



Shropshire Council  
Legal and Democratic Services  
Shirehall  
Abbey Foregate  
Shrewsbury  
SY2 6ND

Date: May 2017

**Committee:  
Schools Forum**

**Date: Thursday, 8 June 2017**

**Time: 8.30 am**

**Venue: Shrewsbury Training and Development Centre, Racecourse Crescent,  
Monkmoor, Shrewsbury, SY2 5BP**

You are requested to attend the above meeting.  
The Agenda is attached

Claire Porter  
Head of Legal and Democratic Services (Monitoring Officer)

**Members of Schools Forum**

Bill Dowell (Chair)  
Phil Adams  
Michael Barrett  
Christine Hargest  
John Hitchings  
Sandra Holloway  
Colin Hopkins  
Pete Johnstone

Alan Parkhurst  
Geoff Pettengell  
Kay Redknap  
Geoff Renwick  
Mark Rogers  
Philip Sell  
Joy Tetsill  
Ruth Thomas

Your Committee Officer is:

**Philip Wilson** Service Manager Business Support People

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# AGENDA

- 1 **Apologies**
- 2 **Minutes and Matters Arising (Paper A)** (Pages 1 - 4)
- 3 **Central Retention of Dedicated Schools Grant for Former Education Services Grant Funded Services from April 2018 (Phil Wilson) (Paper B)** (Pages 5 - 8)
- 4 **High Needs Task & Finish Group (Phil Wilson) (Verbal report)**
- 5 **School Balances as at March 2017 (Gwyneth Evans) Paper C** (Pages 9 - 12)
- 6 **Control on Surplus Balances 2016-17 (Gwyneth Evans) Paper D** (Pages 13 - 14)
- 7 **Dedicated Schools Grant 2017-18 Update (Gwyneth Evans) Paper E** (Pages 15 - 16)
- 8 **School Financial Value Standard Returns 2016-17 (Gwyneth Evans) Paper F**
- 9 **10% Pupil Growth Contingency (Gwyneth Evans) Paper G** (Pages 17 - 22)
- 10 **Dedicated Schools Grant Monitoring (Stephen Waters/Julia Dean) Paper H**
- 11 **Communications**
- 12 **Future Meetings**

## Future meetings (please diary):

|                   |         |                |
|-------------------|---------|----------------|
| 14 September 2017 | 8.30 am | STDC, Monkmoor |
| 2 November 2017   | 8.30 am | STDC, Monkmoor |
| 7 December 2017   | 8.30 am | STDC, Monkmoor |
| 18 January 2017   | 8.30 am | STDC, Monkmoor |



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**Schools Forum**  
**Date:** 8 June 2017  
**Time:** 8.30 am  
**Venue:** STDC, Monkmoor, Shrewsbury

Item/Paper  
**A**  
Public

## MINUTES OF SCHOOLS FORUM HELD ON 23 MARCH 2017

### Present

#### School Forum Members

Bill Dowell (Chair)  
Phil Adams – Academy Headteacher  
John Hitchings – SSGC  
Sabrina Hobbs -  
Sandra Holloway – Primary Governor  
Shelly Hurdley – Early Years Representative  
Alan Parkhurst – Primary Headteacher  
Michael Revell – Primary Governor  
Mark Rogers – Primary Headteacher  
Philip Sell – Diocese Of Hereford

#### Members

Cllr David Minnery  
Cllr Nick Bardsley

#### Officers

Julia Dean  
Gwyneth Evans  
Jo Jones  
Chris Mathews  
Neville Ward  
Stephen Waters  
Helen Woodbridge (Minutes)

#### Observers

Roger Evans

### 1. Apologies

Apologies had been received from John Eglin, Colin Hopkins, Peter Johnstone, Geoff Pettengell, Philip Poulton, Kay Redknapp, Karen Bradshaw, Phil Wilson and Gareth Proffitt

**ACTION**

### 2. Minutes and Matters Arising (Paper A)

The minutes were accepted as a true record (subject to the amendment to next year's meetings dates where the year had been entered incorrectly).  
Gwyneth Evans confirmed that the response to the NFFF consultation had been submitted.

**HW**

### 3. National Fair Funding Lobbying

The Chair thanked Gwyneth Evans for her work on developing and submitting the response paper which gave the message that overall, Schools Forum are not happy with result for Shropshire.  
Mark Rogers provided feedback from his recent visit to the DfE in London (with Alan Doust, Karen Bradshaw and David Minnery). They had talked to Nick Gibb and a panel of civil servants who did listen (there had been delegations from various LAs attending throughout the day). Alan Doust represented rural/sparsity well. Per pupil funding and the 3% floor were covered and Nick Gibb had stated that this government does not intend to reduce deprivation funding. When the delegation had suggested the need for extra funding they had been advised that there is none available.

