proposals and avoid the need to reverse any changes. Draft budgets had been issued to schools.

He commented that it was becoming increasingly difficult for schools to absorb rising cost pressures. The outcome of the government's review of early years funding had produced a very disappointing outcome for Herefordshire moving it to the second lowest funded authority for early years. Without the ability to charge top up fees the proposed funding would not reflect the current costs of provision as reported by providers in Herefordshire. A similar methodology (base funding and a multiplier based on an area cost adjustment) was being proposed by the DfE for the NSFF. His inclination was that

the expectations that the formula change would benefit Herefordshire may turn out not to have been well-founded.

Education Services Grant (ESG): The SFM referred to the savings proposals to meet the government's reduction in the grant given to all local councils to fund statutory education duties, as set out at paragraphs 4 and 5 of the report. He noted that a consultation paper including the savings proposals had been issued to all schools. The ESG would be confirmed in December. The Forum would be asked to make a final recommendation on the savings proposals in January 2017.

The council had always been a high delegating authority and in the lowest quartile of local authorities for central costs. Every avenue to achieve efficiency and economy savings had been explored. The council was proposing to meet over half the required reduction in ESG. This had to be viewed in the context of a situation where the council was being required to make further budget reductions of £28m over the next 4 years, with £59m of reductions having already been delivered since 2010. Over 10 years this meant savings of £87m on a £140m revenue budget.

The council considered the proposals were pragmatic. Schools had been invited to put forward alternatives.

The Assistant Director (AD) – Commissioning and Education commented that a number of organisations were lobbying government about the ESG cut. Some authorities, such as West Sussex County Council were intending to seek to ask schools to meet the whole cost of the reductions. Herefordshire had sought to develop a balanced proposal. He noted that the authority had already implemented changes over the years that meant it was not facing the scale of change that many other authorities were having to address. The council had to plan on the basis the reduction would need to be made.

Maintained School Balances. The SFM explained the circumstances of the five maintained schools whose balances currently exceeded the 25% balance cap. He considered no further action was needed, noting that the schools' business plans all indicated that balances would be below the threshold by the end of the financial year.

In discussion the following principal points were made:

- Schools in West Sussex were indicating that they could not make the reductions the government was proposing. Herefordshire had already been disadvantaged as a consequence of being a high delegating local authority. It was asked when the point would be reached when Herefordshire would take a stand. The AD commented that the council was lobbying through MPs and the F40 group, but the situation was difficult and this was reflected nationally. At the same time it was prudent for schools, forum and the council to plan for the cut taking place and the council was seeking to address the cut as a reduction to the county as a whole not just the school sector.
- It was important that everyone responded to the budget consultation. Forum members were encouraged to urge colleagues to engage with the consultation.
- Schools needed to be proactive in considering options available.
- Schools needed to consider very carefully what class sizes would be viable in future.
- In response to concerns expressed about the financial pressures schools faced and an absence of alternative options in the report, the SFM clarified that the BWG had explored and tested the proposed options and concluded that they represented the best way forward, subject to the outcome of the consultation.

The Chairman thanked the Chairman of the BWG and the SFM for their work.

RESOLVED:

- That
- a) all schools be asked to set a balanced budget by March 2021 and a joint letter from the schools forum and director for children's wellbeing, should be sent to schools in line with previous 'looking to the future' letters;
 - b) the DSG outturn for 2015/16 be noted and in particular that without the one-off £335k rates funding, DSG would have been £60k overspent and that subject to (c) below the balances be carried forward to support future years DSG;
 - c) the £30k bid for SEMH (social emotional mental health) funding for NEETS for 2016/17 be approved as a one off sum in view of the pressure on high needs budgets;
 - d) it be noted that a report on special schools funding would be submitted to the BWG; and
 - e) no further action be taken in relation to those schools previously in excess of the 25% balance cap given the progress made and the forecast budget pressures faced by schools in the medium term.

249. LOOKING TO THE FUTURE - INTERIM PROPOSALS

The Forum received an update on the interim proposals from the Task and Finish Groups (TFGs) it had appointed to consider four broad service areas and was invited to refer them to the Budget Working Group (BWG) and the Education Strategic Board for comments in accordance with the groups' terms of reference.

High Needs

Mrs Catlow-Hawkins, co-chair of the high needs TFG, provided an update. She reminded the Forum that the TFG had already made a detailed report early in the year proposing significant savings on the 2016/17 high needs budget. A further report was scheduled to be made to the Forum in December.

Capital

The Assistant Director (AD) – Commissioning and Education commented that the Herefordshire Capital Investment Strategy sought to pool the small amount of capital funding available and make use of resources from other sources. Schools would shortly receive a letter on progress overall. In relation to special needs provision some capital works had been carried out. The council was working with headteachers to consider further provision having regard to the number of places that would be required and the implications that had for capital expenditure.

Outcomes

The AD commented that since the establishment of the TFG there had been a number of changes to government funding e.g.: the proposed reduction in Education Services Grant. The intention was to move forward with schools through a school improvement partnership. As part of this process it would be necessary to be clear as to what support schools would value so that available resources could be targeted and schools could be clear about what they would buy that would add value. He considered that there was scope to be more proactive in seeking to address emerging issues in the County.

Early Years

Mrs J Rees co-chair of the Early Years TFG presented the report. She highlighted the proposals set out at page 51 of the agenda papers including proposals for spending the £890k early years underspend. She emphasised that it was important that the proposals for the use of the underspend were sustainable in the longer term. She envisaged it taking 2-3 years to embed the proposed programme and it would then be a case of the early years providers and schools working together to sustain it. This did entail challenges and the potential for redundancy costs was one thing that needed to be considered.

An early years representative commented that the current funding for early years did not meet the cost of provision. She also questioned the validity of setting funding rates by comparing rates with neighbouring authorities.

Next Steps

It was proposed that following consideration of the TFG proposals by the BWG and the Education Strategic Board that a further report should be made to the Forum. There was agreement that consultation should also take place with school governing bodies.

RESOLVED:

- That
- (a) **proposals be referred to the Budget Working Group and the Education Strategic Board with a further report to the Forum in March 2017; and**
 - (b) **final proposals should be subject to a final consultation with school governing bodies in March/April 2017 prior to approval by Schools forum in summer 2017.**

250. MEMBERSHIP OF SCHOOLS FORUM

The Forum reviewed the membership of the Schools Forum and the Budget Working Group.

It was noted that the Forum had agreed to undertake an annual review to ensure that the membership remained consistent with the requirement that primary schools, secondary schools, and academies must be broadly proportionately represented on the Forum.

RESOLVED:

- That
- (a) **it be noted that no amendment to the membership of the Forum is required, as set out at appendix 1 to the report; and**
 - (b) **it be agreed that no amendment to the membership of the Budget Working Group is required, as set out in appendix 1 to the report.**

251. WORK PROGRAMME

The Forum considered its work programme.

A request was made that clarity be provided as part of the proposed report on the Forum's Constitution on the arrangements for electing school governor representatives.

RESOLVED: That the Work Programme be noted.

252. MEETING DATES

Noted.

T BROWN - GOVERNANCE SERVICES

The Chairman reported that Tim Brown would no longer be clerking the Forum and thanked him on behalf of the Forum for his work.

The meeting ended at 10.40 am

CHAIRMAN