**DERBYSHIRE COUNTY COUNCIL**

**DERBYSHIRE SCHOOLS’ FORUM**

**Minutes of the Meeting Held on 24th September 2018**

**at 6pm Committee Room 1, County Hall, Matlock**

**Present**

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| **Members** |  |  |  |
| Stephanie Marbrow | Rosliston C of E Primary | Martin Brader | Dronfield Henry Fanshawe |
| Peter Johnston | The Village Federation | Karen Burton | Elmsleigh Infant & Nursery |
| David Baker | The Pingle Academy | Jacqui Mason | The Orange Tree Day Nursery |
| Bridget Hanley | Litton CE Aided Primary | Chris Wayment | ASCL |
| Caroline Rodgers | Brockley Primary | Julien Scholefield | Esteem MAT |
| Dan O’Donovan | Esteem MAT | David Plummer | Netherthorpe School |
| Gill Hutton | Pottery Primary |  |  |
|  |  |  |  |
| **Substitutes** |  |  |  |
| Alan Thomas | Northfield Junior | Monica White | ATL |
|  |  |  |  |
| **Observers** |  |  |  |
| Cllr Julie Patten | Elected Member |  |  |
|  |  |  |  |
| **DCC Officers/others** |  |  |  |
| Chris Allcock | Children’s Services Finance | Andy Walker | Children’s Services Finance |
| Mary Murkin | Children’s Services Finance | Kathryn Boulton | Children’s Services |
| Angela Beighton | Traded Services |  |  |

**Apologies**

Barbara Arrandale, Linda Du-Roe, Janet Snell, Lisa Key, David Channon, Michelle Hill, Dawn Curry, Deborah Turner, Cllr Alex Dale, Andrew Wild, Monica White, Deborah Turner, Robin Bone, Tracey Burnside, Steve Dawson.

Chris welcomed three new headteacher members to the Forum: Peter Johnston, Caroline Rodgers and Karen Burton. Julien Scholefield is now the special school academy representative and Dan O’Donovan the PRU representative. Chris reported that Dave Beaumont had resigned from the Forum.

Martin Brader chaired the meeting and confirmed that it was quorate.

Before the first agenda item the Chair made the Schools Forum aware of the DfE’s recently updated advice and guidance regarding the operation of School Forums. He asked that if Members had any comments on the document, or indeed any suggestions generally for how the work of Derbyshire’s Forum might be improved, to let him know.

**18/23 Minutes of the meeting held on 18 June 2018**

Matters of accuracy

There were no matters of accuracy discussed.

Matters arising

There were no matters arising discussed.

**18/24 Membership of the Schools Forum**

Chris reported that changes to the Forum to re-balance the membership have now been approved by Cabinet. Cabinet has also extended the terms of office until 31st August 2020.

**18/25 School funding update and mainstream formula consultation**

Chris Allcock presented the paper which provided a general school funding update and the LA’s mainstream formula consultation. Chris highlighted the following:

* The PUF and SUF figures in Table 1 reflect the increased rates. The total funding is still based on October 2017 pupil data. The October 2018 census will determine the 2019-20 Schools Block allocations. The Authority is expecting an increase in pupil numbers in both sectors, particularly in the secondary sector, which will result in higher funding allocations than those shown in Table 1.
* There are six key issues on how the increase in funding should be utilised, the enclosed consultation sets out the Authority’s proposals for 2019-20. The closing date for the consultation is 26 October 2018 and a further report on the responses will be brought to the November meeting of the Schools Forum.

Chris added that LAs can now determine local formulae in 2020-21, previously this had been only for 2019-20. Chris took the Forum through the main aspects of the consultation.

David Plummer asked if the teachers’ pay increase from September 2018 would be offset by the new Funding Floor factor. Chris commented that the new floor factor would be helpful for some schools, the net financial impact of the pay award, teachers pay grant and the floor would, though, vary at individual school level.

