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SCHOOLS FORUM

TUESDAY, 8 MARCH 2016

PRESENT: Head Teacher Representatives: Isabel Cooke, Richard Pilgrim (Chairman) Heidi Swidenbank, Amanda Hough, Alison Penny, Nick Stevens (Vice-Chairman), Stuart Muir, Hugh Boulter, Ania Hildrey, Mike Wallace, Chris Tomes and Heather Clapp.

Non- School Representatives: Gina Kendall.

Officers: Edmund Bradley, Kevin McDaniel and Karen Shepherd

APOLOGIES FOR ABSENCE

None received

DECLARATIONS OF INTEREST

None received

MINUTES

RESOLVED UNANIMOUSLY: That the minutes of the meeting held on 19 January 2016 be approved.

MEMBERSHIP

A revised membership list was circulated. As discussed at the last meeting, a number of vacancies had arisen because of conversions to academy and the impact on pupil numbers on the relative representations on the Forum. There were three academy vacancies. It was noted that Stuart Muir was to take up the first vacant academy post. The resulting vacancy for a maintained secondary representative would be filled by Chris Tomes of Charters. The other two academy vacancies would be filled by Amanda Hough of St Luke's and Jo Haswell of Forest Bridge.

It was noted that Dedworth Middle had not yet converted to academy, however this was anticipated in the next two months.

DEDICATED SCHOOLS GRANT AND PLANNED EXPENDITURE 2016-17

The Forum considered RBWM's 2016-17 expenditure plans for services funded by the schools, high needs and early years blocks of the Dedicated Schools Grant (DSG) and other grants. The Forum was asked to approve a number of central expenditure budgets where required under regulation.

As reported at the last meeting, the DSG settlement was £104.842m, an increase of £1.234m on the previous year as a result of the increase in pre-16 pupil numbers. Table 2 gave details of the breakdown of the total settlement. In the schools block; £39m related to the Academies delegated budget which would be topsliced from the local authority's DSG allocation. This would change during the year as more schools converted to academy. Table 3 illustrated the total funding available (£113.7m) for the

schools budget including high needs, early years and the post-16 grant. Pupil premium allocations were only included for early years (£72,000).

Table 4 illustrated the proposed expenditure for 16/17. Schools block planned expenditure would reduce to 78.9% (from 79.4% in 15/16) to cover an increase in budget required for high needs to 14.8%. Changes were detailed in section 3 of the report and the appendix. For the schools block the funding delegated through the pre 16 formula had increased by £770,000. At the same time post-16 funding had reduced by £563,000. There was an additional proposal to reduce funding for the growth fund by £278,000. Planned expenditure on high needs would increase by £730k, funded by increased funding for high needs (£316,000) announced in the December 2015 settlement, and a transfer of £414,000 from early years and the schools block.

It was confirmed following a question from the Chairman that the changes were for noting, subject to approvals later in the agenda. Expenditure from the high needs block (e.g. Manor Green) did not require Schools Forum approval.

The Chairman commented that the use of sixth form figures that were 18 months out of date to allocate post 16 funding was odd given the amount of money involved. He suggested feedback to highlight that the latest figures should be used. The Finance Partner explained that all post-16 funding received by the LA from the EFA went directly to schools so there was no impact on the budget. The reduction in the post-16 budget was the result of falling numbers. The main pressure was in high needs, from continued growth at Manor Green and Forest Bridge. There had been some re-allocation to try to fund this as local provision was now available but this had not come through as much as had been expected.

Table 5 illustrated spending by block. Authorities are able to move funding between blocks and many did so. In 15/16 planned schools block expenditure had totalled £89.8m. The council's schools block allocation was £90.6m therefore the unspent £780,000 had funded additional expenditure in high needs. Table 6 illustrated proposed allocations for 2016/17. The plan was to borrow a larger amount from the schools block than in previous years to fund high needs. Table 7 demonstrated that much high needs funding was used to fund services in mainstream schools.