Mark Rogers confirmed that the projected loss for his school has now increased to

around £100k.

The Chair thanked colleagues who attended the meeting.

Gwyneth Evans advised that details have now been released which confirms that 40 Shropshire schools will have funding floor protection (based on the pupil led element). This amounts to around £1 million funding floor costs for Shropshire. The Chair reported that the CYP Scrutiny Panel had called in NFF consultation. A very thorough session had taken place and subsequently a response had been submitted from members.

The Chair reported that this issue had been widely covered yesterday in the media and at Prime Minister's Question Time. The general view was that there may be issues re NFFF or it may even be put on hold.

David Minnery confirmed that pressure on local MPs is being kept up and that Shropshire MPs are united on this.

The Chair wondered if Alan Parkhurst and Mark Rogers should meet with Daniel Kawczynski to set out their schools' positions as case studies. Mark Rogers confirmed that one of his governors had done so but he would be happy for this to happen as it is a very complicated and confused situation.

John Hitchings agreed that situation is confused. There is more money coming in but a number of issues to take on simultaneously. Large/small schools, deprived/non-deprived area schools, sparsity issues etc.

The Chair suggested a simple question re large non deprived schools asking if that is the effect that was required?

Phil Adams suspected that MPs do not fully appreciate the whole situation eg other financial pressures – pensions, NI, apprenticeship levy.

Roger Evans concurred as he received a letter from an MP which indicates that there is confusion. He suggested that MPs are being briefed by civil servants who also don't understand.

The Chair recognised that there are distinct lobbying areas but he suggested the need to focus on NFFF.

Mark Rogers expressed a concern that Schools Forum may be left with management of a formula for up to three years if the process stalls. He was also concerned that gaps between how areas are funded per pupil may grow.

The Chair suggested that Gwyneth Evans, Mark Rogers etc meet with working group of colleagues to work on a presentation/case studies which focus on schools which are likely to have lowest per pupil funding.

Phil Sell advised that the triple deprivation funding is led from Justine Greening. He reported a commonality in the diocese's response to the consultation. The Bishop has been in touch with MPs and will continue to do so.

Gwyneth Evans was asked about an area cost adjustment analysis but this has not yet been done.

Phil Adams expressed a concern if areas with PFI buildings are receiving extra funding.

GE/MR

#### **4. Strategic Overview of High Needs Block**

Julia Dean gave a presentation – appended.

She thanked the High Needs Working Group for their work on responding to the High Needs Funding consultation.

She advised that there has been a move to a more stable system which is not necessarily fairer. Shropshire would lose out in real terms whereas the majority of West Midlands LAs would gain. Sparsity and small schools have not been considered.

Sabrina Hobbs advised that she had attended a briefing where the audience was told that other services needed to be used.

The Chair asked about health funding of mental health needs. Julia Dean advised that she was working with health on this as sometimes health funding finishes and

education/social care are left with consequences.

Phil Adams asked about 6 day exclusion. Julia Dean advised that they access high needs funding because they become high needs when excluded (although they are not necessarily SEN).

Julia Dean was asked why the exclusion rate is so high - almost double? She confirmed that this is a national trend and spoke of the need for schools to be careful in case SEN pupils are being discriminated against.

There was concern that needs are not being met in secondary schools. The impact is that the LA have had to commission more places at Woodlands and TMBSS.

Sabrina Hobbs advised that needs are becoming more complex and fewer services are available.

Chris Mathews confirmed that CPG would be the forum to discuss these issues.

However, secondary schools need to look at this as Shropshire's performance is not as good as it could be.

Headteachers wondered if there was a tendency to exclude prior to January caused by the pressure re attainment.

David Minnery asked about the level of statements/EHCP asking why it is much higher in Shropshire.

Julia Dean advised that the thresholds are not quite right between Statement/EHCP and SEN support. This is because to get extra funding, schools have had to go through the statement/EHCP process. She advised that Shropshire LA is considering following a graduated pathway which includes social care and health.

This approach should lower the number of pupils using TMBSS and Woodlands.

Mark Rogers suggested that sometimes due to parent pressure EHCPs are applied for, refused but then given at appeal. It is then difficult for school to stop funding at a future point a bubble is created round a child that is not helpful.

Julia Dean confirmed that a streamlined speedy process is the aim.

Phil Adams advised that schools sometimes receive children who have needs that have not been recognised.

Sabrina Hobbs spoke of the growth in MLD – level of ability has increased leading to more specialists becoming involved. As the biggest SEN school in country with 300 staff additional costs are massive and a £300k deficit is projected. She confirmed that she is in favour of a graduated pathway.

Julia Dean confirmed the intention to start a pilot which will stay in place, progress and be refined.

Schools Forum members were in support of this. The Chair highlighted the need to ensure that funding would not be adversely affected.

