

MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, Brockington, 35 Hafod Road, Hereford HR1 1SH on Friday 6 July 2012 at 9.30 am

Present: Ms T Kneale (Chairman)

Mr A Teale, Mrs K. Rooke, Mrs JS Powell, Mr JA Chapman, Mr P Burbidge, Mrs S Catlow-Hawkins, Mr S Pugh, Mrs J Cecil, Mr P Box, Mr S Matthews, Mrs J Baker, Mr T E Edwards, Mrs S Bailey, Ms A Pritchard, Mrs A Jackson, Mrs R Lloyd, Mr P Barns, Dr M Goodman and Mr J Sheppard

In attendance: Councillor GJ Powell (Cabinet Member – Education & Infrastructure)

Officers: Ms J Davidson, Director for Peoples Services; Mr C Baird, Assistant Director Peoples Services Commissioning; Mr M Green, Senior Finance Manager; Mr R Reid, Head of Commissioning (Sufficiency and Capital Commissioning); Mrs W Boulter, Senior Secondary School Improvement Advisor; Mr P James, Democratic Services.

76. APOLOGIES FOR ABSENCE

Apologies were received from Mr NPJ Griffiths (Vice-Chairman) and Mrs S Woodrow.

77. NAMED SUBSTITUTES

There were none.

78. ELECTION OF CHAIRMAN

The Director for Peoples Services explained that the appointment of the Chairman continued until the end of the academic year and therefore the current Chairman, Ms T Kneale would continue in the Chair for this meeting.

79. DECLARATIONS OF INTEREST

There were none.

80. CHAIRMAN'S ANNOUNCEMENTS

There were none.

81. MINUTES

RESOLVED: That the Minutes of the meeting held 12 March 2012 were confirmed as a correct record and signed by the Chairman.

82. SCHOOL FUNDING REFORM UPDATE AT JULY 2012

The Senior Finance Manager reported that further information had recently been received from the DfE concerning the School Funding Reform consultation which would help to inform later discussion.

The Forum agreed to the inclusion of this extra agenda item.

The Senior Finance Manager issued a hand out, a copy of which is appended to these minutes, providing key points commentary arising from recent information from the DfE concerning the school funding reform covering the main themes of: Schools Funding Block; High Needs Block; Early Years Block; 16-19 (24) Reform Formula. This information would also be presented to Headteachers and school governors. He highlighted in particular the outcomes from the recent DfE consultation and that the maximum permitted lump sum to schools would now be £200,000 for 2013/14 and that different per funding rates for Key Stage 3 and Key Stage 4 pupils could now be included. A pupil mobility factor would also be permitted.

The Forum debated the information and in response to whether the primary sector would be better off the Senior Finance Manager responded that the budget contained the same amount of money and therefore there would be some winners and some losers. Questioned whether the consultation period could start earlier the Forum noted that the proposed timetable followed the government guidelines. The draft options would be worked on over the summer holidays and presented to the Budget Working Group for consideration. The Forum noted the proposed arrangements for the Heads; Chairs and governor briefings.

RESOLVED: That the position concerning the School Funding Reform consultation be noted.

83. BUDGET WORKING GROUP

The Forum considered a report from the Budget Working Group (BWG) concerning the National Schools Funding Formula.

The Chairman of the Budget Working Group reported that the BWG had considered a discussion paper designed to form the basis of a consultation paper for Herefordshire Schools on the local application of the National Schools Funding Formula, recognising that there were aspects where local choices could be made. The agenda report set out a number of proposals by the BWG together with commentary on the rationale for the resultant recommendations. She also commented that the recent DfE guidance (see previous minute) now substantiated many of the assumptions the BWG had needed to consider.