The Chairman commented that all other aspects of funding had to be backed up by value for money statements. It was difficult to assess value for money with high needs spending. A transparent discussion was needed, particularly if high needs funding was increasing. Isabel Cooke commented that many schools managed behaviour until they were unable to any more. The education of the average child was compromised year on year because of pressure on schools; a group of children received education far in excess of the average child. The Chairman highlighted that the key question was whether interventions made a clear impact or not.

It was noted that increased high needs expenditure was a common theme for most local authorities. The Finance Partner explained that whereas school funding increased based on pupil numbers, high needs funding was based on historical spend. The Head of Schools and Educational Services commented that it was a common view among borough headteachers that there was an increasing number of children with additional needs. At the top end of the spectrum children's needs were becoming more complex and needed new interventions. It was noted that 25% of the funding was spent on high needs in a mainstream setting. The Head of Schools and Educational Services referred to a government consultation of 30 schools on the top

up for primary children with autism. The levels provided ranged from £2,000 to £25,000 for the same pupil description. The Schools Forum could scrutinise whether the balance was correct for borough schools.

Heather Clapp commented that as a child got older their needs often become more complex. If interventions are not made at an appropriate early stage then the situation just became worse later on. It was not the case that one size would fit all. Chris Tomes referred to a recent Westminster Briefing he had attended. It was stated that the issue of differing levels of funding for high needs was a significant issue and it would be addressed through the national funding formula. It would be useful to know where RBWM stood in comparison to other local authorities.

The Chairman commented that it would be important for the Forum to respond to the consultation, which closed on 17 April 2016. It was noted that this consultation covered core funding and high needs; early years would be part of a later consultation expected in May 2016. All feedback would go into a second round of consultation to include proposals, with the aim of establishing a national funding formula that would determine LA DSG allocations for 17/18. The Finance Partner commented that it was being referred to as a 'soft' formula as LAs would continue to have flexibility in their local formulae to allocate funding to schools. A local funding formula would still be required for the next two years. By 2019 school funding allocations would be determined centrally, 'the hard formula', and therefore the role of the Forum would change. One of the main changes for 2017-18 would be an additional funding block for central schools to fund strategic functions such as admissions. A second stage of consultation would look at the specific funding rates to be used in the national formula. Chris Tomes commented that at the Westminster Briefing it was stated by the DfE that DSG would be replaced by a flat rate approach for the next four years. Representatives from the academies then agreed that as there had been a real term cut of 9-12% it was important to get ahead of this. There had been some discussion of protection in the first year.

Heidi Swidenbank left the meeting at 3.12pm.

The Chairman suggested a separate meeting be set up to discuss the wider issues. He proposed that approval of pre-16 pupil growth be set to one side.

RESOLVED UNANIMOUSLY: That Schools Forum:

- i) Agree the expenditure proposals outline in the paper**
- ii) Formally approve the planned schools and early years central expenditure budgets set out in table 8, 9 and 10 (paras 4.3 and 4.6), as required under School Finance Regulations.**

GROWTH FUND 2016-17

The Forum considered proposed changes to the growth fund for 2016/17.

The Chairman commented that he had received a number of representations on this report, in particular the clawback options in paragraphs 3.4 and 3.5. Due to the complexity of the existing scheme, a new scheme was proposed.

The Head of Schools and Educational Services explained that the proposal set out a logical approach to school place planning taking into account Schools Forum

comments from the meeting in January 2016 and other comments received since. He then commented on the proposed eligibility criteria, which applied to all types of schools including academies and free schools as detailed in section 4.1:

- 1 & 2 – no changes were proposed
- 3 – the change would ensure that places would be reliably available.
- 4 – this was the biggest change. Funding through the growth fund would only be allocated when an additional teacher was required. This would mean schools could employ staff earlier.
- 5 – the change recognised that additional funding would be required for every year an extra class was needed. A typographical error was noted that the section should read ‘5 years in a secondary etc.’
- 6 – no change in the assumption that schools receiving growth funding would still be expected to operate mixed age classes where their PAN warranted it.
- 7 – this was not yet applicable in the borough but if a new free school was set up in response to ‘basic need’, start up costs would fall to the local authority. The Head of Schools and Educational Services provided an example from his previous authority where a new two-form entry primary was established. The local authority had provided £75,000 of start up costs.

