

# Schools Forum

## PLEASE NOTE TIME OF MEETING

Wednesday, 28th March, 2018  
at 4.00 pm – 6.00 pm

Regents Park Community College, King Edward Avenue, Shirley,  
Southampton SO16 4GW

This meeting is open to the public

LEAD OFFICER  
Julien Kramer  
Service Lead for Education

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## AGENDA

### **1 WELCOME AND INTRODUCTIONS**

Welcome by Chair of Schools Forum, Jonty Archibald and Paul Atkins, Schools Capital Programme Manager.

Welcome and introduction to Julien Kramer, Service Lead for Education.

### **2 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)**

To note apologies and changes in membership.

Election of new Schools Forum Chair, following Jonty Archibald's resignation.

Recommendations and decision to appoint an Independent Financial Advisor to Schools Forum.

### **3 DECLARATIONS OF INTEREST**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Meeting Support Officer.

### **4 MINUTES OF THE PREVIOUS MEETING - 17 JANUARY 2018** (Pages 1 - 16)

To approve the minutes of the meeting held on 17 January 2018.

### **5 LOCAL AUTHORITY UPDATES**

a) Verbal report by Julien Kramer, Service Lead for Education

b) Education Services Review (Pages 17 - 34)

To receive an update from Paul Atkins, Schools Capital Programme Manager. During this item, to receive nominations for Schools Forum Members to take part in a proposals workshop.

c) Schools Capital Programme and Secondary Schools Expansion

To receive a verbal update from Paul Atkins, Schools Capital Programme Manager.

- d) High Needs Block Working Group  
To receive a verbal update from Paul Atkins, Schools Capital Programme Manager.
- e) Schools Admissions Policies  
To receive a high level explanation of Schools Admission Policies and processes from Clodagh Freeston, Schools Admissions Manager.
- f) Schools in Financial Difficulties Fund  
To receive an update from Paul Atkins, Schools Capital Programme Manager and Nick Persson, Finance Business Partner for Education.  
This will include an update on the Scheme for Financing Schools.
- g) Finance update  
To receive an update from Jo Knight, Service Lead, Finance Business Partnering.
- h) Private Finance Initiatives (PFI) update  
To receive a verbal update from Jo Knight, Service Lead, Finance Business Partnering.

## **6 CLOSING REMARKS AND DATE OF NEXT MEETING**

Wednesday 27 June 2018  
3:30pm or 4:00pm start tbc  
Venue: TBC

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## Schools Forum

Wednesday, 17th January, 2018  
at 4.00 pm – 6.00 pm

### Regents Park Community College

King Edward Avenue, Shirley Southampton SO16 4GW

This meeting is open to the public

#### LEAD OFFICER

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#### FORUM ADMINISTRATOR

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#### Present

| <b>Chair and Vice Chair</b>             |                  |                               |
|---|------------------|-------------------------------|
| Jonty Archibald                         | Head Teacher     | Regents Park Community School |
| <b>Primary School Representatives</b>   |                  |                               |
| Julie Swanston                          | Head Teacher     | Woolston Infant School        |
| Amanda Talbot-Jones                     | Head Teacher     | St Denys Primary School       |
| John Draper                             | Head Teacher     | Swaythling Primary School     |
| Mark Sheehan                            | Head Teacher     | Mansbridge Primary School     |
| Peter Howard                            | Head Teacher     | Fairisle Junior School        |
| <b>Primary Governor</b>                 |                  |                               |
| Richard Harris                          | Governor         | Moorlands Primary School      |
| <b>Secondary School Representatives</b> |                  |                               |
| Keith Pinney                            | Business Manager | Cantell School                |

| <b>Special Schools Representatives</b>    |  |                                |
|---|--|--------------------------------|
| Jonathan Howells                          | Head Teacher                             | Cedar School                   |
| Colin Grant                               | Governor                                 | Cedar School                   |
| <b>Academy Representatives</b>            |  |                                |
| Sean Preston                              | Chief Financial Officer                  | Hamwic Education Trust         |
| David Turner                              | Academy Governor                         |                                |
| Lyn Bourne                                | Head Teacher                             | St Anne's Catholic School      |
| <b>Pupil Referral Unit Representative</b> |  |                                |
| Alison Parsons                            | Head Teacher                             | Compass School                 |
| <b>PVI Early Years Provider</b>           |  |                                |
| Anna Wright                               | Paint Pots Nursery                       |                                |
| <b>Non Schools Representative</b>         |  |                                |
| None                                      |  |                                |
| <b>Observers</b>                          |  |                                |
| Jedd Hayward                              | NASUWT                                   |                                |
| James Rouse                               | St. Anne's Catholic School               |                                |
| Rachel Adams                              | Daily Echo                               |                                |
| <b>SCC Officers</b>                       |  |                                |
| Councillor Darren Paffey                  | Cabinet Member                           | Education and Skills           |
| Hilary Brooks                             | Service Director                         | Children and Families Services |
| Mel Creighton                             | Service Director                         | Finance & Commercialisation    |
| Jo Knight                                 | Service Lead Finance Business Partnering |                                |
| Alan Voyzey                               | Finance Business                         | Partner for Education          |
| Paul Atkins                               | Capital Programme Manager                |                                |
| Anne Downie                               | Early Years                              |                                |
| Christine Rice                            | Business Manager                         |                                |
| Sam Gibson                                | Communications Manager                   |                                |
| Kaye Cantor                               | Meeting Support (minutes)                |                                |
| Stephanie Wickenkamp                      | Meeting Support (minutes)                |                                |

## MINUTES

### 1. WELCOME AND INTRODUCTIONS

Mr Archibald welcomed delegates to Regents Park Community School. He gave apologies for not having attended the previous meeting and thanked Vice Chair, Mr Harry Kutty, who chaired in December. RH thanked JA for hospitality in hosting the meeting.

### 2. APOLOGIES AND CHANGES OF MEMBERSHIP (IF ANY)

Apologies were noted from:

|                |   |
|----------------|---|
| Jo Cassey      | Service Lead, Education and Early Help  |
| Harry Kutty    | Head Teacher, Cantell School<br>(represented by Keith Pinney)                     |
| Susanne Ottens | Head Teacher, Fairisle Infant & Nursery School and<br>Hardmoor Early Years Centre |
| Martin Brown   | Head Teacher, The Sholing Technology College                                      |
| Andy Evans     | Head Teacher, Great Oaks School<br>(represented by Jonathan Howells)              |
| Chris Ode      | NASUWT - Observer (represented by Jedd Hayward)                                   |

### 3. DECLARATION OF INTEREST

No declarations were made; some delegates completed forms before the meeting.

### 4. MINUTES OF PREVIOUS MEETING – 6 DECEMBER 2017

JA reviewed first for accuracy and the following was noted:

**Page 6: b) Update from High Needs Block Working Group**

Third paragraph from end page, first line – SP requested ‘*increase*’ be changed to ‘*transfer*’.

**Page 12: (6) Any Other Business – item 1) newsletter**

First line - MS requested ‘*two other schools*’ be changed to ‘*one other school*’.

**ACTION:** Meeting Support to amend published minutes.

**ACTION:** PA to feedback to MS before Schools Forum for discussion at the March meeting.

JA reviewed the actions in the minutes:

**Page 3: Item 1 - timely LA papers** - HB confirmed the LA is committed to circulating accurate papers in a timely way.

**Page 3: Item 1 - Benchmarking opportunities** - PA confirmed this will be addressed during his review.

**Page 4: Item 4a - Southampton Schools Forum constitution** - HB confirmed a draft had been circulated with no feedback received from delegates. It was agreed this action is completed.

**Page 6: Item 5a - Update on the Capital Programme:** PA will continue to feedback as this develops.

**Admissions policies:** PA has produced a draft update. This will be brought back to the Forum and delegates will be advised when it is published.

**Page 7: Item 5b - Evaluation of HNB tribunals** – this is an ongoing piece of work by Tammy Marks.

Noted budgetary actions on **Pages 10 and 11** are on the agenda for today's meeting.

**Page 11: Item 5d - Trading with Schools** – AP confirmed Kevin Allan has been invited to the Special Heads Conference.

**Page 12: Item 6 AOB (1) PA to investigate alleged differentiation of funds received by schools following MS's query** – MS is keen to understand criteria for provision and stated all schools should be funded on the same basis. PA has capital figures and will go back to MS when finance have confirmed revenue transactions. This will be addressed before next Schools Forum.

**ACTION:** PA to provide MS with information.

**Page 12: Item 6 AOB (2) MS query regarding School Improvement money**

AV stated the School Improvement Grant is addressed in the finance papers for the meeting today. It has been confirmed by the Government that the grant will continue for another year, with national funding of £50 million each year. Southampton have received the first instalment of £101K and hold this. A second instalment is due in April and if issued on the same basis, AV expects this to be between £68K and £69K.

