

CITY OF YORK SCHOOLS FORUM

Minutes of the Schools Forum held on Friday 28th September 2018 at 9.00am

Attendance list:

Members:

Trevor Burton	Academy Representative and Chair
Richard Crane	Maintained Secondary Headteacher Representative
Debbie Glover	Maintained Primary Headteacher Representative
Di Gomery	Maintained Secondary Governor Representative
Helen Gration	Early Years Sector Representative
Tricia Head	Pupil Referral Unit Representative
Claire Rigden	Maintained Nursery Representative
Lorna Savage	Academy Representative
Kate Valentine	Maintained Primary Governor Representative

Observers / Advisors:

Maxine Squire	Acting Director of Children, Education & Communities
Richard Hartle	Head of Finance, City of York Council

Salli Radford	Head of Governor Services, Coordinator and Clerk
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1. Welcome

The Clerk welcomed everyone to the meeting.

2. Apologies for absence

Apologies were received from Brian Crosby – Academy Representative, Andrew Daly – Academy Representative, Richard Ludlow – Academy Representative, Cllr Keith Myers and Dee Patton-Smith – Maintained Primary Headteacher Representative (VC school). Alison Birkinshaw – FE Representative and Adam Booker – Special School Representative were absent from the meeting.

3. Election of Chair and Vice-Chair

Trevor Burton was elected Chair of the Forum for one year.

Proposed: Lorna Savage
Seconded: Tricia Head

Trevor Burton took the chair for the meeting.

Tricia Head was elected Vice Chair of the Forum for one year.

Proposed: Di Gomery
Seconded: Lorna Savage

Helen Gration joined the meeting at 9.05pm.

4. Membership update

Previously distributed. The update was noted. The Clerk advised that representation would not require review until January at the earliest and was dependent of the timing of future conversions. It was noted that maintained school representation was

determined by pupil numbers across primary and secondary school, with academy representation being based on total pupil numbers regardless of phase. Richard Hartle outlined the appointment process applicable to academies.

5. Minutes of the York Schools Forum meeting of 2nd July 2018

Previously distributed. The minutes of the meeting were agreed to be a true and accurate record and were signed by the Chair.

6. Action Plan and Matters Arising

Previously distributed. It was noted that all action points from 2017/18 had been completed.

Matters Arising:

There were no matters arising.

7. Schools broadband contract update

Previously distributed. Richard Hartle advised that the Forum would make a contribution of £195k in the current year, with the DSG funding stream that enabled this contribution likely to be removed by the DfE in the future. Richard advised that the impact of removal of DSG funding would increase charges to schools and that schools were therefore keen to see this impact modelled.

Richard advised of two areas for consideration by the Forum as information became available:

- The level of future costs once tenders were received, although a significant increase was not anticipated
- The impact of the loss of the DSG contribution to costs then charged to schools

Richard advised that the update included an overview of current charges to schools and the impact of removal of the DSG contribution. It was noted that the DSG contribution currently met c33% of total costs, resulting in an increase to schools of c50% if removed.

Richard advised that the DSG contribution was available to March 2020 but that there was no certainty beyond this point and that it was likely to be reduced over time. It was noted that updates would be brought to the Forum as a general issue as reduction in centrally retained DSG would impact on a range of funding elements.

In response to a question regarding the status of funding for 2019/20, Richard advised that the Forum had made a decision to support the broadband contract on the basis that this historical commitment would be supported by the DfE until the centrally retained DSG is reduced or removed.

In response to a question regarding the impact to costs to specialist settings, Richard advised that he would check this but assumed that an equivalent adjustment would apply as applied to mainstream schools.

In response to a question regarding the wider strategy to accommodate the loss of this element of DSG over time, Richard advised that the procurement process was being carefully managed but that the lack of DSG security created an element of uncertainty. It was noted that the LA would need to commit to the contract soon, with the schools element only one aspect of the Broadband contract which would be reviewed by the

procurement team alongside information on funding availability as this became available. The Forum noted that the issue would need to be reviewed at their February meeting. Richard emphasised the importance of the timing of a reduction in funding and the availability of notice of a reduction as this may impact on a decision at the point of entering into the LA broadband contract.

In response to a question regarding necessary risk assessment as schools were not able to take a proactive role in the final decision, Richard advised that he would ensure that the impact on schools was taken into account as the project progressed. Maxine Squire advised that the impact on schools formed part of a corporate decision making process for a city-wide facility including schools and academies.

In response to a question regarding a likely decision date for the DfE, Richard advised that a comprehensive spending review cycle would run during summer 2019 and that further information would not be known until the LA began planning for the 2020/21 budget period. Maxine advised that this had been taken into account during the procurement process.

