

SCHOOLS FORUM

TUESDAY, 9 JULY 2013

PRESENT: -

School Members:

Steve Colledge, Chair - Academy Headteacher
Paul Boyles, Vice-Chair - Academy Governor
Chris Davis, Primary Headteacher
Rhian Cockwell, Primary Headteacher
Alison Lowe, Primary Headteacher
David Easter, Primary Governor
Ray Williams, Primary Governor
Rachael Matthey, Secondary Headteacher
Jackie Smith, Special Headteacher
Richard Marshall, PRU
Lynne Fletcher, Academy Headteacher
Nick Capstick, Academy Headteacher
Lauren Connor, Academy Headteacher
Wendy Conaghan, Academy Headteacher
Ben Slater St Joseph's Catholic College
Nick Vetchet Swindon College

Non-School Members:

Bev Pennekett, EFA
Peter Smith, Trade Unions
Debbie Waldron, Early Years Representative

Councillor Fionuala Foley (Cabinet Member for Children's Services)

Officers:

Paddy Bradley ((Head of Commissioning – Economy and Attainment)
Steve Haley (Head of Finance – Education and Innovation)
Sarah McCombe (Finance Manager – Education and Innovation)

Apologies for absence were received from Andy Hazleton and Andrew Miller .

1.

Minutes of Previous Meeting

Resolved – (1) That the minutes of the meeting held on 5th March 2013, be confirmed and signed.

(2) That the updates provided by Paddy Bradley (Head of Commissioning – Economy and Attainment), regarding (i) discussions at the last meeting of a possible change to the Authority's process and practice in relation to funding for disadvantaged two year olds, and (ii) the copyright licencing arrangements in relation to the archival use of "youtube" video clips by schools, be noted.

2. Final Dedicated Schools Grant Outturn 2012-13

Steve Haley (Head of Finance – Education and Innovation) presented a report on the final 2012/13 Dedicated Schools Grant (DSG) outturn position following closure of the Local Authority's (LA's) 2012/13 final accounts.

Mr Haley made particular reference to Table 1 in the report, summarising the actual budget position at year end, compared with the projected position in early March 2013, and commented on how the underspend was higher than had previously been expected and therefore more funding was available to carry forward to 2013/14. Mr Haley also commented on the agreed budget commitments from this balance including monies to be retained within the Education Other Than at School (EOTAS) budget for the development of their premises improvement project.

Mr Haley referred to the erroneous absence from the report of any reference to the Forum's previously agreed commitment on the issue of trade union release time that, for this year only, the Authority would fund the existing service at a cost of £23k. This meant that the balance currently available to be carried forward into 2013/14 was actually £1.160m (not £1.183m indicated in the report).

With reference to the medium term retained budget position, Mr Haley advised that there had been an underspend on the budget for the last 3 years but he was not confident that this position could realistically be maintained in future, due primarily to the much more severe risk of managing the new high needs block. He felt that even attaining a break even budget position would now be an achievement.

Mr Haley drew the meeting's attention to paragraph 3.13 of the report, regarding equal pay claims and, specifically the implications for schools and academies of the Dumfries and Galloway ruling and the likelihood that the retained budget might need to be enhanced to accommodate future claims settlements. Mr Haley also confirmed that letters would be sent to the affected schools/ Academies once the implications were known.

At the request of the chair, Mr Haley reminded Forum members of the 2010 agreement whereby the retained DSG budget would fund 50% of each school or academy's equal pay costs.

Resolved: That:

- (1) The final position on the 2012/13 retained budget be noted.
- (2) After the allocation of funding previously agreed by the Schools Forum, it is noted that the total balance available for redistribution is £1.160m.

3. Update on 2013/14 Dedicated Schools Grant Funding and Related issues

Steve Haley (Head of Finance – Education and Innovation) presented a report providing an update on (i) the final 2013/14 Dedicated Schools Grant (DSG) settlement, (ii) disadvantaged 2 Year old funding, (iii) the post 16 high needs student costs and funding position, (iii) various mainstream cost pressures, (iv) various SRP and other high need setting cost pressures, (v) the proposed introduction of a new High Needs top up rate, (vi) the funding of additional SEN

places, (vii) revised EOTAS alternative provision top up fees, and (viii) the proposed entry into a Service Level Agreement for Travellers' children

Final DSG Settlement

Mr Haley confirmed that the final 2013/14 DSG settlement was £145,554,233. He advised that this figure was, effectively fixed and that any further variation could only be as a result of changes to 3 and 4 year old funding which was now linked to actual participation and increased or reduced costs would be matched by funding adjustments.

