

SCHOOLS FORUM

DRAFT MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 2 FEBRUARY 2011 AT COMMITTEE ROOM III - COUNTY HALL, TROWBRIDGE.

Present:

Mr N Baker, Mrs Julia Bird, Mrs J Finney, Mr J Foster, Mrs C Grant, Mr J Hawkins, Mr M Keeling, Ms I Lancaster-Gaye, Mr J Proctor and Mr M Watson

Also Present:

Mr P. Beaumont

113. **Apologies**

Apologies were received from:

Mrs Ann Ferries
Mr Chris Dark
Mr Catriona Williamson
Mr David Cowley
Dr Tina Pagett

Also from observers

Mrs Rosheen Ryan
Rev. Alice Kemp
Mr Ted Hatala

114. **Minutes of the previous Meeting**

The minutes of the meeting held on 17 January 2010 were presented.

Resolved:

To approve as a correct record and sign the minutes.

115. **Declaration of Interests**

None

116. **Chairman's Announcements**

The Chairman announced two changes to the order of items listed in the Agenda:

- Item no. 16 – Review of Transitional protection would be considered first, as the proposal chosen had possible impacts on subsequent decisions.
- Item no.13 – Minimum Funding Guarantee would be moved up the Agenda, to be discussed prior to the Budget Proposals 2011/12 [Agenda Item no.12].

117. **Review of Transitional Protection**

Phil Cooch outlined the confidential report.

Resolved:

- i) That the following level of transitional protection be applied to Downlands School:

Protection reduced by £160k per year from 11-12 and to £0 in 13-14						
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	Cost of Protection
	2010-11	2011-12	2012-13	2013-14	2014-15	
Transitional Protection (TP)	£406,419	£132,615	£35,077	£0	£0	£574,111

- ii) The Controls on Surplus Balances scheme should be applied to Downlands on any surplus above and beyond the figures agreed under the scheme of transitional protection, outlined above.
- iii) The 2009-10 revenue balance of £151,994 should not be removed from the scheme.
- iv) There should be no further formal reviews of Downlands' transitional protection, as it is noted that figures will appear on the annual reporting of rollovers year-to-year, that come to the Schools Forum.
- v) Any savings from the adjusted scheme of transitional protection that is to be adopted will be re-invested in the Central SEN budget to allow for fuller funding of the SEN banding formula.

118. **Budget Monitoring**

Liz Williams summarised the current in-year budgetary position. As at 31 December 2010, the figures show projected underspend against DSG of £2.369 million. Any variance against the Dedicated Schools Grant (DSG) will be carried

forward into the next financial year. Key pressures and potential underspends were identified:

- **Premature Retirement Costs**

This service is predicted to overspend by £7,877 after adjustment for the severance policy for local government reorganisation in place for non-teaching staff. This has now been replaced by a new severance policy by the Council.

- **Maternity Costs**

Technical issues relating to SAP have now been resolved. Payroll data suggests an overspend of £114,000

- **Special Educational Needs Services**

Underspends are predicted against the Independent Special Schools (ISS) budget and the Special Recoupment budget. As previously agreed these would be included in the delegation of funds to mainstream primary schools for SEN. The Named Pupil Allowance (NPA) is projected to be on target at this stage.

- **Early Years Budgets**

Early Years budgets are due to underspend by £1.6 million. Of this £1.3 million is against the Early Years Single Funding Formula. The remainder is accounted for by vacancies in teams. The projected spend on 3 and 4 year olds is based only on one term's worth of data and is liable to revision.

- **Young Person's Support Services (YPSS)**

At the December Schools' Forum meeting it was agreed that £91,000 should be allocated from the projected underspend to fund cost pressures within the YPSS.

Resolved:

To note the revenue budget monitoring position for 2010/11 and that further work is required to ensure accurate projections on the maternity budget.

119. **3-year budgets for Schools**

The Forum received a verbal update from Phil Cooch, C & E Finance team on the statutory requirements surrounding the submission by schools of three-year budgets, and his thoughts on the continuation of the process. Concerns had been raised at the previous Schools forum meeting about the viability of submitted budget for three years in advance, when the current DSG estimates cover only one school year.

Key points were as follows:

- To vary the application of the Minimum Funding Guarantee would require approval from the Secretary of State for Communities and Local Government on a case by case basis.

