

Schools Forum

Thursday, 16 January 2020

2.00 pm

Oak Room, County Buildings, Stafford

John Tradewell
Director of Corporate Services
8 January 2020

A G E N D A

Part One

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the meeting held on 17 October 2019** (Pages 1 - 14)
4. **Minutes of the extraordinary meeting held on 26 November 2019** (Pages 15 - 20)
5. **Notices of Concern** (Pages 21 - 22)

Report produced by Entrust on behalf of the Deputy Chief Executive and Director for Families and Communities
6. **High Needs Block** (Pages 23 - 30)

Report of the Deputy Chief Executive and Director for Families and Communities
7. **Early Years 2018/19 Underspend and 2019/20 Forecast** (Pages 31 - 36)

Report of the Deputy Chief Executive and Director for Families and Communities, and the County Treasurer



8. **Schools Budget Update**

Oral report of the County Treasurer

9. **Work Programme**

(Pages 37 - 40)

10. **Date of next meeting**

The next Schools Forum is scheduled for Thursday 26 March 2020, at 2.00 pm in the Oak Room, County Buildings, Stafford.

11. **Exclusion of the Public**

The Chairman to move:-

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Schedule 12A (as amended) of the Local Government Act 1972 indicated below”.

Part Two

(All reports in this section are exempt)

12. **Exempt minutes of the extraordinary meeting held on 26 November 2019**

(Pages 41 - 42)

(Exemption paragraph 3)

Membership

Jane Rutherford	Liz Threlkeld
Richard Osborne	Nicky Crookshank
Wendy Whelan	Richard Lane
Philip Tapp (Vice-Chairman)	Anita Rattan
Philip Siddell	Jennie Westley
Richard Redgate (Chairman)	Keith Hollins
Claire Shaw	Vicki Lewis
Kirsty Rogers	Julie Rudge
Karen Dobson	Wendy Keeble
Sara Bailey	Anne Tapp
Chris Wright	Les McDowell
Steve Barr	Alison Parr
Kevin Allbutt	Abigail Rourke
Judy Wyman	
Claire Evans	

Local Authority Observers

Mark Sutton
Philip White

Core Officers

Alison Barnes
Will Wilkes
Julie Roberts
Andrew Marsden

Tim Moss
Michelle Williams
Melanie Scott
Anthony Humphreys

Minutes of the Schools Forum Meeting held on 17 October 2019

Present: Richard Redgate (Chairman)

Attendance

Jane Rutherford	Nicky Crookshank
Richard Osborne	Anita Rattan
Philip Tapp (Vice-Chairman)	Jennie Westley
Philip Siddell	Vicki Lewis
Kirsty Rogers	Julie Rudge
Karen Dobson	Les McDowell
Sara Bailey	Alison Parr
Chris Wright	Abigail Rourke
Kevin Allbutt	
Judy Wyman	

Observers: Philip White

Also in attendance: Will Wilkes, Julie Roberts, Andrew Marsden, Tim Moss, Michelle Williams, Melanie Scott, Lesley Calverley, Jo Galt, Karl Hobson and Anthony Humphreys

Apologies: Claire Shaw, Ally Harvey, Mark Sutton, Richard Lane and Anne Tapp

PART ONE

58. Election of Chairman and Vice-Chairman

On nominations being requested, Mr Kevin Allbutt proposed and Ms Anita Rattan seconded that Mr Richard Redgate be elected Chairman for the ensuing year. Ms Judy Wyman proposed and Ms Julie Rudge seconded that Mr Steve Barr be elected Chairman for the ensuing year. A secret ballot was therefore held and Schools Forum voted that Mr. Richard Redgate be elected as Chairman. Mr Chris Wright proposed and Ms Nicky Crookshank seconded that Mr Philip Tapp be elected as Vice Chairman for the same period.

Members of the Forum expressed their gratitude to Steve Barr for his commitment and contribution as Chairman of Schools Forum over a considerable period of time. The Head of Education Strategy and Improvement also recorded his sincere thanks for the significant contribution which Steve Barr had made as Chairman, and in particular for his impartiality.

RESOLVED – That Mr Richard Redgate and Mr Philip Tapp be elected as Chairman and Vice Chairman respectively for the ensuing year.

59. Declarations of Interest

Steve Barr and Judy Wyman both declared an interest in minute 67, being in receipt of some Union Duties funding.

60. Minutes of the meeting held on 4 July 2019

RESOLVED – That the minutes of the Schools Forum held on 4 July 2019 be confirmed and signed by the Chairman.

61. Matters Arising and Decisions taken by the Chairman

In relation to Early Years funding, members raised a number of concerns and questions. A member asked whether the contingency allocation counted as part of the 5% centrally retained funding. Officers confirmed that it did not and was counted as part of the 95% pass through to providers. This was because it was not retained for the Local Authority to use but was to fund any additional take up in nursery hours that the Authority had not been funded for. Members also questioned and expressed concern over the £1.1m underspend in 2017/18 and £1.4m underspend in 2018/19. They were informed that the Authority was funded based on a census taken in January, which was essentially grossed up for a full year effect. Based on this census the Government estimated how many hours funding the Authority would need and provided the funding for these. The Authority paid out on actual hours claimed by providers in their termly censuses. In 2017/18 and 2018/19 there had been an underspend as the Authority had been funded for more hours than they had paid out. Officers stated that rate setting tended to be backward looking at trend analysis. The more data that was available would show whether trends were in place and using the data would inform any rate rise in future years. Officers also confirmed that any under or overspend went into DSG balances.

The Cabinet Member for Learning and Employability informed members that a review of redundancies was included on the HR Plan for all local authority employees and involved a considerable number of workstreams. There was not a firm date yet for employees in schools. He had made a request to separate out the work with school-based employees. In relation to the shortage of Educational Psychologists, members were informed that one had been recruited and two were in training. There were five vacancies and a number of locums were working for the authority. It was acknowledged that this was a West Midlands and National problem.

A note was tabled on the details of the allocations of £57,250 towards the post-opening of two new free schools, as requested.

62. Notices of Concern and Licensed Deficit Agreements

Members noted that there were currently three schools with Notices of Concern in place, two were issued in 2016/17 and one in 2018/19. All of these were as a result of Academy Orders being issued by the DfE. The County Council were currently in the process of issuing eight new Notices of Concern. Two of these were as a result of the schools being unable to comply with the original licensed deficit plan and six were as a result of the school being unable to set a balanced budget for 2019/20.

The County Council had seven Licensed Deficit agreements in place. Five of these agreements were put into place following the 2016/17 financial year and two were following 2017/18. Three new agreements were in the process of being put into place following the 2018/19 financial year.

RESOLVED – That the report be noted.

63. Schools Budget 2018-19: Final Outturn

Members were informed that the outturn position for 2018/19 was a £1.783m variance (0.29%) overspend on planned expenditure across all services. As a result, reserves were now showing a balance at the end of March 2019 of £3.951m. This included the Early Years adjustment for 2017/18 which was received in July 2018.

The Individual Schools Budget showed an overspend of £0.052m (0.01%). This outturn related to budgets allocated to individual schools through the funding formula. Any under or overspends were contributed to each individual school's balances. Individual balances were £18.795m at the end of the financial year.

The high needs block overspent by £5.125m (7.20%) and there was a continued forecast overspend on this in 2019/20. The Early Years' service had underspent by £1.430m (-3.05%). This was not the full and final outturn as the DSG was amended in July for the previous January's census. The underspend was due to lower take up than funding allocated based on the January censuses for three and four year old universal hours, and an underspend on the amount of deprivation payments budgeted for. Central and de-delegated items had underspent by £1.963m (-10.06%).

In relation to Early Years, a member commented that it would be helpful if there was more transparency in the calculation of the budget to promote a better understanding, particularly given that a lot of small nurseries were going out of business. It was important to ensure that each child received the funding which they were entitled to.