Mark Rogers thought that this would be dependent on branding and need may swamp the system. The children who either just got EHCPs or just missed EHCPs need to be involved.

Julia Dean's initial thoughts are that it would be an annual request. The High Needs Task and Finish Group will plan this.

John Hitchings suggested a corrective system which is fluid enough to meet needs when needed. He added that it is hard to employ staff in a time limited system.

Shelly Hurdley advised that recently there has been a huge increase in high needs pupils - four have gone to Severdale. There is a lack of support from an EY SENCo and a voice is needed on the High Needs Forum. Shelly Hurdley was persuaded to join.

Neville Ward advised of pressure within EY SEN budgets. The LA is expected to support with no or very little extra funding. There are a number of settings which parents recognise as first choice for their SEN children – this adds pressure to these settings

Julia Dean advised of a preferred provider list and that her service has provided training so that children can remain within local community.

Neville Ward recognised difficult decisions re funding at an early stage when needs

are not confirmed. Short term funding would be an advantage.

Julia Dean explained that once a child is admitted to Severndale, it is hard to move them out.

Sabrina Hobbs advised of a structured programme being put in place which is time limited with parents so they expect their child to move out. There are struggles with some parents but there have been two successful moves to mainstream this year. Schools Forum thanked Julia Dean for her presentation.

## **5 Dedicated Schools Grant Monitoring**

Stephen Waters went through his report. Detail re three/four year old funding will be brought to the next meeting. Gwyneth Evans added that this budget is still only provisional until the summer term actuals and should increase.

Neville Ward added that the hourly rate won't change next year so need to manage budget centrally.

It was confirmed that the school condition survey will use some of the underspend on 1.4.6.

Mark Rogers was concerned that the average Shropshire head would not understand this budget. This matters because of academisation considerations and the need to understand what any top slice includes – he suggested a need to revisit decisions made.

It was agreed that the quality of monitoring reports is much better.

The Chair advised that Phil Wilson will be asking for detailed work from officers for 8 June meeting. Need for schools to know cost of traded services for that meeting.

Mark Rogers – SLAs (or converted to SLA) are relatively simple. Other issues are more complicated eg redundancies, maternity insurance, 10% growth fund. The Chair agreed that this will be added to the planning for June.

## **6 Communications**

Lobbying continues.

## **7 Next meeting**

The next meeting will be held on Thursday 8 June 2017

**The meeting closed at 10.55 am.**

**Future meetings (please diary):**

|                               |       |                |
|-------------------------------|-------|----------------|
| 14 September 2017             | 08.30 | STDC, Monkmoor |
| 2 November 2017               | 08.30 | STDC, Monkmoor |
| 7 December 2017               | 08.30 | STDC, Monkmoor |
| 18 January 2018               | 08.30 | STDC, Monkmoor |
| 1 February 2018 (provisional) | 08.30 | STDC, Monkmoor |
| 22 March 2018                 | 08.30 | STDC, Monkmoor |
| 7 June 2018                   | 08.30 | STDC, Monkmoor |





## Schools Forum

Date: 8 June 2017

Time: 8:30 a.m.

Venue: Shrewsbury  
Training and Development  
Centre

Paper

# B

Public

## Central Retention of Dedicated Support Grant for Former Education Services Grant Funded Services From April 2018

**Responsible Officer** Phil Wilson

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### Summary

Schools Forum received a report on 19 January 2017 on the central retention of Dedicated Schools Grant (DSG) in 2017-18, to provide continued support to maintained schools resulting from the removal of general duties Education Services Grant (ESG) funding from the local authority from September 2017. Forum approved a number of recommendations, including the top-slicing of, and de-delegation from, maintained school budgets.

The recommendations were approved, on the basis that the financial year 2017-18 was accepted as a transitional year, in order to secure continuity of provision of education support services for maintained schools. It was made clear that further work would be undertaken on a service-by-service basis, involving the wider school community, to determine the best way forward for Shropshire schools in future years. The expectation is that the central retention of DSG will be minimised and services in receipt of top-slice/de-delegated funding in 2017-18 will seek to secure this funding in 2018-19 and future years through trading with schools.

This report provides information on the planned approach to this work over the next two half terms, with a view to coming back to Schools Forum in the second half of the Autumn term with recommendations on how the support services currently funded through centrally funded DSG will be delivered in 2018-19.

### Recommendations

Schools Forum consider and agree the planned approach to engaging the wider school community on the future delivery of support services, currently funded through centrally retained DSG, from April 2018 onwards.

