

MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, Brockington, 35 Hafod Road, Hereford HR1 1SH on Wednesday 2 March 2011 at 9.30 am

Present: Mrs JS Powell (Chairman)
Mr NPJ Griffiths (Vice Chairman)

Mrs K. Rooke, Mr JA Chapman, Mr P Burbidge, Mrs S Catlow-Hawkins, Mr S Woodrow, Rev. D Hyett, Mrs J Cecil, Mr P Box, Mrs J Baker, Mr TE Edwards, Mrs S Bailey, Mr J Docherty, Ms A Pritchard, Mr J Godfrey, Mr A Shaw, Mrs A Jackson, Mrs R Lloyd, Mr P Barns, Dr M Goodman, Mr J Sheppard, Mr C Lewandowski, Mr E McGilp and Mr A Teale.

In attendance: Councillors PD Price and WLS Bowen

54. APOLOGIES FOR ABSENCE

Apologies were received from Mr M Harrison, Ms T Kneale, Mr S Matthews, Mr N O'Neil, and Mr S Pugh.

55. NAMED SUBSTITUTES

Mr C Lewandowski substituted for Mr M Harrison, Mr E McGilp for Mr S Pugh, and Mr A Teale for Mr S Matthews.

56. DECLARATIONS OF INTEREST

Mr C Lewandowski declared an interest in agenda item 8: Trade Union Facilities as a Trade Union representative on the Forum and Mrs J Powell also declared an interest as Branch Secretary of the National Association of Head Teachers.

Mr P Box and Mr A Shaw declared interests in agenda item 13: Music Service and Deficit, both having children in receipt of musical tuition.

57. CHAIRMAN'S ANNOUNCEMENTS

None.

58. MINUTES

RESOLVED: That the Minutes of the meeting held on 31 January 2011 be confirmed as a correct record and signed by the Chairman, subject to recording that Mr J Sheppard had been present at the meeting.

The Interim Director of Children's Services confirmed in relation to Minute No 44 and discussion of the clawback of surplus school revenue balances, that Schools had been advised of the intention to consider requests for permission to retain higher revenue balances favourably, given the Department for Education's indication that it intended to remove the provisions for clawback of surplus school balances for 2011/12. A number of requests had been received from schools and were being dealt with. The Interim Director undertook to

issue a further reminder to schools to submit a request if they wished to retain surplus balances.

The Assistant Director: Improvement and Inclusion confirmed in relation to Minute no 47 that expenditure on the Service Level Agreement for Governor Services and any surplus would be reported at the end of the financial year.

59. LATE ITEMS/ANY OTHER BUSINESS

There were none.

60. MEETING THE REQUIREMENT FOR 25 HOURS PUPIL REFERRAL UNIT PROVISION

The Committee considered the statutory requirements of 25 hour PRU provision, the need to establish a medical PRU facility, and a suitable funding model.

The Head of Additional Needs (HAN) presented the report, consideration of which had been deferred at the Forum's meeting in January 2011.

He reported that Herefordshire Secondary Head Teachers Association's (HASH) preferred option for funding the statutory 25 hours of educational provision per week to pupils with behavioural, social and emotional difficulties in Pupil Referral Units (PRU) would be to charge secondary schools £3,000 per PRU place each year with effect from 1 April 2011, as described at paragraph 3 of the report. The Forum was asked to contribute £78k in 2011/12 from the Dedicated Schools Grant (DSG) to provide the balance of funding during 2011/12 during the transition phase of the charging scheme.

He noted that additional funding for tuition of pupils with medical needs in the PRUs was no longer required.

In the course of discussion the following principal points were made:

- The HAN acknowledged that further work was required to develop a mechanism to account for the funding of pupils moving from one school to another within the school year. It was requested that a report providing clarification should be made to the Forum's next meeting.
- The Forum discussed whether the £78k required to provide the balance of funding in 2011/12 should come from the secondary school portion of the DSG or from the DSG as a whole. The conclusion was that the sum should be drawn from the DSG as a whole, noting HASH's view that account needed to be taken of a child's history throughout their schooling and that to fund something from one portion of the DSG rather than the whole DSG would set a precedent.

