



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

**Committee:
Schools Forum**

Date: Thursday, 24 November 2016

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
Nicholas Bardsley
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** (Pages 1 - 4)
- 3 **De-delegation 2017- 2018 (Gwyneth Evans)** (Pages 5 - 18)
- 4 **School Funding 2017 - 2018 (Gwyneth Evans)** (Pages 19 - 24)
- 5 **High Needs and Early Help Task and Finish Groups (Phil Wilson)** (Pages 25 - 36)
- 6 **Apprenticeship Levy (Stephen Waters)** (Pages 37 - 40)
- 7 **Dedicated School Grant Monitoring (Stephen Waters/Julie Dean)** (Pages 41 - 48)
- 8 **Communications**
- 9 **Next Meeting**

Thursday 19 January 2017, 8.30 am, STDC Monkmoor

Future Meetings (please diary)

23 March 2017, 8.30 am, STDC Monkmoor

8 June 2017, 8.30 am, STDC Monkmoor



Schools Forum
Date: 20 October 2016
Time: 8.30 am
Venue: STDC, Monkmoor, Shrewsbury

Item/Paper
A
Public

MINUTES OF SCHOOLS FORUM HELD ON 15 SEPTEMBER 2016

Present

School Forum Members

Bill Dowell (Chair)
Phil Adams – Academy Headteacher
Michael Barratt – Academy Headteacher
John Eglin – Primary Headteacher
Meryl Green – 16-19 Representative
John Hitchings – SSGC
Sabrina Hobbs – Special/Academy Headteacher
Sandra Holloway – Primary Governor
Pete Johnstone – Secondary Headteacher
Alan Parkhurst – Primary Headteacher
Geoff Pettengell – Academy Headteacher
Kay Redknap – TMBSS
Mark Rogers – Primary Headteacher
Phillip Sell – Diocese of Hereford
Joy Tetsill – Secondary Governor
Ruth Thomas – 16 -19 Representative

Members

Cllr David Minnery
Cllr Nick Bardsley

Officers

Karen Bradshaw
Phil Wilson
Julia Dean
Gwyneth Evans
Neville Ward
Stephen Waters
Jo Jones
Tina Russell
Helen Woodbridge (minutes)
Rob Carlyle (brief appearance)

1. Apologies

Apologies had been received from Jean Evanson, Phil Poulton, Gareth Proffitt and Geoff Renwick.

2. Election of Chair

Karen Bradshaw advised that there had been one nomination for chair. Schools Forum unanimously appointed Bill Dowell as Chair for a further year. It was agreed that John Hitchings would continue as Vice Chair.

The chair welcomed Meryl Green and Jo Jones to School Forum.

The chair thanked Rob Carlyle for the work he had carried out to support schools and Schools Forum.

3. Minutes and Matters Arising (Paper A)

The minutes were agreed as a true record. Gwyneth Evans confirmed that signed SFVS returns for 2015-16 had now been received from all schools and this has been reported to the DfE.

ACTION

4. School Funding 2017-18 (Paper B)

Gwyneth Evans went through the report.

At point 8 she clarified that Shropshire do not currently use the Post 16 factor so this will not make any difference, and, that as only around £200k is allocated on IDACI this change will be minimal.

She advised that a briefing will be sent to schools shortly after this meeting.

GE

Schools Forum noted the revised timescale.

Schools Forum agreed that the proposed new budget layout was acceptable.

5. Dedicated Schools Grant (DSG) 2016-17 Update and Final 2015-16 Early Years Block Adjustment (Paper C)

Gwyneth Evans went through the report which was for information only.

6. Early Year National Funding Formula Consultation (Paper D)

Neville Ward went through the report and advised that there had been growing concerns from providers about inadequate levels of funding.

He was generally positive about the proposals but expressed some concerns around the sustainability of rural providers.

Mark Rogers suggested that Early Years funding is more confused than funding for schools.

Neville Ward agreed and confirmed that providers are not given an annual budget – their funding is based on termly take up. Hopefully the new formula will iron out some of the funding differences.

Schools Forum members recognised the need for local decision making but Neville Ward did not think that this would be an option under the new formula.

Nick Bardsley asked for clarification around why the rate differed more for 3/4 year old funding whereas there is a much narrower gap for 2 year old funding.

Neville Ward advised that this is because the 3/4 year old funding has been in place for longer and rates have grown apart over time.

Neville Ward was pleased that there would be an increase in funding but cautioned that Shropshire would remain as one of the lowest funded LAs.

John Eglin asked about the professional qualification requirement.

Neville Ward advised that there had been lobbying re this as there had been an increase in qualifications and a raising of the profile but no more funding. Therefore some leaders are moving from the private to the maintained sector.

This formula is the DfE's attempt to address the issues.

Phil Adams was concerned that one size will not fit all and there will need to be considerations re rurality.

PW advised of a stakeholder/officer group to consider the implications of the new formula (once the outcomes of the consultation are published) and Schools Forum members agreed to contact Neville Ward if they were interested in participating.

Progress will be reported at the next Schools Forum meeting.

All
NW

7. High Needs and Early Help Task and Finish Groups (Paper E)

Phil Wilson presented this item. The complexity of the issues was acknowledged. It was clarified that the funding to support Young Carers and Enhance projects would be from the £592k identified at budget line 1.4.1 (as has been the case in recent years).

John Eglin confirmed that both these services are appreciated by schools.

John Hitchings reminded Schools Forum of the need for transparency.

Mark Rogers asked how this would be treated within the new funding formula.

Gwyneth Evans suggested that it would be from within a Central Schools Block within the DSG.

Mark Rogers wondered if there would be a national list of traded services.
Phil Wilson advised that there will be a list of retained/statutory duties for which the LA receives £15 per pupil.
Mark Rogers suggested sub-bullet points within the budget to clarify areas that are being funded.

Schools Forum noted the minutes from the Task and Finish Groups.

Schools Forum agreed that the Young Carers and Enhance projects should receive the contributions to their costs as per the report.

Continued work of the groups includes:

- Stephen Waters is working on a pupil tracking system so the budget can respond to changes in numbers.
- The commissioning of a review of bandings (which is underway).
- Gaining a clearer understanding and whole picture of the contributions of schools and the contributions of health and social care.
- Ensuring efficiencies are made.

Tina Russell spoke of the importance of the link between the two groups when considering Early Help and children with additional needs/disabilities.

John Eglin suspected that some schools don't use Enhance and suggested that fewer child protection referrals would be needed if Early Help was used more. An Early Help form is required within the EHCP process so processes are entwined. He thought that secondary schools may benefit from Early Help work that is carried out in the primary phase. He reminded colleagues of the duty for Early Help within KCSIE.

Karen Bradshaw clarified that although not statutory there is a requirement to deliver. She added that there is a requirement for savings of £12 million to be found from Children's Services. School Forum recognised that there is a need for joint ownership of Early Help.

Schools Forum will receive a further update in November.

The Chair warned that there may be increased demand and Schools Forum will have some difficult decisions to face.

PW

8. Proposed Recoupment of Academy Conversion Costs (Paper F)

Phil Wilson went through the paper.

Phillip Sell declared a personal interest as being involved in an Education Trust but contributed his experience and cautions. Currently the diocese is not paying (on the advice of the RSC) an LA that has submitted a £6.5k bill, until the bill is itemised. He generally supported the need to charge but felt a need for differing levels.

John Hitchings suggested a business case is required but thought £5k to be fair.

Phil Adams recognised the need to pay but thought the government ought to be paying.

Michael Barratt thought the charge reasonable but warned that in some cases conversion could cost more than £25k. The total cost of solicitors is usually £8-9k.

Pete Johnstone could not help but feel that loyal schools would be penalised.

Joy Tetsill agreed and spoke of the need for transparency around academisation costs.

Geoff Pettengell added that there are a range of costs eg licencing, IT etc and agreed to provide these for Phil Wilson.

John Eglin was worried about any additional burden for small schools.

Schools Forum members were generally in support of this measure. However, there was some discussion about the level of charge and if it needed to be differentiated.

GP

9. Dedicated School Grant Monitoring (Paper G)

Steven Waters went through the paper.

He confirmed that the historic underspend on High Needs is not expected to continue.

Sabrina Hobbs identified the need to factor in free hours for nursery children in 2017-18.

The Chair thanked him for his comprehensive and detailed report.

10 Communications

It was confirmed that David Minnery will be meeting with the local MPs in the near future and would be happy to receive any feedback for them.

The Chair, David Minnery, Nick Bardsley and Karen Bradshaw will be meeting to further discuss some of the issues covered today including funding for Early Help and the proposed recoument from academies.

John Hitchings reported difficulties in getting governors to participate and patchy communications. He asked for any support schools could give with this.

**BD, DM,
KB, NB**

11. Next meeting

The next meeting will be held on Thursday 20 October 2016.

The meeting closed at 10.45 am.

