

AGENDA



SCHOOLS FORUM

Date: Thursday 19th October 2017
Time: 4.30pm
Place: Interactive Theatre Room, Winterbourne
International Academy, High Street, Winterbourne
BS36 1JL

Distribution

Members of the Committee

Rhona Allgood	Keith Lawrence (Chair)
Dave Baker	Louise Leader
Penny Chislett	Jim Lott
Mark Dee	Sarah Lovell
Jo Dent	Diane Owen
Mark Freeman	Lisa Parker
Kim Garland	Ann Reed (sub)
Elizabeth Gibbons	Max Reed
John Goff	Peter Smart
Clare Haughton	Susie Weaver
Geoff Howell	Bernice Webber
Liz Jardine	
Emma Jarman	

Appropriate Officers

Peter Murphy
Mustafa Salih
Helean Hughes

Councillors

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Trevor Jones

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AGENDA

1	WELCOME AND INTRODUCTIONS	5 mins
2	APOLOGIES FOR ABSENCE	5 mins
3	EVACUATION PROCESS	5 mins
4	ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT	5 mins
5	MINUTES OF THE MEETING HELD ON 14 SEPTEMBER 2017	5 mins
6	SCHOOL FUNDING 2018/19 – CONSULTATION PROPOSALS	35 mins
7	DATES OF FUTURE MEETINGS AND THE SCHOOLS FORUM WORK PROGRAMME 2017/18	5 mins
8	ANY OTHER BUSINESS	5 mins

SCHOOLS FORUM
Thursday 14th September 2017
Badminton Road Offices

PRESENT:

Julia Anwar	Olympus Academy Trust representing Dave Baker
Jo Dent	Headteacher, Hambrook Primary
Mark Freeman	Headteacher, St Michael's Primary, Stoke Gifford
Kim Garland	Headteacher, Brimsham Green School
Elizabeth Gibbons	Diocese of Bristol
Clare Haughton	Page Park Pre School (Private Sector)
Liz Jardine	St Mary's Pre School, Yate (Private Sector)
Trevor Jones	Councillor
Keith Lawrence (Chair)	Governor, Culverhill, School
Louise Leader	Headteacher, Pathways Learning Centre
Jim Lott	Governor, The Tynings Primary and Raysfield Federation
Diane Owen	Chair, Kings Oak Academy
Peter Smart	Winterbourne International Academy
Toby Savage	Councillor, Cabinet Member for Schools

Officers:

Mustafa Salih – Head of Financial Management and Business Support
 Helean Hughes – Head of Education, Learning & Skills & Virtual Headteacher
 Sonya Miller – Head of Integrated Children's Services
 Kate East – SEN Consultant
 Sue Morgan – Integra
 Tamsin Moreton – Schools Finance Team Leader, Integra
 Davina Gibbon – Corporate Finance

1. WELCOME AND INTRODUCTIONS

Attendees were welcomed by the Chair.

2. APOLOGIES FOR ABSENCE

Geoff Howell has resigned. Sarah Lovell, Suzie Weaver, Dave Baker, Lisa Parker, Max and Anne Reed

3. EVACUATION PROCESS

The Chair drew attention to the emergency evacuation procedure

4. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT

None

5. MINUTES OF THE MEETING HELD ON 13 JULY 2017

Minutes of the previous meeting were accepted as a true record

6. MATTERS ARISING FROM THE PREVIOUS MEETING

Appointment of Vice Chair to be proposed at next meeting

7. OUTLINE THE PROPOSED PILOT FOR A NEW FUNDING MECHANISM FOR SCHOOLS FOR ELEMENT 3 FUNDING (TOP UP) – SEND READY RECKONER

Kate East presented the report on the proposed new high needs top up funding mechanism for mainstream schools and academies. It does not cover special schools, resource base, early years or post 16 college funding. The current method for the allocation of high needs funding (matrix) has been in place for some time and is not fit for purpose going forward and lacks clarity.

