

CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date: Friday 3 November 2017

Time: 10.00am – 12.30pm

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present: P Hodgson (Chairman), Dr A Rodger (Vice Chairman), S Blyth, T Bryden (substituting for S Connell), T Davies, J Digby, A Goulding, J North, D Parfitt, Dr K Taylor, S Tinsley, R Waldau, M Woods

Observers

G Fewtrell	Teachers' Union representative
Councillor S Bywater	Cambridgeshire County Council
Councillor P Downes	Cambridgeshire County Council
Councillor J Whitehead	Cambridgeshire County Council

Officers

K Grimwade, J Lee, H Belchamber, M Wade and R Greenhill (Clerk)

Apologies: Forum Members: L Calow, S Conant, S Connell (substituted by T Bryden) and N Jones

11. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were noted as recorded above. There were no declarations of interest.

12. MINUTES OF THE MEETING ON 7 JULY 2017 AND ACTION LOG:

The minutes of the meeting held on 7 July 2017 were approved as a correct record, subject to the correction of some minor typographical errors, and were signed by the Chairman.

The Action Log was reviewed and the following update noted:

1. Minutes 5 and 6: Cambridgeshire 2018/19 Funding Formula/ High Needs Block

The proposed letter to local MPs had been overtaken by events following publication of the 2018/19 funding formula.

13. DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2017-18

The Forum received a report from the Strategic Finance Business Partner providing a summary of the overall 2017/18 Dedicated Schools Grant (DSG) financial position to the end of September 2017. The Local Authority expected to receive around £234m in DSG funding, subject to further academy conversions. A deficit of £134k had been carried forward from 2016/17 arising from pressure on the High Needs Block. The position to the end of October had worsened from that described in the report, particularly in relation to special educational needs (SEN) placements and out of school tuition costs and now showed a forecast overspend of £1.3m. Increased SEN placement costs reflected not only an increase in pupil numbers, but also an increase in

the complexity of need. Work was already underway within the new 0-25 Special Educational Needs and Disability (SEND) Team to look at this issue and at the SEN Sufficiency Plan and a new SEND Commissioning Strategy would be published later in the year. Significant work was needed as the uplift in High Needs funding was not enough to meet these pressures. The Department for Education (DfE) had published a new bench-marking tool the previous day and officers would use this to do some further analysis and report back to the Schools Forum in December.

The following points were raised in discussion of the report and in response to questions from members:

- A Member stated that Lucy Frazer QC MP had asked two questions in the House of Commons regarding the responsibilities of Clinical Commissioning Groups in funding health support for children with SEN. Copies would be sent to members of the Forum for information.
(Action: Democratic Services Officer)
- The Vice Chairman noted that Section 4 of the report set out a number of areas which had been identified for review to reduce current spend and manage future demand, but commented that it was not possible to make sensible decisions until there was a clear understanding of the pressures and potential savings. It was important to put numbers against the actions described. He advocated more strategic thinking in relation to budgetary management, including consideration of moving to a two year planning model;
- An elected Member stated that the Children and Young People Committee was acutely aware of the funding issues relating to children's services and that unless additional funds were made available in the forthcoming Budget they did not anticipate the position improving. Another elected Member described the position as bleak;
- A member highlighted the importance of the early identification of additional needs in both improving a child's outcomes and reducing the greater financial cost of later and often more long-term interventions. They emphasised the vital role of early years professionals in identifying these emerging needs;
- Officers confirmed that the proposed review of social, emotional and mental health (SEMH) services would include recommendations about need and how this could be met;
- A member stated that the number of children with recorded SEN in mainstream schools had remained broadly consistent, but that the complexity of their needs had increased. The same trend was evident in special schools. This was compounded by issues of disadvantage in some parts of the county;
- The Vice Chairman emphasised the importance of arguing the county's case from a clear evidence base and stated that it was important to establish what services could and could not be paid for from the baseline budget.

It was resolved to:

Note and comment on key areas.