In response to a question regarding the f40 group and any response received from the DfE to the group's lobbying, Richard advised that the broadband contract contribution was unique to York and did not represent usual use of DSG funding.

The Forum discussed the impact on schools and academies and whether academies were advantaged by their ability to seek contracts away from the wider schools group. Maxine outlined the longstanding arrangements in York which enabled academies to buy-back services via the LA.

An update would be brought to the February meeting.

8. DSG outturn report and balances 2017/18

Previously distributed. Richard Hartle advised that DSG outturns had not been reported in detail in the past due to the flexibility between funding blocks, however the current year had seen the introduction of a four-block system:

- Schools block – allocated to the LA via the new National Funding Formula (NFF)
- Central services block – allocated via a formula plus historical commitments (currently £600k + £3M in add-ons that will be removed in the future)
- Early Years block – allocated via hourly rate plus add-ons
- High Needs block – allocated via the NFF

Richard advised that more rigid restrictions regarding moving funding between blocks were now in place. Richard further advised that there was some scope to move 0.5% of Schools block funding to high needs, although this would impact on overall NFF allocation to schools so was not felt to be a realistic option.

Balances 2017/18 – Richard presented the report which outlined where balances carried forward from 2017/18 were being allocated within the new structure.

Richard advised that Annex 1 illustrated the allocations, with the Forum noting the total expenditure from DSG. The Forum noted that £240k net had been carried forward, with surplus and deficit carried forward outturns sitting behind this.

It was noted that the Schools block showed a deficit outturn of £162k, with the Forum noting the detail:

- **School Improvement Commissioning (£0.101m surplus)** – to fund commitments made for the 2017/18 academic year that had not been paid at 31 March 2018
- **Individual Schools Budget: Education Functions (£0.027m surplus)** – a further contribution from central services (in addition to the £0.581m allocated in 2017/18) to fund the extra £66 per pupil on top of National Funding Formula (NFF) rates in 2018/19
- **Individual Schools Budget: Prior Year Adjustments (£0.002m surplus)** – to fund retrospective adjustments to PFI factor funding in the 2018/19 school funding allocations
- **Post 16 Academy Adjustment (£0.293m deficit)** – to be repaid by the academy following double funding in the period immediately prior to conversion

Richard advised that the Early Years block showed a £400k deficit, with a final adjustment to funding not made until July 2018 following the census. It was noted that this deficit would be repaid by the ESFA. The Forum further noted the high level of budget variance due to unanticipated engagement with the 30 hours offer.

Richard advised that the High Needs block would traditionally be supplemented by the allocations of surpluses from other blocks to ease pressure. It was noted that the block had shown a deficit outturn in 2017/18 despite the transfer of surpluses from 2016/17 to cover an anticipated deficit and the allocations of additional permitted contingency. Richard cautioned that this flexibility would not be available at the end of 2018/19 so the block would need to be self-sufficient. It was noted that current levels of deficit at c£800k would create significant challenge. Maxine Squire advised that all LAs were facing this funding challenge.

In response to a question regarding the approach being taken to this issue by other LAs, Richard advised options were limited to consideration of a 0.5% transfer from the Schools block. Richard advised that this was a difficult issue for all LAs and that some collaborative work was being done to approach central government regarding this challenge to High Needs budgets.

Maxine advised that the inclusion review was seeking to manage change and increased pressure to High Needs funding, with the intention being to get ahead of this change.

In response to a question regarding any significant areas of underspend, Richard advised that Central Services had included provision for prudential borrowing for issues such as planned school closure, delivering a saving against DSG. The Forum discussed the outturn positions, noting that the LA was seeking to identify savings and to provide best possible value from funding for SEN.

In response to a question regarding Education Services funding which had been partially returned to schools, Richard advised that this funding mainly supported:

- Qualifying redundancies (due to budget pressures)
- *Monitoring school budgets and finances*
- *Monitoring compliance with the LMS Scheme*
- *Internal Audit reviews*
- *Consistent Financial Reporting*
- *Administering Local Government and Teachers' Pensions*

- *HR statutory duties including health and safety monitoring*
- *Consultation costs*
- *Statutory support for the appointment and induction of governors*
- *Clothing grants*
- *Monitoring National Curriculum Assessments*

Tricia Head advised that the funding for special schools and the PRU was very complex and was linked to the LA's ability to commission adequate places. Tricia advised that Alternative Provision created flexibility within the system but increased pupil numbers in settings significantly. It was noted that additional funding was linked to significant increases in additional pupils accessing provision, with changing needs creating challenge. Tricia advised that Social, Emotional and Mental Health (SEMH) needs were being accommodated at the PRU, though the provision was at capacity based on commissioned numbers from April 2018. Tricia advised of the need to consider how best to support in-year change, with this being addressed via the inclusion review.