MS asked if funds are going back into the schools' pot. JA stated this has to be used for Schools improvement and is held outside the DSG. JA confirmed with AV that this was not delegated and the Education Department will develop proposals to support school improvement initiatives.

**Page 12: Item 6 AOB (3) Section 251 return discrepancy meeting** – JD confirmed the meeting went ahead. This is a complex issue which is focussed on the costs of providing statutory services by the authority that were recharged to maintained schools. Following a review the charges to schools in the current year have been refunded in full.



**ACTION:** *Post meeting note: Meeting Support noted Lyn Bourne's request to be included on the delegates attendance for the December meeting (complete).*

The minutes were agreed.

## **5. LOCAL AUTHORITY UPDATES**

JA explained that he had met with HK and LA officers to continue working together, ensuring timely release of papers. JA explained to members that a processing error by the Education Funding Agency had necessitated the issue of updated school meals data and this had resulted in the authority having to provide revised financial information for Forum members. JA emphasised working to maintain an open dialogue with Schools Forum members and LA Officers.

HB agreed the LA is committed to open dialogue. Members were reminded that central Government cut Southampton's Education Support Grant by £1M, which resulted in schools being asked to contribute £1M to compensate for the cut.

MC stated that during collation of the budget for 2017/18, additional ways of funding the gap were identified; the LA therefore did not need to take this contribution from schools.

HB apologised on behalf of the LA for the mistake and stated that the £1M contribution from schools will be repaid within a week. HB assured Schools Forum members that changes have been made to processes to prevent this from happening again.

MC stated that despite there being a shortfall of £225K in 2018/19, the LA will not be asking schools for this money.

HB highlighted the continuation of working with colleagues and urged members to come forward if something does not seem right. HB repeated apologies on behalf of the Council, confirming that repayment to schools would be made.

JA reaffirmed that Maintained Schools who paid the £49 per pupil budget will receive a refund in due course.

KP queried whether at the end of the financial year Secondary Schools who stayed within 5% and Primary Schools who stayed within 8%, will be taken into account with reference to surpluses. HB confirmed this.

PA stated that SCC is committed to a full review of Education Services. The review will be value driven and be delivered through a full engagement with schools. The service review will consider all direct services and supporting services and will include a full review of SLA's, Charging Mechanisms, how services are accessed and delivered. A full scope for the review will be bought to March 2018 Schools Forum for Sign-Off and the review will run to the end of June.

**SCHOOLS, HIGH NEEDS & EARLY YEARS BLOCK 2018/19 BUDGET,  
INCLUDING AGREEMENT BY SCHOOLS FORUM FOR ALL CENTRAL  
EXPENDITURE AND DE-DELEGATED BUDGETS FROM SCHOOLS BLOCK.**

**5i) Schools Block and Central Schools Services Block**

AV confirmed the NFF will be implemented over the next two years to enable distribution of delegated funds to schools.

AV explained the recommendations in relation to DfE allocations outlined in his paper; this includes the new central schools element.

The Schools Block allocation provided by the DfE totalled £139M; an increase for the 2018/19 financial year of £4.9M. Increased pupil numbers would cost £2.6M leaving a balance of £1.3M to fund all inflationary and cost pressures.

AV confirmed that the APT deadline return for completion is the 19 January 2018.

Flexibility in the Minimum Funding Guarantee (MFG) is being allowed in 2018/19 so that the MFG which provides per pupil funding protection can be set at between +0.5% and -1.5%. Whilst the Schools Block is ring-fenced, some limited flexibility is permitted in that up to 0.5% may be transferred to other blocks subject to consultation and Schools Forum approval.

Distribution of funding was based upon increased allocations for the additional needs factors including IDACI, English as an Additional Language and Low Attainment. These factors were increased within the local formula to target support at the most deprived schools.

AV confirmed that all schools will have increased allocations which will be in line with additional funding announced by the Secretary of State in summer 2017. AV explained that as a result of the introduction of transitional relief for business rates in 2017/18, after school budgets had been finalised, adjustments of over and under allocations would be made in the new financial year. AV noted that the six schools that had formed the Aspire Trust from September 2017 would be entitled to mandatory rates relief, but as the arrangements had not been finalised, further adjustments to business rates would be done in the new financial year.

### **5ii) Allocation of total amount of DSG**

AV explained the three available options in relation to NFF allocations.

|  |              |
|--|--------------|
| <b>Option A – Distribute £138.305M</b> | <b>1.52%</b> |
| <b>Option B – Distribute £138.653M</b> | <b>1.78%</b> |
| <b>Option C – Distribute £139.001M</b> | <b>2.05%</b> |

AV clarified this vote was open to Maintained and Academy Schools. AV requested an agreement on the principles adopted and stated agreement on a way forward is needed during this meeting due to there being no deferral time in relation to the submission of the APT.

#### ***Key discussion points:***

- SP stated that there was not enough statistical detail included within the papers provided to be able to vote. SP explained that he could not vote based on principles as they were not provided. MS agreed this and commented that there were no figures relating to IDACI Pupil Premium eg. free School Meals.
- PH stated his preference in seeing details which measure deprivation factors for each school, to inform decision making.
- JA confirmed that individual schools could not be identified from the papers. Anonymization of schools was decided by the Chair, Vice Chair and LA officers for fair decision making. The aim is to get the maximum amount delegated to schools in a fair way.
- RH sympathised with the LA in having to adhere to tight DfE deadlines.
- HB apologised for the delay in issuing the papers and reassured members that the timeline next year to receive papers will be earlier.
- JA suggested an ‘in principle’ vote for this year with a view to reviewing the process for the following academic year.
- AV reiterated the national soft formula will apply for the next two years and there will be an opportunity to address the relationship between the two formulas once detail has been received in advance of the next settlement. DT commented that further details are required to enable a smooth transition in the future.
- SP explained that the figures provided mean that the MFG would enable every school to receive a 0.5% increase per pupil; he felt this was unaffordable. SP queried the figures provided with regard to MFG.

- MS queried whether the entire 0.5% would apply. This was discussed; AV confirmed 0.5% would apply, however noted the percentage could have been set at a lower level.

JA agreed a break for LA officers to clarify the finance queries.

***Break for 15 minutes.***

MC explained that the 0.5% increase had been reflected in the figures on a per school basis, as opposed to per pupil. MC confirmed that this information be taken away for revision and confirmation that it corresponds with the Appendices provided. SP stated his intention to abstain from voting until per pupil figures and MFG figures were confirmed.

JA asked whether this affects the LAC element. AV explained that LAC is not an element within the NFF. It is a factor within the local formula which distributes £130K to schools for Looked After Children. However, as the Pupil Premium funding had been increased from £1,900 per pupil to £2,300 per pupil, it is proposed that this element is removed from the local formula.

**AGREED:** JA confirmed with Schools Forum members that they were content with the 'in principle' vote and this was agreed without a vote.

**ACTION:** MC/JK to issue clarification of the Appendix figures for Schools Block and provide details of the MFG calculation. **Post meeting note:** *(completed and distributed to Schools Forum Members).*

**Appendix 1 – Schools Block/Central Schools Services Block**

***5iii) Schools in Financial Difficulties Fund 2018/19: £100,750***

JA clarified that the vote is for continued support towards Schools in Financial Difficulties fund for 2018/19.

This item is for maintained primary and secondary schools only.

***Key discussion points:***

- JH noted criteria around the fund is unclear; PA will address in the review.
- RH queried whether there is a surplus in the fund and whether this is available to schools on a loans basis. He further commented that on this basis, additional funds are not required.
- JD commented that the allocations which provided grants of £20K to individual schools would not make a difference to school deficits.

- JS felt that money was paid in but not used. JS asked if funds would be reallocated back to schools and PA confirmed it is part of the review to look at the whole process.
- SP commented that newly converted Academies should be eligible for a refund if they have contributed.

**ACTION:** This item was not agreed and will be addressed as part of the review of services which support schools.

***5iv) De-delegated funds for Trade Union duties: £46K***

AV asked if support is to continue for another year and confirmed the fund for TU duties applies only to Primary schools.

**AGREED:** The group agreed that de-delegated funds for TUs will continue for 2018/19.

**Appendix 1 – Central Schools Services Block**

***5v) Primary Review Growth Fund: £260,400***

***Key discussion points:***

- SP queried whether Thornhill Primary School is missing and PA stated this school is now an Academy. With the addition of Thornhill, SP thought this would bring the total to £295K. The authority will investigate whether or not Thornhill should be included in the schedule of schools supported in 2018/19.
- MS asked whether schools might get extra funding from Capital; MS is concerned that Capital is taken into account and funding is equitable. PA and HB responded capacity is part of the review and is dependent on the specifics of an individual school. PA will be providing more details in due course.