Resolved: That the 2013/14 DSG settlement for Swindon, confirmed at £145.554m, be noted.

Disadvantaged 2 year Old funding

Mr Haley reported on the calculation of the amount of DSG allocated for 2 year olds and the forecast underspend in the current year.

Paddy Bradley (Head of Commissioning – Economy and Attainment) commented on the implications of the relaxation of the eligibility criteria for take up of disadvantaged 2 year old funding, and the expectation that the “Grow2gether” capital project would open seven new providers offering additional 2 year old places. Regarding this latter point, and in response to a question by the Chair, Mr Bradley outlined the process used by the local authority for the commissioning of the seven new providers which was via a series of early years networks across Swindon.

Resolved: That the forecast underspend of up to £1.067m, based on current take up and existing plans, be noted.

Post 16 High need students costs and funding

Mr Haley advised that the assumed position in January 2013 had been that additional funding to meet the new post 16 responsibilities would match costs but this had not proven to be the case. As discussed by the Forum at its March 2013 meeting, costs would clearly exceed available funding by some £823k. It had been agreed by the Forum, at that meeting, that the relatively generous settlement in the Disadvantaged 2 year old element of the DSG could be used, if necessary, to offset the post 16 shortfall in the short term.

It was noted that a request for the Education Funding Agency (EFA) to review the authority's post 16 high need funding position had resulted in a one-off allocation of additional DSG of £349,650 but that this still left a funding gap of approximately £500,000. Mr Bradley advised that, based on the latest estimates from providers, approximately 410 high need students had applied for further education placements (289 in colleges, 24 in ISP's, 19 in non-maintained special schools, 6 in other LA special schools, 7 in Swindon sixth forms, 44 at Uplands sixth form and a further 21 post 19 students at Uplands Adult Education Trust) and that, if all these were funded, the DSG allocation would be exceeded by over £2m.

Mr Bradley commented that, despite the cap placed on Swindon's learner numbers which was used to calculate our funding allocation, it was the duty of the

authority (not the providers) to identify numbers of high need students. The LA had therefore imposed strict criteria, in line with EFA guidance, which excluded approximately 100 students from being eligible for high needs funding.

He continued, commenting that funding for those students recognised as High Needs by the FE provider but not by the LA should come from the low level additional support paid directly to FE providers by EFA as part of their base funding. Those pupils recognised by the LA as meeting the criteria will receive funding based upon the LA's moderated costs.

It was noted that these factors represent very significant challenges for the authority and providers and that negotiations would continue with a view to securing appropriate placements for all high needs students which represent best value for money within the financial constraints detailed in the report.

Mr Haley presented a supplementary report to the meeting, providing an update on the post 16 high needs funding. The report detailed available funding for the 2013/14 financial and academic year together with the latest post 16 cost estimates and commentaries in respect of each provider. Mr Haley took members and delegates through the report, expanding on the detail of each provider's estimate of their overall funding responsibility and inviting the Forum to note the position of the various providers.

He concluded his presentation of the supplementary report by guiding forum members through a summary of the overall position for the 2013/14 Academic Year (Part C of the report), setting out the estimated costs of new and continuing responsibilities. It was noted that the total of number of students (314) requiring high needs funding far exceeded both the capped learner numbers and the available funding envelope and that, as a consequence, the financial position was extremely difficult to manage.

Mr Haley reminded Forum members that there was already a long standing DSG subsidy of post 16 high needs provision in place as the costs of students placed at Uplands special school, mainstream sixth forms and with Out of Borough providers exceeded than the value of funding provided to the LA via the post 16 block grant by £1.25m per year. Mr Colledge disputed this statement advising that his sixth form costs had never been subsidised and that this had been a long standing issue raised with the former LA officers.

The Forum was asked to note:

- the overall post 16 funding position and in particular the level of disadvantaged 2 year old funding that would need to be allocated to meet the post 16 shortfall.
- the risk of not funding 52 students at Swindon College, that the College had indicated that it would not be able to offer students a place if the authority was unable to provide the level of funding requested. That these learners would need to be placed with other providers and it was not clear whether there would be feasible alternative options for every learner, presenting a risk that learners might not be able to start an appropriate course in September
- that any support the Forum might give to the allocation of funding for learners who did not meet the high needs criteria would be inconsistent with other

providers and contrary to EFA guidance.

