**DERBYSHIRE COUNTY COUNCIL**

**DERBYSHIRE SCHOOLS’ FORUM**

**Minutes of the Meeting Held on 6th November 2017**

**At 4.30 pm Rangewood Room, Post Mill Centre, South Normanton**

**Present**

Barbara Arrandale, Linda Du-Roe, Shirley Harvey, Stephanie Marbrow, Bridget Hanley, Martin Brader, Tracey Burnside, Julien Scholefield, David Plummer, David Baker, Robin Bone, David Channon, Michelle Hill, Deborah Turner, Chris Wayment

**Substitutes**

Alan Thomas

**Observers**

Cllr Julie Patten

**Officers/Others**

Chris Allcock, Ruth Lane, Karen Gurney

**Apologies**

Liz Moorsom, Jen Clarke, Sue Kennedy, Gill Hutton, Angela Stanton, Andrew Critchlow, Steve Edmonds, Jeannie Haigh, Karen Hudson, Andrew Large, Cllr Alex Dale, Chris Anderson, Andrew Wild, Monica White

Chris Allcock confirmed that the meeting was quorate and welcomed Robin Bone from Eckington Junior School and Jeannie Haigh from Willows Academy Trust as new Academy representatives. Julie Cadman from Hunloke Park School has left the Forum leaving a vacancy to fill.

**17/38 Minutes of the meeting held on 5th October 2017**

Matters of accuracy

None were raised.

Matters arising

None were raised.

**17/39 High Needs Funding**

Chris Allcock presented the paper to update the Schools Forum on the issues facing the High Needs Block (HNB). He explained that the main focus on the High Needs Block will be at the February 2018 meeting and this paper sets the broad scene.

The HNB NFF settlement is broadly in line with planned spend for 2017-18. However, there is little if any room for inflation or growth – if these are to be funded savings will need to be identified elsewhere within the High Needs Block. The immediate task is to determine the number of places in mainstream Academies and FE institutions for 2018-19 which have to be submitted to the Education Funding Agency (EFA) by 17th November. The places for LA maintained institutions will need to be completed by the end of 2017.

The 2017-18 HNB service related spending forecast is broadly in line with allocated budgets, however, there is a projected overspend of £1.389m in respect of top-ups for individual pupils in mainstream schools. There is an overall forecast overspend of ~£0.7m.

Julien Scholefield noted that the mainstream ERS place funding was reducing from £10,000 to £6,000. Chris replied that ER schools would receive the £6,000 place funding plus the AWPU rather than £10,000 per place funding. A transfer from the HNB to the Schools Block has been made nationally to reflect this change.

Chris said that £305k had been received as a DfE grant to enable Derbyshire to undertake a strategic review of its SEND provision. The intention is to have completed this work by the end of 2018. In the meantime he is not anticipating any major re-organisation of spending. The Schools Block (SB) is now effectively ring-fenced and whilst the regulations allow LAs to transfer up to 0.5% from their Schools Block, the DfE expect that any proposals are linked to their strategic SEND objectives. Derbyshire does not propose using this flexibility in 2018-19 but will review the position in 2018 in the light of the strategic review’s conclusions.

A Forum member asked how the places for schools which were becoming academies were agreed. Chris replied that places have to be agreed with current academies and any that expected to have converted before 1st January 2018 by 17 November 2017.

Deborah Turner stated that she thought the LA had recently adjusted the number of places at each school. Chris replied that the changes for September 2017 had been agreed as part of the Cabinet paper in March. The review of places is an annual process which has received more scrutiny in recent years to ensure there were fewer empty spaces purchased in schools and thus avoid committing resources which could be allocated elsewhere within the DSG.

The Schools Forum agreed to note the report.

**17/41 Early Years Consultation**

Chris Allcock presented the paper to inform the Schools Forum of the publication of the Authority’s Early Years Consultation paper and changes to the funding framework for 2018-19. To date 27 responses have been received and the consultation closes on 1st December 2017, a report on the responses will be presented to the February 2018 Forum meeting.

No comments were raised from the floor.

The Schools Forum agreed to note the publication of the Early Years consultation.

**17/40 Mainstream Schools Funding Formula Consultation**

Chris Allcock presented the consultation document which was sent to schools and academies on 31st October 2017. He confirmed that the LA will ultimately decide the funding formula for both 2018-19 and 2019-20; the results of the current consultation will be presented to the December Forum meeting.