JA requested a vote be taken, subject to the addition of Thornhill being clarified by SP and the authority.

**AGREED:** 10 Delegates in favour: 0 against.

**ACTION:** SP to check whether growth at Thornhill Primary is 45 or 60 pupils.

***5vi) Admissions function: £422,100***

AV explained that the calculation is based on the same figure as last year.

***Key discussion points:***

- RH stated he would only support the Admissions function if it was based on good evidence as required. RH felt the maximum figure should be less if based on last year's expenditure. PA replied this was a reasonable statement.
- MS commented some schools have their own Admissions function.
- RH asked about long term absence. PA will be bringing a paper to Schools Forum in March.

JA asked for a vote to be taken to support the Admissions function from the central block with the caveat it is reviewed if savings are identified: the figure currently requested is the maximum amount and will be revised down if necessary.

**AGREED:** 7 Delegates in favour: 0 against

**ACTION:** PA to produce Admissions policies paper for March Schools Forum.

***5vii) MASH and Early Help: £626,800***

AV explained the figure is the same level as the current year.

***Key discussion points:***

- MS commented this was the same figure but with fewer preventative Social Workers. AV replied this is a nominal funding contribution. HB emphasised the important work carried out by MASH and Safeguarding team with schools.
- PH commented that schools paid for their own Tier 2 Social Workers. There was a discussion about schools linked Social Workers; some do not have these any more. JS stated previously a SW visited which the school paid for but this no longer happens.

HB stated that expansion is planned for the 0-19 community model. This enables SWs to be out in community to help prevent MASH referrals. HB was not aware of any previous arrangement and confirmed that funding would be used to reinstate this previous arrangement. RH asked if as an advisory body the Schools Forum could also vote to formally advise on the reintroduction of SWs for schools. All members were in favour of this with no vote taken.

A vote was then taken to agree the budget:

**AGREED:** 7 Delegates in favour: 0 against.

**ACTION:** HB to progress reinstating SWs to schools.

**5viii) CLA and MPA Licences: £138,100**

AV explained this fee is top sliced nationally from the Dedicated Schools Grant. Payments are made by the funding agency on behalf of all authorities and then recharged. JA confirmed there is no negotiation. PA stated this vote is for maintained schools only.

**AGREED:** 11 Delegates in favour: 0 against.

**5ix) High Needs Block**

AV updated on the adverse variances of at least £3.5M for 2018/2019. Final figures have been received for the High Needs Block of the DSG and the settlement provides an increase of just under £1.1M after the application of the capping criteria which limits increases to 3%.

There is a forecast pressure of £2.44m above the 2018/19 High Needs Allocation and proposals to transfer the permitted 0.5%, (£695,000) subject to Schools Forum approval, would reduce this to £1.74m. The LA's recommendation is to transfer 0.5% to HNB.

AV commented that over the next two years the High Needs Block should provide further favourable settlements.

HB explained that if the 0.5% was not transferred, there will be a significant further pressure on HNB, which will need to be sourced from other services. HB stated much work is being carried out to address the overall pressure. HB noted that SEND is a growing pressure, as well as increased EHCP assessments and out of city placements.

***Key discussion points:***

- JH queried whether there was anything that Schools Forum could do or whether the LA Cabinet would be able to write to the DfE. Cllr Paffey responded that he would be happy to write a letter and suggested that Schools Forum members jointly sign this. RH requested for the letter be copied to LGA Chair of Children's Services.
- Cllr Paffey reminded members that additional funding from the Government does not mean there is enough money; any extra funding received is to pay for additional pupils.
- JA explained he had attended a Hampshire Schools Forum in December 2017, where similar pressures were noted. AV agreed that pressures within the High Needs Block are being experienced across the country.

JA asked all members to vote on the following transfer options:

i) **0.5% (£695K)** transfer from the Schools Block to High Needs Block.

ii) **0.25%** transfer from the Schools Block to High Needs Block.

iii) **No transfer** from the Schools Block to High Needs Block.

***Key discussion points:***

- RH stated this as a crucial and mandatory vote, commenting that members should let the LA officers handle the balancing of financial figures.
- JD queried whether using the £160K from the Central Schools Block could offset some of the HNB pressure impact. Further, JD queried following the Sec. 251 return of £422K from the Admissions functions this year and £368K last year, whether this could be transferred to offset the High Needs Block pressure. MC responded it has already been contributed to decrease the pressure in the next financial year.
- PH asked whether the second round of Schools in Financial Difficulties funding could be applied for, to offset the pressure. HB responded that this was still an area to address.
- PH queried whether a difference was made for the 11 schools which received £20K funding for deficit budgets. PA commented this impact is negligible.
- JH spoke on behalf of Special Schools and stated that the transfer of 0.5% would go directly towards bridging the gap.
- MS commented a review for top-up values for Special Schools was promised, to see whether any children with SEND can be supported within mainstream schools.

HB responded that PA is drafting a paper in response to HNB pressures, including inner city placements, for the March meeting. PA explained this separate review will address the pressures and reasons behind them, ensuring demand is bought back into the city. PA highlighted expensive spot purchasing decisions. PA's aim is that by working collectively to find solutions to the issues, the pressure will be mitigated.

JD proposed a compromise of 0.5% be transferred to HNB with the caveat that any identified savings would be used support to off-set the pressure.

**AGREED: As there was a split vote, Schools Forum Chair, Jonty Archibald, had the deciding vote:**

i) **0.5% (£695K)** transfer from the Schools Block to High Needs Block: 7 Delegates in favour.

ii) **0.25%** transfer from the Schools Block to High Needs Block: 6 Delegates in favour.



iii) **No transfer** from the Schools Block to High Needs Block: 1 Delegate in favour.

It was confirmed that 0.5% would be transferred from the Schools Block to High Needs Block.

### **5x) Early Years**

AV noted an indicative provisional allocation from the DfE of £16.341M. The allocation is not finalised until 2019 and can go up or down dependent upon participation. AV noted that the authority had implemented the National Funding Formula from April 2017. The criteria on central spend top-slicing is a cap of 7% for the current year, which drops to 5% for 2018/19.

The proposal is to note the provisional allocation and approve the central spending elements to deliver the service within the 5% retention.

#### ***Key discussion points:***

- AW commented 95% gives £4.89 and stated because of local conditions she felt it is impossible to get the top rate of funding.
- AW queried overheads of £176K.
- AW queried why the funding lines for Universal Provision are separated out and the £56K supplement to maintained nurseries. AW asked whether there would be a reduction.

AV clarified the two figures given in the report appendix; the first is for 15 hours entitlement and the other figure relates to the extended provision for the higher entitlement of 30 hours per week.

In reply, AD stated DfE has said that they want all providers to be subject to the same funding formula from 2019-20 therefore maintained nurseries will not continue to receive additional funding; the hourly rate will be based on the same supplements. However, the one maintained nursery school will receive 2 years protection in the form of a lump sum of £56K. However this lump sum is considerably less than the amount agreed in previous years by Schools Forum for this nursery.

There are several providers who do receive the top rate of funding. Some of the 95% pass-through to providers is used to provide an Inclusion Support Fund which is to support early years providers with 3 and 4 year olds with emerging pre-EHCP SEND. It is not yet known what the cost is for the full year.

AV stated the overheads are in respect of central department costs and services including finance, HR and IT support and central accommodation costs.

SP asked about comparator figures for other LAs in terms of the top slice. AD replied most are at 5%, however in the past some LAs have gone as high as 20%.

PH questioned 11 vacancies shown on the council's structure charts and asked what the situation is with these.

AD replied there is an error on the structure chart, as not all the posts shown are vacant. For example 3 Early Years Advisory Teacher posts were removed as part of Phase 3 of SCC's transformation, but are showing as vacancies on the structure chart. HB confirmed a new structure chart will be produced following Phase 3 transformation savings, with removal of some vacant posts. There are some nursery posts which are vacant but, due to recruitment issues, are currently being filled by agency staff to ensure the nurseries remain within Ofsted ratios costs.

JA asked for a vote on the recommendations:

- i) to note provisional Early Years Block of £16.341M
- ii) Approve the central expenditure element of the Early Years Block summarised in Appendix 1.

**AGREED:** 10 Delegates in favour: 0 against.

### **5xi) Education Services Review**

PA proposed a review of Education Services be explored with schools; this would scope out the entire statutory and non-statutory service. PA stated the LA are committed to placing schools at the heart of the work and that this will be a value-led service review. The review will include LA SLA's, direct and supporting services, utilities and whole asset management.

PA stated he would present a report at the next Schools Forum meeting, identifying how the service review will move forward.