Future meetings (please diary):

24 November 2016	8.30 am	STDC, Monkmoor
19 January 2017	8.30 am	STDC, Monkmoor
23 March 2017	8.30 am	STDC, Monkmoor
8 June 2017	8.30 am	STDC, Monkmoor



Schools Forum

Date: 24 November 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

B

Public

De-delegation 2017-18

Responsible Officer Gwyneth Evans

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Summary

In 2013-14 school funding reforms reduced the number of centrally held budgets within the Schools Block by increasing delegation to maintained schools and academies.

Maintained primary and secondary schools can choose to de-delegate some of these newly delegated budgets subject to a Schools Forum decision by the representatives of each sector. De-delegation is not an option for academies, special schools, nurseries or pupil referral units (PRUs).

Any over or under spends on de-delegated budgets are carried forward to the following financial year.

This report asks Schools Forum to make decisions on de-delegation and centrally retained services for 2017-18.

Recommendation

That Schools Forum representatives of maintained primary and secondary schools agree to de-delegate for 2017-18 in line with the table in Appendix A of this report.

REPORT

1. The service areas listed in Appendix A to this report are delegated to all Shropshire maintained schools and academies. Maintained primary and secondary schools are able to de-delegate these budget responsibilities subject to a Schools Forum decision by the representatives of each sector. Schools Forum must make de-delegation decisions on an annual basis. This report requires Schools Forum to make de-delegation decisions for the 2017-18 financial year.
2. The figures in Appendix A detail the current 2016-17 budget for each of the service areas where de-delegation is an option and compares this with the

estimated level of spend for the financial year. It also details the provisional budget levels and proposed de-delegation basis for 2017-18.

Contingency

3. Schools Forum has previously agreed the de-delegation of a contingencies budget to allow additional funding to be targeted at schools where their pupil number increases by at least 10% of their funded number on roll. Additional funding allocated from the contingency budget takes into account a school's minimum funding guarantee allocation and the additional expenditure incurred by the school as a direct result of the increased numbers.
4. This de-delegated contingency budget for the current financial year, 2016-17, is estimated to overspend by £80,230. This is despite putting in place tight controls to limit allocations to actual additional costs incurred by a school where this is lower than the funding formula allocation. Contingency payments also reflect any minimum funding guarantee that a school has already received.
5. Appendix B to this report details the number and size of schools triggering contingency allocations in 2016-17 to date and reflects areas within Shropshire with pressure on school places, despite overall pupil numbers in Shropshire expected to continue to fall.
6. This report, and the figures detailed in Appendix A, recommends increasing the contingency budget from £159,770 in 2016-17 to £320,230 in 2017-18. The £320,230 budget allows for an increased annual budget of £240,000, reflecting the estimated annual expenditure in 2016-17, and covers the estimated overspend of £80,230 expected to be carried forward from 2016-17. Overall, per pupil de-delegation values for the contingency budget would increase from £8.65 per primary pupil in 2016-17 to £17.78 per primary pupil in 2017-18.
7. Alternatively, the percentage threshold at which schools trigger contingency funding could be increased from 10%. Based on 2016-17 contingency allocations an increase in the threshold to 17% would reduce the total payments made to date to £140,000. Clearly this would result in schools not triggering a 17% increase in pupil numbers absorbing additional costs from within their initial budget share.

Maternity

8. Schools Forum has also previously agreed the de-delegation of the maternity budget. This centrally held budget funds the salary costs of any member of school staff on maternity leave, leaving the school budget liable for only the costs of the replacement employee.
9. The de-delegated maternity budget in 2016-17 was £321,570, £13.31 per primary and secondary pupil. Latest monitoring data suggests this budget is expected to overspend by the year end by £89,264. This report, and the figures detailed in Appendix A, recommends increasing the maternity budget from £321,570 in 2016-17 to £499,264 in 2017-18. The £499,264 budget allows for an increased annual budget of £410,000, reflecting the estimated annual expenditure in 2016-17, and covers the estimated overspend of £89,264

expected to be carried forward from 2016-17. Overall de-delegation values for the maternity budget would increase from £13.31 per primary and secondary pupil in 2016-17 to £20.93 per primary and secondary school pupil in 2017-18.

Insurance

10. The insurance de-delegated budget covers fidelity insurance – covering loss of money, securities or other property resulting directly from one or more fraudulent or dishonest acts committed by an employee or as a result of computer fraud. Schools Forum has previously agreed to de-delegate this budget to allow for this insurance cover to be arranged centrally on behalf of all Shropshire maintained schools.
11. This report recommends maintained primary and secondary schools continue to de-delegate funding for insurance in 2017-18 at £0.86 per primary pupil and £1.30 per secondary pupil as in 2016-17.

Trade Union Duties

12. Schools Forum agreed to de-delegate the trade union duties (more commonly referred to as facilities time) budget in previous years. Attached to this report at Appendix C is a letter from the professional associations requesting Schools Forum continue to agree the de-delegation of this budget. Also attached, at Appendix D, is a joint statement from NUT, NASUWT, ATL and NAHT, Shropshire making the case for continued de-delegation.
13. This report recommends maintained primary and secondary schools continue to de-delegate funding for trade union duties in 2017-18 at £1.82 per primary pupil and £2.95 per secondary pupil as in 2016-17.

Free School Meal Eligibility, Public Duties and Library and Museums Strategic Management

14. Schools Forum has previously agreed not to de-delegate the administration of free school meal eligibility. This service is offered to schools on a traded basis by the local authority.
15. Schools Forum has previously agreed not to de-delegate the public duties or the library and museum services strategic management budgets. Schools are therefore currently responsible for meeting these costs from within their individual delegated budgets.
16. This report recommends these arrangements continue.

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Proposed De-delegation 2017-18

Appendx A

Service Area	2016-17 Budget (adjusted for academies where appropriate) £	2016-17 Estimated Spend £	2016-17 Estimated (Over)/Under Spend £	Delegated Responsibility	Delegation Factor	De- Delegated 2016-17	Provisional 2017-18 Budget £	Provisional 2017- 18 De-delegation (based on Oct 15 data) £	Proposed De- delegation 2017-18 £
Contingencies: 10% pupil growth	159,770	240,000	80,230	No contingency for pupil growth	NOR	Yes	240,000 80,230	13.33 4.45 17.78 Primary only	Yes
Maternity cover	321,570	410,834	89,264	Responsibility for maternity pay costs of staff in school	NOR	Yes	410,000 89,260	17.19 3.74 20.93 primary and secondary	Yes
Insurance	23,280	23,280	0	Liability arising in connection with fidelity insurance	NOR	Yes	22,760	0.84 primary 1.26 secondary	Yes
Trade Union Duties	50,400	55,000	4,600	Pay for school staff undertaking trade union activity	NOR	Yes	50,020	1.82 primary 2.95 secondary	Yes
Administration of free school meal eligibility				Determining the eligibility of a pupil for free school meals	FSM	No	60,250	16.57 primary 20.91 secondary	No
Public Duties				Pay for school staff undertaking public duties	NOR	No	44,310	1.61 primary 2.62 secondary	No
Library and museum services				Strategic management school library service	NOR	No	9,550	0.53 primary	No

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Appendix B

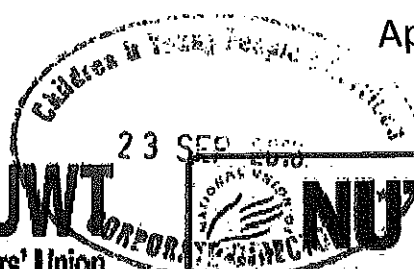
Financial Year 2016-17

NB 7/12 x £3243.91 AWPU =
£1,892

Contingency payments to date

Primary School	Oct 15 NOR	Pupil Count	Additional Pupils	% Increase at pupil count	10% Contingency Funding £	£ per additional pupil
A	92	110	18	19.57	26,387	1,466
B	58	74	16	27.59	26,773	1,673
C	48	56	8	16.67	9,200	1,150
D	81	90	9	11.11	6,446	716
E	164	182	18	10.98	20,790	1,155
F	139	162	23	16.55	26,284	1,143
G	236	277	41	17.37	69,731	1,701
H	70	81	11	15.71	14,198	1,291
I	60	69	9	15.00	9,446	1,050
J	66	81	15	22.73	10,958	731
K	36	45	9	25	6,202	689
Total	1050	1227	177		226,415	
				Budget	159,765	
				Overspend	-66,650	
				Average per school	20,583	Av per additional pupil
						1,279

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for information.

Phil Eynon - Lorraine Edwards

Dear Director

We are writing on behalf of all employees working within the boundaries of your local authority area who are members of ATL, NAHT, NASUWT and NUT.

You will recall that, from last April, local schools agreed through your Schools Forum to 'de-delegate' funding for supply cover costs, including for trade union facilities time. We believe that this was the right decision – and a very big majority of Schools Forums made the same decision, acting in accordance with advice issued by the Local Government Association and the National Employers' Organisation for School Teachers in October 2015.

We believe that the central retention and distribution of the fund is the most effective and efficient arrangement and we would like to work with you to ensure that this arrangement continues. Discussions are now taking place in your authority on funding arrangements for supply cover costs from April next year and we are asking you to pass the information in this letter to members in your Schools Forum and to encourage them to vote again for de-delegation of funding arrangements for supply cover costs.