The HAN confirmed that the £78k was a one-off payment in 2011/12 to fund the existing pupils in the Unit. Future provision would be financed by the proposed charging arrangements.

- It was proposed that the wording of paragraph 3 of the report needed to be expanded slightly to ensure clarity.

RESOLVED:

That (a) the considerations already given to the requirement for 25 hour PRU provision and the cost implications for the current resource be

acknowledged;

- (b) the recommendation of HASH (2nd Feb 2011) and the option selected for funding behavioural, social and emotional difficulties PRU provision as of April 1st 2011, as set out in paragraph 3 of the report, as amended, be approved, meaning that there would be a charge to secondary schools of £3,000 per PRU place each financial year in addition to the age weighted pupil unit, from April 2011, in order to fund the legal requirement to provide pupils at Pupil Referral Units with 25 hours per week of education. This would apply to new entrants from that date and would be proportionate to the remainder of the academic year, which would be confirmed as a daily rate.
- (c) the principle be approved that DSG will provide the balance of funding up to a maximum of £78k during 2011/12 during the transition phase of this charging scheme;
- (d) the principle be endorsed that the same level of funding (as in recommendation (b)) should follow a pupil to their new school if they are permanently excluded and are admitted to a different Herefordshire school or are in receipt of pupils through the managed moves programme, but it be requested that greater clarification of how this model would work in practice be reported to the next meeting; and
- (e) current funding of £129,500 provided for medical tuition be maintained at the current level.

61. TRADE UNION FACILITIES

(Mr C Lewandowski and Mrs J Powell declared interests.)

The Forum considered funding for the provision of additional Trade Union facilities time.

The Assistant Director: Improvement and Inclusion presented the report which contained the additional information requested by the Forum when it had considered this issue in January 2011.

She reiterated that a review of the allocation of Teacher Trade Union Facilities time had determined that additional hours needed to be allocated. The current budget had not covered the previous arrangements leading to an end of year deficit. The Forum was being asked to provide an additional £41,500 per annum from the Dedicated Schools Grant to meet the new allocation.

In the course of discussion the following principal points were made:

- It was confirmed that the deficit on this budget had to date been funded at the end of the year from underspends on other budgets funded from the DSG. It was emphasised that, as a matter of principle, where there was an overspend it was important that this was brought to the Forum's attention for its consideration. The Interim Director of Children's Services acknowledged that the Forum needed clarity about budget expenditure.
- The Forum remained concerned about the role of the Unions in Health and Safety audit inspections. There was a view that the level of involvement was excessive and expensive, duplicating existing health and safety work in schools. Such inefficiency needed to be addressed mindful of the financial challenges being faced. It was

requested that clear protocols should be drawn up for health and safety audit inspection activity.

- The Health and Safety Officer commented on the relevant statutory requirements and answered a number of questions seeking clarification on their application.
- The Interim Director noted that paragraph 52 of the Code of Practice accompanying the Regulations on Safety Representatives and Safety Committees, an extract from which was appended to the report, encouraged health and safety representatives to co-ordinate their work to avoid unnecessary duplication. She suggested there would be merit in representatives from the Forum meeting officers responsible for drawing up the health and safety audit inspection arrangements to ensure that the spirit of the legislation was being met. Her understanding was that Unions and the Council officers were mindful of the need to make the best use of resources.

RESOLVED:

- That**
- (a) the provision of additional Trade Union facilities time be noted;**
 - (b) the Forum agree to contribute an additional £41,500 per annum from the Dedicated Support Grant to fund this additional time on the following understanding:**
 - (c) the expectation that expenditure will be rigorously monitored to stay within budget by Unions, officers and the Forum, and that as the budget is cash-limited any pressures be reported to the Forum;**
 - (d) a review of payment rates of Trade Union representatives and the efficiency of meetings and business be undertaken in the light of the financial challenges; and**
 - (e) clear protocols for health and safety audits be agreed by the Trade Unions and Health and Safety function, inviting comment from Head Teacher representatives, and reported to the Forum.**

62. DEDICATED SCHOOLS GRANT 2011/12 - BUDGET CONSULTATION

The Forum considered recommending to the Cabinet Member for ICT, Education and Achievement the Dedicated Schools Grant budget for 2011/12.