#### ***Key discussion points:***

- RH asked for Governors to be involved, noting they bear legal responsibilities. PA agreed and noted this.
- JH queried whether the review will be based around quality of service provision or financial drivers. PA emphasised the review will be value-led, making sure anything the city council delivers is of the right value. If services are not meeting schools' expectations the council will address. PA added that value driven savings will be made but not cost led, remaining an effective value proposition for schools.
- JA queried the timescales for the review in relation to SLA's already being circulated to schools. PA responded that detailed proposals will be available in March 2018, subject to sign off and agreement. PA confirmed they would be finalised prior to sharing at March 2018's Schools Forum meeting. PA explained that workshops would commence shortly after Schools Forum and run through until June 2018, with the outcome of realigned services.

- MS queried whether the review was possible within the short timeframe. PA replied he is confident that it is achievable.
- AT-J queried whether this would be completed internally or externally. HB responded that this would be an internal review.
- JA asked for clarification when the documents are issued for March Schools Forum meeting, whether these could be shared with other colleagues or just for Schools Forum members. PA confirmed for information of members only at this stage.

HB is looking forward to working together with Schools Forum members on the review to achieve the best service outcomes.

Cllr Paffey stated that the council is a different shape from five years ago; this is a value driven piece of work as opposed to financially driven. Cllr Paffey emphasised collaborative working and encouraged input from schools.

**ACTION:** PA to present Review of Education during March Schools Forum meeting.

## **6. ANY OTHER BUSINESS**

### **a) Clarify process for applications for funding from the Schools in Financial Difficulties Fund.**

This was covered at 5iii) above and would be considered as part of the review.

### **b) School to Academy Conversion Charges.**

PA explained School to Academy conversion charges will form part of the aforementioned review. PA commented that more clarity is required on the process for this; he will address and feedback at a later Schools Forum meeting. PA confirmed to SP there will be no charges for maintained schools to academies until a review has taken place.

### **c) Revised consultation and budget setting processes.**

PA stated the LA is committed to more timely papers and progress with budget setting processes for the future. This will be incorporate into PA's review.

JA thanked PA.

## **7. CLOSING REMARKS AND DATE OF NEXT MEETING**

CG thanked officers and asked for future page numbering of reports to reflect total number of pages.

**ACTION:** Officers to paginate their reports accordingly.

SP commented that he would value a breakdown of the proposed funding rates per factor for Primary and Secondary schools within the revised budget papers and this was noted and the relevant information provided by the authority.

HB thanked all delegates for their attendance.

**Next meeting:**

Wednesday 28 March 2018

4:00pm – 6:00pm

Venue: Regents Park Community College, SO16 4GW

## Education Service Review Proposals

School Forum March 28<sup>th</sup> 2018

|                          |                             |
|--------------------------|-----------------------------|
| School Forum:            | March 28 <sup>th</sup> 2018 |
| Corporate Capital Board: |                             |
| Forward Plan:            | -                           |
| Cabinet:                 |                             |
| Council:                 | -                           |

Status: V1.0 FINAL  
Friday March 19<sup>th</sup> 2018

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## **1. Background and Context**

- 1.0 Southampton City Council has committed to undertake a full in-depth review of education services provided to schools. This is in response to feedback from head teachers, school business managers and Schools Forum.
- 1.1 This report details the formal terms of reference, scope, proposed methodologies programme of work and outcomes from the Education Service Review, (ESR).
- 1.2 The Education Service Review will commence in April 2018, subject to approval from Schools Forum and will report its findings, recommendations and outcomes to Schools forum in September 2018

## **2. Scope and Terms of Reference**

### **2.0 Scope**

#### **2.1 Service Delivery Processes.**

- 2.1.1 Within the timeframe of this review it is not feasible to transform service delivery across the whole of the Education Service. The review will consider key service delivery processes from each of the service areas within Education; this will include:

- Schools Admissions
- School Effectiveness
- SEN & Disability Service
- Early Years
- Education Welfare Services
- Vulnerable Pupil Service
- Educational Psychology
- School Place Forecasting
- Virtual School
- Music Service
- Children's Information Service
- Language Intervention

- 2.1.2 Successive restructures have focused on the 'form' of the organisation, i.e. who reports to who within the service and corresponding staffing levels. Structural focus carries an emphasis on who and not what, where, how or why?

- 2.1.3 Adopting a structural focus rarely addresses purpose, service delivery mechanisms or opportunities to improve the levels of service offered, examine the need for specific services or indeed create and nurture a service able to respond effectively in a turbulent and rapidly changing environment.

- 2.1.4 Structural reconfigurations may deliver savings however they do not transform the delivery of services. The proposals set out in the review will, if endorsed start and embed a process of change within and throughout the Education Service.
- 2.1.5 It is proposed to use a selection of appropriate Systems Thinking principles, methodologies and tools, (See Section 3.0) to focus on selected processes in order to support, enable, facilitate and embed a culture of continuous improvement within and throughout the education service.
- 2.1.6 This will involve training and supporting key managers within the service throughout the timeframe of the proposed ESR. The intention is for Service Managers to gain the skills, confidence and knowledge to become process leaders equipped with the apposite skills to develop and transform their own services with a focus on the customer and value.
- 2.2 **Back Office Support Services.** Education Services delivered to schools either directly or indirectly involve other service delivery functions within the City Council. The scope of this review will include supporting back office services. The intention is to consider both the direct access to these services by schools, i.e. the Service Level Agreements and services delivered to schools for ICT, Legal Services and HR.

Back Office service functions are also engaged in supporting the delivery of Education Services to schools, for example the Capita ONE system is used in the delivery of the Schools Admissions service. It is recognised within the timeframe of this review, (April to September 2018) it is not feasible to deliver an in depth review of all back office services the intention is to focus on ICT and Finance.

- 2.2.1 Information and Communications Technology, (ICT). The scope of the proposed review will look at the ICT systems and resources used to support and deliver the range of Education Services delivered to schools. Opportunities to improve the value of service and reduce costs can come through:
- Identifying redundant [no longer used] ICT systems
  - Over licensing of systems
  - Reducing levels of ICT support where not required
  - Reviewing how ICT systems are used to support service delivery
- 2.2.2 Financial Support. Schools and the Education Service require significant financial support to deliver effective services. The proposed review will consider the financial support and resources required in order to underpin and deliver an effective service. The review of financial services will include the direct delivery of financial support to schools. The review will include:
- Dedicated Schools Grant, (DSG) allocation
  - Schools Budget Reporting
  - Schools Deficit Recovery Plans

- Early Warning Processes (linking schools performance, improvement and finance) in order to effectively support individual schools
- 2.2.3 Human Resources. HR services are engaged directly by Schools and the Education Service. The proposed service review will identify and catalogue the HR services used and accessed by Schools and the Education Service.
- 2.2.4 Capital Assets. Capital assets deliver a range of services and are engaged directly by Schools and the Education Service. The proposed service review will identify and catalogue the services used and accessed by Schools and the Education Service.
- 2.2.5 Legal Services. Legal Services deliver a range of services and are engaged directly by Schools and the Education Service. The proposed service review will identify and catalogue the services used and accessed by Schools and the Education Service.
- 2.2.6 Service Level Agreements. The existing SLA's will be reviewed in line with the outcomes from (2.2.1 through 2.2.5) and will consider:
  - How services are accessed
  - Levels of service required by Schools
  - How schools are charged for services
- 2.3 **Finance Processes.** Schools Forum have identified a number of key processes that require review. These will be undertaken by a process review team utilising the same approach and methodologies set out in this report.
  - 2.3.1 *Charges for Conversion to Academy.* Southampton City Council have expressed the intention to recover the internal costs incurred in relation to schools converting to academies. The internal costs associated with conversion to an academy include legal, education, finance, capital assets and HR. Previously Southampton City Council have advised Schools Forum there would be a fixed cost of £10,000 for schools converting to an academy.
  - 2.3.2 No Service Level Agreement is currently in place for the academy conversion process and it is recognised SCC need to clarify the conversion process with schools and the basis for any charges. It is recommended the conversion process, service levels and the proposed charges shall form part of the Education Service Review.
  - 2.3.3 *Schools in Difficulty Fund.* The current schools in difficulty fund provides a mechanism for schools with a deficit budget to apply to Southampton City Council for £20,000 support. The fund is currently sourced through a per pupil 'top-slice' charge of around £5 per pupil. The current process was debated at School Forum in January 2018 and forum agreed the process should be reviewed. The provision of a fixed loan to individual schools in deficit does not necessarily provide value for money. Other uses of the fund should be considered, for example providing specific business planning resource to assist schools to develop recovery plans might be considered as offering improved value for money.



