

Minutes of the Schools Forum Meeting held on 15 October 2020

Present: Richard Redgate (Chairman)

Attendance

Jane Rutherford	Jennie Westley
Wendy Whelan	Vicki Lewis
Philip Tapp	Julie Rudge
Philip Siddell	Anne Tapp
Sara Bailey	Steve Breeze (Observer)
Chris Wright	Les McDowell
Steve Barr (Vice-Chairman)	Abigail Rourke
Kevin Allbutt	Jonathan Price (Observer)
Judy Wyman	Kim Prince
Nicky Crookshank	Paul Spreadbury (Substitute)
Richard Lane	Alun Harding

Observers:

Also in attendance: Alison Barnes, Will Wilkes, Andrew Marsden, Tim Moss, Melanie Scott, Anthony Humphreys, Lesley Calverley and Jo Galt

Apologies: Karen Dobson, Mark Sutton and Alison Parr

PART ONE

1. Election of Chairman and Vice-Chairman

On nominations being requested, Mr Kevin Allbutt proposed and Mr Paul Spreadbury seconded that Mr Richard Redgate be elected Chairman for the ensuing year.

Ms Judy Wyman proposed and Ms Jane Rutherford seconded that Mr Steve Barr be elected as Vice-Chairman.

There being no other nominations it was:

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

2. Declarations of Interest

Steve Barr and Judy Wyman both declared an interest in minute 14, being in receipt of some Union Duties funding.

3. Membership

The Clerk updated Forum Members on membership since their last meeting as follows:

- Wendy Keeble had resigned and nominations had been sought for a new maintained secondary schools representative to replace her. No nominations had been received, but this had been in March and it was anticipated that the pandemic may have influenced the lack of nominees. It was proposed that this be added to the list of elected posts for 2021 and as an interim measure Mr Alun Harding become the member representing maintained secondary schools;
- Anita Rattan representing maintained special schools had been replaced by Kim Prince;
- Cllr Jonathan Price had become the Cabinet Member for Education and SEND and replaced Cllr Philip White as one of the County Councillor observers;
- Richard Osborne had resigned.

The Chairman welcomed new members to the Forum.

4. Minutes of the meeting held on 16 January 2020

RESOLVED – That, with the additional of Abigail Rourke (primary academy representative) and Steve Breeze (observer) as having attended the meeting, the minutes of the Schools Forum meeting held on 16 January 2020 be confirmed and signed by the Chairman.

5. Matters arising

At their January meeting a request had been made to re-visit the Constitution and include this on the work programme. It was suggested that this be reported back to the January meeting.

A Working Group to review the High Needs Block had been set up to consider where additional savings could be made. Unfortunately the meeting had been cancelled as a result of Covid-19 restrictions.

Outcomes of the Early Years workshops had been due to be reported back to the Forum at their March 2020 meeting. Unfortunately due to the Covid-19 restriction this meeting had been cancelled. Members felt the January workshops had been very useful. Early Years rates had taken account of workshop findings, with budgets for 2020/21 now set and, as agreed, the 2018/19 underspend had been redistributed amongst the sector.

RESOLVED – That the report be noted.

6. Decisions taken by the Chairman under delegated powers

Decisions had been taken to cancel the working group on the High Needs Block and to cancel the March and July Forum meetings as a result of the Covid-19 restrictions.

7. Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations

The Staffordshire Scheme for Financing of Schools (SSFS) and Procurement Regulations had been updated. Members received details of the SSFS amendments made to sections 2.3 (submission of budget plans) and 4.9 (licensed deficit scheme). Amendments to Procurement Regulations now referenced the DfE's buying framework.

The Forum also noted that as part of the County Council's audit programme, schools were selected at random annually to be subject to an audit review. The 18 September school bag and contained a letter from the Chairman of the Audit and Standards Committee summarising their findings and this was to be shared with governing bodies and Entrust colleagues to reinforce the importance of adhering to regulations. Some Forum Members felt that, whilst the letter had been factually correct, the tone of the letter had been unhelpful.

RESOLVED – That the revised Staffordshire Scheme for Financing Schools and Procurement Regulations be approved.

