

# Schools' Forum

## Minutes of the meeting held on 24th October 2012 at the Civic Offices

### Attendance

#### Members:

Tom Blair  
Suzy Horton  
Bruce Marr  
Mark Mitchell (Chair)  
Jayne Pratt  
Steve Sheehan  
Justeen White

#### Representative:

Gov – Secondary  
Gov – Primary  
Gov - Secondary  
Gov – Special  
Gov – Nursery  
Gov - Primary  
Gov – Secondary

Alison Beane  
Jackie Collins  
Lynn Evans  
David Jeapes  
Mike Smith  
Sue Wilson

HT – Special  
HT – Primary  
HT – Secondary  
HT – Secondary  
HT - Secondary  
HT - Primary

Cllr Ken Ferrett  
Cllr Lynne Stagg  
Cllr Neill Young

Cllr - Labour  
Cllr – Liberal Democrat  
Cllr - Conservative

#### Observers:

Bev Pennekett  
Lionel Smith

Education Funding Agency  
Gov - Primary

#### Officers:

Eric Bell  
Di Mitchell  
Maria Smith  
Richard Webb  
Julian Wooster

Commissioning Manager  
Head of Education  
Senior Accountant  
Finance Manager  
Strategic Director

### Item

### Action

1. Apologies: Carole Damper, Emily Fletcher, Sarah Sadler, Karen Stocks, Cllr Rob Wood.

2. Declaration of interests:

It was requested that those members who hadn't already done so complete and sign a Declaration of Interest form and return to Richard Webb.

*Action: All members to complete this if not done already.*

All

It was confirmed that there were no conflicts of interest to items on the agenda.

3. Minutes and Matters Arising from last meeting on 3<sup>rd</sup> October 2012

The minutes of the previous meeting were agreed. Due to the importance of the items on this agenda, it was agreed that the actions from the meeting on 3<sup>rd</sup> October would be included in the minutes of this meeting, in order to be discussed at the meeting in December.

***Actions from 3<sup>rd</sup> October 2012 meeting:***

Funding for Exceptional Pupil Numbers. Criteria to define 'significant and sustained increases' need to be determined with regard to additional funding being made available to schools.

*Action: Richard Webb to bring back proposals to the December meeting.* RW

Schools Forum Constitution.

*Action: Richard Webb to add a sentence into the constitution to state that membership will be reviewed regularly to reflect the number of academies in the city.* RW

AMS Matters. JB

*Action: John Bean to contact schools to find*

- *2/3 head teachers to assist with the Repairs and Maintenance SLA*
- *2/3 bursars to assist with the Managing School Premises guide*
- *2 further head teachers to assist with the catering SLA*

DSG 2012/13 and use of Contingency Provision. RW

*Action: Richard Webb to bring back details to the next meeting on the cost of out of city placements.*

Any Other Business. An initiative has been put together by the community, police and lifeguards where they are trying to make children aware of the dangers of tombstoning and develop water safety advice and materials.

*Action: Julian Wooster to contact primary schools to ask if any are willing to assist with the production of new material appropriate for use in schools.* JW

#### 4. School Funding Reform

Richard Webb presented a report updating schools forum on the progress being made towards implementing changes to our local funding formulae and to ensure that schools forum is consulted on the proposed changes to the schools funding formula and seek the appropriate approval requirements for the treatment of central expenditure.

Schools Forum were reminded of the key principles applied by the working group and reflected in the financial modelling which had been previously agreed by Members:

*(a) to minimise fluctuations in funding for schools as far as possible prior to the introduction of the national funding formula; and*

*(b) to maintain the funding for each of the phases in the same proportion / percentage split for modelling purposes.*

#### **Schools Block**

Under the new revenue formula funding arrangements, Portsmouth City Council will only be able to use eleven factors when deciding on how to allocate funding to mainstream schools. These eleven factors will replace the existing methodologies for allocating the budget share to Primary and Secondary mainstream schools.

The table below summarises the eleven factors available to Portsmouth City Council for allocating funding to mainstream schools from the 1 April 2013, together with the details of any allowable choices that have been made by the Council in implementing these factors. The 'Basic Per Pupil Entitlement' and 'Deprivation' factors are mandatory, whilst the other factors are optional.