## REPORT

### Background

1. Schools Forum considered a report, at their meeting on 24 November 2016, on the Government's planned changes to the ESG in 2017-18, in particular the removal of the general duties ESG from local authorities from September 2017. The report was produced prior to a number of anticipated Government announcements in December 2016, including:
  - details on the statutory responsibilities coming under the retained and general duties elements of the ESG
  - guidance on securing Schools Forum approval to retain DSG for support services previously funded through general duties ESG
  - the transitional protection arrangements - April to August 2017 - for the general duties ESG
  - information on the new school improvement monitoring and brokerage grant for local authorities.
2. A Schools Forum Task & Finish Group were given delegated authority at the meeting to work through the detail of the planned changes. The group met in December 2016 and January 2017. The lateness of the Government announcements allowed little time for local authority officers, the Task & Finish Group and Schools Forum to undertake the detailed work necessary to properly assess the impact of the planned changes. Equally this allowed no time to formally consult with the wider school community, in particular maintained schools, who would be directly affected by the proposals.
3. Schools Forum considered and approved, at their meeting on 19 January 2017, a number of proposals and key recommendations on how the loss of grant funding from the removal of general duties ESG could be addressed and provide continued provision of support services to maintained schools. Given the significance and importance of these decisions, a briefing session was held for headteachers and chairs of governors (or finance) of all Shropshire schools and academies on 8 February 2017 at the Lord Hill Hotel in Shrewsbury.
4. The decisions taken by Schools Forum on 19 January 2017 are summarised as follows:
  - to continue to centrally manage the retained duties ESG allocation of £570,000
  - to transfer released central DSG funding into the Individual Schools Budget for both maintained schools and academies
  - to top-slice and retain the transferred funding of £330,000 for maintained schools, allocating £300,000 to a **redundancy fund** and £30,000 to support statutory **finance functions** for maintained schools
  - to top-slice £150,000 from maintained school budgets to 'top-up' the **redundancy fund** for maintained schools to a total of £450,000
  - to top-slice £100,000 from maintained school budgets to support statutory and regulatory duties in respect of **human resources and health & safety**, not currently met through service level agreements (SLAs)
  - to top-slice £255,000 from maintained school budgets to support the statutory duties in relation to **education welfare and inclusion**

- to de-delegate £200,000 from school budgets to secure additional funding, over and above the new Government grant, for **school improvement services** - £189,190 from primary maintained schools and £10,810 from maintained secondary schools.
5. The impact of the Forum decisions in 2017-18 on maintained primary and secondary schools was a cost of £36.75 per pupil through the top-slicing, and £10.94 per pupil (maintained primary) and £2.26 per pupil (maintained secondary) through the de-delegation.
  6. The decisions were taken based on the best information available at the time and with consideration to the impact on maintained schools, noting that the changes in the funding of support services would impact from September 2017, part way through the financial year. Forum were asked to consider the financial year 2017-18 as a transitional year, to take into account the merits in securing continuity of provision of support services for maintained schools, and to note that further work on a service-by-service basis would be undertaken with the wider school community to determine the best way forward for Shropshire schools from April 2018 onwards.

### **Engagement with the Shropshire school community**

7. The key areas in which a dialogue with Shropshire schools is required is in respect of:
  - the future of a centrally retained redundancy fund on behalf of maintained schools beyond April 2018
  - the options for meeting the future costs of statutory human resources and health & safety support to maintained schools, previously funded through the general duties ESG, including through the service specific SLAs
  - moving to a fully traded provision of education welfare and inclusion from April 2018, providing a package of support via SLAs
  - a different model of securing school improvement services, including core statutory support, primarily through a traded model, subsidised through the Government grant funding for maintained schools (equivalent to an indicative £1,884 per school).
8. The backdrop to the dialogue with schools is important. The policy direction at the time of writing is towards full academisation, the removal of general duties ESG and the expectation that school improvement provision will be met by schools and not the local authority by 2019-20. The outcome of the general election won't be determined until 9 June and so the Government policy objectives and direction may change. The dialogue with schools will therefore need to take into account of the outcome of the general election and will need to reflect any changes to funding and/or education policy that impact on the provision of statutory support services to maintained schools.

