

Agenda

Herefordshire schools forum

Date: **Friday 23 March 2018**

Time: **9.30 am**

Place: **Committee Room 1 - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX**

Notes: Please note the time, date and venue of the meeting.

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Agenda for the Meeting of the Herefordshire schools forum

Membership

Chairman	Mr A Evans	Mainstream Academies
Vice-Chairman	Mrs J Cohn	Academy Special School Representative
	Mrs S Bailey	Local Authority Special School Headteachers
	James Bowdler	PRU Management Committee
	Mr P Burbidge	Roman Catholic Church
	Mr P Cordey	Mainstream Academies
	Mr A Davies	Mainstream Academies
	Mr P Deneen	Trade Union Representative
	Mr T Edwards	Local Authority Maintained Primary School Governor
	Mr G Evans	Mainstream Academies
	Mr M Farmer	Mainstream Academies
	Mr M Henton	Local Authority Maintained Secondary Schools
	Ms A Jackson	Early Years Representative
	Mrs L Johnson	Local Authority Maintained Secondary School Governor
	Mr S Kendrick	Local Authority Maintained Primary School (Nursery)
	Mr T Knapp	Mainstream 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
	Mrs J Rees	Local Authority Maintained Primary School
	Mrs M Stevens	Local Authority Maintained Primary School
	Vacancy	16-19 Providers
	Mrs K Weston	Local Authority Maintained Primary School
	Mr P Whitcombe	Mainstream Academies
	Mr K Wright	Local Authority Maintained Primary School

Agenda

	Pages
1. APOLOGIES FOR ABSENCE To receive apologies for absence.	
2. NAMED SUBSTITUTES (IF ANY) To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
3. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
4. MINUTES To approve and sign the minutes of the meeting held on 12 January 2018.	5 - 12
5. HIGH NEEDS BUDGET 2018/19 This report recommends actions for 2018/19 and 2019/20 to ensure high needs expenditure remains within budget for the next two financial years whilst a fundamental review of high needs services and costs is undertaken.	13 - 38
6. UPDATE ON LOOKING TO THE FUTURE To receive a verbal update on progress in allocating the £890,000 underspend in dedicated schools grant funding for nursery education for two year olds.	
7. WORK PROGRAMME 2018/19 AND DATES OF FUTURE MEETINGS To agree the work programme for the Herefordshire Schools Forum for 2018/19 and to agree dates for future meetings.	39 - 44



Minutes of the meeting of Herefordshire schools forum held at Committee Room 1 - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Friday 12 January 2018 at 9.30 am

**Present: Mr A Evans (Mainstream Academies) (Chairman)
(Vice Chairman)**

Mrs S Bailey	Local Authority Special School Headteachers
Mr P Burbidge	Roman Catholic Church
Mrs J Cohn	Academy Special School Representative
Mr P Deneen	Trade Union Representative
Mr T E Edwards	Local Authority Maintained Primary School Governor
Mr G Evans	Mainstream Academies
Mr M Farmer	Mainstream Academies
Mr M Henton	Local Authority Maintained Secondary Schools
Mrs L Johnson	Local Authority Maintained Secondary School Governor
Mr S Kendrick	Local Authority Maintained Primary School (Nursery)
Mr T Knapp	Mainstream 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
Mrs J Rees	Local Authority Maintained Primary School
Mr P Whitcombe	Mainstream Academies
Mr K Wright	Local Authority Maintained Primary School

In attendance: Councillors FM Norman

Officers: Mr Malcolm Green and Les Knight

13. APOLOGIES FOR ABSENCE

Apologies were received from forum members Mr A Davies, Mr P Cordey and Mrs K Weston.

Apologies were also received from the director for children's wellbeing.

14. NAMED SUBSTITUTES (IF ANY)

Mr B Caldicott attended for Mrs K Weston.

15. DECLARATIONS OF INTEREST

Mr T Knapp declared an interest in item 7 as headteacher of Whitecross High School.

16. MINUTES

Resolved: that the minutes of the meeting held on 20 October 2017 be approved as a correct record and signed by the chairman.

17. ELECTION OF VICE-CHAIRMAN

Resolved: that Mrs J Cohn be elected vice chairman of the forum for the remainder of 2017/18.

18. SCHOOLS BUDGET 2018/19

Members were asked to consider both the original report and the supplementary report which contained information and additional or amended recommendations arising from the meeting of the budget working group on 5 January 2018.

The schools finance manager (SFM) introduced the report. He noted that:

- the proposed funding values were the same as the draft that members had considered at the October 2017 meeting and closely reflected the consultation which had taken place with schools in the autumn term;
- the increase in the schools block was 1% compared to 2017/18, this was disappointing but in line with expectations;
- figures set out in the report showed that on a per pupil basis Herefordshire schools were better funded than those in statistical neighbour authorities, it was noted that comparisons to urban authorities were less favourable;
- the minimum funding guarantee (MFG) was proposed to be set at 0.5% for 2018/19 in order to pass through to all schools the government's 0.5% increase per pupil, a further 0.5% increase was expected for 2019/20;
- the proposed funding values achieved full implementation of the national funding formula a year earlier than required by the DfE;
- proposals for de-delegation were generally in line with those for previous years with a reduction in the cost to primary schools of trade union facilities and the removal of the staff sickness absence scheme;
- there was a low response rate to the autumn consultation, in the past this had been taken to mean that proposals were generally acceptable to schools;
- responses in relation to the staff sickness absence scheme were mixed, the recommendation of the budget working group was that all schools should buy cover directly from the market, the council was working with its broker and hoped to be able to recommend policies that it felt were fair and offered the level of cover required;
- there was no change to the formula for the early years block and the pass through rate for Herefordshire was well above the minimum set by the DfE;
- there had been a small increase in the central school services block and this was proposed to be used to support further development of the early years NEF payment system and the online payroll system.

The SFM then spoke on the matter of the high needs block, the key points being:

- the forum had previously been made aware of the projected overspend in the high needs block for 2017/18 of around £300k;

- there was a recognised need to take action to bring expenditure in line with available funding;
- a package of measures would be discussed at the meeting of the budget working group in February 2018 and recommendations would be brought to the forum in March;
- due to improvements in attainment in Herefordshire schools the number of pupils qualifying for low prior attainment funding was lower than expected, resulting in a net surplus in the schools block of £324k, this was an unexpected windfall and should be seen as a one-off;
- options for the use of the windfall were set out in the supplementary papers;
- although it was possible to pass out the surplus to schools by increasing per pupil or lump sum values there were disadvantages in doing so caused by the minimum funding guarantee. Not all schools would receive an increase and the additional funds would be locked in by the MFG and cause difficulties for future budget allocations;
- the DfE had introduced a change to regulations which allowed the forum to approve a transfer in the form of a top slice from the schools block to another block;
- there was the option to use the surplus in the schools block to support the high needs block in the short term. This would give 12 months to make considered decisions on how to bring high needs expenditure in line with available funding;
- the budget working group had discussed this option at length. While the working group was clear that action had to be taken on the high needs budget, they recognised the value of using the surplus to buy additional time to seek longer term solutions and had recommended that the transfer take place for 2018/19;
- the working group recognised that if the transfer did not take place, the nature of the cuts to the high needs block would mean that increased costs would fall on schools, in effect giving with one hand and taking with the other;
- the SFM emphasised to forum members that if the windfall was allocated in the schools block there would have to be serious cuts to the high needs block for 2018/19.

The head of additional needs (HAN) stated that pressure on high needs budgets was a national issue and that the primary cause was the growth in demand for education health and care plans (EHCPs) and the level of demand for special school places. The criteria had not been changed and were being applied rigorously to assessments. The difficulty was that the budget was not keeping pace with demand. HAN made the offer to members of the forum or budget working group to attend the SEN referral panel to provide assurance on the SEN decision-making processes and to suggest any ideas to further strengthen these processes.

The SFM reported that of 15 authorities surveyed in 2017, all of whom were in the f40 group of low funded authorities, 13 had overspends in their high needs block. Herefordshire was in a good position compared to many authorities but would likely suffer the same pressures experienced nationally.

In the discussion of the issue the following points were made:

- the need to look for longer term measures to tackle levels of high need demand, such as outreach work and more in county places to meet the needs of pupils currently sent elsewhere;
- the importance of early intervention to try to prevent pupil's needs from escalating;
- the importance to some schools of the SEN protection fund;
- the evidence that demand would continue to rise and the need to take account of this in the steps taken to manage expenditure;

- the need to act within the law and meet statutory requirements of pupils with additional needs;
- examples of the steps other authorities were taking to address high needs expenditure, including significant top slicing of school budgets;
- the wish to retain the established principle of not transferring funds between blocks, any transfer agreed on this occasion should be seen as a one off;
- the desire for stability for school budgets as far as possible;
- the challenge of mental health issues in children and options available to deliver a countywide approach;
- the complex medical needs of some children in special schools and disappointment on the slow implementation of school nursing services by the clinical commissioning group.

The question was put as to whether the authority would be in the same position in 12 months' time. It was confirmed that the surplus in the schools block was an unexpected figure and it could not be relied upon that there would be similar surplus when considering the budget for 2019/20. An increase in the high needs block was expected based on the provisional information from central government but it would be unwise to assume that this would address all of the increased pressures. Action to reduce demand in the longer term needed to take place regardless of the decision made on the use of the windfall sum.

With regard to the closure of the staff sickness absence scheme, it was queried whether maternity cover was available from market providers. The SFM responded that the council's insurance broker had been asked to provide information on what cover was generally available. If such cover was available then schools should expect to see that reflected in the premium they paid. Schools could instead choose to set money aside in their budget to cover the costs.