The consultation proposes that the LA will use the National Funding Formula (NFF) multipliers as far as possible. Two exceptions to this are the Low Prior Attainment (LPA) primary sector multiplier for which the increase in funding required is too great to bridge in 2018-19. The second is to adopt a minimum overall per-pupil funding figure of £3,300 (primary) and £4,600 (secondary) in 2018-19 rising to £3,500 and £4,800 respectively in 2019-20. Formula gains would be capped at 3% and a Minimum Funding Guarantee (MFG) of +0.5% per pupil is proposed, with a range of +0.5% to -1.5% being available.

Karen Gurney confirmed that she had attended discussions with DfE representatives who said the current spending review for 2019-20 will be concluded in autumn 2018 with no plans for 2020-21 at present. Legislation is required to move to a hard NFF and currently there is no space in the parliamentary timetable for any non-Brexit legislation.

A long discussion then took place amongst Forum members and the following points were raised;

If the LA’s role is to prevent turbulence, how can we move towards an unknown NFF?

Should we be phasing in NFF reductions before the hard NFF cliff edge is reached for some schools? To achieve that would mean using a negative MFG. Schools expect to be at the NFF in two years: ‘winning’ schools should see the benefits financially which means ‘losing’ schools need to see the reductions.

Without a positive MFG the most likely losers would be small schools due to the reduction in the lump sum. If we set a negative MFG, we create turbulence for schools now rather than later.

It would be really useful to know how far away the proposals would leave us from the NFF at the end of the two year transition period. Chris replied that this would be looked at in time for the next meeting.

Other East Midlands LAs are, like Derbyshire, generally considering moving towards the NFF. However, Leicestershire are looking to increase their lump sum and move away from the NFF, also many LAs still have to make decisions about the MFG.

Derbyshire’s proposals would effectively use the primary LPA allocation as the balancing figure. In future years as more money becomes available we can increase the LPA multiplier, which in turn would reduce the number of schools needing MFG support.

If in 2018-19 we cannot afford the NFF, how will the hard NFF give schools more money if there is no more money overall?

Some schools will still be capped in 2020-21; the problem for either the DfE or the LA will be how to make the transition to the full NFF. What will the approach be two years’ time?

Chris speculated that, even if a hard NFF were introduced from April 2020, it was likely a transitional period would be required, possibly over several years, to move schools to the full NFF. The current LA proposals result in an MFG of ~£2.9m, less than 1% of the £400m+ Schools Block.

If we go with an MFG of +0.5% and the DfE continue to fund that in the future, that is great, otherwise we need to have a negative MFG to move towards the hard NFF now and avoid a potential cliff edge from April 2020. A negative MFG would also ensure that schools gaining under the NFF benefitted.

Are we really helping the small schools long term with a positive MFG as the hard NFF will cause a cliff edge and we are restricting the larger schools?

Chris indicated that small schools would be the most affected by any reduction in MFG as this is the mechanism which offsets the reduction in the lump sum allowance. He agreed to do some modelling on a range of MFGs.

The Forum wanted to understand more about the hard NFF in April 2020 as this would inform the decisions on MFG for 2018-19 and 2019-20. However, as indicated earlier, the DfE aren’t in a position to advise on this yet.

It was commented that we have to have the same MFG rate in both sectors.

The only way small schools will be able to survive is to reduce staff.

The current arrangements are causing problems for Multi Academy Trusts who have schools in different LAs which all have different budgets. However, the MATs have the ability to redistribute the budgets received.

Growth Funding

Presently Derbyshire has a growth fund in respect of KS1. The consultation is asking whether or not schools would support set up a fund to help with other significant in year pupil number increases.

In terms of new free schools, the proposal is to fund pre-opening costs from DSG reserves and hold a top-sliced fund from the DSG for post opening costs. Any growth funding top sliced from the DSG would be kept to a minimum.

Karen Gurney added that the DfE is looking to formularise growth funding for free schools with a link to expected pupil growth in an area.

In terms of a falling rolls fund, several years ago the Authority determined not to create such a fund as it would only have been available to good or outstanding schools. The issue has been included once more in the consultation to see if schools’ views remain the same.

David Plummer asked how much were the DSG reserves and what happens to them after the hard NFF is implemented.