8. Notices of Concern

The agreed protocol for issuing Notices of Concern included the provision that details of the issue and withdrawal of a notice of concern would be provided to the Schools Forum on a termly basis. Since the last Forum meeting a Notice of Concern had been issued and signed by the Interim Executive Board at Western Springs Primary School following a Directive Academy Order from the DfE.

Five new Notices of Concern were in the process of being issued to schools unable to set a balanced budget for 2020/21, these being:

- Hassell Primary School
- St Leonards, Stafford
- St Michael's, Stone
- St Peters, Caverswall
- Talbot First School

If these schools end the financial year in a deficit position from their original 202/21 budget they would be expected to enter a Licenced Deficit arrangement, at which point the Notice would be removed.

The Forum were also informed that a Licensed Deficit Plan had been put in place for Barlaston First School following a deficit outturn as at 31 March 2020.

The Forum shared concerns at additional costs incurred as a result of Covid-19 and how these could impact on a school's ability to set a balanced budget. Whilst all five schools listed above had been unable to set a budget prior to Covid-19, the LA continued to work with schools to support them with additional costs. "Exceptional costs" categorisation was still to be confirmed but it was hoped that this might help with some of the additional costs schools had incurred.

RESOLVED – That the report be noted.

9. Schools Budget 2019-20: Final Outturn

The outturn position for 2019/20 had a £3.5m variance (1.12%) overspend on planned expenditure across all services and Forum Members received a summary of balances, including the effect on DSG reserves. The Individual Schools Budget (ISB) was break even, with this outturn relating to budgets allocated to individual schools through the funding formula.

The Early Years' service had underspent by £0.138m (-0.3%), which included the repayment of unspent 2018/19 contingency of £.676m. Central and de-delegated items had overspent by £0.371m (2.9%), this was mainly due to an increase in insurance costs offset with an underspend on the growth fund and redundancies.

The High Needs service had overspent by £3.6m (4.5%) and Members received details of the pressure areas. Numbers accessing the high needs service continued to rise, particularly in relation to top up and independent settings as well as prices in independent settings. The High Needs Block (HNB) overspend over the last few years had resulted in Dedicated Schools Grant (DSG) reserves being fully depleted and no longer able to be used as a buffer to fund ongoing pressures showing a balance of £0.4m at the end of March 2020.

As at 31 March 2020 maintained schools held reserves of £15.5m. There continued to be a number of schools with approved licenced deficits with funding for these coming from school balances until the school repaid the deficit. The Forum heard that with balances decreasing the growth in number and value of licenced deficits was a concern.

Forum Members asked that where a school had already committed to projects, although not paid for them, this commitment should be reflected in the reported balances held.

RESOLVED – That the 2019/20 Schools Budget financial outturn report be noted.

10. High Needs Block Update

As part of the last Spending Review the Government had announced a further £780m for High Needs Block in 2020/21. For Staffordshire the HNB would be around £89m in 2020/21, an increase of £12m (15%) compared to 2019/20. As in previous years the schools block would be ring-fenced in 2020/21, with the option to transfer 0.5% of the Schools Block funding into central school services, high needs or early years blocks, subject to the approval of Schools Forum. Members were reminded that Staffordshire's request to transfer 0.5% from the Schools Block to the High Needs Block had been refused by the Forum in November 2019.

In 2020/21 the HNB budget was £89.1m. This was a net increase of £9.5m from 2019/20. The increase had been passed on in full for the provision of SEND which ensured Special School budgets for 2020/21 had been set in line with approved rises for maintained schools and that additional capacity had been provided for the roll out of the District Hubs. Concern remained that despite the additional Government funding a shortfall remained, with a forecast overspend this year of circa £2m.

In 2021/22 the Government had confirmed a further additional investment in HNB. Based on initial estimates Staffordshire's budget for 2021/22 would increase to c£100m.

However there remained a risk that ongoing increases in cost and demand for SEND support would see the funding gap developing again over the medium term by up to £7.5m if not addressed.

The SEND and Inclusion Transformation was intended to improve outcomes for Staffordshire's children and their families, aspiring to an inclusive system underpinned by restorative practice and integrated into the District Footprint. Members received details of these developments which were expected to provide a more sustainable model, improve relationships with district and school partners and deliver improved educational and life outcomes for children and young people. It would also enable effective management of demand and provide quality support within approved funding levels.

