

## SCHOOLS FORUM

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### **DRAFT MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 15 MARCH 2016 AT COUNCIL CHAMBER - COUNTY HALL, TROWBRIDGE BA14 8JN.**

#### **Present:**

Mr N Baker (Chairman), Mr M Watson (Vice-Chair), Mr A Bridewell, Mrs J Finney, Miss Tracy Cornelius, Ms J Hatherell, Mr J Hawkins, Mrs S Jiggins, Mr N Roper, Ms I Sidmouth, Mrs C Williamson, Susan Tanner, Elizabeth Williams, Grant Davis, White and Hamp

#### **Also Present:**

Cllr Mayes, Grant Davis (Strategic Financial Support Manager), Liz Williams (Head of Finance) and Natalie Heritage (Democratic Services Officer)

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#### **13 Apologies and Changes of Membership**

Apologies were received from Aileen Bates, Amanda Burnside, George Croxford, Michelle Chilcott, John Proctor, Debbie Rock, Cathy Shahrokni and David Whewell.

Linda Westmore attended the meeting on behalf of Amanda Burnside and Cathy Shahrokni.

Debbie Rock resigned from the Schools Forum.

#### **14 Minutes of the previous Meeting**

The minutes of the meeting held on 14 January 2016 were presented; it was agreed that a reason should be stated, for why the 'National Copyright Licenses' were heard as an urgent item at 14 January meeting.

#### **Resolved:**

**To agree and sign as a correct record the minutes of the meeting held on 14 January 2016, subject to the following amendment of item 12: 'the reason that this item was taken as urgent was because, it constituted a change to the local funding formula and this had to be agreed, before the submission date to the EFA'.**

#### **15 Declaration of Interests**

There were no declarations of interest.

## 16 **Chairman's Announcements**

The Chairman also thanked Grant Davis for his unfaltering support of the Schools Forum in Liz Williams' absence and those present warmly welcomed Liz back to the Schools Forum.

## 17 **Children and Young People's Trust Board Update**

A verbal update from Susan Tanner, Service Director for Commissioning and Performance, Department for Children and Education was given. Ms Tanner confirmed that the last meeting's paper on troubled families had reached phase 2 and that during this phase closer work would be undertaken with schools. She also confirmed that the education attainment achievements had been published, along with the neglect strategy implementation plan. Ms Tanner advised that should any member of the Forum request to see any of the papers, she would provide them with a copy.

## 18 **Budget Monitoring**

Liz Williams, Head of Finance, was in attendance to present the budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2015/16 as at 31 January 2016 and to introduce the report.

Mrs Williams highlighted that there was a projected overspend of £1.693 million against the overall schools budget and that the biggest variance in this respect originated from the High Needs budget. It was noted that there were projected to be some underspends too and that the Early Years budgets were, broadly, breaking even.

It was highlighted that the overspend against the overall schools budget was expected to be greater than the level of reserves, which totalled £1.49 million. Mrs Williams confirmed that the Council were unable to top-up the DSG and that approximately £200,000 needed to be the first call on the DSG for 2016-17. It was stressed that if the DSG reserves were to be used, then there would be no reserve for future years and those present were asked to be mindful of such a possibility.

It was discussed that the 'planned underspend' in paragraph 5 of the report should be reformed to note 'reduction in planned allocation', as no underspend had been planned by the Schools Forum. Mrs Williams noted that she would change the wording of paragraph 5 accordingly.

Grant Davis, Schools Strategic Financial Support Manager, explained that insufficient provision had been made for copyright licenses in 2015-16, however for 2016/17, this issue has been rectified. Concern was raised that schools had potentially paid for the copyright licenses, as well as Wiltshire Council. Liz Williams signalled that this issue would be investigated, in order to determine if Wiltshire had double-paid for its copyright licenses. The Chairman advised that the result of the investigation be reported back to the Schools Forum Working Group (SFWG) at the next meeting.

Having been put to the meeting, it was

**Resolved:**

- i. **That the Schools Forum note the budget monitoring position at the end of January 2016**
- ii. **That Liz Williams amend 'planned underspend' in paragraph 5 of the report to read 'reduction in allocation' only**
- iii. **That an investigation be undertaken to determine whether Wiltshire had double-paid for its copyright licenses and that the result of this investigation be reported back to the next SFWG meeting**

## 19 **Reports from Working Groups**

Minutes and an update on the joint meeting of the SFWG and the Special Education Needs Development Working Group (SENDWG) and the Early Years Reference Group (EYRG) were provided.

The missing minutes from EYRG November 2015 meeting were also provided, as part of 'Agenda Supplement 1'.

