

# Minutes: Bournemouth, Christchurch & Poole, Budget Reference Group

Agenda Item 7  
Appendix B

<b>MEETING DATE:</b>	Thursday 20 September 2018
<b>LOCATION:</b>	Bournemouth Learning Centre
<b>TIME:</b>	09:00 – 11.30
<b>MEETING CHAIR:</b>	Vicky Wales
<b>MEMBERS:</b>	Neil Goddard; Felicity Draper; David Simpson; Graham Exon; Jack Cutler; David Todd; Dorian Lewis; Michael Reid; Sean Preston; Phil Keen; Helen Roderick; Steve Ellis; Patrick Earnshaw; Nicola Webb; Margaret Judd; Marie Lane (on behalf of David Newman)
<b>PRESENT:</b>	Marilyn Scofield-Marlowe (minutes)
<b>APOLOGIES:</b>	Karen Boynton; David Newman; Claire Webb; Geoff Cherrill; Chris Jackson; Stuart Riddle

ITEM	SUMMARY OF DISCUSSION FOR EACH ITEM AND THE OUTCOME	NAME
<b>1.</b>	<p><b>Welcome, apologies &amp; previous minutes</b></p> <p>All present made introductions.</p> <p>All present agreed the accuracy of the previous minutes, with no corrections noted.</p> <p>The actions from the previous meeting were reviewed:</p> <ul style="list-style-type: none"> <li>– Future meetings are to be scheduled for a 09.00 start.</li> <li>– Papers for the meeting were provided as soon as possible, but there was a lot of work involved in the preparation of these to draw information together across the Local Authorities, which delayed the circulation.</li> <li>– The papers requested at the previous meeting were provided; however the draft Budget for 2019-20 is still being worked on and will be provided at the next meeting.</li> <li>– It is not yet possible to provide details on the plans or clearing the deficit; this will be provided at a future meeting.</li> </ul>	<p><b>NW</b></p> <p><b>NW</b></p>
<b>2.</b>	<p><b>LGR Update</b></p> <p>VW gave a verbal update to those present about the progress of LGR. This is currently in Phase 2; ensuring that there will be a safe landing of all services on 01 April 2019.</p> <p>There are 3 elected members for Children's Services in Bournemouth, Christchurch and Poole (BCP), who are overseeing the work being done.</p> <p>A Children's Services Board is in place; the Chair is Sue Ross, Bournemouth Borough Council and Vice Chair is Jan Thurgood, Borough of Poole. They reverse roles for the Adult Services Board; from these Boards flow workstreams, including the DSG workstream.</p> <p>The new Chief Executive appointment process will be happening in the next few weeks.</p>	

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	<p>The DfE are in liaison via meetings and telephone calls, looking at the progress of the work around the DSG, to help and support the process, and to ensure that funding is allocated at the right time.</p> <p>There are a variety of issues being worked through; updates will be provided at the meeting in October.</p>	
<b>3.</b>	<p><b>Shadow Schools Forum</b></p> <p>FD gave a verbal overview. The 3 Local Authorities need a budget setting process, which includes the DSG. Schools Forum would normally complete this work. It was agreed that, in addition to the Shadow Authority, a Shadow Schools Forum needs to be set up. This is stated in the decision record, which was provided in advance of the meeting.</p> <p>There is a lot of work to be done prior to March 2019, when everything should be in place, ready for the new Authority. Meeting dates for the Shadow Forum are to be scheduled for last week October, mid November, mid December, early January, and early February 2019.</p> <p>A draft Terms of Reference was provided to all present before the meeting. This is based on a standard Terms of Reference for Schools Forum.</p> <p>It was raised that Section 5.1: states “Headteacher and Chair of Governors”. It was felt that this needed expanding.</p> <p><b>Action:</b> MSM to amend Section 5.1 to include the words “Senior School Officer”.</p> <p>Section 3.2.1: Proposed Membership: It was raised that governor representative was included for maintained schools, but there is no equivalent specified for academies.</p> <p><b>Action:</b> Insert “Academies have the option to choose a local Governor or Trustee”</p> <p>It was queried that special schools have a large proportion of representation; it was confirmed that this is due to regulations.</p> <p>The requirement for balance across the 3 local areas was discussed. Although the aim would be to represent schools evenly across the conurbation, concerns were raised that the group would become too large, and it could bring another 9 members to the Shadow Forum.</p> <p>It was felt that it was important to seek a balanced membership without increasing numbers.</p> <p>Relationships between Christchurch schools are strong; therefore a single</p>	<p><b>MSM</b></p> <p><b>MSM</b></p> <p><b>MSM</b></p>

