

**MINUTES of the meeting of Herefordshire Schools Forum held at The Shire Hall, St Peter's Square, Hereford HR1 2HX on Monday 19 January 2015 at 2.00 pm**

<b>Present:</b>	<b>Mrs D Strutt (Academies) (Chairman)</b>	
	<b>Mrs J Rees (Local Authority Maintained Primary School) (Vice Chairman)</b>	
	<b>Mrs S Bailey</b>	<b>Special Schools</b>
	<b>Mr P Barns</b>	<b>Pupil Referral Unit</b>
	<b>Mr JA Chapman</b>	<b>Roman Catholic Church</b>
	<b>Mr J Docherty</b>	<b>Academies</b>
	<b>Mr S Grist</b>	<b>Local Authority Maintained Primary School</b>
		<b>Governors Representative</b>
	<b>Mr NPJ Griffiths</b>	<b>Academies</b>
	<b>Ms A Jackson</b>	<b>Early Years Representative</b>
	<b>Mr R Leece</b>	<b>Trade Union Representative</b>
	<b>Mr C Lewandowski</b>	<b>Trade Union Representative</b>
	<b>Mr M Lewis</b>	<b>Local Authority Maintained Primary School</b>
	<b>Mrs J Rees</b>	<b>Local Authority Maintained Primary School</b>
	<b>Mrs S Woodrow</b>	<b>Locally Maintained Secondary Schools</b>
	<b>Mr K Wright</b>	<b>Local Authority Maintained Primary School</b>

**187. APOLOGIES FOR ABSENCE**

Apologies were received from Mr P Box, Mrs L Brazewell, Mr P Burbidge, Mrs S Catlow-Hawkins, Mr T Edwards, Mr M Farmer, Mr J Godfrey, Mr G House, Ms T Kneale, Mrs R Lloyd, and Mrs C Woods.

*(The Forum noted that Mrs J Cecil had recently resigned from the Forum. The Chairman thanked Mrs Cecil for her contribution to the Forum's work.)*

**188. NAMED SUBSTITUTES**

Mr S Grist substituted for Mrs Brazewell.

**189. DECLARATIONS OF INTEREST**

**Agenda item 5 – Report of the Budget Working Group**

Mrs D Strutt declared an interest as Head Teacher of Whitecross High School and Specialist Sports College in relation to the information report on the Whitecross PFI Scheme.

Mr R Leece and Mr C Lewandowski declared interests as Trade Union Representatives in respect of recommendation (b) relating to de-delegation.

**190. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 24 October 2014 be confirmed as a correct record and signed by the Chairman.

## 191. REPORT OF THE BUDGET WORKING GROUP

The Forum considered the report of the Budget Working Group (BWG) on the following matters: Dedicated Schools Grant and final Schools Budget 2015/16; de-delegation, Pupil Referral Unit (PRU funding), school balances and an update on the Whitecross PFI contract.

The Chairman of the BWG introduced the report and thanked officers for the support provided to the BWG. He commented on the complexity of the BWG's task and emphasised the BWG was mindful of the pressures and differing challenges faced by schools across the sectors.

He offered an invitation to members of the Forum not on the BWG to attend as observers if they would like to do so.

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

The BWG had supported the submission to the Education Funding Agency of a final budget that was same as the interim budget already consulted on with schools and submitted in October 2014. This necessitated the following variations:

- An extra £53k to meet national licence costs.
- A number of changes to meet unfunded expected high needs cost pressures amounting to £277k. The SFM highlighted the significant pressure on the high needs block and the considerable degree of uncertainty about this area.
- The Authority had made a robust case to the Education Funding Agency for extra funding for high needs. However, there was insufficient funding available nationally and the DfE was consulting authorities on systemic improvements for the funding of high needs. The DfE consultant had been made aware of the Authority's concerns.
- An allocation to meet increased pension costs which had a disproportionate impact on special schools because of the number of support staff employed. Given the other pressures on the high needs block it was considered that this was unaffordable for all schools.

He circulated the response received to the supplementary consultation on de-delegation for Herefordshire Schools.

He outlined the balances held by schools as a percentage of the annual budget in bands of 5% up to 20% noting that the average balance percentage was 20% with the highest being 52%.