It was resolved that:

THAT:

the local application of the National Funding Formula (NFF) for 2018/19 as set out in the consultation document and below, be approved for recommendation to the Cabinet member for young people and children's wellbeing as follows:

- (i) the final school funding values be agreed, subject to a minimum total funding per pupil of £3,500 for primary schools and £4,800 for secondary schools, as follows:

1.	Basic entitlement per pupil	Primary	£2,747
2.	Basic entitlement per secondary pupil	Key stage 3	£3,863
3.	Basic entitlement per secondary pupil	Key stage 4	£4,386
4.	Deprivation per free school meals pupil	Primary	£440
5.	Deprivation per free school meals pupil	Secondary	£440
6.	Deprivation per ever-6 free school meals pupil	Primary	£540
7.	Deprivation per ever-6 free school meals pupil	Secondary	£785
8.	Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)		
9.	Band A (3% of pupils)	Primary	£575
10.		Secondary	£810
11.	Band B (8% of pupils)	Primary	£420
12.		Secondary	£600

13.	Band C (7% of pupils)	Primary	£390
14.		Secondary	£560
15.	Band D (8% of pupils)	Primary	£360
16.		Secondary	£515
17.	Band E (9% of pupils)	Primary	£240
18.		Secondary	£390
19.	Band F (10% of pupils)	Primary	£200
20.		Secondary	£290
21.	Band G (55% of pupils)	Primary	£0
22.		Secondary	£0
23.	Low Prior Attainment per pupil	Primary	£1,050
24.	Low Prior Attainment per pupil	Secondary	£1,550
25.	Lump sum	Primary	£110,000
26.	Lump sum	Secondary	£110,000
27.	Looked after children, primary and secondary		£0
28.	Primary sparsity, on a taper basis, over 2 miles and less than an average year group size of 21.4 pupils		£25,000
29.	Secondary sparsity, on a taper basis, over 3 miles and less than an average year group size of 120 pupils		£65,000
30.	English as additional language per pupil	Primary	£515
31.	English as additional language per pupil	Secondary	£1,385
32.	PFI contract		£278,200
33.	Business rates		At cost
34.	Exceptional premises factor (Eastnor)		£8,500

(ii) that the Minimum Funding Guarantee (MFG) be set at 0.5% for 2018/19 in order to pass through to all schools the government's 0.5% increase per pupil;

(iii) local authority maintained school members of Schools Forum approve the de-delegation in 2018/19 of funding for:

- (a) trade union facilities (primary schools only) at £2.90 per pupil
- (b) ethnic minority support at £1.12 per pupil plus £6.60 per "ever-6" free school meals (FSM) pupil plus £107 per English as an additional language (EAL) pupil
- (c) free school meals administration at £4.51 per "ever-6" FSM pupil
- (d) software licence costs for the financial planning software at £350
- (e) education functions for local authority maintained schools at £13.50 per pupil
- (f) £0 per pupil for the sickness absence scheme with all schools to buy absence insurance direct from the market

(iv) the central school services block be used to fund the former Education Services Grant retained duties (£360k), national licences for schools (£131k), Schools Forum (£12k), admissions (£142k) and computer developments to complete the early years Nursery Education Funding (NEF) payment system (up to £25k) and develop access to real-time school payroll and staffing reports through the schools portal (£15k);

(v) for the early years block:

- (a) there is no change in the early years funding formula for providers in Herefordshire**
- (b) central expenditure of £335k, for early years consultants and NEF payment costs, be approved for 2018/19**
- (c) the pass through percentage to 3 and 4 year old providers be approved at 97.5%; and**

(vi) with regards to unallocated funds in the schools block arising from a reduction in pupils qualifying for low prior attainment funding:

- a) The unallocated funding be held in the Schools Block and not distributed to schools in 2018/19; and**
- b) pending a further consultation with schools, a decision on a transfer of 0.33% (£324k) from the schools block to the high needs block for 2018/19, to provide high needs protection funding for schools with a higher than average number of pupils with high needs, be deferred until the meeting of Schools Forum on 16 March 2018.**

(NB restrictions were applied to voting as follows:

Only representatives of LA maintained schools, academies and early years providers were eligible to vote on recommendations (i), (ii), (iv), (v) and (vi). All were supported unanimously.

Only representatives of LA maintained schools were eligible to vote on recommendation (iii). The recommendation was supported on the majority.)

19. WHITECROSS PFI SCHEME - TRIENNIAL REVIEW

The schools finance manager (SFM) introduced the report. He explained the background to the PFI contract and reminded members of the forum of additional funding that had previously been allocated to the contract. Some savings had been made which had also contributed to managing the costs of the contract. The governors of Whitecross school had agreed not to exercise their right to claim those savings.

It was explained that payments to the PFI provider were index linked to RPIX. The report set out the current and forecast inflation figures. The original model assumed an inflation rate of 2.5% for the life of the contract. The figures in the report showed that was unlikely to be case and remodelling had taken place to reflect the higher inflation figures.

The Council had added additional funding of £55,000 for 2018/19 and this would cover current inflationary costs and the SFM did not believe that there was a need to allocate any further funding at this time. Monitoring of the contract would continue and the next review would be brought back to the forum in 2021. The SFM reminded the forum that the DfE was committed to providing funding to cover the DSG share of the costs under the national funding formula. Any increase in that part would not affect Herefordshire school budgets.

It was agreed that:

- a) No further funding was required from the dedicated schools grant at this time;**
- b) A progress review be added to the forum's work programme for January 2021.**

20. SCHOOL RECRUITMENT AND RETENTION

Mr Lewandowski asked members to consider adding a task to the work programme of the forum in relation to recruitment and retention problems in schools. He asked if schools could be asked to collect factual evidence on this issue.

It was agreed that:

- a) the item not be added to the work programme at this time; and**
- b) the schools finance manager approach the HR services manager to explore what data was already centrally held.**

The meeting ended at 10.47 am

Chairman



Meeting:	Schools Forum
Meeting date:	Friday 23 March 2018
Title of report:	High Needs Budget 2018/19
Report by:	Senior finance manager schools

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose and summary

The report sets out the expected financial position for Herefordshire's high needs budgets for three years from 2018/19. If current trends were to continue high needs expenditure, particularly high needs top-ups paid to schools, is forecast to overspend by £1m in 2018/19, £1.5m in 2019/20 and £2m in 2020/21. This report recommends actions for 2018/19 and 2019/20 to ensure expenditure remains within budget for the next two financial years whilst a fundamental review of high needs services and costs is undertaken. During this period the high needs expenditure will be reviewed regularly to ensure the savings are delivered and further action will be taken if necessary.

Recommendation(s)

That:

Following the advice of the Budget Working Group, the high needs budget and savings plan, as set out in the schools consultation document and below, be approved for recommendation to the Cabinet member for young people and children's wellbeing as follows:

- (a) the High needs tariffs to mainstream and special schools be revised to a five point range (Option B) from 1st April 2018 (Post-16 providers from 1st September 2018) to save approx. £300k as follows

Revised Tariff	Assessment Points	Funding 2018/19
Local		£
Offer	0-9	0
A1	10-14	680
A2	15-19	1,360
B1	20-24	2,355
B2	25-29	3,349
C1	30-34	3,937
C2	35-39	4,525
C3	40-44	5,113
C4	45-49	5,700
D1	50-54	6,568
D2	55-59	7,435
D3	60-64	8,303
D4	65-69	9,170
E1	70-74	10,115
E2	75-79	11,060
E3	80-84	12,005
E4	85-89	12,950

F1	90-94	14,028
F2	95-99	15,105
F3	100-104	16,183
F4	105-109	17,260

- (b) Tariffs for the pupil referral service remain fixed until the end of the current contract with the Herefordshire Integrated Behaviour Outreach Service (HIBOS) at which point the tariff allocations are revised with the purpose of reducing the current cost of the service by £50k pa;
- (c) Charges to schools be increased for Pupil Referral Unit services as follows
- (i) Key Stage 4 placement one-off charge increased to £7k from September 2018
 - (ii) Increased charges for Key Stage 3 and primary intervention be agreed with HIBOS for implementation from April 2018 to save £25k pa;
- (d) Budget reductions for the SEN Support services of £50k pa for SEN support and £15k pa for the equalities team be approved from April 2018;
- (e) The cost of a place at the resource units at Hampton Dene and Bishop's schools be decreased to £6k pa as required by the operational guidance received from the DfE for 2018/19 to save £160k pa;
- (f) The surplus funding of £324k retained in the schools block be transferred to the high needs block for 2018/19;
- (g) Further work to review the high needs services and costs be commissioned in conjunction with the School Forum's Budget Working Group (BWG) and secondary and primary Headteachers to ensure that high needs expenditure is within the available funding from April 2020 onwards and the working group reports progress regularly to schools forum
- (h) Following feedback from schools the short term action plan set out in the schools consultation paper be amended as follows
- i) the proposal that the SEN protection scheme be funded from a top-slice in school budgets from April 2019 be withdrawn; and
 - ii) the cap on the SEN protection scheme be gradually raised from £120 x number on roll in 2017/18 to £130 x number on roll in 2018/19 and £140 x number on roll in 2019/20 and potentially subject to further consultation £150 x number on roll in 2020/21
 - iii) the SEN protection scheme be restricted to primary schools only
 - iv) that an economies of scale reduction to all new and amended tariff payments to mainstream schools be withdrawn for 2018/19 and the Budget Working Group consider alternative options for inclusion in the autumn 2018 consultation as necessary
- (i) Further consultation with schools be agreed for the autumn term 2018 setting out

further proposals for the high needs services for 2019/20

- (j) The high needs budget including the savings as above be approved as set out in Appendix 2.