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<p>secondary representative from Christchurch would be able to feed into the strong network already in place.</p> <p><b>Action:</b> No single area should be named on the Terms of Reference; but they should be amended to give a guideline of a minimum of 2 reps from each LA area.</p> <p>Early Years representation would need to be addressed by colleague in that sector due to only having 2 reps across 3 areas with a large number of providers overall.</p> <p>It was queried how substitutions would be handled in the Shadow Forum. It was confirmed that the former practice from Schools Forum would be continued; a substitute did not need to be in a particular role within a school.</p> <p>The role of seeking membership would be a function for the Budget Reference Group members.</p> <p><b>Action:</b> It was determined that the following members would seek membership for each category of representative:</p> <ul style="list-style-type: none"><li>• Primary Maintained: HR</li><li>• Secondary Maintained: ML (representative can be either from St Edwards or Poole High)</li><li>• Special School maintained: GC (representative can be either Linwood or Winchelsea)</li><li>• Christchurch Learning Centre would automatically be a member whilst maintained.</li><li>• Primary Academy - DS<ul style="list-style-type: none"><li>○ DS to contact Sue Mogg who has links to Poole PSA, Bournemouth and Dorset.</li><li>○ Provide a list of Primary Academies across all 3 areas to SP</li></ul></li><li>• Secondary Academies: PK<ul style="list-style-type: none"><li>○ Contact details to be sent to PK for all secondary academies</li></ul></li><li>• All through academy – DT</li><li>• Alternative Provision – MR (Can be either Delta or Ambitions)</li><li>• Special Academy – MR – liaise with Nikki and John from the BCP Learning Partnership</li></ul> <p>A generic email is to be drafted for colleagues to use for the purpose of seeking membership, including a copy of the draft Terms of Reference.</p> <p>Volunteers seeking membership to return to MSM by Friday 12 October to be brought to the next meeting.</p> <p><b>Action:</b> List of nominees to include name and in what capacity (school representative / governor)</p>	<p><b>MSM</b></p> <p><b>HR ML GC</b></p> <p><b>DS MSM PK MSM DT MR MR</b></p> <p><b>VW / MSM</b></p> <p><b>HR/ ML/ GC/ SP/ PK/ DT/</b></p>
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	<p>Set a date for Shadow Schools Forum for the last week of October, but not in Half Term</p> <p>Set further dates for the Shadow Schools Forum and bring to the next meeting.</p>	<p><b>MR MSM</b></p> <p><b>MSM</b></p>
<b>4.</b>	<p><b>DSG Budget Guidance 2019/20</b></p> <p>A summary and full guidance paper was provided before the meeting.</p> <p>The summary puts BCP into context with the national picture.</p> <p>Areas highlighted were:</p> <ul style="list-style-type: none"> <li>- Low prior attainment factor Primary has reduced unit value (despite DfE assurances last year that it would not reduce with known growing eligibility).</li> <li>- The Floor is increased to 1% as expected.</li> <li>- There is uncertainty over the Growth Fund. It is likely that this will be awarded at the minimum level, under the protection arrangement.</li> <li>- High Needs Funding will be the same parameters as previously.</li> <li>- DfE has confirmed (meeting of 27 July) that BCP will be treated as a first time request, so a transfer above 0.5% will need Schools Forum and DfE approval for 2019/20.</li> <li>- Teacher pay award of 3.5%; this is a challenge for schools but 2.5% is being funded by DfE grant based on pupil numbers.</li> </ul>	
<b>5.</b>	<p><b>Summary of BCP Schools NFF</b></p> <p>JC provided an updated paper and appendix with small changes compared with figures circulated in advance. The October 2017 census is the basis for all figures.</p> <p>Ocean Academy has now been corrected as a junior school and Business rates also adjusted.</p> <p>The financial impact of the 2019/20 NFF compared with 2018/19 school budgets has been clarified; those that are initially capped but then brought back up to the minimum per pupil levels are specified separately from those remaining capped to make better sense of the % changes at school level in the appendix.</p> <p>It was explained that some terminology has changed; the Funding Floor is now the minimum increase of 1% compared with 2017/18 budgets. Floor schools are schools that have not received any extra funding (or very little extra) under</p>	