The Schools Finance Manager (SFM) presented the report.

He commented that the late announcement of the schools budget settlement by the Department for Education (DfE) had inevitably meant that the timescale for preparing budgets had been tight. This had limited the time available to consult on the budget proposals. The DfE Spending Review indicated that the same cash freeze per pupil for the DSG would apply in 2012/13 and 2013/14. He therefore intended that planning for the 2012/13 budget would take place earlier so that consultation could take place in the autumn.

He drew the Forum's attention to the responses to the consultation exercise on the 2011/12 budget summarised in the report and set out in more detail in appendix 2 to the report.

The Budget Working Group (BWG) had met to consider the responses to the consultation paper and put forward an alternative budget proposal. This provided for greater reductions in funding for social deprivation and personalised learning in light of

the additional £1m pupil premium grant, and a smaller reduction in small schools protection than had been proposed in the consultation paper. It was proposed that the funds generated from these proposals would be re-distributed to schools through an increased per pupil unit of funding. This would narrow the funding gap on a per-pupil basis between the highest funded schools and the lowest funded schools.

A revised set of recommendations reflecting the BWG's proposal was circulated at the meeting.

The Chairman of the Forum thanked the BWG for its efforts in seeking to produce a balanced set of proposals in very difficult financial circumstances. She welcomed the intention to commence planning for the 2012/13 budget earlier in the year which would allow more time for discussion of proposals than had been possible this year.

Each recommendation was then discussed in turn with reference made to the responses received during the budget consultation exercise. The following principal points were made:

- In relation to option J in the consultation, a reduction of 2% in Private, Voluntary and Independent Nursery funding, the SFM highlighted that a number of responses from PVI nurseries had suggested that savings in nursery education (per pupil) should be comparable with schools (-1.5%).

The SFM reminded the Forum that it had agreed on 7 December 2009 that PVI funding in Herefordshire should be frozen in cash terms until parity with Worcestershire, Shropshire and Gloucestershire was achieved. The recommendation continued the move towards parity. The BWG had considered the consultation feedback and evidence that PVIs in Herefordshire were funded at a higher rate than surrounding counties and agreed to recommend to the Forum that the full 2% cut be approved.

The Early Years representatives observed that all 47 PVI nurseries and 8 schools had objected to option J and 33 schools had supported it. They felt greater weight should be placed on this response to the consultation exercise if it were to be considered a meaningful process.

In addition, funding had now been frozen for three years and the proposed cut would have a significant effect. Achievement across the Early Years Foundation Stage, which was recognised as being important in contributing to educational attainment in later years, was below the national average and warranted investment in the sector rather than a cut. The Early Years sector was also having to bear a higher proportion of the savings proportionate to the sector's share of DSG.

Members of the BWG acknowledged the concerns but said they had concluded that the reduction, the basis for which had been closely scrutinised, struck the right balance in the context of other difficult decisions that had to be made.

The Forum supported a request that there should be an Early Years representative on the Budget Working Group.

- In relation to option L in the consultation, the Chair of the PRU Management Committee had requested that PRUs be treated as schools and therefore have a parity of budget reductions with schools, rather than being treated as a central DSG service and subject to a 3% cut. The Principal of the Pupil Referral Unit commented that the proposed 3% reduction in the PRU budget would have a significant effect. A reduction of 1.5% in line with schools would deliver savings but allow the PRUs some flexibility to develop the service.

