

THE KIRKLEES SCHOOLS FORUM

meeting held on Friday 11th July 2014

9:00am at Huddersfield Town Hall

Present:

	Nursery School Heads (1)
Michelle Lee [Chair], Diana Wilson	Primary School Heads (6)
	Middle School Heads (1)
Kevin Higgins	High School Heads (2)
	Special School Heads (1)
Jo-Anne Atkinson, Mike Cook	Academy Heads (2)
Martin Ridge	Pupil Referral Units (1)
	Kirklees Governors (1)
Jo Bailey-Taylor (NASUWT), Gillian Collins (ATL), Hazel Danson (NUT), Sarah Ellis (pre-School Learning Alliance)	Non-school members (5)
David Gearing (Financial Delegation Manager); [Minute Clerk] Liz Singleton (Deputy AD – Children & Adults)	Officers in Support
Cllr Shabir Pandor, Alison Whiteley (ATL)	Observers

1. Apologies for absence

Apologies had been received from Ian Ellam (High School Heads), Angela Farmer (officers in support), Gary Johnson (Middle Schools Heads) and Simon Sloan (Primary Heads)

2. Minutes of the Schools Forum meeting held on 28th March

The minutes were agreed to be a true record of the meeting.

3. Matters arising from the Schools Forum meeting 28th March

3.1 Funding Formula review strategy.

Further thought was given to the strategy for reviewing local school funding formula arrangements. There was discussion about a number of factors which seem to mitigate against engaging in a lot of detailed review work. The biggest problem lies with the national agenda on school funding perhaps being incompatible with local decision-making in future – a national funding formula could render the outcome of any local review of arrangements meaningless. Already there are issues that Forum may or will have to consider under the last four headings on the original review menu – de-delegation requires an annual decision anyway, indications are that a national Early Years Funding formula is being considered by the DfE and there are forthcoming developments to consider in the world of SEN, such as personal budgets to parents. The recent DfE consultation also asked questions about the sparsity factor mechanism which, if changes are made, could be relevant to the issue of small school funding. It is also difficult, given that the new funding formula arrangements only came in recently (from April 2013), to determine what effect they are starting to have upon educational outcomes across schools with differing characteristics. The presence of cushioning reserves held by individual schools, together with the scaling protections produced by the Minimum Funding Guarantee (MFG), will also mean that the impact of the funding changes is not actually being felt by many schools yet. The MFG would also delay the effect of any changes produced by a local review in any case.

Even though the context for making changes to school funding arrangements is difficult, there is perhaps still a need to be able to justify the decisions that were made when shaping the current Kirklees funding formula. The information produced recently by the Education

Funding Agency about national average funding factor values is interesting and will be more relevant when updated to reflect 2014-15 local authority school funding allocations. The danger of authorities regressing to this average position was mentioned. The analysis would become more relevant still if it could be boiled down to show the average position based on Kirklees' nearest statistical neighbour authorities. Perhaps the largest discrepancies in factor values could then be investigated further?

4. Dedicated Schools Grant outturn 2013-14 / rollover proposals

The 2013-14 Dedicated Schools Grant account, on the bottom line, has an under-spend of £5.037m to address. Officers have consulted with various budget holders to determine which under-spends need to be considered for roll-over to use in 2014-15 and which do not. The total of the surpluses which fall into this latter category is £415,450. The total over-spend to be covered is a higher figure of £490,300. There is therefore a gap of £74,850 to deal with if the whole of the roll-over request of £5.11m is approved.

The meeting proceeded to look at each of the roll-over proposals. The table below summarises those proposals and the views in response from the Forum.

