

Schools Forum

Thursday 14 January 2021

14:00

Meeting to be conducted using Microsoft Teams - Microsoft Teams

John Tradewell
Director of Corporate Services
6 January 2021

A G E N D A

Part One

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the meeting held on 15 October 2020** (Pages 1 - 12)
4. **Decisions taken by the Chairman under delegated powers**
5. **Notices of Concern** (Pages 13 - 14)

Report produced by Entrust on behalf of the Deputy Chief Executive and Director for Families and Communities
6. **High Needs Block Update** (Pages 15 - 22)

Report of the Deputy Chief Executive and Director for Families and Communities
7. **Education Banding Tool** (Pages 23 - 26)

Report of the Deputy Chief Executive and Director for Families and Communities
8. **Work Programme** (Pages 27 - 30)



9. **Date of next meeting**

25 March 2021 at 2pm.

Part Two

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 paragraph of Part 1 of schedule 12A of the Local Government Act 1972 indicated below'

Membership

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

Local Authority Observers

Mark Sutton (Observer)
Jonathan Price (Observer)

Core Officers

| | |
|----------------|-------------------|
| Alison Barnes | Michelle Williams |
| Will Wilkes | Melanie Scott |
| Julie Roberts | David, Bingham |
| Andrew Marsden | Anthony Humphreys |
| Tim Moss | Lesley Calverley |

Minutes of the Schools Forum Meeting held on 15 October 2020

Present: Richard Redgate (Chairman)

Attendance

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

Observers: Jonathan Price and Steve Breeze

Also in attendance: Alison Barnes, Will Wilkes, Andrew Marsden, Tim Moss, Melanie Scott, Anthony Humphreys, Lesley Calverley, Helen Phillips, Mandy Pattinson 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

SCHOOLS FORUM – 15 October 2020
ACTIONS ARISING FROM THE MINUTES

| Agenda Item | Action Required | By Whom | Outcome |
|--------------------------|--|--------------------|--|
| High Needs Block | The establishment of a Working Group to review the High Needs Block and how to add savings | Tim Moss | |
| Constitution | Re-visiting the Constitution be included on the January agenda | Tim Moss | Following discussions with the Chair and Vice this item will be considered at the March meeting. |
| Executive Summary | To include an executive summary on each report to Forum | All report authors | |

Schools Forum – 14 January 2021

Notices of Concern

Recommendation

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

Report of the Deputy Chief Executive and Director for People:

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. Since last Forum, the Notice of Concern issued to Western Springs Primary School has been withdrawn following their conversion to academy status on 1st November 2020.
5. No new Notices of Concern or Licensed Deficits have been issued. The Entrust School Finance team continue to work with all schools who have existing Notice of Concern or Licensed Deficit agreements.

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

School Forum 28th March 2019 – Item 39 Update to the Staffordshire Scheme for
Financing of Schools

Schools Forum – 14th January 2021

High Needs Block update

Recommendations:

That Schools Forum:

1. Notes the updates to the High Needs Block following the report previously presented in October 2020.
2. Notes the update on the latest DSG government settlement

Report of Deputy Chief Executive and Director for Families and Communities

PART A

Reasons for recommendations:

High Needs Block Forecast Outturn 2020/21

3. Due to the considerable and on-going pressure in this area, Schools forum requested regular updates on the latest position of the High Needs Block.
4. The forecast outturn for the 2020/21 High Needs Block is £5.5m overspend. This is a significant increase from the position last reported and reflects the additional costs impacting on the HNB as a result of the EHCP backlog which has now been addressed. The overspend is largely a result of:
 - An overspend of c £2m in Mainstream Schools as a result of increased demand
 - An overspend of c £3m in our Special Schools as a result of increased demand and a rise in the proportion of children with higher needs and therefore costs
 - An overspend of c £1.5m in Independent Schools as a result of increased demand.
 - An underspend of c £1m in the Locality Hub budget due to the delayed roll out of the district model in some areas
5. As a result, it is expected that, at the end of the current financial year, the DSG reserve will be in deficit.
6. The Schools Forum, at the October meeting, approved a 'deficit recovery' plan earmarking surplus Growth Fund money to contribute to the DSG reserve. This will be reviewed annually, alongside the impact of the wider SEND transformation programme, to consider whether any further action is required.