RESOLVED:

THAT Schools Forum recommends to the Cabinet Member for ICT, Education and Achievement the basis for the schools budget 2011/12 as set out below:

- (a) that as recommended by the Budget Working Group**
 - (i) the savings required from Option A in the consultation: small schools protection, be reduced to £200k;**
 - (ii) additional savings of £500k be sought from Options B & C in the consultation: social deprivation and personalised learning, all prior to the protection offered by the Minimum Funding Guarantee; and**
 - (iii) the net savings of £241k achieved be added to the age weighted per pupil funding amount at £11.50 per pupil;**
- (b) the budget options, before the Minimum Funding Guarantee protection, that were broadly supported in the consultation be approved as follows;**
 - 1 Option E: Reduce school grants by 1.5%**
 - 2 Option F: Reduce “per pupil funding” by 0.5%**
 - 3 Option G: Delegate £376k of SEN Support services**
 - 4 Option H: End flexibility grants to PVI nurseries**
 - 5 Option I: Charge for early years training**
 - 6 Option K: Reduce contingencies by £100k**
 - 7 Option L: Reduce central DSG services by 3%**
- (c) Option D in the consultation: Reduced SEN Banded funding levels, which was not well supported by schools, be not approved.**
- (d) the following budget options in the consultation also be approved:**
 - 1 Option J: Reduce PVI nursery funding by 2% be approved in order to continue the move towards equality of funding when compared with the adjoining English counties; and**
 - 2 Option L: Central DSG services - that the 3% savings be confirmed as applying to Pupil Referral Units;**
- (e) that the SEN support services are delegated with a minimum funding entitlement of £1,110 for all schools, the balance delegated through the SEN Band 1 & 2 formula factors and that the former Ethnic Minority Grant be delegated on the number of English as an Additional Language pupils recorded on the January pupil census; and**
- (f) that if a final budget adjustment is necessary, then the age weighted per pupil funding be adjusted to cover any surplus or deficit when final pupil numbers are known from the January 2011 census.**

63. SCHOOL FUNDING SCHEME CHANGES

The Forum considered the Department for Education (DfE) directed changes to the Herefordshire Scheme for Financing Schools effective from 1 April 2011.

The Schools Finance Manager (SFM) presented the report. He added that schools had been consulted on the proposed changes and no replies had been received.

It was noted that whilst it would no longer be a requirement from April 2011 for a balance control (clawback) mechanism, it was possible to retain a mechanism focused on only those schools with significant excessive uncommitted balances. The SFM commented that in the current financial climate the authority had no plans to introduce such a mechanism but would report to the Forum if in future this were to be considered.

He highlighted the circumstances, summarised in paragraph 7 of the report, where dismissal or resignation costs would be charged to the delegated schools budget.

The guidance note on responsibility for redundancy and early retirement costs, appendix b to the report, stated that, "To achieve best use of resources, local authorities should also have an active redeployment policy, to match staff at risk to vacancies." It was noted that there was no such policy in place. The Interim Director commented on the complexity of agreeing such a policy, given the autonomy of school governing bodies and that the guidance could be seen as being contrary to other national guidance being issued. It was proposed that a briefing note on the matter should be circulated to Members of the Forum in advance of the next meeting.

RESOLVED:

- That
- (a) **the Department for Education directed changes to the Herefordshire Scheme for Financing Schools effective from 1 April 2011 be approved;**
 - (b) **the DfE statutory guidance on the funding of school redundancy costs be noted; and**
 - (c) **a briefing note on the development of an active redeployment policy be circulated to Members of the Forum in advance of the next meeting.**

64. HEREFORDSHIRE SCHOOLS FORUM MEMBERSHIP AND CONSTITUTION

The Forum considered amendments to its Membership and Constitution.

The report set out options for amending the Forum's membership to reflect provisions in the relevant Regulations; a proposal relating to the treatment of confidential reports; options for the regulation of public participation in the Forum's work and a number of minor amendments to the Constitution.

In relation to membership of the Forum it was noted that Regulations provided that primary schools, secondary schools and academies should be broadly proportionately represented on the Forum. The Regulations offered a choice as to the basis on which the calculation of proportionality was made. It was proposed that this issue should be referred to the Primary Schools Forum, Association of Secondary Headteachers, the Herefordshire Association of School Governors for further consideration.