It was commented that schools had previously been funded for four years. The Finance Partner explained that the growth fund had only been around for two or three years. The rules had been changed for 2015/16 following consultation to limit funding to three years for all schools.

The Chairman highlighted the difference between primary and secondary in terms of the funding rates linked to AWPU. Questions had been raised about the actual costs of putting an extra 30 children into a school and the resulting cost of a member of staff. In addition queries had been raised about the differing figures of 0.4 and 1 FTE for a teaching assistant. The Head of Schools and Educational Services explained that the formula had been worked out backwards using the existing pay scales and the amount that would have been spent on the Growth Fund. Comments from the Forum were welcomed on whether this was a reasonable approach.

Stuart Muir commented that if schools were growing fairly quickly there would be more schools that triggered funding but the amount of money would be kept the same. He questioned this given expansion was on its way. The Head of Schools and Educational Services confirmed that for the current year there were no unfunded expansions. The Forum considered table 3 which illustrated that slightly more would be spent under the proposed formula than under the current one in 2015/16 but more schools would receive funding under the new formula. Over time to 2021, with all commitments already made, the proposed scheme would cost £1.4m rather than £1.7m. in the old scheme. Under the old scheme schools faced uncertainty about their funding as a result of the clawback mechanism. Under the new scheme, this uncertainty was being traded for certainty and a smaller amount of overall funding.

Nick Stevens questioned why the authority was trying to make opportunities for schools to expand if less children were anticipated. He cited the example that primary numbers were expected to be down by 113 in 2018 compared to 2013. The Head of Schools and Educational Services explained that primary expansion was already planned to deal with extra children that were anticipated. It was also known that by 2018/19 the year group would be smaller, but the increase needed to be managed

going through the cycle. The growth fund was important to ensure capacity for those moving into the borough, which had a very mobile population.

Hugh Boulter commented that schools such as Furze Platt Senior had already agreed with the local authority the number of extra places, with planning based on the current financial parameters. The new formula would mean significantly lower finances than planning had been based upon. The Chairman commented that there was clear need for the formula to change but suggested the decision be delayed until full implications were known. The Head of Schools and Educational Services commented that the current scheme could continue to operate but some schools would no longer receive the funding that they would have received under the new formula, and a number of other schools would lose money as detailed in paragraph 5.3. In the past the funding formula agreed by the Forum allocated full funding. Feedback was that this was unaffordable and unfair, therefore the current proposal had been made.

The Chairman proposed that the decision be delayed by one year given that schools had planned agreed expansion based on the current formula.

The Head of Schools and Educational Services commented that in January the Forum had made it clear that for a class of 30 pupils in primary and secondary schools, £54,000-£73,000 was too much for seven months; now it was being suggested that £23,000-£30,000 was not enough. The right balance needed to be established. The Finance Partner highlighted that under the current formula costs were met for three year only. Under the proposed formula additional costs would be met after this time.

RESOLVED: That:

- i) The current formula be retained for a further year**
- ii) The item be added to the agenda for the next meeting to consider changes for the following financial year**

(Heather Clapp, Chris Tomes, Ania Hildrey, Gina Kendall, Hugh Boulter, Stuart Muir, Isabel Cooke, Alison Penny, Nick Stevens, Amanda Hough and Richard Pilgrim voted in favour of the motion. Mike Wallace voted against the motion)

FALLING ROLLS FUND 2016-17

The Forum considered the possible introduction of a falling rolls fund for 2016-17 to support schools with a temporary shortfall or dip in pupil numbers, as requested by the Forum meeting in January 2016.

Hugh Boulter left the meeting at 4.09pm.

It was noted that there was one mandatory element as detailed at paragraph 4.2, that only schools judged 'good' or 'outstanding' would be eligible.

Proposals for an RBWM scheme discussed in the working group had focussed on the following principles:

- Funding would need to be linked to a demonstrable temporary shortfall in total pupil numbers compared to the number of pupils the school would expect to need in up to three years time, with the school committing to maintain the PAN for the next three years of planned admissions.

