

**SCHOOLS FORUM
17 JANUARY 2019
4.30 - 6.02 PM**



Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)

Schools' Members

Jennifer Baker, Special School Representative
Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)

Non-Schools' Members:

Dominic Asater, 16-19 Partnership Representative (Co-Optee)
Michelle Tuddenham, PVI Provider Representative (Co-Optee)

Observer:

Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning (Observer)

Apologies for absence were received from:

Karen Davis, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Leslie Semper, Academy School Representative (Headteacher)
Greg Wilton, Teacher Union Representative

77. Apologies for Absence/Substitute Members

Jenny Baker attended as substitute for Peter Floyd.

78. Declarations of Interest

Martin Gocke, Richard Stok and Jennifer Baker declared an interest in agenda item no. 5 [Initial Proposals for the 2019-20 High Needs Block Element of the Schools Budget].

All members declared an interest in agenda item no. 6 [Proposals for the 2019-20 Schools Block and Central School Services Block Elements of the Schools Budget] in so far as it affected individual schools budgets.

Councillor Dr Barnard also declared an interest in this item where it referred to the financial contribution to Warfield Primary School, since his wife was a Governor at the School, and took no part in consideration of this part of the report.

79. **Minutes and Matters Arising**

RESOLVED that the minutes of the meeting of the Forum held on 6 December 2018 be confirmed and signed by the Chairman as a correct record.

Arising from the minute 71, it was noted that the request for further consideration of Special Educational Needs (SEN) support and alternative provision remained outstanding.

ACTION: Rachel Morgan

Arising from minute 73, Jackie Ross reported that there had been a number of good applications from schools for participation in the pilot scheme for the provision of short-term and specified additional resource/support to children and young people through the High Needs Block in the form of 'top-up funding'. The five schools selected to take part in the first phase of the pilot would be notified within the next week.

ACTION: Jackie Ross

80. **Changes proposed to the free Childcare Places Payment Model and initial 2019-20 Budget Matters**

The Forum considered a report on the outcome of the consultation with early years (EY) providers on proposed changes to the payment arrangements of the free entitlement and initial 2019-20 budget matters.

Following the issue of new statutory guidance on the payment of the EY free entitlements to providers, a duty was placed on the Council to either implement a monthly payment model or be able to show that it had consulted with providers and be able to evidence that it has reviewed the payment arrangements to ensure they continue to meet the providers' needs. Because of the challenges presented by the introduction of a monthly payment model, the Council had until this time opted to continue with an alternative payment method.

Further work was then carried out to identify monthly payment models that could be implemented within the current available resources and capacity. With the benefit of views from the PVI representatives comprising the EY Steering Group, a consultation was prepared for all providers registered to receive the free entitlement, which was undertaken in October 2018. The consultation was in two parts:

- Part one set out a proposal to implement a monthly payment model, setting out the key features on the collection of participation data and the timing of payments (all in arrears of attendance).
- Part two sought feedback on the suitability of the current payment model, should use of this be retained, the possible amendments to details of the percentage funding paid in the forecast task and the associated timings.

There were 53 responses to the consultation representing a 35% return which was good. 72% of respondents did not support the proposal to implement a monthly payment model. An additional amendment payment in the summer term was supported by a majority but there was no clear preference for a change in the percentage of the total forecast funding paid in the forecast payment. Some providers had indicated that an increase in the deadline for the forecast task from one week to two would be of benefit. The Forum considered recommendations taking account of these responses.

The government had confirmed in November that local authorities would continue to be funded in 2019-20 at the same hourly rates as received during the current year and therefore funding rates paid to providers are also likely to remain unchanged. A review of centrally managed budgets had indicated that a minor cash increase was expected to be sought to cover the cost of increased software costs.

RESOLVED:

1. That taking account of comments from providers to the consultation on the free childcare places payment model and efficiency proposals from the council:
 - a) The current termly payment model for the early years free entitlements be retained.
 - b) An additional optional amendment task be introduced for the summer term for providers operating during the summer holidays.
 - c) The 60% advance payment rate paid to providers be retained, based on each term's forecast participation rate.
 - d) The available time for providers to complete the forecast task be increased from 1 to 2 weeks.
2. To NOTE that:
 - 1) Based on current information, the 2019-20 budget proposals for Early Years services are expected to confirm that:
 - a) In light of the cash flat funding settlement from the government, that no changes are expected to be made in 2019-20 to provider funding rates.
 - b) Taking account of the cost of managing the provider portal and other associated systems, additional funds of around £0.011m are expected to be sought by the council to finance the cost of associated ICT software and maintenance costs.
 - 2) Final 2019-20 budget proposals for Early Years providers and support services will be presented to the Forum for comment in March.