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

- Questioning the lack of data to enable an allocation for Looked After Children (LAC) the Senior Finance Manager responded that data would be available from the DfE via their budget modelling tool and no allocation was currently made within Herefordshire schools funding formula due to lack of data. LAC funding would be reviewed when preparing the 2014/15 budget, having regard to the approach taken by other authorities.
- The Forum noted the expected DfE target for achieving a year on year convergence to a national primary/secondary ratio anticipated to be 1:1.27. However, no timetable had been set to achieve this. This would have major implications for Herefordshire schools. A member suggested that by the time the government had set the target it may be that Herefordshire was already within the target tolerances and to change the local ratio now could be premature.
- It was confirmed that there would be winners and losers following changes to the Minimum Funding Guarantee (MFG) and that a capping mechanism would be in place. While there would be some schools exceeding +/- 10% of their budget the vast majority of schools would be within +/- 2%.

- The Forum appreciated the need to understand the Special Education Need (SEN) side of the funding changes and the changes in SEN that will effect or clash with the funding formula.
- Special school Heads had met to consider funding issues. While the numbers on roll varied this was an opportunity to get funding for SEN pupils at the right rate with moderated access needs. A tariff rate system for SEN children was being considered. It was anticipated that a protocol would be established and while this would have an effect on primary and secondary schools, the result should be a more transparent procedure. The tariff funding would be linked to current budgets.
- To ensure a joined up approach the Council was working with its partners to consider how Health and Social Care budgets could match with the funding formula to support children with additional needs.
- Greater clarity had been given over 19-25 provision and the Council was using its new responsibilities and leading discussions with its partners, including through the locality team plans, to ensure users were involved with the process.

RESOLVED:

It be recommended to the Cabinet Member that the following principles be adopted in preparing the 2013/14 schools budget:

- a) No values be allocated to Looked After Children (LAC) in the first year of implementation, but that this aspect be reviewed in preparing the 2014/15 budget, having regard to the approach taken by other authorities;**
- b) A composite per pupil value be used in secondary schools representing the average value for KS3 and KS4, subject to any guidance from the DfE;**
- c) It be noted that the Forum will be requested to de-delegate the trade union funding;**
- d) It was noted that the DfE intend to move towards national consistency for the primary/secondary ratio which implied a gradual move towards the average of 1:1.27 and Schools Forum requested that consideration be given to the implications of this in developing a strategy for school configuration in the County;**
- e) That schools gaining funds should have the gains capped by the same percentage as used by the Minimum Funding Guarantee (MFG) in order to fund the costs of the MFG; and**
- f) The proposed further discussions with Special School Headteachers and Pupil Referral Units be supported and a progress report be made to the Budget Working Group in July.**

84. DSG BUDGET AND OUT TURN

Schools Forum were informed of the Dedicated Schools Grant (DSG) for 2012/13 and the outturn for 2011/12.

The Senior Finance Manager (SFM) presented the agenda report. He reported that the DSG budget for 2012/13 had been set at £107.378m

During the course of debate the following principal points were noted:

- appended to the report was the S251 table setting out the school and central expenditure position.
- the S251 table now included a column for 'provision for LACSEG' which indicated a deduction of £70k from maintained schools. It was thought that Academies had received more than £70k through their budgets from the Education Funding Agency.

- due to the unexpected adjustment by the DfE to increase the number of early years pupils to meet the 90% minimum threshold for 3 and 4 year old provision DSG had benefited from an extra 54 pupils worth of funding (£256k) which had not been budgeted for. In 2011/12 the adjustment was for only 1 pupil and it had been expected that the adjustment would not apply in 2012/13.
- It was suggested that the Budget Working Group consider options for the use of the additional £256k DSG in conjunction with consideration of the 2011/12 DSG underspend;
- None of the funding within the DSG including early years was ring-fenced however, the DfE's objective was that extra funding arising from the 90% funding floor was to be targeted at increasing participation of 3 and 4 year olds in deprived areas of the county.
- after adjustment the 2012/13 'per pupil funding' passed through to primary schools increased by 1.5%, high schools reduced by 1.7% and special schools increased by 1.2% and the SFM warned that this may adversely affect the primary/secondary school funding ratio.
- The school funding ratio was not a straight forward calculation as it included Free School Meal and other criteria.
- In relation to the Dedicated Schools Grant (DSG) 2011/12 outturn it was noted that an underspend of £840k had been carried forward to 2012/13 and that this represented less than 1% of the overall DSG. The main budget variances were indicated in the report.
- After adjustment to take account of transfer to academy status the like for like comparison of school balances indicated an increase in balances of £982k from £4,807k in March 2011 (adjusted) to £5,789k in March 2012.
- At the end of 2011/12 five schools and two Pupil Referral Units (PRUs) were in deficit totalling £537k. Recovery plans were being put in place.