9. The outline plan for engaging with schools is:
- Primary Headteacher Briefings 20/21/22 June – presentation of the issues and opening dialogue with schools to gauge and assess the initial views of maintained schools, informing the design and development of proposals for 2018-19 (there are no Secondary Headteacher Briefings diaried in the second half of the Summer term and so headteachers in maintained secondary schools will be contacted directly, given the small numbers involved)
  - Based on initial feedback from the briefings and follow-up contacts with schools, officers to develop proposals for presenting to schools in the early Autumn term
  - Primary Headteacher Briefings 26/27/28 September, Secondary Headteacher Briefing on 5 October and Chairs of Governor Briefings on 12/14 September – presentation of finalised proposals and, where appropriate, costed SLAs down to the individual school level
  - Schools Forum meetings on 14 September and 2 November – the first meeting will provide an update on the proposals presented to schools, while the second meeting will include a report with recommendations and seeking approval for the planned delivery and funding of services for maintained schools in 2018-19, currently funded through centrally retained DSG.
10. The planned engagement with schools will be used to discuss the future provision of support from the Multicultural Development Team, currently secured on behalf of maintained schools from Telford & Wrekin through an annual SLA, at a cost of £60,000. In 2017-18 the SLA pays for an assessment visit plus up to 5 x 1 hour teaching visits for 90 pupils who are new to English/new to the UK (at Reception and Key Stage 1 it is 3 x 1 hour teaching visits). The dialogue with schools will explore the delegation of this funding to maintained schools and moving to a fully traded arrangement from April 2018.
11. Schools Forum are asked to consider and comment on the planned approach to engaging with schools on the future delivery of statutory education support services to maintained schools, currently funded through centrally retained DSG, together with the continued central funding of support from the Multicultural Development Team.



## Schools Forum

Date: 8 June 2017

Time: 8:30 a.m.

Venue: Shrewsbury  
Training and Development  
Centre

Paper

# C

Public

## School Balances as at March 2017

**Responsible Officer** Gwyneth Evans

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### Summary

This report analyses the actual levels of individual local authority maintained schools' balances at March 2017 and compares these with the previous year's position.

### Recommendation

This report is for information only. It provides information on the actual levels of individual local authority maintained schools' balances as at 31 March 2017.

## REPORT

### Background

1. Schools' surplus balances at the end of each financial year are carried forward and earmarked specifically for each individual school's use.
2. Deficit balances are also carried forward and set against the individual school's budget for the following year except where a school becomes a sponsored academy. In these instances any deficit remains with the local authority. Any school planning a deficit budget has to agree a licensed deficit arrangement with the local authority stipulating how and when the school will move out of a deficit position.
3. All such requirements are contained within Shropshire's approved Scheme for the Financing of Schools. The Scheme includes a schools' balance control mechanism, as agreed by Schools Forum, which requests the local authority report on, control and claw-back, where appropriate, schools' excessive surplus balances. This is a mechanism to remove excessive balances from schools where they cannot demonstrate that they are properly assigned. Any such claw-back of balances is recycled within Shropshire's overall Schools' Budget.

## Actual levels of schools' balances as at 31 March 2017

4. The overall level of school balances held by maintained schools in Shropshire has reduced over the last financial year by £873,637 (12%) to a total balance of £6,277,004.
5. Appendix A sets out detailed school by school information on the levels of individual schools' balances. The data is presented in order of percentage size of balance compared to the total school revenue funding, as used in the control on balances mechanism.
6. A summary of Appendix A is given in the table below:

|  | March 16<br>Number of<br>Schools | Balance<br>March<br>2016<br>£ | March 17<br>Number of<br>Schools | Balance<br>March<br>2017<br>£ | Variance   |      |
|--|----------------------------------|-------------------------------|----------------------------------|-------------------------------|------------|------|
|  |                                  |                               |                                  |                               | £          | %    |
| <b>Primary Schools</b>                     |                                  |                               |                                  |                               |            |      |
| In Deficit                                 | 4                                | -186,235                      | 4                                | -8,495                        | 177,740    | -95% |
| In Surplus                                 | 114                              | 6,812,910                     | 108                              | 5,976,338                     | -836,572   | -12% |
| Net Total                                  | 118                              | 6,626,675                     | 112                              | 5,967,843                     | -658,832   | -10% |
|  |                                  |                               |                                  |                               |            |      |
| <b>Secondary (inc All-Through) Schools</b> |                                  |                               |                                  |                               |            |      |
| In Deficit                                 | 3                                | -690,964                      | 2                                | -482,689                      | 208,275    | -30% |
| In Surplus                                 | 5                                | 1,119,110                     | 5                                | 789,799                       | -329,311   | -29% |
| Net Total                                  | 8                                | 428,146                       | 7                                | 307,110                       | -121,036   | -28% |
|  |                                  |                               |                                  |                               |            |      |
| <b>Special Schools</b>                     |                                  |                               |                                  |                               |            |      |
| In Deficit                                 | 1                                | -3,207                        | 1                                | -11,375                       | -8,168     | 255% |
| In Surplus                                 | 1                                | 99,027                        | 1                                | 13,426                        | -85,601    | -86% |
| Net Total                                  | 2                                | 95,820                        | 2                                | 2,051                         | -93,769    | -98% |
|  |                                  |                               |                                  |                               |            |      |
| <b>All Schools</b>                         |                                  |                               |                                  |                               |            |      |
| In Deficit                                 | 8                                | -880,406                      | 7                                | -502,559                      | 377,847    | -43% |
| In Surplus                                 | 120                              | 8,031,047                     | 114                              | 6,779,563                     | -1,251,484 | -16% |
| Net Total                                  | 128                              | 7,150,641                     | 121                              | 6,277,004                     | -873,637   | -12% |

7. During the financial year 2016-17, one all-through school and 6 primary schools transferred to academy status. This takes the total number of Shropshire maintained schools from 128 at March 2016 to 121 at March 2017.

