

NORTH YORKSHIRE EDUCATION PARTNERSHIP

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| Date of meeting: | |
| Title of report: | Minutes of the Education Partnership – 27 September 2018 |
| Type of report: | For information only |
| Executive summary: Including reason for submission | The minutes of the previous meeting of the North Yorkshire Education Partnership are presented for approval. |
| Budget / Risk implications: | N/A |
| Recommendations: | The minutes are approved as an accurate record. |
| Voting requirements: | N/A |
| Appendices: To be attached | N/A |
| Report originator and contact details: | Marion Sadler – Clerk to the Schools Forum Tel: 01609 532234 E-mail: marion.sadler@northyorks.gov.uk |
| Presenting officer: If not the originator | N/A |

PRESENT:

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| Chair: | Ian Yapp |
| Primary Headteachers: | Karen O'Donnell, Damien Smith |
| Secondary Headteachers: | Mark McCandless, Julia Polley |
| Nursery Headteacher: | |
| Special Headteacher: | Jonathan Tearle, Annette Fearn |
| Pupil Referral Service: | Nick Bell, John Warrden |
| Academies: | Helen Flynn |
| Governors: | |
| Early Years Providers: | Sarah Moon-Gatford |
| 16-19 Providers: | |
| Diocesan Representatives: | Andrew Smith |
| Trade Unions: | Chris Head |
| Observers: | |
| In Attendance: | Stuart Carlton, Howard Emmett, Sally Dunn, Judith Kirk, Jane le Sage, Chris Reynolds, Martin Surtees, Mandy Lambert (Clerk) |
| Apologies: | Julie Stephenson, Stephen Payne, Rob Campbell, Helen Channing, Cllr Janet Sanderson, Amanda Caton, Cllr Patrick Mulligan, David Read |

790: WELCOME

Howard Emmett explained that during the summer term, invitations had been sent for people to stand for the Chair of the Schools Forum. Ian Yapp had indicated that he was happy for his name to go forward and the position was uncontested. The Chair welcomed everyone to the meeting including new members and informed the group of resignations.

791: MEMBERSHIP UPDATE

Current vacancies were outlined and would be advertised through the Schools Red Bag and by current Members' asking for nominations.

792: MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the previous meeting be agreed.

793: MATTERS ARISING

NOTED: The Learning Trust proposals would go out to consultation with effect from 5 November 2018.

794: NOTIFICATION OF ANY OTHER URGENT BUSINESS

There was no other urgent business to discuss.

795: SCHOOL FUNDING 2018-19 AND 2019-2020

CONSIDERED: A hard formula was expected after April 2020 and then a soft formula for 2018 / 2019 and 2019 / 2020. It was noted that the LA's position is that the quantum of funding for North Yorkshire is insufficient with concerns over mobility, sparsity and very little discretion locally to target this funding. There would continue to be lobbying of the DfE and MPs. The Central Schools Services Block (CSSB) has been introduced from April 2018. The Government have released guidance and which indicated that they pleased with the progress Local Authorities had made and would continue the soft funding arrangement into 2020 / 2021. As part of the soft implementation there has been some transitional arrangements with a minimum funding guarantee of 0% per pupil in 2018 /19. There would be some winners and losers which depend on the starting position and school context. The Government have released some controlled totals in the schools block showing a 1.16% increase. The High Needs Block shows a 0.76% increase which is well below inflation. For 2018 / 19 there would be a lower cash figure than 2017 / 2018 which was disappointing.

Since 2014 / 15 the LA has had a 46% increase in EHCPs and a £3.3m financial pressure in 2017/18 - funded from DSG reserves. The DSG reserve is now fully depleted. There is a £5.5m projected overspend in 2018-19 offset by the one-off transfer of £1.6m from Schools Block = £3.9m net overspend. Proposals have been developed but will take time to implement. There is further financial pressure expected in 2019-20 and a medium-term financial pressure in the range of £10m-£13m. The LA would need a recovery plan to repay the overspend. It was noted that North Yorkshire had never been in this position before.

There are some options available to the LA around the transfer. Some modelling had taken place and it does some interesting things to the minimum funding guarantee. The cap on the gain is different under each option. Primary and secondary information was explained.

The High Needs proposals were outlined. Central School Services Block was introduced in April 2018. The DfE had indicated that *"We do not believe it is fair to maintain indefinitely significant differences in funding between local authorities which reflect historic decisions."* Historic commitments = £1,788k Prevention Services. The funding will be eroded by around 1.5% each year, initially, but may all disappear sooner rather than later.

There is a further proposal around deductions from excluding schools budgets. We are only deducting AWPUP + pupil premium. School funding regulations mean that we would deduct those elements but also other school pupil factors.