RESOLVED:

- That (a) **Options for changes to the membership of the Forum should be referred to the Primary Schools Forum, Association of Secondary Headteachers and the Herefordshire Association of School Governors for further consideration with a report to the next meeting and that the Membership of the Forum continue on its current basis until after that meeting;**
- (b) **a provision be included in the Constitution providing for the treatment of any confidential reports as set out at paragraph 18 of the report;**
- (c) **a provision be included in the Constitution providing that public participation at the Forum's meetings will be at the Chairman's discretion; and**
- (d) **the Clerk be authorised to amend the Constitution to address a number of minor matters as described in paragraph 28 of the report.**

65. SHARED SERVICES - UPDATE

The Forum was invited to note the Shared Services project and the involvement of the Schools Forum in development of the shared services offering for Schools.

The Programme Manager presented the report. He commented that work was taking place on the development of service level agreements for Schools for the range of services within the shared services project.

Reassurance was sought that the services provided to schools would be fit for purpose and that the existing expertise available to schools would not be lost. The Programme Manager assured the Forum that meeting the requirements of schools was a priority and the intention was to refine agreements to achieve this aim.

RESOLVED: That the update on the Shared Services project and the involvement of the Schools Forum in development of shared services offering for Schools be noted.

66. MUSIC SERVICE FUNDING AND DEFICIT

(This item was considered in advance of the item Dedicated Schools Grant 2011/12 – Budget Consultation)

(Mr P Box and Mr A Shaw declared interests.)

The Forum considered alternative options for providing Music Service provision in the authority, due to the combination of charging rates and the reduction of Local Authority and central Government funding.

The Assistant Director: Improvement and Inclusion (ADII) commented that the Music Service had run with an operating deficit for a number of years. Charges to schools had not been sufficient to meet costs. The resulting overspend had been funded by savings in other areas of the Children's Services budget. However, at the end of 2008/9 it had been decided that this position could not continue and funding for the annual overspend had ceased resulting in an accumulated deficit. Efforts had been made to continue to deliver the service and reduce costs but the point had now been reached when the current model of provision was not sustainable and a new model had to be found.

Because the charges did not cover costs the service was in the position that the more tuition hours the service provided the worse the accumulated deficit became. It was hoped that the Forum and the Authority could agree on a joint vision for the service and jointly solve the financial position.

The Head of the Music Service (HMS) presented the report. He reiterated that if no alternative approach were agreed the music service would have to close. He commented on the adverse effect this would have, emphasising the impact of a loss of a cohesive approach to music education across the County.

The report set out five operating models, a proposal that the Forum contribute to meeting the deficit and also the option of closure. A financial options appraisal was circulated showing the costs associated with the five operating models and closure.

The five operating models were:

Option 1 - Raising the hourly rate charge to schools.

Option 2 - Changing the pay and conditions of peripatetic staff to Herefordshire Council pay scale.

Option 3 - Accredited teacher scheme

Option 4 - Non Accredited teacher Scheme

Option 5 - Externalising/Contracting out the Music Service

The Head of the Music Service (HMS) commented on each of the options in turn elaborating on the detail of each option as set out at paragraph 27 of the report and as also described in the staff consultation paper appended to the report.

Whilst the formal staff consultation was to close on 3 March he informed the Forum that the majority of staff favoured the third option – the accredited teacher scheme and this was also his own preferred option. A successful version of this scheme was being operated cost effectively by Derbyshire County Council.

The Accredited Teacher Scheme offered a cohesive approach under which Schools would be able to choose Music teachers, who would be self-employed, from an accredited list. This would provide assurance to schools which option 4, a non-accredited teacher scheme, would not. However, it would be necessary as part of the accredited teacher scheme for schools all to agree to pay the same price as each other for lessons. The proposed cost of lessons would be £25-29 per hour, slightly above the independent sector rate reflecting mileage costs. Option 3 would also deliver a £40k saving in management costs.

The interim Director acknowledged that there was an interrelationship between the preferred model the Forum were being asked to identify and the decision on financing a model the Forum was being asked to take, and that the timing was complicated given that the consultation had not yet formally concluded. However, timescales were such that an opinion was needed from the Forum at this stage to assist the Council in making its decision on the future of the music service.

In discussion the following principal points were made:

- That whilst the benefits of music tuition were recognised, it was plain that the current business model was flawed.