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	<p>the National Funding Formula (NFF) (1% increase taking them above the allocations derived through the NFF formula factors). Previously referred to as floor schools are those where funding is uplifted to a minimum per pupils level (similar to newly defined floor schools in that both see funding levels above that provided through the NFF formula factors)</p> <p>The Minimum Funding Guarantee model is still being formulated but so far in the figures minus 1.5% has been used so that schools are not protected from the reduced funding for low prior attainment within the 2019/20 NFF.</p> <p>There are some schools which match the NFF exactly (section 2.1 and 2.2 give more detail).</p> <p>Exceptional funding is covered in section 2.3, and is based on 2018-19 funding spend.</p> <p>Table A shows summary allocations when mirroring NFF (as far as possible and using a -1.5% MFG) by phase and also by LA area.</p> <p>Table B shows the number of schools within impact categories – on the floor (1% increase from 2017/18), on formula, gains capped, uplifted to minimum per pupil, initially capped and then uplifted to minimum per pupil and those with MFG allocations (minus 1.5% compared with 2018/19). School level detail in the Appendix</p> <p>Section 3.4 gives an explanation of how intrinsic growth has been included in the figures (at 2018/19 individual school budget levels).</p> <p>The figures provided do not look at the affordability model or transfer to the High Needs Block.</p>	
<b>6.</b>	<p><b>Growth Fund Proposals</b></p> <p>JC provided an overview of the paper provided prior to the meeting, which outlines current growth funding policies for 2018-19, and decisions that the Shadow Schools Forum will be required to take for the Growth Fund to be established for 2019-20 across BCP.</p> <p>Bournemouth and Poole Growth Fund Policies are quite similar, whilst the Dorset policy has differences.</p> <p>Total funding in the previous year (2018-19) was allocated based on the 2017-18 budgets of LAs. In 2019-20 it will be allocated by the DfE based on a</p>	

