



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **SCHOOLS FORUM** will be held at the Charvil Piggott Primary School, Park Lane, Charvil, Reading RG10 9TR on **WEDNESDAY 29 MARCH 2017 AT 9.30 AM**

A handwritten signature in black ink, appearing to read 'Andy Couldrick'.

Andy Couldrick
Chief Executive
Published on 21 March 2017

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

MEMBERSHIP OF THE SCHOOLS FORUM

Schools Representatives

Paul Miller	Governor - St Crispins - Chairman
John Bayes	Governor - Foundry College - Vice-Chair
Ian Head	Governor - Aldryngton Primary
Helen Ball	Primary Head - Polehampton Infant
Ali Brown	Primary Head - Nine Mile Ride Primary
Sally Hunter	Primary Head - Wescott Infant
Brian Prebble	Primary Head - Rivermead Primary
Elaine Stewart	Primary Head - Aldryngton Primary
Mandy Turner	Primary Head - Shinfield Infant
Sylvia Allen	School Business Manager - Hawkedon Primary
Julia Mead	School Business Manager - St Sebastian's CE Primary
Carol Simpson	School Business Manager - Colleton Primary
Ginny Rhodes	Secondary Head - St Crispins
Derren Gray	Academy Headteacher - The Piggott School
Janet Perry	Academy Business Manager - The Holt School
Corrina Gillard	Headteacher - Emmbrook Infant School
Kerrie Clifford	Maintained Nursery Acting Headteacher
Jay Blundell	Special School Headteacher - Foundry College
Sara Attra	Special School Head - Addington School
Maggie Seagrove	Free School Headteacher - Oakbank
Ben Godber	Academy Headteacher - Bohunt

Non School Representatives

Anne Andrews	Oxford Diocese
Vacancy	Roman Catholic Diocese
Richard Dolinski	Wokingham Borough Council Representative
James Taylor	Wokingham and Bracknell College
Mary Parker	Early Years Representative
Gail Prewett	Early Years Representative

Observers

Funding Reform Team	Education Funding Agency, Maintained Schools Division
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From the Primary Representatives only 10 votes are allowed.

From the Secondary Representatives only 2 votes are allowed.

From the Academy Representatives only 5 votes are allowed.

From the Special School Representatives only 1 vote is allowed.

From the Early Years only 1 vote is allowed.

From the Pupil Referral Unit only 1 vote is allowed.

ITEM NO.	WARD	SUBJECT	PAGE NO.
31		APOLOGIES To receive any apologies for absence.	
32		MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Meeting held on 22 February 2017.	7 - 16

33	DECLARATION OF INTEREST To receive any declarations of interest.	
34	DRAFT YEAR END 2016/17 CLOSURE To receive and consider a report containing details of the draft year end 2016/17 closure.	To Follow
35	RECONCILIATION OF 2015/16 SETTLEMENT DISCREPANCY AND IMPACT ON 2018 BUDGET To receive a report outlining the details of the Dedicated Schools Grant outturn 2015/16 and EFA return.	17 - 18
36	PUPIL MOVEMENT AND LAGGED / DOUBLE FUNDING To receive and consider a report regarding pupil movement and lagged/ double funding.	19 - 24
37	REVIEW OF SEN FUNDING/ HIGH NEEDS BLOCK To receive and consider a report giving details of a review of SEN funding and High Needs Block.	25 - 26
38	CONTINGENCIES BREAKDOWN To receive and consider the contingencies breakdown report.	27 - 28
39	PUPIL GROWTH To receive and consider a report outlining pupil growth.	To Follow
40	FEEDBACK ON MEETING IN WESTMINSTER To receive a verbal update by Brian Prebble about a meeting in Westminster.	29 - 34
41	NATIONAL FUNDING FORMULA REVIEW WORKING GROUP To discuss the creation of a National Funding Formula Review Working Group.	Verbal Report
42	FORWARD PROGRAMME To consider the Forums work programme for the remainder of the academic year.	35 - 36

Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading.

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**MINUTES OF A MEETING OF THE
SCHOOLS FORUM
HELD ON 22 FEBRUARY 2017 FROM 9.30 AM TO 11.30 AM**

Schools Representatives

Helen Ball	Primary Head - Polehampton Infant
Ali Brown	Primary Head - Nine Mile Ride Primary
Sally Hunter	Primary Head - Wescott Infant
Elaine Stewart	Primary Head - Aldryngton Primary
Julia Mead	School Business Manager - St Sebastian's CE Primary
Carol Simpson	School Business Manager - Colleton Primary
Derren Gray	Academy Headteacher - The Piggott School
Janet Perry	Academy Business Manager - The Holt School
Corrina Gillard	Headteacher - Emmbrook Infant School
Kerrie Clifford	Maintained Nursery Acting Headteacher
Jay Blundell	Special School Headteacher - Foundry College
Sara Attra	Special School Head - Addington School
Paul Miller	Governor - St Crispins - Chairman
John Bayes	Governor - Foundry College - Vice-Chair
Ian Head	Governor - Aldryngton Primary

Non School Representatives

Anne Andrews	Oxford Diocese
Richard Dolinski	Wokingham Borough Council Representative
Mary Parker	Early Years Representative

Also Present

Luciane Bowker, Senior Democratic Services Officer
Hawa Bedwa, Interim Schools Finance Manager
Alan Stubbersfield, Interim Head of Learning and Achievement

29 APOLOGIES

Apologies for absence were submitted from John Ogden, Brian Prebble, Ginny Rhodes, Maggie Seagrove and James Taylor.

30 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 18 January 2017 were confirmed as a correct record and signed by the Chairman.

