

**MINUTES of the meeting of Herefordshire Schools Forum held at
The Council Chamber - The Shire Hall, St. Peter's Square,
Hereford, HR1 2HX on Friday 13 January 2017 at 9.30 am**

Present: Mrs S Catlow-Hawkins (Vice Chairman) – Secondary Maintained Schools

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| Mrs S Bailey | Special Schools |
| Mr P Barns | Pupil Referral Unit |
| Mr P Burbidge | Roman Catholic Church |
| Mrs J Cohn | Special School Governor Representative |
| Mr A Davies | Academies |
| Mr P Deneen | Trade Union Representative |
| Mr J Docherty | Academies |
| Mr T Edwards | Local Authority Maintained Primary School Governor |
| Mr M Farmer | Academies |
| Mr NPJ Griffiths | Academies |
| Ms A Jackson | Early Years Representative |
| Mrs L Johnson | Local Authority Maintained Secondary School Governor |
| Ms T Kneale | Locally Maintained Primary School (Nursery) |
| Mr C Lewandowski | Trade Union Representative |
| Mr M Lewis | Local Authority Maintained Primary School |
| Mrs M Stevens | Local Authority Maintained Primary School |
| Mr A Teale | Church of England |
| Mrs K Weston | Local Authority Maintained Primary School |
| Mr K Wright | Local Authority Maintained Primary School |

In the absence of the chairman, Mrs J Rees, the vice-chairman, Mrs S Catlow-Hawkins, took the chair.

253. NAMED SUBSTITUTES (IF ANY)

Mr A Teale was confirmed as a substitute for Mrs S Lines.

254. APOLOGIES FOR ABSENCE

Apologies were received from Mrs W Bradbeer, Mr J Godfrey, Mr T Knapp, Mrs S Lines, Mrs R Lloyd, Mrs J Rees and Mr P Whitcombe.

255. DECLARATIONS OF INTEREST

There were no declarations of interest.

256. MINUTES

Resolved: that the minutes of the meeting of 21 October 2016 be confirmed as a correct record and signed by the Chairman.

257. BUDGET WORKING GROUP

The vice-chairman noted that a supplementary report had been issued to the original agenda pack covering the meeting of the budget working group (BWG) of 6 January 2017. The recommendations of the BWG regarding the Dedicated Schools Grant and Herefordshire schools budget had been taken on board and an updated set of recommendations to be put

to the schools forum under item 6 of the agenda had been issued in the supplementary pack. The forum was therefore only required to note the recommendations of the BWG under this item.

Nigel Griffiths, chairman of the BWG, introduced the report and set out the context. He noted that the settlement from central government had been slightly better than expected and that as a result some changes to the original recommendations were able to be proposed which improved the situation for schools somewhat. He went on to say that the role of the schools forum would change as the national school funding formula was implemented, with less local flexibility in setting the schools budget. Members of the forum were asked to note that the Department for Education (DfE) had published the second stage consultation on the proposed national formula in December. The f40 group of authorities were considering the implications of the proposals and the schools finance manager would report further on this.

The schools finance manager (SFM) summarised the report of the meeting of the BWG on 14 November 2016. The group had received a presentation on special school funding, the slides of which were included in the agenda papers. The SFM reported that an independent expert had been appointed to review special school funding in Herefordshire and that the BWG would receive his report on 24 February 2017. Recommendations arising from this piece of work would be put to the schools forum on 10 March 2017 alongside recommendations on the allocation of the high needs funding block.

The BWG also reviewed the response to the schools budget consultation which took place in the first half of the autumn term. The responses were included in the agenda pack.

Resolved: that the recommendations of the budget working group be noted.

258. DEDICATED SCHOOLS GRANT AND HEREFORDSHIRE SCHOOLS BUDGET 2017/18

The SFM set out the context of the reports. The report published in the original agenda pack reflected the anticipated allocation from central government. The actual figures were now known and were reported to the BWG at its meeting on 6 January 2017. The recommendations of the BWG from that meeting were taken into account and the update published in the supplement pack represented the final position.