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time as follows.

- Paid time off for union representatives to accompany a worker to a disciplinary or grievance hearing.
- Paid time off for union representatives to carry out trade union duties.
- Paid time off for union representatives to attend union training.
- Paid time off for union 'learning representatives' to carry out relevant learning activities.
- Paid time for union health and safety representatives during working hours to carry out health and safety functions.

These provisions are contained within the *Employment Relations Act 1999* and the *Trade Union Labour Relations (Consolidation) Act 1992* and the *Safety Representatives and Safety Committees Regulations 1977*.

ATL, NAHT, NASUWT and NUT have members and union representatives in academies as well as maintained schools within your local authority area and, in addition to seeking your support for continued de-delegation, we are seeking your agreement for the local trade union funding arrangement to be formally extended to academies within your local authority boundaries.

/Cont'd...

As the *DfE Advice on Trade Union Facility Time* acknowledges, the trade union recognition agreement between the authority and the recognised unions will have transferred to the academy school as the new employer of the transferred staff as part of the conversion process to academy status under *TUPE*. We believe that, following conversion, academies should also become parties to local authority trade union facilities arrangements.

The academies within your boundaries will have received funding for trade union facilities time in their budgets and they are entitled to use that funding to buy-back into local authority arrangements. Indeed, many academies across England have already agreed to buy in to local authority trade union facilities arrangements.

Pooled funding will help the local authority and all schools to meet their statutory obligations on trade union facilities time. Setting up a central funding arrangement will allow academies to pay into a central pool if they wish to. But most importantly it will help maintain a coherent industrial relations environment where issues and concerns whether individual or collective can be dealt with more effectively. All these points are echoed in the advice issued by the LGA and NEOST.

We urge you therefore to support the de-delegation funding for supply cover costs and to continue or establish (if you did not do so previously) a mechanism whereby academies within your boundaries are able to buy into a central fund for trade union facilities time. If you agree to do so, we will write to academy principals to encourage them to buy in to your arrangement.

Yours sincerely

Mary Bousted

Russell Hobby

Chris Keates

Kevin Courtney

Facilities Time Report

Joint statement from NUT, NASUWT, ATL and NAHT, Shropshire

Facility time facilitates good industrial relations. It is not a trade-off. It is not an optional extra. It is a legal requirement. See Trade Union Labour Relations (consolidation) Act (1992)

Pooled Facilities Time provides:

- Agreed policies from all unions representing school/ academy employees that you, as heads, can be confident of. This removes your legal requirement to consult with your staff on any policies associated with their employment conditions including pay, appraisal, capability, sickness, maternity, paternity, etc. because this has already been established. This saves you time and therefore money and also gives you confidence that adherence to the policies is significantly more likely to create and sustain positive working relationships and minimise the potential for disputes.
- Health and safety policy and procedure is of particular importance. The litigation that can result from a lack of good procedure is often considerable. Trade unions have particular expertise in this area. See Safety Representatives and Safety Committees Regulations 1997.
- Easily accessible local representatives who are knowledgeable about policy and will know the local context.
- Support for your staff when they have particular concerns.
- Quick availability of suitably well- trained union representatives to accompany their members to meetings regarding disciplinary, capability and other issues.
- Possible prevention of unnecessary escalation of issues.
- Providing telephone and face to face advice to members on their employment rights and responsibilities.

De-delegation

By de-delegating this so that it is provided centrally by the LA, each individual school will be confident that they are satisfying their legal requirements under trade union legislation. If they do not de-delegate they will have to either give time to a representative within the school, should someone be willing to take on that role, or they will have to liaise with regional officers of unions. This will involve significant time delays and added costs.

Furthermore, if there is insufficient money available in the pot, trade unions will not be involved in the policy making and review process and any policies will not be agreed with unions. That will give much more potential for dispute in the future.

If you are an academy, you will have TUPE in place. Therefore, the existing trade union recognition stands and we believe that you should, therefore, be de-delegating and observing the previously existing trade union facilities arrangements.

What is the advantage to the employer?

As we are usually the first port of call for employees, we can advise them to reflect constructively on any problem they have, and their contractual responsibilities before moving to any action.

Following from the comments above, by de-delegating facilities time you are sure that you are legally covered and can be confident that advice is readily available to your staff via the recognised

Appendix D

unions. You will do this with a simple per-pupil formula. Therefore, a year in which you have above-average employee-relations related issues will not put an extra-ordinary strain on your budget.

Also, by engaging with unions and by using agreed policies, you will minimise any prospect of a member of your staff being in a position to take legal action against you. Statistics show that where there is union recognition and facility time, there is much less chance of cases proceeding to legal tribunal.

Cases will be more swiftly dealt with within the existing arrangements; trade union officials will support the negotiated policies and we can liaise with head teachers in order to negotiate where there is disagreement before they become disputes.

Examples of how facilities time is used

Training: Employment Law training; Health and Safety training

Duties: Telephone and e-mail advice to members; representation of members in disciplinary or grievance hearings; supporting members with health issues including mental health; where necessary negotiated exits from employment; redundancy processes; negotiating policies which are agreed and therefore will not cause conflict in themselves; TUPE advice when academising.

Policy negotiation.

Complex casework. More detail can be given on this in the meeting.

Research

Research shows¹ that involving trade union representatives effectively can help reduce dismissal and exit rates, meaning lower recruitment costs and better staff morale and productivity. It also reduces workplace-related injuries and illnesses through better health and safety standards.

The return on the investment made in trade union facility time is many times the sum spent. Research commissioned for the TUC from the University of Hertfordshire² stated that for every £1 spent between £3 and £9 of benefits were accrued.

1 2007, Department for Business, Enterprise and Regulatory Reform (BERR, now BIS)

2 www.tuc.org.uk/tucfiles/206/FacilityTimeSeparatingfactfromFiction.pdf

Jean Evanson

NUT Shropshire

Division Secretary

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Schools Forum

Date: 24 November 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

C

Public

School Funding 2017-18

Responsible Officer Gwyneth Evans

e-mail: gwyneth.evans@shropshire.gov.uk Tel: 01743 254865 Fax: 01743 254538

Summary

As reported to Schools Forum in September 2016, the Department for Education (DfE) announced their latest plans for the implementation of a national fair funding formula for schools from 2018-19. The school funding arrangements for 2017-18 will remain broadly similar to the current 2016-17 year.

This report outlines the financial challenges facing many Shropshire schools in 2017-18 given the delayed implementation of the national fair funding formula, a cash protected level of per pupil funding and increasing cost pressures.

The Government has also announced changes to the Education Services Grant (ESG) in 2017-18 in line with the 2015 Spending Review announcement of the intention to achieve a saving of £600m from the ESG general funding rate by 2019-2020. Further detail will be set out by the Government in a forthcoming consultation on the School and Early Years Finance Regulations.

In addition, this report is seeking the views of Shropshire Schools Forum in relation to a specific Shropshire school minimum funding guarantee disapplication. Schools Forum and the school must be consulted over any disapplication requests before seeking approval from the Secretary of State.

Recommendation

- i. That Schools Forum note the financial challenges facing many Shropshire schools in 2017-18.
- ii. That Schools Forum note the removal of ESG general funding rate and the transfer of ESG retained duties into the DSG in 2017-18 and agree approval be sought through the Schools Block Task & Finish Group for appropriate central retention.
- iii. That Schools Forum recommend the disapplication of the MFG in relation to a specific Shropshire school as detailed within this report. Voting is restricted to school and PVI representatives on Schools Forum.

REPORT

School Funding 2017-18

1. Schools Forum members were made aware of the Government's plans to delay the introduction of a new national fair funding formula until 2018-19 and F40's request to the Secretary of State for a funding uplift for schools in the poorest funded local authorities in light of the delay.
2. Shropshire's current Schools Block unit of funding within the Dedicated Schools Grant (DSG) is £4,401.81 per pupil, leaving us 108th out of 151 local authorities. Local authorities' units of funding vary from £8,587.04 per pupil to £4,166.51 per pupil. The national average is £4,636.43 per pupil, £234.62 per pupil higher than Shropshire. Funding at the average per pupil rate would give Shropshire schools an additional £8.1m.
3. Given where Shropshire sits on the funding table and the proposal that a new national funding formula would recognise sparsity as a funding factor, it is right to remain positive about the outcome of the formula proposals. However, as has been the case for several years, there is no recognition of the increased cost pressures impacting on schools year on year within the overall funding envelope.
4. Schools face increased costs due to teachers' pay, employer pension and national insurance contributions and inflation, whilst per pupil funding levels within the Schools Block of the DSG remain at flat cash. Shropshire school budgets will be under significant pressure in 2017-18 and it is expected that some Shropshire schools will find it difficult to set a balanced budget.
5. The picture is reflected in other local authority areas. As reported to Schools Forum in September, f40 has written to the Secretary of State requesting the urgent consideration of an uplift to funding levels for the lowest funded local authorities in 2017-18 given the delayed implementation of the national fair funding formula. Whilst expressing sympathy for the difficult financial position the most poorly funded local authorities and schools are in, the Secretary of State has made no immediate acceptance of the request although f40 will be invited to meetings to further make the case.