Budget	Summary / notes	Roll-over proposed	Forum view
		£	
Early Years	The underspend all relates to as yet uncommitted grant monies to roll out the free nursery entitlement to disadvantaged 2-year olds. The funding is ring-fenced to purpose and will be used to build place capacity to match the government's increasing targets for provision of places for eligible children.	1,420,700	As the grant is ring-fenced there is no choice but to agree the rollover here.
Head Teacher Support Service	Earlier this year Forum looked at the financial health of the sickness absence insurance schemes and how the scheme partially supports the Head Teacher Support Service. Forum agreed to a reduction in the contribution from the insurance scheme by £10k for 2014-15. A related proposal at the time was that the service be allowed to roll forward it's underspend at the close of FY 2013-14.	11,300	Roll-over agreed
FE High Needs	2013-14 was the first year that the DSG assumed responsibility for High Needs funding in the FE sector. Pitching the level of annual budget required was difficult but the outturn position was reasonably close to the £430k provision made. The account is expected to be under pressure in 2014-15 so roll-over is requested.	20,800	Roll-over agreed

Independent School Fees	ISF continues to be a very volatile budget area. The authority always tries to keep external placements to a minimum but the pattern is unpredictable and such placements are often unavoidable. Current indications are that ISF will be under pressure in 2014-15, with an overrun of £192k projected.	61,600	Roll-over NOT agreed. Projected pressure to be dealt with instead within the High Needs roll-over below.
Schools Contingency	The Contingency continues to carry significant reserves to support ongoing reorganisation and school place demand pressures. The Pupil Growth Fund sub-account has £90k left in it and this has to be returned to schools. Any remaining gap in the DSG not covered by the £415k of underspend will also be made good from the school contingency balance. * [See below for further information about this item]	2,439,870	Agreed - £90k unspent Pupil Growth returned to schools, £13,250 remaining DSG gap paid for, £2,336,620 rolled forward to support school reorganisation and restructure costs
SEN High Needs Contingency	Expenditure within the new High Needs Block of funding continues to be difficult to predict, with real pressure from rising high needs top-up demand, special school places and some significant regulatory changes still working through. ** [See below for further information]	818,900	Roll-over agreed – the identified pressure within the Independent School Fees account to be absorbed by these funds
Sickness Absence Insurance	Absence insurance schemes performed better in 2013-14 than in the previous year when a year-end surplus of only £46k was posted. As a result of this much tighter outcome a number of actions were previously considered with Forum, one of which was the need to create some cushion within the scheme funds against exceptional future claim levels. It is therefore proposed to retain £100k of the 13-14 surplus within the a/c and return the remainder to member schools.	264,900	Roll-over agreed - £100k to be retained as a contingency in 14-15 scheme funds, the remaining £164.9k to be distributed amongst participating schools
PPP2 scheme	The PPP2 scheme is the PFI contract which covers facilities management at three local special schools. The roll-over funds are needed because there is a formal benchmark of costs exercise pending. There will also be extra costs for Lydgate School from the proposed move to a site covered by the PPP1 contract.	73,400	Roll-over agreed

* Schools Contingency roll-over proposal

The rollover funds will be used to support a variety of consequential costs in schools affected by reorganisation and restructuring. The local authority does have access to existing recurrent revenue funding such as the School Reorganisation budget, the Protection of Employees trading account and, in certain circumstances, the school-specific Contingency fund. The rollover funds will supplement these base budget provisions as a number of complex reorganisations are progressed.

There are two common themes running through the changes being undertaken – changes to rationalise the number of schools supported by the school funding formula and changes to cope with a growing demand for school places in the borough. There are several examples of the first category – ranging from school closures to amalgamation / federation and the creation of all-through school provision. Most of these changes end up feeding funding released over time back into the formula system to the benefit of all schools (block grant savings, rates funding etc). In the case of federation arrangements this is a way for small schools to become more cost effective in reaction to the much harsher environment of a pupil-centric funding mechanism. In the latter category, the provision of new schools and expanded capacity at other schools to cope with a growing school population will alleviate pupil number pressure which is currently falling, or would otherwise fall, on other schools. New schools which expand year group-by-year group over a period of time will require a great deal of support until they are fully established. (Largely) fixed premises costs, leadership and admin office costs will require tapering financial support until their full age range is up and running and such levels of cost become supportable from the school's budget share allocation.

It was asked if the Council was making a contribution to the cost of school restructuring or simply relying on school contingency reserves to sort things out instead. Most of the Council's input is in the realm of capital funding or borrowing costs. A huge amount of officer time is also devoted to supporting the schools being restructured. There are also instances where Council budgets pick up significant costs connected with a restructure.