- RBWM's Education team would have a key role in providing information on future need for places in individual schools and areas, in order to assess whether a school was eligible for funding.
- Eligibility would need to take account of spare capacity in the school, whilst bearing in mind that a school did not need to be at full capacity to be 'viable'.
- Funding should be formula-driven as far as possible, to ensure that funding allocations were fair and transparent and not be dictated by the specific approach to teaching or structure used by a given school.
- Eligibility for funding would need to be reviewed each year on a school by school basis. As circumstances changed, there would be no automatic assumption of ongoing funding

The Head of Schools and Educational Services highlighted that for 2015-16 the scheme would have to be funded from DSG reserves. The Forum agreed that it was in principle supportive of a scheme. The forecast currently was for falling rolls at Churchmead as a result of, in part, new free schools. The birth rate had fallen this year so it was anticipated that there would be an impact on primary schools in five years' time. However, further new housing development could fill the gap.

The Head of Schools and Educational Services highlighted the starting point was to establish a viability level, which was proposed as 70%. The next decision was then at what level up to viability should funding be provided and a weighting of 50% on the AWPU rate and a cap of 20% of total budget was proposed. It was noted that four schools in the borough were currently at a level of less than 70%: Bisham Primary, Churchmead, Desborough College and Woodlands Park Primary. Alison Penny commented that the PAN figure for Woodlands Park was incorrect; the Head of Schools and Educational Services agreed to ensure this was amended. The authority needed to check to see if Desborough College meet the 'temporary dip' criteria.

Ania Hildrey left the meeting at 4.19pm.

The Forum considered modelled funding levels using different formula criteria.

Mike Wallace left the meeting at 4.24pm.

It was noted that most authorities applied a cap, whether on different types of schools or an overall proportion.

Alison Penny commented that the issue had affected her school. It was known that numbers would increase in future therefore she did not want to merge classes and make a good teacher redundant to later have to split the class again and recruit. Chris Tomes commented that the retention of good staff was very important, particularly as the recruitment market was difficult at the moment. There was currently too much provision in Slough so whereas Churchmead was previously taking children from that area, they were now not coming through. However there was a big spike coming up through years 5 and 6 that would have an impact on Churchmead from 2018 onwards. He was supportive of the proposal to ensure good staff could be retained over this period.

The Chairman stated that he felt option 1 was the most appropriate model. He felt that a cap of £200,000 per school was reasonable. Isabel Cooke suggested a 75% proportion of the Growth Fund was an appropriate level. Chris Tomes suggested 80%.

The Head of Schools and Educational Service informed members that the decision was technically up to the local authority but he welcomed Forum comments.

Stuart Muir commented that the proposal may cause difficulties for schools already expanding and those about to do so. The Head of Schools and Educational Services commented that the current scheme did not take funding away. If there was any misunderstanding he expected schools to come forward and comment.

RESOLVED UNANIMOUSLY: That the methodology for a falling rolls fund should be 75% of the growth fund with a cap of £200,000 for any individual school.

EXTENSION OF FREE ENTITLEMENT FOR 3 AND 4 YEAR OLDS

The Forum noted that the DfE had received 92 applications from local authorities wishing to be part of the expansion to 30 hours free entitlement. Only eight were selected for the pilot. The borough had not been invited to take part in the pilot but had been asked to join the working group to discuss the outcomes.

SEN FUNDING ARRANGEMENTS

It was agreed that the item be deferred to the next meeting, at which it should be high on the agenda. The Chairman agreed to discuss with colleagues an appropriate additional meeting date.

The Head of Schools and Educational Services stated that he was keen to put together a working group to discuss secure communication between the borough and schools. If First Class was switched off on 1 April 2016 there would be no way to send secure pupil data. The one-year cost was £19,000 for the licences.

RESOLVED UNANIMOUSLY: That the First Class system be funded for one year from 1 April 2016 whilst a working group on secure communication discuss options available.

The meeting, which began at 2.30 pm, finished at 4.50 pm

CHAIRMAN.....

DATE.....

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