Changes to Education Services Grant (ESG) in 2017-18

6. ESG is currently split into two elements; general funding and retained duties and funds the following areas:
 - School Improvement
 - Statutory and Regulatory
 - Education Welfare Service
 - Central Support Services
 - Asset Management
 - Premature Retirement Costs/Redundancy Costs relating to school staff
 - Therapies and Other Health Related Services
 - Monitoring National Curriculum Assessment

7. The ESG general funding is allocated to local authorities and directly to academies. The local authority currently receives £77 per maintained school pupil for services to maintained schools only.
8. In the 2015 Spending Review the Government announced a saving of £600m from the ESG general funding rate by 2019-2020. Local authorities will receive transitional ESG funding from April 2017 to August 2017. The general funding rate for local authorities will then be removed from September 2017. The Government will announce the transitional protection arrangements for April 2017 to August 2017 later this year and recognise that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed.
9. The Government intends amending regulations to allow local authorities to retain some of their Schools Block funding to cover the statutory duties that they carry out for maintained schools which have previously been funded through the ESG. Further detail of the statutory duties to be included in this arrangement will be included in a forthcoming Government consultation on changes to the School and Early Years Finance Regulations.
10. As no detail has been received to date, the local authority is not in a position to recommend Schools Forum do anything more than note this change for 2017-18 at this stage. Clearly a decision will need to be taken on the amount of DSG to be retained centrally for these statutory duties for maintained schools before the Authority Proforma Tool (APT) can be completed in January and 2017-18 individual school budgets issued to schools. It is recommended therefore that Schools Forum agreement of any centrally retained Schools Block funding for statutory duties previously funded from ESG general funding is sought through the Schools Block Task and Finish Group by maintained schools members.
11. The current ESG retained duties element, currently £15 per maintained and academy pupil, received by the local authority for services to maintained schools and academies will be added to the Schools Block of the DSG for 2017-18. Further detail on Schools Forum involvement in approving the central retention of previously ESG funded retained duties is expected in the forthcoming consultation on changes to the School and Early Years Finance Regulations.
12. Given the January deadline for completing the APT, it is recommended that approval for central retention of previously ESG funded retained duties is also sought through the Schools Block Task & Finish Group following the publication of the Government's forthcoming consultation on the School and Early Years Finance Regulations.

Minimum Funding Guarantee Disapplication

13. The Government confirmed in July that the minimum funding guarantee (MFG) protection will continue in 2017-18 at minus 1.5%.
14. Local authorities are able to request from the Secretary of State approval to disapply the MFG where there has been a significant change in a school's

circumstances or pupil numbers and this leads to inappropriate levels of protection.

15. The local authority successfully applied to the Government to disapply the MFG in relation to Buntingsdale Primary School for 2016-17 following consultation with the school and Shropshire Schools Forum. Buntingsdale Primary School changed from being an infant school to a primary school leading to a significant increase in number on roll. The MFG, if allowed to operate normally would have led to an inappropriate level of protection.
16. The disapplication approval related to the 2016-17 financial year only. Numbers on roll have continued to increase at the school and the MFG protection received by Buntingsdale Primary School, if allowed to operate normally, would be expected to increase to £72,844 in 2017-18 from £69,658 in 2016-17. The local authority considers this to be an unintended consequence of the MFG leading to inappropriate levels of protection at the school. The local authority therefore proposes submitting an application to the DfE to disapply the MFG for the financial year 2017-18 in relation to Buntingsdale Primary School. To avoid undue turbulence to the school's budget the proposal is to calculate the level of MFG protection funding for 2017-18 on the previous year's number on roll of 72. This would limit the MFG to around £64,750.
17. Requests to disapply the MFG relate to one year only and therefore this proposal would relate to the 2017-18 financial year only. The local authority will continue to consider the need to apply for a disapplication for future years on an annual basis.
18. The local authority is required to consult with the school and the Shropshire Schools Forum on its proposal before submitting an application to the DfE. A consultation letter was sent to Buntingsdale Primary School governing body on 21 October 2016 explaining the proposal and seeking their views. The consultation letter is appended to this report. The governing body considered the letter and have replied in support of the proposal.
19. Shropshire Schools Forum is recommended to approve an application to disapply the MFG for 2017-18 in relation to Buntingsdale Primary School, as detailed in para. 16 above, where its normal operation would produce inappropriate levels of protection.



The Governing Body
Buntingsdale Primary School
Buntingsdale Park
Tern Hill
Market Drayton
TF9 2HB

Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
Shropshire SY2 6ND

Date: 21 October 2016

My Ref:

Your Ref

Dear Chair of Governors

Consultation on the proposal to submit an application to disapply the Minimum Funding Guarantee for 2017-18.

As you are aware local authorities are required to include within their local schools funding formula a minimum funding guarantee (MFG) protection. The MFG is designed to protect a school's per pupil funding from one year to the next. The Government has set the MFG protection at minus 1.5% for 2017-18.

Local authorities are able to request a disapplication of the MFG where there has been a significant change in a school's circumstances or pupil numbers and this leads to inappropriate levels of protection. You will be aware that, following consultation with your governing body and the Shropshire Schools Forum, the Department for Education (DfE) approved the local authority's request to disapply the MFG in relation to your school for the 2016-17 financial year, and your MFG allocation was capped at the previous financial year level.

This disapplication approval related to the 2016-17 financial year and our consultation with you last year explained that should numbers on roll at the school continue to increase, the local authority would consider the need to apply for a disapplication of the MFG again.

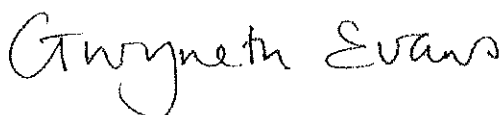
The increased number on roll at Buntingsdale Primary School, as a result of a change from being an infant school to a primary school, has led to a significant increase in number on roll. The MFG protection has protected the level of funding to the per-pupil funding level received when the school was much smaller in terms of pupil numbers. This has led to a per-pupil funding level at Buntingsdale Primary School significantly in excess of other similar size schools in Shropshire.

Our data shows pupil numbers at Buntingsdale Primary School have increased to 81 at the October 2016 census, an increase of 9 (12%) on the previous years' census. The MFG protection received by Buntingsdale Primary School, if allowed to operate normally, would be expected to increase to £72,844 in 2017-18, from £69,658 in 2016-17. The local authority considers this to be an unintended consequence of the MFG leading to inappropriate levels of protection at the school. The local authority therefore proposes submitting an application to the Department for Education to disapply the MFG for the financial year 2017-18 in relation to Buntingsdale Primary School. To avoid undue turbulence to the school's budget the proposal is to calculate the level of MFG protection funding for 2017-18 on the previous year's number on roll of 72. This would limit the MFG to around £64,750.

The proposal to disapply the MFG relates to the 2017-18 financial year only. The local authority will consider the need to apply for a disapplication for future years on an annual basis. The school and Shropshire Schools Forum will be consulted.

Your comments on the proposal are welcomed. Please return any comments to me as soon as possible but by Friday 11 November 2016 at the latest to ensure they are fully considered before the application deadline.

Yours sincerely



Gwyneth Evans
Schools Funding Policy Officer



	Item	Paper
<p>Schools Forum</p> <p>Date: 24 November 2016</p> <p>Time: 8.30 am</p> <p>Venue: Shrewsbury Training and Development Centre, Monkmoor, Shrewsbury</p>		D

HIGH NEEDS AND EARLY HELP TASK & FINISH GROUPS

Responsible Officer Phil Wilson

e-mail: phil.wilson@shropshire.gov.uk

Tel: (01743) 254344 Fax (01743) 254538

Summary

At their meeting on 17 March 2016 Schools Forum agreed to the re-establishment of the High Needs Task & Finish Group and the establishment of a separate Early Help Task & Finish Group. The Forum considered a further report on 9 June 2016 and approved the Terms of Reference for each of the groups, including the suggested membership and project timetables.

Forum received an interim report on the work of the two groups at their meeting on 15 September 2016. The groups have had further meetings on 6 October 2016, which this paper is reporting back on.

The project timetables for each of the Task & Finish Groups proposed that this meeting would receive the final reports on the work of the separate Task & Finish Groups. However, given a number of outstanding issues, there is a need for at least one further meeting of each of the groups in order for them to consider their draft reports, to be produced by officers, on the outcomes and conclusions of the respective group's work. It is therefore proposed that the final reports to Forum be pushed back to the meeting on 19 January 2017.

At their meetings on 6 October, both of the groups considered and discussed the issue of extending the release of £600k from the High Needs Block of funding beyond 2016-17, for a further year, into the financial year 2017-18. Schools Forum are asked to consider and endorse the recommendation to extend this funding to support Early Help for a further year.

Recommendations

- To note the minutes from the meetings of the High Needs Task & Finish Group and Early Help Task & Finish Group on 6 October 2016.
- To endorse the earmarking £600k from the High Needs Block of funding into 2017-18 to continue supporting Early Help work of behalf of children and families, as recommended by the Task & Finish Groups.