Tricia provided context to funding challenges faced by special schools and the PRU. Maxine advised that some children accessing PRU provision would be in specialist SEMH provision in other areas but that York did not have this facility. Maxine also advised that post-16 provision was putting pressure on the High Needs block, with this being accessed via an EHCP to age 25. Maxine advised of the need to consider the transition into adult life and when to end EHCPs, with this process requiring work with parents to ensure it was managed in the most appropriate way.

The Forum discussed this contextual information.

The report was noted.

9. 2018/19 School Start Budgets including deficits

Previously distributed. Richard Hartle presented the budget overview, advising that this information was brought to the Forum each year for information. It was noted that schools with licensed deficits were planning to end the current financial year in deficit, with greater detail of this taken to Directorate Management Team.

Annex 1

Richard advised that the annex detailed in-year revenue and capital positions for each school, with the Forum noting that the majority of schools were predicting in-year deficits for 2019/20 and that predictions for 2020/21 showed that a significant number of schools were not expecting to be able to reverse this situation. It was noted that the LA anticipated further requests for licensed deficits in future years.

In response to a question regarding the total projected outturn for 2018/19, a positive balance of £1,460,948, and the reasons for the predicted deficits within individual schools, Richard advised that historically schools had made pessimistic predictions which were followed by more positive outturns. Richard advised that there was no guarantee that predictions would continue to turn around in-year given the pressure on budgets and uncertainty regarding central government commitment beyond 2019/20. Richard advised that the previous three-year funding agreements had provided schools with greater confidence and that the current single-year agreements were not helpful.

In response to a question regarding licensed deficits and whether these could be met by surplus balances, Richard advised that the Director of Children, Education & Communities could allocate up to 40% of these reserves to cover deficits without Elected Member approval. Richard advised cautious consideration of funding predictions. The Forum noted that the licensing of school deficits was an LA rather than a Forum decision.

The Forum noted that revised budget recovery plans had been requested from St Aelreds RC Primary and St Georges RC Primary. It was noted that in relation to paragraph 31 of the paper, the budget for Danesgate Community had now been received.

Richard Crane left the meeting at 10.00am.

10. Budget preparation 2019/20 – initial headlines

Tabled. Richard Hartle presented the paper, advising that budget information had been received from the DfE later than anticipated and that budget preparation headlines were therefore shared for information.

Richard advised that:

- 2019/20 would be the second year of “soft” National Funding Formula (NFF)
- NFF allocations to the LA would be distributed to schools using a continuation of the formula for 2018/19
- The DfE was extending soft NFF to at least 2020/21
- Most formula factors would carry forward from 2018/19
- Minimum per pupil value would increase by £200 to £3,500 for primary schools and £4,800 for secondary schools
- A minimum 1% per pupil increase over 2017/18 funding would be provided in 2019/20
- The maximum gains cap would increase to 6.09% over 2017/18 funding and continues to be superseded by minimum per pupil amounts
- The primary low prior attainment factor value will reduce by £28 to £1,022 to balance the increase in the cohort
- Growth fund was now allocated to LAs on a formula basis with York not proposing a change to local arrangements for growth funding and Infant Class Size funding during 2019/20. Richard would keep this under review
- York would continue to allocate £66 more per pupil than NFF through the AWPU factor which is then de-delegated from maintained schools for education functions. Academies would retain the £66 per pupil
- Schools block funding continued to be ring-fenced
- No change proposed to Early Years funding allocation from government in 2019/20
- High Needs funding block increases by 0.5%
- Additional funding for teachers’ pay award in 2018/19 and 2019/20 will be provided to cover costs in excess of 1%, with funding rates per pupil being:
 - 2018/19: Primary £16.40, secondary £26.54, special / AP £65.65
 - 2019/20: Primary £28.29, secondary £45.56, special / AP £113.46

Richard advised that it was not clear when the pay award funding would be made available and the mechanism that would be used to distribute this, though it would be distributed via the LA for maintained schools and direct from the ESFA for academies. Tricia Head advised that Special and AP setting would receive funding based on

commissioned numbers not census information, with this creating a challenge as some provision would be accommodating pupils beyond commissioned levels.

In response to a question regarding availability of pay award funding after March 2020, Richard advised that government had yet to commit to this as it was beyond the next comprehensive spending review. The Forum noted a range of changes possible from 2020/21 onwards, further noting that inclusion of additional pay and pension funding into base allocations was likely, even if not yet confirmed.