### Surplus Balances

8. Overall surplus balances have reduced by £1,251,484 (16%) during the year. The reduction in overall surplus balances relates to all sectors.
9. Primary school surplus balances have reduced over the year by £836,572 (12%), secondary school surplus balances have reduced by £329,311 (29%) over the

year and special school surplus balances have reduced by £85,601 (86%) over the year.

### **Deficit Balances**

10. Overall deficit balances have reduced by £377,847 (43%), this follows a 35% reduction to deficit balances in 2015-16. Deficit balances have reduced in both the primary and secondary sectors but have increased slightly in the special sector.
11. Primary school deficit balances reduced overall by £177,740 (95%) over the 2016-17 financial year. The number of primary schools in deficit remained at four although one school's deficit balance was as a result of outstanding Early Years funding which was not identified until after the closedown of accounts process. The school's balance would have been recorded as a small surplus had the Early Years funding been accounted for correctly.
12. Of the four schools in deficit at March 2016, two fully repaid their deficits and two converted to academy and hence will take their deficit balances with them.
13. One of the academy convertors has requested the Education and Skills Funding Agency (ESFA) review the deficit balance determined by the local authority. The outcome of the review is expected by the middle of June.
14. The four primary schools in deficit at March 2017 held surplus balances at the end of the previous year. As explained above, one school's deficit balance is a result of un-accrued income. The other three primary schools moved into a deficit position without the agreement of the local authority. One of these converted to an academy on the 1 April 2017 and will take their deficit balance with them. Appropriate action is being taken with the remaining two maintained primary schools with unlicensed deficits.
15. Secondary school deficit balances reduced overall by £208,275 (30%) over the year. The number of secondary schools in deficit reduced from three at March 2016 to two at March 2017. One secondary school moved from a deficit balance to a surplus whilst the two secondary schools remaining in deficit both reduced their deficits in year.
16. The local authority continues to require schools with deficit balances to report their financial position to the local authority on a termly basis. Termly monitoring meetings are held between the local authority's School Funding Policy Officer and the schools. As and when necessary, headteachers, school business managers and chairs of governors/chairs of finance are called in to meetings with the Commissioner for Education Improvement and Efficiency.

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## Schools Forum

Date: 8 June 2017

Time: 8:30 a.m.

Venue: Shrewsbury  
Training and Development  
Centre

Paper

# D

Public

## Control on Surplus Balances

**Responsible Officer** Gwyneth Evans

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### Summary

Shropshire's Scheme for the Financing of Schools includes a balance control mechanism as agreed with Schools Forum.

Local authority maintained schools holding surplus revenue balances above the threshold levels (8% primary and special schools, 5% secondary schools) for the past three consecutive years are subject to the control on balances mechanism.

Any balances clawed back are recycled within the overall Schools Budget for the benefit of Shropshire pupils.

### Recommendation

This report is for information only and details the individual school balances subject to the control on balances mechanism at March 2017.

## REPORT

1. Individual local authority maintained schools holding surplus revenue balances above the threshold levels for the past three consecutive years were notified in September 2016 that the local authority, in line with Shropshire's Scheme for the Financing of Schools, would claw-back any remaining revenue balance above the threshold level at the end of the financial year 2016-17. This notification followed 'early notification' letters sent to the relevant schools in September 2015.
2. It is recognised by the local authority that there may be some exceptional circumstances that require schools to retain a revenue balance above the prescribed threshold levels. The local authority has taken exceptional circumstances into account where appropriate.

3. A schedule of the schools subject to the claw-back mechanism at the end of the financial year 2016-17 and the allowed exceptional circumstances, where agreed, is detailed in Appendix A to this report.
4. A balance of £9,212 was clawed back from one Shropshire maintained school at the end of the 2016-17 financial year and will be recycled for the benefit of other Shropshire maintained schools.
5. The following table shows the number of schools holding surplus balances above their threshold level for three consecutive years. Claw-back is applied at the end of the following year if the school has not spent the balance or had approval to hold it as an exceptional circumstance.

|  | March 2013 | March 2014 | March 2015 | March 2016 |
|--|------------|------------|------------|------------|
| Primary                                | 2          | 12         | 11         | 21         |
| Secondary                              | 0          | 0          | 0          | 1          |
| Special                                | 1          | 0          | 0          | 0          |
| <b>Total</b>                           | <b>3</b>   | <b>12</b>  | <b>11</b>  | <b>22</b>  |
| Shropshire Maintained Schools Balances | £4.3m      | £5.6m      | £4.4m      | £7.2m      |

