

MINUTES OF THE MEETING OF THE
WORCESTERSHIRE SCHOOLS FORUM (WSF)

Wednesday 16th January 2019
Kidderminster Room, County Hall, Worcester

The meeting started at 2.00 pm

IN ATTENDANCE:

WSF Members

Adrian Ward (Chair)	-	HT Trinity High School
Paul Essenhigh	-	Executive HT Catshill Middle, Catshill First and Nursery Schools
Nathan Jones	-	HT Meadow Green Primary
Deb Rattley	-	HT Chadsgrove Special School
Lorraine Petersen	-	Governor, Bromsgrove
Greg McClarey	-	Archdiocese of Birmingham
Jeff Robinson	-	Governor, Malvern Hills
David McIntosh	-	Governor, Wyre Forest
John Bateman	-	Governor, Aspire Alternative Provision (AP) Free School
Stephen Baker	-	Union Representative
Tricia Wellings	-	PVI Sector

Local Authority (LA) Officers

Nick Wilson	-	Interim Assistant Director Education and Skills Children, Families and Communities
Andy McHale	-	Service Manager Funding and Policy Children, Families and Communities
Caroline Brand	-	Finance Manager Children, Families and Communities

1. APOLOGIES AND ANNOUNCEMENTS

1.1 Apologies

Malcolm Richards	-	Governor, Bromsgrove
Bryn Thomas	-	HT Wolverley CE Secondary School
Marie Pearse	-	HT Evesham Nursery School (Absent)
Vivienne Cranton	-	HT Hollymount Primary School
Chris King	-	CEO Severn Academies Educational Trust
Tim Reid	-	Church of England Board of Education
Denise Phelps	-	PVI Sector
Edward Senior	-	16-19 Providers
Councillor Marcus Hart	-	Cabinet Member with Responsibility for Education and Skills
Sue Alexander	-	Head of Financial Management Adults, Children, Families and Communities

1.2 Announcements

(a) In the absence of both the Chair and Vice Chair Adrian Ward HT Trinity High School took the Chair for the meeting.

(b) Andy advised the WSF that Denise Phelps PVI representative was unwell and would not be able to attend the WSF at the moment. The WSF requested their best wishes to past onto Denise for a speedy recovery and that a substitute WSF member be sought if required.

(c) Andy further advised that Sue Alexander had also been unwell and she was hoping to return to work in the near future. The WSF requested their best wishes be passed onto Sue.

2. DECLARATION OF INTERESTS

None.

3. DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ITEMS ON THE AGENDA

None.

4. MINUTES OF THE LAST MEETING (21st November 2018)

4.1 The minutes were agreed as a true record.

4.2 Matters Arising

(a) Under 2.9 the High Needs Task and Finish Group Nick advised that Terms of Reference had been drafted but so far only a small number of WSF members had come forward. Nick requested WSF members consider the request and the Chair suggested HT groups be asked to nominate colleagues not on the WSF if required.

(b) Under 6.2 Charging for Academy Conversions Nick agreed to send details of the LAs position to a member of the WSF.

(c) Under 8.2 Teachers Pension Scheme Employer Contributions Andy advised the DfE had launched a consultation, which is due to conclude on 12th February 2019.

5. ANY OTHER BUSINESS

None.

6. MATTERS ARISING

6.1 Cabinet Decisions made on 13th December 2018 for 2019-20 Draft Budget Proposals

(a) Andy tabled an extract from the Cabinet report detailing the current position on the DSG at that point and which reported on the details of the WSF meeting on 21st November 2018 including the WSF decisions made for any transfers between the DSG Blocks, de-delegations for maintained schools only and centrally retained services for all schools.

(b) Andy advised the Cabinet Budget Report for 31st January 2019 would include information on the School Funding Settlement 2019-20 and the WSF deliberations on the Local Schools funding Formula (LSFF) submission due to the Education and Skills Funding Agency (ESFA) on 21st January 2019.

7. PROVISIONAL SCHOOL FUNDING SETTLEMENT 2019-20

7.1 Dedicated Schools Grant (DSG)

(a) Andy advised the DSG settlement as follows: -

- Schools Block, Central School Services and High Needs Blocks all allocated on the basis of the new National Funding Formula (NFF) announced in September 2017.
- For the Schools Block this is based upon the schools block Primary Unit of Funding (PUF) and Secondary Unit of Funding (SUF) 2019-20 notified in July 2018.
- Continuation of the new national Early Years (EY) DSG arrangements introduced in 2017-18.
- The allocations are prior to the recoupment deduction for Academies and non-LA maintained specialist providers.

