

## SCHOOLS FORUM

THURSDAY, 2 NOVEMBER 2017

TO: Head Teacher Representatives: Nick Stevens, Chris Tones, Richard Pilgrim, Mike Wallace, Amanda Hough, Elizabeth Farnden, Alison Peny and Martin Tinsley.

Governor Representatives: Hugh Boulter.

Non- School Representatives: Gina Kendall.

Officers: Kevin McDaniel, James Norris, Tracey Anne Nevitt and David Cook.

### APOLOGIES

Apologies for absence were received by Isabel Cooke, Helen McHale, Joolz Scarlett, Jo Haswell, Gillian May, Alison Penny and Cllr N Airey reported she would be late.

### DECLARATIONS OF INTEREST

There were no declarations of interest received.

### MINUTES

The minutes of the meeting held on 11 July 2017 were approved as a true and correct record.

### BUDGET OUTTURN 2016/17 AND SCHOOL BALANCES

James Norris, Head of Finance (RBWM) Achieving for Children, introduced the report that summarises the final outturn position of the 2016/17 Schools Budget, the level of DSG reserve and the level of maintained schools balances to 31 March 2017.

The Forum were informed that the final outturn position was for noting and the Forum's attention was drawn to section 4 of the report that detailed the dedicated schools grant reserve. The report highlighted that a £737,000 surplus balance at the start of 2016/17 had been reduced to a £752,000 deficit as at 31st March 2017. The main driver for the pressure remained the high needs block and balance transfers agreed by the Forum.

The Chairman asked if the Forum had to agree the carry forward of the deficit and was informed that the alternative would be to say that the Forum did not agree with the statement and change other elements of the budget.

Section 5 of the report provided an analysis of maintained school balances at the end of 2016/17. Overall balances totalled £2,037,000 which was a decrease of £1,334,000 on the previous year for maintained schools along with £289,000 in respect of academy transfers a total of £1,623,000. The average primary school balance was 7.4% of budget whilst the average secondary and middle school was 5.8% of budget. Appendix A provided a list of maintained schools balances at the end of March 2017.

The Chairman mentioned that the graph in section 5.6 of the report showed a worrying trend and he was informed that this was an issue across the whole of the south east of England and the Government were being lobbied.

**Resolved unanimously: that the Forum approved the carry forward of the deficit balance on the DSG reserve.**

### BUDGET MONITORING AND FORECAST 2017/18

The Chairman informed the Forum that the report before them was to project the financial position for 2017/18, to project the reserve balances expected at 31 March 2018 and to inform of pressures being faced.

The Head of Finance (RBWM) Achieving for Children, informed the Forum that the overall Schools Budget for 2017/18 was £62,031,000 and that there was a reported deficit of £483,000 relating to the dedicated schools grant funding services mainly due to the high needs block savings not being achieved. The revised projected net overspend on the schools grant reserve was predicated to rise from £752,000 to £1,235,000 by 31 March 2018.

The Chairman asked how we compared to other authorities and was informed that in percentage terms there were a few boroughs in the south that their percentage was lower but the majority were higher.

The Director for Education informed that appendix A of the report showed progress with savings to the high needs block. The problem facing Manor Green school had been resolved via mitigating action and officers were confident that the school could manage within its budget. With regards to placements in the private sector the demand was increased and thus the attempt to decrease costs had not been successful; the private sector were asking for an increase of 16% in costs but we had been able to negotiate a 0% increase for current placements.

In response to questions the Forum were informed that there was an increase in demand for placements. With regards to schools having a deficit the DFE have said that DSG sits with the local authority and thus it was for their S151 officer who had to be satisfied that the budget position could be maintained. It was not known that if all local authorities reported a negative position if they would allow access to the emergency fund.

Resolved unanimously: that the report be noted.

### SCHOOLS REVENUE FUNDING ARRANGEMENTS 2018/19 AND BEYOND

The Chairman informed the Forum that the report under consideration was looking forward to future funding arrangements and guidance on the National Funding Formula changes.

The Head of Finance (RBWM) Achieving for Children informed the Forum that links to the guidance to the new funding formula had been circulated to the Forum prior to this meeting. Before the new formula was introduced a 'soft' formula would be used for the next couple of years.