The schools forum was asked to make recommendations to the cabinet member for young people and children's wellbeing so that a response could be returned to the DfE by the deadline of 20 January 2017.

The SFM summarised the discussion that had taken place at the BWG meeting and set out the final recommendations of the local authority.

The recommended school funding values were as set out in the consultation that had taken place with schools in the first part of the autumn term. The suggested values had been widely accepted. An additional exceptional premises factor had been added at the request of the DfE to cover the property lease of Eastnor School following its conversion to academy status. From April 2018 this would be funded by the DfE directly so this factor was a technical adjustment for one year only.

The savings achieved from the national business rates revaluation exercise and the Minimum Funding Guarantee provided some additional funds which could be allocated to increase some of the school funding values. A range of options had been considered and discussed with the BWG including increasing the lump sum for primary schools,

raising funding rates for pupils from deprived backgrounds and raising rates for pupils with low prior attainment. The BWG felt that the best way forward was to seek to increase those factors where Herefordshire fell below the proposed national formula. Consequently it was recommended that the values for ever 6 free school meal pupils and pupils with low prior attainment be increased for primary and secondary phases by the values set out in the report.

The recommendation on de-delegation of funding from local council maintained schools replicated the arrangements in place for 2016/17. The response to the consultation had been nearly unanimous in its support for maintaining these arrangements.

The reduction in the Education Services Grant (ESG) had been forced on the local authority by national changes. This was not something that the council welcomed but a balanced budget had to be set which required savings to be made. The council had sought to put together a reasonable package to cover the reduction which included both corporate savings of £600k and charging some costs back to schools as set out in the recommendations.

The level of transitional grant had been confirmed. This was higher than expected and allowed the local authority to adjust its proposals and provide lower top-slices and charges to schools.

The recommended top-slice for maintained schools had been reduced down to £13.50 per pupil.

An exceptional redundancies reserve of £210k would be created. Exceptional redundancies would be considered on a case by case basis and would occur rarely but one example would be if a small primary school had to close with insufficient funds in its budget to cover the cost of redundancies.

£50k would be used to provide school improvement funding for the summer term 2017, in line with the recent national government announcements.

The remaining £110k would be subject to further discussion with the BWG before its allocation was determined by the local authority. The local authority would be seeking to achieve long term benefits from the one off grant. At its meeting on 6 January the BWG suggested that this funding could be used to support those LA maintained schools required to pay the apprenticeship levy for 2017/18. Officers felt that this option would only delay the need for schools to find funds for this levy by one year. Other options might include the purchasing of software upgrades which might provide longer term benefits to schools and reduce the bureaucratic burden on them. Officers and the BWG would consider the matter further and proposals would be brought to the schools forum on 10 March for forum to then make recommendations to the cabinet member.

The retained services ESG was as expected with no changes to the proposals shared previously.

The central school services block was more than expected but the DfE placed restrictions on what the local authority can spend it on. The grant would be used to fund licences which were negotiated nationally, admissions costs and the costs of servicing the schools forum. The budget for the schools forum would be increased which would allow some funds for the commissioning of external expertise to support the work of the forum and the BWG.

The SFM noted that the BWG considered the early years consultation paper at its meeting on 6 January. The funding settlement for the early years block was better than expected as a floor level had been set nationally. Alongside the national guidance

published on the early years block and as a result of this increase in early years funding the local authority proposed that responsibility for the costs of early years high needs pupils be moved from the high needs block to the early years block. Regulations and guidance allowed for either block to meet these costs. This was currently under consultation with early years providers.

The BWG recommended that further deliberations take place. Some member of the BWG did not support the proposal because they felt that the maximum amount of money should be retained in the early years block, or because the proposal appeared to run contrary to one of its guiding principles namely it had previously sought to retain the integrity of the separate funding blocks. This proposal would increase the funds available in the high needs block by around £100k. Retaining the existing arrangement would allow the hourly rate paid to early years providers to increase by a further 7p per hour. The BWG recommended that further discussion take place on the allocation of the early years block alongside discussion of the pressures on the high needs block. This will take place on 24 February with proposals to come to the schools forum on 10 March for forum to then make recommendations to the cabinet member.