14. CAMBRIDGESHIRE 2018/19 FUNDING FORMULA

The Head of Integrated Finance Services reported that since the Schools Forum met last in July 2017 the Department for Education (DfE) had published a number of documents relating to both schools funding for 2018-19 and the National Funding Formula (NFF) for schools and high needs. A briefing note had been sent to all schools (copy at Appendix 2 to the report) and a working group had been convened to conduct initial discussions, to which all members of the Schools Forum had been invited. The Authority Pro-forma Tool (APT) had been released by the DfE the previous week which would now enable officers to model the impact of the formula locally. There had been an uplift to the High Needs block of £0.8m, but it was anticipated that the pressure by the end of the financial year would be between £2-2.5m. Under the NFF the Schools Block allocation would be ring-fenced, but in 2018/19 the Local Authority (LA) would be permitted to transfer up to 0.5% of this sum to other blocks. In Cambridgeshire this equated to £1.7m. To make such a transfer the LA was required to consult all schools and obtain the agreement of the Schools Forum. If agreed, this would represent a single year adjustment only and it was not yet clear how such a transfer might be achieved once the hard funding formula was in place.

The following points were raised in discussion of the report and in response to questions from members:

- A member commented that repeatedly topping up the High Needs block was not sustainable; the cost base needed to be addressed;
- A member commented that population growth would be reflected in increased numbers of children and young people with SEN, but noted the lag in funding new cases;
- Officers highlighted differences in the formula factors used previously in Cambridgeshire and those included in the NFF;
- A reduction in the Key Stage 4 basic pupil entitlement in 2017/18 under the NFF, although this would be off-set in the short-term by additional protection in 2017/18. An elected Member highlighted the concerns expressed by the Association of School and College Leaders with regard to this reduction and questioned whether this was indicative of a direction of travel by the DfE towards a more restricted curriculum at Key Stage 4;
- A member commented that the Minimum Funding Guarantee figures were widely known and argued strongly these should be included in the formula going forward. Officers acknowledged this concern, but noted the implications of moving funds to the High Needs Block;
- Paragraph 3.4: A member commented that it would be helpful in future to make explicit which services were funded under which funding block;
- A member questioned whether the High Needs Block should be subject to some pressure now by transferring less than the maximum £1.7m permitted to begin the trajectory needed to move its funding levels back to those within the NFF.

The Chairman invited comments on the draft consultation on school funding arrangements for 2018/19 which had been circulated after publication of the main agenda as Appendix 3 to the report. Officers reported that the section relating to

Behaviour, Attendance and Improvement Partnerships (BAIPs) would be removed as these were specific to secondary schools which would instead be consulted direct.

Members and observers offered the following comments on the draft consultation document:

- Paragraph 28(c): This question should be split into two sections;
- The narrative should explain what the High Needs Block funds, how it is derived and what the pressures are. This should make explicit the ramifications to schools of reductions to the High Needs block;
- A member expressed concern that to continue to top up the High Needs Block at this stage could exacerbate the difficulties of living within its budget in future years if it was no longer possible to transfer funds to offset the pressures. They questioned whether it was better to begin reducing the top-up now so that the pressures could be managed over a longer period of time, rather than risking an even greater deficit in two years' time if no further top-ups were possible.

Another Member questioned whether the Forum might choose to maintain current High Needs funding levels in 2018/19 via a top-up to ensure stability, but with a clear health warning that the direction of travel was towards a reducing budget.

Officers stated that it was not certain that the High Needs Block would receive a top-up in 2018/19, but that in order to preserve this as an option available to the Forum a consultation must take place now. Conversations were already taking place about how quickly pressures could be managed from within the High Needs allocation to ensure that all options would be available to the Forum for consideration in December;

- There was a legal entitlement to some SEN provision so it would be the non-statutory elements of provision which would be impacted by reductions in funding to the High Needs Block;
- An elected Member noted that the Local Authority had statutory responsibilities in relation to Looked After Children and SEN and that the Children and Young People Committee would be bound by these when it considered schools funding proposals in January 2018;
- Officers confirmed that the consultation operated on a 'one school, one vote' basis;
- An elected Member offered the view that that the draft consultation was not sufficiently sensitive or subtle to inform the decisions needed. They urged those present to do all within their power to discourage the introduction of hard funding arrangements at a time of austerity;
- A free-text option should be included for respondents to offer any other comments or opinions on the proposals;
- A member highlighted the significant impact on school staffing costs if the cap on annual pay rises was raised;

- Members debated whether the consultation should seek approval for the Forum to transfer funds to any funding blocks to keep all options open, but judged that the acute nature of the pressure on High Needs meant that in practice this was the only block to which it would consider transferring funds.

