

CAMBRIDGESHIRE SCHOOLS FORUM: MINUTES

Date: Friday 27 January 2017

Time: 10.00am – 11.55am

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present:

Forum Members:

P Hodgson (Chairman), Dr A Rodger (Vice Chairman), S Blyth, L Calow, M Carter (substituting for A Hutchinson), S Connell, T Davies, A Goulding, Dr I McEwan (substituting for M Woods), A Matthews, D Parfitt, A Reeder, S Tinsley and R Waldau

Observers

J Cornwell	UNISON
(substituting for R Turner)	
G Fewtrell	Teachers' Union
Councillor P Downes	Cambridgeshire County Council
Councillor J Whitehead	Cambridgeshire County Council

Officers

K Grimwade, J Lee, M Moore, S Surtees, M Teasdale, M Wade and R Greenhill (Clerk)

Apologies:

Forum Members: K Coates, J Digby, A Hutchinson (substituted by M Carter), J North, Dr K Taylor and M Woods (substituted by Dr I McEwan)

Observers:

Councillor D Harty	Cambridgeshire County Council
R Turner	UNISON
(substituted by J Cornwell)	

168. MEMBERSHIP

The Chairman welcomed Andrew Goulding, Principal of Hinchbrook School, as a member of the Forum. Mr Goulding had succeeded Kate Evans, Principal of Bottisham Village College, as a secondary academy representative.

169. APOLOGIES FOR ABSENCE

Apologies and substitutions were noted as recorded above.

170. MINUTES OF THE MEETING ON 14 DECEMBER 2016 AND ACTION LOG:

The minutes of the meeting held on 14 December 2016 were approved as a correct record, subject to a correction to the list of attendees to record D Parfitt as having been present rather than A Bishop. The corrected minutes were signed by the Chairman.

The following updates to the Action Log were noted:

1. Minute 163: Social, Emotional and Mental Health (SEMH) Pilot Scheme Evaluation

Members reported that mixed messages had been received on whether the pilot schemes would be extended for a further three months at a cost of £90k. The Director of Strategy and Commissioning said that she would ask the Head of Special Educational Needs and Disabilities (SEND) Specialist Services to clarify the position.

(Action: Head of SEND Specialist Services)

170. SCHOOLS BUDGETS 2017-18: UPDATE

The Forum received a report from the Strategic Finance Manager (Children and Schools) providing an update on schools budget setting for 2017-18. The Department for Education (DfE) had published the Dedicated Schools Grant (DSG) Funding Settlement for 2017-18 on 20 December 2016. The figures were broadly as expected and included an uplift of £1.58m relating to the High Needs Block. This was the first financial recognition by central government of the pressures facing Cambridgeshire in relation to high needs due to increases in population and as such was particularly welcome. This meant that the final amount which needed to be transferred from the Schools Block to meet the pressures on the High Needs Block would be £0.67m rather than the £2.25m which was reluctantly approved by the Forum in December 2016 (£2.25m less the central government uplift of £1.58m = £0.67m). This figure had been approved by the Children and Young People Committee on 17 January 2017 and it was intended to circulate draft illustrative budgets for 2017-18 to all schools that afternoon.

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

- The figures in Appendix A, Number 1 were amended as follows: Primary values amended from £2,711 to £2,714; Key Stage 3 values amended from £3,823 to £3,827; and Key Stage 4 values amended from £4,971 to £4,975;
- Officers were still seeking more information on the implementation of the apprenticeship levy from the DfE. This would be circulated to members when available, but the potential impact on multi-academy trusts and some larger stand-alone schools was noted;
(Action: Strategic Finance Manager)
- The number of schools triggering the minimum funding guarantee in 2017-18 would increase from 26 to 57;
- It was hoped to publish illustrative budgets for special schools in February 2017;
- The number of applications for free school meals (FSM) obtained through the January census was not yet available, but would be made available once known.
(Action: Strategic Policy and Early Years Operations Manager) It was noted that entitlement to FSMs nationally was reducing due to changes in the eligibility criteria.

It was resolved to note the update.

171. PUBLIC FINANCE INITIATIVE (PFI) RE-FINANCING: THOMAS CLARKSON ACADEMY

The Forum received a report from the Director of Learning which explained the re-financing of the Thomas Clarkson Academy public finance initiative (PFI) and informed members of the General Purposes Committee's decision on the allocation of the one-off residual gain.