- The process would require a full consultation to be concluded by the end of April
- The method of budgeting, and the prudent, forward-looking approach to financial planning that it implied was already embedded in the working practises of the Local Authority and the area's schools.
- The modelling software used by the council and schools – HSS, relies on inflation assumptions dictated by the local authority.
- The second- and third-year budgets are indicative: they can be, and frequently are revised, due to pupil numbers other than initially expected.

It was explained that the Chief Finance Officer's view was that requiring three-year budgets was in keeping with the local authority's emphasis on medium-term financial planning.

A brief discussion emerged, and the key unknowns for the second and third years were identified as the number of pupils; the value of the pupil premium and variability of the DSG. It was expected pupil premium funding would rise as a result of wider measures of eligibility (Free School Meals ever).

Members of the forum were asked to approve the forthcoming year's inflation assumptions.

Resolved:

- i) **That schools forum recommends not to go to consultation in order to vary the application of the Minimum Funding guarantee (MFG)**
- ii) **To approve the inflation assumptions of:**

Staffing	0%
Non-staffing costs	3.5%
Income	0%
Funding Guarantee	-1.5%
Pupil Premium	x1.25 each year

120. **Report of the Schools Funding Working Group (SFWG)**

The report was taken as read, and summarised by Liz Williams, who explained that the recommendations from the working group were present to inform the Forum's response to items no.9 and 10 on the agenda [minute no 122 and 123 respectively].

Resolved

To note the report and minutes and the recommendations of the SFWG.

121. Report of the SEN Working Group

Liz Williams updated the Forum regarding the discussions of the SEN Working group, and drew members' attention to the recommendation that the (notional) amount within AWPU that was SEN funding be included on the Funding Certificate for each school.

Trevor Daniels, Head of SEN provision explained that he had investigated this, and these costs equate to approximately 2.4% of the AWPU. Schools could then be advised of the totality of the funding that they receive for SEN, respond to requests for information, and budget accordingly.

It was explained that this notional element of the AWPU represented fixed funding for SEN provision, regardless of the school and number of SEN-statemented children attending. It was a reflection of the estimated costs every school must incur to have a basic structure/capability to handle special educational needs. For example in a low-needs school this would include a proportion of teacher, Education Support Assistant and admin time.

Resolved:

That the notional SEN element of the AWPU will be identified on the funding certificates as part of the notional SEN funding in the school's budget.

122. Supply Pool Insurance Scheme

Phil Cooch introduced the item and outlined the general aims of the proposals contained therein.

Schools Forum was informed that the Supply Pool Insurance scheme had been running for a number of years to provide insurance cover for staff sickness absence.

Forum members were asked to consider the desired price of 2011/12 premiums, whether or not they wished academies to be allowed to join the scheme, and the percentage amount of cashback to pay back to schools under the Cashback element of the scheme.

Resolved

Schools Forum agree that:

- i) Previously developed enhancements to the scheme should continue**
- ii) 2011/12 premiums will be offered at a 0% increase on 2010/11 prices.**
- iii) Cashback arrangements should continue**
- iv) The cashback calculation should increase from 50% level to 100% level, as set out in the report.**

And further that

- v) Academies may join the scheme and be encouraged to do so.**

123. Free School Meals Pooling Scheme

Phil Cooch introduced the item and outlined the scope of the Free School Meals Pooling Scheme (FSM). He explained it was set up in 2001 with the aim of offering schools some financial stability and protection against the cost of unexpected changes in the number of free school meals they have to provide to their pupils.

Schools Forum's agreement was sought to distribute all, or some, or none of the £132,965 surplus balance on the Free School Meals pool at the end of 2010-11 and to agree the distribution method.

Resolved

Schools Forum agree that

- i) That 70% (£83,285) of the surplus balance be distributed as cashback, in accordance with the recommendation of the SFWG, thus leaving £49,679 as a reserve.**
- ii) That officers use the same distribution method as applied in 2009/10**

124. Delegation of Special Educational Needs Funding to Primary Schools - Update

Liz Williams introduced the item and summarised the report and general aims of the proposals contained therein.

A discussion ensued and the following key points were made:

- The funds generated by the recoupment of cost from bringing children back 'in-county' did not always return, in their entirety to schools, as these external placements were often co-funded by partners such as social care or the NHS.
- Mrs Finney re-iterated that the underlying rationale was to build a robust system which can aid early intervention in SEN cases. The NPA was reflective of needs.
- Trevor Daniels also expressed the benefits of delegation – prevention and early intervention, and also the reduced bureaucratic burden that comes with a system which identifies need properly and at an early stage.