The vice-chairman noted that the level of response to the school consultation in the autumn term was greater than in previous years. She commented that it was positive to see more schools engaging in the process.

Resolved: that the local application of the National Funding Formula for 2017/18 be recommended to the cabinet member for young people and children's wellbeing as follows:

(i) the final school funding values be agreed as follows, unless amended in (ii) below:

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| 1. | Basic entitlement per primary pupil | £2,875 |
| 2. | Basic entitlement per secondary key stage 3 pupil | £3,843 |
| 3. | Basic entitlement per secondary key stage 4 pupil | £4,436 |
| 4. | Deprivation per primary ever 6 free school meals pupils | £2,192 |
| 5. | Deprivation per secondary ever-6 free school meals pupil | £1,419 |
| 6. | Low prior attainment per primary pupil | £615 |
| 7. | Low prior attainment per secondary pupil | £1,121 |
| 8. | Primary lump sum | £87,000 |
| 9. | Secondary lump sum | £143,000 |
| 10. | Looked after children, primary and secondary | £1,300 |
| 11. | Primary sparsity, on a taper basis, over two miles and less than 105 pupils | £42,000 |
| 12. | English as additional language per primary pupil | £505 |
| 13. | English as additional language per secondary pupil | £1,216 |
| 14. | Private finance initiative (PFI) contract | £267,500 |
| 15. | Business rates | At cost |
| 16. | Exceptional premises factor for Eastnor school | £8,460 |

(ii) that the savings from the national business rates revaluation exercise and the Minimum Funding Guarantee be used to support the implementation of the national school funding formula by increasing the deprivation and low prior attainment values in (i) above as follows;

| | | |
|----|--|--------|
| 1. | Deprivation per primary ever 6 free school meals pupil +£40 to | £2,232 |
| 2. | Deprivation per secondary ever 6 free school meals pupil +£41 to | £1,460 |
| 3. | Low prior attainment per primary pupil +£95 to | £710 |
| 4. | Low prior attainment per secondary pupil +£110 to | £1,231 |

- (iii) local council maintained school members of the schools forum approve the de-delegation in 2017/18 of funding for trade union facilities (primary schools only), ethnic minority support, free school meal administration and software licence costs for the financial planning software
- (iii) that the £1.1m Education Services Grant savings be achieved by:
1. a £600,000 reduction in the council's corporate services and in education and commissioning services, for example:
 - a. Reduction in corporate overheads £500k
 - b. Reduction in education and commissioning central school improvement funds £47k
 - c. Efficiency savings in council service and full cost recovery £53k
 2. £200,000 of school redundancies, including the early release of pension costs, for maintained schools to be:
 - a. charged directly to the maintained schools that incur them; and
 - b. loans from the local council be offered to help spread the redundancy cost over a five year period.
 3. a £170,000 budget top-slice of £13.50 per pupil for maintained schools only to support effective school management and cover statutory duties carried out by the local council
 4. a £200,000 service level agreement is introduced for all schools to cover safeguarding and pupil wellbeing at a cost of £8 per pupil
 5. use of the one off transitional grant of £372k to:
 - a. create an exceptional redundancies reserve of £210k
 - b. provide school improvement funding of £50k for the summer term 2017
 - c. allocate £110k to projects to be determined following further consultation with the Budget Working Group, to include option to support LA maintained schools in paying the apprenticeship levy for 2017/18. Recommendations to be brought to the Schools Forum in March 2017.
- (v) that the retained services Education Services Grant of £360,000 be used to provide statutory services to all maintained and academy schools
- (vi) that the central school services block of £300,000 be used to meet the costs of national licences for schools, admissions and schools forum in accordance with Department for Education (DfE) guidance.

(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) parts 1, 4 and 5, (v) and (vi)

only representatives of LA maintained schools were eligible to vote on recommendations (iii) and (iv) parts 2 and 3).