Alternative options

- Options are limited for implementation from April 2018 but will include a modest reduction in expenditure in the SEN protection scheme and further price increases for the services identified in the consultation paper. These will be discussed with the BWG prior to Schools Forum in March. Additional options will be developed by the Budget Working Group for further consideration in autumn 2018 and implementation in 2019/20 as necessary.
- The options included in this report are those options that deliver immediate cost savings in 2018/19 and have been discussed fully with the Budget Working Group and Schools Forum. The following options have been discounted as either infeasible or delivering an unacceptable reduction in service with insufficient notice for implementation in 2018/19 (i) more radical changes to the tariff structure such as funding each tariff point value separately (ii) implementing the economies of scale model for all existing tariffs, (iii) abolishing the SEN protection scheme.
- The Budget Working Group considered two options for the existing tariff bands A to F to be split. Option A would split each band into two and was projected to save £200k a year. Option B would split the current bands into smaller bands each spanning 5 assessment points. This was projected to save £300k a year.
- Following discussion the BWG preferred option B as it would deliver greater savings and allow more cover in the event that demand was greater than projected. It was cautioned that there would be more complex administration and as the tariff bands would be narrow there might be incentive for schools to push for an additional couple of points on an assessment in order to move a child up a band. On a vote the BWG supported implementation from April 2018 rather than September 2018 by six votes to two.
- BWG discounted the alternative recommendation for revised tariffs (Option A) i.e.
- The High needs tariffs to mainstream and special schools be revised to include a lower and upper band from 1st April 2018 Post-16 providers from 1st September 2018) to save approx. £200k as follows

Revised Tariff	Assessment Points	Funding 2018/19
Local Offer	0-9	£ 0
A1	10-14	680
A2	15-19	1,360

B1	20-24	2,355
B2	25-29	3,349
C1	30-39	4,525
C2	40-49	5,700
D1	50-59	7,435
D2	60-69	9,170
E1	70-79	11,060
E2	80-89	12,950
F1	90-99	15,105
F2	99+	17,260

7. At this stage the financial strategy is to ensure the high needs budget remains in surplus until April 2020 and actions are identified to reduce the expenditure from 2020/21 onwards when the forecast expenditure begins to exceed income.

Key considerations

8. The council's high needs budget is funded by the DfE through the Dedicated Schools Grant. The high needs budget is forecast to overspend in 2017/18 and this overspend is set to increase in 2018/19 and in the years beyond if no remedial action is taken and present trends continue. The potential overspend in 2018/19 is estimated at £1m rising to £2m by 2020/21 if current expenditure trends continue and no action is taken.
9. The proposals set out in the schools consultation paper (Appendix 1) are planned to ensure that the high needs budget remains in surplus until financial year 2020/21 and hence provides a two year window to fundamentally change the service delivery model to ensure the high needs model is deliverable within the DSG funding envelope.
10. In addition to the five proposals set out in Appendix 1, a further proposal 6: Economies of scale on tariff payments has been developed.
11. Headteachers have rejected the top-slicing of schools budgets and preferred the gradual implementation of an "economies of scale" factor to be applied to all tariff payments for new pupils/students and tariff amendments from the new academic year in September 2018. Headteachers accepted that it would be possible for schools to use high needs teaching assistants or other provision more efficiently. Please note it is the school/post 16 provider that has to make the economies and that the child/young person needs to have access to the provision detailed in their EHC plan.
12. The BWG didn't wish to proceed with this option and preferred to consider alternatives at a future meeting. The proposed model was as follows

Number of FTE high needs pupils/students	Average reduction %	Number of FTE high needs pupils/students	Average reduction %
1	0.00	13	14.49
2	4.18	14	15.08
3	5.92	15	15.65
4	7.25	16	16.20
5	8.37	17	16.73
6	9.35	18	17.25
7	10.25	19	17.75
8	11.07	20	18.23
9	11.83	21	18.71
10	12.55	22	19.17
11	13.23	23	19.62
12	13.87	24	20.06

13. For example a primary school with 10 existing high needs pupils and 2 new pupils in September 2018 would have a reduction of 4.18% applied to the tariff payments for the two new pupils for example 2 pupils at tariff C1 is 2 x £4,525 i.e. a payment of £9,050 less a reduction of 4.18% i.e. £378.29. (Note the whole numbers for pupils in the example, in practice the reduction will apply to the monthly payment using a composite monthly FTE calculation).
14. Assuming 2 existing pupils leave and a further 2 new pupils start September 2019 on tariff C1 the payment would be 4 x £4,525 less a reduction of 7.25% i.e. a reduction of £1,312.25. Reductions will be taken on the full value of the top-up payments (including element 2 where applicable for post-16 students) on a monthly basis.
15. The Schools Revenue Funding 2018 to 2019 operational guide sets out the evidence that schools forum must consider in order to approve the transfer of funding from the schools block to the high needs block, i.e. the transfer of £324k from the schools budget to the high needs block set out in recommendation (f). Schools Forum agreed at the January meeting not to distribute this sum to schools pending consultation with schools and a decision in March.
16. The DFE advise that any proposal to transfer funding from the schools block should be presented along with a range of evidence to back up the proposal, both to schools as part of the local consultation, and to the schools forum in seeking their approval. Schools

Forum discussions should include appropriate representation from special schools and other specialist providers. The DfE expect the evidence presented to the schools forum to include the following:

- details of any previous movements between blocks

No previous inter block movements in Herefordshire

- a full breakdown of the specific budget pressures that have led to the requirement for a transfer.

This is set out in detail in the schools consultation paper and mainly arises from a significant increase in top-up payments to mainstream and special schools

- a strategic financial plan setting out how the local authority intends to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels.

A strategic (short term) plan provides for a two year window for the development of a more fundamental and considered plan to ensure that high needs expenditure is within budget from April 2020 onwards

- as part of the review and planning process, the extent to which collaborative working is being developed as a means of securing suitable high needs placements at a cost that can be afforded.

Collaborative working is proposed through a Headteacher working group to undertake the fundamental high needs service review. Joint working with placements is through the existing Section 75 joint agreement with health.

- how any additional high needs funding would be targeted to good and outstanding primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools.

It is proposed that Herefordshire's SEN Protection scheme will be restricted to primary schools only in the future and this will be subject to further review and consultation with schools to deliver an affordable scheme.

- details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula

There is no impact on school budgets for 2018/19 as the funding proposed to be transferred is surplus one-off funding arising from a reduction in the number of pupils receiving low prior attainment funding. The council's autumn consultation with schools set out plans to adopt the national schools funding formula in full from April 2018 and the final budgets issued to schools met this commitment.

- the extent to which schools more generally support the proposal, including the outcome of local school consultations

Of 22 responses received from schools only one was against this proposal. Most of the responses from secondary stressed it must be a one-off and agreed in future. Of the 19 responses regarding a continued top-slice in 2019/20 eight (43%) were in favour and was seen as supporting inclusion. Three responses declined to give a view.

17. If the proposed transfer to the high needs block is not accepted by Schools Forum for 2018/19 further savings in the high needs block will be implemented in order to ensure the budget remains in balance. This will possibly include further cost reductions in the SEN Protection scheme.
18. Schools Forum recommends to the Cabinet Member that the 2018/19 high needs budget as set out in Appendix 2 is approved.

Community impact

19. The proposed reductions in funding will impact on vulnerable children unless schools use their delegated funds and/or balances to meet the shortfall. Further consultation will be required with parents of high needs pupils and the wider community. The short term action plan set out in the recommendations will not have any impact on the council's priority objective to keep children and young people safe and give them a great start in life. There will be no particular impact on Looked After Children or any health and safety implications. Governing bodies of schools are responsible for decisions to commit expenditure according to meet pupil's individual needs within the total funding allocated to the school

Equality duty

20. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
22. Any potential detrimental impact on vulnerable pupils will be managed by school governing bodies prioritising vulnerable pupils within the school's grant income.

Resource Implications

23. If the recommendations are approved the high needs budget will remain in surplus for financial years 2018/19 and 2019/20. The forecast shortfall in the DSG high needs block arises in 2020/21 and is not reflected in the current Medium Term Financial Strategy. The next edition of the MTFs will include the £700k potential shortfall in funding in the event that the council may have to contribute funding. Advice will be sought from the DfE should this become necessary. Every effort is being made to avoid a contribution from Council budgets. The early action described in this paper is designed to minimise this risk.

24. If the recommendations are not approved the high needs budget will potentially overspend in 2018/19 by £1m.
25. The costs are clearly set out in the schools consultation document and potentially place an additional cost pressure of at least £700k pa from April 2020/21 if the funding review cannot deliver further savings.
26. The council continues to lobby through the f40 campaign group for additional high needs funding
27. The impact on DSG Reserves is set out in the table below. For financial reasons the council's preference is for Option B.
 - a. Option A sets out the impact of the savings set out in the report including changing the tariffs into upper and lower tariff bands i.e. A1, A2, B1, B2, C1, C2, D1, D2, E1, E2, F1 and F2 which saves approx. £200k pa.
 - b. Option B, which provides greater financial security changes the tariff into five point bands i.e. A1, A2, B1, B2, C1-C4, D1-D4, E1-E4 and F1-F4 which saves approx. £300k pa and provides and higher level of DSG reserves in March 20 to meet the in-year deficit going forward.