6. Of the 22 schools holding surplus balances above their control on balances threshold level for three consecutive years as at 31 March 2016, eight primary schools did not reduce their surplus balance to below the threshold level by March 2017 and were therefore subject to claw-back.
7. Seven of the eight primary schools put forward cases for exceptional circumstances which were agreed by the local authority. A brief summary is included in Appendix A.
8. One school did not put forward a case for exceptional circumstances. However an adjustment relating to a late reimbursement of sickness insurance was agreed and an adjusted balance of £9,212 was clawed back. This balance will be recycled for the benefit of all Shropshire maintained schools. This was the sixth consecutive year that the school had held a surplus balance above the 8% threshold level. Exceptional circumstances had been granted on two previous occasions.
9. There are 16 primary schools subject to the claw-back mechanism in 2017-18.



## Schools Forum

Date: 9 June 2016

Time: 8:30 a.m.

Venue: Shrewsbury  
Training and Development  
Centre

Paper

# E

Public

## Dedicated Schools Grant 2017-18 Update

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### Summary

The Department for Education (DfE) announced provisional 2017-18 local authority Dedicated Schools Grant (DSG) allocations in December 2016, as reported to Schools Forum on 2 February 2017. On 31 March 2017 the DfE announced updated DSG allocations for the 2017-18 financial year.

This report provides a summary of Shropshire's updated 2017-18 DSG allocation comparing it with the provisional DSG allocation reported to Schools Forum in February.

### Recommendation

This report is for information only.

## REPORT

1. In February 2017 Schools Forum members received a report summarising the 2017-18 funding blocks making up Shropshire's provisional DSG allocation and listing the key financial headlines for each of the blocks.
2. Shropshire's updated 2017-18 DSG allocation was announced on 31 March 2017.
3. A summary of the provisional 2017-18 DSG (as presented to Schools Forum in February 2017) and the latest updated 2017-18 DSG allocation (before recoupment) announced on the 31 March 2017 is shown in the table below.
4. There have been no changes to the total DSG allocation for 2017-18.

|                                    | <b>Initial<br/>DSG<br/>£m</b> | <b>Latest<br/>DSG<br/>£m</b> | <b>Variation<br/>£m</b> |
|------------------------------------|-------------------------------|------------------------------|-------------------------|
| Schools Block                      | 156.259                       | 156.259                      | 0                       |
| Early Years Block<br>(Provisional) | 13.885                        | 13.885                       | 0                       |
| High Needs Block                   | 25.079                        | 25.079                       | 0                       |
| Additions                          | 0.00                          | 0.00                         | 0                       |
| <b>Total DSG</b>                   | <b>195.223</b>                | <b>195.223</b>               | <b>0</b>                |

5. However both the Schools Block and the High Needs Block allocations will be subject to recoupment in relation to academies, Post 16 High Needs places and Pre 16 High Needs places in non-maintained special schools. DSG funding relating to these areas will be recouped from the local authority by the Education Funding Agency (EFA) and passed on to providers by the EFA.
6. The latest Schools Block and High Needs Block allocations following recoupment are shown below.

|                  | Updated DSG<br>2017-18<br>£m | Recoupment<br>2017-18<br>£m | Updated DSG<br>after Recoupment<br>2017-18<br>£m |
|------------------|------------------------------|-----------------------------|--|
| Schools Block    | 156.830                      | 52.190                      | 104.640  |
| High Needs Block | 25.079                       | 4.838                       | 20.241   |

7. The Schools Block recoupment relates to the budget shares, calculated through Shropshire's local funding formula, of 29 Shropshire academies. One Shropshire academy's recoupment figure has been omitted in error by the EFA, this will be corrected in the next update of the 2017-18 DSG.
8. The High Needs Block recoupment relates to pre and post 16 high needs place funding for Severndale academy, pre 16 high needs place funding for Kettlemere based at Lakelands academy, post 16 high needs places at mainstream academies and maintained schools in Shropshire and, new for 2017-18, Post 16 high needs places in Commercial and Charitable Providers (CCPs) and Further Education (FE).



## Schools Forum

Date: 8 June 2017

Time: 8:30 a.m.

Venue: Shrewsbury  
Training and Development  
Centre

Paper

# G

Public

## 10% Pupil Growth Contingency

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### Summary

Shropshire's local funding arrangements for maintained schools have included for many years a pupil growth contingency where a school's funded number on roll increases significantly in-year.

Following the national funding reforms introduced in 2013-14 this contingency budget is delegated to all Shropshire schools. Maintained schools, through Schools Forum, agree the de-delegation of this budget to be managed centrally on their behalf on an annual basis.