- 2.3.4 *School Surplus Budgets.* Southampton Schools are required to comply with a formal process to secure approval for the retention of surplus budgets above 5% for Secondary Schools and 8% for Primary Schools. The current process does not set out consistent criteria for the retention of budgets and the sign-off [approval] stage does not involve Southampton City Council, Education or Finance services. It is recommended a formal review of the process for the retention of surplus budgets is undertaken as part of the Education Services Review.
- 2.3.5 *Dedicated Schools Grant, (DSG).* The Dedicated Schools Grant, (DSG) is the Government allocation made to local authorities for funding schools. The final DSG settlement is announced in December each year. Schools forum has a statutory responsibility to approve the allocation of the DSG each year. This includes decisions on how the Minimum Funding Guarantee, (MFG) formula is applied and any decision on transfer of funding from the Schools Block to the High Needs Block, (HNB).
- 2.3.6 Schools Forum require all options relating to the DSG and their implications set out in detail in advance of the January Schools Forum meeting where statutory decisions are made. Learning lessons from the past and adopting best practice from other local authorities
- 2.3.7 *Special School 'Top-Up' Funding.* A formal review of the categorisation, banding and associated top-up funding levels is currently being undertaken through the Special Schools Heads Conference.

## 2.4 **Terms of Reference for the Education Service Review**

- 2.4.1 The Education Service Review Board, (ESR Board). Schools Forum should establish a formal Board constituted to oversee the programme of work set out in this report.
- 2.4.2 The ESR Board will be have representatives from each of the Primary, Secondary and Special School sectors. It is recommended there should be two representatives from the Primary sector and one each from the Secondary and Special sectors.
- 2.4.3 Southampton City Council officers from service areas across Education will be represented on the Board.
- 2.4.4 The principal role of the ESR Board will be to identify key service delivery processes from different business areas and commission and oversee the work of process improvement teams within each service area. Process teams will be established with a brief to review and transform the specified business processes.
- 2.4.5 Process improvement teams will work with a structured set of methodologies and tools (as set out in Section 3.0 of this report). Process improvement teams will focus on carefully selected processes, (by way of example the Appeals Process in Schools Admissions).

- 2.4.6 For example targeted process improvement within Schools Admissions around the Appeals process if facilitated and directed effectively will reduce the number of appeals and more importantly reduce the risk of complaints to the LGO.
- 2.4.7 Education staff will be trained and supported throughout the proposed service review.
- 2.4.8 Process improvement teams will be constituted from managers and staff involved in the service delivery along with representation from schools, (voice of the customer)
- 2.4.9 Senior Management in the Education Service will receive structured training and support required to introduce and manage a culture of continuous improvement.

### 3. Approach and Methodology

3.0 **Systems Approach.** The proposals set out in this report are underpinned by and built upon tried and tested methodologies, approaches and management tools drawn from different Systems Thinking disciplines, (these include but are not necessarily limited to Continuous Improvement, Lean, Six  $\sigma$ , Kaizen...) . Adapted, configured, introduced and adopted correctly the proposals set out in this report will lead to the inception of transformational change.

#### 3.1 Specific Methodologies

3.1.1 Understanding Work as a System. The term System in this context does not refer to the ICT systems used to support the delivery of services. The term System here refers to the **whole system of work** required to deliver services in its entirety.

3.1.2 System in this context is defined as the sum of the components [or parts] required to deliver services or outcomes. The System includes the people, processes, policies, information systems, information flows, decisions, procedures, service level agreements, back office processes, customers, partner organisations, suppliers; in fact everything needed to deliver.

3.1.3 The Education Service can be viewed as a System of work. The System can be seen as a collection of interrelated components or sub-systems these include the Schools, (LA maintained and Academies), The Education Service, Officers, Politicians, The Regional Schools Commissioner, (RSC), Department for Education, (DfE), Education Skills Funding Agency, (ESFA), Governors, Head Teachers, Teachers, the Policies, Procedures, Processes, Information Systems, Back Office Services, Service Level Agreements, Budgets, Financial Resources, Accommodation...

3.1.4 Figure 1.0 illustrates how The Southampton Education System might be represented as a 'whole system' of interlinked components and elements. Boundaries, components of Systems and their interfaces are arbitrary and can be drawn in many different ways.