In response to a question regarding a further pay award in excess of 1%, Richard advised that this was likely in September 2019. Maxine Squire advised that central government was seeking to break the national pay award system.

Richard advised that a minimum of 100 pupils would be used as a baseline for pay award funding, therefore being helpful to small schools. It was noted that the LA had recommended schools budget for a 2% increase in teachers' pay, resulting in a small budget benefit to schools due to central government's decision to provide funding above 1%. It was noted that the impact on pensions would be to increase schools budget liabilities over time.

In response to a question regarding whether government pay and pensions decisions were likely to result in schools reconsidering staffing structures, Maxine advised that the DfE was focussing on efficiencies in schools and that the RSC's office would focus on efficiencies in academies, including consideration of financial management. It was noted that this was the only area on which the RSC would issue a warning notice. Maxine advised that work was being done to improve training for school leaders on financial management and value for money, with this being at odds with Ofsted which prioritised curriculum issues. The Forum noted the challenges in York due to the relatively stable staffing cohort.

Richard continued his presentation:

- Employers contribution rate for teachers' pensions increasing from 16.48% to 23.6% from September 2019, with the DfE to provide additional funding in 2019/20 but no details yet beyond this period
- DfE funding for centrally retained historic commitments would continue in 2019/20 at current levels with the DfE then proposing phased reductions from 2020/21 onwards. York could therefore continue the following commitments for 2019/20:
 - School Improvement commissioning £966k
 - Broadband contribution £195k
 - Children's Centres £355k
 - Local Fostering contribution £400k
 - School Safeguarding Advisor £50k

The Forum noted the update, noting that the Chancellors' budget would be announced on Monday 29th October and may include additional information. It was noted that Departmental announcements would follow but that most budget allocations would be set by this date.

11. Inclusion Review update

Maxine Squire provided a verbal update on the ongoing review. It was noted that the formal stage was beginning, with Tricia Head working with Mark Ellis, Head of School Services, to model the future of Danesgate Community. Maxine advised that regular formal reporting back would take place and that the Programme Board would report to

the Executive on capital funding issues. Maxine advised that the complex end of autism was a particular focus for the review, with symptoms being very challenging within this group and not forming part of the traditional special school cohort. Tricia Head outlined the need for a bespoke, personalised approach for this group of pupils.

Tricia outlined the emergence of Pathological Demand Avoidance (PDA) within the cohort, giving examples of cases and highlighting the importance of getting provision right at an early stage to prevent long-term, high level interventions and institutionalised management.

In response to a question regarding the intensive work outlined not being accommodated by the standard school day and the management of pupils not able to attend full days, Maxine advised that work with this specific cohort was needs led. Tricia advised that six hour days were built in blocks of time including activities and restorative time.

Maxine outlined the next steps which would map out phases, advising that capital development undertaken over the summer would support this. Maxine advised that as part of this work Askham Bryan College had begun hosting high needs complex children previously educated outside the city via a project led by Adam Booker. Forum members noted that supported internships were also being developed and that the review would need to map provision for children aged 0-16. It was noted that the Behaviour and Attendance Partnership was being reconsidered, with Tricia developing a new model for Danesgate Community and additional ERPs being considered. Maxine advised that existing provision was being evaluated.

In response to a question regarding the purpose of the Forum in the inclusion review process, Maxine advised that the Forum would need to consider impact of the review on the pressures within the High Needs funding block already identified. It was noted that the Forum would determine whether the inclusion review recommendations improved this position.

12. Schools Forum forward plan

Richard Hartle outlined the forward plan:

February 2019

- 2019/20 budget setting
- Broadband contract review
- Inclusion review
- School improvement commissioning budget – 2017/18 outcomes / 2018/19 plans

13. Any Other Business

School Wellbeing Worker Service – Previously distributed. It was noted that a letter had been received from the Headteacher of Huntington School requesting additional funding for the Wellbeing Worker Service. Richard Hartle advised that the service would be partially funded from the School Improvement Commissioning budget during 2019/20 and that any increase to this allocation would need to be taken from another existing commitment. Forum members discussed the request, noting that the CCG had made an ongoing commitment to the Wellbeing Worker Service which formed a continuing line in its budget.

The Chair agreed to respond with a request for a business plan for the project to enable the Forum to consider in February as part of the general budget discussion. Tricia Head provided background to the project and changes to the business model from launch.

In response to a question regarding the reason for the shortfall identified in the request, the Chair agreed to request this detail when responding.

14. Date and time of next meeting

The next meeting would take place on 4th February 2018 at 9.00am.

It was noted that the May meeting would need to be rearranged due to the timing of the local government election.

The meeting closed at 10.55am.

Chair

Date