Chris replied that £3m were uncommitted plus £2m had been returned from the Early Years capital allocation. The use of reserves is subject to the same conditions as core budgets. The reserves cover the High Needs and Early Years Blocks too.

David asked if we should spend the reserves now for schools to get a benefit rather than leave them to HNB and EYB schools. Chris replied that we are using ~£1.2m for free schools’ opening costs, the high needs block is currently overspent and is likely to need support from reserves in 2018-19. The level of uncommitted reserves is low in comparison to the size of the overall DSG.

Finally, Martin Brader asked how free schools would be funded if there were no DSG reserves. Chris replied that the Schools Block would have to be top sliced. However, once there is a hard NFF in place these decisions would be a matter solely for the DfE.

No recommendations were made to the Forum and the consultation would be discussed again at the December meeting.

**17/41 Minimum Funding Guarantee and Minimum Per Pupil Funding Disapplications**

Chris Allcock presented the paper to seek the Schools Forum’s support to make changes to the Minimum Funding Guarantee (MFG) calculations for 2018-19 in respect of Bolsover Academy and the removal of one off funding to replace the loss of ESG in 2017-18. The report also sought the School Forum’s support to vary the calculation of the per pupil minimum funding threshold for schools in the LA’s formula for 2018–19 to bring it into line with the basis used in the NFF.

After a short discussion the Schools Forum agreed the report’s recommendations.

**17/42 De-Delegation of Funding 2018-19: Responses to Consultation**

Chris Allcock presented the paper which sought decisions from maintained school representatives on the Schools Forum in relation to the de-delegation (re-pooling) of funds for 2018-19. The responses from mainstream schools showed a significant majority of respondents in both sectors favouring de-delegation for 2018-19. This was despite the fact that the indicative rates for insurance, contingency funding and school redundancy costs would be higher. It was noted that the rates for insurance and contingency had not been increased since 2013-14.

The other point to note was that, subject to the outcome of the Early Years consultation, individual nursery schools would be invited to join the re-pooling arrangements should they so wish.

The following recommendations were agreed by LA school sector representatives present with no votes recorded against.

1. That, in view of the responses from schools, primary and secondary school Forum representatives agree to de-delegate the budgets in Appendix 1 for 2018-19 for their sector;
2. That the Schools Forum seeks the Council’s approval to the arrangements arising from (i);
3. Notes that the costs of settlement agreements and buy out of hours will be charged to the re-pooled redundancy fund from April 2018; and
4. That, subject to the outcome of the Early Years consultation, nursery schools that wish to be allowed to join the re-pooling arrangements as described above.

**17/43 Education Services Grant**

Chris Allcock presented the paper to ask Schools Forum to determine the funding arrangements for 2018-19 for services previously funded by the Education Services Grant (ESG) - General Duties. From April 2017 the ESG Retained Duties element was subsumed into the DSG with no change in the per-pupil rate. By contrast, the General Duties element of the grant ceased at 31 August 2017: however, the statutory duties and responsibilities of the LA remain the same meaning that the work still has to be done, and funded.

Table 1 in the paper listed the estimated cost of the responsibilities which totalled £602k for mainstream schools plus a further £900k in respect of Corporate Property functions. These equate to £8.86 and £12.57 per mainstream pupil. In order to keep costs to schools manageable, the LA was seeking a total levy of £13.86 per pupil comprising of the £8.86 plus £5 per pupil contribution towards the Corporate Property costs.

Any decision to top-slice funding would result in the same per-pupil amount being deducted from schools budgets in both sectors. If funding were not top-sliced then either the LA would do the work and charge individual schools or require schools to undertake and fund the work directly.

Tracey Burnside asked what the responsibilities of Corporate Property were and was referred to page 9 of the report.

Martin Brader confirmed that the top-slicing applied to LA maintained schools only.

A Forum member asked where the responsibility for General Data Protection Regulation (GDPR) lay. Chris replied that he didn’t know but would seek clarification.

All eligible sector representatives voted to approve the top-slicing of £13.86 per pupil as outline above.

**17/44 Dates and Venues of future meetings**

14th December 2017 - 4:30pm-6.30pm - Sporton Room, Post Mill Centre, Sth Normanton.

8th February 2018 - 4.30pm-6.30pm - Sporton Room, Post Mill Centre, Sth Normanton.

18th June 2018 - 6pm-8pm - Committee Room 1, County Hall, Matlock.

The meeting closed at 6.15pm.