**2.1.1 Minimum Funding Guarantee** – both sectors - Chris Wayment commented that some schools would have lost funding if there had been a minus 0.5% MFG and that schools’ balances were decreasing. Chris replied that MFG had to be between plus 0.5% and minus 1.5% per pupil. The cost of Derbyshire’s MFG support was well below the national average which should ease the concerns of the Forum regarding this issue for some schools. Peter Johnston asked if small schools were looking at a “cliff edge” when the NFF was fully introduced. Chris replied that the lump sum reduction of around £20,000 in 2018-19 was not helpful, however MFG had helped to offset this loss. Chris added that he was hopeful that when a hard NFF is in place it would include a funding protection mechanism to ensure year on year funding turbulence remains manageable.

**2.1.2 Capped Gains** – primary sector only - in Derbyshire in 2018-19 the only capped gains were in the primary sector (169 schools had total gains of £2.800m withheld) at a rate of 3%. The consultation asked whether schools agreed with the Authority’s proposal to cap gains at 3% per pupil in 2019-20.

**2.1.3 Low Prior Attainment (LPA)** - primary sector only - The new National Funding Formula multiplier is £1,022, down from £1,050. Subject to funding being available, Derbyshire intends to increase the primary sector low prior attainment multiplier in 2019-20 to £800 at a cost of £1.959m net of capped gains, MFG protection etc. Chris emphasised that Derbyshire’s actual multiplier for next year could be lower if, as expected, our LPA count increases.

The consultation asked if primary schools agreed with the proposal to increase the amount delegated through the LPA factor in 2019-20.

**2.1.4 Minimum Funding Level (MFL) Threshold** – both sectors - The MFL thresholds within the NFF for 2019-20 for primary schools will increase to £3,500 per pupil from £3,300. For secondary schools, the increase is to £4,800 from £4,600. Eligibility is determined by adding together the pupil led allocations (basic per pupil, deprivation, low prior attainment, English as an additional language) to the school led elements (lump sum and sparsity) and dividing the total by the number of pre 16 pupils on roll. The LA’s proposals to increase the MFL values in line with the NFF should already be reflected in schools’ and academies’ planning.

The consultation asks schools if they agree with the Authority’s proposal to increase the MFL rates for 2019-20.

**2.1.5 Funding Floor factor** - (new, both sectors) - for 2019-20 the DfE have introduced a new optional formula element which, if adopted, would ensure that next year mainstream schools would receive an increase of at least 1% per pupil compared with their 2017-18 baseline budget. The 1% floor value is fixed, LAs cannot vary it and if it is used it must be applied to both sectors. Introducing the floor factor would come at a modest cost of £0.156m (primary) and £0.349m (secondary). On balance the Authority believes introducing this new factor is appropriate, not least to avoid schools being able to argue that national commitments had not been delivered locally.

The consultation asked schools if they would support the introduction of the 1% funding floor for 2019-20.

**2.1.6 Premises Funding** – funding for these costs will be based on 2018-19 planned spend. Any inflationary pressures will have to be met from within the overall Schools Block total.

**2.1.7 Growth Funding** - The LA received £1.100m of growth monies in 2018-19 which is used to help primary and infant schools and academies meet the Key Stage 1 class size regulations. The DfE are keen to allocate growth funding to LAs on a formulaic basis and propose that they receive £1,370 and £2,050 for each primary and secondary pupil in an area of growth. In additional £65,000 will be allocated to the LA for any new school appearing on the annual census for the first time. Further information from the DfE will be provided later in the autumn.

In the event that the LA were to receive less than £1.1m though the formula, the consultation asks schools whether they would prefer the LA to reduce the AWPU multiplier for schools and academies to reinstate any shortfall or reduce the level of Key Stage 1 support provided.

Chris confirmed to Peter Johnston that academies received funding directly from the ESFA. However, the funding allocated is based on the LA’s formula, the same as maintained schools.

**2.1.8 New Free Schools** – This section was for information only with no associated consultation question. Two free schools will open locally in September 2019 but no additional funding will be received for the period September 2019 to March 2020. As it will not be possible to reduce the 2019-20 budgets of those schools which the children will have ceased to attend, the LA will have to meet the part year cost from existing Schools Block resources.

**2.1.9 Transfer of funding to other blocks** – This was for information only. Despite the pressures facing the High Needs Block, Derbyshire does not propose to make an application to transfer funding in 2019-20. The Authority has commissioned an external strategic review of its High Needs Block spend. Should that review identify a case for additional investment Block, schools and academies would be consulted on any proposals to transfer resources in 2020-21.