Members had a number of concerns in relation to the school balances figure of £18.795m. They queried what was considered to be an acceptable range and were informed that this was 8% for primary schools and 5% for middle and secondary schools. Officers also confirmed that there were currently 167 maintained schools. A member commented that the majority of schools produced balanced budgets. There were instances where funding had been allocated but had not yet been spent. They expressed concern that the figure could be misleading and did not represent a true reflection. Another member added that they had heard the view expressed that Staffordshire was holding excessive balances. It was queried what could be done to mitigate these views and clarify the actuality of the funding. Officers responded that the detail was set out in the Statutory Statement of Accounts, and the Cabinet Member for Learning and Employability assured Forum that the Secretary of State and other decision-makers understood the reality of the figures. Members were also informed that work was taking place across the County around SEND district models and with special schools to try to address concerns around out-of-county placements. It was queried how the SEND work would be communicated and it was confirmed that discussions would commence shortly in localities. A member who was involved with one of the

Working Groups confirmed that they would shortly be in a position to share significant amounts of information on what was a national crisis.

RESOLVED – That the 2018/19 Schools Budget financial outturn be noted.

64. School Attendance Matters and Staffordshire's Education Welfare Services

The Forum considered an update on the work done by the Education Welfare Officers (EWOs) to deliver the Core Offer for Education. The EWOs had moved under the direct management of Targeted Services from October 2019 and there were now ten EWOs and one Education Welfare Co-ordinator to deliver the Core Offer to all Staffordshire schools. However, approximately 70-80 schools did not share this information, generally because of IT issues. The service therefore had to wait for the DfE return. It was suggested that it would be helpful for those members of Forum who sat on other groups to take the message to them that it was helpful to share this data.

Members considered details of overall absences at Staffordshire schools and noted that this was now in line with national absence levels. It was encouraging to see an increase in the number of persistent absence cases dealt with by prosecution, up from 54 in 2017/18 to 82 in 2018/19. Less children were having time off for holidays. In relation to movement within the Elective Home Education (EHE) population in 2018/19 it was seen as a positive that 136 children had returned to school or started school. However, the high number of people turning to EHE was a cause for concern. Extra funding had been released to employ two additional EHE workers

In relation to School Attendance Orders for pupils not on a school roll, one was issued in 2018 and three this year. Members were informed that all of the children involved were thriving, and officers hoped to do another twenty to thirty. Forum also considered details of Children Missing Education and noted that casework in this area had increased by 1,306 cases, which reflected the greater scrutiny of students records across Staffordshire.

A member commented that there were more mid-year requests for EHE and asked if it was possible for those cases where pressure had been put on parents to be reported, in order for the schools involved to be challenged. It was confirmed that this information was available and was reported to the Regional Schools Commissioner and Senior HMI. Another member commented that in recent Ofsted inspections schools were being challenged on how they followed up EHE children. It was clear that this was an area Ofsted were focusing on. A member commented that their school was using a robot to help a child who had difficulty with attendance interact with their class. Members were informed that a company was shortly coming to visit the service to provide a demonstration of this. It was questioned how many EHE pupils had special needs and it was confirmed that if they had an EHCP they would still have a home review and that 5.2% of the EHE population had EHCPs. It was queried whether the new additions to the EHE population included children who had never been in school. It was acknowledged that if a child had never attended school from birth and in some cases never registered with a GP the service would not be aware of them. However, every effort was made to explore the existence of such children. A member made the point that there was evidence that in Staffordshire that some parents were put under pressure to move to EHE. Forum was informed that there were instances where Year 10 and 11

pupils were told that they could go to College, when in fact there was very little provision available for them.

RESOLVED – That the work done by the Education Welfare Officers to deliver the Core Offer for Education be noted.

65. Primary Behaviour Support Service 2019

Forum received details of the current Primary Behaviour Support Service offer to maintained schools. This was a centrally retained service until 2012/13, when it became a de-delegated service. The maintained primary schools had since voted annually to agree that the service should be provided centrally. It was managed by Entrust. The Primary Behaviour Support Service was available to primary Academies at a cost and could be purchased on a case by case basis or as a combined package of Behaviour Support and other services from the SENIS team.

Members were informed that schools sent their referrals for primary behaviour support to a central inbox. Every Tuesday referrals were systematically reviewed and allocated to a caseworker on the nature of the concern and specialist knowledge of the practitioner, as well as geographical location. The number of primary Behaviour Support cases in maintained schools had declined since the 2016/17 academic year. However, in this time the number of maintained schools had also reduced as academisation grows.

Members considered details of the core casework offer, which was focused on effectively implementing a graduated response. The impact of the Service was measured through the annual SENIS survey and feedback from the schools themselves. They also considered details of the training which had been offered to schools, for which evaluation had been very positive. There would be some additional delivery from September 2019 which would provide schools with further support and advice in implementing the graduated response and would include: working with the individual pupil; supporting schools in the development of interventions; targeting work for schools with high numbers of fixed term and permanent exclusions; a behaviour support helpline; and working with parents.

RESOLVED – That the current primary Behaviours Support Service offer to maintained schools be noted.

66. Minority Ethnic Achievement Service 2019

The Minority Ethnic Achievement Service (MEAS) had been a centrally retained service until 2012/13, when it became a de-delegated service. The Forum had since voted annually to agree that the service should be provided centrally. The service was managed by Entrust. It was available to primary and secondary Academies at a cost and could be purchased on a case by case basis or as a combined package if Inclusion Support and other services from the SENIS team.

Members were informed that maintained schools were divided into two categories to determine the support which they received from MEAS:

- EMAG (Ethnic Minority Achievement Grant) schools were identified annually based on a formula which considered the number of EAL pupils and also their country of origin. EMAG schools received funding directly and were not entitled to support for new arrivals from MEAS.
- Non EMAG schools could refer new arrivals to MEAS and also received a nominal funding allowance for each pupil, this was used to fund additional resources such as dictionaries, dual language books or apps.

All maintained schools were able to request support for pupils causing concern, ie those who were not making the expected progress in learning English. Members considered details of the process which took place once a referral was allocated to a caseworker, based on the language spoken by the pupil. The impact of the Service was measured by the annual SENIS survey and feedback from the schools who had used it. The new service offer included: the provision of additional follow up visits to work with individual pupils; additional support to schools to work with parents; and continued research and keeping up to date on resources available.

RESOLVED – That the current MEAS offer to maintained schools be noted.

67. Schools Budget 2020-21: De-delegation, Central Expenditure and Education Functions

The Schools Forum is required by the Finance Regulations to annually approve central expenditure (ongoing and historic commitments). Maintained school members only are required annually to:

- Vote on each de-delegated budget heading by phase
- Approve a levy per pupil to fund duties performed by the Local Authority and previously funded by the ESG general duties rate.

For 2020-21 DSG allocations to Local Authorities will again be made using the National Funding Formula. DSG allocations will not be known until December, and Local Authorities need to submit school budgets to the ESFA by 21 January. This timescale means decisions on the budget areas in this report need to be made at this time to enable schools and services time to plan for their budgets and responsibilities for 2020-21.

De-delegation

Under the national funding arrangements the government wanted schools to have the opportunity to have as much funding and responsibility delegated to them as possible. Each year the Schools Forum representatives for maintained primary and secondary schools were required to vote on behalf of the schools they represented to determine whether or not a range of costs currently met centrally would transfer to maintained schools for them to manage themselves. The budget for these costs would also transfer to schools on a formula basis. Academies were not part of these arrangements since these responsibilities and the funding for them were automatically delegated to academies through the ESFA use of the local funding formula.

The budget areas de-delegated last year following the equivalent vote are set out in the table below. The budget values were estimated for all primary and secondary schools (i.e. including academies) to provide the context of values involved. Actual figures for

2020-21 would be finalised over the next few months as the settlement and school census become available.

Areas proposed for de-delegation for 2020-21:

Budget Area	Primary £m	Secondary (including middle) £m
Insurances (mainly premises related)	2.284	3.099
Staff costs (Maternity Pay)	1.189	1.010
Staff costs (Union Duties)	0.142	0.060
School Specific Contingency	0.390	0.185
Support for ethnic minority pupils or under-achieving groups	0.877	0.319
Licences and Subscriptions	0.505	0.205
Behaviour Support Services	0.529	Delegated
FSM eligibility	0.059	0.030

Having considered these areas, the voting Forum Members for each phase agreed these budget areas to be de-delegated for 2020-21.