In 2015 the loan which funded the Thomas Clarkson Academy was re-negotiated and this had resulted in a one-off gain of £1.94m. The allocation of this gain was a County Council decision and the General Purposes Committee (GPC) had decided that £1.44m should be used to cover the affordability gap that had sat with the Local Authority since the outset of the contract and £314k should be given to Thomas Clarkson Academy in recognition of the additional costs arising from the inflexible nature of the PFI contract. Despite pressures on the County Council budget, GPC had decided that the remaining £190k should be allocated to support the work of the Cambridgeshire School Improvement Board which would benefit schools and young people across Cambridgeshire. In her capacity as a member of the GPC, Councillor Whitehead said that the Committee had wanted to ensure that the gain should be used to benefit those children in most need of support and to help close the achievement gap.

It was resolved to note the approach taken by the General Purposes Committee.

172. EARLY YEARS NATIONAL FUNDING UPDATE

The Forum received a report from the Learning and Schools Funding Accountant and the Strategic Policy and Early Years Operations Manager which provided an update on the Department for Education's (DfE) response to the consultation on the Early Years National Funding Formula which was published on 1 December 2016. Unlike the proposed National Funding Formula for schools, local authorities remained responsible for determining and administering their own Early Years Single Funding Formula. Local providers had been consulted on the proposed formula for 2017-18. The final decision rested with the County Council's Children and Young People Committee and would be considered at the Committee's meeting in March for implementation from April 2017 onward.

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

- The nursery setting nominated by a parent would retain the funding relating to their child if they subsequently chose to change setting. The information sent to parents would make clear that funding would not move with their child;
- The Inclusion Fund for 2017-18 would be approximately £1m compared to current expenditure of around £700k. The expectation was that this would be paid as a top-up on a banded system, but the details had not yet been finalised;
- Officers confirmed that the proposed Nursery School Supplement would maintain current levels of funding to maintained nursery schools;
- Work on the extended entitlement to free early learning and childcare for three and four year olds was continuing within the County Council and was focused on the four key areas of sufficiency of places, systems, communication to parents and providers and capital funding;

- 122 responses to the consultation exercise had been received out of a total of 540 providers which the Director of Strategy and Commissioning advised represented quite a good response rate.

It was resolved to:

1. Note the contents of the report;
2. Approve the planned centrally retained sums for 2017-18 set out in section 5 of the report.

173. NATIONAL FUNDING FORMULA UPDATE

The Chairman said that a working party had been convened since the Forum's last meeting to consider a draft response to the National Funding Formula Consultation Stage 2. The working party had agreed that it would be helpful to meet with as many of Cambridgeshire's Members of Parliament as possible to discuss members' concerns about the impact which the proposed National Funding Formula would have on Cambridgeshire's schools. Two meetings had been arranged in February with Lucy Frazer MP and Daniel Zeichner MP and the Chairman had invited all of Cambridgeshire's remaining four MPs to attend one of these meetings. All members of the Forum were invited to attend one or both of the meetings and the Chairman invited the Heads of the Cambridgeshire Primary and Secondary Headteachers' Groups to share details of the proposed meetings with their colleagues and inform the Clerk if any of them wished to attend. The date proposed by Lucy Frazer MP fell during the February half-term, but it was hoped that a good turnout would still be achieved.

The Forum received a report from the Strategic Finance Manager (Children and Schools) which reported that the illustrative data received from the Department for Education (DfE) on the National Funding Formula (NFF) suggested that Cambridgeshire's schools would benefit by a net £4.4m (1.4%) in 2018/19, rising to £6.3m (2%) in 2019/20 compared to 2016/17 baseline figures. However, there would be a significant redistribution of funding between schools within the county which would result in gains and losses dependent on individual circumstances. This could potentially be mitigated in 2018-19 by local formula decisions, but the impact from 2019-20 onward would be dependent on the extent to which the 'hard' national formula was implemented. The current DfE proposals lacked evidence to support the funding rates and weightings to be applied within the NFF. It was therefore not clear exactly what the proposed sums were supposed to finance and whether they would cover the actual basic cost of operating a school. There was also a lack of detail in relation to provision for new schools and growth funding, both of which were significant considerations within Cambridgeshire. The Head of Integrated Finance Services said that similar issues were being reported across Cambridgeshire, Northamptonshire and Milton Keynes.

