

Schools Forum

Tuesday, 26 November 2019

2.00 pm

Boscobel Room - No.1 Staffordshire Place

John Tradewell
Director of Corporate Services
18 November 2019

A G E N D A

Part One

1. **Apologies**
2. **Declarations of Interest**
3. **Dedicated Schools Grant Funding for Early Help** (Pages 1 - 4)

Report of the Deputy Chief Executive and Director for Families and Communities
4. **Centrally Retained Element of Early Years Dedicated Schools Grant 2020/21** (Pages 5 - 8)

Report of the Deputy Chief Executive and Director for Families and Communities, and the County Treasurer
5. **Work Programme** (Pages 9 - 12)
6. **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)

7. High Needs Block 0.5% Transfer

(Pages 13 - 24)

(Exemption paragraph 3)

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

Please Note: Appendix 2 to this report will be sent to follow, when the consultation with schools has been analysed.

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

Sara Pitt
Alison Barnes
Julie Roberts
Andrew Marsden

Michelle Williams
Melanie Scott
Will Wilkes
Tim Moss

Schools Forum – 26th November 2019

DSG Funding for Early Help

Recommendation

1. That the School Forum notes the reduction in DSG funding for Early Help

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

PART A

Why is it coming here – what decision is required?

2. The Schools Forum has oversight of the Schools Budget and is required by the Finance Regulations to annually approve central expenditure (ongoing and historic commitments). At the October meeting Schools Forum approved up to £1.448m of DSG funding for Historic Commitments be retained centrally for Early Help.
3. Since this meeting, the government has announced a reduction in funding of 20% for historic commitments for 2020/21, and its intention to further reduce this funding in future years.

Background

4. Dedicated Schools Grant (DSG) is split into four blocks – Schools, High Needs, Early Years and Central Schools Services.
5. The Central School Services block is further split into two sections - historic commitments and ongoing responsibilities. Each year Schools Forum are asked to approve that this funding is held centrally for the Local Authority to provide certain services for all schools. Services cannot be switched between historic commitments and ongoing responsibilities as the services that can be provided within each section are clearly defined in the regulations.
6. One of the services currently funded from the historic commitments section is the Early Help service which receives £1.448m of DSG funding.
7. In line with its reforms to move towards a fairer funding system, the government is reducing funding for historic commitments. In 2019/20 Staffordshire received £3.2m funding for historic commitments, therefore the 20% reduction for 2020/21 is a reduction of £640k.

8. It is possible to protect against a reduction in total DSG funding by delegating historic commitment funding to schools at least a year before the reduction in historic commitment funding. This ensures the funding is in the schools' block baseline the following year.
9. Because of this, Staffordshire has been protected from the funding reduction in 2020/21 as in 2018/19 the School Improvement budget of £818k (previously funded from historic commitments) was delegated to schools.
10. The government has indicated that it will continue to unwind historic commitment funding in future years. It is therefore necessary to take steps to protect this funding by delegating it to schools.
11. A further funding reduction of at least 20% is anticipated for 2021/22, although this has not been confirmed by government and the actual reduction could differ. To protect against a reduction of 20%, at least £400k of historic commitment funding will need to be delegated to schools in 2020/21 to ensure it is in the schools' block baseline for 2021/22.
12. The table below shows the impact on DSG allocations of delegating the historic commitment funding:

	Estimated DSG at 2020/21 levels (excluding early years) (£m)		
Year	With proposed delegation	Without proposed delegation	Retained DSG through delegating Early Help
2020/21	596.33	596.33	0.00
2021/22	596.33	595.69	0.64
2022/23	596.33	595.05	1.28
2023/24	596.33	594.41	1.92
2024/25	596.33	593.77	2.56

13. In order to protect total DSG funding for Staffordshire, the budget for Early Help will be reduced to £1m for 2020/21 and an additional £448k will be delegated to schools. It is also highly likely that the remaining £1m will be delegated to schools in 2021/22.

Impact on Early Help Service

14. We have reviewed the Early Help service data to identify the annual numbers of families coming through the service. This amounts to approximately 1,600 families across the county per year, at a cost of circa £2.05 million.