Having been put to the meeting it was

### **Resolved:**

**That the Schools Forum note the content of the minutes**

## 20 **Supply Pool Insurance**

A late report on the item was introduced by Grant Davis, as listed in 'Agenda Supplement 3'. Mr Davis apologised for the lateness of the report and relayed that he desired to ensure that the report was as up to date and accurate as possible, hence the late circulation.

Mr Davis explained that there was a scheme in place, known as the Supply Pool Insurance (SPI), which effectively ensured that staff absences within schools could be covered. He noted that this scheme was run throughout the Local Authority and that there was a cash-back arrangement for schools who had claimed less than 50% of their premium. It was confirmed that the forecast balance on the SPI at the end of 2015/16 was £1.103 million.

Mr Davis informed those present that 133 schools were a part of the scheme, including 11 academies. He noted that the opening balance on the 2014/15 SPI was around -£1.2 million and that cash-back for 2014/15 had been £131,209.66. The opening balance for 2015/16 was confirmed as being £1.07 million, however if one incorporated the outstanding claims, then the closing balance was closer to £1.1 million.

It was expressed with cash-back at the 50% rate; the balance of the SPI could remain at just above £1 million. Mr Davis advised that SPI could continue to be offered with no premiums increased for the next year and that cash-back payments could continue into the future, as affordable.

In response to a question on the future operation of the SPI Liz Williams, Head of Finance, confirmed that proposed national changes around the formula would not impact on the operation of the scheme, which could continue as a trade of service. It was further agreed that Schools Forum would not need to receive further reports on the operation of the scheme.

Having been put to the meeting, it was

**Resolved:**

- i. That the Schools Forum note the content of the report on the Supply Pool Insurance Scheme**
- ii. The Schools Forum agree the proposals, as set out in paragraphs a – d of the report**
- iii. That the Schools Forum do not need to receive further reports on the Supply Pool Insurance scheme**

**21 Schools Budget Update 2016-17**

A late report as listed in 'Agenda Supplement 1' was presented to the meeting by Grant Davis. Mr Davis highlighted that the report summarised the budget proposals for 2016/17 and that the report was for information only, as no key decision was needed to be reached.

It was explained that the funding allocated through the DSG was then modelled through the Wiltshire funding formula, to ensure that the schools budget was affordable. This also incorporated all the decisions that the Schools Forum had made regarding funding. It was noted that for 2016/17 the schools block had been set at £260.156 million, which was an increase of £3.621 million on the 2015/16 funding level. Mr Davis divulged that this increase was as a result of an increase in pupil growth in the County. The meeting was informed that the High Needs Block had seen an increase of £823,000 and that Wiltshire had received funding of £88,000 per year for Newly Qualified Teachers (NQTs).

Mr Davis drew the meeting's attention to the table listed under paragraph 7 in the report. He emphasised that primary pupil numbers had increased by 832 pupils and that there had been an increase in 958 pupils for 2015/16 in this realm. It was noted that secondary school pupil numbers had decreased by approximately 500 pupils for 2014/15 and 2015/16.

It was highlighted that Wiltshire had received a fairer funding allocation of £5.7 million for 15-16 and that, going forward, this would be built into baseline funding for Wiltshire. It was also noted that the funding that had been received for Wiltshire was based upon the Schools Block Unit of Funding (SBUF) and that the SBUF had increased by 4 pence, which could have enabled a minor increase in pupil funding, however, this was not deemed to be sustainable and would not be taking place; therefore, per pupil funding had been retained at the current rate adjusted for the cost of copyright licences.

In terms of the per pupil funding, the funding rates for deprivation, prior attainment and English as an additional language were discussed. Mr Davis explained that the overall quantum for the total amount of funding awarded had been retained in each case and that the movement in figures was based on the shift in pupil numbers. It was noted that this principle was the same as what had been agreed in the previous year. Concern was raised by some members that a procedure should be devised, which would allow more detail on the per pupil funding to be brought to the Schools Forum; especially detail on the amount of money available and what the impact on such a sum could be.

It was highlighted that the amount of schools who had been in receipt of MFG had increased to 48 and that the number of schools that had been capped was 27.

A discussion was had where several points were made, including the following:

- That an explanation of how the 2016-17 quantum and per pupil rates were calculated be provided;
- That the Schools Forum be provided with a better understanding and explanation of how the whole figure for per pupil rates originates;
- That all the above listed information be provided at the next Schools Funding Working Group meeting

Having been put to the meeting, it was

**Resolved:**

- That the Schools Forum note the content of the report**
- That an explanation of how the 2016-17 quantum and per pupil rates were calculated be provided at the next School's Forum meeting;**
- That the Schools Forum be provided with a better understanding and explanation of how the whole figure for per pupil rates originates at the next School's Forum meeting**

## **22 High Needs Budget 2016-17**

Liz Williams, Head of Finance, was in attendance to introduce a report on the High Needs Budget for 2016-17. The report summarised the key pressures on the high needs budget for 2016-17 and attention was drawn to 'Agenda Supplement 2', which included a late supplementary report complete with 2 appendices on the item.