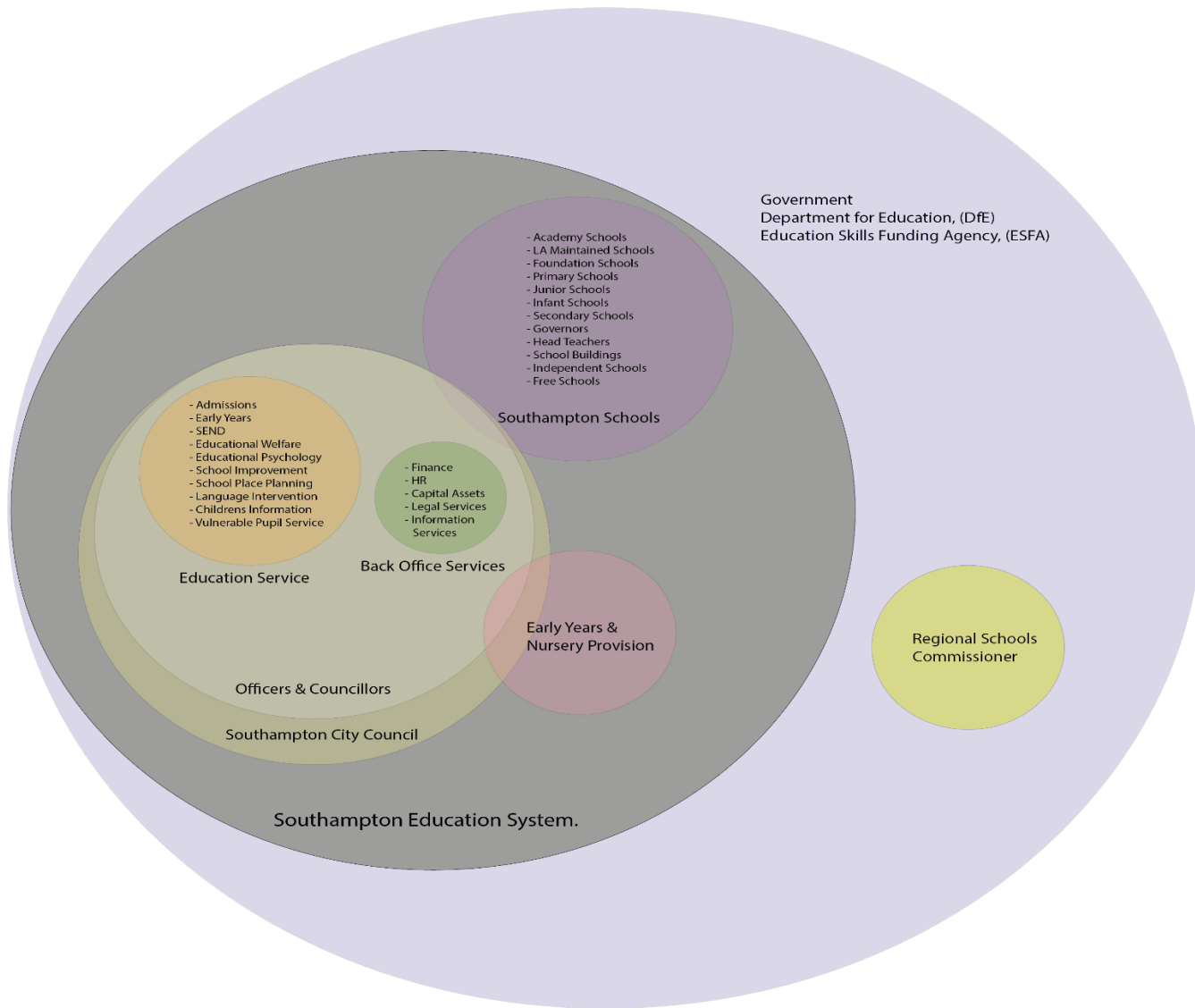


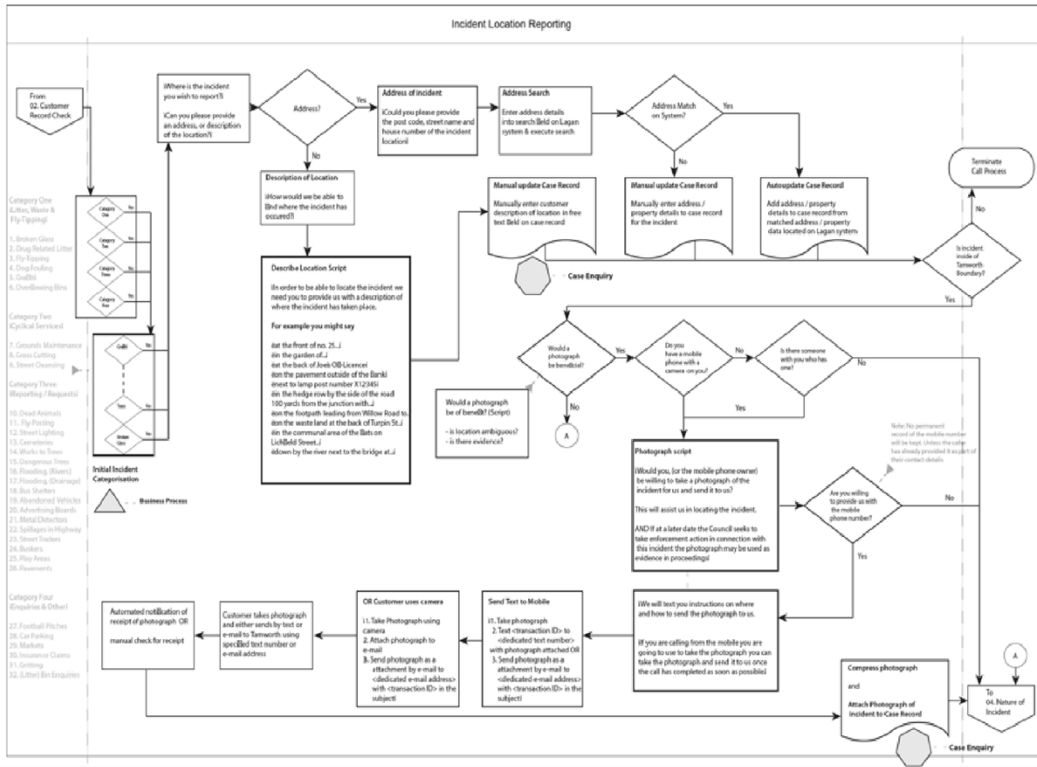
Figure 1.0

- 3.1.5 Systems have purpose.
- 3.1.6 The purpose(s) of the Southampton Education System could be defined in many different ways from differing perspectives.
- 3.1.7 Systems are complex.
- 3.1.8 How the purpose of System is defined, viewed and communicated can have a profound influence on the overall performance of the System.
- 3.1.9 **Management is the consistent, systematic and continuous drive to improve the System by working and aligning resources on the improvement of the System itself by everyone.**
- 3.1.10 Leadership and Culture. The successful implementation of Systems approaches rely wholly on the active engagement and support of senior management and leadership within an organisation.
- 3.1.11 The performance of the System is a function of the System as a whole. The performance is a function of how the individual components, (people, processes, ICT) interact and deliver outcomes, i.e. 'sum of the parts'.

### 3.2 **The Value of Process Mapping.**

Process mapping is not simply drawing up flowcharts for processes as illustrated in Figure 2.0. It is the collective contribution of individuals who are actively involved in the process.

- 3.2.1 Using the Appeals process in Schools Admissions by way of example the process improvement team might be constituted from:
- The Service Manager
  - Admissions Staff
  - Representation from Schools, (Customer)
  - Appeal Chair
  - Legal Service
  - Facilitator
- 3.2.2 By working together in a structured environment away from the work itself the process team would collectively develop an understanding of the System of Work involved in the Appeals Process. Its purpose. Who does what, when, how, where and why? This is not drawing a flowchart. It is working on the System, (3.1.9)



Tamarworth Borough Council  
Street Scene Services  
Process Maps v 0.2  
Compiled November 27th 2012  
Revised December 12th 2012



03. Incident Location Reporting



Figure 2.0 The Right and Wrong Approach to Process Mapping

### 3.3 The Three Voices, (Customer, Process and People)

3.3.1 Structured process mapping, (or collectively working on the System) leads to an understanding of the process, the needs of the schools, (customer) and an understanding of the process from the perspective of the staff, (people).

3.3.2 If effectively facilitated this leads to what is frequently referred to as Profound Knowledge. A deep insight into the whole System of Work.

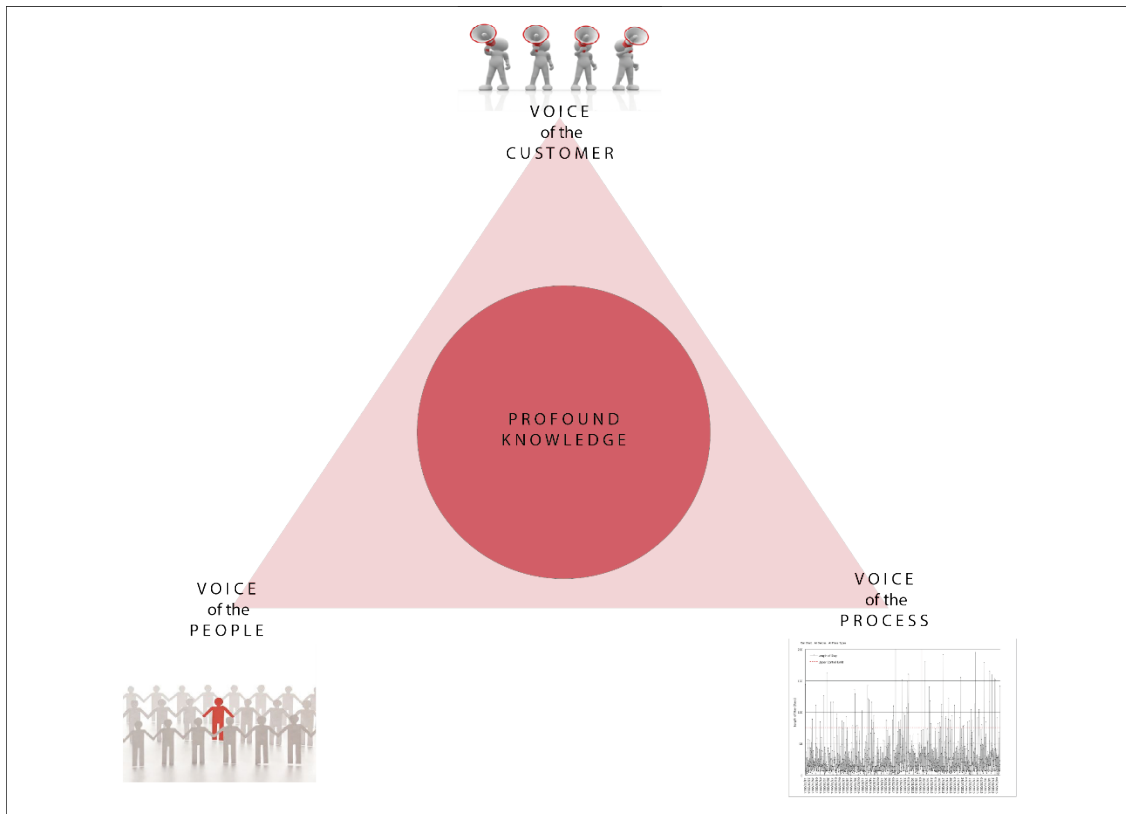


Figure 3.0 The Three Voices

3.3.3 By guiding people through a structured investigation into the System of Work it is possible to re-examine the purpose of the process, (or System). From this insight it is possible to construct performance statements and measures.

3.3.4 In the example of the Schools Admissions (Appeals) process a suitable performance statement and measure might be

**Performance Statement** *'to reduce the number of complaints to the Local Government Ombudsman resulting from admission appeals..'*

**Performance Measures** *'the number of LGO complaints'*

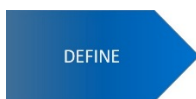
### 3.4 DMAIC (Define, Measure, Analyse, Improve & Control)



3.4.1 Having established a deep understanding of the System of work along with appropriate performance statements and measures the next stage is to work on how the System can be improved.

3.4.2 **The underlying principle here is understand the System before you change it.**

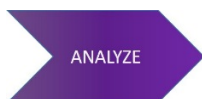
3.4.3 One technique for managing structured improvements is to use the DMAIC model. This involves managing planned improvements through a repeated cycle of stages or steps



- Clear Articulation of the Problem
- Resources Required
- Improvement Scope



- What should be measured
- How will it be measured
- Data Collection



- Analysis of the resulting data
- Understanding the data
- Identification of the problems
- Identification of root causes
- Revised process maps



- Identification of solutions and improvements
- Implementation plans
- Repeated cycles. Plan → Do → Study → Act



- Embed changes into business

3.4.4 The intention is to guide and facilitate process improvement teams through at least one iteration of the DMAIC cycle for the chosen process.

### 3.5 Variance in Processes and Statistical Process Control, (Measurement)

3.5.1 All processes are subjected to variance. Consider for example the trivial example of travel time to work. Over several months the individual journey times could be measured and recorded.

3.5.2 Journey times would fall into a normal distribution curve as shown in Figure 4.0. The Standard Deviation, ( $\sigma$ ) is a measure of the spread of journey times.