The Schools Forum agreed to note this section of the report and the mainstream consultation, and agreed to receive a further report on the responses from schools at its November meeting.

**2.2 School Block – other matters** - outside of the consultation, three further points were noted. The DfE have now confirmed that LA’s will be allowed to determine local formulae in 2020-21, previously this was 2019-20. Secondly, the allocations in the report exclude the Teachers’ Pay Grant. A separate report on this grant is included on this meeting’s agenda.

The final issue was regarding top-slicing/de-delegation of funds. Every year since 2013-14 schools have been asked whether they would support the de-delegation of funding for a range of services. Each year the response from schools has been heavily in favour of de-delegation.

Chris confirmed that the regulations require the LA to seek Schools Forum approval to de-delegate funding, there is no requirement to consult schools each year. In light of the history of positive support, the Forum was asked to consider whether or not they would approve de-delegation/top-slicing in 2019-20 without a further consultation with schools.

Peter Johnston stated that whilst his schools would support de-delegation, he was concerned that it may appear a little presumptuous to assume that schools consulted on the de-delegating of funds last year would give the same answer again.

The Chair asked if anyone was against the proposal in the report, which there wasn’t. LA school representatives for each sector agreed that funding should be de-delegated/top-sliced for 2019-20.

**2.3 High Needs Block** - the like for like indicative HNB allocation for 2019-20 is £70.335m, £0.238m (0.34%) higher than the original 2018-19 quantum. However, once the revised import/export adjustment is taken into account there is a slight reduction of £0.194m (-0.28%). The higher import/export adjustments should be offset by reduced costs, as in theory the LA will fund fewer Element 2 payments. The most recent monitoring shows a forecast HNB overspend of £1.1m so it seems likely that there will be an over commitment in 2019-20 also.

The School Forum agreed to note the provisional High Needs Block quantum for 2019-20 and agree to receive further reports on its allocation later in the year.

**2.4 Early Years Block** - Chris confirmed that there was nothing new to report and that the overall amount of funding will be largely determined by the level of provision (number of hours). The key challenges to address for 2019-20 are to:

* + Implement a universal basic hourly rate from April 2019 – it’s likely that a rate at or around £4.09 per hour will apply to nursery units and PVI providers from April 2019.
  + Ensure that Derbyshire continues to meet the 95% delegation target; and
  + Remove the over commitment of the early Years Block.

From April 2019 the Authority intends to require nursery schools to meet their own catering, broadband and capital maintenance costs. This would result in a reduction in central spend of around £0.118m, The balance of savings requirement, estimated to be £0.132m, would be met by reductions in the remaining central budgets. Decisions on the level of central Early Years spend are a matter for the Schools Forum.

The Schools Forum agreed to note the report and that a further report will be provided on this issue to a future meeting of the Forum.

**2.5 Central School Services Block -** This block pays for a range of ongoing responsibilities, including functions previously funded by the ESG Retained Duties grant, admissions service, costs of the schools forum and sundry licences for schools and academies. The actual 2019-20 allocation will be updated to reflect October 2018 pupil numbers, therefore the final increase may be around £0.100m. The DfE have signalled that LAs’ historic commitment allocations will start to be reduced from 2020-21 onwards which presents a significant future financial risk to the Council. The level of CSSB spend is a matter for the Forum.

The Schools Forum agreed to note the position regarding the Central School Services Block and that a further report will be provided to the November meeting of the Schools Forum.

**18/26 Teachers’ Pay Grant**

The information to Forum was derived from the DfE’s website. The grant is from September 2018 to March 2020 and covers pupils aged 2 to 19. Schools with fewer than 100 pupils will have funding allocated as if they had 100 pupils. Similarly, special schools with fewer than 40 places will have funding allocated as if they had 40 places.

|  |  |  |
| --- | --- | --- |
|  | 2018-19 | 2019-20 |
| Primary – per pupil | £16.40 | £28.29 |
| Secondary – per pupil | £26.54 | £45.56 |
| Special/AP – per place | £65.65 | £113.45 |

The ESFA have promised more information on the grant in October.