School Funding Settlement 2021/22 (DSG)

7. At the Spending review the government reaffirmed their commitment to increase the schools' budget by £7.1 billion by 2022-23, compared to 2019-20 funding levels. This includes an uplift of £2.2 billion from 2020-21 to 2021-22 made up of:
 - i. £1.43bn (65%) for Schools
 - ii. £0.73bn (33%) for High Needs
 - iii. £0.04bn (2%) for Early Years
8. Funding to cover increase to teacher pay and pensions of c £2 billion will also be included from 2021 rather than paid separately.
9. Subject to confirmation of funding levels, initial estimations are that the Council will – with a contribution from the Growth Fund allocation - be able to fund in full the National Funding Formula (NFF) for schools in 2021/22. Significantly, sparsity funding for small and remote schools is increasing by more than 60% next year through the NFF.

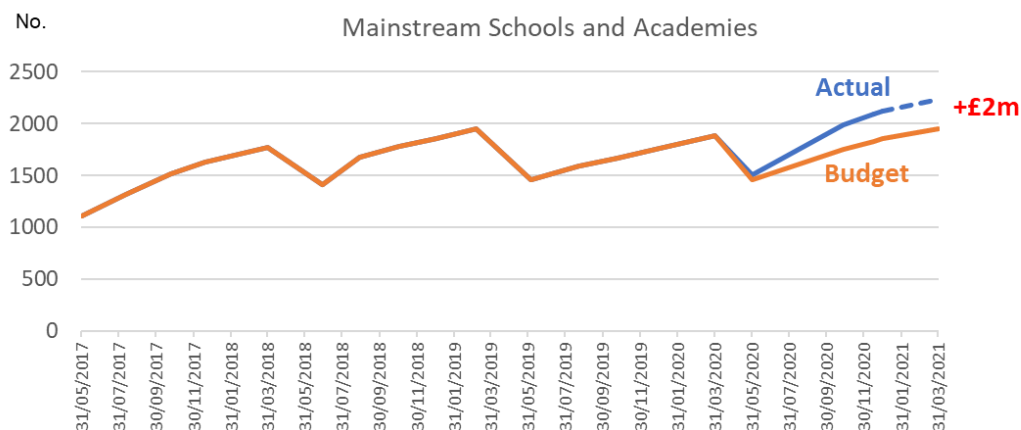
PART B

Background

10. 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,
 - Numbers of permanent exclusions from mainstream schools,
 - The funding of increased numbers of pupils out of education.
11. Despite additional Government funding this year, as previously stated this is insufficient to close the funding gap and there remains an overspend of c £5.5m in 2020/21. This is significantly worse than the forecast last presented (c £2m) and reflects the impact of the backlog in EHCP assessments which have now been addressed.
12. The main areas of forecast overspend within the High Needs Block in 2020/21 are outlined below and summarised in the following table. A more detailed overview of the High Needs Block budget is provided within Appendix A:

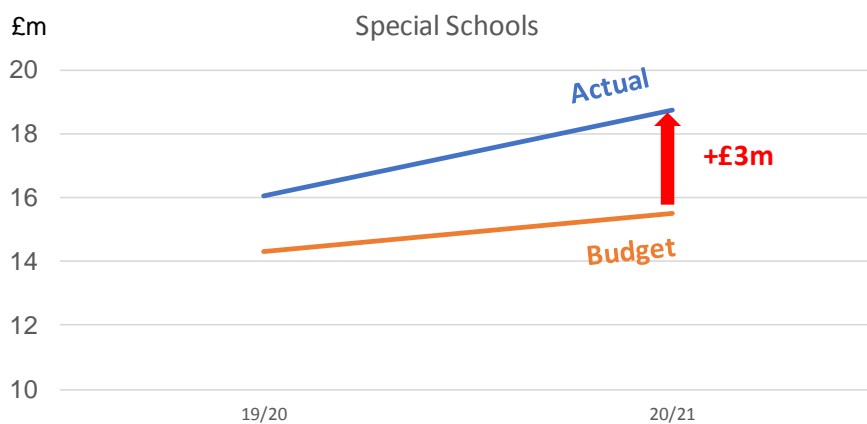
| High Needs Budget 2020/21 | Budget £m | Forecast Outturn £m | Over / (Under) spend £m |
|--|---------------|---------------------------|-------------------------------|
| Planned Places | 30.7 | 30.7 | 0.0 |
| Top Up Budgets | 30.9 | 35.8 | 4.9 |
| <u>Non Top Up Budgets</u> | | | |
| Independent Schools (Mainstream & Special) | 15.2 | 17.0 | 1.8 |
| Alternative provision (inc DIPS) | 3.2 | 2.4 | (0.8) |
| Post 16 | 4.2 | 4.3 | 0.1 |
| Other | 4.9 | 4.7 | (0.2) |
| Total Net Spend | 89.1 | 94.9 | 5.8 |
| Total Funding | (89.1) | (89.4) | (0.3) |
| Net Forecast Outturn | (0.0) | 5.5 | 5.5 |