The impact on DSG reserves is set out in the table below

	Option A	Option B
	Altern've	Recom'd
Financial year 2018/19	£'000	£'000
a. Uncommitted DSG Balances at March 2018	800	800
b. Forecast Overspend 2018-19 (£216k+£96k)	-312	-312
c. Savings - revised Tariffs from April 2018	200	300
d. Savings - increase SEN protection cap to 130	67	67
DSG Balances March 2019 - surplus	755	855

Financial year 2019/20

f. Forecast Overspend 2019-20 (£504k+£288k)	-792	-792
g. Savings from 2018/19 c/forward	292	392
h. Savings increase SEN Protection scheme cap to 140	36	36
j. Less one off school surplus	-324	-324
k. Less one off return from Barrs court	-40	-40
l. Add additional high needs income from DfE	250	250
m. Increase of 5% in hospital education	-15	-15
n. Independent special schools	-100	-100
DSG Balances March 2020 - surplus	62	262

In year deficit 2019/20 (693) (593)

2020/21 - Full review and remodel of high needs implemented

Legal implications

28. This is a key decision which can be taken by the Cabinet Member under the provisions set out in section 3.3.15 (i) of section 3 of the council's constitution.
29. The council has statutory duties to deliver provision for children and young people with high needs which includes special educational needs and disabilities from early years to age 25.
30. The DSG is a ring fenced grant from the DfE, the majority of which is used to fund individual school budgets in maintained schools, academies and free schools. This includes provision for pupils with high needs in both special and maintained schools.
31. The government revenue funding guidance for 2018/19 allows up to 0.5% of the schools block to be transferred subject to the agreement of Schools Forum and consultation with schools. The £324K recommended to transfer in this report is within this 0.5% limit.
32. Changes to the high needs funding provision could leave the council open to legal challenge, through ombudsman complaint or appeal to the Special Educational Needs and Disability Tribunal if children, young people or their families feel that the required specialist provision is not being met with the funds available. The reports sets out that the council is actively consulting and working with school settings to ensure that effective sustainable provision is maintained.

Risk management

33. There is a risk that the Budget Working Group of Schools Forum will be unable to develop a new action plan that will be within budget constraints and/or that the planned short term savings will not be effective in containing high needs expenditure. The BWG will report regularly to both Schools Forum and the Director of Children's Services to ensure that progress in developing a new action plan is on track. In the event that there is slippage the risk of overspend will be managed by seeking School Forum's and/or the secretary of state's approval of a top-slice of school budgets. Alternatively other cost saving measures will be identified for consultation and implementation.
34. Risks will be managed initially at a directorate level by the Director of Children's Services. The risk will be included in both the directorate and corporate risk registers.

Consultees

35. All schools have been consulted on the proposals and will be informed of the decisions prior to the summer term. Table to show responses to be set out here.

Question	Special schools	Primary schools	Secondary schools
Q1. Revisions to the high needs tariffs – introduce upper and lower tariffs for each current tariff	Yes 3	Yes 9	Yes 9
	No 0	No 1	No 0
Q2. Implement the revised tariffs for special schools, resource units and the PRU but protect by the Minimum	Yes 3	Yes 9	Yes 8
	No 0	No 0	No 1

Further information on the subject of this report is available from
Malcolm Green, Tel: 01432 260818, email: Malcolm.Green@hoopleltd.co.uk

Question	Special schools	Primary schools	Secondary schools
Funding Guarantee			
Q3. Transfer £324k of surplus funding from the schools block to high needs for 2018/19	Yes 3 No 0	Yes 8 No 1	Yes 9 No 0
Q4 Increase charges to schools for the PRU (Key stage 3 and Key stage 4) and primary intervention services	Yes 2 No 0	Yes 9 No 0	Yes 8 No 1
Q5. SEN protection scheme to be funded from a top-slice of the schools budget from April 2019 onwards	Yes 3 No 0	Yes 4 No 3	Yes 1 No 8
<p>Comments</p> <ul style="list-style-type: none"> • A significant number of replies from secondary schools stressed that the transfer of funding for 2018/19 should be a one-off and not repeated in future. These secondary schools preferred cuts to the SEN protection scheme. • A minority of replies suggested the changes to the tariffs should be phased in for new pupils due to existing staff contracts. • A minority of schools supported the proposal to top-slice school budgets to fund the SEN protection scheme as it is seen as essential in encouraging schools to be fully inclusive • PRU services have a vital role in the local authority and although we agree this increase it is reluctantly. Some schools will need to use this service more than others and unfortunately the costs are now becoming prohibitive. • We have concerns over the consultation and believe that the outcome will not reflect how important it is, to schools like us that believe in inclusivity, to have a (SEN protection) scheme like this in place. We will be severely financially disadvantaged if the scheme is scrapped or changed dramatically • We would like assurance that when recommendations are being made by the Budget Working Group to the Schools Forum, there is a balanced view taken which will benefit the children with high needs and not any one individual school regardless of size. The high needs budget albeit stretched, should be linked to pupils with high needs. As a local authority we all have a moral obligation to ensure that these children have the very best chance to succeed alongside their peers. Without additional funding this group of children will be severely disadvantaged. There is a strong likelihood children will be moved from school to school as their needs will not be met, as schools will not be able to afford the additional support they so clearly need. • Re Proposal 5, Yes I agree and think this will need further thought in the future as it is possibly the most important proposal of the 5. Our school has a high proportion of SEN pupils requiring additional support and funding, and more often than not, this is not met with the SEN protection scheme. Raising further funds by top slicing is probably a fair system...however the distribution of the monies should be based on SEN numbers (or better, the severity of SEN) not pupil numbers, although I recognise the difficulty in doing this. 			

Appendices

Appendix 1 – schools consultation paper including expenditure graphs and response form

Appendix 2 – 2018/19 High needs budget recommended by Schools Forum

Appendix 3 – 2018/19 High needs budget graphs

Background papers

None identified

NATIONAL SCHOOL FUNDING FORMULA 2018/19

HIGH NEEDS CONSULTATION FEBRUARY 2018

1.0 SUMMARY

This consultation paper sets out the expected financial position for Herefordshire's high needs budgets for three years from 2018/19. High needs expenditure, particularly high needs top-ups paid to schools, is forecast to overspend by £1m in 2018/19, £1.5m in 2019/20 and £2m in 2020/21 based on current trends. This consultation paper sets out proposals to ensure expenditure remains within budget for the next two financial years whilst a fundamental review of high needs services and costs can be undertaken.

1.1 Consultation key dates:

- You are encouraged to respond by 12 noon, Wednesday 28 February 2018.
- Schools Forum's Budget Working Group will consider the responses and initial short term cost reductions will be recommended to Schools Forum on 16th March, for Cabinet Member approval and implementation from 1st April 2018.

2.0 HIGH NEEDS FUNDING PROPOSALS

2.1 High needs funding in Herefordshire remains under pressure. These pressures are also being experienced in many other Local Authority areas across the country. Particular pressures are the increasing numbers of children needing places in special schools and increasing numbers of children with EHC plans requiring top-up funding. A number of graphs setting out expenditure trends of key high needs budgets are set out in the appendix 1. Herefordshire has previously had to rely on small increases in the high needs block, although we will benefit by up to 3% in the government's high needs funding formula for 2018/19.

2.2 The high needs budget is forecast to overspend in 2017/18, and this overspend is set to accelerate in 2018/19 and in the years beyond. The overspend in 2018/19 is estimated at £1m, rising to £2m by 2020/21 if current expenditure trends continue and no action is taken. There are some difficult choices ahead which may include the transfer of approx. £0.5m of funding from schools to high needs in 2019/20. Subject to further consultation and as an interim measure, Schools Forum have agreed to consider the transfer of the one-off surplus funding that was not required to implement the schools national funding formula in 2018/19, so that further work can be undertaken to determine options to achieve the necessary savings. The council will not permit the high needs budget to continue to spend beyond the available resources, this view is strongly endorsed by Schools Forum and the Budget Working Group.

2.3 The key aspects of the high needs budget are set out overleaf.

2.3.1 Expenditure trends

	Budget 17/18 £'000	Forecast 17/18 £'000	Forecast 18/19 £'000	Forecast 19/20 £'000	Forecast 20/21 £'000
Home Hospital Hub	278	278	303	328	353
Independent out county places*	412	570	500	525	550
Outreach - new service	-	-	50	50	50
Unit top-ups	209	213	250	268	290
Unit places	400	400	410	420	430
Mainstream top-ups	1,285	1,808	2,136	2,376	2,616
Special top-ups	3,203	3,083	3,120	3,264	3,408
Total	5,787	6,352	6,769	7,231	7,697
<i>Predicted overspend</i>		(565)	(982)	(1,444)	(1,910)

Funding Adjustments

Return of Barrs Court monies	50
Less budget surplus	324
Less assumed extra budget	376
	376

Savings target

232	1,068	1,534
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* The independent places expenditure is totally dependent upon individual pupils and will vary significantly. These forecasts therefore could be an under estimate and will depend on future tribunal cases

2.3.2 2018/19 Savings Plan

	Forecast 18/19 £'000	Forecast 19/20 £'000	Forecast 20/21 £'000
Revised tariffs effective 1 st April 2018:			
-9.50% - mainstream reductions	203	226	249
0.50% - MFG protection re. special schools	(16)	(16)	(17)
	187	209	231
Other proposed savings:			
Resource unit places (DfE savings)	160	160	160
Increase PRU charge to £7,000 from Sept 18	25	25	25
Reduce SEN support Services	50	50	50
Increase EAL SLA	15	15	15
Increase KS3 PRU/primary intervention charges	25	25	25
Increase primary intervention charges to recover a greater share of place costs	0	50	50
Total from increasing income	275	325	325
Proposed total savings 2018/19	462	534	556