REPORT

1. On 17 March 2016 Schools Forum agreed to the establishment of two separate Task & Finish Groups to undertake reviews in relation to high needs funding and the use of resources to support Early Help. On 9 June 2016 Forum approved the draft Terms of Reference for the two groups, which included suggested membership of the groups and outline project timetables, allowing for regular progress reports to Schools Forum.
2. Schools Forum received an interim progress report, on 15 September 2016, on the work of the two groups, who had held separate meetings on the same day (14 June and 15 July 2016). The third meetings of the separate groups took place on 6 October 2016 - the minutes of the meetings are attached for Forum member attention and noting (Appendices 1 and 2).
3. The original project plan, approved by Forum on 9 June, proposed that a final report from the two Task & Finish Groups would be produced for the 24 November Schools Forum meeting. While each of the groups have met on three occasions, there are a number of outstanding issues that will require each of the groups to meet at least once more to consider and address. There is also a need for each of the groups to consider and approve a draft report on the outcomes of their work, for reporting back to Forum. This hasn't been possible ahead of the 24 November meeting.
4. It is therefore proposed that the groups are each called together for at least one further meeting to conclude their work as per their original Terms of Reference - before the end of term if diaries permit – with a view to producing a final report for Forum to consider at their meeting on 19 January 2017.

High Needs Task & Finish Group

5. The key outstanding piece of work commissioned via the High Needs Task & Finish Group relates to an independent review of the banding system for the Shropshire specialist schools and securing improvements to the way in which top-up funding is allocated. Following an Invitation to Quote exercise the contract has now been awarded. The work will be completed in the early spring term, with a view to the new banding arrangements being introduced from April 2017. The Task & Finish Group will be asked to consider and comment on the independent review and report back to Forum.

6. The other area of work for the group relates to the Government proposals for the reform of the High Needs funding. The outcomes from the first stage of the national consultation on the funding reforms, together with the launch of the second stage of consultation, are widely reported as being released before the end of the autumn term. The membership of the High Needs Task & Finish Group has the range of skills, experience and specialist knowledge to undertake the work required in assessing the impact of the reforms on High Needs provision in Shropshire and to respond most effectively to the consultation.

Early Help Task & Finish Group

7. This Task & Finish Group has essentially fulfilled their brief in having reviewed the use of resources from DSG to support Early Help. They have helped inform the recommendation to Schools Forum that the level of funding released from the High Needs Block to support Early Help should continue. A further meeting of the Early Help Task & Finish Group to consider and approve a final report to Forum on 19 January 2017 is proposed.
8. The group has acknowledged however, that there is more work to do in relation to Early Help. The challenges facing all partners and stakeholders working to support some of the most vulnerable young people and families in Shropshire remain. There is a key requirement to continue to develop a coherent Early Help offer, to engage stakeholders in developing strategies to meet the needs of children and families, and to maximise the outcomes from the wide range of funding sources through joint commissioning, co-commissioning and pooling resources. The imminent Shropshire Council appointment of a Head of Service for Early Help, Partnerships and Commissioning demonstrates the strategic importance and priority for this work.
9. While the work of the Early Help Task & Finish Group is - subject to one final meeting - largely completed, there will be a requirement for further and increased engagement around Early Help among all of the partners and stakeholders, key amongst whom are schools. Other working groups will be constituted in the New Year, onto which representation from the school's sector will be sought. The reporting lines won't be directly to Schools Forum, however they will be kept informed via the DSG and High Needs Block monitoring reports in particular, on the impact and outcomes of the schools funding being applied to this area of support to children and families.

Funding for Early Help in 2017-18

10. In 2016-17 there are two strands of funding from centrally retained DSG that are underwriting Early Help contracts and support:
 - £593k from the Contribution to Combined Budgets, that has supported specific Early Help contracts for a number of years
 - £600k released from the High Needs Block in 2016-17 (approved by Schools Forum in March 2016).

11. Both of the Task & Finish Groups have considered the details of the Early Help provision for schools this funding supports. There has been little challenge to the importance, need for and use of this support for children and families, as well as an acceptance that removal of any individual element of the provision could have a far-reaching and negative impact. There is, however, an acknowledged need for an increased sector-wide understanding and awareness raising on how this schools funding is targeted and used to deliver the best outcomes for children and families.
12. While there remain some reservations, the Task & Finish Groups have agreed that the £600k released from the High Needs Block in 2016-17, should also be earmarked for Early Help in 2017-18 to continue to support this important work. They are, therefore, ahead of producing their final reports for the January 2017 meeting, requesting that Schools Forum endorse their recommendation to earmark £600k from the High Needs Block to support Early Help.
13. The monitoring and reporting on the outcomes from the application of this funding will form part of the future DSG monitoring reports Forum receive and consider at each of their meetings.



High Needs Task and Finish Group

Date: 6 October 2016

Time: 9.00 am

Venue: STDC, Monkmoor, Shrewsbury

MINUTES

Present

Phil Wilson, Business Support, Learning & Skills (Chair)
 Julia Dean, SEN, Learning & Skills
 Gwyneth Evans, Business Support, Learning & Skills
 Meryl Green, Derwen School (left 09.30)
 Sabrina Hobbs, Severndale Academy – Headteacher (arrived 10.05)
 Alan Parkhurst, Crowmoor Primary School – Headteacher
 Kerry Lynch, Wilfred Owen Primary School - Headteacher
 Ian Nurser, St Peter's CE Primary School - Headteacher
 Kay Redknap, TMBSS Headteacher
 Colleen Male, Children's Social Care
 Sarah Sweeney, SEN, Learning & Skills
 Ruth Thomas, Derwen School – Headteacher (left 9.30 am)
 Marion Versluijs, Commissioning Development, Shropshire Council
 Stephen Waters, Finance, Shropshire Council
 Sarah Wilkins, Children's Social Care
 Helen Woodbridge, Business Support, Learning & Skills (notes)

ACTION

1. **Welcome**
PW welcomed everyone to the meeting.
2. **Apologies**
Apologies had been received from Robin Wilson and from Sabrina Hobbs for late arrival
Ruth Thomas and Meryl Green had advised that they would need to leave at 09.30.
3. **Notes from the meeting on 5 July 2016**
Sarah Sweeney made some amendments to point 6 and the notes have been amended.
PW confirmed that Schools Forum had approved the spending from the Contribution to Combined Budgets line for Young Carers and Enhance.
4. **Commissioning of independent review of banding – update**
Julie Dean advised that there had been limited response to the invitation to quote but that a provider/consultant had been found. A meeting is to be arranged asap to establish the scope. The aim is for completion by March 2017 (and to backdate funding). Phil Wilson asked if this had been accounted for in the budget planning and Stephen Waters advised that it had been. The consultant will be asked for their report by the end of January. It is expected that a facility for increases will be built in

to the system. Julia is to have further discussions with health colleagues re the funding for children with complex needs.

Phil Wilson reminded colleagues that this group is to report to Schools Forum in November.

Gwyneth Evans advised colleagues that due to the delay in the national funding formula, high needs funding is unclear from April 2018. Funding is not given for extra places but through a general uplift. We are expecting the result of the first round on consultation soon.

Headteachers were concerned about the role of health. They advised that Michael O'Prey had attended the last CPG meeting to discuss this.

Julia Dean stressed the importance of getting health colleagues on board and that getting the correct health professional to attend annual reviews is key. She reported that recently, working with health colleagues has become more positive.

5. Update on 2016-17 High Needs expenditure

Stephen Waters provided an update on the budget lines. As at August the projected underspend on the £17.525m budget is £52k.

1.2.1

Secondary/Post 16 underspent as FTEs have reduced from 291 to 264.

Julia Dean advised that EHCPS are to be reduced as Shropshire is well above average. She added that specialist placements have led to a reduction of places taken up in the maintained sector.

Phil Wilson was keen to know if action was being taken re the projected underspend. Stephen Waters advised that a complex monitoring spreadsheet is in place.

There can be a lag in adjusting the budgets as academisation happens. It was agreed for reporting purposes (although not for monitoring purposes) budget lines 1.2.1 and 1.2.2 can be combined.

1.2.2

It was reported that this line is overspent in several areas:

Primary overspent by £25k

Secondary 11-16 overspent by £147k

This is fairly equally spread across academies and is a repeated trend from the previous year. The budget had not been increased sufficiently.

Secondary Post 16 overspent by £21k

The breakdown of bandings is to shift significantly from September 2017 so this could change.

Julie Dean and Stephen Waters recognised that the budget needed to be realigned.

Post 16 FE budget had been increased but currently and underspend on £54k is forecasted. 134 students were budgeted for and there are only 130.

Gwyneth Evans advised that the f40 group had lobbied government re high needs funding through a letter dated 22 September to Justine Greening.

Sarah Sweeney added that the raise in participation age has added costs.

1.2.3

A placement tracker has been developed to monitor this budget line.

78 placements at a cost of £4.5m are in the budget. This budget is volatile as new pupils are unknown and can have high costs.