ACTION: Cherry Hall

81. Initial Proposals for the 2019-20 High Needs Block Element of the Schools Budget

The Forum considered a report setting out details of the funding arrangements expected to be in place in 2019-20 for the High Needs Block (HNB) element of the Schools Budget. The comments of the Forum were invited on these initial budget proposals.

As part of the government's ongoing reform of school and education funding, changes were being implemented to the way local authorities were funded for High Needs pupils and students. A new HNB national funding formula was being introduced which was likely to result in a substantial reduction in the allocation of funds for Bracknell Forest, but in the short term at least, the DfE had introduced a "funding floor" to maintain a degree of stability through a period of significant change.

The report updated the Forum on the HNB budget for the current year, which was always subject to change since the DfE released the final funding allocations after the start of the financial year, the budgets having been set on the basis of estimates. On 17 December, the Secretary of State announced an additional £250m of high needs

funding, £125m for 2018-19 and £125m for 2019-20, in recognition of the cost pressures faced by local authorities in their HNB spending. As a result the final HNB DSG income was £0.549m higher (at £15.163m) than that anticipated when the budget was set. Provisional budget monitoring indicated an underspend on the HNB for the current year of £0.169m (which would have been an overspend of £0.380m without the additional £0.549m funding).

The report went on to detail a break down of the HNB National Funding Formula allocation, which after the necessary adjustments had been made, resulted in an estimated budget of £15,406m for 2019-20. Further detail was set out on the key proposed changes and assumptions in the use of the HNB DSG funding and the impact of emerging budget pressures.

There had been an ongoing concern that it was difficult for the Forum to express a meaningful view on the HNB budget given the limited time available between the presentation of estimates and the Council's final budget setting deadline. A proposal was made that a sub-group of the Forum should be set up to work more closely with the Council through the year, looking at the budget as it progressed and the build up of estimates for the year ahead. It was suggested that a closer partnership could enable views to be expressed on moving towards a needs based budget, a longer term vision for high needs provision and the shaping of services. It could also facilitate comments on the commissioning of resources and systems by the Council.

It was recognised that the role of the proposed sub-group would need to be defined carefully so as to reflect the interests of the Schools Forum and be cognisant of the working groups already established by the Council with headteachers. To this end it was suggested that an invitation be issued for interested members to attend an initial meeting to look at draft terms of reference, representation, dates of meetings etc with a view to reporting to the meeting of the Forum in March.

RESOLVED that:

- 1) The initial budget proposals for the 2019-20 HNB element of the Schools budget be noted, recognising the challenge presented on meeting the needs of individual pupils and young people within the anticipated level of resources.
- 2) An invitation be issued to all Forum members for those interested to attend an exploratory meeting to consider setting up a Sub-Group of the Forum to work in closer partnership with the Council.

ACTION: Jackie Ross

82. **Proposals for the 2019-20 Schools Block and Central School Services Block Elements of the Schools Budget**

The Forum considered a report presenting an update on school funding and inviting comments on final proposals for the 2019-20 Schools Block and Central Schools Services Block elements of the Schools Budget. The timetable for comments was very tight with the views of the Schools Forum being sought in advance of the deadline of 21 January 2019 for submission to the DfE of the actual Funding Formula for Schools to be used in 2019-20 with associated units of resource and total cost.

Following the report to the Forum in December and the release of key budget data by the DfE, final work on the next year's Schools Budget had been completed and included some relatively minor changes, as summarised in Annex 4 to the report. The proposed funding package remained in line with the original proposals with a £1.529m (2.8%) increase in per pupil funding from the new School National Funding

Formula (SNFF). Against this there were significant cost pressures that would need to be managed, in particular the additional diseconomy costs expected to be incurred for support of the delivery of additional school places that are anticipated in response to new house building programmes.

An explanation of the principles on which the budget had been built up was given, including reference to maintaining the BF Funding Formula as close to the SNFF as possible and setting the Minimum Funding guarantee at the highest permitted amount. It was noted that the issue of DfE verified census data had reduced the amount of pupils schools received funding for by 25 and consequently the allocation. Following the approval of the £0.075m funding allocation next year to Warfield Primary School to reflect additional costs arising from its split site location, it was necessary to set criteria for whether a school qualified for such funding. The Forum endorsed recommended eligibility criteria that set a safe walking distance route of at least one mile between the sites, that they are separated by a public highway and that a lump sum payment is made based on established additional costs.