Forum members discussed how best to allocate the funds released from the earlier considered review of transitional protection [Agenda Item no.16 / Minute

no .117, and were strongly in favour of keeping any savings made in SEN provision within the SEN budget, and redistributing accordingly.

Resolved

- i) Savings from the review of Transition Protection at Downlands School would be added to the total funds outlined for delegation and/or band funding**
- ii) The first call on the funds be to fully fund (100%) the special school bands 1+ - 5.**
- iii) The remainder of funds to be used to increase the amount of SEN funds delegated to primary schools as**
- iv) That savings in the second year from the review of Transition protection also stay with the central SEN budget, to help achieve fully funded band values 1+ - 5 for special schools, or fund other pressures on the SEN budget as necessary**

Stephanie Denovan, Service Director Schools & Learning, thanked the Schools Forum and officers for their work in the area of delegation, which had produced a system much improved on that which was previously in place. She also thanked the Special schools themselves for their help in this project.

125. Minimum Funding Guarantee

Phil Cooch spoke to his report and explained the limited powers Schools Forum would have in future, regarding the application of the Minimum funding guarantee.

The purpose of the guarantee is to provide stability and predictability in school funding. The starting point for the MFG calculation is the per pupil amount that an individual school received in the previous financial year, known as the baseline budget share per pupil.

It was explained that following new regulations Schools Forum no longer has the general power to approve variations to the MFG affecting schools covering no more than 50% of pupils in the authority. Exceptions were noted, but for all other variations School Forum's agreement must be sought to vary the normal operation of the MFG and then to seek the Secretary of States approval for proposed changes.

Resolved:

i) The following baseline adjustments should be applied to avoid inappropriate minimum funding guarantees:

- To remove new school and new year group allowances from the MFG Baseline**
- To remove small schools curriculum protection from the MFG Baseline**

- To remove service school safety net from the MFG Baseline
- To remove SLC funding from the MFG Baseline from schools experiencing significant pupil growth
- To remove the 6th form non AWPU adjustment from the MFG Baseline
- To remove the basic flat rate from the MFG Baseline for schools experiencing significant pupil growth
- Where a Specialist Learning Centre is to close, to remove the associated funding from the Baseline
- 1-2-1 allocations of grant paid in 2010-11 as these are deemed to be one-off allocations

ii) That the above adjustments are applied where necessary for the 2011-12 financial year and that the Secretary of State's approval is sought for these adjustments.

126. Budget Proposals 2011/12

Liz Williams outlined her report which concerned several elements which needed to be considered before officers can finalise the schools revenue budget, in readiness for approval at Cabinet and Full Council.

Background & Risks

Schools Funding Settlement – The Department for Education (DfE) financial settlement is for one year only. No details have been provided for 2012/13 financial year. This settlement contains significant changes from previous years, including the mainstreaming of a number of former standards funds in to the Dedicated Schools Grant, and the addition of a Pupil premium.

Estimate of Dedicated Schools Grant – A confirmation of the final level of grant will not be received until June 2011 and the final level of grant could be higher or lower than the estimate.

Use of one-off funding in 2011/12 – Currently it is estimated that there will be an underspend of £2.369 million in 2010/11 and this can be utilised against priorities, however there is some risk in this projection because of uncertainty around take up of the extended free entitlement for 3 & 4 year olds.

Academies – The estimate of DSG includes those academies known in January to be converting to academy status by April 2011.

Dedicated Schools Grant – Estimate for 2011-12

Officers recapped the elements of the estimated grant, which was based on a 0% inflationary rise. A minimum funding guarantee of -1.5% will be applied to individual school's budgets. Numbers of pupils used in the estimate have been based on the October pupil count and adjusted for trends and other known changes.

The budget requirement [see Appendix 1 to the Agenda] was considered by the forum along with the potential cost pressures so far identified [Appendix 2 to the agenda]. A shortfall was identified of £1.246 million against the estimated level of DSG, if the identified cost pressures are to be funded. This shortfall would increase to £1.536 million if Schools Forum were also to invest in the Young Persons Support Service following the review of the service.

This shortfall can be met from taking part of the 2010/11 rollover however this would mean investing up to £1.536 million of one-off funding in to the 2011/12 budget.

Officers and members of Schools Forum agreed that the risk associated with investing one off funding in 2011/12 must be mitigated by the development of savings across central DSG funded services of at least £1.6 million, or 5%, in time for 2012/13. The Chairman explained that work had already begun in this respect, and papers with proposals/updates would likely return to the Forum in the Autumn.