15. The Early Help service is funded by contributions from DSG, BRFC and from the Children’s Centre budget.
16. Ministry of Housing Community & Local Government have confirmed a further 12-month funding for BRFC for 2020/21. This is not a long-term funding source.
17. This contract is a payment by results contract, this means that providers are not paid until all outcomes met. As a result, of the 1600 annual referrals approximately 600 per annum will be worked with into the next financial year. The below illustrates this point;

Year	Carried from previous year	Average No. of Referrals	Approx. No. of carried forward into following year
2018/19	N/A	1,600	600
2019/20	600	1,600	600
2020/21	600	1,600	600
2021/22	600	1,000	600
2022/23	600	0	0

18. Staffordshire County Council are committing to work with schools to manage the financial reduction in DSG funds until 2021/22 in order that current service commissioned is not affected.
19. From 2022/23, this funding arrangement is not sustainable and commissioners will seek to work with schools to find a solution to bridge the long term financial gap in an effort to ensure that the Early Help service can be maintained.

Report author:

Author’s Name: Natasha Moody (Strategic Commissioning Lead)
Will Wilkes (Senior Corporate Accountant)

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**Schools Forum
26th November 2019**

**Centrally Retained Element of Early Years Dedicated Schools Grant
2020-21**

Recommendation

1. That the Schools Forum approve the utilisation of the centrally retained element of Early Years Dedicated Schools Grant 2020-21.

**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. In accordance with Annex 3 of the 'Schools revenue funding 2020 to 2021 Operational guide', it is for Schools Forum to agree the central expenditure with the Local Authority (LA).
3. The October Schools Forum requested more detail on what the central expenditure is to be used for before giving their approval.

PART B

Background

4. In 2017, following national consultation, the Department for Education (DfE) introduced the Early Years National Funding Formula ahead of the introduction of 30 hour childcare. New guidance stipulated that by 2018/19 LAs must retain no more than 5% of the grant they receive from the allocation of 3 and 4 year old funding from central government. The grant received by Staffordshire County Council (SCC) is determined by both the Early Years and Schools Census.
5. At the time of writing this report the 2020/21 allocations were not available. Therefore, we have to base the percentage to be retained on 2019/20 allocations. The total 3 and 4 year old funding for 19/20 was £42.9m, 5% of this is £2.1m. To undertake the centrally retained functions for Early Years, SCC is requesting to retain £1.8m, or 4.2%. In reality, as a rate increase from Central Government will be allocated in 2020/21 and if numbers of children increase, the overall percentage of centrally retained funding is likely to be lower than 4.2%. This is because the £1.8m of central expenditure will not change.
6. The centrally retained element supports Staffordshire County Council (SCC) to meet the statutory duties placed on local authorities as set out in the Childcare Act 2006 (S6, S7, S7a, S9a, S12 and S13) and Childcare Act 2016 (S1 & S2) for Early Education and Childcare. The funding retained supports back office management/administration and the Entrust Service Delivery Agreement (SDA) for Early Years.

7. SCC has reduced central expenditure by £1m, a reduction of 35% between 2015/16 and 2019/20. In terms of the percentage of the overall quantum retained from the 3 and 4 year old early years DSG, this has reduced from 11.1% to 4.2% between the same period. Savings have been largely attributed to the Entrust SDA for Early Years which has reduced overall by £1.8m. The savings have resulted in a scaled down service whilst retaining a focus on ensuring quality of provision and sufficiency of places.
8. The breakdown of the £1.8m centrally retained is covered in the table below followed by further detailed narrative:

	£'000
Entrust (SDA)	1,000
Back office administration - Early Education & Childcare Team, Early Education Funding Team, portal, database system and finance Support	697
Overheads: Entrust contract and other	132
Total Cost of SCC overheads	1,829

