**DERBYSHIRE COUNTY COUNCIL**

**DERBYSHIRE SCHOOLS’ FORUM**

**Minutes of the Meeting Held on 9th January 2017**

**at 4.00 pm Sandpiper Hotel, Chesterfield**

**Present**

David Beaumont, Linda Du-Roe, Shirley Harvey, Julie Cadman, Bridget Handley, Sue Kennedy, Martin Brader, Kam Grewal-Joy, Tracey Burnside, Angela Lindley, Pauline Wensley, Julien Scholefield, Angela Stanton, David Plummer, Andrew Critchlow, Karen Hudson, Andrew Large, Deborah Turner

**Substitutes**

Alan Thomas, Cathy Tattersfield, Joy Williams

**Observers**

Cllr Caitlin Bisknell

**Officers/Others**

Chris Allcock, Mary Murkin, Russ Barr, Ruth Lane, Karen Gurney, Kathryn Boulton, Alison Noble, Saranjit Shetra, Rosie Kightley

**Apologies**

Barbara Arrandale, Liz Moorsom, Stephanie Marbrow, Gill Hutton, David Baker, Carey Ayres, Lisa Key, David Channon, Cllr Joselyn Street, Andrew Wild, Jane Parfrement

Martin Brader chaired the meeting and Chris Allcock confirmed it was quorate.

**17/01 Apologies for Absence**

Apologies were given as noted above.

Carey Ayres, Principal of Ripley Academy and Gordon Hart, primary school governor have both resigned. It was noted that Alan Thomas would be able to vote on any matters as a primary school governor substitute.

**17/02 Minutes of the meeting held on 12th December 2016**

Matters of accuracy

No points were raised.

Matters arising

Chris Allcock said he had received an e-mail confirmation from the DfE that a lump sum allowance could be used in the early years formula for nursery schools for 2017-18.

**17/03 Mainstream Schools – National Funding Formula (NFF) consultation**

Chris Allcock presented the paper and highlighted the following points:

* In 2018-19 a ‘soft version’ of the NFF would apply. The NFF would determine the amount of money given to LAs but the LA and Schools Forum would still decide how the funding was allocated.
* In 2019- 20 a ‘hard version’ of the NFF would apply, i.e. no/very limited local discretion at LA and Schools Forum level. There is, therefore, effectively one year of transition (2018-19).
* To provide stability the DfE have provided a funding floor so that no school will face a reduction of more than 3% per pupil as a result of the NFF, although it is unclear whether this includes or excludes the Minimum Funding Guarantee (MFG) of -1.5%. There will also be a cap on individual gains of 3% for 2018-19 and 2.5% for 2019-20.
* Primary sector: a net increase of £11.2m (5%), in general smaller schools lose funding and larger ones gain, the main reason being the reduction in the lump sum, compared with the increase in the AWPU, the break-even point is approximately 300 pupils. The biggest cash change is the Low Cost High Incidence (LCHI) factor that brings an extra £16.673m of funding. The new measures for deprivation, including IDACI, will lead to greater turbulence in the allocation of deprivation funding.
* Secondary sector: there is an overall reduction in funding of £965,000 (0.5%), the biggest factor being the reduction in the lump sum. As with the primary sector, the changes in respect of deprivation will for some schools result in major gains and losses of deprivation funding.
* The consultation questions themselves will be considered at the next Schools Forum meeting.

A number of comments were made from the floor:

* Are the sparsity factors of up to £25,000 (primary) and £65,000 (secondary) per school? Yes, currently 12 primary and 3 secondary schools in Derbyshire qualify.
* What are the criteria to qualify for sparsity? It is complicated: take Castleton Primary as an example. Stage one of the calculation looks at all pupils’ addresses and identifies those pupils for whom Castleton is the closest, irrespective of which school they actually attend. Stage two is a school calculation that takes all of the children, for whom Castleton is the closest, and then measures the distance to the nearest alternative school. If the average of the alternative distances is more than two miles (primary) or three miles (secondary) then that school is regarded as being sparse. A further condition is that the number on roll must be less than 150 (primary) and 600 (secondary.) Castleton doesn’t qualify as, although it is a very small school, the proximity of Edale and Hope schools mean that the average alternative distance is below the threshold.
* The implication of the NFF is that there will be an increase in redundancies, especially in secondary schools.
* Cathy Tattersfield had read in the press that Nottingham City would lose under the NFF and Nottinghamshire would gain and had thought city v shire differences would be similar across the country.