Central School Services Block

There were some areas of central expenditure which needed to be considered by the Schools Forum and the draft Finance Regulations set out the requirements for approvals/consultation. It was noted that final regulations had not yet been issued, so in the event that final regulations were different, the content of the budget report may need to change as a result. Funding in the Central School Services Block was split into Historic Commitments and Ongoing Functions.

Historic Commitments

For historic commitments the following rules apply:

- a. The level of expenditure cannot be increased above 2017-18 levels
- b. The expenditure against these budgets must be as a result of arrangements that already existed before 1 April 2013
- c. The Schools Forum must approve the amount of the budget set for each heading

The ESFA has indicated that from 2020-21 it will start to reduce funding for historic commitments. The detail of their approach has not yet been announced. As Staffordshire has reduced spend in this area by delegating the School Improvement budget in 2018-19, this should provide some protection against funding reductions.

The headings under which Staffordshire currently retains funding for Historic Commitments is set out in the table below, together with indicative 2020-21 budget levels. The Families First LST funding was approved in principle by Schools Forum at the July meeting.

	2019-20	2020/21 Indicative
Prudential borrowing	924,130	924,130
Combined Services		
Families First - Targeted Services (LST)	1,448,000	1,448,000
SEN Transport*	250,140	250,140
	2,622,270	2,622,270

*Schools Forum approval is required for SEN transport budget, but it is now funded from the High Needs Block

Schools Forum approved the continued funding of these areas centrally at no higher than the indicative amounts, with final values to be confirmed at the meeting in March 2020.

Ongoing Functions

Ongoing Education Functions were funded by a combination of council tax and DSG. There was an annual liability for Teachers Pensions Added Years of c.£7.1m. which was funded by council tax. The estimated cost for other ongoing education functions for 2020-21 was £3.4m. These functions were funded by DSG through the Central Schools Services Block (CSSB). The Schools Forum approved the allocation in the central schools services block for ongoing functions to be used to fund these services.

Central Schools Expenditure

2. Staffordshire did not retain significant amounts of funding under this heading, to which the following rules applied:
 - a. The Schools Forum must approve the amounts of funding to be retained centrally.
 - b. For the pupil growth fund and infant class size funding any underspend from the previous year must be added to the ISB.
 - c. For the pupil growth fund and falling roll fund the Schools Forum must approve the criteria used and receive regular updates on the use of funding.

	2019-20 £	2020-21 indicative £
Infant Class Size	95,000	95,000
Significant Pupil Growth / New school funding	500,000	500,000
Falling rolls fund	n/a	n/a
	595,000	595,000

Schools Forum approved the continuing use of the pupil growth and infant class size funds at the indicative levels set out above.

Central Early Years Expenditure

The requirement here was for the Schools Forum to approve the central expenditure. **This is not the expenditure provided to settings for their running costs in providing the free entitlement for two, three and four year olds but is in respect of support services for providers of early years education.** Following the introduction of the Early Years Funding

Formula, central overheads are limited to 5% of the Early Years Block Funding for 3 and 4 year olds. For 2020-21, the authority was asking for £1.8m (4.2%) to be retained centrally.

Members expressed a number of concerns that they were being asked to make a decision without sufficient information and needed to have a much more in depth and clearer understanding of the figures and the way the budget would be spent. It was therefore agreed that the decision on Central Early Years expenditure should be deferred until members had the opportunity to consider a more detailed breakdown on the funding at a future meeting.

Education Functions for Maintained Schools Only

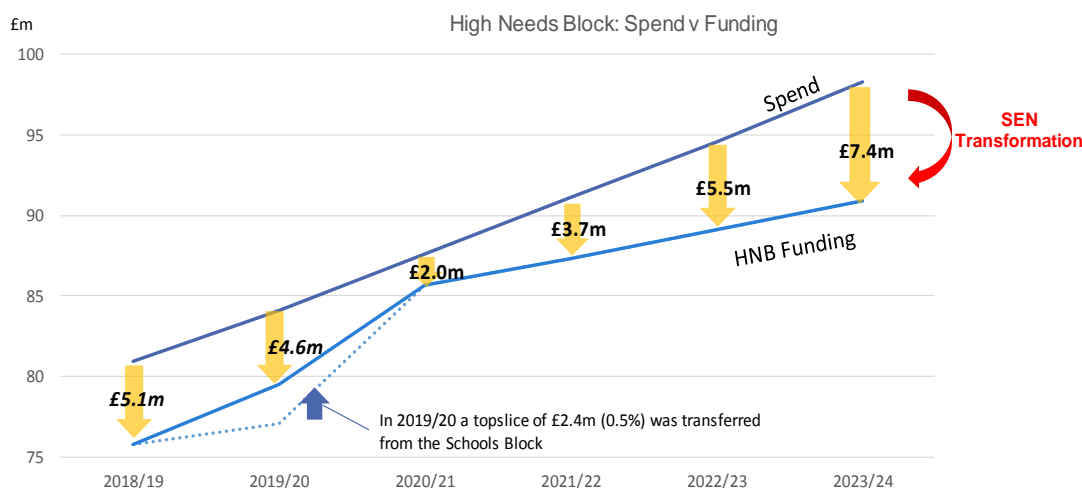
Members considered a list of the functions provided to maintained schools only and previously funded by the general duties ESG rate, along with the levy per pupil that would be required to fund each of these services. Maintained Schools Forum members agreed to the levies per pupil outlined to fund the costs of the associated services.

RESOLVED – That:

- a) The areas proposed for de-delegation 2020-21 be approved by maintained Schools Forum members;
- b) The continued funding of historic commitments centrally, at no higher than the indicative amounts set out above, with final values to be confirmed at the meeting in March 2020 be approved;
- c) The allocation in the central schools service block for ongoing functions be approved to fund the services outlined;
- d) The continuing use of the pupil growth and infant class size funds be approved at the indicative levels set out above;
- e) A decision on the proposed level of central support services for early years' provision be deferred to a future meeting, pending a more detailed breakdown of the figures; and
- f) The proposed levies per pupil to fund the cost of the associated services be approved by maintained School Forum members.

68. High Needs Block Update

Forum had requested regular updates on the latest position of the High Needs Block, including the impact of the additional DfE funding of £1.7m in 2019/20 and the transfer of £2.4m (0.5%) from the Schools Block to the High Needs Block. Members were informed that the forecast outturn for the 2019/20 High Needs Block was a £4.6m overspend, an increase of £2m from the £2.6m previously reported in July. This was result, in the main, of rising costs within Independent Schools. The Government, as part of the recent Spending Review, had announced a further £700m funding for the High Needs Block in 2020/21. It was estimated that this would provide for an additional circa £8.6m for Staffordshire and would go a long way to addressing the current underlying budget shortfall in this area. Unfortunately, and assuming: the additional High Needs Block will remain in place going forward; and that funding levels going forward will increase annually thereafter in line with inflation, given the increasing cost and demand for SEND, this additional funding was unlikely to address the funding gap completely and there was still likely to be a shortfall in 2020/21 of £2m, rising to £7.4m annually by 2023/24.



Using the latest information, the table below illustrates the effect of the High Needs Block on the overall Dedicated Schools Grant (DSG) balances. It was expected that, at the end of the current year, the DSG reserve will be all but depleted and there would be no “buffer” available to help manage future budget pressures.

DSG Reserve	2019/20 £m	2020/21 £m
Opening Balance	4.0	(0.6)
High Needs Forecast Overspend	(4.6)	(2.0)
Forecast Closing Balance	(0.6)	(2.6)

The schools revenue funding 2020 to 2021 operational guide, issued in September 2019 by the Education and Skills Funding Agency confirmed that local authorities may transfer up to 0.5% of their schools block funding into another block, with the approval of their Schools Forum. Up until this guidance was published it had not been known if this flexibility would continue. There was a need to protect DSG balances through the short term due to rising demands and costs of SEND in Staffordshire. It was expected that the SEND transformation would yield savings over the medium term. It was important to continue to lobby Government for additional funding as even with the injection of £700m nationally, although very welcome, was unlikely to close the gap in funding.