2.3.3 High Needs Protection Scheme – future choices

The council's view is that the current scheme of providing additional funding for schools with above average numbers of high needs pupils is only affordable if funding is made available from the schools block. All schools are expected to find the first £6k for a high needs pupil from their delegated budgets, paid from the schools block. Therefore, there is a rationale for also supporting the protection scheme from the schools block. To do this it is proposed to top slice school budgets by 0.5% from April 2019 so that the cost of the protection scheme is matched by funding from all school budgets

2.3.4 Forecast surplus/deficits on the high needs block

	Forecast 18/19 £'000	Forecast 19/20 £'000	Forecast 20/21 £'000
SEN protection funded by 0.5% schools budget top slice	0	300	300
Surplus/(deficit) over 3 years	230	(534)	(978)
Carried forward	-	230	(4)
Cumulative surplus/(deficit)	230	(4)	(682)

3.0 SAVINGS PROPOSAL 2018/19

3.1 The savings set out above are essential in balancing the high needs budget in the next two years and include the following proposals;

Proposal 1: revisions to the high needs tariffs

3.2 High needs tariffs to mainstream and special schools will be revised from 1st April 2018. Each tariff band will be split into two and the funding amended to reflect the assessment points so that there is a higher and lower tariff in each band with funding at an appropriate level. Pupils with the highest points in each tariff will continue to receive the same funding to reflect the same level of need. The proposed new tariff structure from 1st April 2018 is set out below:

Tariff	Assessment Points	Funding 2017/18 (£)	Revised Tariff	Assessment Points	Funding 2018/19
Local Offer	0-9	0		0-9	0
A	10-19	1,360	A1	10-14	680
			A2	15-19	1,360
B	20-29	3,349	B1	20-24	2,355
			B2	25-30	3,349
C	30-49	5,700	C1	31-39	4,525
			C2	40-49	5,700
D	50-69	9,170	D1	50-59	7,435
			D2	60-69	9,170
E	70-89	12,950	E1	70-79	11,060
			E2	80-89	12,950
F	90+	17,260	F1	90-99	15,105
			F2	99+	17,260

Proposal 2: special schools, resource units and pupil referral services

- 3.3 The revisions to the assessment points and tariff funding in the table above will apply to special schools, resource units, and pupil referral services. However, the Minimum Funding Guarantee (MFG) of 0.5% for 2018/19 will apply to special schools and resource bases for 2018/19. It is expected the MFG will continue at 0.5% for 2019/20 and become negative thereafter, as the government implements the “hard” national funding formula. The effect of the tariff changes will therefore have a more gradual impact on the special schools.
- 3.4 Tariffs for the pupil referral service are fixed until January 2019. After which time, the current contract with HIBOS ends, the system of tariff allocation will need to be reviewed. This will have the purpose of reducing the current cost of the service as a further contribution to the savings plan.

Proposal 3: transfer of £324k surplus funding from the schools block to high needs

- 3.5 Given the significant overspend projected for the high needs budget, Schools Forum agreed to transfer £324k surplus funding in the schools block to high needs in order to provide for greater time to make considered decisions about the future of the high needs budgets. It can be seen from the table in section 2.3.4 that this surplus funding does provide for a further 12 months in order to address future overspends. The council will develop options for a fundamental re-shaping of high needs services during this period and will consult with schools in due course.

Proposal 4: increase charges for services to schools

- 3.6 Increased charges will be set for the Pupil Referral Unit (PRU) KS3 and primary intervention services from April 2018. These will be agreed by the council with the Herefordshire Integrated Behaviour Outreach Service (HIBOS). This will also include primary schools bearing a greater share of the £80,000 cost for intervention places at Brookfield School. Schools will be informed of the new charges prior to the summer term.
- 3.7 The charge for a secondary KS4 PRU placement will increase to £7,000 from September 2018 as a one-off charge. The full cost of a PRU place is just under £16k per annum.

Proposal 5: SEN protection scheme to be funded from a top-slice of the schools budget from April 2019 onwards

- 3.8 The council regards it as essential to provide a scheme that meets the additional threshold costs incurred by schools, mainly primary, that are required to admit higher than average numbers of pupils with high needs. Currently the scheme limits the number of threshold costs to a cap of £120 per pupil; for a 100 pupils at primary school this is a cap of £12,000 which is equivalent to 2 high needs pupils. Threshold costs above this limit are reimbursed to the school on a termly basis. It is recognised that many schools regard the continuation of this scheme as very important. It is also recognised that without such a protection scheme, there could be additional pressure to find specialist places.

- 3.9 All of the £6,000 high needs threshold funding is already in schools as it is included within the national school funding formula. However the council's view is that the distribution of high needs pupils is not always proportionate to the notional SEN funding within each school's delegated budget. Given the exceptional demand pressures on the high needs budget, we can see no alternative to funding the continuation of this scheme other than from a top-slice of school budgets. The cost of the protection scheme is £300k and the cost is increasing in line with rising numbers of high needs pupils. The proposal is that the scheme is extended to secondary schools and Schools Forum be asked to agree the full 0.5% top-slice for 2019/20. DfE school funding regulations permit such a top-slice to be agreed by Schools Forum for the benefit of schools and pupils.
- 3.10 The alternative is that the protection scheme is either abolished or severely limited, for example by increasing the cap to £150 or £180 x the number on roll. This is equivalent to asking all schools to absorb additional threshold costs.
- 3.11 We recognise that schools will have differing views about this scheme and how it should be funded, if at all. We welcome any constructive views regarding funding alternatives that would allow this scheme to continue in 2019/20, with or without a top-slice of school budgets.

4.0 HIGH NEEDS CONSULTATION TIMESCALES

- 4.1 The issues set out in this consultation paper are an important first step in shaping the future of high needs funding in Herefordshire. Your views on how we can all use the available monies to best support pupils with high needs in Herefordshire are an important contribution to the reshaping of high needs services over the next two years. Please ensure you return the high needs budget consultation form by 28th February 2018 to express your views. Most importantly please provide an alternative approach if you are not in agreement with the proposals contained in this paper. There will also be further opportunities to comment in due course.
- 4.2 The high needs budget process and expected timeline is:
- a) The consultation will be supported by briefings for head teachers and governors during the spring term. (Please note: not all these briefings are before the consultation closure date).
 - b) Consultation closes 12 noon, Wednesday 28th February 2018
 - c) The Budget Working Group will review the responses to the consultation in early March and make proposals to Schools Forum
 - d) Schools Forum meets on 16th March 2018 to recommend the high needs budget for cabinet member approval.

5.0 FURTHER INFORMATION

5.1 If you have any queries or require further information on anything contained in this consultation paper, please contact either:

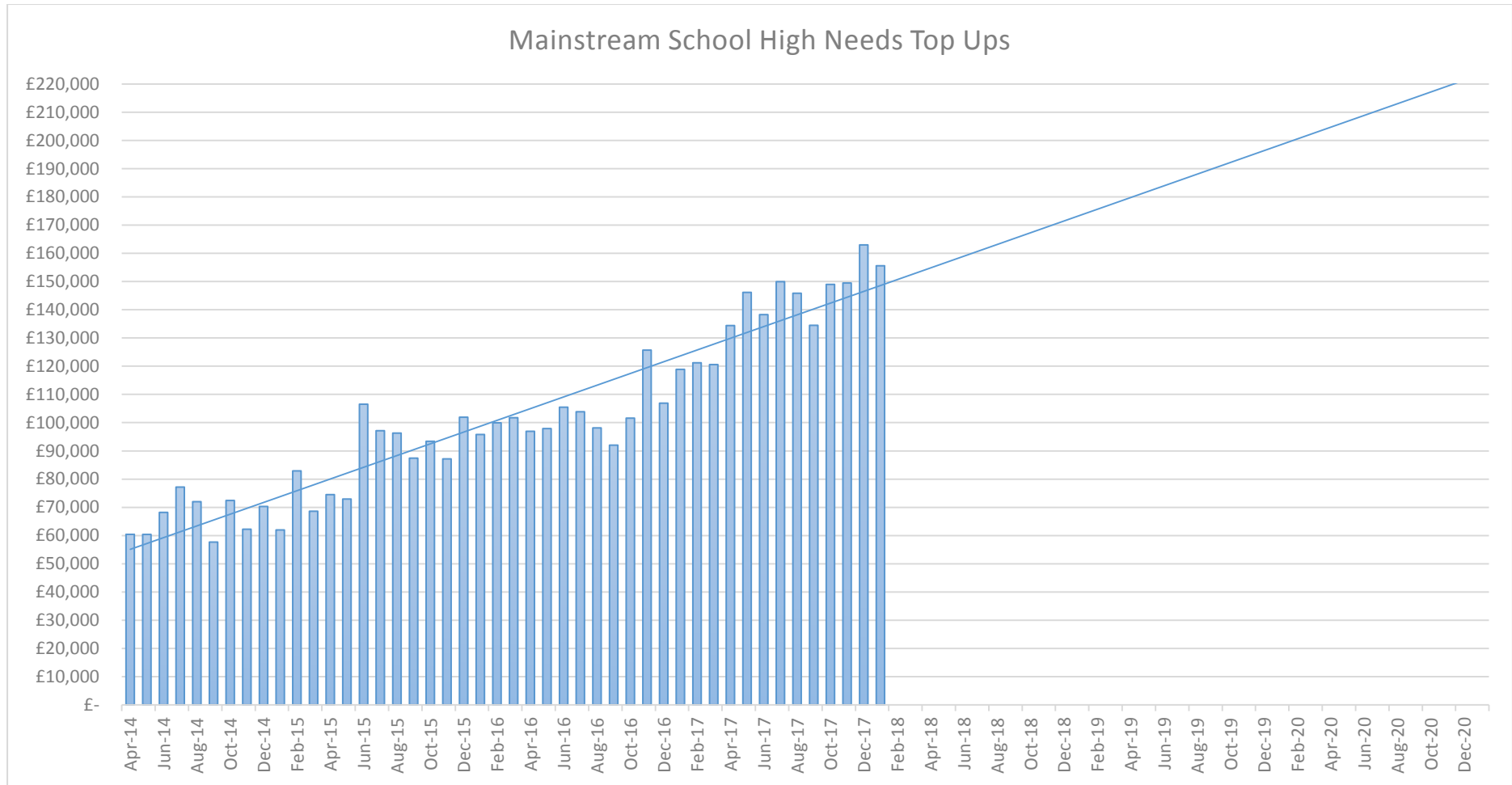
- Mr Les Knight, Head of Additional Needs, Tel 01432 2601724
e-mail: l.knight1@herefordshire.gov.uk
- Mr Malcolm Green, Schools Finance Manager, Tel 01432 260818 or
e-mail: Malcolm.Green@hoopleltd.co.uk