In discussion the following principal points were made:

- It was proposed that the Education Funding Agency should be informed of the Forum's concern about the funding of High Needs Places.
- A decision not to de-delegate funding would place an administrative burden on the local authority. The cost and how this would be met had not been quantified. The SFM commented that the cost would have to be met within existing budgets and would have to be undertaken at the expense of other duties. Clearly the local authority wanted the administration to be as efficient as possible.

- The maintained secondary school representative commented that whilst her school had benefitted from trade union facilities she was aware that most maintained high schools did not wish de-delegation of this service to continue.

### **School Balances**

The SFM explained that if, following consultation, the Forum decided at its meeting in March 2015 to reintroduce a balance clawback scheme the scheme would apply to balances held at March 2016 in order to give schools a minimum 12 months notice. The scheme could be designed to include criteria allowing for special circumstances. A number of small schools may well be concerned about the implication of falling rolls. However, that needed to be balanced against the fact that seeking to provide security for the future reduced spending on existing pupils. He noted that school balances had increased markedly from 2012/13 to 2013/14 contrary to what would have been expected in the financial circumstances. He drew Forum's attention to appendix 3 to the report setting out a response from the DfE on the treatment of academy and maintained school balances.

A number of comments were made on this issue:

- The percentage of the annual budget held as a balance may not in fact be a large sum. Changes in pupil numbers could swiftly have an impact on a smaller school.
- It was requested that consideration be given to phasing in any clawback scheme. This would help to remove the temptation to spend any balances in an imprudent fashion.
- A number of schools were making cuts and redundancies. The BWG had expressed the view that retaining balances of up to 10% of a school's revenue budget seemed a reasonable sum to hold. Many schools were holding balances in excess of that percentage.
- The DfE's comments on the different treatment of academy and maintained school balances were noted.
- Account needed to be taken of the fact that all schools contributed to the minimum funding guarantee and it seemed inappropriate that some schools were simply in effect retaining some of this funding in balances.
- It was questioned how schools might save to provide for much needed capital investment in the absence of any central capital allocation.
- The SFM acknowledged that under the previous clawback scheme no money had ever been clawed back. Two schools had been allowed to exceed the limit because of special circumstances. In the Midlands and South West as a whole he understood that very little funding had ever been recovered from clawback schemes.

### **RESOLVED: That:**

- (a) **the schools members (including academies) and early years members recommend the Cabinet Member Young People and Children's Wellbeing to approve the variation of the provisional funding values, as submitted to the Education Funding Agency, for the National School Funding Formula 2015/16, and as shown in Appendix 1 to the report, as follows;**

- (i) the per pupil funding in the interim schools budget be reduced by 0.01%: £2 per primary pupil, £3 per Key stage 3 pupil and £4 per key stage 4 pupil to fund the increased cost of national licences;
  - (ii) Primary school funding be reduced by £6 per pupil to fund SEN threshold protection at £90 cap per pupil (option B1);
  - (iii) Secondary school funding be reduced by £8.50 per pupil to fund PRU delegation of £150k on the basis this would be delegated by 1/3 pupil numbers, 1/3 Ever-6 Free School meals and 1/3 on low prior attainment data (option B2);
  - (iv) that high needs tariffs to cover increased pension costs should be increased for 2015/16 as follows (option C3): Tariff A: £1,280+1% B: £3,125 +2% C: £5,225+3% D £8,075 +4% E £11,400+5% F: £15,200 +6%; and
  - (v) £150k of the high needs carry forward be used to support the costs of (ii) and (iii) above; and
- (b i) de-delegation of funding for Trade Union facilities be approved for maintained Primary schools for 2015/16;
  - (b ii) de-delegation of funding for ethnic minority support be approved for maintained Primary schools for 2015/16;
  - (b iii) de-delegation of funding for free school meals administration be approved for maintained Primary schools for 2015/16;
  - (b iv) de-delegation of funding for Trade Union facilities should not be approved for maintained Secondary schools for 2015/16;
  - (b v) de-delegation of funding for ethnic minority support be approved for maintained Secondary schools for 2015/16;
  - (b vi) de-delegation of funding for free school meals administration be approved for maintained Secondary schools for 2015/16;
  - (c) it be noted that further consideration will need to be given to PRU funding changes in March 2015; and
  - (d) a consultation exercise should be undertaken on the introduction of a school balance claw-back scheme along the lines of that previously applied by the Council; and
  - (e) the Education Funding Agency be informed of the Forum's concern about the funding of High Needs Places.