31 CLARIFICATIONS REQUESTED AT THE PREVIOUS MEETING

Page 6 – what services maintained schools received from Early Years that academies did not

Derren Gray, Piggott Headteacher confirmed that he had received the information from Alison Pugh, Early Years Team Manager.

Page 7 – contingencies breakdown

Hawa Bedwa, Schools Finance Manager explained that due to transaction changes received in the morning, the document containing the breakdown that she had intended to circulate to Forum was irrelevant as the position had now changed. Hawa proposed to update the document and circulate it with the minutes, Forum accepted this proposal.

The Chairman stated that as contingencies represented large amounts of money, the Forum would like to receive regular reports going forward.

Hawa stated that in relation to the 340K de-delegated items, a number of transactions had been identified to date totalling 222K, making the difference unspent 117K, however there were transactions still to be posted because the system had not been available to use. It was possible that once all adjustments were taken into account there would be an underspent of 84K, it was anticipated that this would be fully spent by year end.

Hawa informed the items related to:

- music for Looked After Children (LAC) £9.3K
- school funding for additional pupils £19K
- safeguarding for children £25K

As there was uncertainty over the figures for music for LAC Hawa stated she would double check and report back to Forum.

Subsequently Hawa informed that the music for LAC amounted to £7K. The contingencies breakdown is attached to the minutes.

Hawa was confident that from April, with the new system, the figures would be worked out from actuals and therefore would be more accurate.

In response to a question, Hawa explained that safeguarding related to a subscription to the Local Safeguarding Children's Board (LSCB). Hawa stated that this had been agreed by Schools Forum in the past. John Bayes, Vice-Chairman confirmed that to be the case.

Hawa stated that the bulk of the spent was £163K approximately and consisted of a variance on business rates. The cost had changed considerably and therefore had to be considered under contingencies. Janet Perry, Holt School Business Manager stated that she believed this related to council tax and questioned if this should have been budgeted for. Hawa explained that this had been budgeted for; however the rates were received late, so there was variance in the rates. John Bayes believed this related to uniform business rates and he understood this money was recouped from the government; therefore it did not make any difference to Schools Forum. After discussions, the Chairman asked for further clarification on the following:

- whether this money was recouped or not
- whether this should be budgeted for
- what to do if there were changes during the year, and
- what to do with any differences

Hawa agreed to investigate and report back with more details, including a full breakdown of contingencies, to be circulated with the minutes.

Page 7 – Detailed analysis for all costs for 2018/19

The Chairman stated that a detailed analysis of all WBC costs in each line was asked at the December meeting. Hawa stated that that analysis would be undertaken at year end and reported back to Schools Forum.

Page 8 – Pupil Growth Fund

Hawa stated that due to the re-structure that was currently taking place she had only been able to visit two schools. She was hopeful that she would in the near future be able to visit the other schools and meet with the relevant people to calculate the costs to date and make sure the budget had been spent. If not, the budget would be revised.

Hawa explained that the budget had to be revised in order to reduce the budget from 1.5million to 1.3million, all projects would be revised.

Alan Stubbersfield, Interim Head of Learning and Achievement explained some of the principles behind pupil growth fund. Firstly, if a school recruited up to its planned admission number of 30, there would be no cost to growth fund. Secondly, a new school always incurred establishment costs before it opened to pupils.

Carole Simpson, Colleton School Business Manager pointed out that it was important to consider that there were two scenarios in this situation: i) maintained schools that agreed to take on new classes and ii) new schools, and it was not possible to compare them.

The Chairman was seeking to have reassurance that there was control over the spend in new build. He asked that the report be split to show pupil related issues and non-pupil related issues in order to clarify the questions around the pupil growth fund. Hawa agreed to provide this information in future reports.

Corrina Gillard, Emmbrook Infant School Headteacher expressed concern that schools had not been consulted on the expansion programme and asked who had made the decision as to which schools were selected for expansion. She believed that there were two schools within her cluster that could have been expanded at half the cost of the current programme. She was concerned that there had been no transparency in the process.

Alan Stubbersfield explained that the decision involved a complex analysis of the pupil pressure areas in the borough, talking to headteachers and other factors. Piers Brunning, Service Manager, Policy, Strategy and Partnerships had been involved in the planning of the expansion project.

Councillor Richard Dolinski stated that it was the Council that made that decision, based on the information provided by Officers.

The Chairman suggested that Officers should consider implementing a mechanism to consult schools about future expansion plans. Alan believed that there was consultation with schools, but perhaps this should be extended. Alan agreed to provide a clarification as to how senior leaders in schools would be consulted in the future.

Page 8 – whether there was an overspend against redundancy costs

Alan reported that there was no significant overspend this year. Alan did not have the figures available; this would be circulated with the minutes.

Page 9 – consultation with schools

There was a general consensus that this was no longer required going forward.

Page 10 – the inclusion of Just Around the Corner as a placement provider

There was no update, clarification would follow with the minutes.

Page 10 – SEN transport

There was no update, clarification would follow with the minutes.

DE-DELEGATED CONTINGENCIES BREAKDOWN

The de-delegated contingencies breakdown analysis is attached to the minutes.

32 DECLARATION OF INTEREST

There were no declarations of interest submitted.

33 BUDGET MONITORING

The Forum received the Budget Monitoring report which was set out in agenda pages 13-22 and was presented by Hawa Bedwa, Schools Finance Manager.

Hawa reported that the overall trajectory of the budget was of an increase in surplus. However, the net forecast position was likely to change significantly once all transactions were taken into account. The reason for the delay was that there had been some issues in implementing the new system.