The new mechanism being developed is a SEND ready reckoner where schools indicate what they need to meet the needs of the pupil by completing a ready reckoner spreadsheet and submit that to the LA. The LA then reviews it and assesses if it is the right level before agreeing it with the School. The spreadsheet would cost the amount of funding required using standard costing rates and then deduct the first £6k (to be funded by the School) to determine the amount to be allocated to the school.

There are a number of trialling stages:

- LA testing the ready reckoner to ensure it is robust.
- testing ready reckoner with a sample of schools and academies alongside matrix funding
- further review of ready reckoner by LA following sample trialling compared to matrix
- look at extended testing to all schools where the ready reckoner is running alongside the matrix

The guidance (Appendix A) is an explanation of elements 1,2 and 3.

KL asked whether this will make it more complicated for the average school. KE responded that it should be clearer for schools as it will allow them to set out what is needed to support pupils and allow the LA to monitor how funding is spent.

JA stated there is an issue where the pupil starts after the Autumn Census and is not included in the main formula funding. KE responded that DfE guidance is that schools can only access element 3 funding as element 1 & 2 are in the schools budget and that pupils may leave as well as start.

MF has been involved in initial ready reckoner testing stated that it was simple system to use. One issue is how this fits in with the matrix process in that schools will be required identify the needs of pupil before these are wholly clear.

Agreed

A pilot phase (phase 1) of the implementation of the SEND Ready Reckoner.

8. INVOLVING HEADTEACHERS IN MULTI AGENCY RESOURCES AND PROVISIONS PANEL (MARP) DECISIONS

Kate East presented the paper setting out how resources can be used to better effect by involving headteachers in the decisions on the placement of more complex pupils. A number of options have been identified and the view of Schools Forum was sought.

KG has been attending MARP as the secondary heads representative.

Agreed

- 1. Inviting a primary or secondary headteacher to attend each MARP panel in order to provide a headteacher perspective in discussions about placements as well as to brief headteachers on the key themes arising from the panel. This can be set up on a rota basis, MARP meetings are every two weeks for two hours;**
- 2. Agreeing an escalation process is shared with primary and secondary headteachers which identifies the stages of discussion between the local authority and headteacher/Chair of Governors where a pupil may be placed and directed by the local authority;**
- 3. Developing a greater understanding via regular updates among headteachers and Governing Bodies of the costs of non-maintained special schools placements and the impact on the wider DSG;**
- 4. Defining what additional support headteachers can access to meet the needs of these pupils; support to be commissioned to support complex placements in local schools especially for ASD. This will be incorporated into 2;**
- 5. Explore implementing a headteacher group:**
 - a. to discuss complex placements and to monitor spend against budget and to look for trends and alternative options to non-maintained special school placements (under 16);**
 - b. to pilot a similar approach to Fair Access Panel where headteacher representatives are involved in the placement of pupils that have been permanently excluded. The panel could agree to “name” a school in line with the Local First framework and in discussion with the local authority.**
- 6. Providing the School Forum, primary and secondary headteacher executive groups with a termly update on the number, type, year group and costs of placements in non-maintained special schools.**

9. SCHOOL FUNDING 2018/19 - UPDATE AND OPTIONS FOR LOCAL CONSULTATION

Mustafa Salih presented a verbal update on the National Funding Formula (NFF) and presented a paper on 2018/19 funding options.

The SoS has today provided an update on the implementation of the NFF. Initial indications are that South Gloucestershire schools funding will increase by £4m in 2018/19 with a further £4m in 2019/20. This is higher than initial NFF figures released during national consultation. These figures need to be reviewed to fully understand the changes. The figures will also be updated in December for Autumn Census 2017 pupil numbers and data changes. The flip side is that High Needs funding has only increased by £400k which is nowhere near what is required to fund pressures.