DSG Allocations	2018-19 Latest December 2018 £'m	2019-20 Provisional December 2018 £'m	Variance £'m
Schools Block	315.247	323.314	+8.067
Central School Services Block	3.766	3.793	+0.027
High Needs Block	49.852	51.965	+2.113
Early Years Block	32.424	32.433	+0.009
Total DSG Gross	401.289	411.505	+10.216

(b) For the **Schools Block**: -

- There is an overall increase in pupil numbers between October 2017 and October 2018, which shows an increase in both the primary and secondary as follows: -

Phase	2018-19 October 2017 Census	%	2019-20 October 2018 Census	%
Primary	44006	60.9	44012.5	60.4
Secondary	28211	39.1	28873	39.6
Total	72217	100.0	72885.5	100.0

- This is set by DfE as part of NFF policy September 2017 for Year 2 NFF based upon the October 2018 pupil census against the Primary and Secondary Units of Funding (PUF) and (SUF) confirmed in July 2018. It also includes historic premises related factors allocation of £7.488m and Pupil Growth Fund (PGF) £1.736m now on a national formulaic basis.

(c) For the **Central School Services Block** this is based upon NFF formulaic allocation for centrally retained statutory services £2.293m plus historic commitments £1.500m based on 2017-18.

(d) For the **High Needs Block** the allocation of £51.965m is made up as follows: -

DETAIL	£'m
2018-19 Original NFF	48.620
+ Additional HN One-Off DSG 2018-19	1.232
= 2018-19 Final	49.852
2018-19 Original NFF	48.620
+ Effect of NFF Year 2	2.113
+ Additional HN One-Off DSG 2019-20	1.232
2019-20 Provisional	51.965

- This is set by DfE as part of NFF policy September 2017. In both 2018-19 and 2019-20 WCC has been allocated £1.232m of one-off funding in each year as part of the national £250m additional DSG.

(e) For the **Early Years Block** this is provisional based upon Schools, Early Years and Alternative Provision censuses data for 2, 3 & 4 year olds from January 2018. The final allocations will be updated based on January 2018 and January 2019 census data.

(f) The WSF noted the details comparing 2018-19 and 2019-20 in **Appendices A and B** to the report. This showed for the Schools Block the effect of the increase in the PUF and SUF for the Year 2 NFF and the increased numbers in the October 2018 pupil census. In response to questions from the WSF Andy advised the Schools Block increase was expected due to the NFF and although the High Needs Block increase is welcomed it will not cover the significant existing cost pressures.

7.2 Pupil Premium Grant (PPG)

(a) Andy confirmed the PPG rates for 2019-20 as follows: -

Phase/Type	2018-19 £	2019-20 £
Primary	1,320	1,320
Secondary	935	935
LAC	1,900	2,300
Service Children	300	300
Early Years	300 Full Year (£0.53 per hour)	300 Full Year (£0.53 per hour)

7.3 The WSF noted the provisional school funding settlement for 2019-20.

8. THE SCHOOL AND EARLY YEARS FINANCE (ENGLAND) REGULATIONS 2018 AND DSG CONDITIONS OF GRANT 2019-20

8.1 Andy advised the DfE have published the Regulations and they have been laid before Parliament. Also the DSG conditions of grant 2019-20 were available. Andy further advised the only significant changes were issues relating to the Year 2 NFF.

8.2 The WSF noted the current position.

9. SCHOOL BLOCK ALLOCATIONS 2019-20 AUTHORITY PROFORMA TOOL (APT)

9.1 Initial APT Issues

(a) Andy introduced the report which detailed the early January 2018 position on the APT.

(b) Andy provided an analysis of the Schools Block funding, prior to de-delegation for mainstream schools and after adjusting for centrally retained services detailing the estimated amount to be included in the Local Schools Funding Formula (LSFF) as follows: -

DETAIL	£'000	£'000
Schools Block LSFF Provisional Allocation		
Primary Unit of Resource £3,872.463 x Pupil Numbers	170,436	
Secondary Unit of Resource £4,975.38 x Pupil Numbers	143,654	
+ Premises Costs Historic Costs Allocation	7,488	
= Total LSFF Quantum 2018-19		321,578
+ Pupil Growth Fund (PGF) DfE Formula Allocation		1,736
= Total Schools Block DSG		323,314
Central School Services Block		
Centrally Retained Budgets (Previously Approved by WSF and WCC Cabinet)		
Contributions to Combined Services – Early Intervention Family Support (EIFS)	1,500	
Co-ordinated School Admissions	696	
Servicing of the Schools Forum	55	
Education Services Grant (ESG) Retained Duties Transfer for All Schools	1,163	
<u>DfE Designated Centrally Retained Budgets</u>		
Licenses and Subscriptions – DfE Estimated	380	
= Total Centrally Retained		3,794
- Central Services Schools Block (CSSB) Allocated		(3,793)
= Surplus/(Deficit) on CSSB		(1)