Following the presentation of the report and the supplementary report, Mr Haley and Mr Bradley responded to members questions and observations on the matters raised, including:

- Explanation of the new process for the determination of high needs students and the commissioning of places and how it has changed from the previous process.
- Proposal to introduce the methodology used to allocate funding for pre 16 pupils to post 16 going forward
- the reasons why some providers seem in a better position than others to meet their new funding responsibility
- the achievement of the best outcomes for high needs learners and the future challenge of the disassociation between need and financial resources
- the importance of recognising that this issue will impact upon some of the most vulnerable families within the community
- recognition that this change in funding arrangements has been introduced nationally and the potential value of making the Department aware of the Forum's concern at the impact of reduced funding on vulnerable young people
- the impact of the real financial cuts being made in post 16 education and the increased numbers of applicants
- the legal position of the authority to ensure places for high needs students that "meet their needs" and its legal and ethical position in relation to students who do not meet the high needs defining criteria
- the recognition that responsibility for the determination of high needs now lies with the authority, not the provider, and the apparent discrepancy between the authority's high needs assessment criteria and those applied by different providers in accepting students as high needs learners
- tribunal arrangements and legal challenge by learners not deemed eligible under the high needs criteria
- the numbers of high needs places initially identified by providers and the numbers subsequently assessed by the authority as meeting the high needs criteria
- the inclusion in the allocation projections of 21% "uplift" monies and the impact of withdrawing that funding where possible
- The fairness of allocating the two year old funding to Post 16 when this is not sustainable and pressures exist in other areas of the DSG.

Resolved: (1) That the overall post 16 high needs funding position, as set out in the supplementary report tabled at the meeting, be noted and that it be agreed that the surplus on disadvantaged 2 year old funding be used to give transitional financial support to providers to allow them to meet their high needs funding responsibility for the period of the 2013/14 Academic Year.

(2) That a working group be established, comprising representatives of the different academic bodies on the Forum, to draft a letter to the Department for Education regarding the Forum's concerns about future education funding, particularly in relation to post 16 high needs funding but to include other matters of concern raised by each of the bodies represented on the Forum. It was agreed that each of the bodies represented on the Forum advise the chair of their groups' representative on the establishment of the working group.

(3) That forum members' remarks about the complexity of this issue (post 16

high needs funding) and the difficulties of giving the matter proper detailed consideration when reports are tabled at the meeting, be noted and that, in future, reports to the Forum should present alternative options for the Forum's consideration where possible, including alternative proposals and solutions that might be put forward by providers.

Update on mainstream cost pressures

Mr Haley introduced a number of issues that had arisen in relation to 2013/14 mainstream funding levels since budgets were set at the meeting of the Forum on 5th March 2013 and sought the Forum's agreement to the proposed response in relation to each of these.

Croft Academy Trigger Funding

Mr Haley explained that although Croft Academy is funded directly by EFA outside Swindon's DSG, the LA has been advised that the costs of pupil growth must be met from the retained budget. This was contrary to previous EFA guidance but Mr Haley acknowledged the logic of this as the LA would have had to provide trigger funding to another setting and it would not be possible for the new school to have accrued any surplus balances from which they could meet additional staffing costs.

Mrs Conner expressed concerns that references to Academy balances here and elsewhere in today's reports were inappropriate. Mr Haley advised that any references to school or academy balances were provided in reports to provide Forum members with contextual information regarding funding issues.

Resolved: That it be noted that approximately £77,135 of unplanned spend would need to be met from the 2013/14 pupil growth fund to provide trigger funding to Croft Academy and that further payments would need to be budgeted for in future years.

Orchid Vale Expansion

Mr Bradley explained that delays to the expansion project had occurred which should not penalise the school who had requested a payment of £10,000. Mrs Matthey asked why this cost could not be absorbed by the PFI contractor but Mr Bradley explained that this was not possible.

Resolved: To agree the payment of £10,000 additional funding to Orchid Vale School to cover additional teaching costs arising from the delay to the delivery of the capital programme

Update on SRP and other High Need Setting Cost Pressures

Mr Haley and Mr Bradley reported on various requests that had been received for additional funding in relation to high needs settings.