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<p>formulaic method with reference to local demographic growth. This method has not yet been provided.</p> <p>£1.38 million is a minimum guarantee estimated and the likely level of what will be received for the growth budget.</p> <p>This funding covers:</p> <ul style="list-style-type: none"> <li>• PAN increases</li> <li>• Expanding year groups</li> <li>• New schools</li> <li>• Bulge classes (temporary PAN increases)</li> </ul> <p>Dorset guaranteed funding for 25 pupils; this was done to guarantee schools would accept extra pupils but it has not worked well. It was clarified that Dorset fund by class size, rather than per pupil but also deduct any MFG allocations included with the individual school budget. The use of a class size guarantee is due to the rural area and the small size of some schools. Bournemouth fund a class of 30 and Poole fund actual numbers at census.</p> <p>Dorset have never reclaimed in the year after bulge growth has ended as shown in Table A so this line can be deleted.</p> <p>The growth must have been at the request of the Local Authority.</p> <p>Dorset also funds other factors, such as management and class setup.</p> <p>The Growth Fund is also to cover exceptional costs of new schools and those expanding year groups - It was explained that schools have overheads regardless of the number of year groups and Bournemouth provide additional funding to new or expanding schools until all year groups are present. This additional funding method was taken from the DfE funding for Free schools in 2014 which is now considered to be very generous.</p> <p>Poole has only had 1 new school and developed specific start up allocations as one off with no need for a policy. Dorset also has a start up policy providing additional funding in the first year only.</p> <p><b>Action:</b> MJ to provide further details of the additional funding that Dorset provides for the cost of setup of a new school.</p> <p>Dorset fund for minor variations (eg class size legislation) but Christchurch schools did not generally attract this funding. Details in Appendix 1.</p>	<p><b>MJ</b></p>
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	<p>The Intrinsic growth (for schools increasing year groups) needs to be funded 2019-20 with £422,000 allocated through the formula. This is not optional and pupils attracting funding from all factors .</p> <p>Table D shows the Intrinsic Growth formula.</p> <p>Appendix 2 gives the estimated budget needed for 2 options.</p> <p><b>Action:</b> A breakdown of the number of years of growth fund left was requested; to be shown as year groups.</p> <p>The difference between intrinsic and extrinsic growth was requested; intrinsic funds additional factors, not just the per pupil cost (basic entitlement). Extrinsic growth funding provides the basic entitlement only. New and growing schools require Intrinsic funding, generally due to greater scale and filling up more then just the entry year group over time.</p> <p>A flow chart on page 75 of the Schools Revenue Funding 2019-2020 Operational Guide explains how the funding routes are determined.</p> <p>It was confirmed that intrinsic and extrinsic funding can be received at the same time, but not for the same thing.</p> <p>It was explained that growth funding only applies if the Local Authority requires additional places to meet the demand of an increased population.</p> <p>It was discussed when it would become mandatory to align the BCP formula across all 3 areas. This would be checked out with the DfE. Current options are - 1. To continue existing funding methods or 2. Develop a new BCP policy. Concern was expressed for the timescale needed for option 2 with option 1 recommended by the Group.</p> <p><b>Action:</b> A paper to be created to take to Shadow Forum, to propose recommendation to continue to fund under existing policies with the new policy for the growth fund to be worked on for implementation in 2020-21. This needs to communicate that schools cannot expect funding levels to remain the same after 2019-20.</p>	<p>JC</p> <p>JC</p>
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7.	<p><b>2018/19 DSG Budget Position – verbal update</b></p> <p><u>Bournemouth:</u> JCH explained that Bournemouth is hopeful for a balanced DSG; current overspend is £0.5 million on high needs. Attempts to reduce budget pressures includes implementing a banding system for EHCP in mainstream schools.</p> <p><u>Christchurch:</u> There is a £3 million overspend predicted for Dorset. This is likely to increase. The next Schools Forum for Dorset is on 19 October 2018.</p> <p><u>Poole:</u> There is £0.7 million overspend in Poole high needs, but the carry forward for 2017-18 and savings on other budgets will offset some of this.</p> <p>The deficit being carried forward from Dorset into 2018-19 is £8.7m. The Christchurch element of the Dorset deficit has not been determined yet. £3.2m is brought forward from Bournemouth but it is hoped this can be reduced by March 19. Poole brought forward a surplus.</p> <p>New for 2019-20 - an LA deficit of more than 1% of the DSG will require a plan to clear it to be discussed with the Schools Forum and sent to the DfE. On current projections BCP will trigger.</p> <p>Significant High Needs Block pressures are continuing across all areas. The overspend in the budget is entirely due to High Needs Block spend.</p> <p>This is due to:</p> <ul style="list-style-type: none"> <li>- Increased demand for EHCPs</li> <li>- High levels of exclusions and alternative provision</li> <li>- Cost pressures of Post 16-25.</li> </ul>	
8.	<p><b>High Needs Budget and Development of New Provision</b></p> <p>VW introduced the paper which was provided prior to the meeting.</p> <p>All 3 areas have had extensive reviews of this area to look at the management of the demands.</p> <p>Detail of the current cost was provided in Section 4.</p> <p>Section 5 shows what is being put in place; this shows broadly similar developments across the 3 Local Authorities:</p> <ul style="list-style-type: none"> <li>- Initiatives such as Mainstream Plus are being introduced, including looking to support pupils on roll at special schools within a mainstream setting.</li> <li>- Areas of increase in need are being looked at.</li> <li>- Contracts with Alternative Providers are being reviewed.</li> <li>- A new free school is being opened via the Delta Trust in Bovington for which all 3 Local Authorities have contributed to the planning of numbers in order to meet local demand.</li> </ul>	