It was resolved to:

- a) Note the High Needs funding arrangements for 2018-19;
- b) Note the Schools funding arrangements for 2018-19 resulting from the publication of the NFF for schools;
- c) Comment on the authority's proposals to consult with all schools on:
 - i. Moving the Cambridgeshire schools funding formula as closely to the NFF as possible in 2018-19; and
 - ii. Transferring up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2018-19 if required.
- d) Comment on the Draft Consultation document to be issued to schools.

15. CENTRAL SCHOOL SERVICES BLOCK, RETAINED FUNDING AND DE-DELEGATIONS

The Strategic Finance Business Partner stated that, as previously reported, the Department for Education's (DfE) latest national funding formula proposals confirmed the creation of a Central School Services Block (CSSB) which would include funding for responsibilities previously included in the Education Services Grant (ESG). Based on the latest published illustrative figures for the CSSB, Cambridgeshire would receive approximately £8.004m in 2018/19 compared to a baseline of £7.949m in 2017/18. The final figure received would be subject to adjustment based on the October 2017 pupil census. There was an expectation that historic commitments would unwind over time.

The Local Authority (LA) was required to find total savings of £37.2m in 2018/19 as part of total savings of £85m required across the next five years. The LA's business planning process had already identified savings of more than £25m plus additional income streams worth around £6m for 2018/19, leaving a funding gap of around £5.5m. Officers were seeking the Forum's approval to continue funding for early intervention support workers and other historic commitments in 2018/19 from the CSSB at current levels for a further year.

The Director of Learning stated that since publication of the report officers had received a fair challenge to clarify exactly how the contribution to the combined budget was spent and the implications of reducing the level of contribution to combined budgets. As it was used to part-fund posts across a number of services there was no discrete budget contribution to individual areas. However, an indication of the potential impact on service levels could be obtained by looking at staffing levels across the service areas described at paragraph 2.10. These were:

- Early Help District Deliver Service – North
- Early Help District Deliver Service – South
- Schools Intervention Service - Safeguarding

- Schools Partnership Service – Special Educational Needs (SEN)
- Virtual School
- Youth Service
- Preparing for Adulthood Additional Needs Team
- Occupational Therapists

There were currently 89 full-time equivalent (FTE) staff posts across these services. A very rough estimate would be costs of around £40k per post including on-costs. On this basis a reduction to the budget of £1.7m would require the loss of 42.5 FTE posts (48% of the total current posts). This would have a significant impact on the delivery of the services across the board including stopping some services completely. A reduction to the budget of £0.5m would require the loss of 12.5 FTE posts (14% of the current total). This would still lead to some impact on services, but it was envisaged that the reduction in LA staff could be managed through natural wastage and management. However, this could not be guaranteed. A top to bottom review of Education Services would begin in January 2018 to look strategically at provision going forward and any proposed reduction in services would require consultation with schools.

The following comments arose from discussion of the report and in response to questions:

- An elected Member noted the pressure placed on front-line staff when support staff posts were reduced;
- A member expressed concern about the impact of reductions to early help services and the possibility of creating greater problems and pressures further down the line;
- A member questioned whether this decision could be postponed to the December meeting so that it could be considered in the wider context of the possible transfer of funds to the High Needs Block. Officers stated that in the context of the Local Authority's wider business planning process a decision on this element was required now in order for it to be reflected in proposals going to the Children and Young People Committee in early December and to the General Purposes Committee in January 2018;
- Officers noted that the Education Services Grant had reduced from around £6m to £1.5m over time and that the Local Authority had absorbed this cut in order to maintain services to schools;
- A member expressed concern about agreeing a reduction in funding without knowing exactly which services would be impacted. Officers offered an assurance that reductions would be managed holistically in order to minimise the impact on services and staff;
- A member commented that there was a need to go back to basics to establish the cost of meeting the Council's statutory duties to establish what expenditure was unavoidable and what was discretionary. Officers stated that this would be addressed in the review of education services to be conducted in the new year;
- Officers stated that the LAs traded services currently broke even;