Mrs Williams detailed that 1 year previously pressures on the High Needs Block had been explained to the Schools Forum and that it had been agreed that a number of savings be implemented; indeed, these savings would amount to just short of £1.5 million. It was also relayed that a discussion with the EFA had been undertaken regarding savings agreed on pupil places and that this saving was to be achieved in a different manner to what was agreed at the June 2015 Schools Forum meeting. Mrs Williams confirmed that £1 million of savings had been achieved in certain areas and that, when considering the planned overspend for 2015/16, the High Needs Budget would be £1 million worse off, if previous savings had not been achieved.

Attention was drawn to the table under paragraph 9 of the report in the agenda pack. It was explained that there had been a significant growth in pupils having been supported with plans across all schools and an increase in pupils placed in the independent sector, and that this was playing through into the spend data.

Mrs Williams detailed that the Independent Special Schools budget was projected to overspend and that the number of residential packages was remaining consistent, however, there had been an increase in the number and cost of day cases; which were the 2 areas where there was growth. Reference was made to the graph below paragraph 15, outlining the numbers of independent special school placements by year group and the year on year movement from January 2015 to January 2016.

Those present were advised that there were worrying trends noted within the reports and that, inevitably, this would impact on costs. The meeting was informed that £91,000 had been allocated for those schools with exceptional numbers of pupils with Statements. Mrs Williams confirmed that some of the savings that had been made previously were not able to be repeated for 2016/17 and therefore, it was necessary for one to look across the budget as a whole to be able to determine where savings could be made.

The point was raised that money would have to be allocated to children with SEN, despite the fact that the High Needs Budget would be operating with a deficit. A discussion was had that noted several concerns, such as the following; that young people who could not be educated in the mainstream sector were often moved around and therefore, it was even more vital that these children were to be provided for

Mrs Williams informed the meeting that £823,000 had been put into the High Needs Budget by the Department of Education (DfE) and that this had led to a net increase of £745,000 for the High Needs Block after adjustments for places in non-maintained special schools, however, there was to be a £2.7 million cost pressure for the High Needs Budget, if trends continued the same for the forthcoming year as they had done previously.

It was explained that a review of High Needs Places had already taken place for 2016-17; this review would remove places that were not traditionally being filled. It was stressed that place funding would always need to be targeted on the principle of the money following the pupil.

Mrs Williams drew attention to the fact that the Schools Funding Working Group (SFWG) had recommended that the new banding process needed to be implemented as a matter of urgency and that all pupils in the High Needs sector were to be looked at and moved onto the new bands from April 2016. It was confirmed that top-ups had been the Local Authority's response to savings and that the assumption was that any full changes would be implemented from April. Grant Davis also confirmed that pupil place funding commenced in September each year and that top-ups were a part of the Local Authority's budget, which could be amended from April.

Mrs Williams then introduced the supplementary High Needs report, as listed under 'Agenda Supplement 2'. It was explained that the bulk of the spend in the High Needs Budget was tied up in pupil places and top-ups. It was confirmed that pupil places had now been fixed for the 2016/17 year and that, top-up values needed to be agreed. It was highlighted that there has been no estimate that there would be any new starters and that non-Wiltshire pupils had been taken out of the equation; as they were funded by separate Local Authorities. It was confirmed that the cost of top-ups under the new banding system was initially estimated to cost £11.005 million, which was £482,000 lower than the top ups for High Needs pupils in 2015-16. Mrs Williams commented that the figures noted in appendix 2, were before any minimum funding guarantees.

A discussion was then had where several points were raised in relation to the impact and potential risks of reducing funding for top ups.

Councillor Mayes emphasised that the Schools would have to think and work differently, in order to meet objectives and that new means would need to be identified; in order to ensure that pupils could be adequately provided for.

Mrs Williams informed those present that the savings noted in the reports did not match the savings that were required and that, as a result, for the following year there would be a highly significant risk of overspend. It was noted that there were risks with all of the approaches presented, however, high percentage reductions had been considered across the mainstream part of the system because of the impact of the Minimum Funding Guarantee (MFG) in special schools. It was agreed that protection of losses should also be considered for those mainstream schools losing significant amounts of funding.