An announcement in July 2018 about teachers' pay about various increases in teachers' pay spines at 1.5%. Many schools' budgets in North Yorkshire have assumed 2%. DfE assume schools will pay for first 1%. There is no information for 2010 / 21. More detailed information will be published in October 2018. There are issues around teachers' pensions and employer contributions. Proposals to change the employer contributor rate from 16.48% to 23.6%. Teachers' pensions are not part of the DfE. It is understood that the DfE would provide additional funding but there is no clarity as to whether this would be fully funded.

Broadband services have been subsidised by the Local Authority for a number of years and the subsidy comes to an end at the end of 2019. The full cost will be charged to schools from next April. Growth Fund and Falling Rolls equates to £500k. Some criteria is set by DfE but some criteria have been developed locally. The Growth Fund has been reasonably well used but Falling Rolls less so. The LA will be reviewing both pots of money and the criteria that goes with them. To be reported in January 2019.

The proposal to consult all schools and academies on the transfer from Schools Block to High Needs Block and the MFG. There are some de-delegation decisions to run through. The Forum was not quorate and so no decision could be taken – deferred until the 19th November. There is no decision around CSSB. The deductions from excluding schools budgets from 1 October 2018.

NOTED: The intention to consult and the process for that is a consultation to go live early the following week and will run for four weeks with schools to the end of half term. This would be part of the agenda for the next meeting and would include feedback from the consultation.

There was challenge as to what this actually means and the number of schools put into deficit. It was noted that there are a number of schools in deficit and what the impact would be of how many schools would be going into deficit. Would Government take away commitments and where Local Authorities had been funded more where there were good outcomes.

It was noted that there was pressure around placements and the increased demand in EHCPs. There is a long-term plan to address specialist placement issues and the demands of the statutory assessment although this is not a quick turn round. There is a lot of working going on behind the scenes but unfortunately some are longer-term plans to ensure funding is in the right place.

It was noted that schools are being told about the need to make budget reductions and concern was expressed as to why the LA did not see this coming earlier. The Director stated that the burdens of the 2014 reforms were unknown and was a culmination of issues. It was noted that the LA exclusions were 14th highest out of 152 LAs with a significant increase in EHCPs and a large amount turned down at the point of submission with 42% of consultations being refused across mainstream or special schools. Joint solutions would need to be sought as the LA is the 12th worst funded for high needs in the country. Lobbying continues.

A member asked if there was a plan to look at large revenue balances sitting in schools. It was noted that there was £18m of reserves sat in school budgets collectively but no proposal to take these back or re-distribute them.

Consultation to take place against two models to be considered at the November meeting. There would be no messages going out to schools at this point.

MEA, Behaviour Support and FSM eligibility – query asked would schools be paying more. This would probably be in line with previous de-delegations. FSM amount of de-delegation is not significant.

Northallerton School & Sixth Form College. Need to ensure that the school is not given more protection than necessary. Budget modelling is based on this change.

RESOLVED: To treat the split site funding as an exception of the MFG calculation.

796 SCHOOL BALANCES CONTROL SCHEME

CONSIDERED: Report on school balances as at the end of the 2017 / 2018 financial year. In terms of headline figures section 1 shows the position as at 31 March 2018. There was an overall revenue balance of £18.9m which was a reduction of the previous year and a small reduction in capital balances of £260k. There was a breakdown across the phases of the revenue balance and the percentage of the overall revenue balances. The decrease in balances is highlighted compared to the previous year. Table 1 provides details of individual school balances. Schools are responding to the challenges being forecasted. There is a reduction in the balance which was expected given the financial pressures the schools are facing. Section 3 of the report gives information about the numbers of schools in overall financial deficit at the end of the financial year which was 54. There is an increase in the number of schools forecasting deficits. It shows how the local authority is working with the schools in deficit. Table 2 of the report provides an overview of the schools in deficit and the agreements. There are a small number of schools that had small deficits but had not applied for the licence. One school in financial concern. Section 4 deals with capital deficits which are very small compared to revenue deficits.

797: SCHOOL DEFICITS / SCHOOLS IN FINANCIAL DIFFICULTY

NOTED: The number of schools in surplus / deficit was outlined along with the value of school deficits / surpluses year on year. The gross value of deficit is projected to be £30.6m in 2020-21. Even if the projections were halved they were still significant. Schools were being urged to take early action when in deficit.