**Table 1 – Proposals for mainstream formula factors**

<b>No.</b>	<b>Funding Formula Factors</b>	<b>Factor Applied in Formula</b>	<b>Local Discretion Applied</b>
<b>1.</b>	Basic Per Pupil Entitlement	Yes	The Council is proposing to use the option to have different entitlement rates for Key Stage 3 and Key Stage 4, rather than one rate for both.
<b>2.</b>	Deprivation	Yes	The Council is proposing to use the IDACI measure for allocating funding to primary and secondary schools for deprivation, rather than using the Free School Meal data sets.
<b>3.</b>	Looked After Children	Yes	None

<b>4.</b>	Prior attainment as a proxy measure for SEN	Yes	The Council is proposing to use 73 points (rather than 78 points) in the EYFSP as the proxy measure for allocating funding to Primary Schools for SEN.  For secondary schools, the measure is those pupils who fail to achieve Level 4 or above in both English & Maths. There are no local options regarding the measure.
<b>5.</b>	English as an additional language (EAL)	Yes	The Council is proposing to allocate funding on the basis of a higher rate for secondary pupils to reflect the increased support required at this level.
<b>6.</b>	Lump Sum	Yes	None
<b>7.</b>	Split Sites	No	Factor not used.
<b>8.</b>	Rates	Yes	None
<b>9.</b>	Private Finance Initiative (PFI)	Yes	The Council is proposing to continue to fund schools for the estimated affordability gap, through this factor.
<b>10</b>	Post 16 funding	No	Factor not used.
<b>11</b>	Pupil Mobility	No	Factor not used.

It was confirmed that at this stage we are asking Schools Forum members to approve the principles and that unit values will be amended following confirmation of the 2013-14 DSG. This will be achieved as far as possible by amendment of the values associated with the 'Basic Per Pupil Entitlement'.

The Minimum Funding Guarantee (MFG) has been set at minus 1.5% per pupil for 2013-14 and 2014-15. The MFG protects the per-pupil funding that schools receive from one year to the next against significant funding reductions.

To ensure the affordability of the MFG protection under the new arrangements, and to minimise fluctuations in funding for schools as far as possible prior to the introduction of the national funding formula, it is proposed that a financial cap be implemented to protect against significant increases in schools funding. A detailed analysis was distributed showing the impact on schools if there were to be a cap of 1.5%, no cap or a 3% cap. It was agreed that under the current modelled options that a 1.5% cap looked to be the best option.

Concern was raised over the significant gains and losses in the secondary sector in particular. Richard Webb confirmed that we had to work within the DfE guidance and this was the closest we could get to meet the criteria of minimising fluctuations in funding for schools as far as possible. It was also reiterated that schools would be protected by the MFG at 1.5% for the next two years.

It was questioned how the responses to the consultation were reflected in the report. Mark Mitchell responded that there had only been 12 responses to the consultation some of which did not understand the issues based on their responses. Eric Bell stated that he and Richard had met with head teachers and finance officers at various meetings over the consultation period to help explain this very complex issue.

*Action: Richard Webb and Eric Bell to arrange attendance at a future Governors meeting.* RW/EB

### Schools Members agreed:

- a. That following confirmation of the 2013-14 DSG, officers will amend the unit values to minimise the impact of fluctuations in funding at the school level. This will be achieved as far as possible by amendment of the values associated with the 'Basic Per Pupil Entitlement'. *(All 11 Members agreed)*
- b. The proposed mainstream formula factors, together with the choices that the Council has made in implementing these factors locally *(10 Members agreed, 1 abstention)*
- c. The proposal to introduce a financial cap to restrict significant increases in schools funding, as detailed in paragraph 18 of the report. *(All 11 Members agreed)*

### Central Expenditure

The table below sets out the Council's proposals to Schools Forum for the treatment of these central expenditure items. Schools Forum was requested to approve de-delegation of the items specified in the table below, together with any relevant overheads.

**Table 2 – Proposals for treatment of central expenditure items for schools**

No.	Central Expenditure Item	Recommended Treatment	De-Delegation Phase Agreement Required	Service Level Agreement Required
1.	Contingencies	The current level of contingency is £500,000. It is recommended that a contingency is retained for the following remaining eligible	Separate approval will be requested at the meeting in December.	No

		<p>purposes where required:</p> <ul style="list-style-type: none"> <li>Schools in financial difficulties</li> <li>Additional costs relating to new, reorganised or closing schools</li> <li>Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet.</li> </ul> <p>The parameters and amount for any contingency required in respect of the above purposes will be agreed by Schools Forum separately each year.</p>		
<b>2.</b>	Administration of free school meals eligibility	This total cost of this service including overheads is approximately £33,000. It is recommended that this is allocated on a per pupil basis (using AWPU) and de-delegated back to central control.	Primary & Secondary	No
<b>3.</b>	Insurance	This is already delegated to schools, therefore no action required.	N/A	N/A
<b>4.</b>	Licences or subscriptions	The cost of this service is approximately £50,000. It is recommended that this is allocated on a per pupil basis (using AWPU) and de-delegated back to central control, together with an overhead element for the administration costs.	Primary & Secondary	No
<b>5.</b>	Staff costs or supply cover (incl: Long Term Sickness, Maternity, Union Duties, Suspension, Jury Service, etc.	<p>Sickness costs are already delegated and a Service Level Agreement is already in place.</p> <p>Maternity costs are approximately £540,000. It is recommended that this is allocated on a per pupil basis, (using AWPU) but with appropriate allocation between the school phases. An SLA would be offered and a small administration charge would be applied.</p> <p>Special staff costs (Union Duties, Suspension, Jury Service, etc) cost approximately £250,000, it is recommended that this is</p>	<p>N/A</p> <p>N/A</p> <p>Primary &amp; Secondary</p>	<p>Yes</p> <p>Yes</p> <p>No</p>