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

- The deadline for responses to the DfE's consultation was 22 March 2017. Separate responses would be sent by Cambridgeshire County Council and Cambridgeshire Schools Forum;
- The Director of Learning, Head of Integrated Services and Strategic Finance Manager had all attended governor briefing sessions on the Stage 2 consultation during the past week. Particular concern had been expressed by the governors

of small rural primary schools who were already struggling to balance their budgets;

- It appeared that smaller schools with relatively low levels of deprivation and reasonable levels of prior attainment would be most adversely affected by the proposed formula;
- It appeared that around 66% of Cambridgeshire's schools would make an overall gain in funding on the basis of the proposed formula;
- Concern was expressed about the impact on teacher and teaching assistant workload if reductions in schools' budgets resulted in staff reductions;
- The need to ensure and be able to demonstrate to central government that the reserves being held by schools represented realistic sums which demonstrated prudent financial management;
- Councillor Downes said that the issue of the funding formula had deflected attention from the question of the adequacy of the settlement as a whole. Whilst a funding formula would increase the transparency with which funds were allocated he had seen no evidence of any modelling by central government to demonstrate what the resulting levels of funding would finance or whether they would be sufficient to maintain existing levels of provision in schools. It would be valuable if the Cambridgeshire Primary and Secondary Heads Groups were able to do some modelling based on the proposed funding levels to demonstrate whether schools would actually be able to meet their existing costs from the funding levels proposed;
- The importance of retaining the capacity of the Local Authority and the Schools Forum to fine tune the national funding formula at local level in order to best meet local need;
- Concern was expressed by some members that the proposed funding formula was weighted too heavily in relation to deprivation. Levels of deprivation could change significantly from year to year which made forecasting future levels difficult;
- Officers confirmed that they were exploring with the DfE which figures would be used as a baseline for future funding calculations;
- The need to be clear that schools could not keep absorbing additional pressures from within static or reducing resources without this having real consequences on the education provided to their students. Modelling the actual cost of running schools would provide hard evidence of this;
- Councillor Whitehead noted that the Local Authority would remain under a duty to provide a school place for every child in the county, but under the proposed hard funding formula would have no powers to intervene to provide financial support to a school in danger of closing;
- Future funding for new schools remained unclear;
- Members emphasised the importance of all schools, whether academies or maintained schools, working together in the best interests of the children and young people of Cambridgeshire and education within the county as a whole.

Members offered the following comments on the draft Schools Forum response to the National Funding Formula Consultation Stage 2:

- The best and strongest arguments should be included in the opening paragraph;
- The language used should be strengthened to make clear the extent of the Forum's reservations;
- Evidence of the impact on schools in real terms should be included, based on the information being gathered by the Cambridgeshire Primary and Secondary Heads Groups;

- A reference to deprivation should be added.

High Needs Funding Reform Consultation Stage 2

Members noted that it was proposed that 50% of the High Needs funding block would be based on historical spend which might prove beneficial to Cambridgeshire given that the county was already topping up its High Needs expenditure to meet existing need. Although the proposed National Funding Formula would determine the total sum allocated there would still be some local budget flexibility in relation to High Needs because top-up funding and banding systems would continue to be developed and managed locally. This meant that there would continue to be significant variations nationally in the support provided to children and young people with the highest levels of additional needs.

The Strategic Finance Manager (Children and Schools) invited Members to send any additional comments on the draft responses to him direct. The drafts would also be shared with all schools and their comments invited.

It was resolved to note and comment on the content of the national funding proposals.

174. REVISIONS TO THE SCHEME FOR FINANCING SCHOOLS AND FINANCE REGULATIONS

The Forum received a report from the Head of Integrated Finance Services which set out a number of revisions to the Scheme for Financing Schools and Schools Financial Regulations.

A preferred bidder had been identified to supply a Budgetary Control Report (BCR) toolkit and Schools Budgeting Toolkit (SBT). The detail would be communicated to schools shortly, but it was hoped that the new system would be in place before the end of summer term 2017.

The report also contained a proposal to change the proportion of monthly funding instalments from 12% of the schools budget in April and 8% for all other months to 1/12th of the schools budget per month.

Maintained Schools representatives resolved to:

- Note and approve the revisions to the Scheme for Financing Schools and to note the revisions to the Schools Financial Regulations.

175. FORWARD AGENDA PLAN

It was resolved to note the Forward Agenda Plan.

176. DATE OF NEXT MEETING

The Schools Forum will meet next on Friday 17 March 2017 at 10.00am in the Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP.

Chairman