Hawa stated that the summary position showed a consistent spend from last quarter reports, and the variances indicated were comparatively low. The surplus had increased from £552K to £559K, with all the expenditure and income now static. Hawa was confident it was possible to achieve the projected £552K surplus.

Hawa informed Schools Forum that it had been difficult to produce the reports in time due to limited staff resources and delays in receiving schools returns. She pointed out that returns were often late, incomplete and inaccurate. Hawa urged headteachers and governors to emphasize to schools the importance of submitting school returns accurately and on time, and also to respond to queries in a timely manner.

Janet Perry asked what information exactly was required from schools that was preventing the production of the report. Hawa explained that the schools control codes needed to be placed against school forecasts to find out what the actuals were. John Bayes pointed out that it was also important to have the census reports returned.

Carole Simpson stated that sometimes the returns were not signed because of difficulties in coordinating governors meetings in time for the deadline for the submission. It was agreed that headteachers and governors should be advised to timetable governors' meetings in time for schools returns.

After much discussion, it was agreed that Hawa would advise bursars to work together with her to find a solution to the issue of returning submissions in a timely manner.

During the discussion of the item the following points were made:

- John Bayes noticed that the Variance column was calculated from the June forecast, and not as Variances from the Budget. The Chairman suggested dropping the June figures from the report;
- The Chairman suggested adding the figures for the next year's budget to the report;
- Derren Gray, Piggott Headteacher made the following points:
 - If there was a carry forward at year end 2017/18 of a surplus of £559K, what would happen to this surplus (or any deficits) when the formula changed in 2018/19?

- It was predicted that next year's budget would have a significant deficit; Forum asked who would be making a decision to address it? Hawa stated that she would have to consult with Senior Management on this issue and report back;
- The first draft of the new national funding formula suggested that Local Authorities would retain an element of Growth Fund matched to previous year's spend. Therefore it might be advantageous to increase the planned size of the Growth Fund for next year, if this was to be matched out in future years;
- The Minimum Funding Guaranty (MFG) was at a 1.5% reduction every year, the new funding formula said this could not be increased by more than 3% or go down by less than 3% of the core budget. Currently the Lump Sum sat outside of MFG. If the same formula was retained by having £175K Lump Sum any reduction in the Lump Sum in the new formula where it says it will be £110K would mean everyone would lose £65K;
- Forum was in agreement that it was important to discuss the implications of the proposed new funding formula;
- Hawa pointed out that this was still under the consultation period. Councillor Dolinski urged Forum to encourage Headteachers and Governors to respond to the consultation and put forward the views and questions;
- In response to a question, Hawa stated that the consultation related to the allocation for 2019/20;
- Alan Stubbersfield suggested looking at the implications of a new funding formula as a separate item in another meeting.

RESOLVED That:

- 1) Headteachers and Governors would be advised to consider the deadline for school returns submission when timetabling governors' meetings;
- 2) The implications of the new funding formula be included in the forward plan for further discussion;
- 3) Headteachers and governors be encouraged to respond to the funding formula consultation;
- 4) The report be noted.

34 SEN ALERT

The Forum considered the SEN (Special Educational Needs) Alert report which was set out in agenda page 23. Alan Stubbersfield explained that the report indicated what new placements were likely to take place in the next year. Alan went through the figures in the report.

The following comments were made during the discussion of the item:

- The Chairman noted that this budget was overspent by 25%; he welcomed the increased transparency but was concerned that there was little control over such a large amount of money;
- Alan stated that the figures in the report did not significantly affect this year's budget, as the placements were to take place next year;
- Hawa stated that a cost review analyses showed a reduced spend. She would be able to report back to Forum once the position was finalised;

- Hawa stated that there was ongoing work with other Local Authorities to try and find the best way forward;
- Alan recalled the discussions about Out of Borough placements and reminded members of the Forum that this service was 'needs led' and legal requirements had to be met. Other Local Authorities faced similar pressures at national level, due to increased needs;
- Alan stated that a zero based budget exercise had been undertaken where each individual placement had been looked at. This exercise was almost complete and he felt there was now a much tighter grip on understanding the budget and the nature of needs;
- Alan stated that using the resource spaces within Wokingham schools would save a lot of money. He mentioned the new resource in St Crispins. Alan suggested that Forum undertook a review of funding of schools with resource spaces; he believed that making use of these spaces would help to contain costs.

RESOLVED That:

- 1) The report be noted;
- 2) A review of funding of schools with resource spaces be brought to Schools Forum for consideration.

35 APPRENTICESHIP LEVY

Alan Stubbersfield presented the apprenticeship levy report which was set out in agenda pages 25- 36. Alan explained that Billy Webster, Head of Support Services had produced a substantive report on apprenticeship levy.

Alan stated that the report provided a summary of the Apprenticeship Levy position for maintained and voluntary controlled schools budgets. It created an account to which the government added 10%, this account was available for apprenticeship training.

Alan drew attention to recommendation 3 in the report: *The Council will need to determine a mechanism for providing access to levy from connected organisations (schools)*. It was recommended that the Council set up a working group to consider the options and optimal solution in conjunction with schools.

The following comments were made during the discussion of the item:

- The Chairman stated that Schools Forum should take part in this working group;
- Alan stated that information about this would be available in the schools' newsletter;
- Kerrie Clifford, Ambleside Centre Headteacher stated that more apprenticeships could be offered if the levy was accessible to 19 year olds. At the moment the funding was available for younger people only;
- John Bayes asked who would decide in the event of requests for funding being greater than the funds available. Alan believed this would be decided by the task and finish group, however it was ultimately a Local Authority decision as the Council was the employer;
- Helen Ball, Polehampton Infant Headteacher asked Alan to include the FAQs with the newsletter to schools as it was a very useful paper;
- Forum discussed the best way to send representatives to the working group and decided that having representatives from each cluster would be a good way to ensure a robust level of engagement.