Chris Allcock replied that the current DSG was rooted in spending decisions as far back as 2008 and LAs have made changes to their individual funding formulae for many different reasons since then. When comparing these historic starting positions with the NFF it’s not surprising that the impact varies both between different LA areas and for different types of school.

* What will the growth be in school budgets in the future?

Chris replied the Government will say that they are protecting school funding. However, the national quantum they are referring to includes other spending areas e.g. Free Schools, the increase to 30 hours of Early Years provision for eligible working families etc. The Institute of Fiscal Studies have estimated that there will be a real-terms reduction of ~8% per child by 2020. When taking into account teachers’ pensions, wage increases and increases in NI spending this could be closer to 12%.

* If Derbyshire is below the national average funding as a ‘shire’ LA, will the NFF get us to a national average?

Chris replied that, if looked at in overall terms, the NFF could be regarded as providing an “average” for each type of child and school across the country, so yes.

The Schools Forum:

1. noted the report; and
2. agreed that a further report, including a draft response to the consultation, will be considered at the Forum’s next meeting in February.

**17/04 High Needs Block (HNB) – National Funding Formula (NFF) consultation**

Chris Allcock presented the paper and highlighted the following points:

* In 2018-19 the NFF will allocate funding to LAs not individual institutions.
* The Government are very sensitive about the High Needs Block allocation and the need to manage any changes carefully.
* No LA will lose funding as a result of these proposals as there will be a funding floor.
* 50% of funding will be allocated on a formula basis and 50% will be based on historic spending.
* There will be a place adjustment for import/exports of pupils between LAs.
* The 2016-17 projection of NFF includes a funding floor protection of £1.722m which indicates that Derbyshire is a loser under the pure formula.
* Whilst the funding floor will ensure the overall quantum doesn’t reduce, there will be a real terms cut as Inflation eats in to the HN Block’s spending power over time.
* There is no ring-fencing around the Schools Block in 2017-18.
* In 2018-19 LAs can move funding between the Schools Block and the High Needs Block with the agreement of Schools Forum and the majority of schools.
* In 2019-20, a transfer could still be done but it may be difficult to persuade schools who would individually have to agree to re-pool funding.
* The DfE have released a grant to enable LAs to review their strategic planning role in respect of provision for children with SEN and disabilities.
* There will be a new Disability Access Fund of £615 per child to support access to Early Years provision.

A number of comments were then made from the floor;

* Will special School and ERS schools retain existing funding?

Chris replied he didn’t expect top up rates to change but allocations will vary based on the number of places and actual numbers of children attending. No formula changes are anticipated at this stage.

* How much movement has there been between Schools Block and the High Needs Block in the past?

Chris replied approximately £3.5m has been moved across, equivalent to less than 1% of the Schools Block. An example was given when Derbyshire, as a low funded LA, received an extra £16m from the DfE as our share of £390m allocated nationally. Some of Derbyshire’s extra grant was allocated to the Early Years and High Needs budgets, even though the funding was, in effect, a Schools Block allocation.

* Are we being encouraged to respond to the consultation on an individual school basis?

Chris replied the changes to individual schools are available as a public document and you can respond directly to Government.

* If we decide to transfer money between Schools Block and the High Needs Block, how would it work?

Chris replied mainstream schools will be allocated their budgets as per the NFF, then we would have to ask schools to de-delegate funds over to the HNB. Given the pressures on schools it’s likely that any request would be for modest sums to meet pockets of need.

* Really two consultations are required; how money is delegated to the LA and how the LA distributes the money.

Chris replied that the second is an internal matter for the LA; however, it is good practice to consult with schools and the Schools Forum which Derbyshire generally does.

* At some point would it be possible to compare income in LA schools per pupil with money spent on educating SEN pupils in the private sector, paid for by the LA (Out of County) pupils?

Kathryn Boulton replied that this will form part of the Strategic Planning Review and a reduction in Out of County spending would provide the opportunity to improve per pupil funding in LA schools.

* How does this work with the NFF, doesn’t it make it pointless?

Kathryn replied that a pupil only goes out of county if the LA is unable to meet their needs locally.