There was a lengthy discussion about prices for existing places and the West Midlands LAs agreement not to increase payments. Headteachers were surprised that support for pupils at private schools can sometimes be funded (currently 24 pupils costing £244k). Julia Dean suggested that this could be phased out in a risk managed fashion and added that clear written policies re SEN funding are required.

This is required to be clear, consistent and fair – not open to legal challenge. It was suggested that the consultant could be asked to work on this. The policy could then

be considered by this group before going to Cabinet for approval/adoption. Gwyneth Evans suggested that an approach could be to provide a £2k top up for all, including private providers.

Julia Dean suggested that parents (through PACC/IASS) needed to be involved in any formation of SEN funding policy. She would also like to get a national/regional viewpoint and agreed to raise this at the WM SEN leads meeting tomorrow. It was agreed that an accurate position and direction of travel should be established and brought to the next meeting.

SEN nursery placements budget is for £35k but overspent by £32k. This will continue to increase as children are surviving for longer.

JD

1.2.5

This budget is underspent due to reduction of costs of Sensory Inclusion Service and vacancies in the SEN team. The SIS service and portage are being discussed with T&W. The underspend should only be for this year.

6. **Proposed use of High Needs Block funding to support Early Help**

PW established that there is £592k in the Contribution to Combined Budgets line which has been there from some years.

The additional £600k which is proposed to support Early Help (which costs £6m, £5m of which is from the base budget) was discussed.

Colleen Male recognised that all budgets are under pressure, identified the need for transparency and suggested the need to be smarter re provision.

Julia Dean spoke of the need for more work re EHCPs and SEN support. More SEN support will be required to reduce EHCPs and a graduated pathway (including Early Help) is to be considered.

Marion Versluijs suggested that timely relevant Early Help may prevent the need for an EHCP.

Julia Dean advised that there was already evidence of this and added that the process needs to be more joined up.

Sarah Sweeney suggested the need to develop local capacity.

Julia Dean thought that placing pupils out of county is detrimental to them becoming part of the community.

Sabrina Hobbs spoke of a social care element gap as parents need more help and support.

Marian Versluijs advised that Action for Children enables participation in the local community.

Sabrina Hobbs thought that 1:1 support is expensive and her school no longer uses this (except for health needs). There is a need to consider different ways of providing support for families with provision of more access for SEN pupils into mainstream activities.

Sarah Sweeney advised of working going on with IASS on a project like this.

Sarah Wilkins spoke of the short breaks/residential which were so important for parents and enable young people to become more independent.

Julie Dean suggested that early help needs to be embedded into EHCPs. She identified the need for schools to get professionals in early as otherwise their hard work is not having the required effect.

Phil Wilson asked the group if they were happy, in principle, to support the use of £600,000 DSG.

Kerry Lynch spoke of the importance of 1:1 support which allows pupils to move to mainstream socially first.

Sabrina Hobbs suggested that involvement of health is required earlier and to ensure that all professional bodies are accountable. Schools do refer for early help at an early stage but often have to wait.

Kay Redknapp referred to the increase in behavior issues – schools get help but it is

then taken away, perhaps too early. There is a need to work smarter.
Colleen Male agreed that it is important to ensure that early help is available and that it is got right. COMPASS is being looked at.
Kay Redknapp reported an increased understanding of a complicated process since her visit to early help.
Ian Nurser said that he couldn't argue with the need to spend the money on Early Help.
Sabrina Hobbs, Alan Parkhurst and Kerry Lynch agreed with the spending because there is no alternative.
However, more and improved information on impacts and outcomes is required.
Phil Wilson concluded by reporting that without this funding the services would disappear.

7. Areas for further work ahead of next meeting

No further work was identified at this stage.

8. Date of next Task & Finish Group meeting

TBA

9. Any Other Business

Colleen Male advised that the position of Head of Service for Early Help is being advertised.

DRAFT



Early Help Task and Finish Group

Date: 6 October 2016

Time: 11.00 am

Venue: STDC, Monkmoor, Shrewsbury

MINUTES

Present

Phil Wilson, Business Support, Learning & Skills (Chair)

Julia Dean, SEN, Learning & Skills

John Eglin, Headteacher Morda CE Primary School

Gwyneth Evans, Business Support, Learning & Skills

Sabrina Hobbs, Headteacher, Severndale Academy

Kerry Lynch, Headteacher, Wilfred Owen Primary School

Kay Redknap, Headteacher, TMBSS

Colleen Male, Children's Social Care

Marion Versluijs, Commissioning Support

Stephen Waters, Finance, Shropshire Council

Sarah Wilkins, Children's Social Care

Kay Smallbone, Troubled Families Strategic co-ordinator

Helen Woodbridge, Business Support, Learning & Skills (notes)

1. Welcome

PW welcomed everyone to the meeting.

2. Apologies

Apologies had been received from Neville Ward

3. Notes from the meeting on 5 July 2016

The notes from the previous meeting were agreed.

4. Proposed use of DSG funding to support Early Help (being considered by the High Needs Task and finish Group)

Phil Wilson advised that Schools Forum had approved the funding for Young Carers/Enhance.

John Hitchings reported that Schools Forum would be keen to have clarity and assurance of best value.

Phil Wilson confirmed that fixed contracts will be monitored and reported back on.

Sarah Wilkins identified the need for effective partnerships between health, education and social care as joint commissioners with more linkage to CPG.

Julia Dean echoed this in line with the Children and Families Act 2014.

Sarah Wilkins advised that she, Kay Smallbone and Marion Versluijs had met over the summer to talk about the Troubled Families programme which is an example of joint commissioning through a partnership for early help.

5. Troubled Families Pilot

Kay Smallbone talked through the schools pilot which is in Phase 2 of the Troubled

ACTION

Families Programme – a family focus with joint commissioning around worklessness, attendance, domestic abuse etc. Commissioning within cluster areas is being investigated.

Conversations were held with schools re pilot participation with a joint funded professional worker (usually a Children’s Centre worker) who would take the lead for one year. There are three areas of schools and one with a housing association. The worker works with around 15 families over the year. There are different models – eg one cluster has a weekly clinic and another has a breakfast club.

There is a management group which meets termly and a report will be produced at the end of the pilot. Operating group meets regularly.

So far there are positive outcomes for the families which are being tracked.

The Whitchurch cluster is already considering continuing the work further using charity funding.

Sarah Wilkins advised that supervision is provided for the workers though social care.

Cases are managed through the ECINs case management system.

Outcomes should draw down additional funding (payment by results).

Phil Wilson asked if there was to be any scaling up.

Sarah Wilkins advised that some interest is being shown and that the service has improved at identifying need.

John Hitchings spoke of the scale of the issue over the country and the need for effective early help as a preventative measure in early years.

Sarah Wilkins advised that a needs assessment had been carried out and shared.

Kay Smallbone added that this had included children from age 2 upwards. Other programmes work with health visitors. This will give us the opportunity to work over the next five years on what works well, to upskill and develop new ways of working.

John Eglin was disappointed that his school had not been able to afford the £5k to join. He suggested entry levels for different sizes of schools and this was taken on board.

Colleen Male spoke of the fit with the wider early help model and asked what schools want. Locality service delivery could be considered based at children’s centres with differing provision from area to area depending on need.

Sabrina Hobbs suggested that ‘joined-upness’ and accountability is what was missing.

Colleen Male identified the need for an overall plan to be agreed together.

Sarah Wilkins indicated that Troubled Families may impact of the funding that Schools Forum consider.

Phil Wilson advised that Troubled Families is an illustration of how we can achieve more by pooling funding LA/Grants/Schools.

John Eglin was worried about equity is some schools join and other don’t.

Sarah Wilkins pointed out that some strands are across all schools eg Solihull Approach.

Sabrina Hobbs echoed worries re accessibility for all schools if DSG is supporting services that some schools can’t access for different reasons.

Phil Wilson suggested that MATs will change the situation.

Colleen Male pointed out the need to find ways to fund services when the grant ends.

John Hitchings identified the need to consider private nursery provision.

Sarah Wilkins confirmed that Children Centre provision engages with them.

Julia Dean suggested that the EHCP agenda means closer working. Review of EHCPs is key and the right people need to be invited.

Sabrina Hobbs felt that the whole picture needs to be shared – should involvement finish when a child starts school? Public Health are now looking at 0-25 re health visiting/school nurses. Health professionals are not joining up. It would be good to have a systematic way of sharing working log – social care/education/health.

Colleen Male advised that the High Needs group had approved the spending of £600k on early help and asked how long this would be for.

Phil Wilson would hope to fund for 2017/18 but funding is unclear after that. There may be a need to discuss separate contracts with separate time budgets agreed.

John Hitchings added that the £600k is a bale out and only there until March 2018.

John Eglin suggested thinking about a traded service model.

6. Future direction and focus for the Early Years Task and Finish Group

Phil Wilson suggested that there had been an initial cross-over between the two task and finish groups but that now their work is growing apart. There is more of a need for a working group rather than a subset of Schools Forum. The aim would be to get more effective use of funding.