- Officers confirmed that a decision on the proposed de-delegations could be postponed until the December meeting to allow maintained primary representatives and the Cambridgeshire Primary Heads Group the opportunity to consult with their colleagues;
- Officers confirmed that it was within the Schools Forums powers to agree a reduction to the funding of historic commitments.

Summing up, the Chairman stated that proportioning the financial pressures across funding blocks was not ideal, but was at this stage more acceptable than concentrating reductions in a single area.

It was resolved:

a) Central School Services Block

To comment on this section and approve the continuation of the £733k for Early Intervention Support Workers and £3,079k for other Historic Commitments to Contribution to Combined Budgets into 2018/19.

b) Education Services Grant Functions

To approve the following on-going arrangements for 2018/19:

- The continued use of the £1,279k (adjusted for final pupil numbers) within the CSSB to support ongoing retained duties.
- The continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.

c) De-Delegations

To postpone consideration of this item to the December meeting to allow Maintained Primary representatives on Schools Forum and the Cambridgeshire Primary Heads Group to consult with colleagues on the proposals.

d) To note the approach set out in the report.

16. **GROWTH FUND AND FALLING ROLLS CRITERIA 2018/19**

The Head of 0-19 Place Planning and Organisation stated that following national changes to the allocation of the Dedicated Schools Grant (DSG) funding blocks, growth funding was now within the Local Authority (LA) Schools Block allocation, based on historic spend. This meant that moving funding from the schools formula into the growth fund would not be treated as a transfer between funding blocks. However, the Schools Forum did still need to agree the total growth fund allocation.

In 2017/18 the growth fund was increased to £2.5m with total commitments to date in the region of £2.3m, allowing for academy adjustments. It was proposed to maintain the level of the growth fund at £2.5m for 2018/19.

The following comments arose in discussion of the report and in response to questions from members:

- A member noted that the opening of new schools could have a significant impact on the viability of existing schools in the area. An elected Member stated that the Local Authority was acutely aware of this issue and had made strong

representations to the Regional Schools Commissioner about the impact of approving new schools in areas where there was no basic need and rejecting proposals for new schools in areas where additional places were required;

- A member questioned why no criteria had been established for allocating funding in the case of schools with falling rolls. Officers stated that this had not been done to date as the Government criteria restricted allocations to schools judged good or outstanding where rolls were expected to increase in the next two years, but agreed that this would be revisited;
(**Action:** Head of 0-19 Place Planning and Organisation)
- A member commented that to be fair and consistent, pressure should be put on the Growth Fund budget in the same way that was proposed across other budgets. Officers stated that the Growth Fund was already below the level needed to fully meet all the associated costs and that the figure of £2.5m was in the baseline given by the Department for Education;
- A member questioned the reference to catchment areas when these were not used by all schools and suggested that this use of language might be reviewed;
- Officers agreed to re-visit how many schools would qualify for funding against the proposed revisions. They would also review the language used in relation to catchment areas and look again at patterns and trends and bring this information back to the next meeting.
(**Action:** Head of 0-19 Place Planning and Organisation)

It was resolved to:

- a) Approve the continuation of the Growth Fund at £2.5m for 2018/19;
- b) Request that officers review the criteria in section 3 to be applied from April 2018 subject to Education and Skills Funding Agency (EFSA) approval and bring these back to the Schools Forum meeting in December 2017.

17. AGENDA PLAN

Members noted the forward agenda plan.

18. DATE OF NEXT MEETING

The Forum agreed to meet next on Wednesday 13 December at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge.

Chairman
(13 December 2017)