* Because we know that the HNB will be £68m, could we spend money up front to develop a specialist provision within the LA in order to reduce out county spending in the future?

Kathryn replied that the Strategic Planning review should help in this respect.

The Schools Forum:

1. noted the report and offered its initial views on the government’s proposals; and
2. agreed to receive a further report at its February meeting and consider a formal response to the consultation.

**17/05 School Revenue Funding Settlement 2017 - 18**

Chris Allcock presented the paper. He commented that Early Years and High Needs Blocks will be discussed at the February Forum meeting.

Joy Williams asked if the population uplift increase of £1.249m in the HNB would be lost within the funding floor of £1.722m detailed in the previous report. Chris replied that he hoped not and that the actual HNB baseline would reflect 2017-18 allocations.

Chis stated that since the paper had been prepared the rates costs of mainstream schools have increased and are now anticipated to be £0.370m more than expected.

With regard to Central Services expenditure listed on Appendix 3, the levels of expenditure allowed to be retained had been previously capped by the DfE at 2013-14 levels. For 2017-18 the DfE have removed that cap.

David Beaumont asked that if the admissions level of spend proposed at £0.519m is more realistic, will it be retained at this level in future years?

Tracey Burnside commented that schools are being asked to pay more towards central services when school budgets are cash flat and they have to manage their spending accordingly.

Chris Allcock replied that essentially Tracey is correct, the take from the DSG for the Admissions Service and Schools Forum etc. have been capped for the last 4 years and in effect the real costs subsidised by the Council. The proposed allocations would remove these subsidies. Forum should note that the retentions they are being asked to approve are for 2017-18 only and the issue of central spend will be re-visited annually.

Recommendation 1- Schools Forum agreed to the retention of Central School Services Block funds as set out in Appendix 3.

The LA subsidises the PFI costs of Springwell and Bolsover Schools. DfE regulations require that the full costs of the contracts must be passed to schools. Whilst this is an extra burden, one positive is that the higher allocations will be locked into the NFF going forward.

Recommendation 2- Schools Forum noted the required change to the PFI Allowances in respect of Springwell and Bolsover Schools.

Tupton Hall and Outwood Academy Newbold are locked into 25 year PFI contracts which increase with the Retail Price Index (RPI). However, reductions in pupil numbers are making the PFI contributions an increasing burden on these schools. The formula change proposed is considered fair and if done in 2017-18 will lock funding into the NFF.

A Forum member asked, is it up to the LA to help the Outwood Academy with it being an Academy school? Chris replied that any formula changes must be applied to LA and Academy schools on a fair and equitable basis.

Recommendation 3- Schools Forum supported the change to Tupton Hall and Newbold schools’ PFI funding.

Barlow Primary school occupies an old building in a small rural village and the premises restrict the class sizes, meaning they generally need an extra teacher to cover an extra class when the pupil count exceeds 78; this additional cost has been funded from the contingency pot in the past. A successful application to the DfE has resulted in an exceptional site factor being allowed for this school.

Recommendation 4 - Schools Forum supported the change to Barlow Primary School’s exceptional site factor funding.

Chris Allcock had already explained the sparsity factor in an earlier paper. Forum members commented that introducing the factor early could help prevent redundancies in individual schools and these small schools would feel very supported by its introduction next year.

David Plummer asked if it could be done at a 50% level representing a move towards the NFF. Chris replied that this was possible.

Recommendation 5- Schools Forum gave its views as set out above on the Authority’s proposal to introduce a sparsity factor for primary and secondary schools for 2017-18.

**Other changes funded from DSG cash resources**

The latest indication is that the DSG cash balance at the end of 2016-17 is expected to be around £6.562m.

**Additional support to secondary schools/academies**

In 2016-17 an additional £3.5m was delegated to secondary schools to help with financial pressures, mainly around falling pupil numbers. Whilst this funding was withdrawn from 2017-18 baselines, it’s now proposed that a further £2m is delegated in 2017-18 which would be equivalent to £53.86 per Key Stage 3 and 4 pupil. The cost after MFG would be lower at around £1.023m.

A Forum member asked if we could delegate more funding in order to increase the baseline funding for the NFF. Chris replied that there was no more spare money to do that.