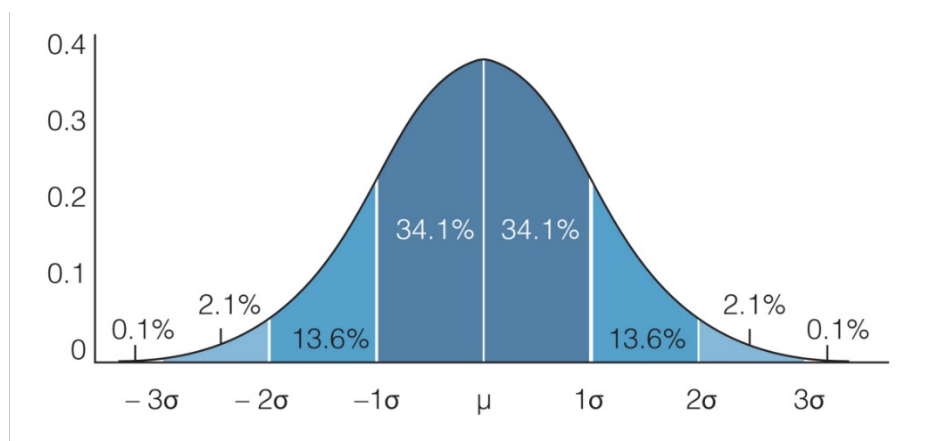


Figure 4.0 Normal Distribution Curve

3.5.3 Common Cause Variation. On one day it might take fifty minutes to get to work. The next day fifty five minutes, then forty-eight minutes. The journey times are varying randomly around a mean value. This variance is referred to as common



cause variation, (process noise). It is perfectly normal and a function of the System of work.

3.5.4 However on some days journeys might be unusually extended for a range of reasons, e.g. traffic, weather, roadworks, break down. In these cases it may take two or three hours to get to work. Instances where journey times extend beyond two standard deviations, ( $2\sigma$ ) either side of the mean journey time are called Special Cause Variation.

3.5.5 The chart shown in Figure 5.0 shows the length of stay in a respite care home for elderly people. The red line is the  $2\sigma$  line or Upper Control Limit.

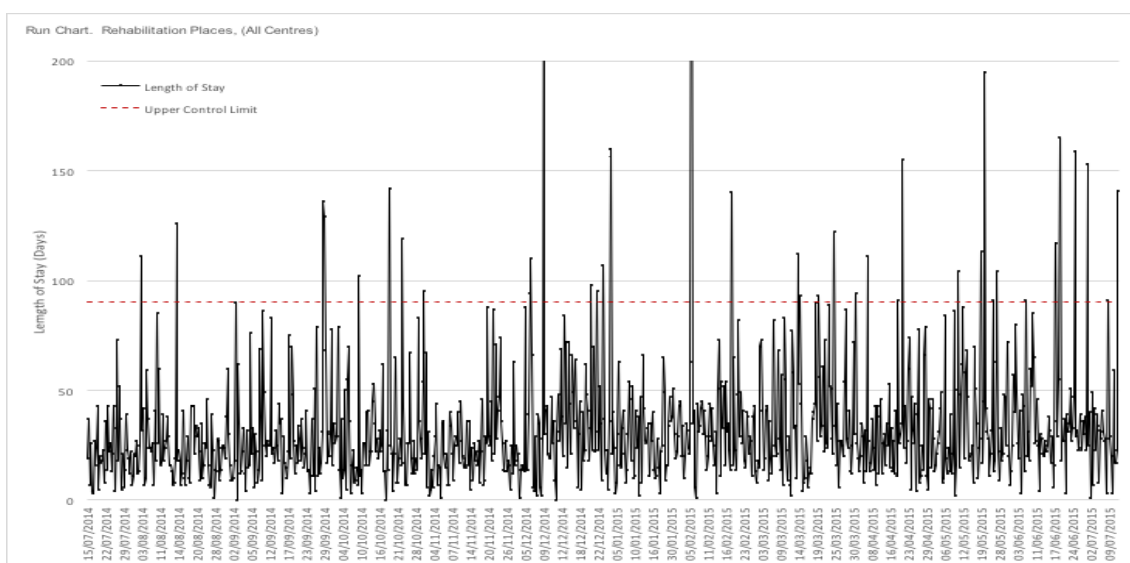


Figure 5.0 Run Chart Length of Stay in Respite Care, (Special Cause Variation)

3.5.6 An understanding of the statistics is unimportant. However by charting the length of stay in time sequence with the Upper Control Limit displayed on the chart it provided Social Care managers, (commissioners) with insight into the underlying causes behind extended stays in respite care.

3.5.7 Each instance where the length of stay exceeded the Upper Control Limit was extensively analysed and the causes understood. In this example many of the extended stays were as a result of NHS Acute facilities discharging patients into respite care facilities. This information allowed the service to manage the pressure from the NHS and better utilise short term care for respite purposes.

3.5.8 The proposed review of Education Services will look to introduce measurement of processes using this technique where appropriate. Individual Process Improvement teams will be supported and provided with the necessary learning to introduce Run Charts as effective management tools in undertaking causal analysis.

### 3.6 Deming's Seven Dimensions of Waste

- 3.6.1 There are a wealth of process improvement tools and techniques. This report highlights just some and is not prescriptive but indicative. W. Edwards Demming introduced the notion of the Seven Dimensions of Waste. It is a generic model and identifies seven categories or common causes of waste in Systems. Waste is defined as any factor which impedes the flow of value.
- 3.6.2 As part of the process mapping work it is often useful to consider the tasks and actions that make up a delivery process in terms of the factors which impede the flow of value to the customer, (schools) using the 7D model can assist in identifying inefficiencies in the System of Work.

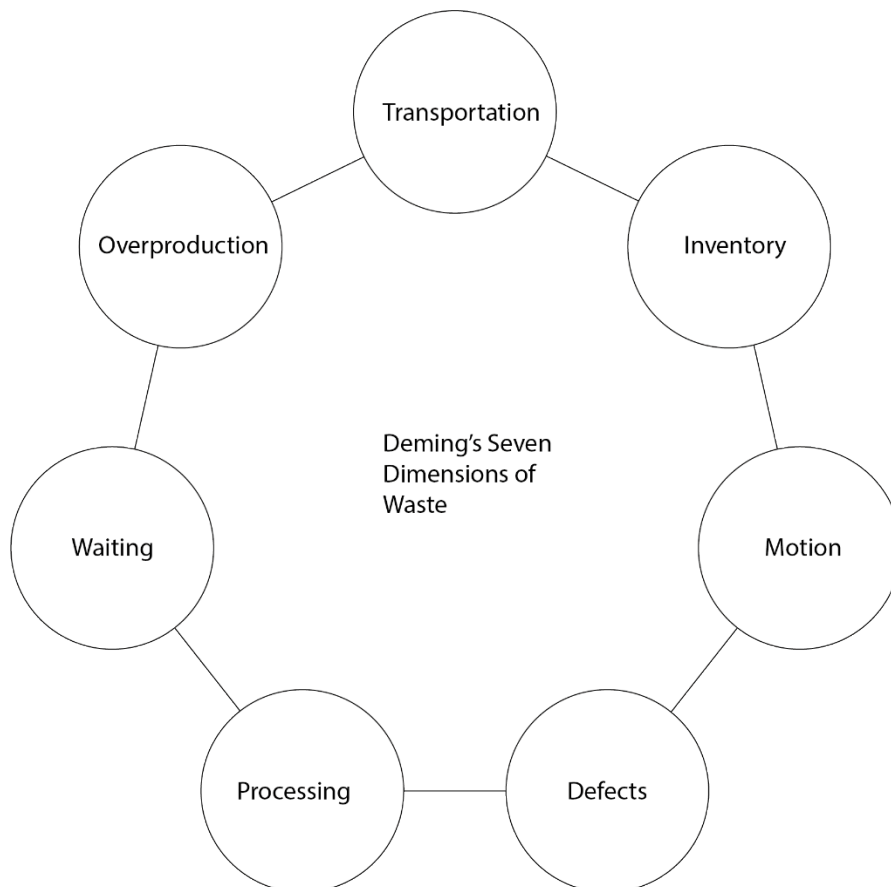


Figure 6.0. W. Edwards Demming Seven Dimensions of Waste

### 3.7 Causal Analysis

3.7.1 There are a range of tools and techniques used to undertake causal analysis of problems and issues within processes and Systems. One of the more widely used techniques are Ishikawa Diagrams, (or Herringbone Diagrams).