Schools Forum agreed to note the report.

**18/27 Minimum Funding Guarantee**

Chris presented the report. The first part of which sought the School Forum’s support to make changes to the MFG calculation for a specific school in 2019-20. This change will ultimately require the approval of the Secretary of State.

In 2018-19 Glossopdale received split site funding of £0.392m through the formula as the school operated on three separate sites. The schools has recently moved on to a single site but the Authority has agreed to allow Glossopdale to keep its split site funding until August 2019 to help with its ongoing staffing and other costs.

In order to avoid the removal of seven months’ split site funding from the school’s budget from September 2019 triggering an entitlement of MFG protection, it is necessary to make an application to the DfE to adjust the MFG calculation. A similar adjustment will be required for the 2020-21 MFG calculation when the remaining five months split site funding is removed from the 2019-20 baseline budget.

The reductions in funding have been agreed with the governors and senior leadership of Glossopdale School.

The Schools Forum agreed to support the LA’s request to the DfE to adjust the school’s MFG calculations for 2019-20 and 2010-21 as set out in the report.

**18/28 Minimum Funding Level Disapplication**

The second part of the report sought to adjust Belper School’s entitlement to MFL funding in 2019-20. Belper School currently receives £0.083m as an exceptional site factor, equivalent to £79.53 per pupil to help meet the costs of the school’s use of the adjacent leisure centre. The school has no choice but to use this centre for all of its physical education curriculum and examinations requirements, but which comes at a higher cost. The Authority believes that Belper School should not be financially disadvantaged by this exceptional site funding and intends to make an application to the Secretary of State to adjust the Belper School’s MFL calculation.

The Schools Forum agreed to support the LA’s application to the DfE to adjust Belper School’s 2019-20 per pupil MFL calculation to exclude the exceptional site funding as set out in the report.

**18/29 Permanent exclusions – money following the pupil clawbacks**

Mary Murkin presented the report which sought Schools Forum support to changes in the operation of the LA’s clawback of funding calculations following a pupil’s permanent exclusion.

Currently the LA deducts from the schools’ budgets in-year the amount within the Schools Block formula that relates to the circumstances of the excluded pupil. The deduction is pro rata to the number of weeks left in the financial year from the exclusion date and includes basic entitlement funding, deprivation, Pupil Premium and Ever 6 Free School Meals funds.

There were 165 permanent exclusions in 2017-18 totalling clawbacks of £0.403m, though only 7 pupils were re-admitted to schools. Where pupils are re-admitted to schools, funding follows the pupil to the new school. The clawbacks also go towards funding home tuition and pupil referral units.

Following changes in the LA’s formulae in 2018-19, the Authority proposes to amend the excluded pupil adjustments to include the new IDACI and Current FSM indicators.

The report also proposed that the Authority moves to an academic year calculation for academies as adjustments would more closely align with the basis on which academies are funded.

The Schools Forum agreed to support the revised basis for excluded pupil adjustments as set out in section 2.1.1 and changes in the claw-back mechanism for schools that have converted to academy status as set out in section 2.2 of the report.

**18/30 DSG – Budget Monitoring**

Chris presented the results of the projections of expenditure and income for the Dedicated Schools Grant for 2018/19, including the highlighted major variances. The report, which was the first of the financial year, provided an analysis for the forecast year end position for 2018-19 prepared in July 2019. More detailed forecasts will be available at the November meeting.

A net overspend of £0.613 million is projected with an analysis of expenditure by service area as an Appendix. However, this included a forecast underspend of £0.303m on re-pooled funds.

The net overspend also included an underspend of £0.025m against Early Years budgets and a High Needs Block overspend of £1.109m, which is a key concern. The most significant area of overspend is on top–up payments.

The Schools Forum agreed to note the outcome of the DSG projections for 208/19.

**18/31 Dates and venues of future meetings**

22 November 2018, 4.30pm – 6.30pm, Sporton Room, Post Mill Centre, South Normanton

31 January 2019, 4.30pm – 6.30pm, Sporton Room, Post Mill Centre, South Normanton

19 June 2019, 6pm to 8pm, Committee Room 1, County Hall, Matlock

The meeting closed at 7.35pm.