Members were aware that, as a result of the on-going overspend in the HNB over the last few years, the DSG reserve had been fully depleted and could no longer be used as a buffer to fund on-going pressure. Under new Government guidance any LA with an overall deficit on its DSG account at the end of 2019/20 financial year, or whose DSG surplus had substantially reduced during the year, must produce a plan for managing their future DSG spend. Whilst Staffordshire was not in deficit, the sharp DSG decline in recent years meant that a "management plan" was required to avoid DSG reserves falling into deficit. The Forum heard that a DSG reserve of not less than £4m should be maintained. At their meeting of 16 January 2020 the Forum had agreed that surplus Growth Fund money could be transferred to the Council's DSG reserve for 2020/21. This was around £2.5m and would mitigate the forecast HNB overspend. In 2021/22 and going forward it was anticipated that the HNB would be managed within overall budget. Any surplus Growth Fund in 2021/22 could again be transferred to the DSG reserve.

The Forum noted that whilst previous Government advice had suggested that a buffer of between 2.5% - 5% was appropriate, the level of appropriate reserve was now left for each LA to determine.

The Forum's High Needs working group had previously put forward a number of ideas to support working towards a calmer budget and it was suggested that the Group be re-established to consider which of these could be taken forward. Reports had been brought to the Forum outlining developments within the HNB.

Members also shared concerns at the cost of independent school placements. A thorough review of this sector was being undertaken, with consideration given to the impact of spend in these placements. The Forum suggested a working group be re-established to consider this and other HNB issues.

RESOLVED – That the following be noted:

- a) the High Needs Block budget 2020/21 and latest forecast outturn;
 - b) the latest budget assumptions 2021/22 and going forward;
 - c) the SEND stabilisations and Transformation Programme update;
 - d) the Council's DSG "Management plan" to ensure reserve balances do not fall into deficit;
- and
- e) that a working group to consider HNB funding be re-established.

11. Primary Behaviour Support Services - 2019 2020 Financial Year

The Behaviour Support Service for primary schools had been a centrally retained service until 2012/13, when it became a de-delegated service under Exception 1 of the Funding Reform requirements. Maintained primary schools had voted annually to retain this as a centrally provided service. The Forum received details of the service offer, its impact and feedback from schools over service provision during the last twelve months. Members also received details of the delivery response to Covid-19 from March to August 2020.

Maintained primary school representatives were entitled to vote on whether they wished this service to remain a de-delegated service. Having voted on this issue it was:

RESOLVED – That the Primary Behaviour Support Service remain de-delegated for 2020-2021.

12. Minority Ethnic Achievement Service (MEAS) 2019 2020 Financial Year

The Minority Ethnic Achievement Service (MEAS) had become a de-delegated service under Exception 1 of the Funding Reform requirements and another service that the Forum had voted annually to retain central provision. The MEAS was available to primary and secondary academies at a cost, purchased on a case by case basis or as a combined package of Inclusion Support and other services.

The Forum received details of the Service offer, referral numbers from maintained and academy schools and the Service impact.

All phases of maintained mainstream school representatives were entitled to vote on whether the MEAS should remain a de-delegated service. Following the vote it was:

RESOLVED – That the Minority Ethnic Achievement Service be de-delegated for 2020-21.

13. National Funding Formula (NFF) funding 2021-2022

The Forum received a verbal update on National Funding Formula (NFF) funding 2021-2022 as follows:

- final allocations had not yet been received;
- teachers' pay and pension grants received in 2018/19 and 2019/20 had been rolled into the NFF;
- with the exception of FSM, all factors were to be increased by at least 3% on top of this revised baseline;
- funding through the sparsity factor had been increased. Maximum funding for primary schools had increased from £26,000 to £45,000. Maximum middle and secondary funding had increased from £67,600 to £70,000. There were no changes to eligibility for sparsity funding;
- LA could set a Minimum Funding Guarantee (MFG) between +0.5% and 2% per pupil;
- consultation would be undertaken in the 'near future' on moving towards a hard formula. This would consider how the transition would work, hardening individual

factors, arrangements for the Central Schools Services Block (CSSB) and growth funding;

- allocations were expected to be provided to the LA in December with school budgets being released by February 28th;
- historic commitments funding reduction of 20% was comparable with 2020-21. Funding could not fall below a total value of ongoing termination of employment and prudential borrowing costs;
- no Early Years rates had been announced for 2021/22 as yet; and,
- currently the DfE planned for the January census to go ahead as normal to inform the 2021/22 budget. However, this position would be monitor in light of the pandemic.