The Ridgeway ASC SRP Unit - pump priming for set up and early operating costs for the first two years

Mr Haley's assumption stated in the report that Ridgeway Academy would

most probably not have surplus balances from which SRP cost pressures could be met was challenged. Mr Haley reiterated that he felt that in light of the DSG funding freeze it was appropriate for Schools Forum to be advised on the general financial position of individual schools and academies whenever requests for funding were being presented. It was agreed that in future when commentaries on individual settings are provided in reports the school or academy is advised beforehand and invited to comment.

Resolved: That the payment of enhanced top ups for the first two years of a new provision opening be supported and that £43,284 be allocated to Ridgeway ASC SRP in the current financial year.

Redoaks SRP British Sign Language (BSL) Provision

Concerns were raised regarding the proposal to provide additional funding to meet the needs of staff training costs. Some Forum members felt that these costs should be absorbed within existing funding allocations. The risk associated with funding the training was also highlighted as there didn't appear to be any policies in place to prevent the staff from leaving the setting once they had received the training

Resolved: That, as part of a wider on-going review of provision of hearing impaired services, the payment of additional funding of £14,300 to the Redoaks Hearing Impaired SRP to enable the training of in house staff be supported.

Ridgeway Hearing Impaired SRP

This was confirmed as being a one off allocation falling over two financial years following concern being raised that the wording implied that it would be on-going.

Resolved: That the payment of additional funding of £18,000 to the Ridgeway HI SRP, of which £10,500 would fall in 2013/14, be supported.

White Horse Federation Issues

Mr Haley presented a summary of requests for increased annual funding relating to a range of services provided by the White Horse Federation which they felt were not fully covering their costs. The key area related to contributions to leadership and central school costs which the Federation did not feel had been adequately funded in previous years. Mr Haley informed the Forum that the principle applied to this request would set a precedent for all other services commissioned and funded by the LA. Mr Haley went on to suggest that the principle of whether/how indirect overheads costs should be funded should be considered by the recently established high needs task group as part of a wider review of 2014/15 specialist setting funding. He suggested that, if the principle to provide funding for overheads was supported this could be retrospectively applied to the 2013/14 Financial Year subject to Schools Forum consideration.

There was a discussion around whether these requests were an issue for Schools Forum as it was felt the LA had the delegated authority to decide which costs are funded. The discussion went on to question the process followed to agree the 2013-14 funding allocations as it was felt that further guidance could have been provided to help schools fully understand their allocations. Mr Haley felt that an

effective consultation process had taken place but that issues had arisen after funding had been agreed. He would seek to improve the consultation process leading up to 2014/15 budget setting.

Resolved: That the requests for additional funding from the White Horse Federation in relation to leadership and management costs be deferred until the SEN Task group had completed the review.

Proposed Introduction of new High Needs Top Up Rate

Mr Haley explained that the current banding and funding system was meeting the needs of the majority of high needs pupils but for those pupils with exceptionally complex needs this did not provide sufficient funding. To address this issue Mr Haley proposed that the SENRAP panel should be given flexibility to allocate additional funding on a case by case basis for pupils identified as having extreme needs.

Mr Colledge expressed a view that the current place plus funding arrangements for specialist settings was flawed. Mr Haley assured the Forum that all funding was being provided in accordance with DfE requirements and decisions made at the Schools Forum. The high needs task group would be examining all aspects of current funding arrangements.

Resolved: That, where appropriate, the payment of enhanced top ups by the Commissioner for Education, based on recommendations by the SENRAP Panel, backdated to 1st April 2013, be supported.

Funding of additional SEN places

Mr Haley reported that whilst the LA would wish to provide both place and top up funding to any specialist setting which took a pupil over and above their planned numbers, due to pressure on the retained budget this may not be affordable. Under the DfE school funding reform arrangements whilst top up fees must be payable, the place funding element of £10,000 per year was optional. The LA would therefore consider each case individually but with an expectation that such payments would be exceptional rather than automatic.

Resolved: That the Schools Forum note that, where additional places are required above planned numbers, the Authority's "default position" is that only top up fees will be payable, although individual cases will be considered.

Revised EOTAS Alternative Provision Top Up Fees

Mr Haley reported on (i) the revised treatment of exclusions and other income and, in particular, the revised top up fees payable to EOTAS in respect of students attending Stratton and Riverside, and (ii) the revised treatment of non-exclusions income from 2014/15 requesting Schools forum to support the LA's proposal to consult on the basis of increasing delegation.