(Note: Only school members of Forum And Early Years representatives voted on the national school funding formula values. Voting on de-delegation was restricted to primary maintained schools for primary sector de-delegation and secondary maintained schools for secondary sector de-delegation.)

**Provisional School Funding values submitted to Education Funding Agency  
October 2014**

That (a) the proposals for the local application of the National Funding Formula for 2015/16 as set out at Appendix 1 to the report, be approved for recommendation to the Director for Children's Wellbeing as follows:

1. **Primary pupil funding – to add 2.9% in addition to the £13 per pupil increase arising from the changes to the primary lump sum so that the £2,759 2014/15 basic entitlement per pupil increases to £2,854 in 2015/16.**

Recommendation a(i) reduces the provisional value by £2 from £2,854 to £2,852

Recommendation a(ii) further reduces the per pupil value by £6 from £2,852 to £2,846

2. **Secondary KS3 pupil funding – to add 2.9% so that the £3,583 2014/15 basic entitlement per KS3 pupil increases to £3,689 in 2015/16**

Recommendation a(i) reduces the provisional value by £3 from £3,689 to £3,686

Recommendation a(ii) further reduces the per pupil value by £8.50 from £3,686 to £3,677.50

3. **Secondary KS4 pupil funding – to add 2.9% so that the £4,512 2014/15 basic entitlement per KS4 pupil increases to £4,645 in 2015/16.**

Recommendation a(i) reduces the provisional value by £4 from £4,645 to £4,641

Recommendation a(ii) further reduces the per pupil value by £8.50 from £4,641 to £4,632.50

4. **Low prior attainment (low cost, high incidence special education needs)–**
  - (i) **to increase primary funding from £228 per pupil in 2014/15 to £428 per pupil in 2015/16;**
  - (ii) **to increase secondary funding from £148 per pupil in 2014/15 to £648 per pupil in 2015/16;**

5. **Deprivation –**

(i) **to reduce the primary ever-6 free school meal funding to £2,572 in 2015/16;**

(ii) **to reduce the secondary ever 6 free school meal funding to £2,162 per pupil.**

6. **EAL– to increase the £405 per EAL pupil (first year only) in 2015/16 to £505 for primary schools and £1,216 for high schools in accordance with the Minimum Funding Values set out by the DfE.**

7. **Lump sums – primary £93,000 and secondary £130,500**

8. **Business Rates – no change funded at cost**

9. **Looked After Children – to maintain the funding in line with the pupil premium at £1,300 for 2015/16**

10. **Mobility – no change for 2015/16**

11. **PFI factor – to increase to £207,500 (from £190,000) to provide for increased inflation within the PFI contract.**

- 12 Sparsity\***  
**(i) to increase the primary sparsity factor for qualifying schools to £28,000 tapered lump sum**  
**(ii) to remove sparsity payments for high schools and increase the secondary lump sum by £1,750 to £132,250.**

*(\*Subsequent to the meeting, during the final checking of the school funding formula agreed for 2015/16 and prior to submission to the Education Funding Agency (EFA), it was noted that point 12 above from the resolutions approved by Schools Forum in October 2014 and submitted to the EFA as the interim budget had inadvertently been omitted from the report to Schools Forum on 19 January. The budget calculations presented to Schools Forum in January took full account of paragraph 12 as approved by the Forum in October. In accordance with the provision on urgent decision taking in the Forum's Constitution approval was sought and received to reflect paragraph 12 in the Minutes of the meeting in order to maintain a full and clear record of the budget recommended by the Forum.)*

## **192. WORK PROGRAMME**

The Forum noted its work programme with the following amendments:

### **March 2015**

The addition of items on School balances, terms of reference for a review of high needs tariffs and an update on the Whitecross PFI scheme.

### **June 2015/July 2015**

Transfer of the business scheduled for July 2015 to that scheduled for June 2015 except for the review of high needs tariff implementation which would move to October or possibly December 2015,

### **October 2015**

The addition of the review of high needs tariff implementation.

## **193. MEETING DATES**

Noted.

The Chairman commented that notwithstanding the discussion on the work programme, the subject of the previous item on the agenda, it was proposed to retain the scheduled date of 10 July 2015 in diaries for the time being in case any urgent business arose.

The meeting ended at 3.02 pm

**CHAIRMAN**