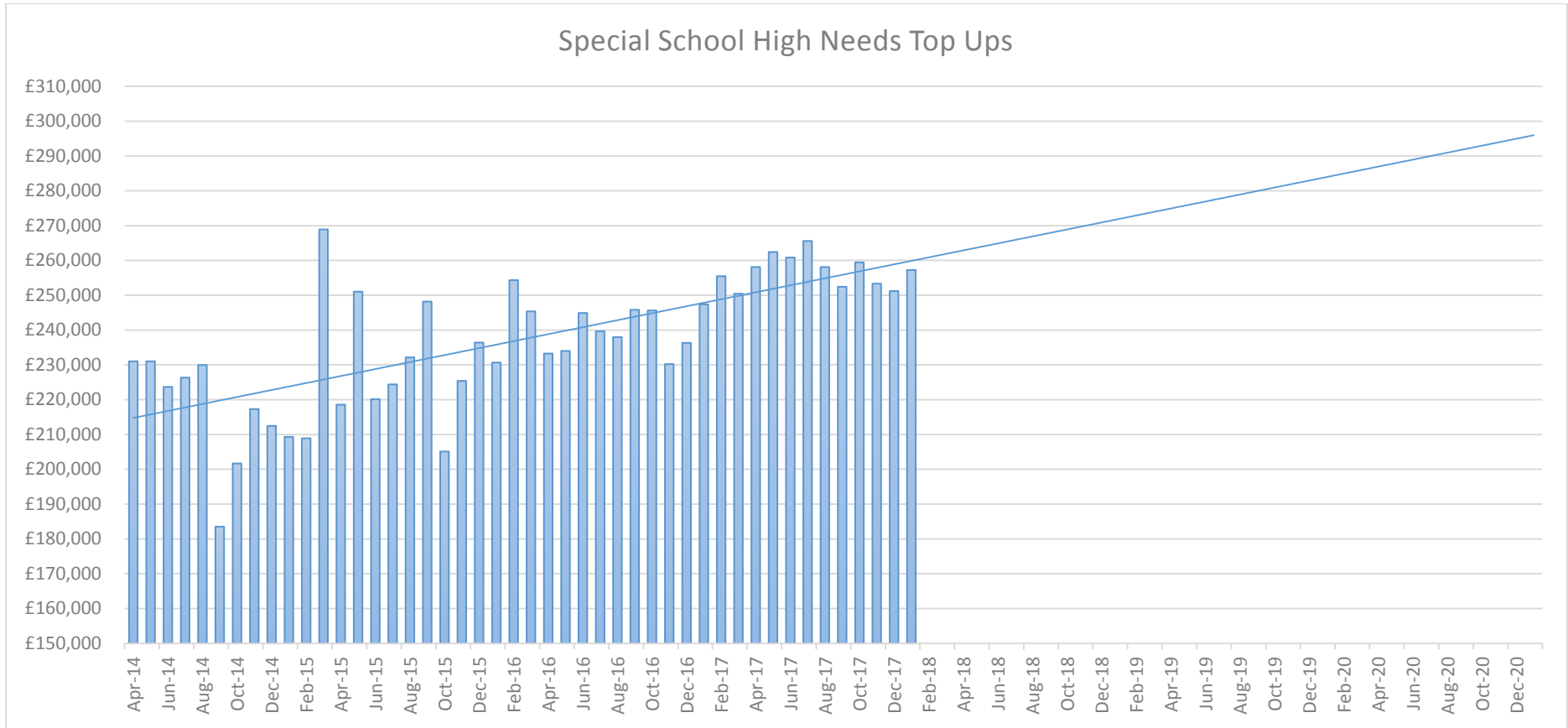
High Needs Budget 2018-19

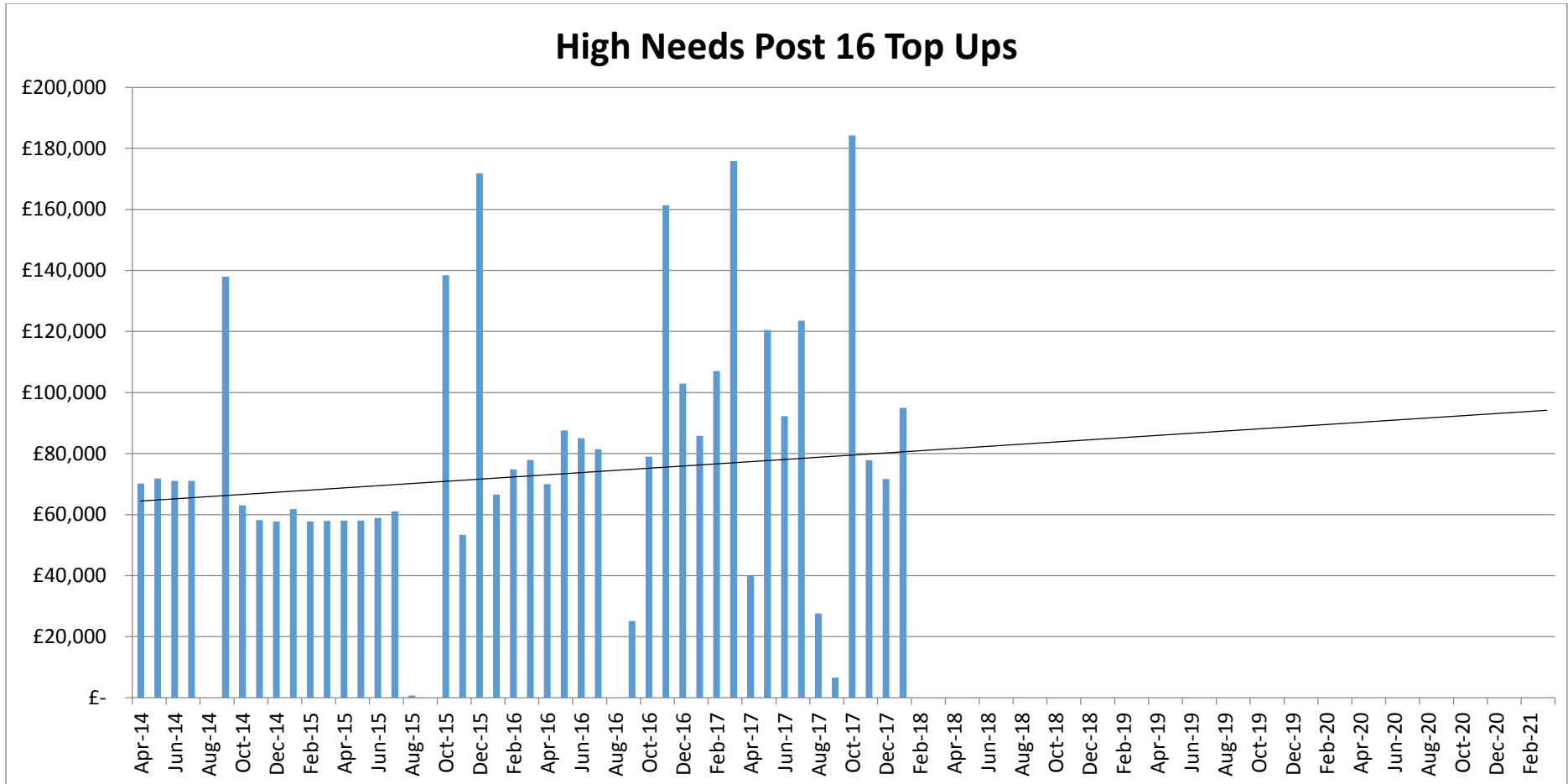
Cost Centre Description	Total 2017/18	Total 2018/19	Comment
	£	£	
Excluded Pupils	100,000	265,000	As per DSG forecast
Special School Places	-1,460,000	-1,550,000	9 additional places at £10k each
Hospital & Home Teaching Team	-278,206	-292,116	Add 10% growth and move to formula funding
Complex Communication Team	-111,447	-111,447	
Equalities	-257,437	-242,437	
Learning and Communication Team	-10,811	-10,811	
SEN Advisor	-143,747	-93,747	savings in SEN support services generally £50k
Brookfield CAF Outreach	-18,000	-18,000	
Fees To Independent Schools	-411,782	-500,000	add £89k to meet increase demand
High Needs investment	0	50,000	return one-off investment monies
PRU Places -80	-670,000	-595,000	Extra charges re schools
Hearing Impairment Team	-268,132	-268,132	
Additional Needs Business Support	-88,522	-88,522	
Additional Needs Management	-117,633	-117,633	
Visual Impairment Team	-169,391	-169,391	
Sen Services - DSG	-192,894	-192,894	