Recommendation 6- Schools Forum gave its views as above on the Authority’s proposal to allocate £2m (before MFG) to secondary schools in 2017-18.

**Education Services Grant General Duties (ESG (GD))**

The LA proposes to release funding from DSG cash reserves of £1.924m, equivalent to £20 per pupil. The intention would be to ask Forum to top-slice/de-delegate this funding towards meeting the costs of school redundancies and to fund additional school improvement services for 2017-18 only. If a similar arrangement were to be considered for 2018-19 the funding would have to come from schools’ core budgets as no further releases of DSG cash for this purpose would be likely.

The LA tabled updated proposals as follows:

1. From DSG cash resources - that funding for redundancies is delegated to/top-sliced from mainstream schools’ budgets from April 2017 at the rate of £8.76 per pupil;
2. From DSG cash resources - to delegate/de-delegate £2,000 per primary and secondary school plus £1.78 per pupil (all Key Stages);
3. From existing school budgets - to de-delegate a further £350 per school which (for subscribing schools) will be offset by savings in their current subscription fees.

David Plummer asked if the above increases are on top of the £53.86 agreed earlier. Chris replied that the AWPU would be increased by £53.86 and by further amounts to cover redundancy costs (£8.76) and school improvement (£1.78), similarly the lump sums in both sectors would be £2,000 higher to help fund the school improvement package.

Linda Du-Roe asked what about schools that need more than the 3 days support in the offer. Kathryn Boulton replied that they could purchase extra days.

Deborah Turner said that redundancy costs were an unknown factor at this stage and would academies get the £8.76 per pupil?

Chris Allcock replied that yes they would and they could use the funding as they see fit, including for meeting their own redundancy costs. The formula changes have to apply fairly to both schools and academies. The amount being top-sliced for redundancy costs in 2017-18 is below the level that the LA expects to spend in 2016-17. It is hoped that the increase in the NFF allocations, particularly for many primary schools, will help to reduce the overall bill next year.

Joy Williams asked how this will affect special schools as the ESG grant for special school pupils is approx. £300 per pupil. Chris replied that the High Needs and Early Years Block would be considered at the February meeting and options for meeting the costs of redundancies in high needs and early years’ institutions will be shared.

Martin Brader asked what would happen if redundancy costs exceed the money put aside.

Chris replied that he wasn’t sure at this stage, the LA could in theory underwrite it or more likely ask for a higher level of top-slicing in 2018-19 to cover the shortfall.

David Beaumont speculated where redundancies were most likely to take place. If they were more likely in secondary schools, were primaries in effect subsidising secondaries?

Cathy Tattersfield said that in 20 years of attending redundancy consultation meetings in schools, primaries have to do redundancies earlier than secondaries because they have less natural wastage and smaller budgets. Can we adopt a different approach to primaries and secondaries?

Chris replied that the DfE regulations require that any top-slicing must be at a standard rate per pupil across Key Stages 1-4.

A vote was taken of school representatives and the following were agreed:

Recommendation 7a- Primary school representatives agreed unanimously to delegate £8.76 per Key Stage 1/2 pupil through the formula to support schools’ redundancy costs and for this funding to be top-sliced from maintained schools’ budgets.

Recommendation 7b- Secondary school representatives agreed unanimously to delegate £8.76 per Key Stage 3/4 pupil through the formula to support the schools’ redundancy costs and for this funding to be top-sliced from maintained schools’ budgets.

Recommendation 8a- Primary school representatives agreed to delegate £2,000 per school plus £1.78 per pupil through the formula to support additional school improvement services and for this funding, plus a further £350 from existing school resources, to be de-delegated from maintained schools’ budgets.

Recommendation 8b- Secondary school representatives agreed to delegate £2,000 per school plus £1.78 per pupil through the formula to support additional school improvement services and for this funding, plus a further £350 from existing school resources, to be de-delegated from maintained schools’ budgets.

**17/06 Rethink of the Early Help Offer (REHO)**

Kathryn Boulton presented the paper with help from Rosie Kightley and Alison Noble and outlined the background, current position and findings of the independent evaluation.

Kathryn stated that Derbyshire’s approach was still considered to be innovative and national bodies are watching what we do in the spectrum of Early Help through to Safeguarding. The LA’s view remains that a collective of collaborations is the best approach and prevents schools becoming isolated on issues of safeguarding.