The Chairman then called an adjournment to the meeting of 10 minutes, from 15:35 to 15:45, in order to allow for members to discuss the savings proposals.

After the adjournment Liz Williams re-capped that 2 different types of change had been modelled and that percentage reductions in savings were needed to be agreed; in other words, the top-up values needed to be agreed. Mrs Williams reiterated that the cost pressures of the HNB had been established on the basis of what the HNB had been spending and that restrictions were imperative, as the HNB was able to afford to operate at such a rate. It was commented that the Associate Director for Finance, Michael Hudson, had been made aware that the HNB was entering into 2016/17 with a significant risk.

A discussion was had where members agreed to remain with the percentage rate. The point was raised that although 40% of savings were required, this rate was not sustainable.

Having been put to the meeting, it was

**Resolved:**

**That the Schools Forum determines the value of top-up payments from 1<sup>st</sup> April 2016 as reduced to a cash-limit; this is to be a 20% reduction on the overall quantum compared with 2015-16. A cap of £20,000 maximum reduction for Resource Bases and Enhanced Learning Provision (ELP) would be applied in addition to the MFG for special schools. The protection will apply for the financial year from April 2016 to March 2017.**

**23 Confirmation of dates for future meetings**

The dates of the future Schools Forum meetings were confirmed as:

- 16 June 2016
- 6 October 2016
- 8 December 2016

Liz Williams, Head of Finance, advised that an extraordinary meeting may be needed to be held, once the details from the Schools National Funding Formula consultations had been provided.

**24 Urgent Items**

Liz Williams, Head of Finance, was in attendance to introduce the report on 'Schools National Funding Formula and High Needs Reform'. The Chairman

agreed for the report on Schools National Funding Formula and High Needs Reform and the appendix on Schools National Funding Formula and High Needs Funding Formula Government Consultation – stage 1 to be heard as urgent items. The reason the items were agreed to be heard as urgent was because the schools funding consultation had been issued in the week beginning 7 March 2016 and the response date was set for 17 April 2016 and therefore, the Forum would have had no opportunity to provide a response if the items were to be heard at a subsequent meeting date. Mrs Williams explained that 2 consultations on funding formula had been issued; she informed those present that an Early Years consultation would follow and that the purpose of her report was to note the headlines on funding formula and what this would demand in terms of action points. It was stressed however, that a more detailed document on the topic would follow in the summer.

Mrs Williams highlighted that the government had signalled a new process for the national funding formula. It was explained that, from April 2017 it was proposed that the School Level National Funding Formula, funding would be allocated directly to Local Authorities using that national formula for the subsequent 2 years and Local Authorities would then use a local formula to allocate the funds to schools within their County.

Attention was drawn to the fact that in the future all schools would be receiving money from a national funding formula only. It was noted that, only once the difference had been shown nationally, would the Schools Forum be able to make an informed decision about whether to change the local funding formula in the transitional period.

It was confirmed that the remaining funding guarantee would remain at -1.5% and that there would be a change to the baseline of the DSG block; which would ensure that money could not be moved between blocks. Indeed, this reform would effectively set the levels of the blocks for the future and they would be fixed. It was highlighted that, despite the proposed reform, in 3 years' time there would be no flexibility over the block anyway and no de-delegations would be able to occur, as the budgets would have to be listed to schools themselves.

Concern was raised by some members that the current mechanism for distributing funding for the High Needs Funding Formula was unfair and it was confirmed that the proposal would move to a more formulaic approach; where factors such as low attainment and deprivation would be considered, however, the meeting was advised that the move to a formula could bring about radical changes to funding for Local Authorities although there is expected to be a minimum funding guarantee applied to protect against disruptive change

It was discussed that a large number of responses to the proposal were needed and members agreed that Wiltshire should provide an overwhelming response that the County was in need of further funding for schools. Mrs Williams noted that the response date for the 7 March 2016 consultation was 17 April 2016 and recommended that the Schools Funding Working Group (SFWG) meet ahead of this deadline. It was agreed that the SFWG would meet before the Easter Holidays and that the consultation be communicated to as many governors as possible, in order for Wiltshire to be able to respond to the consultation with many voices, as opposed to purely one.



Having been put to the meeting, it was

**Resolved:**

- i. That a meeting of the SFWG be held before the Easter Holidays, to agree a response to the consultations on national funding formula for schools and high needs funding reform**
- ii. That Wiltshire respond to the consultations by articulating Wiltshire schools' need for increased funding**

(Duration of meeting: 1:30pm-4:12pm)

The Officer who has produced these minutes is Natalie Heritage, of Democratic Services, direct line 01225 718062, e-mail [natalie.heritage@wiltshire.gov.uk](mailto:natalie.heritage@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115

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