9. SCC commissions Entrust via an SDA to meet the following statutory functions:
 - Moderation – At the end of the Reception year, all schools (and childcare settings if applicable) are required to complete an Early Years Foundation Stage Profile for pupils providing information of children’s development and readiness for the next stage of their education. The Standards and Testing Agency set out yearly a timetable for local authorities to follow in relation to how they should meet their statutory assessment duties. Local Authorities (LA) are required to provide an external robust moderation process so that practitioners’ judgements are evaluated in line with statutory requirements, undertake quality assurance and ensure that profile data is submitted to Department for Education on time. LA’s are required, on behalf of the Secretary of State, to externally moderate a minimum of 25% of settings. In 2019, Entrust undertook 78 moderation visits of 312 schools delivering Early Years Foundation Stage in Staffordshire.
 - Quality Liaison (QL) – Under S13 of the Childcare Act 2006, LA’s are required to provide information, advice and training to providers. In terms of direct support (QL visits) this is prioritised for newly registered settings and those graded as Requires Improvement and Inadequate in the form of bespoke improvement packages aligned to actions identified by Ofsted. SCC also commissions a level of support for Good and Outstanding settings and this is offered through cluster sessions on a termly basis in individual districts. This ensures there is still a mechanism to share key themes/trends, emerging issues, policy changes and cover locality priorities. In addition, a small portion of SDA capacity also provides targeted direct support to Good and Outstanding settings where SCC has evidence suggesting there may be a need to assist. An example of this is the prioritised support visits undertaken for the cohort of settings that are in a category of more than four years since their last Ofsted inspection (78 supported settings over a 12 month period).
 - Business support and market development – Under Section 6 of the Childcare Act 2006, LA’s have a duty to secure sufficient childcare for working parents and Section 7 sets out a duty to secure early years provision free of charge. The

increase of government funded early education entitlements and financial challenges facing settings has meant that this element of the SDA is a vital function to ensure sector capacity and sustainability across the county. This element covers bespoke cash flow forecasting, marketing and promotion advice, business re-design and place development. In addition, sufficiency audits are managed and co-ordinated to provide SCC with the intelligence it needs to meet and forecast future demand.

10. SCC undertakes stringent monitoring with Entrust via monthly operational and strategic governance meetings where SDA performance indicators are assessed and future issues and requirements are discussed.
11. Performance highlights include:
 - 486/490 (99.2%) settings who attended Cluster workshops in 2018-19 identifying that the session supported them to make improvement in their practice
 - 56/56 (100% new settings) supported following their registration reporting that they were supported to identify areas for improvement in their practice
 - 11/11 (100%) of settings graded less than good by Ofsted who report that their bespoke intensive support package assisted them to identify improvement in their practice
12. In back office administration terms, the grant funds a team to undertake transactions, financial processes, auditing and managing queries so all providers receive prompt payment. In 2018, SCC introduced a new transaction options model giving providers a choice between monthly or lump sum payments. This followed a consultation period and recent feedback from the Staffordshire Early Years Reference Group (representative sample of providers across the county) suggests the model is working well.
13. The grant also funds management capacity, sufficiency analysis, the provider portal and database, oversight of eligibility checking for funded places, compliance and Information, Advice and Guidance for providers, parents and professionals in accordance with the Statutory Guidance for Early Education and Childcare.
14. The Overheads cover the cost of arranging the Entrust contract, as well as general support to the back office administration. General support includes costs of ICT, Property, Legal, Web Team and the Customer Service Centre.
15. Whilst ensuring SCC can meet relevant statutory duties, the utilisation of the centrally retained element is essential to ensure overall outcomes are achieved in the widest context. An efficient and responsive early years finance service supports provider sustainability and Information Advice and Guidance is vital to support parents, providers and stakeholders in maximising take up of places. The service provided by Entrust helps to sustain quality of places across Staffordshire and an appropriate level of supply to meet parental demand.
16. Recent data analysis shows there has been an increase in the percentage of providers achieving good and outstanding in Staffordshire. Currently 97% of providers offering funded places (including schools) are Good or Outstanding compared to 89% in 2017 and 83% in 2016. In terms of capacity, the number of childcare places

available in the sector has remained fairly stable over the last 12 months with 13,600 places for 3 and 4 year olds compared to 13,500 in 2018.

17. Two metrics that local authorities use in early years to assess performance and outcomes are take up of early education places and Good Level of Development for children at the end of reception. For the two-year old entitlement (Think2 in Staffordshire), take up increased in 2019 to 78%, up 4% from 2018 and places Staffordshire 10% above the national average. In 2018, Staffordshire had 75% of children achieving a Good Level of Development at Reception age, placing us top against our 11 statistical neighbours and 24/152 local authorities nationally.
18. Paragraphs 16 and 17 provide evidence that SCC's contribution towards population outcomes through the services it provides and commissions are effective.

Report author:

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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	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
	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

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