(c) Andy advised this compares to the LSFF net amount in 2018-19 of £314.106m. A comparison of the changed position is as follows: -

DETAIL	£'000
LSFF 2018-19	314,106
Adjustments	
Under Allocated 2018-19 (Support to PGF and Other Issues)	441
Initial Effect of NFF for Schools Block July 2018 Additional DSG	3,465
Additional DSG for Increase in Pupil Numbers October 2018	3,325
Additional Historic Premises	241
= Estimated Amount for LSFF 2019-20	321,578

(d) Andy further advised although this seems a significant increase the additional NFF DSG allocation notified in July 2018 was expected. Also, the increase in pupil numbers of 668.5 (Primary 6.5; Secondary 662) will require funding in the LSFF 2019-20 together with the requirements of LSFF Option 2 i.e. to be based as far as is practicable and affordable upon the Year 2 NFF parameters.

(e) The WSF were reminded that the budgetary impact for each individual school will depend upon: -

- How their individual pupil numbers and all other data varies between October 2017 and October 2018.
- The Schools Block DSG increase between 2018-19 and 2019-20.
- The impact across all schools.
- The impact of the LSFF Option 2 for the NFF parameters i.e. the MFG requirement and associated capping level i.e. an MFG of a further +0.5% per pupil in 2019-20 and an associated affordability cap of a further 3% in 2019-20.
- The impact and affordability of the Minimum Funding Levels (MFL) per pupil for the total budget: –
 - Primary increasing from £3,300 2018-19 to £3,500 in 2019-20.
 - Secondary increasing from £4,600 2018-19 to £4,800 in 2019-20.
 - Middle new hybrid MFL rates of £3,500 for primary pupils and £4,600 for KS3 pupils.
 - All Through Schools a hybrid MFL rate based upon the sector year groups.
- The MFG no longer has to be applied only to the extent that it offsets the cost of the MFG, since that could prevent LAs from coming close to the NFF.

(f) Andy advised at its meeting on 14th December 2017, the Worcestershire County Council Cabinet: -

- *Approved the 2018-19 and 2019-20 Local Schools Funding Formula (LSFF) to be consultation Option 2 based as far as is practicable and affordable upon the National Funding Formula (NFF) parameters.*
- *Authorised the Director of Children, Families and Communities in consultation with the Cabinet Member with Responsibility for Education and Skills to make the required submission to the national executive body, the Education and Skills Funding Agency (ESFA) by 19th January 2018 for the approved Local Schools Funding Formula for 2018-19 taking account of any impact and change on the approved units of resource, MFG and capping arrangements as consequence of the October 2017 census and other 2017 data changes and the final 2018-19 Dedicated School Grant and similarly for 2019-20 when the timescales are known.*

9.3 Current APT Position

(a) The WSF were provided with further information in **Appendix A** to the agenda item which summarised the current position and a comparison of the APT formula factors between 2018-19 and 2019-20.

(b) Andy advised the LA has been working on the APT for final submission to the ESFA by 21st January 2019.

(c) Andy confirmed: -

- The estimated quantum for the LSFF in 2018-19 is £321.578m plus a further sum of £1.736m from the national Pupil Growth Fund.
- The current APT position using the approved units of resource, other data and the Year 2 NFF parameters for the MFG, Capping and the sector Minimum Funding Levels is £322.121m. This is an over allocation of £0.543m against the LSFF quantum **excluding** the PGF.
- The Option 2 parameters based on the NFF cannot be fully replicated through the APT due to the starting baselines used by the ESFA and their calculation of floors and ceilings.
- The draft APT uses the DfE quoted Year NFF units of resource, sector minimum funding levels, an applied local MFG at +0.5% per pupil and a local capping level of +3.09% per pupil.
- The overall amount obtained from is now less than the overall cost of the MFG, which is permitted by the ESFA.
- The new DfE data and Option 2 parameters will have to drive the allocations and so cannot be amended along with the units of resource as approved unless there is a Schools Block DSG quantum issue. Varying from this approach is not appropriate – as in previous years the data and local formula parameters run.

(d) The WSF were reminded: -

- The **MFG is a per pupil not a cash protection**, so the LSFF even when based on the NFF parameters, cannot protect schools from the effect of significant data changes between 2017 and 2018 e.g. reductions in pupil numbers and other data sets such as FSM, low prior attainment, etc. This data is controlled and supplied by the DfE in the APT and cannot be changed.
- As a consequence some schools will see reductions in funding due to these data changes. Nevertheless, all schools could be subject to at least a +0.5% per pupil increase as a consequence of the MFG in the LSFF being based upon the NFF parameters.
- The APT is draft only and it is not final until the ESFA have approved the APT following their detailed compliance checks – this will take some time following submission.
- School by school data is never shared at this time as is not available until all maintained schools and academies have had their allocations.