The Forum turned to consider an additional option included in the report as whether schools on the lowest per pupil funding rates should be fully protected to SNFF funding rates (as previously proposed), or whether for consistency with other school budgets, they should make the same proportional financial contribution to the cost of pressures. Annex 5 and Annex 6 to the report set out exemplifications of the two alternatives showing the headline elements of individual school budgets. The consultation with schools had been carried out on the basis of maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, and for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19 (as per Annex 5), which was broadly known and accepted by schools. Although a late circulation of the alternative proposal (as per annex 6) had been issued in the last few days, the Forum took the view that there was insufficient time for this to be assessed and given proper consideration, given that a decision must be made by 21 January. Although it was possible to argue that this alternative may give a more consistent and equitable outcome, it seemed unreasonable to introduce such a change at such short notice, endangering the principles of consultation which provided the base on which the Forum could take a view. It was suggested, however, that further financial modelling of the alternative be carried out for a more measured consideration in future years.

RESOLVED, in its role as the representative body of schools and other providers of education and childcare, to **RECOMMEND** that the Executive Member AGREES the following decisions for the 2019-20 Schools Budget:

1. that funds are distributed through the BF Funding Formula for Schools in accordance with the majority view of schools from the options presented in the financial consultation by maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, but for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19 (as set out in Annex 5 of the report).
2. that the amount of DSG funding for delegation into school budgets through the BF Funding Formula be set at £69.895m;
3. that the units of resource for the BF Funding Formula be set at those shown in Annex 7 of the report;
4. that other Schools Block related grants be reset to the amounts anticipated in 2019-20;

5. that the split site cost factor is established according to paragraph 6.21 of the report;
6. that subject to the decision made at 1 above, that the DfE pro forma template of the 2019-20 BF Funding Formula for Schools be completed and submitted by the 21 January deadline.

It was further **RESOLVED**, as decision maker, that:

7. the arrangements in place for the administration of central government grants are appropriate;
8. the financing and budgets for the Growth Fund items are set in accordance with the decision made at 1 above;
9. the budget amounts for each of the services centrally managed by the council and funded from the Schools Block and Central School Services Block DSG elements are as set out in Table 1 and Annex 3, with the Schools Block items totalling £0.466m and the Central Schools Services Block items totalling £1.060m.

83. **Local Authority Budget Proposals for 2019-20**

The Forum received a report summarising the current position on the Council's budget preparations for 2019-20 with a particular focus on the impact expected on the Children, Young People and Learning (CYPL) areas of the People Directorate.

The starting point for budget preparations was the Council's commitment budget, which brought together existing expenditure plans, approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the current year's budget was set. Taking account of a number of adjustments, the base expenditure (excluding schools) was planned to decrease by £3.085m to £80.570m next year before consideration was given to allowances for inflation and budget proposals by individual directorates in 2019-20.

The report detailed with specific reference to the Children, Young People and Learning budget:

- Commitment budget items which included savings of £734k next year mainly arising from the Transformation Programme, arising from seven different work streams.
- Budget pressures amounting to £908k, the majority of which was attributable to the rising cost of Looked after Children.
- Proposed economies amounting to £70k resulting from an ongoing process to improve efficiency, review services and consider alternative methods of delivery.

As the Forum was well aware, there was a significant medium term financial pressure on the schools budget arising from the cost of new schools that are being built in response to new housing and the resultant need for more school places. New schools were generally required to open towards the start of new developments but often took a number of years to fill up as house building continues and additional financial support was required in this period to cover the significant diseconomies of scale. This pressure was not adequately resourced in the funding settlement from the DfE and it was expected this remain the position over the medium term. The

budget proposals included the Council committing up to £1m over the next four years to help finance the cost of new schools.

In conclusion, summarising the position on the Revenue budget (after known adjustments had been made) showed a draft budget requirement for 2019-20 of £78.514m. After taking account of the anticipated Revenue Support Grant, Business Rates baseline funding and Council Tax (at the 2018-19 level) there was a potential gap of £2.528m which would need to be bridged by one or a combination of the following:

- An increase in Council Tax;
- An appropriate contribution from the Council's revenue reserves;
- Identifying further expenditure reductions.

The Forum also noted a summary of the Council's capital programme for the next three, including some detail on the schemes within the People Directorate. Although there were no schemes included in 2020-21 or the following year, this could change once the Spending Review had been completed some external funding became available.

RESOLVED:

- 1) To note the 2019-20 budget proposals of the Executive for the Children, Young People and Learning areas of the People Directorate in respect of:
 - i) the revenue budget; and
 - ii) the capital programme.
- 2) To welcome the Council's decision to commit up to £1m over the next four years to help finance the revenue costs arising at new schools.

84. Dates of Future Meetings

The next meeting of the Forum was due to be held on 14 March 2019 commencing at 4.30pm (preceded by a briefing for members at 3.30pm).

CHAIRMAN