7. Dates of next Task & Finish Group meetings

It was agreed that a further joint meeting could be arranged in November and then the group could be amended to consider the future.

8. Any Other Business

There was no other business

The meeting closed at 12.35

DRAFT

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Schools Forum

Date: 24 November 2016

Time: 8:30 am

Venue: Shrewsbury Training
and Development
Centre

Item

Public

Paper

E

APPRENTICESHIP LEVY

Responsible Officer Stephen Waters

e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

Summary

This report provides an overview of the Government's Apprenticeship Levy – which is to be introduced from April 2017 - and specifically what this means for Shropshire Council maintained schools and academies.

Recommendation

Schools Forum members are asked to note the contents of this report.

REPORT

Introduction

1. The Apprenticeship Levy was first announced by the Chancellor George Osborne in the November 2015 Budget Statement when he said: "by 2020, we want to see 3 million apprenticeships". In order to meet this target, the Government plans to introduce, from April 2017, an Apprenticeship Levy on all large public or private sector employers defined as those with an annual wage bill exceeding £3 million. This includes all maintained schools since their wage bill will be part of the wider local authority wage bill.
2. The levy is to be paid at 0.5% of the entire pay bill minus a levy allowance of £15,000 for each tax year (0.5% of £3 million = £15,000). The levy will be collected monthly by HMRC via the PAYE system and converted into digital vouchers that are accessed through a new digital apprenticeship account and can only be spent on apprenticeship training. The Government plans to apply a 10% monthly top up to the funds for spending on apprenticeship training.

3. In addition, the Government has proposed that all public sector employers with over 250 staff should comply with the Enterprise Bill. This means that by 2020, 2.3% of Shropshire Council headcount are expected to be in an apprenticeship at any given time. This target is expected to be reached through a combination of recruiting new staff and converting existing staff to apprenticeships, which can be achieved with no change to their job title, duties and pay grade. Employers will need to submit a report to Government detailing their progress towards this target and explaining any reasons for failing to meet the target, and again maintained schools will be included within this target.

The Benefits

4. The introduction of the levy should benefit the young people of Shropshire through the increased opportunities for apprenticeships.
5. Maximising the levy should give Shropshire Council the best opportunity for attracting new talent into the workforce, particularly as the Government is promoting vigorously the expansion of higher and degree level apprenticeships.
6. The scheme will benefit employers through the upskilling of existing staff which could boost current training and development planning in the Council and schools, and this assist with staff retention. The introduction of flexibilities for the development of employer-led apprenticeship frameworks will improve the relevance and quality of the programmes for the employer.

Impact on Schools

7. As currently proposed, all maintained schools will be included in both the levy and the public sector target for 2.3% apprenticeships because they are counted as being part of a local authority's wage bill and their employees treated, for the purposes of the levy, as Council employees.
8. In theory, 0.5% of each school's annual wage bill will contribute to the aggregate sum that the council will pay, along with the wage bill for other non-school Council employees, as its contribution to the Apprenticeship Levy. The Council will be required to co-ordinate the payment of the levy on behalf of all maintained schools for which it remains responsible. It will not be expected to undertake this role for academies.
9. Based on 2016-17 staffing budgets published within the Council's Financial Strategy, the annual staff wage bill for Shropshire Council is £151.8 million, of which £60.4 million relates to maintained schools. This would mean that the levy contribution from schools is £0.296 million, while the levy pot to be utilised by schools after the Government applies its 10% top-up is estimated to be £0.325 million.

10. Once the detail is known, the Council will need to work with schools to establish the contribution that each maintained school maintained should make to the public sector target and to determine the impact on individual school budgets of paying a contribution to the levy.
11. Academies are less likely to fall within the scope of the Apprenticeship Levy, but if they do exceed the annual wage bill of £3 million or headcount threshold of 250 employees for the 2.3% apprenticeship target, then they will need to calculate the cost of their levy for their school and the number of apprentices needed to fulfil the target obligation. The same guidance applies to Multi-Academy Trusts (MATs).
12. School representation is being sought for the Council's Project Board, to compliment the officer representation from Learning & Skills. The Board will be co-ordinating all aspects of the work related to the introduction of the levy. The communications around the roll-out of the levy has been low key to date, in part due to the delay in the Government producing the guidance and confirming the process for establishing a national list of providers.
13. This paper is part of the awareness raising process. Further presentations and communications are being planned to brief the wider community of schools early in the spring term.

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Schools Forum

Date: 24 November 2016

Time: 8:30 am

Venue: Shrewsbury Training
and Development
Centre

Item

Public

Paper

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DEDICATED SCHOOLS GRANT MONITORING

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Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of October 2016.

This report also asks the Schools Forum to make a decision to agree the 2017-18 centrally retained budgets under the heading "Central Provision within Schools Budget".

Recommendation

That Schools Forum agree the Central Provision within Schools Budgets for 2017-18 as set out in Appendix B of this report.

REPORT

Outturn 2016-17

1. The overall outturn against centrally retained DSG is forecast to be £0.684m in deficit at the end of October 2016.

Centrally Controlled Early Years Budget

2. The Early Years Block is forecast to overspend by £0.789m on a provisional budget of £7.068m.
3. The main reason for this is a large forecast overspend of £0.777m identified in relation to the Early Years Budget for three and four year old nursery entitlement. This has come to light now that the Autumn term payments have been processed and the expenditure can be profiled more accurately.

4. There are two reasons for the overspend on this budget heading. Firstly, the number of weeks being funded within the financial year. The Council receives funding from the EFA for an academic year of 38 weeks since parents are entitled to provision of 15 hours each week over 38 weeks. The number of funded weeks in a financial year varies from year to year and in this year the number of weeks is higher than normal containing 39.8 weeks which means the Council is funding 5% more provision by way of weeks than it is being funded for. This will account for approximately £0.200m additional costs in 2016-17.
5. Secondly, the Council has experienced a higher take up of provision in this year than previously resulting in a greater draw on the funding. Further, thorough analysis of the take-up of the entitlement is required to determine how much of the overspend is explained by this. An increase in take-up in the current academic year, from September 2016 to March 2017 will be reflected in the final adjustment to the provisional Early Years budget for 2016-17 made following the end of the financial year.

Centrally Controlled High Needs Budget

6. The Centrally Controlled High Needs Budget is the largest budget area within Central DSG accounting for £17.526m of the £28.764m Central DSG budget in 2016-17.
7. The main reasons for a variation from budget of greater than £0.100m falling within the High Needs Budget are detailed below:

Line 1.2.1 – Top Up Funding – Maintained Providers

8. Against the £4.791m budget relating to top-up funding to maintained providers, there is a forecast overspend of £0.124m.
9. Top-up funding to Primary Maintained Schools is forecast to overspend by £0.298m. An exercise will be undertaken independently between now and the end of the financial year to review banding levels and this will likely result in an increase in banding levels, implemented from 1st April 2017 but backdated to the start of the 2016-17 academic year. £44k of the £298k overspend can be attributed to an assumption that there will be a 5% increase in costs backdated to September. An analysis of the last 12 months data show that the FTEs in receipt of top-ups at Primary Maintained Schools was 301 in November 2015 compared to 284 in November 2016. Despite the fall in numbers the monthly spend increased from £133,241 in November 2015 to £135,424 in November 2016 showing that the monthly cost per FTE has increased from £443 to £477. This trend analysis shows that the overspend is more due to insufficient budget in 2016-17 rather than increasing costs as the projected spend for this year is similar to the 2015-16 outturn figure.
10. There is an £0.088m unfavourable variance projected against Recoupment expenditure. Recoupment is the process whereby one local Authority charges another for children educated in their Local Authority area. The forecast overspend relates specifically to children educated at 4 Telford & Wrekin

Council Special Schools where a combination of increased number of academic days from 187 to 196 in 2016-17 financial year, an increase in banding values and a higher proportion of pupils at these higher bandings has contributed to increased costs. Not all of this information was known when the budget was set, and consequently the budget was not increased by enough to negate these pressures.

11. There is a net underspend of £0.261m against Post 16-Maintained, Secondary Maintained Schools and Special Maintained settings. For Post 16 Maintained Schools the budget has historically always been overfunded and during the budget setting process there is an opportunity to re-align the budgets. For Secondary Maintained Schools there is a projected underspend of £0.095m against the £0.767m budget. Some of this underspend will be due to budget not transferring across for a School converting to academy status part way through the year. As with Primary Maintained top-ups, forecast 2016-17 spend on top-ups for Secondary Maintained pupils is broadly in-line with last year's outturn figure so the underspend is not due to a fall in the number of FTEs. Conversely, across the 7 Secondary Maintained Schools currently in receipt of top-up funding the numbers of pupils increased from 189 to 195 FTEs between November 2015 and November 2016.

