



information was always reaching chairs of governors. It was agreed that information would be sent to chairs of governors as well as headteachers wherever possible. JHi stressed the importance of communication throughout this process. GP from the Council's Communications Team was in attendance and would be in attendance at all future meetings of the group.

PW

PA raised the issue of being the only secondary headteacher on the group. Although PP had been invited onto the group he was not able to attend the meetings and it was agreed that Hilary Burke or Pete Johnstone (secondary headteacher representatives on Schools Forum) should be invited to future meetings.

PW advised the group that there was very little information available currently around the timescale for the introduction of the new national fair funding formula. The Department for Education (DfE) are publishing a consultation in December but this is not expected to include any details of what a new national formula may look like and how soon it will be fully implemented.

PW

### **Initial Budget Projections – 2013-14 to 2018-19**

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It was agreed by the group that financial modelling data presented to the group was highly confidential and papers would be collected in at the end of the meeting.

#### **Assumptions Made**

RC took the group through a paper detailing the assumptions that had been taken when calculating future years budgets for individual schools. The minimum funding guarantee (MFG) and its impact on schools budgets was explained to members of the group less familiar with the details of school funding. The group was reminded that the MFG is currently set at minus 1.5% per pupil and will continue at this level for 2014-15. However the Government has not yet announced the level of MFG in future years. The MFG is a per pupil protection and **does not protect schools against a reduced budgets due to falling rolls**. The budget projections to be presented to the group at this meeting assumed MFG at minus 1.5% through to 2018-19. It was agreed by the group that further models would need to be considered showing the impact if MFG is phased out over a number of years. CE explained that the MFG means that the full implementation of a new formula can take several years to achieve. CH commented that a new national formula may bring, for example, additional sparsity funding which could create a completely different position for many Shropshire schools. KM raised the issue of the new SEN code of practice and asked how this may impact on the current methodology for allocating SEN funding. CD replied that there was still very little clarity about how the new health, education and care plans would work. CD reminded the group of the increasing pressure on the High Needs Block of the Dedicated Schools Grant (DSG).

## Number on Roll (NOR) Estimates

RC presented the group with the following estimates of pupil numbers in the primary and secondary sector to 2018-19.

	2013-14 NOR (Actual)	2014-15 (Est NOR Variation to Prev Yr)	2015-16 (Est NOR Variation to Prev Yr)	2016-17 (Est NOR Variation to Prev Yr)	2017-18 (Est NOR Variation to Prev Yr)	2018-19 (Est NOR Variation to Prev Yr)	Cumulative Variation from 2013-14
Primary	19,844	+52	-151	-50	-165	-165	-479
Secondary	15,445	-390	-266	-287	-122	-82	-1147
<b>Total</b>	<b>35,289</b>	<b>-388</b>	<b>-417</b>	<b>-337</b>	<b>-287</b>	<b>-247</b>	<b>-1626</b>
Loss of DSG based on 2013-14 funding levels		-£1.39m	-£1.71m	-£1.38m	-£1.18m	£-1.01m	-£6.68m

These estimates of future NORs are based on known children and do not build in any potential increases from additional housing. There was much discussion around whether the effect of additional housing should be factored in to these estimates but the general feeling was that new housing brought very few additional school age children. At this stage the data modelled would not include any potential impact on NOR from additional housing.

## Detailed Modelling for Consideration Secondary Schools

RC presented the group with details of individual secondary schools' future estimated NORs and the corresponding variation in estimated budget shares for future years to 2018-19.

Discussion followed around the size of a secondary school below which it becomes unsustainable. Is there a threshold? CD recalled Schools Forum looking at this several years ago. A curriculum-led model had been found to be unaffordable. JS asked whether a costing exercise could be done around a secondary schools core offer and there was discussion around what the core offer is. There is less vocational options now. Although not part of the figures considered, the group needs to be aware of 16-19 provision. The effect of parental choice particularly in Shrewsbury can impact on the estimates of future years NORs. Some schools are putting money into marketing to attract additional pupils.

BD stressed that secondary headteachers need to be aware of the estimated NOR reductions and corresponding reductions in budget shares. Headteachers may want to consider how a cluster of schools can deal with likely future changes.

KM raised the issue over the accuracy of the NOR estimates. JHi reminded that the group that the Independent Policy Commission had recognised the local authority's NOR planning tool as very effective.

## Primary Schools

RC presented the group with details of individual primary schools' future estimated NORs and the corresponding variation in estimated budget shares for future years to 2018-19. BD asked whether individual schools had access to this information. CH confirmed that pupil number projections for the next 5 years are sent to schools annually. Financial projections based on these NORs are not provided routinely. BD suggested schools should have access to training that would support them in planning. KM felt that future falling rolls isn't on many schools radar currently.

PA stated that because of the current MFG protection many schools may believe there is no issue with funding. PI stressed the need for reliable data and the engagement of governing bodies.

PA left the meeting at this point.

CH pointed out that the data demonstrated how the estimated reduction in pupil numbers is across the board. Only 4 schools are expected to see pupil numbers reduce to below 30 by 2018-19.

## Actions

- It was agreed that secondary headteachers would consider school size, the core entitlement and how this might work.
- It was agreed that data should be shared with schools. Schools to be asked to confirm 'accuracy' of current estimates of future numbers on roll early in the spring term before any impact on budget shares is shared.
- Information to be presented to the group showing numbers of schools in size bandings.
- It was agreed a costing exercise on a primary school sustainability threshold needs to be undertaken.
- It was agreed that levels of individual school deficits should also be considered.

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## 6. Sparsity

A discussion paper from F40 had been circulated to the group. The general view was that it was not a good paper

CD presented maps for the Shropshire primary and secondary schools, showing each school in Shropshire and its proximity to other schools around it. This information will be considered further at the next meeting of the group.

**The meeting closed at 11.00am**