		allocated on a per pupil basis (using AWPU) and de-delegated to central control.		
6.	Support for minority ethnic pupils or underachieving pupils	The cost of this service is approximately £460,000. It is recommended that is allocated on a per pupil basis (using EAL) and de-delegated back to central control. Agreement would be required for each phase.	Primary & Secondary	No  Any additional services would require an SLA.
7.	Behaviour Support Services	Estimated value of this service is £1m, which is currently provided through Harbour School. It is recommended that this is allocated using 'prior attainment as a proxy for SEN'. A phased approach as set out below is recommended. For year 1 (2013-14) – De-delegate back to central control and continue to provide through Harbour school. In preparation for year 2 (2014-15), schools give early preference to model of provision.	Primary & Secondary	Yes, between PCC and Harbour School in year 1.
8.	Library and Museum Services	The cost of this service is approximately £16,000. It is recommended that this is allocated on a per pupil basis (using AWPU) to primary schools and de-delegated back to central control.	Primary	No

Mike Smith proposed to also agree de-delegation of the maternity budget. It was stated that the maternity budget was more difficult to administer and that it would probably require an additional charge to cover administration of the scheme by the local authority. There was agreement around the room that schools would still be keen to de-delegate the maternity budget as schools they felt uncomfortable taking on the financial risks associated with this budget.

**Primary & Secondary School Members agreed unanimously by phase:**

- d. The proposed treatment of the central expenditure items as detailed in table 2, including any relevant overheads. In addition Members agreed the de-delegation of the Maternity budget together with any relevant overheads.**

## High Needs Block

Richard Webb presented an overview of the funding arrangements in respect of the high needs block referring to the detail within the report.

For alternative provision it was confirmed that there will be a base level of funding for each agreed AP place of £8,000. Above this top-up funding will be provided by the commissioner on a per pupil basis. Eric Bell confirmed that this no different to the arrangement this year apart from the fact that the commissioner would also be liable for transport costs. Mike Smith asked what the average costs of transport were and Eric confirmed this would form part of the report in December.

In cases of permanent exclusions the DfE proposals state that mainstream schools and academies will be required to repay the AWPU to the Local Authority. In order to avoid a perverse incentive for schools to exclude pupils on financial grounds a local arrangement was proposed:

- Mainstream schools or academies will be required to pay top up funding for the rest of the financial year in addition to the AWPU.
- Where the exclusion occurs after the October Census, mainstream schools and academies will be required to pay the top up element of the funding to the provider for the rest of the financial year and the following financial year, in addition to the AWPU.

Mike Smith offered an alternative proposal as a minimum compromise that in year 2 only the AWPU would be repaid. He stated that although there was agreement that the cost of permanent exclusion should be higher than alternative provision there needed to be recognition that sometimes permanent exclusion is necessary.

It was suggested that officers model the impact of repaying a proportion of the top-up (say £1k, £2k and £6k). Richard Webb stated that this could be done but made Schools Forum aware that any reduction in the amount that schools repay would result in the local authority having to retain additional funding separately within the high needs block.

*Action: Richard Webb to bring back further modelling of permanent exclusions to the December meeting.* RW

## Members agreed:

- e. To note that a further progress report will be presented to the December meeting which will include proposals in relation to the use of the central contingency and for funding growth**



- f. To defer a decision in relation to the recommendation on the funding in cases of permanent exclusion but agreed the following principles:
  - i. There should be no perverse financial incentive to permanently exclude.
  - ii. That where the exclusion takes place prior to the October census in an academic year, the school would repay the AWPU
  - iii. That where the exclusion takes place after the October census in an academic year, that the school would repay the AWPU for that year and the following financial year.
  - iv. That the school would also repay a top-up in the first year, but that a decision on the amount to be repaid is delayed until further financial modelling is presented to Members at the next meeting.
- g. To note the proposals in respect of the high needs block and that a further report will be presented in December.

5. Academy Transfers

This item was deferred to the December meeting.

6. Closing balances of Charles Dickens Infant and Junior Schools

Richard Webb presented a report seeking agreement for the proposed use of the closing balances of Charles Dickens Infant School and Charles Dickens Junior School following the transfer of the pupils to Charles Dickens Primary School.

**Schools Forum approved the recommendation.**

7. Any Other Business

None.

**Dates of Future meetings**

(all Wednesdays, 4.30pm – 6.30pm, to be held in the Civic Offices)

12<sup>th</sup> December 2012 – Budget update (Leader & S151 Officer invited)

13<sup>th</sup> February 2013 – Budget setting

24<sup>th</sup> April 2013 – Central Expenditure Limit

17<sup>th</sup> July 2013 – Final DSG allocation

***Schools Forum members - please contact Richard Webb (023 9284 1203) if you would like to add any items to future agendas.***