The Forum were informed that nationally an additional £1.3 billion was being added to school funding however given the other proposed changes the impact locally would be negligible.

The indicative DSG allocation for 2018/19 was £103,042,001 consisting of £83,184,000 for maintained schools, £18,725, 000 for high needs and £1,133,000 for central schools services. This was based on 2017/18 pupil numbers and thus was subject to change.

Section 6.1 of the report showed other funding streams that schools may receive such as high needs funding, pupil premium or early years funding to name a few.

The report contained three appendices; appendix A showed the timetable for data checking and calculations, appendix B the level of approval required by the Schools Forum and appendix C that highlighted schools funding factors.

In response to questions the Forum were informed that the Minimum Funding Guarantee (MFG) had been set by the DFE at minus 1.5% since the introduction of the fair funding policy. Local authorities will be allowed to set the MFG between 0% and 1.5% for the next couple of

years however if changed this would not introduce new funding as it would be a re calculation and some schools would be taking from others. There were currently 14 schools in the borough that benefited from MFG.

The Forum resolved that the Minimum Funding Guarantee should remain at 1.5%.

The Forum were informed that appendix C showed the list of allowable factors regarding the national funding formula with the main changes to the current local formula being:

- **the Index of Deprivation Affecting Children (IDACI) will be used as well as both Free School Meals (FSM) and Ever6 when looking at indices of deprivation.**
- **Currently RBWM funds each LAC pupil at £1,900 the NFF would not use this.**
- **funding for split site is not rate driven within the NFF and will initially be based on historic spend.**
- **funding for Non-Domestic rates is cost neutral for schools. The allocation to the authority to fund Rates within its maintained schools will be based on historical spend and increases due to revaluations are likely to be lagged.**
- **the Minimum NFF rate of £4,600 per pupil for secondary schools and £3,300 for Primary schools.**

Resolved unanimously: that the Schools Forum:

- notes the details regarding schools funding in 2018/19
- notes the timetable of events for schools funding as detailed within Appendix A
- notes the responsibilities of schools forum as detailed within Appendix B
- agrees for the Local Authority to consult schools on the adoption of the NFF model.

## SCHOOL FUNDING 2018/19 AND CONSULTATION

Head of Finance (RBWM) Achieving for Children informed the Forum that the report being considered related to options available for the soft formula for years 2018/19 and 2019/20.

The Royal Borough had considered a number of options to migrate from the current local formula towards the NFF rates over the two 'soft' formula years and the impact of this was shown in the appendices per sector. 14 models of different scenarios had been run to try and work out the best fit for our schools. The first two models were run under the assumption that there would be a 0.5% transfer from the schools block into the high needs block, the third appendix did not include this transfer. All models were based on 2017/18 data. A presentation was shown going through the scenarios appended to the report.

The proposal to transfer 0.5% from the Schools Block to the High Needs block was to support the implementation of the SEND strategy implementation action plan being led by the working group. The idea was to use the proposed transfer to reduce demand on the high needs block.

The Head of Finance (RBWM) Achieving for Children advised there would be a consultation undertaken on future funding arrangements, financial modelling and migration to the National Funding Formula. Consultation would take place between the 8th & 22nd November with results shared at an additional Forum Meeting set for 27th November.

The Director for Children's Services informed the Forum that Cheap Side Primary had approved the expansion to four classes to meet demand and had requested that the growth funding be given up front. This was shown in appendix A of the report that highlighted school growth funding.

In response to questions the Forum were informed that model three showed additional funding as this had the additional £400,000 added from the minimal funding reward and did not have the 0.5% transfer, this however would have implications on budget pressures to high needs funding. Additional funding for schools with falling roles had not been included as there had been no bids.

**Resolved unanimously: that the Forum note the report and approved the budget movement from Schools Block to the High Needs Block.**

#### LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PRESS AND PUBLIC

**RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.**

The Forum approved the Part II minutes of the previous meeting.

The meeting, which began at 2.30pm, finished at 4.05pm

CHAIRMAN.....

DATE.....