RESOLVED That:

- a) The final allocation of DSG for 2012/13 was noted;**
- b) Working with officers of the local authority the Budget Working Group be requested to comment on and develop options for the prioritisation of the DSG underspend (£840k carry forward and the £256k extra 2012/13 DSG funding) with their conclusions being presented as a series of options for consideration by Schools Forum prior to recommendation to the Cabinet Member.**

85. SCHOOLS CAPITAL INVESTMENT PROGRAMME

The Schools Forum received information on the capital funding arrangements for 2012/13.

The Head of Sufficiency and Capital Commissioning presented the agenda report and highlighted that:

- Herefordshire Council had seen a £2.5m (38%) reduction in Government capital grant compared to last year. Whilst approximately £1m of this was due to the number of schools that had become Academies and therefore had access to other capital funds through the Education Funding Agency, the remaining £1.5m was largely a reduction in Basic Need Grant.
- The Basic Need Grant methodology now takes into account a Local Authority's ability to accommodate new pupils. Herefordshire's significant number of surplus school places puts the County at a disadvantage.
- The reduction in Basic Need Grant was due to a change in the national funding

allocation formula.

- As Herefordshire's 2012/13 Basic Need Grant included a transitional element to mitigate the full impact of the change in the funding allocation formula, it may be anticipated that Herefordshire's 2013/14 allocation will be further reduced.
- The 2013/14 capital grant allocations will be announced in late autumn.
- The much reduced Basic Need Grant for 2012/13 has been allocated and earmarked in line with the Capital Strategy, as approved by the Capital Strategy Consultative Group.
- The Locally Controlled Voluntary Aided Programme (LCVAP) has been set by the LCVAP Group in line with Anglican and Roman Catholic Diocesan priorities.
- The Capital Maintenance Grant has been allocated to address the highest capital maintenance priorities, including allocations to address the main areas of health and safety priority works.

Responding to questions concerning overcapacity, particularly at Aylestone Business and Enterprise College, the Head of Sufficiency and Capital Commissioning reported that options were being explored for that particular site, however, the sale of the old building was not currently being contemplated as it was considered short sighted in view of the potential increase in housing being proposed for the area through the Local Development Plan.

RESOLVED: That the Forum noted the contents of the report on the Schools' Capital Investment Programme.

86. WORK PROGRAMME

In light of today's meeting it was agreed that the work programme be amended to reflect changes namely:

19 October	<ul style="list-style-type: none"> • Election of Chairman/Vice-Chairman • Constitutional issues including membership and Role of Budget Working Group • Budget Working Group report including provision for planning for the 2013/14 budget • The addition of an item to consider the outcome of the Schools Fund Reform consultation. • Workplan 2012/13 • Dates of Meetings.
7 December	<ul style="list-style-type: none"> • School Funding 13/14 – Final Budget (not draft as indicated). • Consider budget proposals for the High Needs Block. • Workplan for 2013/14.
Subsequent listings	As listed but amend to read workplan for 2013/14.

87. DATES OF MEETINGS

The Forum noted the date for future meetings.

88. LATE ITEMS/ANY OTHER BUSINESS

There were no late items.