(e) Andy advised although the allocation predicted is of £0.543m is only 0.17% of the LSFF quantum is has to be dealt with. Approximately half of this sum is the potential effect of the new North Worcester Primary Free School, which is a call on the DSG funded on estimated numbers not included in the October 2018 census. This will be an issue each year until the school is up to capacity in its 7 year groups.

- (f) The WSF were requested to consider the issues for dealing with this as follows: -
- Divert from the NFF Year 2 parameters due to affordability by: -
 - Adjusting the AWPU or other formula factor units.
 - Adjust the MFG and/or capping %.
 - Not introducing the full increase to the sector Minimum Funding Levels (MFLs).
 - Consider the use of the increased PGF from the DfE national formula on this to support the LSFF for: -
 - The cost of the New North Worcester Primary Free School.
 - The over allocation, which is the opposite position for 2018-19.
 - Allocate the LSFF using the NFF Year 2 parameters and carry forward the shortfall to be the first call on to the Schools Block in 2020-21.
- (g) In response to questions from the WSF Andy advised: -
- Any adjustment to formula factors cannot be disappplied from the MFG/Capping. So using this option would not lead to any significant change merely a recycling of the current quantum between schools.
 - Adjusting the MFG or capping % has no effect on other formula factors but the current model includes the DfE Year 2 MFG and Capping rates so this would require a deviation from this. Options for consideration include: -
 - 0% MFG and 2.59% Cap.
 - 0.5% MFG and 1.9% Cap.
 - 0.25% MFG and 2.25% Cap.
 - Any reduction to the MFLs would impact significantly on some schools and approximately a £40-£50 reduction would be required.
 - For using the PGF to support the LSFF: -
 - To support the costs of the new Free School would require a change to the approved PGF criteria.
 - A sum of £0.3m was added to the local PGF in 2018-19 as there was a £0.4m under allocation in 2018-19 but this was not reflected in the DfE PGF national formula starting baseline.
 - The LA gains from the DfEs new national formula for pupil growth which may not all be required for this issue but it is likely some of the additional PGF will also be required to support the increasing pressure on the County's basic need requirements.
 - This course of action could be challenged by the ESFA.
 - It is anticipated, based upon the DfE estimates in July 2018, a full NFF in Year 3 would allocate at least a further £0.6m of Schools Block DSG in 2020-21.
- (g) The WSF commented as follows: -
- Given the consultation and LSFF approvals, it was felt that there is a need to endeavour to replicate the Year 2 NFF parameters in 2019-20.
 - Given the unfairness of the DfE lagged funding system, the WSF concluded the use of the PGF to support the LSFF is wholly appropriate.
 - The WSF supported the draft wording for an addition to the PGF criteria to reflect this position.
 - Also given the additional PGF in 2019-20 from the DfE national formula, the WSF supported its use in the LSFF generally.
 - There was unanimous support to submitting the APT for 2019-20 using the Year 2 NFF parameters and funding any shortfall from a combination of using the pupil growth fund if permitted by the ESFA and a call on the Year 3 NFF in 2020-21.

(h) Andy advised if the ESFA do not support the submission there would need to be further discussions on how to deal with the shortfall. Andy further advised although the WSF do not approve the LSFF, endorsement of the APT for submission is requested and approval would be required on the proposed changes to the PGF criteria.

RESOLVED –

The WSF unanimously approved (For 11 votes; Against 0 votes; Abstention 0 votes) the changes proposed to the existing PGF criteria to reflect its use for the funding of new free schools.

The WSF unanimously endorsed (For 11 votes; Against 0 votes; Abstention 0 votes) the submission of the LSFF APT final Schools Block funding for 2019-20, using the Year 2 NFF parameters and taking account of the above issues, to the ESFA by 21st January 2019 as required.

10. F40 GROUP ISSUES

10.1 The WSF noted the current position on the correspondence between the new F40 Group and the Government. The F40 conclusion, that one unfair system from 0 to 25 had been replaced by another, was supported.

10.2 The WSF noted the LA continues to play a very active role in F40 matters and in particular on the Finance Managers Research Team.

11. ACADEMIES UPDATE

11.1 The WSF noted the current academies position as at 1st January 2019 and that the list needed to reflect the creation of new MATs.

11.2 Nick advised that deficit balances for schools converting under a sponsored arrangement remain with the LA, which has the potential to be a significant financial risk.

12. OTHER MATTER

12.1 The Chair advised information on the Chancellor's budget announcement on additional capital funding was on the DfE COLLECT system.

The meeting closed at 3.00pm

The date of the next WSF meetings is: -

Thursday 14th March 2019 at 2pm
Kidderminster Room
County Hall
Worcester