The vice -chairman thanked officers, in particular the school finance manager and his team for the work that had been put into the budget proposals. She also commended the

work of the BWG and thanked members for their input. The open and transparent operation of the group played a significant part in the budget setting process.

The assistant director, commissioning and education thanked members of the schools forum and the BWG for the significant amount of work that had been put in. He stated that the cabinet member for young people and children's wellbeing had a high level of confidence in the work of the forum. The assistant director noted that reports from some other authorities showed they were struggling to manage the shift to the national funding formula, partly because they had not addressed the challenges early enough. Although the funding situation in Herefordshire was not a great situation it was being managed proactively.

The assistant director expressed particular thanks to the budget working group, members of schools forum and the chairs and vice chairs of both groups. He also thanked the school finance manager and his team for their work during a difficult period. The members of the forum echoed this statement and expressed their appreciation.

The schools finance manager spoke briefly on the second stage consultation published by the DfE in December 2016. The outcome for Herefordshire of the proposed formula was poor overall with a minimal increase in per pupil funding. There was wide variation between individual schools and this was replicated nationally. The DfE had published a spreadsheet indicating the level of funding each school would have received in 2016/17 had the proposed national funding formula been in place. Pupil premium funding would be on top of the funding on the spreadsheet. A copy of the sheet would be made available to all schools for their information.

In general terms it was noted that small primary schools would gain from the larger lump sum while larger primary schools and most secondary schools would lose from lower rate per pupil. The break-even point for primary schools was about 150 pupils.

The SFM reported that the f40 group of authorities were considering the implications of the proposed formula and would continue to lobby for changes to improve the situation for the lowest funded authorities. The cabinet member for young people and children's wellbeing was being briefed on the implications so that he could take the issues forward to Herefordshire MPs. The DfE had agreed to a workshop with the f40 group to work through the proposed formula in detail. The f40 was concerned that the floor on budget reductions of 3% was protecting schools in London at the expense of other authorities.

The BWG would discuss the proposed formula at its meeting on 24 January. A more detailed report and draft response to the consultation would be brought to the schools forum in March. It was intended that the response would be a joint one between the council and the forum.

A query was raised as to whether the inequalities surrounding the London schools would be cancelled out over time if both the Minimum Funding Guarantee and the cap on budget reductions was maintained. The SFM responded that it was unlikely to be as simple as that as it was proposed this would be an absolute floor. The f40 group were likely to press for the cap to be removed so that the national formula worked its way through. The DfE was due to publish final values in the summer 2017.

259. LOOKING TO THE FUTURE

The vice-chairman introduced the report on the work of the high needs task and finish group. She noted that there was a lot of information contained in the agenda pack and that the members of the forum were not required to make a decision at this meeting. Members were asked to direct any feedback on the work to date to the head of additional needs or to the vice-chairman, as she was the lead head teacher on the task

and finish group. A further report setting out specific recommendations for consideration by the forum would be brought to a future meeting.

The assistant director commissioning and education stated that Herefordshire was not alone in experiencing pressure on the high needs funding block. Many other authorities were struggling and some were in a considerably worse position. There would be some difficult decisions ahead but the work done would help to inform the options available. He encouraged all members to read the reports and feedback to the vice-chairman and the head of additional needs.

The vice-chairman stated that a number of meetings and a large amount of thought, consultation and research had gone into the report presented to the meeting. She thanked the head of additional needs for his work in putting the report together.

Resolved: that the work of the high needs task and finish group to date be noted.

260. WORK PROGRAMME

The forum was asked to note the latest work programme.

The agenda for the meeting of 10 March 2017 would include a draft response to the DfE stage 2 consultation on the National School Funding Formula. It was intended that the response be a joint one from the local authority and the schools forum.

Resolved: that the work programme be noted.

261. NEXT MEETING

The next meeting was confirmed as being Friday 10 March 2017 at 9:30am.

Resolved: that the date and time of the next meeting be noted.

The meeting ended at 10.20 am

CHAIRMAN