RESOLVED That:

- 1) Schools Forum would send one representative from each cluster to the working group;
- 2) The FAQs would be circulated with the schools' newsletter.

36 REVIEW OF SCHOOLS FORUM MEMBERSHIP

The Forum considered the report reviewing Schools Forum membership which was set out in agenda pages 37-42. Alan Stubbersfield, Interim Head of Learning and Achievement presented the report.

Alan stated that the membership was last reviewed in 2015, therefore it was time to review it again, in line with the new pupil population statistics. The Local Authority was required to secure that primary, secondary and academy schools' representation was broadly proportionate, having regard to the number of pupils registered at them.

Alan pointed out that the Forum had to comply with the membership requirements set out in the Schools Forum regulations. The regulations stipulated the following statutory representation:

- Academies at least
- Schools/academies at least 2/3 in relation to non-schools members
- Maintained schools at least 1 head; at least 1 secondary; at least 1 governors
- Special schools at least 1
- Nursery schools at least 1
- PRUs at least 1
- 14-19 partnership at least 1
- Early Years providers at least 1

Alan stated that the tables contained in the report on the distribution of pupil population did not show a significant change in percentages, therefore representation could remain as it was at the moment. However, there may be a need to review this arrangement in the future if more schools became primary academies.

Alan asked Forum to consider the following points before agreeing on its membership:

- There were 11 primary school members with 10 votes;
- There was a vacancy for a secondary academy member;
- There were two PRU members with one vote;
- The last time Schools Forum membership was discussed that there had been a desire to move to a smaller number of Members;
- Early years had two representatives with one vote;
- There was an option to have a Local Authority member (Matt Marsden had in the past been a member of Schools Forum, however the regulations stated that no finance officer should be a member);
- Consideration of the need for the Roman Catholic Diocese vacancy, given the fact that this post had been vacant for a long time and that there were only two Catholic schools in the borough.

Alan explained that it was important to consider that Schools Forum may not exist in two to three years' time. In view of this fact, it may be sensible to continue with the current membership model and to retain the expertise of the present members.

Alan was of the opinion that Early Years should be entitled to two members and two votes, due to the fact that they represented a large number of children.

After careful consideration the Forum was in agreement with the proposals.

RESOLVED That:

- 1) There would be 11 primary members with 10 votes;
- 2) There would be two PRU members with 1 vote;
- 3) There would be two Early Years members with two votes;
- 4) There would be one member from the Local Authority, this would be the Head of Learning and Achievement;
- 5) The Roman Catholic Diocese member would remain;
- 6) The overall numbers would remain the same and there would be no length of office attached to the membership.

37 FORWARD PROGRAMME

The Forum considered and noted the Forward Programme of work and dates of future meetings as set out on Agenda page 43.

It was noted that some items had been on the forward plan for some time. Forum recognised that the service was under a lot of pressure and it may be necessary to prioritise the order of items.

After a brief discussion Forum decided that the *Five Year Plan* should be dropped from the forward plan as Schools Forum would probably not exist in five years' time.

The following items were agreed:

29 March

- Revenue Monitoring
- Pupil movement and lagged/double funding
- Review of SEN funding / High Needs Block
- Contingencies breakdown
- Pupil Growth
- Review of resource spaces
- Feedback on meeting in Westminster by Brian Prebble, Rivermead Primary Headteacher

24 May

- Foundry College
- Revenue Monitoring
- Final 2017/18 Budget

- Implication of new funding formula
- SEN funding and High Needs Block

The Chairman announced that this was Alan Stubbersfield last meeting with Schools Forum. The Chairman thanked Alan for his contribution, his attention to detail and all the support he provided to the Forum over the years.

The next meeting would be held at Charvil Piggott Primary School on 29 March 2017 at 9.30.

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SCHOOLS FORUM

Date of Meeting: 29 March 2017

For: Information

Item: Reconciliation of 2015/16 Settlement Discrepancy and Impact on 2018

Purpose of the report:

1. To clarify the position in respect of the perceived discrepancy between the 2015/16 school budget allocation and the funding from the (Education Funding Agency) EFA.

Summary:

2. A review in preparation for the year end accounts 2016/17 created concern that there may be an over-allocation to schools in 2015/16 of £1,046k. This concern appeared to be validated through a notification from EFA that disagreed with a return submitted.
3. Given the imminent issuing of schools budgets for 2017/18, the issue was speedily raised with the Chairman of the Schools Forum, so that possible options could be explored in addressing the perceived over-allocation.
4. Simultaneously, a forensic analysis and reconciliation of the schools finances was undertaken, going back to 2014/15, to attain a comprehensive understanding of the financial position.
5. It was uncovered that the initially perceived over-allocation did not exist: £89.32m grant was allocated and paid by the EFA in 2015/16, and £89.32m was allocated to budgets. The source of the suspected over-allocation was a note in the Statement of Accounts (year ended 31 March 2016) that incorrectly indicated a total £90.37m schools budget allocated. Although the resulting DSG Schools Forum balance of £2.177m was correct, the note explaining the balance was erroneous. It is the balance figure (level of Reserves), not the note, that becomes a substantive part of the Council's financial statements.
6. The erroneous figure of £90.37m was the figure initially notified to the EFA and was understandably rejected. They have subsequently been notified of the £89.32m, a figure we both now agree upon.

Recommendations

Schools Forum are asked to:

7. Note that there is no discrepancy with the 2015/16 budget allocation to schools and therefore no impact on subsequent budgets;
8. Note that future financial monitoring statements presented to the Schools Forum will include a reconciliation to the latest EFA funding notification for that year.