Members were informed that the timetable for the funding switch approval was very tight. All schools needed to be consulted with and the Forum needed to be informed of the results of the consultation in order to approve or reject the funding switch. If the funding switch was not approved by the Schools Forum then this would need to be referred to the Secretary of State by the 28th November. With this tight timescale in mind, members were asked if they wanted to hold an Extraordinary Meeting to discuss the outcome of this consultation or vote electronically. Members agreed to hold an Extraordinary Meeting on 26 November. A member pointed out that schools and the Forum had been overwhelmingly against the funding switch last year, and that it was an important message to the Government that schools were not able to afford it.

RESOLVED – That:

- a) The update on the High Need Block be noted;
- b) The local authority’s intention to consult with schools regarding the 0.5% funding switch in 2020/21 be noted; and
- c) The outcome of the consultation should be brought back to an Extraordinary Meeting of the Schools Forum on 26 November.

69. School Improvement Monitoring and Brokering Grant

Members were informed that this grant had been allocated to local authorities since September 2017, to “monitor performance of local authority maintained schools, broker school improvement provision and intervene as appropriate”. Forum received details of the use of the grant during the academic years 2017/18, 2018/19 and 2019/20. The local authority used the grant to commission Entrust to monitor the effectiveness of maintained schools. The local authority also continued to undertake the school categorisation process for all state funded mainstream schools. The process resulted in every school being placed in one of three categories:

- Category 1 – No concern – schools are not routinely visited.
- Category 2 – Some concern – schools typically receive two quality assurance visits from Entrust, the focus of which was to evaluate the impact of leadership on improving the quality of teaching and learning and therefore pupil outcomes.
- Category 3 – High concern – schools typically receive quality assurance visits each half-term from Entrust, the focus being the same as category 2.

The categorisation was used to inform the level of quality assurance commissioned from Entrust. The following table indicates the number of schools that received quality assurance visits:

	2017/2018	2018/2019	2019/2020
No of LA Schools	251	208	173
Category 2	73	63	tbc
Category 3	28	31	tbc

The local authority had also used the funding to broker school improvement provision including disadvantaged projects, reviews of governance, an aspiration research project, intervention in schools causing concern and district SEND model set-up costs. The total grant received to date and the grant allocations are as follows:

Grant Funding Received	Grant Funding Allocated	Grant Funding remaining
£1,881,438	£1,695,029	£186,409

RESOLVED - That the report be noted.

70. Membership

Members were informed that following the recent review of the Constitution this now made provision that where the school of a maintained school representative had

converted to an academy, the Forum could consider appointing this member as an academies member until their current term of office ended. They were therefore asked for their agreement for this to be applied for Kevin Allbutt and Nicky Crookshank, whose schools had converted to academies.

RESOLVED – That, in accordance with the revised Constitution, it be agreed that Kevin Allbutt and Nicky Crookshank remain on Schools Forum until their terms of office expire in 2021.

71. Work Programme

Vicki Lewis reminded members that she represented Forum on the Education and Skills Strategy Group and would report back as this progressed.

RESOLVED – That the Work Programme be noted.

72. Date of next meeting

RESOLVED – That:

- a) An Extraordinary Meeting of Schools Forum potentially be scheduled for Tuesday 26 November 2019 at 2.00 pm; and
- b) The next ordinary meeting of Schools Forum be scheduled for Thursday 16 January 2020, at 2.00 pm in the Oak Room, County Buildings, Stafford.

Chairman

SCHOOLS FORUM – 17 OCTOBER 2019
ACTIONS ARISING FROM THE MINUTES

Agenda Item	Action Required	By Whom	Outcome
Schools Budget 2020-21: De-delegation, Central Expenditure and Education Functions	<p>a) Forum requested more information on the proposed level of central support services for Early Years' provision.</p> <p>b) Forum requested greater clarity around the underspend and forecast on Early Years' funding.</p>	<p>Will Wilkes</p> <p>Will Wilkes</p>	<p>A more detailed report was taken to the Extraordinary Meeting on 26 November and this was approved.</p> <p>An item was added to the Work Programme on the Early Years 2018/19 underspend and the 2019/20 forecast, for the meeting on 16 January 2020.</p>
High Needs Block Update	Members agreed that they wished to hold an Extraordinary Meeting of Forum to discuss the outcome of the consultation with schools on the proposed 0.5% funding switch from the schools' block DSG funding to the High Needs Block in 2021.	Julie Roberts	An Extraordinary Meeting was held on 26 November, where the Forum voted not to approve the transfer.

Minutes of the Schools Forum Meeting held on 26 November 2019

Present: Richard Redgate (Chairman)

Attendance

Philip Siddell	Jennie Westley
Sara Bailey	Vicki Lewis
Chris Wright	Anne Tapp
Kevin Allbutt	Steve Breeze (Substitute)
Nicky Crookshank	Les McDowell
Richard Lane	Abigail Rourke
Anita Rattan	Beatrice Harvey (Substitute)

Observers: Mark Sutton

Also in attendance: Will Wilkes, Tim Moss, Anthony Humphreys, Jo Galt and Helen Phillips

Apologies: Jane Rutherford, Richard Osborne, Wendy Whelan, Philip Tapp, Kirsty Rogers, Liz Threlkeld, Keith Hollins, Julie Rudge, Wendy Keeble and Alison Parr

PART ONE

73. Declarations of Interest

There were none at this meeting.

74. Dedicated Schools Grant Funding for Early Help

At its meeting of 17 October 2019, the Schools Forum had approved up to £1.448m of Dedicated Schools Grant (DSG) funding for Historic Commitments be retained centrally for Early Help. The Government has announced a reduction in funding of 20% for Historic Commitments for 2020/2021, and its intention to further reduce this funding in future years.

It was possible to protect a reduction in total DSG funding by delegating historic commitment funding to schools at least a year in advance of the historic commitment funding reduction. This would ensure the funding was in the schools' block baseline for 2021/2022. In order to protect total DSG funding the budget for Early Help would be reduced to £1m for 2020/2021 and an additional £448k would be delegated to schools.

The Early Help service was funded by contributions from DSG, Building Resilient Families and Communities (BRFC) funding and from the Children's Centre budget. Further funding for BRFC had been confirmed by central government for 2020/2021 and it was expected that for the next two years costs would be covered through the BRFC contract. However this was not a long term solution and in the third year (2022/23) an

alternative mechanism would be needed for Early Help Support and discussions would take place between schools and commissioners to find a solution.

RESOLVED – That the reduction in DSG funding for Early Help be noted.

75. Centrally Retained Element of Early Years Dedicated Schools Grant 2020/21

[Matt Biggs, Childcare and Sufficiency Manager, in attendance for this item.]

At their meeting of 17 October 2019 the Schools Forum had received the report: “Schools Budget 2020-21: De-delegation, Central Expenditure and Education Functions” and had been asked to approve the central expenditure in respect of central support services for providers of early years. Following the introduction of the Early Years Funding Formula, central overheads had been limited to 5% of the Early Years Block Funding for 3 and 4 year olds. For 2020-21, the authority was asking for £1.8m (4.2%) to be retained centrally. Forum Members had asked for more detail on how this funding would be used so they were able to make an informed decision on this issue.

The Schools Forum now received details of the centrally retained element which supported Staffordshire County Council in meeting their statutory duties as set out in the Childcare Act 2006 and 2016 for Early Education and Childcare. The retained funding supported back office management/administration and the Entrust Service Delivery Agreement (SDA) for Early Years. The Forum received details of the commissioned work and the performance achieved.

It was clarified that school cluster groups were included in the Entrust SDA and therefore there was no cost to schools for attending these.

Members thanked officers for the detail within the report. They heard that from the Entrust SDA of £1m, there were 78 grant funded moderation visits (25% of the 312 schools), 840 quality liaison visits and 700 business support/market development visits. Members noted that quality liaison visits were prioritised for newly registered settings and those graded as Requires Improvement (RI) and Inadequate.