The DSG overspend and recovery plan will need to be addressed in 2018/19. The 2016/17 DSG overspend was £1.2m better than expected. The forecast for 2017/18 is on track with the approved recovery plan. Spend now has to reduce by a further £2.9m in 2018/19 to stay on track with the 2018/19 part of the deficit plan. The models presented were calculated before today's funding announcement and will need to be reworked for the next Schools Forum. There are two main options:

- Reduce mainstream high incidence funding and remove 0-105 unit funding
- Reduce mainstream high incidence funding and remove 0-105 unit funding but protect overall SEND funding and instead reduce mainstream school funding. This option would require the approval of the SoS and would require the support of Schools Forum and schools.

Within the main options there are two further options:

- Continue with the current South Gloucestershire Formula
- Move towards the NFF

Today's announcement by the SoS does not clarify whether the move to the NFF is mandatory from 2020/21. It is important to bear in mind that it's better to move towards the NFF when additional funding is available. There are a number of key changes with the introduction of the NFF. There will be a transfer of funding from the secondary sector to primary sector. The national ratio of primary: secondary funding is 1:129. Currently in South Gloucestershire this ratio is 1:1.36. Also, the NFF allocates more through deprivation; currently South Gloucestershire is an outlier with statistical neighbours. Currently the South Gloucestershire lump sum is towards the upper limit allowable, the NFF lump is much lower. Moving to the NFF will, therefore, have the effect of shifting funding from small schools to larger schools.

There was due to be a meeting with the Schools Minister yesterday to discuss South Gloucestershire funding issues but this has been deferred to October. It is a positive move to have the meeting so that the voice of South Gloucestershire schools can be heard at the highest level.

MF stated the need to look at impact of the Minimum Funding Guarantee. MS agreed that this would be part of the analysis presented at the next meeting.

MF asked about the possibility of a hardship fund for large losers. MS responded that the Schools in Financial Difficulties contingency is available to maintained schools and academies and this budget could be increased. KL stated that Schools Forum would need to be careful not to set a precedent when allocating Schools in Financial Difficulties funding.

JA asked whether gainers could be capped. MS responded there is no mandatory cap but a cap could be looked at.

DO asked whether a per pupil amount could be included to provide clarity.

LL asked whether there is any one option on balance fairer than the others.

MS responded that number of winner/losers analysis would be included in the next report.

MS stated that there was an issue with small schools as they are the least favoured by any of the changes and Local Authority flexibility to protect schools has been removed. HH stated that small schools are full aware of the issues and are exploring federation. KL stated that the Schools in Financial Difficulty contingency could be used to facilitate federation

MF stated that the move should be towards the NFF as this addresses inequalities in the system.

MS stated that the options presented so far place all of the burden of repaying the DSG deficit on mainstream schools so the October meeting would include updated consultation models including options for special schools and resource bases to share the burden across all sectors. LL stated that resource based/special school had been looked at recently and these are supporting the DSG overspend by taking pupils who would otherwise be placed out of authority or in the independent sector.

10. DATES OF FUTURE MEETINGS

Agreed. Next meeting is at Winterbourne International Academy.

11. ANY OTHER BUSINESS

Cllr Toby Savage stated that he would stay after the meeting to meet members or his contact details are on the council website.

The meeting closed at 17.35

SCHOOL FUNDING 2018/19 – CONSULTATION PROPOSALS

School Funding 2018-19 – Options for Local Consultation

Purpose of Report

1. To update the Schools Forum on the developing options for a consultation exercise with all Schools and the Forum over the coming months as part of setting School Budgets for 2018-19.

Policy

2. Local Authorities must distribute funding to their maintained schools using a formula which accords with the regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. The financial controls within which delegation works are set out in the Scheme for the Financing of Schools.
3. The Schools Forum has a key responsibility to act as a consultative body with the local Authority on the strategic financial management of the Schools Budget and the DSG. A key priority in this area is to take decisions that ensure sound financial management of the Schools Budget.