Forum took a general view that the restructuring costs are not the fault of the schools being asked to do something different so there needs to be a way of supporting the schools affected in meeting the resultant costs. The roll-over proposal was agreed. Forum asked for periodic monitoring updates about this restructuring element of the overall Contingency.

** SEN Contingency roll-over proposal

The £819k of roll-over funding will be used to address the following pressures: -

- £173k gap in funding in 2014-15 in respect of Special School places
- £192k projected pressure within the Independent School fees account
- £150k Summer term transitional costs re the ongoing Specialist Provision restructuring
- £101k towards the cost of the rising number of high needs top-up allocations
- £203k for other high needs pressures and SEN disproportionality allocations

It was asked whether any SEN disproportionality allocations have been made yet. School budget plans for 2014-15 have now been agreed and, whilst SEN pressures were quite often raised in discussions, no support allocations have been agreed at this stage of the year. This is largely due to many schools currently having access to reserves to deal with any underlying SEN-related pressure. Over time, as reserves in such schools dwindle, there may be more demand for SEN disproportionality support. Some schools will have to internally

rebalance their spending profile to address SEN pressures that should be manageable within their overall budget share allocation. There is the potential for some schools' positions to be reviewed next term should there be an unpredicted influx of high needs pupils within the new intake. Forum will, of course, be kept informed of any support allocations that are made.

5. Universal Infant Free School Meals grant arrangements

Kirklees has just received its first instalment (£2.87m) of Universal Infant Free School Meals (UIFSM) grant for the schools it maintains – local academies with Reception and KS1 provision will receive their UIFSM grant allocation directly from the Education Funding Agency. This initial payment covers the period 1/9/14 to 31/3/15. The amounts have initially been calculated from information contained in the January 2014 pupil census. The method takes the number of children in Year R, Year 1 and Year 2 showing as not already in receipt of a free school meal x £2.30 per meal per day x 190 school days x a factor of 0.87. This latter element is the government's initial assumption that 87% of the pupils in this group will take up the offer of a free school meal. This provisional budget allocation for a full year is then multiplied by 7/12ths to determine the initial payment for September 2014 through to March 2015. eg. 80 non-FSM Infant children x £2.30/meal x 190 school days x 0.87 x 7/12ths = an initial grant payment of £17,743.

In addition to the grant amount paid per meal there is a supplementary amount allocated to small schools (those with a total school roll of up to 150 pupils). Each will receive a one-off payment of a minimum amount of £3,000 and, in many cases, a sliding-scale of additional funding per pupil on top of this minimum. This can be spent by small schools however they choose in implementation of the new arrangements.

Maintained schools will shortly be allocated the first instalment of UIFSM grant (7/12ths provisional allocation per meal funding plus the full amount of any small schools addition). For those schools/academies which use the Council's Catering Service, an equivalent amount to the per meal grant funding will be added to the charge made for the service provided. [Schools in receipt of the small schools transitional grant will retain this element of funding]. A large proportion of the per meal grant funding provided is effectively replacing lost income from parents who would otherwise have paid for their child's meals. The remaining part of the grant is all that is available to pay for the development side – in terms of additional staff requirements, training and induction, food costs, additional uniforms etc. Schools using private meals contractors will need to agree their own arrangements with their provider to reflect the changes from September.

The final instalment of per meal grant will be paid over in April 2015 (an estimated £1.81m in total). This payment will be based upon **actual** take-up of the UIFSM offer rather than the 87% take-up level assumed in the first provisional payment. The Funding Agency will use information from the October 2014 and January 2015 pupil census returns to measure actual take-up and to restructure the grant accordingly. The Catering Service has also altered its meals return sheet so that it can track how take-up of UIFSM at each school is going. The grant payment in April 2015 will represent grant paid for the Summer term 2015 on the basis of average take-up of the new offer and a retrospective adjustment against the first provisional instalment to replace the 87% initial take-up assumption with the actual take-up level for the individual school. Kirklees Catering Service will also need to recover this April 2015 grant payment from the schools they deal with. This approach means that the Catering Service is effectively bearing the financial risk of this development on behalf of schools should take-up be lower than assumed – the service has geared up to cope with the target level of meals and is taking the risk that its income figure to support this might not be sufficient to sustain the costs incurred.