798: HIGH NEEDS BLOCK

CONSIDERED:

High Needs Funding – for information an overarching report was presented giving details about the levels of children at SEN support. There are significant increases in the number of children and young people assessed as requiring an EHCP. The number of children based in North Yorkshire's provision particularly maintained schools and special schools had increased. Despite increasing the number of places in special schools the rate of the increase has meant that there has also been an increase in the number of pupils who cannot be educated in maintained schools and special schools. The independent non-maintained out of authority placements have increased in terms of costs and reflects the state of the market. Technical adjustments to High Needs block funding were explained. In June the DfE updated census figures which meant North Yorkshire received less funding contributing the shift in overspend. The High Needs budget spending was outlined with three quarters going to mainstream schools, special schools and independent provision. Some of the other things LA is paying for out of the High Needs Block were outlined. The recurring funding pressure, if left unchecked, would rise to £10-13M. Press articles were included within the papers.

CAN-Do Transition to Banded Model – JLS stated that the Element 3 funding is the additional funding from the High Needs Block to use for assessments of children of EHCP. From 2015, an IT based system called CAN-Do has been used to allocate E3 funding. This has not been a popular mechanism for allocating CAN-Do. Feedback received includes that it is time consuming and there is a lack of transparency. There were some questions about whether it was robust enough to look at the 0-25 age range. A working group had been drawn up to review the system. A conclusion was reached by the LA that we may need to go back to a revised banding system. The work is near completion. The LA has based the model

on other LAs and carried out an analysis of other systems. There would likely be 10 bands which would be linked to descriptors to children with SEND. There would be an allocation of funding depending on the complexity of need. A consultation would be held with all stakeholders to gather views on the proposal.

Post-16 600 Hours – The LA is trying to realign arrangements for supporting children in Post-16 and post-19 education to bring North Yorkshire in line with statutory guidance. Currently for children that are in mainstream sixth forms the funding for them is for 25 hours of provision which is a full-time placement. This would bring in line young people with an EHCP so funding them 600 hours entitlement for sixth form provision. For post-16, it would save £52k per year and tighten up funding arrangements. The second proposal would be looking at children in independent learning providers. The intention is that young people would require a five day commitment in terms of offer to meet their SEN. The LA will still provide that five day offer but the proposal tightens up the offer. Generally all of the provision is paid for by the High Needs Block. This is a potential significant saving of around £1.1m. Again, the proposal will be subject to consultation with all stakeholders.

PRS Funding – the LA wants to look at SEND provision with the support of ISOS. The SEND Strategic Plan was approved by the Executive on 4 September 2018. Some of the changes in the Strategic Plan relate to AP and PRS. There is also a significant investment of discretionary money for preventative exclusions. The LA is looking to remove the medical outreach from the PRS funding. The LA is looking to provide a more efficient model medical outreach and will continue to commission a suitable number of places for medical provision. The proposed approach for the PRS and AP would be to have a place-model similar to special school models. The number of places would increase potentially depending on the option progressed of between 130 to 140 places. There is a proposal that the current top-up funding will reduce from £9,000 to £7,000. The rationale for this is that £7,000 is a benchmarked national average and North Yorkshire has paid too generously in the past. The models propose a potential saving of £1.3m - £1.5m. The LA would still be investing discretionary funding for preventative purpose but this would be routed through local area partnerships to give local schools more control over how this funding is spent. Funding would be put into the locality groups to commission the support to deliver the outcomes. ISOS would work with mainstream Headteachers to look at a new model. Work on exclusions would be undertaken.

There were serious concerns about proposals for schools. Views were expressed about understanding the need to change but concern about the pace of the reduction. A view was also expressed that the time available to undertake this change is not realistic. There was also concern about it happening in a way that is manageable.

The LA has been questioning how to provide a more transparent based formula and transitioning more places under this option. In the long term the places can be used flexibly across schools. The LA indicated that the plans to reshape the PRS and AP model have been discussed with PRS heads for 9-12 months prior to the Schools Forum discussion and the LA does not under-estimate the impact of such a budget reduction.

E2 Exceptional Funding – Notional element to funding is included within schools' delegated budgets. As a result of the national funding formula an unintended consequence would be to allocate no funding whatsoever to schools in 2018 / 19. The proposal is to provide some transitional funding for a period from April – August.

The consultation happened towards the back end of the summer term in July with a low response rate. The proposal is to take on board the feedback and views to go out to consultation again as part of the wider school funding consultation. The proposals are slightly different. This funding in North Yorkshire has been generous.

799: ANY OTHER BUSINESS

The Chairman asked that a draft letter be drawn up to sum up the consultations and sent to the Secretary of State for Education.

800: FUTURE MEETINGS

Monday 19 November 2018 at 10.00 am (moved from Thursday 22 November 2018)

Thursday 6 December 2018 at 2.00 pm.

Thursday 24 January 2019

Thursday 14 March 2019