Graham Ebers
Director of Corporate Services
March 2017

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TITLE	Support for primary school expansion, and arrangements for lagged funding and pupil movement funding
FOR CONSIDERATION BY	Schools Forum on
WARD	All
DIRECTOR	Judith Ramsden

OUTCOME / BENEFITS TO THE COMMUNITY

That school places are available for primary age children that move into the area after the co-ordinated admission round for admission to Reception classes.

RECOMMENDATION

That Forum agrees to fund primary schools for the additional cost associated with opening a new class until such time as school formulaic funding is sufficient to make the class sustainable.

That the existing new class arrangement is confirmed: that until formulaic funding is available funding is:

Planned expansion X AWPU X Operational months / 12

That from 1st April after the expansion of the school the funding should be on the basis of

(Planned roll – allowance for unfunded places (lesser of 3 or 5% of the planned year group roll) – actual roll) X AWPU

That in the event that planned roll numbers do not materialise officers can agree that funding be based on a new planned roll based on mixed age groups (no more than 2 age groups within one Key Stage).

SUMMARY OF REPORT

Primary schools have raised a number of concerns regarding the impact on school budgets of expansion and / or accepting bulge classes.

It should be noted that there are two separate issues which are regularly conflated:

- The first relates to the amount of planned growth funding (that is funding for additional places over and above the historic capacity of the school, agreed with the local authority to meet the challenge of rising rolls) provided;
- while the second relates to funding for additional classes within the historic capacity of the school which are not full and where there are limitations in managing the increase as a result of infant class size legislation. (This funding was historically referred to in many Local Authorities as ‘ghost funding’).

The analysis set out below is that planned growth should be funded through new

formulaic arrangements, while growth within established capacity should not.

It is proposed that where a new class is required to meet the needs of primary phase children who have moved into the borough after the initial point of entry to the school (Reception) to fund unfilled and unfunded (through formula driven AWPU) places up to a maximum of 27 places per planned additional class.

Wokingham is a borough that families move to; leading to growth in primary cohorts after that cohort has started on its school journey. The consequence of this is that there is effectively no capacity in the borough's schools in a number of year groups (in particular Years 2 and 4), despite an investment programme that had created sufficient places at the point at which these cohorts had entered Reception classes. The borough has a statutory duty to provide education for these children so either additional capacity must be created or children arriving from out of borough must be allocated over the admission number of individual schools. Over-allocation in these circumstances is a permitted exception to the Infant Class Size requirement for classes of no more than 30. The alternative to over-allocation is the creation of new classes in fully subscribed year groups in existing schools.

Since 2010 Wokingham has created new capacity predominantly in Reception classes, either in new Academy or Free Schools (which have bespoke funding agreements) or in existing maintained schools. These classes have been created where the borough had confidence that the classes would be sufficiently full from the outset to be sustainable, once lagged formulaic funding had been paid. It is not expected that new mid-phase classes will always fill as quickly, so a new arrangement (mirroring the arrangements in place for new schools) is proposed that ensures schools can be confident that they can employ teaching staff and buy resources for new classes without placing an unacceptable burden on the existing pupils at the school.

Background

The Regulations

Local authorities may top slice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening, diseconomy and reorganisation costs. The growth fund may not be used to support schools in financial difficulty (any such support for maintained schools would be provided from a de-delegated contingency) or general growth within the pre-existing capacity of the school (due for example to changed popularity). Criteria for allocating growth funds should contain clear objective trigger points for qualification and a clear formula for calculating allocations.

Methodologies for distributing funding could include:

- A lump sum payment with clear parameters for calculation (usually based upon the estimated cost of making additional provision for a new class or the estimated startup costs.
- £x per pupil (usually based on AWPU) and reflecting the proportion of the year which is not funded within the school's budget share.
- £x per pupil, with a maximum ceiling

Where growth funding is payable to academies, the local authority is required to fund the increase for the period from the additional September intake through until the following August.

Current arrangements

The current arrangements for revenue funding for new capacity are as follows:

- For new Reception classes 7/12 of the AWPU for 30 pupils (or the planned number of additional pupils) to cover costs over the period between 1st September and 31st March the following year, on the basis that there would be sufficient pupils on roll at the census point to generate sufficient funding for the new class at the point at which formulaic funding would become available (1st April onwards in the Academic Year in which the new Reception class opened).
- For new schools, bespoke arrangements that fund the gap between agreed operating costs and formulaic funding.

The current Year 2 cohort entered primary school Reception classes in 2014, at a point at a point where 4 new primary schools had opened (the last, Windmill primary, opened that year) and additional Reception places had been created at a number of schools. There were 2,119 Reception pupils on roll (Jan 2015 census) at that point and by the October 2016 census this had risen to 2,164 Year 2 pupils (an increase of 45 pupils), against a planned capacity of 2,191 places (a surplus of 27 places or 1% in October 2016). Although children both arrive and leave the net effect has been to erode this surplus further to the point where at times there are more applicants than places.

A similar position applies to Year 4 – although in this case there is sufficient physical capacity for this cohort across the school estate, it cannot currently be used because the schools with unused classrooms would need to be able to staff and resource them to open and both WBC and the schools would need to be confident viable classes could

be created for the wellbeing of the pupils concerned.