It was noted that Private, Voluntary and Independent (PVI) settings saw no benefit from the moderation element of the SDA. Members shared concerns at the lack of funding and the difficulties this presented for all settings, but particularly for smaller Early Years settings. They queried the business support and market development element of the funding and noted that a large proportion of this work was around the development of places to ensure sufficiency.

Whilst accepting that Staffordshire was working well and noting the recent National Audit Office visit resulting from the good uptake within the County, Members wanted to highlight the real concerns caused by underfunding. Despite the funding pressures Staffordshire had not seen a reduction in places. Although there had been approximately 20 setting closures in the last year, 15 of these had been taken over by other providers. However, concerns were shared over the lack of funding. The Cabinet Member for Children and Young People had raised these concerns with Staffordshire MPs, in particular Staffordshire’s underfunding in comparison to other LAs. The intention

was to write to the Secretary of State for Education after the General Election to highlight the continued concerns.

Further discussion on this was scheduled for the January Forum meeting, with “Early Years 2018/2019 Underspend and 2019/20 Forecast” on the work programme. A working group of Forum Members would also be established to consider this issue and Members were asked to indicate if they wished to take part in this work at the conclusion of the meeting.

RESOLVED – That:

- a) utilisation of the centrally retained element of Early Years Dedicated Schools Grant 2020-21 be approved; and
- b) a working group be established to consider Early Years funding.

76. Work Programme

Members noted that the establishment of a working group on the Early Years funding rate for 2021, with Members indicating if they wish to be part of this work at the conclusion of the meeting.

RESOLVED – That the Schools Forum Work Programme be noted.

77. Exclusion of the Public

RESOLVED - That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 indicated below.

PART TWO

The Committee then proceeded to consider reports on the following issues:

78. High Needs Block 0.5% Transfer

(Exemption paragraph 3)

Chairman

SCHOOLS FORUM – 26 November 2019
ACTIONS ARISING FROM THE MINUTES

Agenda Item	Action Required	By Whom	Outcome
Centrally Retained Element of Early Years Dedicated Schools Grant 2020/21	Forum agreed that a working group be established to consider Early Years funding. Members were asked to indicate if they wished to take part in this work at the conclusion of the meeting.	Matt Biggs/Will Wilkes	Sara Bailey, Vicki Lewis, Abigail Rourke and Philip Siddell volunteered to be involved in the working group, and officers are currently looking for dates to hold two workshops.

Schools Forum – 16 January 2020

Notices of Concern

Recommendation

1. Members note the issue and withdrawal of a Notice of Concern to the schools identified below.

Report of the Deputy Chief Executive and Director for Families and Communities

PART A

Why is it coming here – what decision is required?

2. No decision required.

Reasons for recommendation

3. The agreed protocol for issuing a Notice of Concern includes the provision that information on the issue and withdrawal of a notice of concern will be provided to the Schools Forum on a termly basis.

PART B

Background:

4. Four new Notices of Concern have been issued and signed. Squirrel Hayes First School and The King's Church of England School are both as a result of the schools being unable to comply with their original Licensed Deficit plan. St Peter's CofE (VC) First School and Greenhall Nursery are due to the schools being unable to set a balanced budget for 2019/20.
5. Notices of Concern have been issued to two other schools. Entrust are working with these schools and will report to Forum once these have been agreed and signed by their Chair of Governors.
6. Notices of Concern have been removed for All Saints CofE (A) Primary School, Bednall and Brewood Middle School, following their conversion to Academy status.

Report author:

Author's Name: Melanie Scott, Senior Education Accountant, Entrust Support Services Ltd
Ext. No.: 07921 277815

List of background papers:

Schools Forum 7 December 2016 – Item 6 Notices of Concern: revised protocol
School Forum

Schools Forum – 16th January 2020

High Needs Block update

Executive Summary

- The projected overspend on the High Needs Block continues to increase, in the main due to increasing numbers of children and young people placed in the independent special schools.
- The impact of this projection means that at the end of the current financial year, the overall DSG reserve will be all but depleted.
- It is expected that the SEND transformation will yield savings over the medium term through Inclusion & SEND locality hubs. These will provide a mechanism to identify and support children experiencing difficulties early, reducing the proportion that escalate to requiring an EHCP.
- It is unlikely that this will deliver the necessary savings in the short term. Accordingly the Local Authority has requested a further switch from the schools block to the High Needs Block to avoid bringing the overall DSG reserve into deficit.
- Members of Schools Forum rejected the request to transfer 0.5% from the Schools Block to the High Needs Block, as a result the Local Authority has made representation to the Secretary of State for the switch to take place.
- The Local Authority has provided additional investment to stabilise the workforce to deal with the significant increase in demand for EHCPs along with amending and updating the plans maintained.

Recommendations:

That Schools Forum:

1. Notes the updates to the High Needs Block following the report previously presented in October 2019.
2. Notes the Council's request to the Secretary of State for Education to transfer 0.5% of the Schools Block allocation to the High Needs Block.
3. Establishes a working group to review the HNB spend and provide recommendations as to where additional savings or efficiencies can be made.

Report of Deputy Chief Executive and Director for Families and Communities

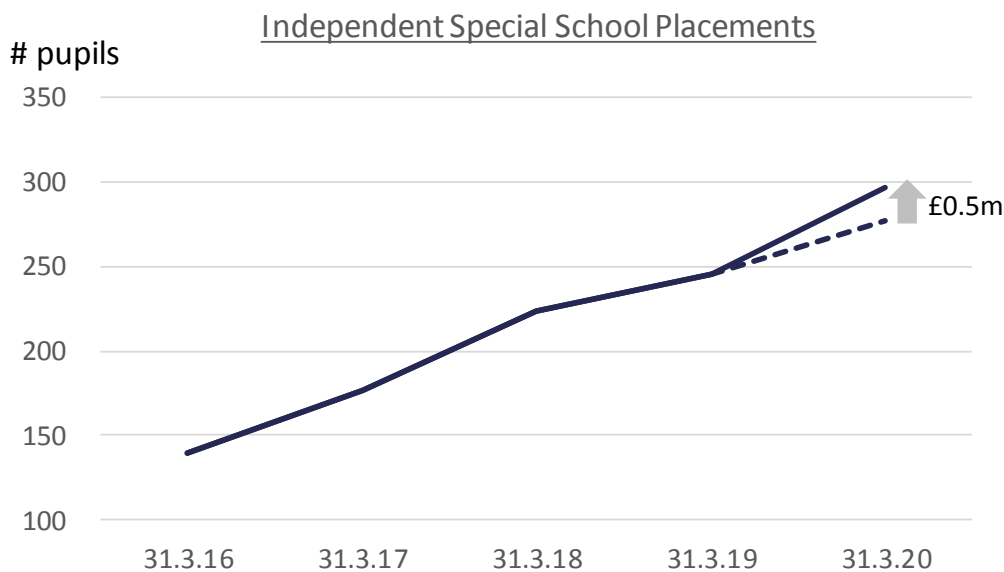
PART A

Reasons for recommendations:

4. Schools forum requested regular updates on the latest position of the High Needs Block including the impact of the additional DfE funding of £1.8m in

2019/20 and the transfer of £2.4m (0.5%) from the Schools Block to the High Needs Block.