Trevor Daniels explained a secondary issue was dealing with changes to, and the budget definition of, services which are not provided directly through schools – an example raised by forum members was Broadband contracts and provision, where the leeway for action by individual schools and the regulations would need assessing.

Following discussion on the merits of providing the identified funding for the YPSS, Liz Williams reminded the forum that a new funding model was under development, and this would include changes to AWPU and the education of children & young people with severe medical needs.

Allocation of Former Standards Funds

The proposals here reflected the sequence of discussions at previous School Forum meetings and at the meetings of the School Funding Working Group. Figures were shown [Appendix 3 to the Agenda] which show the impact on each school, and in total, of different methods of allocation, on an adjusted budget baseline. This took out the distortion caused by the withdrawal of one-off grants and other exceptions.

The Chairman reminded the Committee that re-allocation of grants had kept funds key-stage and phase specific, in keeping with the wishes of the Forum.

Resolved:

Budget Setting

- i) The Young Person's Support Service (YPSS) receives funds of £290,000, indicated as necessary in the recent review of the service.**
- ii) A new funding model for the YPSS is to be developed and presented to the Forum when ready.**
- iii) The final budget requirement is thus £274.653 million**

- iv) That one-off funding from the 2010/11 rollover be used as necessary to address the identified cost pressures
- v) That the risk associated with rolling over fund be mitigated through the development of savings proposals within central DSG budgets of at least £1.6 million for 2012/13. Use of one off funding in this way will allow time for central services to be restructured in line with the Departmental restructure, and for the continuation of the work started with schools to transform and develop traded services.

Allocation of Former Standards Funds

- vi) Investment priorities were confirmed as those identified by previous Schools Forum meetings – see report and appendix 2 to the agenda.
- vii) A statement of principles agreed by the Schools Forum for the allocation of former Standards funds be finalised and circulated to schools [see Attachment 2 to the Minutes].
- viii) The allocation of the Former Standards Funds through the funding formula to be set out as follows [Appendix 1 to the minutes], with inclusion of a Flat Rate of £20,000 per primary school, £50,000 per secondary school and £20,000 per special school.

127. Urgent Items

There were no urgent items.

128. Confirmation of dates for future meetings

The dates of future meetings were noted and confirmed.

(Duration of meeting: 1.30 - 4.35 pm)

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**Standards Funds 2010/11 rolled in to DSG 2011/12
Summary of Allocation Methodology for 2011/12**

Grant	Year 1 2011/12	Any changes for Year 2/3
School Standards Grant	Current formula to be replicated	
School Standards Grant (Personalisation)	Distribute via AWPU within phase	
School Development Grant	Flat Rate: Primary £20,000 Secondary £50,000 Special £20,000 Funding for Advanced Skills Teachers replicated for 2011/12 Remainder allocated by AWPU within phase	AS 2011/12 but AST funding to be added to AWPU allocation.
School Lunch Grant	Allocated via AWPU – not phase specific	
Ethnic Minority Achievement Grant	Retained Centrally	
Specialist School funding and High Performing Specialist School funding	Secondary Schools: 1 st Specialism to be allocated via KS3 and KS4 AWPUs 50% of 2 nd and 3 rd specialisms to be allocated via AWPU (KS3 and 4) and 50% to be replicated as per 2010/11 allocations Special Schools – replicate 2010/11 allocation	Secondary Move to full allocation via AWPU
1-2-1 Tuition	Allocated via KS2 and KS3 AWPU	
Extended Schools Sustainability grant	Funding for Parent Support Advisors (PSA) to be replicated (as per summary from M O'Malley) Remaining amount to be allocated via AWPU	Full allocation via AWPU

Grant	Year 1 2011/12	Any changes for Year 2/3
Extended Schools Subsidy Grant	Allocate via AWPU	
Targeted Support for the Secondary National Strategy allocated to schools	Allocate via KS3 and KS4 AWPU	
Targeted Support for the Primary National Strategy allocated to schools	Every Child Programme funding to be allocated via KS1 AWPU Remainder to be allocated via KS1 and KS2 AWPU	
Diploma Formula Grant	YPLA allocation for cohort to be replicated	

Changes have been made to the Minimum Funding Guarantee to remove Extended Schools grants, which are allocated to clusters in 2010/11, and for National Strategies and 1-2-1 funding which contained significant one off allocations of funding, from the baseline. Permission will need to be sought from the Secretary of State for the proposed adjustment for 1-2-1 funding however the other two adjustments are prescribed in the new regulations.