Although any new mid-phase class would be expected to grow over time, the initial number of pupils admitted is expected to be low, taking account of the following:

- The number of new children at any one point in time is low and dispersed across the borough, so unless the new class attracts children currently on the roll of other schools, it can only grow in line with the growth in the number of children who cannot be placed in another preferred school.
- The overall number of children grows slowly – a 45 increase by October 2016 represents an increase of 15 children per year. This would point to a growing class reaching a sustainable roll number after nearly 2 years.
- Where parents have settled children into schools and made the arrangements necessary to get them there on time they are often reluctant to relocate children to new schools, even when these are significantly closer to their homes.

When the current arrangements for Reception classes were agreed in 2010 the effective census for funding was the January Census, now that funding is determined on the October Census there is an additional delay for formulaic funding to become available for any class opening (and filling) after the October census. Mid-phase classes are also not tied to the academic year – they can open at any point, even if there may be good organisational reasons to tie the opening to the start of the academic year, where possible, to make good fit with other changes that occur according to the academic year cycle.

Analysis of Issues

Bulge classes versus permanent expansion

The impact of admitting additional pupils is different for bulge classes (single classes that age through a school and have no permanent implications for the size of the school) and planned expansions. Although schools accepting bulge classes receive additional funding to cover the lagged period, they also receive the full AWPU for the bulge class (i.e. for a primary school, the pupils are in the school for 7 years and the school receives 7 years of AWPU plus the growth funding). Overall, the financial impact of a full bulge class should be positive. However, it is recognised that the point at which this balance is achieved is (even with an infant school) several years in the future and, unless additional funding is provided the implication is reduced funding for all children attending the school, for the period the bulge class children are on roll.

Schools which expand permanently feel the additional costs differently. Although the system operates identically with every pupil fully funded through the formula and growth funding as an additional amount, the permanent nature of the 'lagged' funding means that the school never 'catches up' and schools feel that the difference between the growth funding and the AWPU for those pupils is lost or under-funding.

However, it should be noted that the long term viability of the school should be improved by expansion as there are greater economies of scale and higher levels of pupil funding contributing to fixed costs.

Although the current arrangement is predicated on agreed classes being of sufficient size to generate sufficient AWPU to make the class financially self-sustaining from the April after the planned growth occurred, this cannot be guaranteed. It would be desirable if school had a safety net – a minimum level of funding they can expect to ensure that the growth is not established at the cost of reduced per pupil spend across

the school. This funding guarantee has to have sufficient flexibility though so officers can negotiate alternative arrangements (e.g. vertical grouping) to maintain efficient class sizes and sustain school standards. This might be, for example, where the number of children over and above the original capacity is less than the number required to be sustainable, but the children could be combined with children in other contiguous age groups within the same key stage to create a more viable class unit.

‘Ghost Funding’ for growth within pre-existing capacity

Under normal circumstances, schools are expected to manage small classes and / or small numbers of additional pupils (for example due to successful appeals) within formulaic funding. This is because growth funding is permissible for planned growth in capacity to meet basic need. If other growth causes financial hardship this can properly be managed through a licensed deficit or de-delegated contingency funds.

Proposed arrangements for funding planned growth

The current arrangements are based on planned class sizes of 30. This allows some additional funding for initial purchase of teaching materials and provides some buffer against rolls being unexpectedly low on the census date. However, schools do not need 30 pupils per class to be financially sustainable. DfE’s working presumption for school organisation purposes is a 5% surplus. It is proposed that, after the initial period the additional classes should be funded on the basis of a potential 5% surplus in capacity in a model 2FE (60 places per year) school, which equates to 57 pupils on roll or 3 unfunded places. When a school recruits above this number it will receive the full benefit of formulaic funding.

There will be a greater impact on the budget than the alternative course of action (allocation over the admission number), but this proposal does ensure that classes do not, as a matter of course, increase beyond 30 in a class (or 32 for classes in some Junior schools in accordance with their current admissions arrangements). The additional costs will range between:

30 X AWPU (where only one additional Year 2 child is admitted to a school by the census date)

And nothing, where a new class is fully funded by formula (although at this point a further mid phase class may be necessary).

The overall impact is difficult to predict with certainty, but based on 15 pupils per year growth the modelled impact for an exemplar Year 2 class would be:

Financial Year 1 - 30 X AWPU X (the number of operational months / 12)
(e.g. September start) (consistent with the adopted arrangements for new planned Reception Classes)

Financial Year 2 – 26 X AWPU (based on one child on roll)

(in these years the class starts with 1 child and grows, but no formulaic funding is available until Year 2 at which point funding would be based on an October census roll of 1)

Financial Year 3 – 12 X AWPU

(based on the class recruiting 15 children who would be on the Year 3 roll for the October census).

Financial Year 4 –

(No additional costs, as the class would be fully subscribed on the October census date.)

Note that this is an example, the impact of the one school (Loddon) that has opened a new mid-phase class (a year 1 class in September 2016) was markedly less for the mid phase class. In that example 18 additional pupils were recruited by October (so “gap” funding is required for 9 places (12 unfilled places less the 3 place allowance for a reasonable surplus level)).