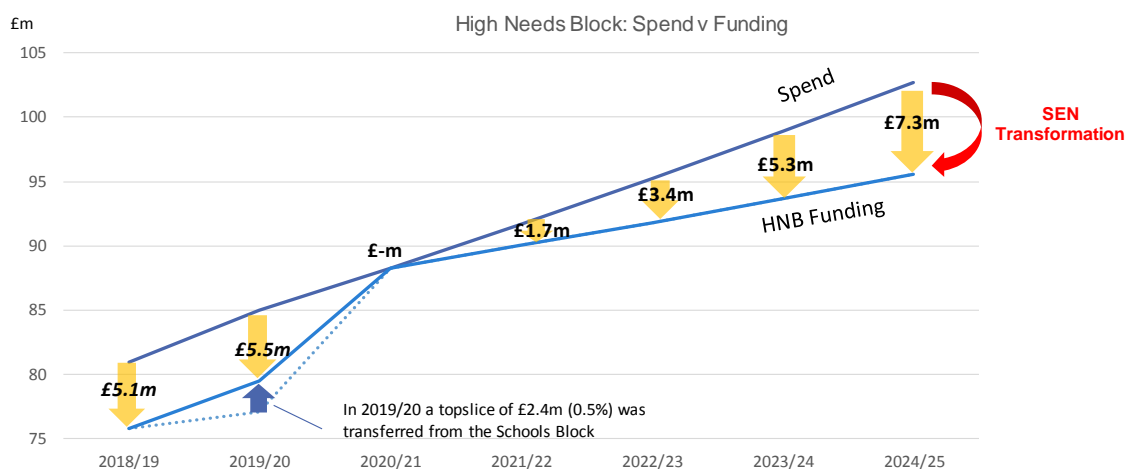
5. The forecast outturn for the 2019/20 High Needs Block is £5.5m overspend, an increase of £0.9m from the £4.6m previously reported in October 2019. This a result, in the main, of rising costs within Independent Schools and Pupil Referral Units:
 - i. Pupil Referral Units (PRU); For 2019/20 the initial forecast was that there would be, on average, c 328 planned places within PRUs. As a result of higher than expected demand, a further 26 places have recently been commissioned at an extra cost of £0.4m (including any additional 'top up' funding to support the specific needs of children attending).
 - ii. Independent Schools; Based on latest placement numbers, it is now estimated that there will be around 295 children at Independent Special Schools at the end of the current year; up from 245 at the end of March 2019. This is higher than previously forecast at an additional cost of c£0.5m in 2019/20:



6. As a result, it is expected that, at the end of the current financial year, the DSG reserve will be all but depleted (subject to transfers from other School Blocks) and there will be no 'buffer' available to manage future budget pressures.
7. At the extra ordinary meeting of Schools Forum in November, members rejected the request to switch 0.5% of the Schools Block to the High Needs Block.
8. As a result of this decision the Local Authority has made representation to the Secretary of State for the switch to take place. A decision on this request is expected before 28th January 2020.

9. The Government, as part of the recent Spending Review, announced a further £780m funding for High Needs Block in 2020/21. For Staffordshire, the HNB in 2020/21 will be around £88.2m, an increase of £11.1m (14%) compared to 2019/20 (£77.1m). The net increase is likely to be circa £8.7m and will go a long way to addressing the current underlying budget shortfall in this area.
10. Unfortunately, and assuming:
- the additional HNB funding will remain in place going forward and,
 - that funding levels going forward will increase annually thereafter in line with inflation,

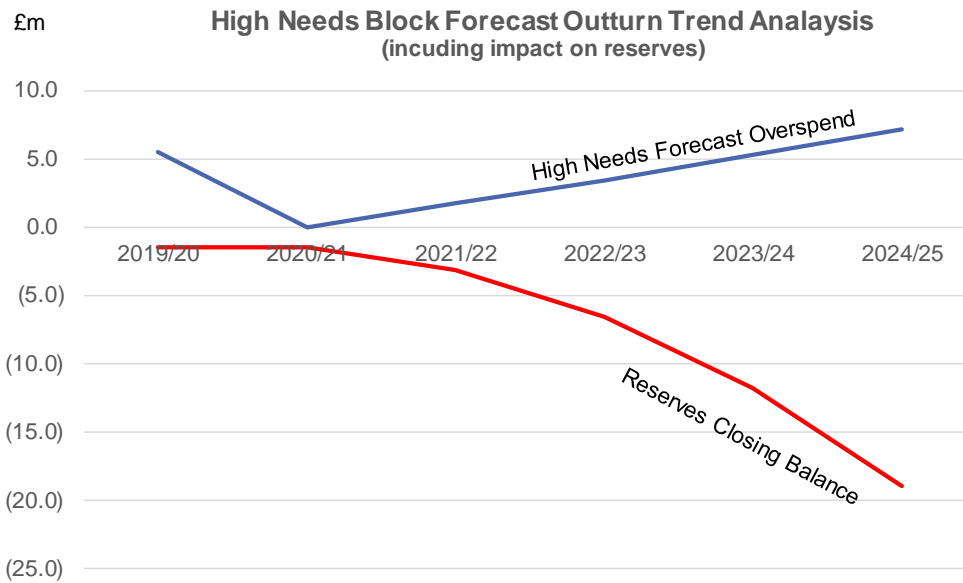
given the increasing cost and demand for SEND, it is likely that going forward service demand and cost will continue to outpace future funding levels:



11. Using the latest information, the table below illustrates the effect of the High Needs Block on the overall DSG balances. It is expected that, at the end of the current year, the DSG reserve will be all but depleted and there will be no 'buffer' available to help manage future budget pressures:

DSG Reserve	2019/20 £m	2020/21 £m
Opening Balance	4.0	(1.5)
High Needs Forecast Overspend	(5.5)	0.0
Forecast Closing Balance	(1.5)	(1.5)

The graph below gives further projections based on current spend of the impact on reserves. Left unaddressed it is likely that the reserve will fall into a significant deficit position:



12. There is a need to protect DSG balances through the short term due to rising demands and costs of the service. It is expected that the SEND transformation will yield savings over the medium term.
13. The transformation of the whole SEND delivery model has been developed in order to provide early intervention and to prevent later higher cost needs and pupils being referred into statutory processes. The key elements of the SEND model are as follows:
- Inclusion & SEND locality hubs will provide a mechanism to identify and support children experiencing difficulties early, reducing the proportion that escalate to requiring an EHCP.
 - Children with moderate learning difficulties will be educated within mainstream settings whenever possible.
 - Special schools will be encouraged to provide outreach support to Mainstream settings
 - Special schools providing for those with the greatest need reducing the need for placements in independent and non-maintained special schools.

PART B

Background

14. The financial risk of the High Needs Block has been a standing agenda at Schools Forum. The increase in demand on the High Needs Block has mainly arisen from a significant increase in a range of areas. These include:
- Additional needs requests
 - Increase in pupil numbers requiring EHCPs,

- Extension of age group to 25 for those with EHCPs,
 - Increase in out of county placements and costs,
 - Increase in Matrix funding for special schools,
 - High numbers of exclusions from mainstream schools,
 - The funding of increased numbers of pupils out of education.
15. The additional contribution of £1.7m in 2019/2020 and the transfer of £2.4m (0.5%) from the Schools Block to the High Needs Block means that the HNB in 2019/ 20 is £80m. This includes £29m for planned places allocated to schools.
16. The main areas of forecast overspend within the High Needs Block in 2019/20 are provided within the table below. A more detailed overview of the High Needs Block budget is provided within Appendix A.

High Needs Budget 2019/20	Budget £m	Forecast Outturn £m	Over / (Under) spend £m
Planned Places	29.2	29.2	0.0
Top Up Budgets	26.5	30.4	3.9
Non Top Up Budgets			
Independent Schools (Mainstream & Special)	10.2	13.6	3.4
Alternative provision (inc DIPS)	1.5	1.9	0.4
Post 16	4.6	4.1	(0.5)
Other	5.9	5.9	0.0
Additional funding to support overspend	2.4	0.0	(2.4)
Total Net Spend	80.3	85.1	4.8
Total Funding	(80.3)	(79.6)	0.7
Net Forecast Outturn	(0.0)	5.5	5.5

17. Although there has been an increase in the High Needs Block the DSG balances will be brought into deficit in 2020/21 without further action. This is a situation that a majority of local authorities in the country are facing.
18. The government have reviewed the allocation of High Needs funding and in August 2019 announced an additional national allocation of £780m in 2020/21 for the High Needs Block compared to existing (2019/20) funding levels.
19. The allocation to each local authority will not be known until December 2019 and there remains uncertainty as to whether the additional £780m, or indeed the extra £125m that was announced in December 2018 and is also within the current budget (of which Staffordshire receive around £1.8m), will be included in the base going forward and therefore ongoing.

For now, the assumption is that additional funding will continue beyond 2020/21 and that, going forward, the High Needs Block will continue to increase annually thereafter in line with inflation (cash flat in real terms).