RESOLVED – That the verbal update be noted.

14. Schools Budget 2021-22: De-delegation, Central Expenditure and Education Functions

The Forum received the School Budget 2021-22 de-delegation, central expenditure and education functions report. This sought approval from the Forum for the Local Authority to retain DSG funding to deliver services on behalf of schools and Early Years. Members noted that the budget areas proposed for de-delegation in 2021-22 were the same as those in the previous years.

Budget Area	Primary £m	Secondary (including middle) £m
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	0.060	0.031

Forum members representing all mainstream maintained schools considered the budget areas listed in the table above and voted to **de-delegate these areas for 2021-22**.

Maintained schools now had the option to join the DfE Risk Protection Agreement (RPA) or to choose to stay with the LA for their insurance cover.

Budget Area	Primary	Secondary (including middle)
	£m	£m
Insurances (mainly premises related)	2.284	3.099

Academy Forum Members already using RPA shared positive experiences of using this alternative to commercial insurance cover, which Forum Members found helpful.

On considering whether to stay with the LA or move to RPA, Forum Members representing all mainstream maintained schools **agreed to join RPA for insurance cover.**

Funding in the CSSB was split into historic commitments and ongoing functions. Funding for historic commitments had been reduced by a further 20% from 2020/21. Members received details of the heading under which Staffordshire retained funding for historic commitments, together with indicative 2021/22 budget levels:

	2020-21	2021/22 Indicative
Prudential borrowing	924,130	924,130
Combined Services		
Early Help Service	1,000,000	0
SEN Transport*	250,140	250,140
	2,174,270	1,174,270

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

Following a budget reduction in 2020/21 the early Help Services budget had now been fully delegated to schools.

All Forum Members gave consideration to the areas of retained historic commitment funding and voted to **approve the continued funding of these areas centrally at no higher than the indicative amounts.**

Ongoing Education Functions were funded by a combination of council tax and DSG., with 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 2021/22 was £3.5m, funded by DSG through the CSSB.

All Forum Members voted to **approve the ongoing functions allocation in the CSSB.**

As in previous years it was proposed that the growth funding allocation be used to fund pupil growth in the National Funding Formula (approx. £1.5m in 2020/21), and allocations as per the Growth Fund and Infant Class Size policies (approx. £800k). Any underspend would contribute to DSG balances (as previously discussed).

All Forum Members voted to **approve the continuing use of the Growth Funding allocation as set out above.**

The LA was asking for £1.9m (4.3%) of Early Years funding to be retained centrally. This expenditure funded the Entrust SDA contract, along with back office administration and overheads, with Members receiving a breakdown of these costs.

All Schools Forum Members agreed to **approve the proposed level of central support services for early years provision.**

The LA asked for provisional approval of a levy of £55.68 per pupil from maintained schools to fund Education Functions previously funded by the Education Services Grant.

All mainstream maintained Schools Forum Members **agreed to approve the levies per pupil** (set out in Appendix 4 of the report) to fund the costs of the associated services.

RESOLVED – That:

- a) the outcome of the maintained school vote on de-delegation, including whether to join the DfE RPA for their insurance, (as detailed above) be approved;
- b) the indicative allocations for both historic commitments and ongoing functions within the Central School Services Block be approved and retained centrally for this purpose;
- c) the continued use of the formula driven Growth Funding allocation be approved;
- d) the retention of £1.9m of Early Years funding centrally be approved; and,
- e) the levy per pupil in 2021-22 to fund statutory duties performed by the LA and previously funded by the ESG general duties be approved.

15. Work Programme

Members noted their work programme and asked for the following additions:

- an item to be added to the January agenda on the Forum's Constitution; and
- re-establishing the HNB working group

Members also suggested that the inclusion of an executive summary in future reports would be helpful.

The Forum thanked Mr Philip Tapp for his work and commitment over a number of years as Vice Chairman to the Forum. His contribution to the work of the Forum had be very much appreciated.

RESOLVED – That the additions to the work programme be noted.

16. Date of next meeting

RESOLVED – That the next Forum meeting is scheduled for 14 January 2021.

Chairman