The meeting ended at 11.06 am

CHAIRMAN

School Funding Reform Updated July 2012

Summary for Schools Forum and Governors

1. Outcome of recent DfE consultation
2. Post-16 update
3. Emerging proposals
4. Views on consultation with schools

Schools Funding Block Update

1. Different funding rates permitted for KS3 & KS4
2. No minimum threshold for percentages for per pupil funding in 2013/14
3. Deprivation funding – new 6th band added to IDACI indicators
4. Low cost SEN - in future low prior attainment factor permitted and thresholds reduced

Schools Funding Block Update

5. Thresholds lowered primary now 73 points in EYFSP and secondary pupils who fail to achieve level 4 in **both** English & Maths
6. MFG – will now exclude business rates and early years
7. Maximum lump sum increased to £200k for 2013/14
8. Pupil mobility – new factor to be allowed based on number of pupils entering at non-standard entry points

High Needs Block Update

1. Independent and non-maintained special schools will receive base funding from April 2013 – same as academy special schools
2. EFA already started to confirm planned specialist places for 2013/14 with local authorities
3. Half termly charge rates for PRU short term placements and daily rates for part-time places
4. Schools will pay top-up funding for fixed term exclusions, early intervention or off-site direction. LA pays top-ups for remainder.
5. Hospital education – funded by national top-slice of DSG and funding passported to providers via local authority

Early Years Block Update

1. MFG to apply to all early years settings – not just schools – but excludes lump sums and deprivation supplements
2. 90% funding floor for three year olds
 - To be phased out in 2014/15
 - 2013/14 as transition year – to be set at 85% provision or at only 50% of 90% floor
 - In 2012/13 calculated as 54 pupils worth £255k so could reduce to £127k in 2013/14 and £0 in 2014/15.
 - Difficult to predict as only 1 pupil in 2011/12

16-19 (24) Reform Formula Simplification

1. Payment per student system for academic year 2013/14
2. Simplified formula to replace existing funding system entirely
i.e. will fund students rather than each qualification
3. EFA intend to fund all full time programmes at a single funding rate and remove the need to convert guided learning hours to standard learner numbers
4. EFA will reduce the number of programme cost weightings, remove the achievement element and remove the short course modifier and provider factor
5. EFA ambition is for “a simple transparent and fair funding system for all 16-19 year olds”

16-19 (24) Reform Timetable for change

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|---|----------------|
| 1. On-going formula refinement | June/Sept 2012 |
| 2. Shadow allocations issued | Sept/Oct 2012 |
| 3. EFA Briefings for sixth forms/colleges | Sept/Oct 2012 |
| 4. Final funding rates published | Jan 2013 |
| 5. Initial student numbers issued | Jan 2013 |
| 6. Final Allocations AY 2013/14 | March 2013 |

Herefordshire 16-19 stakeholder event planned for
autumn

Emerging Proposals Subject to change/consultation

General Aim: Budget stability for mainstream schools and High Needs Block

Lump sum	£105,000
Primary per pupil	£2,720
Secondary per pupil	£3,944 (maybe split by KS3 & KS4)
Deprivation per Ever-6 FSM	£2,855
Low Prior Attainment per pupil	£456 (to be converted to EYFSP& KS2)
EAL for first year pupil	£295
LAC (but to be reviewed for 14/15)	£0

MFG set by DfE at -1.5% to protect losers & gainers to be capped at +1.5%

Variety of top-up funding rates for specials, PRUs and resource units but seeking to move to a limited range of standardised top-ups in 2014/15

Proposed consultation Your views on school meetings

1. Consultation starts: 17 September 2012
2. Union Meeting: 25 September 2012
3. Heads & Chairs briefings x4 w/c 24 September N, E, S, City/W
4. Governors Evening Briefing w/c 24 September Hereford
5. Early Years Briefing w/c 1 October 2012
6. Strategic Planning Group: 1 October 2012
7. Budget Working Group 4 October 2012
8. Consultation ends: 5 October 2012
9. Schools Forum Meeting: 19 October 2012
10. Cabinet Member Decision: 31 October 2012