20. In 2019/20 the Secretary of State approved a 0.5% funding switch from the Schools Block for High Needs for circa £2.4m. By removing this, we estimate that the overall HNB 2020/21 will be around £88m, an increase from the current budget of c£8m.
21. Despite the additional Government funding, given the increasing cost and demand for SEND, there remains a significant risk that going forward service demand and cost will continue to outpace future funding levels and, left unaddressed, could lead to a budget shortfall of c £7.3m by 2024/25.
22. Whilst the SEN transformation programme (see below) is expected to manage this underlying pressure in the medium term, it is unlikely that this will deliver the necessary savings in the short term. Accordingly the Council has requested a further switch from the schools block to the High Needs Block to avoid bringing the overall DSG reserve into deficit.

SEND Transformation

23. The local authority has a strategic vision of increasing the opportunities for districts to have greater management of funding through locality arrangements in order to provide early intervention for need, as well as a consequent reduction in administrative costs, over time, to both schools and the Local Authority. This is being developed through the transformation of the whole SEND delivery model in order to prevent later higher cost needs and pupils being referred into statutory processes.
24. The programme of establishing the model across the county is continuing. Further work to establish district arrangements are taking place in South Staffordshire, Staffordshire Moorlands, Tamworth and Cannock. Engagement with Newcastle and Stafford districts will begin during the spring term 2020, with East Staffordshire and Lichfield engagement commencing during the summer term 2020. The plan to include all other districts is in place so that by September 2020 district governance will be in place across Staffordshire.
25. This programme of work is included within the local area Written Statement of Action (WSoA) which is being implemented by the SEND partnership group.

SCC funding

26. Following the Written Statement of Action there has been an increase in SEND keyworkers at a cost of £162k, to enable a more timely response to the delivery of EHCPs. These are beginning to address the requests for EHCPs which will increase the number further.
27. Due to the increased number of EHCPs being maintained, there is a back log of plans which are waiting to be amended following the annual review process. An in-year sum of £100k to provide additional capacity to update and amend current Education Health and Care (EHC) plans; and to provide support to produce additional EHC plans has also been allocated.

28. The EHCP population in Staffordshire continues to increase. The number of requests EHCNAs has increased from 1234 in 2018 to 1424 in 2019. Early evidence of the SEND model indicates referral rates remaining in line with previous years.
29. The SEND Assessment & Planning team has a gross budget of £1.9m including the additional investment of £262k.
30. The local authority faces challenges in the recruitment and retention of Educational Psychologists (EPs). This is contributing to the significant decline in the 20 week statutory timeframe to complete an EHC planning process. Activity to increase recruitment and retention is underway including a meeting with the DfE. However in order to meet demand locum EPs are providing additional capacity.
31. A local authority strategy group has been established to develop a plan to improve the recruitment of EPs. This includes reviewing the current pay structure, amending terms and conditions to reflect the busy periods within the academic year.
32. Currently the cost of the locum EPs is being funded through the EP core budget. This is not sustainable as each locum EP EHC needs assessment costs £1000. Additional resource or investment is likely to be required.
33. The SEND home to school/college transport budget in 2019/20 is £11.6m. The latest forecast is that this budget will overspend by up to £1.5m in 2019/2020. The main issues driving up the cost of this budget are the increase in demand, the placement of children and young people in independent out of county special schools, an increase in the average cost per pupil which includes both transport and escort costs and an increase in single occupancy journeys.

Report author:

Author's Name: Tim Moss, Head of Education Strategy and Improvement

Ext. No.: 01785 277963

Room No.: Number 1, Staffordshire Place

Appendix A

2019-2020 HIGH NEEDS BUDGET			
(As at November 2019)	Latest Budget	Forecast	Over/(Under)
	£m	Outturn	spend
	£m	£m	£m
Planned Places	29.2	29.2	0.0
Top Up Budgets	26.5	30.4	3.9
Staffordshire Special Schools and Academies	13.9	15.8	1.9
Staffordshire Mainstream Schools	9.5	10.7	1.2
Pupils in other LA Special & Mainstream Schools & Academies	1.3	1.7	0.4
Pupil Referral Units	1.8	2.2	0.4
Non Top Up Budgets	22.2	25.5	3.3
Independent Schools Mainstream	0.8	1.2	0.4
Independent Schools Special	9.4	12.4	3.0
Independent Hospital Fees	0.3	0.3	(0.0)
Early Years PVI's	0.3	0.3	0.0
District Inclusion Partnerships	1.2	1.6	0.4
Education Other Than At School (EOTAS)	0.3	0.3	(0.0)
SEN Support Services	5.3	5.3	0.0
Post-16 FE Placements	1.6	2.0	0.4
Post-16 Top-ups for ISPs	3.0	2.1	(0.9)
SUB TOTAL	77.9	85.1	7.2
Additional Funding to Support Overspend	2.4	0.0	(2.4)
GRAND TOTAL	80.3	85.1	4.8
Funding	(80.3)	(79.6)	0.7
High Needs Allocation from Government	(77.9)	(77.2)	0.7
Transfers from other Blocks	(2.4)	(2.4)	(0.0)
NET FORECAST OUTTURN	(0.0)	5.5	5.5

Schools Forum

Early Years 2018/19 Underspend and 2019/20 Forecast

Executive Summary

- Early Years has underspent in 2018/19 and forecasts an underspend in 2019/20
- Both years' underspends have been driven by fewer hours claimed for 3 and 4 year olds, compared to hours funded from the January census.
- There are difficulties in understanding why the January census point would be a high point in the census, therefore there is a need to review whether this is a trend.
- As more time elapses this helps identify whether a trend is emerging.
- The Early Years funding rate for 2020/21 will be made in conjunction with an Early Years working group, taking trend analysis and affordability into account.
- Discussions are ongoing for how any unspent Early Years contingency can be given back to providers in the following year as a one off lump sum.

Recommendations

1. That the Schools Forum notes the Early Years 2018/19 Underspend and 2019/20 Forecast.

Report of the Deputy Chief Executive and Director for Families and Communities, and the County Treasurer.

PART A

Why is it coming here – what decision is required?

2. The October Schools Forum requested more detail on what made up the 2018/19 underspend and the 2019/20 forecast outturn.

PART B

Context

3. Early Years funding is determined by the Early Years January census. This snapshot taken in January is grossed up to provide a full year's allocation.
4. The payments to providers are based on termly census returns from Early Year providers. Therefore, the payments to providers are based on actual claims, whereas the allocations received are based on a snapshot in time. This means the payments out will always differ to the funding received, resulting in either an under or overspend each year. These under or overspends are either contributed to, or drawn down from, DSG balances.
5. Since the NFF for Early Years was introduced in 2017/18 the allocation has been £4.30 per hour per child for 3 and 4 year olds and £5.20 per hour per child for 2 year olds. This has been the same for 2017/18, 2018/19 and 2019/20. This allocation funds

the base rate, deprivation, SEN inclusion and contingency to providers, in addition to centrally retained functions approved in November's extraordinary Forum.

6. Due to the pressures on DSG balances and the ring fencing of DSG block funding, affordability is important when setting the rates. Staffordshire are keen to set the base rate at a sustainable amount so that a reduction is not necessary in the following year.

Headlines

7. The tables in Appendix 1 show the Early Years outturn broken down by budget and Appendix 2 shows the decisions on the base rate since the NFF was introduced in 2017/18.
8. The 2018/19 underspend was £1.4m (3% under budget) prior to contingency and £2m (4% under allocation) including the unspent contingency. 2019/20 is forecast to underspend by £0.2m (0.4% under budget) before contingency. It is anticipated the 2019/20 contingency will not be needed taking the total Early Years forecast to an underspend of £0.8m (1.6% under allocation) in 2019/20.
9. The 2018/19 and 2019/20 underspend have been driven by fewer hours claimed by providers compared to hours funded from Government for 3 and 4 year olds, this includes both universal and extended hours (A total of 4% fewer hours claimed than funded in 2018/19 and 3% fewer hours claimed than funded in 2019/20). 2019/20 is the third year showing this pattern suggesting that the timing of the January census might be a high point in the census, however it remains unclear why this is the case. The Council is undertaking further analysis to try and understand this position.
10. The 2 year old funding continues to be overspent, showing that the January census continues to be a low point in the census. In 2018/19 we funded 13% more hours than we received funding for and in 2019/20 we are forecast to be funding 6% more hours than we received funding for.