Forum members commented as follows:

Martin Brader said the report was a wrap up of two years of a large amount of funding agreed by the Schools Forum.

Linda Du-Roe commented that governance has changed from the Schools Forum to localities. Groups of schools were to be able to commission services from whoever they wished, however, now only limited services appear to be available and the Schools Forum is no longer monitoring the position. The Memorandum of Understanding (MOU) was not developed with schools and it’s difficult to understand, schools just received the documents and didn’t understand what it was about.

Kathryn Boulton replied that governance shifted away from Schools Forum as the prototypes couldn’t be progressed as we had anticipated because of the refusal of the Secretary of state to allow us to retain the funding centrally. The whole scheme had to accelerate and engagement became with individual schools with all schools involved in shaping the Early Help Offer. Every school was visited and conversations held regarding the MOU. Kathryn was more than happy to keep the item on the agenda of Schools Forum for updates to take place. REHO is not being hidden from the Forum and schools can be part of the Locality Children Partnerships (LCPs).

Linda Du-Roe replied that the schools she is involved with say they were not involved with the MOU.

Rosie Kightley said there is a section within the MOU which says that Governors need to approve it.

David Plummer said the Schools Forum had previously agreed millions of pounds of funding, where has it been spent and is there any left?

A Forum member said different schools have had very different experiences of the EHO.

Rosie Kightley agreed with this. The independent evaluation showed that the LCPs already set up were tasked with cascading information via their own cluster arrangements.

Shirley Harvey said she had been heavily involved last year but had not been invited to more recent meetings, however, there was a LCP meeting in her cluster in 2 weeks and schools are still making decisions whether to stay in the EHO.

David Beaumont commented that it would be interesting to see how the change in governance will reflect in schools continuing to fund the EHO. Will funders be leading the governance, schools are looking at alternatives as they are not wholeheartedly approving of the system.

Alison Noble pointed out that the funding element provided by schools is just a small part of the overall budget of the EHO and the Multi Agency Teams (MATs). They need to know what elements schools want of the MAT service so that they can provide what is required.

Kathryn Boulton added that this is about schools and the LA working together in LCPs to reshape the work done by the MATs.

Alison added changing the workforce quickly is not easy to achieve, LCPs have only been in place since September 2016 and it is very early days. We have to look at how do we prevent the service from fragmenting and ensure that children in non-subscribing schools don’t fall though the net.

Linda Du-Roe said it feels as though we are having the same conversation as we did two years ago. We have spent £x million and we are still at square one.

Kathryn Boulton countered that two years ago a quarter of LA funding was being cut. The funding from schools was to continue the service whilst at the same time reviewing and reshaping it. The Secretary of State’s decision that funding could not be retained centrally threw us completely off track.

Tracey Burnside said that the LCP in Chesterfield has improved the service considerably.

Linda Du-Roe said that the heavy users of the service probably do know this.

Tracey responded that a LCP works well where the schools are engaged, if they don’t attend they don’t know what is happening.

Linda replied that she was hearing from schools that communication was not good.

Shirley Harvey asked if LCPs could feed back to the local schools clusters their progress.

Kathryn Boulton said this could be done at the next cluster events.

Recommendation - the Forum agreed to note the update on the redesign on the EHO across Derbyshire.

On a separate issue the Chair, Martin Brader, reported that he had attended a meeting of the Sheffield Schools Forum. He made the Forum aware that ‘Out of County’ placements were an issue in Sheffield as well as Derbyshire and also that they had recently introduced a system of automatic checking of Free School Meal (FSM) eligibility for Housing Benefit claimants as it had been discovered that, of 11,100 benefit claimants, 3,000 who were eligible were not claiming FSM. Could Derbyshire introduce a similar automatic checking process?

Kathryn Boulton replied that she had been looking at an eligibility checker but there was a cost implication, she was not against the principle and would look at it.

The Forum felt in general that this would be a good idea and it was agreed to bring a report on this to a future meeting.

**17/07 Dates of future meetings**

Future meeting dates were advised as follows;

9th February 2017 (4-6pm) Rangewood Room, Post Mill Centre, South Normanton

22nd June 2017 (6-8pm) Committee Room 1, County Hall

The meeting closed at 6.50pm.