3.7.2 These can be used to systematically ask the question ‘why?’ in a structured way to reveal the underlying causes

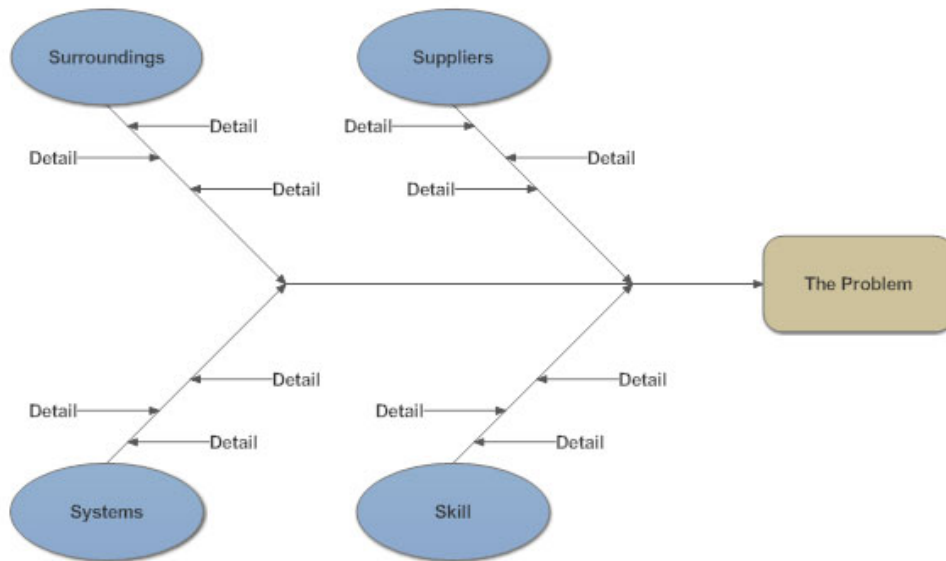


Figure 7.0 Ishikawa Diagram

### 3.8 Training, Mentoring & Coaching

3.8.1 The correct introduction of Systems methodologies into an organisation leads to challenges and is disruptive.

3.8.2 The proposals set out in this report include the necessary training, mentoring, coaching and facilitation required to assure their effective introduction.

3.8.3 The benefits accrued from the successful introduction of the proposed methodologies and approach include:

- Embedded culture of Continuous Improvement
- Greater ownership
- Improved performance
- Improved job satisfaction
- Service continuity and succession planning

3.8.4 The approach advocated is 'inch wide, mile deep.' It does not attempt to resolve all of the service delivery processes in one go. It focuses on key delivery processes usually identified as the most problematic by the organisation.

3.8.5 It embeds the skills required for sustained and irreversible change within the System.

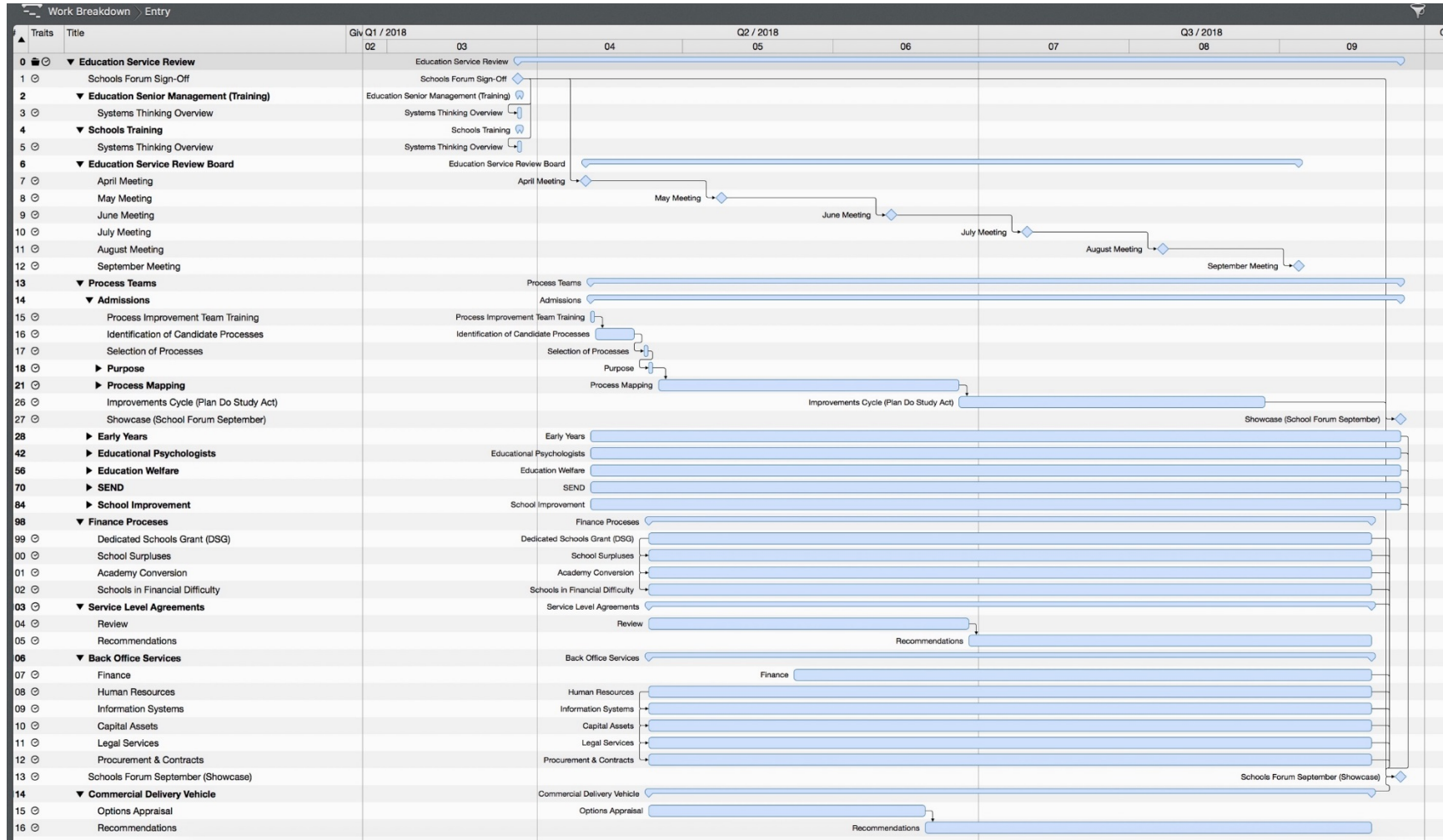
### 3.9 **Commercial Provision of Services**

3.9.1 The Education Service Review will additionally establish a work stream focused on establishing a long term commercial delivery vehicle and how this interfaces and integrates with the Corporate LATCO, (Local Authority Trading Company)

3.9.2 In particular the issue of capacity will be explored.

- What services should be provided?
- Who should provide these services?
- How should services be provided?
- Provider or Broker?

### 3.10 Proposed Programme of Work



### 3.11 Education Service Review Outcomes

- 3.11.1 **Process Showcase (September Schools Forum).** Outcomes from the individual process improvement teams will be presented back to Schools Forum by way of a Showcase of work. Lessons drawn from the work undertaken by individual process improvement teams will be shared between teams and with Forum.
- 3.11.2 **Finance Processes (September Schools Forum).** The revised processes for Surplus Budgets, Academy Conversion, Schools in Difficulty and the Dedicated Schools Grant, (DSG) will be presented as a Showcase of work from the process team established to review the finance processes.
- 3.11.3 **Back Office Processes (September Schools Forum).** The back office processes are not subject to the same methodology and approach as the process improvement teams. This is because time is constrained. The intention is to bring a management report with recommendations detailing how Back Office Processes should be improved into the future.
- 3.11.4 **The outcomes from the Education Service Review should be used as the baseline for the realignment and reorganisation of the Education Service.**

## 4. Recommendations

- 4.0 **Schools in Difficulty Fund.** Schools Forum approve the inclusion of an in-depth formal review of the Schools in Difficulty Fund and its supporting delivery process within the Education Service Review.
- 4.1 **Charges for Conversion to Academy.** Schools Forum approve the inclusion of an in-depth formal review of the Conversion to Academy process, service levels and charges within the Education Service Review as detailed in this report.
- 4.2 **Budget Surpluses.** Schools Forum approve the inclusion of an in-depth formal review of the management of Budget Surpluses held by schools and its supporting delivery process within the Education Service Review.
- 4.3 **Dedicated Schools Grant, (DSG).** Schools Forum approve the inclusion of an in-depth formal review of the DSG allocation process and budget reporting processes to Schools Forum within the Education Service Review.
- 4.4 **Education Service Review.** Schools Forum endorse the methodologies, approach and programme of work outlined in this report. Nominate representatives from each of the Primary, Secondary and Special Sectors as representatives on the Education Service Review Board with the remit to report progress through to Schools Forum.