Background

4. This report sets out the latest information available and proposed options to consider and consult on in setting 2018/19 School Budgets.
5. A School Funding announcement was made by the Government on 19 October 2017, while this offered further clarity there still remains a number of important unknowns including:
 - Final NFF and DSG funding levels which will be impacted by October Census updated pupil number and pupil characteristics data (due to be announced in late December)
 - Whether the NFF will become a hard formula from 2020/21

With such significant unknowns final school budgets cannot be produced until February. Nevertheless, a number of key strategic themes and options are emerging to be formed into a Authority wide consultation with all schools. This consultation and potential options are the subject of this report.

Known and Emerging Issues

DSG Overspend and Deficit Recovery Plan

6. In 2015/16 the Schools Budget, which is 100% funded by the ring-fenced DSG overspent by £1.2m and during the development of the DSG Deficit Recovery Plan the cumulative overspend was forecast to reach £7.7m by the end of March 2016/17.
7. To bring the DSG back into balance, which is an inescapable statutory requirement, a consultation with all Schools and the Schools Forum resulted in an agreed DSG Deficit Recovery Plan being approved by the Schools Forum and the Council. At the time of agreeing the Deficit Recovery Plan the forecast outturn for 2016/17 financial year was an overspend of £7.734m. The final outturn for 2016/17 resulted in the positive news that the Council was £1.246m ahead of the Plan. This demonstrates that a number of measures put in place by the Council are starting to have a positive impact. Nevertheless, the deficit remains very large and all actions necessary to successfully deliver the DSG Deficit Recovery plan will continue to be a high priority.
8. To remain on track, it is anticipated that budgeted spend should be reduced by £3m in 2018/19 and options to reduce budgeted spend by removing the current funding anomaly of funding SEND Top-Ups for the first £6k (or 105 matrix units) and reducing the trigger point for High Incidence funding to be in line with the national average have been presented to the last Schools Forum and the High Needs Working Group. However, the risk of reducing the overall funding currently supporting (notionally and directly) pupils with SEND is that schools will be compromised in their ability to provide much needed support for the most vulnerable pupils. An alternative option proposed by the Council is to consult all Schools and the Schools Forum on reducing mainstream formula funding by £3m and while continuing to remove the current anomalies of High Incidence and 0-105 matrix unit funding reinvesting the amount saved from removing those 2 anomalies back into SEND Top-Up Funding. This would increase the SEND Top-Up funding allocations to mainstream schools while reducing mainstream formula funding. The intention is to ensure the DSG deficit recovery plan is followed but as far as is possible protecting funding targeted at the most vulnerable pupils. One important point to note is that this option would require the Council obtaining approval from the Secretary of State for Education and the support of the Schools Forum and all Schools would potentially be a critical factor in obtaining the Secretary of State's approval.
9. It is self-evident that the Council along with Schools would prefer not to have to reduce funding distributed to schools but the requirement to keep on track with the DSG deficit Recovery Plan is of paramount importance. On a more positive note the additional funding that will flow to South Gloucestershire schools from the introduction of the NFF should to some extent offset the required funding reduction and for many schools result in a cash neutral transition from 2017/18 to 2018/19. Of course, the impact of a new formula may always result in some individual schools gaining and some schools losing compared to 2017/18.