The pupil growth contingency is applied consistently based on a 10% increase to a school's funded number on roll. The introduction of using the October school census data as the basis for allocating funding for the following financial year led to the inclusion of a reception uplift in a school's funded number on roll. A school's reception uplift is based on the previous year's deferred entry of reception pupils.

The inclusion of the reception uplift in the funded number on roll has led to a request from a school to review the use of the funded number on roll as the baseline for the 10% growth trigger.

### Recommendation

That Schools Forum members consider the current 10% pupil growth contingency policy in particular the use of the funded number on roll including the reception uplift as the basis for determining the baseline for the increased number on roll, and agree the policy to be applied for 2017-18 and onwards.

## REPORT

### Background

1. Shropshire's local school funding arrangements have included a pupil growth contingency for many years. Originally based on a 5% increase to a school's funded number on roll it was amended to a 10% increase several years ago to maximise the delegation of funding to schools and limit the need to hold funding centrally.
2. In line with the requirements of the national school funding reforms introduced in 2013-14 this contingency budget is now delegated to all Shropshire schools. Maintained schools, through Schools Forum, agree the de-delegation of this budget to be managed centrally on their behalf on an annual basis.
3. Additional funding is triggered from the date of the notification to the local authority by the school that the number on roll increase has been triggered. Additional funding is provided to the school based on the reasonable additional costs incurred by the school as a result of the additional pupils, to a maximum of what the funding formula would have provided on a pro rata basis, taking into account any minimum funding guarantee (MFG) already received. This ensures fairness of funding levels across schools and limits the amount of funding de-delegated from school's budgets.
4. Guidance notes on the application of the current pupil growth contingency arrangements are attached as Appendix A to this report.

#### **Pupil growth contingency arrangements and the use of the funded number on roll**

5. The pupil growth contingency has historically used a school's funded number on roll as the baseline from which to determine the number on roll growth achieved by a school.
6. Prior to 2013-14 a school's funded number on roll was based on the January school census immediately preceding the start of the financial year. From 2013-14 the school census used for calculating funding for the following financial year was moved from the preceding January to the preceding October. This enabled school budget shares to be calculated and notified to schools earlier. However, unlike the January school census, the October school census did not include any reception pupils that deferred entry to the start of the spring term. To compensate for this the government added a reception uplift to the October census data used to calculate the following financial year's individual school budget shares. The reception uplift is based on the previous year's deferred reception pupils.
7. Therefore, since 2013-14 a school's funded number on roll is calculated as the total of the October census number on roll plus the previous year's deferred reception pupils as an estimate of the current year's deferred reception pupils.
8. The use of the funded number on roll to determine the 10% pupil growth rather than the actual October census number on roll has been challenged by a Shropshire maintained school. The table below illustrates the point at which contingency funding would be triggered under both methods.

|                       | October Census | Reception Uplift | Funded Number on Roll | 10% | Number on Roll needed to trigger contingency |
|-----------------------|----------------|------------------|-----------------------|-----|--|
| Funded Number on Roll | 55             | 2                | 57                    | 6   | 63   |
| Census Number on Roll | 55             |                  |                       | 6   | 61   |

9. Schools Forum are asked to consider the current pupil growth contingency arrangements, in particular the use of a school's funded number on roll, including reception uplift, as the baseline for determining a 10% increase, and agree the policy for 2017-18 and beyond.

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## 10% Contingency Payment

School specific contingencies are payable in the following situations and against the rules described.

- **Increase in full time pupil numbers in primary schools**

This requires an increase of 10% or greater on the number of pupils used to calculate the current year budget. As soon as an increase, large enough to meet this requirement occurs, schools must notify the School Funding Team on 01743 253876. The contingency payment (if applicable) is then for the periods shown in the table below.

| Notification Date | Contingency Allocation | Notification date | Contingency Allocation |
|-------------------|------------------------|-------------------|------------------------|
| Nov to March      | April-August           | October           | October-March          |
| April             | April-August           | November          | November-March         |
| May               | May – August           | December          | December-March         |
| June              | June-August            | January           | January-March          |
| July              | July                   | February          | February-March         |
| August            | Nil                    | March             | March                  |
| September         | September – March      |                   |                        |

Schools with summer term contingency allocations that sustain numbers to qualify for a contingency payment from the start of the autumn term, will receive funding to include September to March.

Schools will need to provide the LA with details of need for additional funding resulting from the additional pupils. Once this has been received, and the actual number on roll has been confirmed the contingency payment due will be calculated and paid. Please be aware that where a school is in receipt of minimum funding guarantee (MFG) this will be deducted from any contingency due. This is to ensure fairness of funding levels across schools and allows maximum delegation.

Further contingencies within an April to August or September to March period are possible but the 10% requirement would be based on a NOR that includes those pupils that generated the previous contingency.

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