Mr Colledge suggested that it may be more appropriate for the additional funding to be delegated via the Basic Per pupil Entitlement (BPPE) factor as opposed to Low Prior Attainment as suggested in the report. Mr Haley would therefore include this option in the forthcoming SASH consultation event.

Resolved: (1) That the revised treatment of exclusions and other income and the revised top up fees payable to EOTAS for Stratton (£9,750) and Riverside (£9,500) be noted.

(2) That the revised treatment of non-exclusions income from 2014/15 be noted and that the Authority's proposal to consult with SASH on the basis of increasing delegation was supported.

Proposal to enter into a Service Level Agreement for Travellers' Children

Mr Bradley reported on the Authority's decision not to centrally retain funds to support the education needs of Travellers' children and the implications of this decision in relation to support for the children of fairground and circus workers.

Resolved: That the creation of a new centrally retained high need budget of £5,000 to commission education provision for children of fairground and circus workers be agreed.

4. School Funding Reform Changes 2014/15

The Forum received a report on the school funding reform changes affecting mainstream settings required for 2014/15 arising from the Department for Education (DfE) 4th June 2013 announcement.

Due to time constraints the recommendations included within the report were not discussed or voted upon. Mr Haley advised that the majority of the report set out background information on matters that would be included in the forthcoming consultation events and that any decisions could be deferred to the October Forum meeting.

5. Forecasting of School Balances 2012-13

The Forum received a report advising on the final position, as at 31st March 2013, of school revenue balances compared to the position forecast by schools in December 2012. It was noted that the Authority was required to monitor the level of school balances held by schools to provide assurance to the Council's Board Director Resources regarding the financial sustainability of individual schools and to help ensure the local fair funding formula is as equitable as possible.

Mr Haley advised the Forum that the LA had been wrong to identify Abbeymeads as being inaccurate in forecasting their balances as their December forecast did not reflect the Community centre position which was included in their final balance. The LA had telephoned and written a letter of apology to the Headteacher about this.

Mr Haley highlighted that the majority of schools had been effective in forecasting their balances within the parameters agreed by the Forum but that explanations needed to be sought from 6 schools whose final balances were significantly higher than had been forecast in December. Mordeon school have been in this position for three years now which indicates that improvements to their internal forecasting procedures may be required.

Mrs Conner expressed concerns that specific reference had been made to

Moredon school and that an opportunity to explain their position should have been provided. Mr Colledge added that the naming and public hanging of individual schools was not appropriate. Mr Haley responded that the report tabled today was in the same format as previous years and covered all schools. Performance, in terms of forecasting accuracy, has been measured against the control of balances scheme agreed by the Schools Forum and the next stage in the process was to seek explanations from schools which would be fed back to the Schools Forum. Mr Capstick suggested that aspects of the scheme should be revisited.

Resolved: That the Schools Forum:

(1) Note that:

- the majority (61%) of Swindon maintained schools were accurate in forecasting their year end balances as measured by the thresholds agreed by Schools Forum
- only 6 schools reported significant variances between their forecast and actual outturn positions and will be contacted by the LA for explanations
- actual school balances were 43% higher than the December forecast of £3.5million
- the Authority would present further information on the planned use of school balances to the October meeting of the Schools Forum when it would make recommendations for any potential claw backs.

(2) Note that Abbey Meads Primary School had been incorrectly rated as “red” in the report mainly due to the school bringing community facility balances into its accounts at the end of 2012-13 meaning the comparison to the December 2012 estimate shown at Annex A did not provide a like for like comparison.

(3) That, with reference to their concerns regarding the presentation and content of this report, the agreed criteria for the revised scheme for monitoring and managing schools balances be re-circulated to delegates in order to facilitate a review of the forecasting process, particularly in relation to the reporting of significant variances between schools’ forecast and actual outturn positions.

6. New Schools Financial Value Standard

The Forum received a report providing an update of the position for Swindon schools in submitting their initial Schools Financial Value Standard (SFVS) self-assessments, as required by DfE. Due to time constraints this report, which was provided for information only, was not discussed in detail.

Mr Haley advised that all schools had submitted their statements which would be reviewed over the summer period and an update regarding any issues would be provided to the Schools Forum.

7. Dates of Meetings for 2013/14

The Forum was asked to note its schedule of meetings in the 2013/14 Municipal Year.

- 8th October 2013
- 21st January 2014
- 11th March 2014