Difficulties in setting the rate

11. 2017/18 was the first year of the DfE's NFF for the Early Years DSG Block, which was implemented a year earlier to the NFF for the Schools, High Needs and Central Services to Schools Blocks. The DfE's NFF brought in significant changes to how Early Year providers were to be funded in Staffordshire. The changes were:
 - Moving from variable funding rates to one universal rate for all providers.
 - Pre NFF there were variable deprivation rates, with varying criteria and thresholds to prove deprivation for different providers. This needed to be unified into one system for all.
 - Part year introduction of 30 hours from September 2017, with different eligibility criteria to the universal 15 hours. It was difficult to estimate demand; in particular how many families would be incentivised into work and switch from informal to formal childcare.

- Movement from Maintained Nurseries to Governor run, this initially caused some confusion with how providers should claim funding. Thus, making it difficult to know how much the service was truly costing.
 - January was a known low point in the census for 2 year olds which needed smoothing.
12. With such significant changes with the 3 and 4 year old funding it was difficult to perform any useful backward looking trend analysis. The DfE set the census point as January because it was considered to be the mid-point census and therefore the best time to accurately gross up a full year's worth of data. No local information inferred that the January census date for 3 and 4 year olds should either be a low point or a high point in the census. Therefore, it was assumed that for every hour we were funded, we would pay over to providers.
13. The rate was set in consultation with every nursery provider and was ratified by Informal Cabinet.

Actions taken since the NFF was introduced in 2017/18.

14. When setting the rate in 2018/19, we did not have a full year's worth of data for 2017/18 and one full term had not yet been paid with the 30 hours. The rate could be increased due to the reduction in centrally retained funding from 7% to 5% which resulted in a Base rate increase from £3.85 per hour per child to £3.93 per hour per child.
15. When setting the 19/20 rate, there was the 17/18 outturn and 18/19 forecast outturn available to review. This provided at least some historical data to perform limited trend analysis. The contingency allocation remained the same as this reflected the cost overrun for 2 year olds in 18/19, which seemed an appropriate quantum to address risks and uncertainties within the Early Years block more generally. The basic rate paid to providers increased due to a reduction in the deprivation budget. It is important to note that the deprivation payments to providers did not reduce, but the total payments made were less than initially expected.

Future rates and decisions

16. Due to the underspend in 18/19 the council is looking at mechanisms to give the unspent contingency back to providers as a one off lump sum. If the 19/20 contingency underspends the council will look at ways to return this to providers.
17. If the underspend continues with the 3 and 4 year olds it could be concluded that this is a high point in the census for Staffordshire. It is unknown why this would be the case. With an increase in the rate nationally (8p per child per hour for 2020/21) and assuming this position in the January census is a high point there is an opportunity to increase the funding rate. The Council is in process of setting up Early Years workshop for future year rate setting. Areas to review include:
- Base Rate
 - Deprivation funding
 - Contingency funding

18. This could help nursery settings address the additional cost pressures resulting from minimum wage increases (ranging from a 3.6% increase to a 5.4% increase), business rates and pension contributions (all businesses are now required to pay 1% on top of salaries as a pension contribution).

Report author:

Author's Name: Matt Biggs (Childcare and Sufficiency Manager) and Will Wilkes
(Senior Corporate Accountant)
Ext. No.: 01785 854 554 and 01785 278157

Early Years Block Underspends

	2018/19			% Hours claimed vs government funded	Fore cast 2019/20			% Hours claimed vs government funded
	Budget £m	Actual £m	Variance £m		Budget £m	Actual £m	Variance £m	
3&4 year old entitlement	38.9	37.4	-1.5	-4%	39.6	38.6	-1.0	-3%
2 yr old entitlement	5.0	5.6	0.6	+13%	5.5	5.9	0.4	+6%
Deprivation	1.0	0.6	-0.4		0.6	0.8	0.2	
Central Expenditure	2.1	2.1	0.0		2.1	2.1	0.0	
Disability Access Fund	0.2	0.1	-0.1		0.2	0.2	0.0	
Early Years Pupil Premium	0.3	0.3	0.0		0.4	0.4	0.0	
Maintained nursery school supplementary funding	0.1	0.1	0.0		0.2	0.2	0.0	
	47.6	46.2	-1.4		48.6	48.2	-0.4	
Late adjustment (Spring 19 adjustment paid in 19/20)						0.2	0.2	
Outturn	47.6	46.2	-1.4		48.6	48.4	-0.2	
De-delegated: Contingency	0.6		-0.6		0.6		-0.6	
TOTAL EARLY YEARS BLOCK	48.2	46.2	-2.0		49.2	48.4	-0.8	

Early Years Base Rate

	3 and 4 Year Olds			
	DfE rate (£ per hour per child)	SCC Base Rate (£ per hour per child)	Increase from previous year's SCC Base rate	Comments
2017/18	4.30	3.85	N/A	Rate increased varied significantly due to move from variable rates
2018/19	4.30	3.93	8p, or 2%	Increase has been made from the reduction in the central expenditure budget retained, this reduced from 7% to 5%.
2019/20	4.30	3.97	4p, or 1%	Increase has been made from the reduction in the deprivation budget

	2 Year Olds			
	DfE rate	SCC Base Rate	Increase from previous year's SCC Base rate	Comments
2017/18	5.20	5.00	15p, or 3%	
2018/19	5.20	5.00	0p, 0%	
2019/20	5.20	5.08	8p, or 1.6%	

Schools Forum Work Programme

There are a number of items the Schools Forum considers annually and these are set out in the work programme below.

The “Schools Forums: operational and good practice guide” (October 2013) states that:

Local authorities should as far as possible be responsive to requests from their School Forums and their members. Schools Forums themselves should also be aware of the resource implications of their requests.

Forum Members are therefore able to suggest an item for consideration at a future Forum meeting as long as it is within the remit of the Forum. Any request must be agreed by the Schools Forum before being included on the work programme. Each Forum agenda is set by the Chairman in consultation with the Director and the Clerk. The scheduling of items included on the work programme will therefore be agreed through this process and taking account of resource implications and agenda management.

Meeting	Item	Details
Summer Term 4 July 2019	Early Help Dedicated Schools Grant Update	Requested at the meeting of the Forum on 3 July 2018
	High Needs Block	Standard item
	Growth Fund – Allocation of Funding 2019-20	Annual item
	Revised Constitution	Brought forward from the meeting in February 2019
	Notices of Concern	Standard item
Autumn Term 17 October 2019	Election of Chairman and Vice-Chairman	Annual item
	Schools Budget (last financial year): Final outturn and Dedicated Schools Grant (DSG) Settlement	Annual item

Meeting	Item	Details
	High Needs Block	Standard item
	School Improvement Monitoring and Brokering Grant	Requested by the Chairman
	Schools Budget 2020–21: De-delegation, Central Expenditure and Education Functions	Annual item
	Report on School Attendance Matters and Staffordshire’s Education Welfare Team	Annual Item, requested at the meeting of the Forum on 3 October 2017
	Notices of Concern	Standard item
Special meeting 26 November 2019	Dedicated Schools Grant Funding for Early Help	
	Centrally Retained Element of Early Years Dedicated Schools Grant 2020/21	
	Exempt item – High Needs Block 0.5% Transfer	
Spring Term 16 January 2020	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item

Meeting	Item	Details
	Early Years 2018/19 Underspend and 2019/20 Forecast	Requested at the meeting on 17 October 2019
Spring term 26 March 2020	Schools Budget (forthcoming financial year)	Annual item
	High Needs Block	Standard item
	Updates to Financial Guidance and Regulations	
	Notices of Concern	Standard item
	Update on Redundancy	Requested at the meeting of the Forum on 28 March 2019
	Funding for Special Schools from the Growth Fund	Item Requested by the Chairman

Not for publication by virtue of paragraph(s) 3
of Part 1 of Schedule 12A
of the Local Government Act 1972

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