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£83,424.30 (30 x £2780.81)	Yes	DSG Revenue
Next Financial Year (Year 2)	£72,301 (26 x £2,780.81)	Yes	DSG Revenue
Following Financial Year (Year 3)	£33,370 (12 x £2,780.81)	Yes	DSG Revenue

Other financial information relevant to the Recommendation/Decision	
Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)	
Reasons for considering the report in Part 2	
List of Background Papers	
Contact	Service
Telephone No	Email
Date	Version No. 1

**Piers Brunning
Service Manager Policy, Strategy and Partnerships
March 2017**

SCHOOLS FORUM

Date of Meeting: 24.03.17

For: Information

SEN Alert

Purpose of the report:

1. To update forum on new expenditure on Independent Special School Placements since the February forum

Summary / background / update:

Since February forum, the following prospective placements reported on as needed for 2017/18 have changed and the costings to the HNS block is as follows:

Placement for 3 students now agreed, one already started within last half-term with remaining two starting after Easter Costings:

£30K pa

£37K pa

£51K pa

New Placements

- 1 current placement search for SEMH special still ongoing, likely cost £30K pa
- 1 placement search required for Independent special Y11 SEMH possibly £150K (Attachment-Therapeutic tripartite funding to be requested)
- 2 parental preferences for Forest Bridge Independent ASD for September'17 at £34K pa = £70K

Options / suggested actions:

2. Forum has requested a zero-based activity to be undertaken by Hawa Bedwa and Claire O'Leary/Linda Orr. The first stage in this is a report to be submitted to forum on trends to ISS from 13/14 to 17/18.

Linda Orr
SEN Team Manager

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De-delegated Contingencies Analysis Apr - Mar 2016/17

	£'000		£'000
Schools Block - Contingency	(340)	Early Years - Contingency	(229)
Business Rates adjustment variances	197	Actual spent to date new Child minder 1 - 18	26
Safeguarding for children	25	Off-set overspent to date January 2017	48
Music for Looked After Children (LAC)	7	<i>2 year olds</i>	<i>428</i>
School funding for additional pupils	19	<i>3 and 4 year olds</i>	<i>6,047</i>
Exclusions	21	<i>Early Intervention Grant fully spent</i>	<i>3</i>
Total spent to date 31/01/17	269	<i>Early Years Inclusion Fund fully spent</i>	<i>67</i>
Anticipated spend March 2017	71	<i>Early Years Pupils Premium fully spent</i>	<i>22</i>
Grand totals anticipated 2016/17	340	<i>Total spent to date 31/01/17</i>	<i>6,568</i>
		<i>Budget</i>	<i>(6,520)</i>
		<i>Total overspent to date January 2017</i>	<i>48</i>
		Anticipated spend March 2017	155
		Grand totals anticipated 2016/17	229

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2017-0010311POGibb

Rt Hon Nick Gibb MP
Minister of State for School Standards

Sanctuary Buildings, 20 Great Smith Street, Westminster, London, SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

Mr Rob Wilson MP
By email: robwilsonmp@parliament.uk

15 March 2017

Thank you for your email of 17 February, enclosing correspondence from your constituent, [REDACTED], regarding funding for schools in Reading.

I would like to reassure you and [REDACTED] that we want schools to have the resources they need. The national core schools budget has been protected in real terms overall, and per pupil funding has been protected in cash terms. As pupil numbers increase, so will the amount of money in our schools. This year the core schools budget is the largest on record, totalling over £40 billion.

We are introducing a national funding formula to support our ambition that all children reach their full potential and succeed in adult life. For the first time, we will have a clear, simple and transparent funding system that matches funding to children's needs and the schools they attend. Similar schools will be treated in the same way, across the country.

As part of the consultation, we have illustrated the impact of the proposed national funding formula on schools and local authorities. This shows that Reading would see an increase of 2.7 per cent for its schools block and an overall increase of 2.2 per cent across the schools, high needs and central school services blocks.

We recognise that schools are facing increased cost pressures, including salary increases, the introduction of the National Living Wage, as well as increases to employers' National Insurance and Teachers' Pension Scheme contributions. In this context, it is particularly important that we distribute the overall schools budget fairly, according to need. We are committed to providing support for schools to make savings, and we have already published a wide range of tools and support available in one collection at: tinyurl.com/HUTWG36. This includes tools to help schools assess their level of efficiency, guidance and case studies, and support for schools to organise a financial health check. We also recently launched a school buying strategy to support schools to save over £1 billion a year by 2019-20 on their non-staff spend, maximising the resources that can be spent in the classroom.

I note [REDACTED] concerns regarding funding for special educational needs (SEN) pupils. Schools are currently funded through the formula set by their local authority. The funding formula is decided by each local authority in consultation with its schools and often uses factors such as free school meals and low prior attainment to give an estimate of the number of pupils with SEN a school is likely to have, and consequently the notional SEN budget that the school will receive. Local authorities are required to delegate funds to a level that enables schools to meet the additional cost of pupils with SEN up to £6,000.

When a school can demonstrate that the costs of additional support required for a pupil with SEN exceed £6,000, the local authority should allocate top-up funding to cover the excess costs. The local authority can also give additional funding from its high needs budget to schools that have a disproportionate number of pupils with SEN. We have provided £92.5 million of additional funding for high needs in 2016-17 and have confirmed a further £130 million for 2017-18.

At a national level, we are retaining and recruiting the teachers we need. We recognise, however, that the strengthening labour market and growth in pupil numbers have made the situation more challenging and that this is more acute in certain subjects and particular schools or areas of the country. We are spending over £1.3 billion up to 2020 to attract new teachers into the profession. This investment in training the next generation of teachers clearly demonstrates our commitment to make sure that all schools are able to recruit the teachers they need.

In relation to [REDACTED] concerns over growing pupil numbers in schools, the school funding system operates on a lagged basis, that is, we use the previous year's pupil numbers to determine funding for the financial year. This means we can give greater financial certainty to schools. We recognise, however, that the national funding formula also needs to be responsive to significant changes to pupil numbers that are not recognised by lagged funding. We are therefore including a growth factor in the national funding formula, which will be used to allocate additional funding to local authorities for them to distribute locally. [REDACTED] can find out more detail on our proposals for the growth factors in the schools national funding formula stage two consultation.

The consultation will run until 22 March, and we welcome views from across the sector to make sure we get the final proposals right. The consultation, including the illustrative allocations for local authorities and schools, is available at: tinyurl.com/HLODTAL.