High Needs Budget 2018- 19

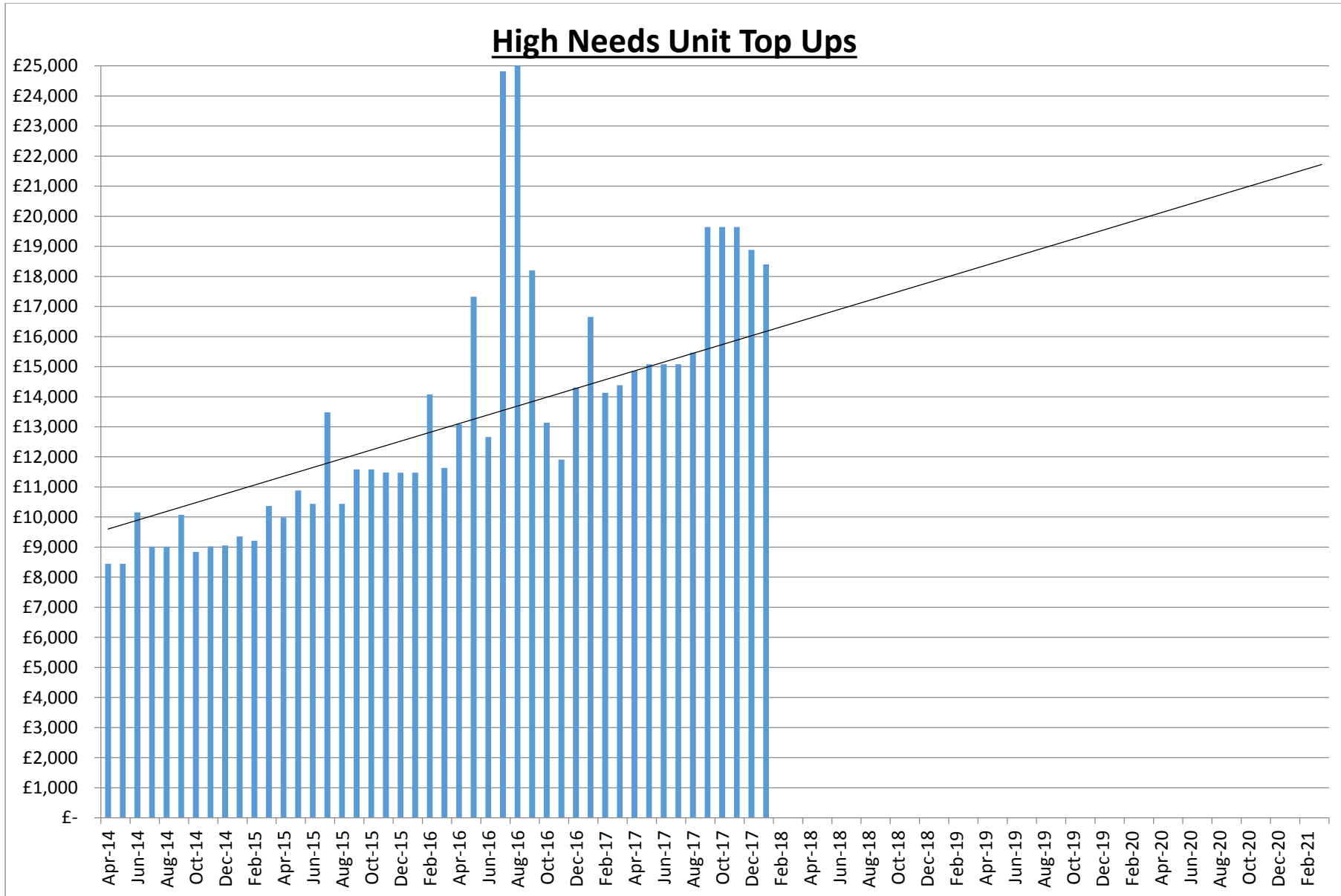
Cost Centre Description	Total 2017/18 £	Total 2018/19 £	Comment
Complex Needs Solutions	-1,497,250	-1,407,250	Predicted £220k underspend part taken in advance
High Needs Post 16 Top Ups	-1,100,000	-1,100,000	Estimated £1.1m for 2017/18
High Needs Kielder Centre	-55,000	0	
High Needs School Top Ups	-1,285,145	-1,933,000	add overspend
High Needs Special Top Ups	-2,960,876	-3,136,000	add overspend
High needs Unit Top Ups	-209,183	-234,183	add overspend
High Needs Managed Moves	-5,000	-5,000	
High Needs SEN Protection	-135,000	-300,000	As per actual costs
High Needs Units Places	-400,000	-240,000	DfE regs set cost per place at £6k
High Needs PRU top ups	-383,000	-333,000	Savings in new PRU contract
High Needs Early Years	-130,000	-90,000	as per forecast
High Needs contingency	0	-3,848	To balance
Inter Authority Recoupment	165,000	20,000	Much reduced – based on actual income
Schools Block surplus budget	-218,089	324000	subject to School Forum agreement
High Needs Block	-12,281,544	-12,373,000	