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<p>It was explained that the strategy is to reduce the provision outside of mainstream. The challenge is to achieve this against the increasing pressure from growing numbers of EHCPs.</p> <p>A request was made for a forecast budget for the High Needs Block. It was explained that, although this is looked at, the budget is very dynamic and difficult to predict accurately but a detailed plan is being built; currently in the process of agreeing what sort of growth is needed for inclusion in 2019-20. Before growth is taken into account, the funding does not match cost, with at least a £2m shortfall after some further measures have been taken.</p> <p>It was queried that in page 43 to 44 of the Guidance, it is stated that the DfE expects evidence for Forum to include evidence from the Local Authority of the increased need above the level of the funding in the High Needs Block. It was confirmed that Poole provided this last year, and to the DfE, but despite efforts to reduce demand, it is still rising from growing numbers of EHCPs and permanent exclusions.</p> <p>It was explained that the Local Authority is not making all the decisions that affect the budget; exclusion and alternative provision costs, tribunal cases directing high cost placements with diagnosis from Health and the SEN Code of Practice reducing ability to successfully defend cases.</p> <p>Bournemouth took a similar path and agreed with schools a plan to reduce costs. Exclusions continued to rise and mainstream schools found some agreed planned measures unacceptable.</p> <p>The capacity in Special Schools was discussed, along with funding to support to remain in mainstream; Poole and Bournemouth are completing work on this.</p> <p>It was queried if the impact of this work to reduce exclusions has been assessed; it was confirmed that the impact was not seen last year, but with the introduction of the Positive Reintegration Protocol in Poole and similar strategies in Bournemouth, it is hoped that there will be impact this year.</p> <p>The local government reorganisation is an opportunity to look at provision across the conurbation.</p> <p><b>Action:</b> A paper to be produced showing figures and projections for spending from the HNB. To be brought to the meeting on 18 October 2018.</p>	<p>JCH / SE / NW / VW</p>
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9.	<p><b>Development of BCP formula</b></p> <p>NW advised that the proposal is for a transfer to the High Needs Block. Last year this was a transfer of approximately 1% of the BCP budget overall. The financial strategy for next year is the same and it needs to be established where this funding comes from, estimated at £2 million.</p> <p>The formula needs to be modelled, looking at principles.</p> <p>It was discussed that when considering this, nothing should be overlooked and should consider all elements such as floor funding, minimum per pupil levels, caps and the minimum funding guarantee.</p> <p><b>Action:</b> A number of options need to be provided to the Shadow Forum. This needs to be a live model at the next BRG meeting which shows transfers of 0.5 – 1.5% to the HNB.</p>	NW / SE / JC /
10.	<p><b>Next meeting and Forward Plan</b></p> <p><b>Date of next meeting:</b> Thursday 18 October 2018; 09:00 – 11:30, Bournemouth Learning Centre.</p>	
	<p><b>Close.</b></p>	

Minutes by: Marilyn Scofield-Marlowe  
Checked by: Vicky Wales / Nicola Webb