South Gloucestershire's Funding Formula Compared to the National Funding Formula

10. Local Authorities continue to operate with flexibility in determining a local funding formula for their Schools and this flexibility will continue at least up to 2019/20. Beyond that there is no certainty but the current Government's stated intention is to move to a hard formula from 2020/21 thus removing this local flexibility and resulting in all Schools funding being determined by the National Funding Formula.
11. With the prospect of all Schools potentially being on the NFF in just 3 years' time and with the announced injection of additional funding for South Gloucestershire Schools this would be an opportune time to move to the National Funding Formula as the additional funding will help to smooth the transition and result in less drastic shifts in funding from individual losing schools. The Council's starting position is to adopt the National Funding Formula in 2018/19 but this would be subject to consultation with the Schools Forum and all Schools. In reviewing such a move, several issues have emerged as a result of South Gloucestershire's current formula being an outlier from the NFF (which in turn is based on National averages) in a number of areas as follows:
- The NFF distributes more funding towards the primary sector and away from the secondary sector,
 - The NFF distributes more funding towards schools with pupils from higher deprivation areas as measured by FSM and IDACI,
 - The NFF distributes much less funding via a lump sum and thus distributes funding away from smaller schools.

The above issues are the key factors in determining which individual schools lose and gain from the proposed formula switch.

Overall Impact of Final NFF Funding Announcement

12. The financial models presented to the September Schools Forum were based on the assumption of an additional £2.9m being pumped into school funding in South Gloucestershire. The good news is that there will be a further £1.5m (£4.4m in total) being added into School Funding. This means that even with the requirement to save £3m there is still a net increase in funding for South Gloucestershire schools; a very welcome consequence of the Government introducing the NFF. At a control total level this can be presented as follows:

		Mainstream School Formula - Total Funding			
		Option 1	Option 2	Option 3	Option 4
		£m	£m	£m	£m
September	2017	144.8	147.7	144.8	147.7
Schools Forum					
October	2017	146.3	149.2	146.3	149.2
Schools Forum					

13. Examples at an individual School Level are as follows:

	Brimsham Green School Formula – Gain/Loss			
	Option 1	Option 2	Option 3	Option 4
	£	£m	£m	£m
September 2017 Schools Forum	130	35,669	-74,543	-38,954
October 2017 Schools Forum	26,897	62,404	-73,876	-28,759

	Kings Oak Academy Formula – Gain/Loss			
	Option 1	Option 2	Option 3	Option 4
	£	£m	£m	£m
September 2017 Schools Forum	-30,755	27,511	48,303	142,986
October 2017 Schools Forum	57,909	115,530	110,823	181,116

	Abbotswood Primary School Formula – Gain/Loss			
	Option 1	Option 2	Option 3	Option 4
	£	£m	£m	£m
September 2017 Schools Forum	17,690	14,939	52,671	60,385
October 2017 Schools Forum	22,069	25,190	69,475	76,868

14. Appendix A (attached as a separate document) sets out a number of models and options that are proposed to form the basis of a consultation with all Schools to be conducted over October and November.

15. At the last Schools Forum meeting (October 2017) it was proposed that for fairness the burden of the Deficit Recovery Plan should be shouldered by all schools and provision and therefore the models and consultation options proposed include a pro-rata reduction of £193k from Special Schools and Resource Bases.

16. The following is a simplified summary of the 4 models and options proposed for consultation:

Option 1 - Additional NFF funding added to South Glos Schools Formula and £2.9m removed from mainstream formula funding and £193k reduction to Special School/Resource Base Funding.

Option 2 - Additional NFF funding added to South Glos Schools Formula and £2.9m removed from Mainstream High Needs Funding (by reducing High Incidence and removing 0-105 Matrix Units) and £193k reduction to Special School/Resource Base Funding.

Option 3 - Additional NFF funding added to Mainstream Formula based on NFF with £2.9m removed from mainstream formula funding and £193k reduction to Special School/Resource Base Funding.

Option 4 - Additional NFF funding based on NFF added to Mainstream Formula and £2.9m removed from Mainstream High Needs Funding (by reducing High Incidence and removing 0-105 Matrix Units) and £193k reduction to Special School/Resource Base Funding.