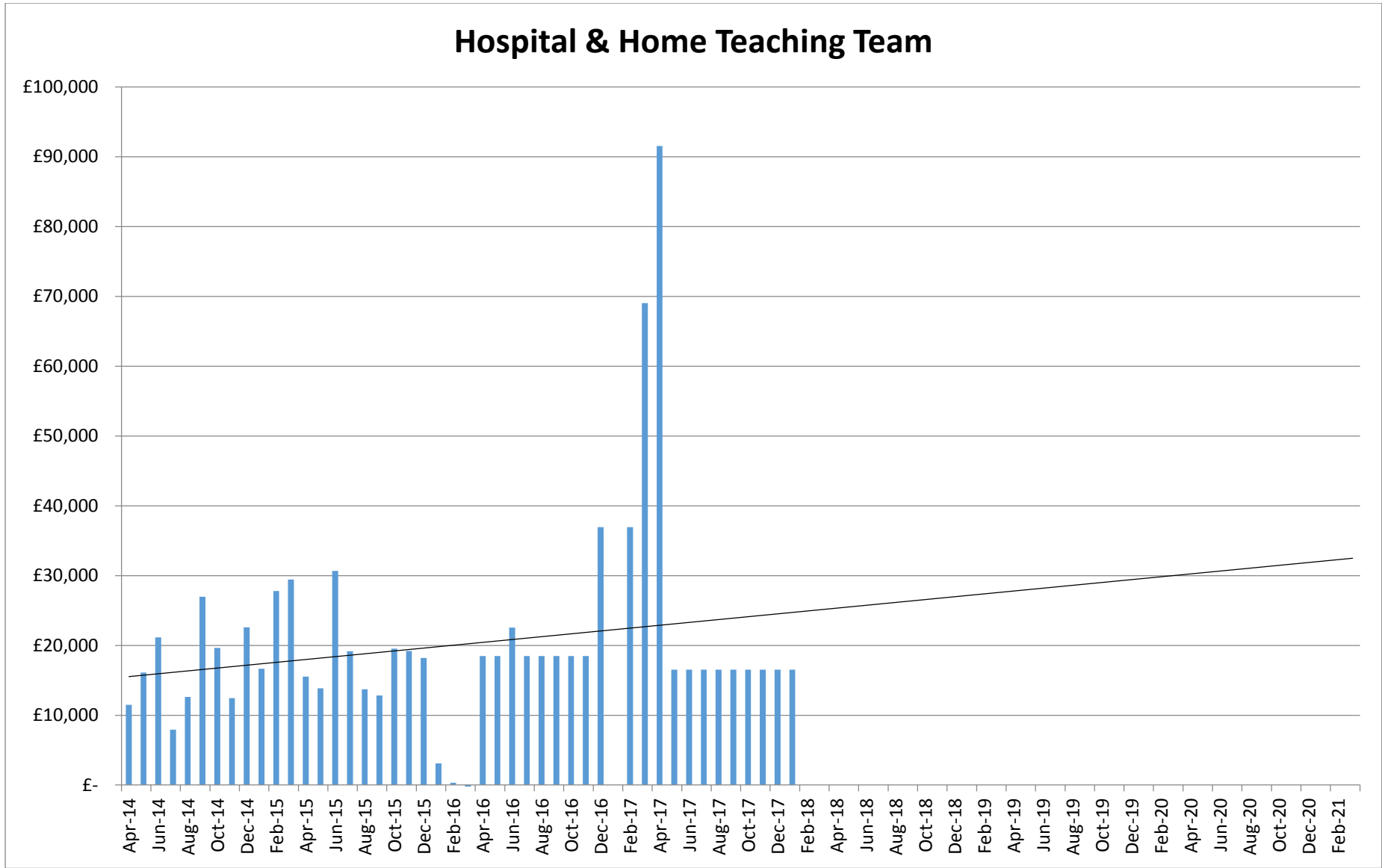


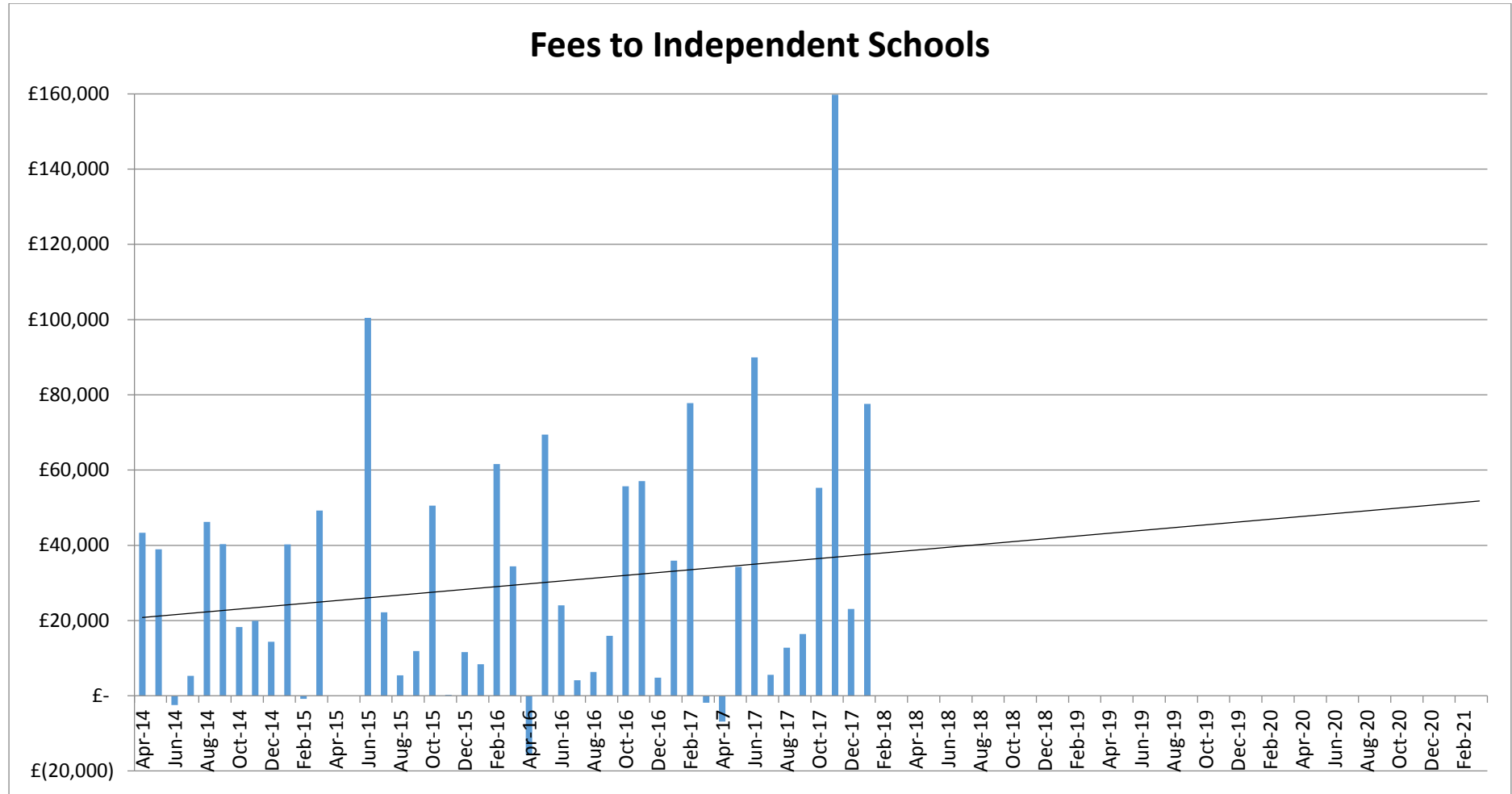




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Meeting:	Schools Forum
Meeting date:	Friday 23 March 2018
Title of report:	Work programme 2018/19 and dates for future meetings
Report by:	Clerk to Herefordshire Schools Forum

Classification

Open

Decision type

This is not an executive decision.

Wards affected

(All Wards);

Purpose and summary

To confirm scheduled dates for meetings of the Schools Forum during the 2018/19 municipal year and to consider the Forum's work programme for that period.

The schools forum needs to develop a manageable work programme to ensure that it operates efficiently and has sufficient information and time to properly consider the issues placed before it. A clear work programme will ensure that members of the forum and presenting officers know the pieces of work to be considered at each meeting and can prepare appropriately. It will also help to ensure that decisions are made at the appropriate time to meet external deadlines set by the Department for Education and others.

Recommendation(s)

- (a) the dates for meetings of the schools forum during the 2018/19 municipal year be agreed; and
- (b) the work programme for the schools forum for 2018/19 be agreed, subject to any amendments the forum wishes to make.

Alternative options

1. The forum could choose not to establish a work programme for 2018/19 and rely on items being presented on an ad hoc basis for consideration at each meeting. This is not recommended as it could lead to the workload being spread unevenly across the year and to decisions not being taken in time to meet internal and external deadlines.

Key considerations

2. It is for the schools forum to determine its work programme to reflect the priorities and challenges of Herefordshire schools and settings. The forum needs to ensure that it fulfils its statutory role in relation to the implementation of the national schools funding formula and provides timely advice to the Local Authority on issues relating to the management of the schools budget.
3. In considering the draft work programme, the forum should be mindful of the key milestones during the financial and academic year and the decisions that surround these. Fixed deadlines, particularly those set externally by the Department for Education and others, must be taken into account.
4. In addition to the statutory items it is required to be consulted on, the forum may wish to undertake or be requested to undertake research and consultation on issues relating to the management of schools budgets including:
 - a. the national schools funding formulas;
 - b. ways for schools to use funds more effectively or efficiently;
 - c. arrangements for the education of pupils with special educational needs;
 - d. arrangements for the use of pupil referral units and the education of children otherwise than at school; and
 - e. arrangements for early years education.

Any such pieces of work should have a clearly defined remit and desired outcome and be appropriately resourced.

5. The budget working group is a permanent advisory sub-group of the forum which provides additional consideration of, and recommendations regarding, key budgetary options and related issues. In addition to the standard budgetary items the forum may refer other items for consideration by the budget working group or establish specific task and finish groups as it deems necessary. Items referred to any sub-group of the forum should be added to the work programme with a clear indication of when the sub-group is expected to report back to the forum.
6. The schools forum is required to meet at least four times a year. It is proposed that five dates are confirmed for the 2018/19 municipal year, with at least one meeting set for each term. If there is insufficient business to justify a particular meeting taking place then one of the scheduled meetings can be cancelled while still achieving the required minimum number of meetings.
7. Proposed dates are as follows, each to start at 9:30am unless otherwise agreed:
Friday 6 July 2018
Friday 19 October 2018
Friday 7 December 2018
Friday 25 January 2019
Friday 15 March 2019

Community impact

8. The items considered and decisions made by the forum should have regard to what matters to schools and settings in Herefordshire and how the forum can best contribute to managing the current changing and challenging financial circumstances

Equality duty

9. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
10. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
 11. Any potential detrimental impact on vulnerable pupils will be managed by school governing bodies prioritising vulnerable pupils within the school's grant income.

Resource Implications

12. A budget of £12,000 has been allocated for administering the schools forum and associated activities for the 2018/19 financial year. This is funded from the dedicated schools grant received from central government and includes a modest budget for the commissioning of expert advice and reviews.

Legal implications

13. The schools forum is established by virtue of S74A of the School Standards and Framework Act 1998 (as amended by the Education Act 2002). The Schools Forums (England) Regulations 2012 prescribe the functions of the forum and the duties of the local authority to consult with the forum on school funding issues. The Education Funding Agency provides a summary of powers and responsibilities of schools forums which includes decisions it can make on proposals put forward by the local authority.

Risk management

14. Approval of the recommendations will help to ensure that the forum fulfils its statutory functions and that the council complies with its statutory duty to consult the forum as specified in the regulations. Failure to approve the recommendations (or suitable

alternatives) may lead to the forum not having adequate time and information to make recommendations, which would require the council to make decisions in the absence of guidance from the schools forum. This could lead to action by the DfE or decisions being taken which are not in the best interests of, or supported by, schools and settings.

Consultees

15. The draft work programme takes account of regulatory requirements and external deadlines.
16. The approved work programme will be a live document, with changes and additions reported to the forum via a regular item on the agenda of the meeting.

Appendices

Appendix A - Draft work programme 2018/19

Background papers

None identified

SCHOOLS FORUM WORK PROGRAMME 2018/19

Friday 6 July 2018	
National Funding Formula	To receive any updates on funding arrangements.
Annual review of membership and arrangements for 2018 elections	To review the membership of the Schools Forum to ensure proportionality and to agree arrangements for elections and nominations to the forum for the three year term commencing September 2018.
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
Friday 19 October 2018	
Appointments	To appoint a chairman and vice-chairman for the Forum. To appoint a chairman for the Budget Working Group
Herefordshire schools budget 2019/20	To receive proposals for consultation on the 2019/20 schools budget
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
Friday 7 December 2017	
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
Friday 25 January 2019	
Dedicated Schools Grant settlement	To receive a report on the DSG settlement and consider proposed schools budget 2019/20 (subject to DfE national formula).
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
Friday 15 March 2019	
High needs budget proposals 2019/20	To consider proposals for the allocation of the high needs funding block for 2019/20 (subject to DfE national formula).
Dates of Meetings	To agree dates of Schools Forum meetings for 2019/20
Work programme 2019/20	To approve the work programme for the forum for 2019/20 municipal year
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)