Line 1.2.3 - Top Up funding - Non-Maintained and Independent Providers

12. An underspend of £0.208m is currently forecast in this budget area. The key budget areas are detailed below:

Independent Special Schools

13. In 2016-17 the budget was set at £4.546m based on 78 placements at approx. £0.058m per placement. Once all the Summer Term 2015-16 charges were paid the number of placements stood at 84 and the average cost of these Placements was £0.057m. In September's Schools Forum DSG Monitoring report, based on the placement tracker that estimates costs for these placements using known placement end dates, there was a forecast overspend of approx. £0.092m.
14. The Service, through day to day placement management, seeks to focus on maximising placements at non-residential lower cost establishments while not placing pupils at the more expensive residential placements that can cost in excess of £0.100m per annum. In practice this is not always controllable as sometimes a child will be placed at these higher cost placements for their Social Care needs and Education will be recharged accordingly. The latest position has seen the projected spend reduce significantly and an underspend of £0.294m is now being forecast. This is a swing of £0.386m and is explained by the careful management actions described above. A number of high cost placements ended 31st August and the pupils were placed in lower cost placements deemed appropriate for their needs. Not only has the number of placements reduced to 76 as at the Autumn Term, the average cost per placement has also decreased considerably from £0.057m to £0.053m. In the case of 1 joint-funded placement, a review of funding led to the contributions increasing from other partners. This

brought down the educational element of the costs of this placement from over £0.200m to just £0.054m and this will have had a significant impact on the bottom line position.

15. It is important to note that this budget is volatile since costs could increase significantly at short notice if 1 or 2 pupils with complex needs requiring high cost residential placements re-locate to the area or the needs of a child change.

Independent Non-Special Schools

16. An overspend of £0.053m is currently forecast against Independent non-special schools where the Council funds teaching support costs. Previously these costs were assigned to the same budget as the top-up funding for Independent Special Schools, however in 2016-17 it was decided to separate these costs out and set at a separate budget of £200k for 24 pupils at an average cost of £8.3k per pupil.
17. Where the SEN Team believe that a Maintained School can not meet the needs of a child and it is cheaper to place a child at an Independent School with one-on-one attention rather than a high cost specialist Independent Special School, this may result in an Independent non-special School being named on a Child's EHC Plan. On the basis that a potential overspend has been identified, the Service are reviewing how to continue to fund these costs with the aim of bringing it into line with SEN notional budgets allocated to Maintained Schools.

SEN Nursery Placements

18. There is a forecast overspend of £0.038m on SEN Nursery Placements against the budgeted level of £35k. This is explained by the SEN Team maximising or providing opportunities for Mainstream Early Years settings. There will be a potential ongoing pressure on this budget, however there should be reduced costs on Special School nursery placements and related reduced costs on SEN transport.
19. The reasons for increasing costs in this area is due to children surviving at birth with more complex needs as demonstrated by Health data leading to more children assessed for EHCP plans. Also, there is the extension of the age range leading to an increase in the number of placements.

Line 1.2.5 – SEN Support Services

20. The Joint Arrangement with Telford & Wrekin Council for the provision of a Sensory Inclusion Service is currently forecasting an underspend of £0.117m. A staffing restructure earlier in the financial year has resulted in a saving of £0.117m on Shropshire Council's contribution.
21. Continuing from 2015-16 there are still some vacancies in the SEN team where key posts are actively being recruited to. The team has been stretched to capacity due to increased numbers of EHC Plans and increasing SEN

Casework workloads. These vacancies have resulted in a forecast underspend of £0.194m but not all of this underspend is ongoing.

1.4.12 – Exceptions agreed by Secretary of State (Deficit Balance)

22. A cost of £0.168m is reported. As agreed by Schools Forum in 2014-15 this is the third year charge relating to a secondary school deficit balance incurred in 2014-15 at the point of conversion to a sponsored academy.

2017-18 Central Provision within Schools Budget

23. Funding for some services can be centrally retained before allocating individual budgets to schools through the funding formula with the agreement of Schools Forum. These centrally retained services are applicable to maintained schools and academies.
24. A number of these services are subject to a limitation of no new commitments or increases in expenditure from 2016-17 levels and Schools Forum approval is required to confirm the amounts on each line.
25. Appendix B sets out which services can be centrally retained, the amount centrally retained in 2016-17 and the amount proposed to be centrally retained in 2017-18 for consideration and approval by Schools Forum.
26. Any underspends or overspends in this area of Centrally Retained DSG can be recycled or used again.
27. Contributions to Combined Budgets are towards Services funded partly from central expenditure and partly from other budgets of the local authority or contributions from other bodies, where the expenditure relates to classes. Some examples within Shropshire include contributions to Children's Safeguarding's Early Help function where Schools receive a direct benefit e.g targeted mental health support in Schools and support for Young Carers.
28. Schools Admissions budgets are spent on the administration of the system of admission of pupils and largely funds the staff employed to deliver this service.
29. Termination of Employment Costs funds expenditure in respect of premature retirement costs and relates to existing commitments so the budget will fall year on year.
30. Capital Expenditure from Revenue is revenue funding contributions to existing capital commitments while Prudential Borrowing costs relates to expenditure incurred in the repayment of loans for Capital Schemes.
31. Based on information received to date regarding the introduction of national funding arrangements it appears that this funding will be moved to the new "Central Schools Block" when the new arrangements are implemented. The EFA has "baselined" this funding block at a value of £3.064m following an exercise undertaken with Local Authorities earlier in the year. The reduction from

£3.616m was on the Contributions to Combined Budgets budget heading based on the EFA only funding historic commitments pre-dating the 2013-14 financial year in 2017-18.

APPENDIX B

CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2016-17)

	2016-17 Latest Budget £	2016-17 Forecast Spend £	2016-17 Variance £	2017-18 Proposed Budget £
DEDELEGATED ITEMS				
1.1.1	Contingencies	159,770	220,213	60,443
1.1.2	Behaviour Support Services	0	0	0
1.1.3	Support to UPEG and bilingual learners	0	0	0
1.1.4	Free school meals eligibility	0	0	0
1.1.5	Insurance	23,280	23,280	0
1.1.6	Museum and Library Services	0	0	0
1.1.7	Licences/subscriptions	0	0	0
1.1.8	Staff costs Maternity supply cover	321,570	410,358	88,788
1.1.9	Staff costs Trade Union Duties	50,400	59,099	8,699
	DEDELEGATED ITEMS SUB TOTAL	555,020	712,950	157,930
CENTRALLY CONTROLLED EARLY YEARS BUDGET				
1.0.1	Individual Schools Budget - Early Years PVI's	6,845,180	7,547,941	702,761
1.3.1	Central Expenditure on Children under 5	222,460	309,144	86,684
	CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL	7,067,640	7,857,085	789,445
CENTRALLY CONTROLLED HIGH NEEDS BUDGET				
1.2.1	Top Up funding - Maintained Providers	4,698,390	4,822,809	124,419
1.2.2	Top Up funding - Academies, Free Schools and Colleges	5,349,670	5,338,883	-10,787
1.2.3	Top Up funding - Non-Maintained and Independent Providers	4,343,180	4,135,055	-208,125
1.2.4	Additional High Needs Targeted Funding for Maintained Schools and Academies	92,270	92,270	0
1.2.5	SEN Support Services	1,828,300	1,530,110	-298,190
1.2.6	Hospital Education Services	105,190	105,190	0
1.2.7	Other Alternative Provision Services	177,180	172,253	-4,927
1.2.8	Support for Inclusion	931,320	924,267	-7,053
1.2.9	Special Schools and PRUs in Financial Difficulty	0	0	0
1.2.10	PFI / BSF Costs at Special Schools and AP / PRUs	0	0	0
1.2.11	Direct Payments (SEN and Disability)	0	0	0
1.2.12	Carbon Reduction Commitment Allowances (PRUs)	0	0	0
	CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL	17,525,500	17,120,837	-404,663
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
1.4.1	Contribution to combined budgets	1,310,000	1,271,501	-38,499
1.4.2	Schools Admissions	211,460	213,575	2,115
1.4.3	Servicing of Schools Forums	11,000	9,348	-1,652
1.4.4	Termination of employment costs	994,920	994,920	0
1.4.5	Falling Rolls Fund	0	0	0
1.4.6	Capital Expenditure from Revenue (CERA)	605,550	605,550	0
1.4.7	Prudential Borrowing Costs	295,350	295,350	0
1.4.8	Fees to independent schools without SEN	0	0	0
1.4.9	Equal Pay - Back Pay	0	0	0
1.4.10	Pupil growth / Infant Class sizes	0	0	0
1.4.11	SEN Transport	0	0	0
1.4.12	Exceptions agreed by Secretary of State (Deficit)	0	168,141	168,141
1.4.13	Other Items (Copyright Licensing Agency fee)	187,820	198,632	10,812
	CENTRAL PROVISION WITHIN SCHOOLS BUDGET SUB TOTAL	3,616,100	3,757,017	140,917
	TOTAL CENTRAL DSG	28,764,260	29,447,890	683,630
	TOTAL CENTRAL DSG	28,764,260		
	DELEGATED EARLY YEARS BUDGET - Maintained Nursery Provision	2,712,430		
	DELEGATED HIGH NEEDS BUDGET - Place Funding	6,241,670		
	INDIVIDUAL SCHOOLS BUDGET SHARES	151,098,640		
	TOTAL DSG	188,817,000	188,817,000	

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