6. Pupil Premium for Early Years / Funding for two year-olds

The Dept for Education has launched a consultation on Early Years funding arrangements with a deadline for responses of 22nd August. There are two proposals to be considered: -

- To introduce from April 2015 a new Early Years Pupil Premium (EYPP), which would pay providers of the free nursery entitlement £300 per eligible child (maximum amount per year)
- To move the funding for the free entitlement for disadvantaged two year olds to a participation basis from financial year 2015/16

Early Years Pupil Premium

An eligible child attending a nursery for 15 hours per week for 38 weeks (ie 570 hours in total) will attract the full £300 premium. Pro rata payments would be made in respect of lower attendance patterns as the EYPP funding is intended to follow the eligible child through the nursery years. Eligibility will be accorded if the child accessing the free entitlement is either from a low income family (as per free school meals criteria), a looked-after child, adopted from care, left care through special guardianship or subject to a child arrangement order (which specifies who the child should live with). Providers will need to ask parents if they are eligible and to provide details of their NI number and date of birth – this will be on a voluntary basis. The local authority will already hold information about looked-after children. There is a different checking route for the children of asylum seekers. It is hoped that the LA's eligibility checking service will be able to expand to encompass the checks for nursery-age children.

As with the existing Pupil Premium funding stream, providers will be held to account for how they have spent their EYPP by Ofsted during future inspections. Further good practice guidance will be issued by the DfE in due course. Providers will be encouraged to consider ways to build teacher input into their delivery programme – either by moving to a teacher-led structure or by purchasing services from teaching schools or pooling resources with other providers.

The introduction of the EYPP does not affect the requirement to have a deprivation supplement within the main Early Years Single Funding Formula. (This mirrors the Schools Block formula where the main Pupil Premium allocation is in addition to deprivation support funding within the budget share formula).

Participation-based funding from 2015-16 for disadvantaged two year olds

In the current financial year local authorities are working to a target of ensuring that at least 40% of their disadvantaged two year olds are accessing the free nursery entitlement. Grant funding has been structured to deliver at least this level of funding as authorities work to secure the number of provider places needed. From 2015-16 it is proposed to only allocate grant funding to local authorities in respect of the actual take-up of places by these two year olds. There is no particular issue for Kirklees in the move to a participation basis as our participation rate is well ahead (c.48%) of the minimum 40% target level. The grant funding hourly rates are determined by the DfE and authorities are encouraged to maximise the amount of funding that is passed through to individual providers. It is intended that the grant funding will be based on January census data each year, although, in the first year, the October census will also be used to shape the allocations made.

7. Update on High Needs issues

The meeting considered a brief statement from Mandy Cameron, Deputy AD Learning & Skills about the forthcoming introduction of Personal Budgets. Some children and young people with an Education Health and Care Plan (EHCP) may be entitled to a Personal Budget if there is evidence that their school is not able to provide what is needed to achieve the agreed learning outcomes. The amount of money in the PB would come from the high needs top-up element in the first instance but may also include part of the Schools Block funding for the child. Schools will need to consider formulating a statement which sets out how the needs of pupils requiring SEN support and those with an EHCP are being addressed in school and, from this, identify the potential cost of meeting those needs.

Concern was expressed that the personal budget could be assembled using more than just the high needs top-up element. The crucial thing is to be able to evidence clearly what provision is made in school for the relevant group of children. The EHCP will be the determinant of the provision figure declared in any personal budget – parents will not just be able to set their own figure or claim for frivolous items. It was reported that Calderdale had been one of the authorities piloting EHCP and personal budgets. Their experience has been that parents engage in a three-way conversation with the school and the local authority to agree the needs and outcomes for their child but, in general, they have shied away from requesting a Personal Budget approach.

8. Meetings Calendar 2014/15

The Schools Forum meeting dates (public, briefing and reserve meetings) for the academic year 2014/15 were listed amongst the agenda papers. There was a final check amongst Forum members as to whether any of the dates presented a particular problem. No objections were raised so these dates will now be built into the wider school meetings calendar for next year.

9. Any other business

No other business was raised.

Date and Time of next meeting

Friday 24th October 2014, 9:00am to 11:30am. Venue: to be confirmed.