With best wishes.





2017-0004943POGibb

Rt Hon Nick Gibb MP
Minister of State for School Standards

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tel: 0370 000 2288 www.education.gov.uk/help/contactus

Mr Rob Wilson MP
By email: james.giblett@parliament.uk

26 February 2017

Dear Rob

Thank you for your email of 26 January, on behalf of Reading Secondary Heads, regarding teacher recruitment.

I was sorry to read about the concerns head teachers in Reading have about teacher recruitment and retention. I look forward to meeting you tomorrow to discuss these issues in more detail.

In advance of our meeting, you may be interested to read our latest teacher recruitment information. The initial teacher training (ITT) census for 2016/17, which was published on 24 November 2016, showed that secondary postgraduate recruitment is at its highest level since 2011/12. 15,713 secondary postgraduate trainee teachers have been recruited this year, which is over 500 more secondary trainees than last year.

We have the highest number of trainees in science and mathematics since 2011/12. There are 5,850 trainees in these subjects this year, an increase of 12 per cent on 2015/16, at a time when the economic recovery is creating many more employment opportunities for STEM graduates.

In addition, we have recruited more trainees than we did last year in most English Baccalaureate subjects: biology, chemistry, geography, mathematics and modern foreign languages. In physics, traditionally our hardest subject to recruit to, figures are up 15 per cent on 2015/16.

We do, however, recognise that teacher recruitment and retention can be challenging for some schools and in certain areas of the country. That is why we are spending over £1.3 billion on recruiting and training new teachers in the five years up to 2020 – including up to 2,500 additional mathematics and physics teachers.

With regard to the concerns raised about affordable housing, officials at the Department for Communities and Local Government have advised that, at the Autumn Statement 2016, the Government announced an additional

£1.4 billion in the Affordable Homes Programme, increasing the overall budget to £7.1 billion to deliver 225,000 affordable housing starts by March 2021. The expanded programme now allows a wide range of affordable housing products. All qualifying workers, including teachers, would likely be eligible for Shared Ownership and Rent to Buy homes which are available at sub-market rent, allowing tenants to save for a deposit for their first home, providing that they are otherwise unable to afford to purchase on the open market and have a household income of less than £80,000. They can also benefit from our other housing offers such as Help to Buy, with up to 20 per cent equity loan, and starter homes which will give a minimum of 20 per cent discount exclusively for first time buyers aged between 23 and 40.

With best wishes.

In ministry

Neil

School Funding Meeting at Westminster

The White Paper & consultation on new national funding formula:

- Published in December 2016 – aims to address funding disparities in the current system where some areas are underfunding in comparison with neighbours e.g. Wokingham.
- Interested parties are encouraged to submit their views to the consultation by closing date – 22nd March 2017.

School funding more generally & broader cost-pressures were raised:

These included:

- national insurance and pension contributions
- staff wages
- the impact of the apprenticeship levy
- High-needs funding for pupils etc.

The Government response included:

- that it recognises cost-pressure and has published a range of tools and support to help schools.
- The increase of the total spend in education : £40B to 42B
- More information to be given to school regarding apprenticeships and how they can be utilised in schools (especially primaries)
- Schools need to appreciate that there is strong economic growth, but weak public sector growth – unless taxes are raised, cuts were enviable
- The importance of schools to complete the funding consultation – decisions had not be finalised.

Teacher recruitment and retention:

Issues raised include:

- absence of Reading/Wokingham-allowance
- affordable housing for teachers
- recruitment of teachers from abroad
- a focus on training at home

We were informed about:

- Department for Education-driven central digital database to save on advertising and agency costs when recruiting teachers.
- That advertising was an out-dated system of recruitment, and schools needed to be more active and creative in recruitment.

Recent developments:

Rob Wilson met last week with Cllr Charlotte Haitham Taylor, Lead Member for Children's Services at WBC, where he was able to discuss some of the concerns highlighted around school funding in Wokingham. He is working with Cllr Haitham Taylor and feeding her views back to government.

Future meeting:

I am meeting Rob Wilson on 28 April to go through our budget, our predicted outcomes in 3 years if the current funding cuts are applied. He has been to other schools, but they have all been in deficits with high staffing costs, he is interested in seeing ours as we have a healthy surplus and staffing from next year at 76% (currently 80%). We face cuts of £12,000 a year under the lastest proposal, so it will be interesting to have his views on school budget management moving forward.

Letters from Nik Gibb:

Attached are letters from Nick Gibb following the meeting.

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Schools Forum Forward Plan 2017 /18

29	March	Revenue Monitoring
		Final 2017/18 Budget
		Pupil movement and lagged/ double funding
		Review of SEN funding / High Needs Block
		Contingencies breakdown
		Pupil Growth
		Feedback on meeting in Westminster by Brian Prebble

24	May	Revenue Monitoring
		Final 2017/18 Budget
		Report on Foundry College and an alternative provision review
		Implication of new funding formula
		Contingencies breakdown

19	July	Revenue Monitoring
		Review of resource spaces
		Contingencies breakdown
		SEN Alert

18	October	Revenue Monitoring
		SEN Alert
		Draft Proforma for Submission to EFA
		Contingencies breakdown

13	December	Revenue Monitoring
		Draft 2018/19 Budget
		Contingencies breakdown
		SEN Alert

24	January	Revenue Monitoring
		Contingencies breakdown

21	February	Revenue Monitoring
		Contingencies breakdown
		SEN Alert

28	March	Revenue Monitoring
		Contingencies breakdown

16	May	Revenue Monitoring
		Contingencies breakdown
		SEN Alert