17. The purpose of this report is to seek approval from the Schools Forum on the proposed consultation options.

18. The following timeline presents the key decision-making points in setting 2018/19 School Budgets:

	Date
Schools Forum – schools’ consultation	19/10/17
All Schools Consultation	30/10/17 to 24/11/17
LA High Needs Return	25/11/17
Schools Forum: Consultation on Final School Funding Options and Approval of Submission to Secretary of State	29/11/17
LA deadline for submitting MFG exclusions and movement between blocks >05%	30/11/17
Cabinet: Final Statutory Approval of School Funding Formula	04/12/17
ESFA - 2018/19 APT & DSG released	Late December 2017
Schools Forum (potentially could be cancelled)	18/01/18
Executive Member signs off Final APT	19/01/18
APT Return to ESFA	19/01/18
School Budgets Released	February 2019

19. The Council’s approach is to work transparently with the Schools Forum and all Schools hence sharing these early models in a public meeting such as the Schools Forum. It should be stressed, however, that these are models designed to exemplify the impact of potential strategic decisions regarding School Funding and they should not be interpreted as demonstrating funding levels individual Schools will receive in 2018/19; final budget share figures will be impacted by many factors which these models cannot incorporate.

Campaigning for Fairer Funding

20. South Gloucestershire's DSG funding is currently the sixth lowest in England and is of major concern to the Council and no doubt to Schools. This relatively low level of funding has increased the pressure on the DSG and the Council is taking every action it can to raise this matter with central government. The Council is an active member of the F40 campaign group that represents the 40 lowest DSG funded local authorities. This group has been active in making the case for extra funding for LAs like South Gloucestershire.
21. The Leader of the Council has written to the Secretary of State for Education and/or the Minister of State for School Standards on 3 separate occasions and copies of these were presented to the Forum at its last meeting.
22. Since then a further letter has been sent to the Secretary of State for Education from the Council's Chief Executive.
23. A meeting has since taken place between Council Members/Officers and the Secretary of State for School Standards, Nick Gibb and a verbal update on that meeting will be provided at the Forum meeting.

Financial Implications

24. The School Finance Regulations set out the arrangements which Local Authorities must follow when allocating the DSG funding to schools.
25. As the support for schools and other pupil related services expenditure is funded by the dedicated schools budget there is no charge to the Council Budget. Hence there is no charge to the Council Tax payer.
26. The DSG is forecast to overspend in 2017/18. Any overspend will need to be recovered from future year DSG funding.

Legal Implications

27. There is a legal requirement for the local authority to:
- submit the final school pro-formas and underlying data to the Education Funding Agency by the 20 January 2018.
 - confirm with schools their budget allocations for 2018/2019 by 28 February 2018.
28. The Chief Financial Officer, after the end of the financial year, must confirm to the DfE that the grant conditions have been met.

RECOMMENDATIONS

- a. The Schools Forum is asked to approve the four options proposed in this Report to form the basis of an all schools' consultation.

Author

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APPENDIX A : ATTACHED AS A SEPARATE DOCUMENT

SCHOOLS FORUM FORWARD PLAN

<p>19th October 2017 @ 4.30pm (Additional Meeting) Interactive Theatre Room, Winterbourne International Academy</p>	<p>29th November 2017 @ 4.30pm (replacing 7th December meeting) Interactive Theatre Room, Winterbourne International Academy</p>
<ul style="list-style-type: none"> • School Funding 2018/19 – Consultation Proposals 	<ul style="list-style-type: none"> • Integra Update by Suzanna Hinnell • School Funding 2018/19 – Final Proposals • Requesting Secretary of State Approval for Moving Funding from Schools Block to High Needs Block • Early Years Inclusion Fund
<p>18th January 2018 @ 4.30pm Room 0012 Ground Floor</p>	<p>1st March 2018 @ 4.30pm Room 0012 Ground Floor</p>
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<p>10th May 2018 @ 4.30pm Room 0012 Ground Floor</p>	<p>12th July 2018 2018 @ 4.30pm Room 0012 Ground Floor</p>
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •

ANY OTHER BUSINESS