- Clarification was sought on expenditure by the Music Service. The HMS commented that the percentage of the budget spent on administration was 0.5% below the average and the percentage spent on management was 3% above the average compared with other local authority music services. He considered that this was good for a rural authority.
- The cost of lessons was considered. The HMS said that the average price for lessons provided by 9 local authority music services in the West Midlands was £38.37 in primary schools and £36.70 in secondary schools. The independent sector charged £25-26 per hour.
- The pay rates for peripatetic staff were discussed. It was noted that the policy had been that staff who were not qualified teachers (2/3 of staff) were paid on the pay spine for qualified teachers.
- It was asked what guarantees there were that the Forum would not be asked to increase the proposed £25k per annum contribution. The HMS replied that no guarantee could be given at the moment because funding for the Service from 2012/13 on had not been agreed nationally. He had based his calculations on a 25% funding reduction (see para re effect not so significant).
- That Wigmore High School had withdrawn from the County Music Service Scheme on grounds of cost and quality and was operating an accredited scheme locally. The numbers of pupils taking up tuition had increased which suggested the service was of the requisite quality.
- All of the options involved redundancy costs. The interim Director of Children's Services confirmed that the proposal that the Forum make a contribution to meet these costs did not set a precedent. The music service was a schools service which could be funded through the Dedicated Schools Grant (DSG). In a number of authorities the music service was funded entirely through DSG.
- In options 2-5 the redundancy costs amounted to £350k. It was asked why taking on such a burden was being contemplated instead of simply increasing the charge for lessons based on the existing model. The offer to staff was one of dismissal and then being offered the opportunity to do the same job as they had previously been doing for significantly less money.

In reply it was confirmed that the changes in terms and conditions being proposed could not be agreed by negotiation and that if options 2-5 were pursued, staff would have to be made redundant.

The ADII commented that the Directorate was not willing to continue to support the inequitable terms and conditions within the existing model.

- It was noted that if several schools were to opt out of the County service under the accredited teacher model this would not affect the sustainability of the service because the pool of self-employed staff would simply reduce.
- That an accredited scheme would be the best way of seeking to ensure that as many pupils as possible had the opportunity to benefit from music tuition, in contrast to a fragmented system. A co-ordinated service would also be best placed to take advantage of any opportunities arising from the national changes due to take place following the Henley Review of music education which, amongst other things,, proposed the introduction of music hubs in 2012 with local authority music services taking the lead role.

- Asked what would happen if the Forum declined to contribute to the accumulated deficit the Interim Director commented that the Council's own budget was under significant pressure and a view would have to be taken on the extent to which the provision of the music service should be viewed as a priority when compared with other competing priorities.

The Schools Finance Manager advised the Forum that the viability of Option 3 was dependent upon HM Revenue and Customs confirming that peripatetic music staff would qualify as having self-employed status.

The Chairman invited members of the Forum to indicate support for each option for future delivery of the music service in turn. The only model for which any support was expressed was option 3.

RESOLVED:

- That (a) **the Authority be advised that the Forum considers option 3 the accredited teacher scheme to be the preferred option for a new model of business for the music service from September 2011;**
- (b) **a one-off grant for £190,000 or part thereof to clear the accumulated budget deficit be not supported;**
- (c) **an annual contribution of £25,000 be made towards the deficit with the annual contribution to be reviewed after 5 years; and**
- (d) **the suggested one-off contribution towards the remaining accumulated deficit of £59.5k identified in the financial options appraisal for option 3 be rejected.**

67. WORK PROGRAMME

The Forum considered its work programme.

It was agreed that the work programme should be updated to include the following:

June 2011

- Model of how PRU Funding will follow the pupil (minute no 60 refers).
- Protocols for health and safety audit inspections (minute no 61 refers).
- Membership of the Forum (minute no 64 refers).

September 2011

- Provision for planning for the 2012/13 budget (minute no 62 refers).

68. DATES OF FORTHCOMING MEETINGS

The Forum noted that the next meeting was scheduled to be held at 9.30 am on Friday 10 June 2011.