- i. An overspend of c £5m against the school 'top up' budgets including:
- a. a rise in the number of children with EHCP/AEN support in Mainstream Schools and Academies leading to a £2m overspend:

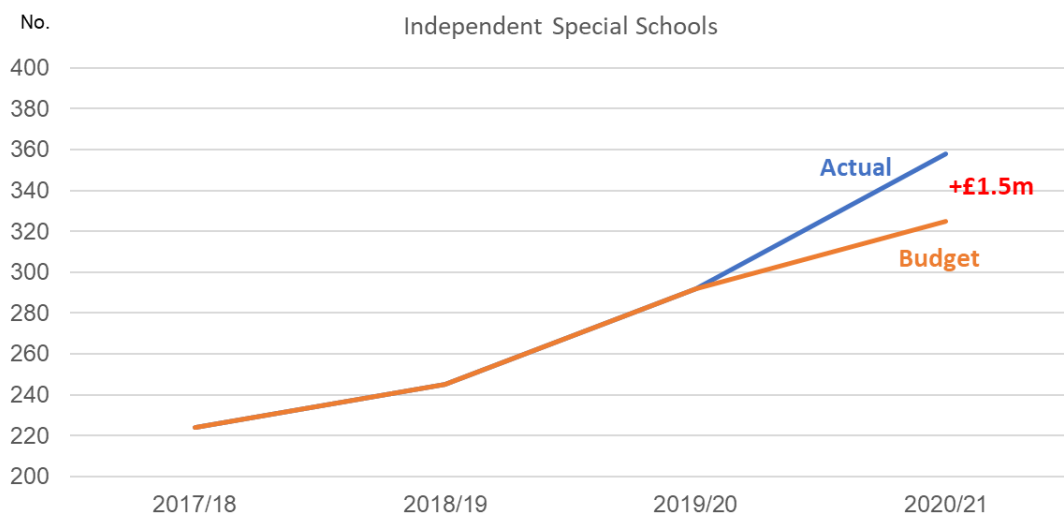


- b. An overspend of £3m in special schools and academies, arising as a result of both an increase in demand and a significant shift in the proportion of children with higher needs.

| | 19/20 | | | 20/21 | | | |
|-------------------------------------|-------|-----|-------------|-------|-----|-------------|-----|
| | # | £m | | # | £m | | |
| Top Ups: | | | | | | | |
| Matrix 1 | 664 | 0.1 | | 611 | 0.1 | | -53 |
| Matrix 2 | 790 | 1.3 | | 815 | 1.3 | | 25 |
| Matrix 3 | 758 | 6.5 | | 860 | 7.3 | | 102 |
| Matrix tbc | 16 | 0.1 | 7.9 | 37 | 0.2 | 8.9 | 21 |
| Specific school top ups | 2228 | | 0.8 | 2322 | | 1.6 | 94 |
| Additional Places | 161 | | 1.6 | 215 | | 2.2 | |
| Enhancements | | | 2.9 | | | 2.9 | |
| Exceptional Need Package | | | 1.0 | | | 1.0 | |
| Residential | | | 1.8 | | | 1.8 | |
| Adjustments (part time / backdated) | | | 0.0 | | | 0.1 | |
| Allowance for more growth | | | | | | 0.2 | |
| TOTAL | | | 16.1 | | | 18.7 | |



ii. An overspend of c £1.5m in Independent Special Schools



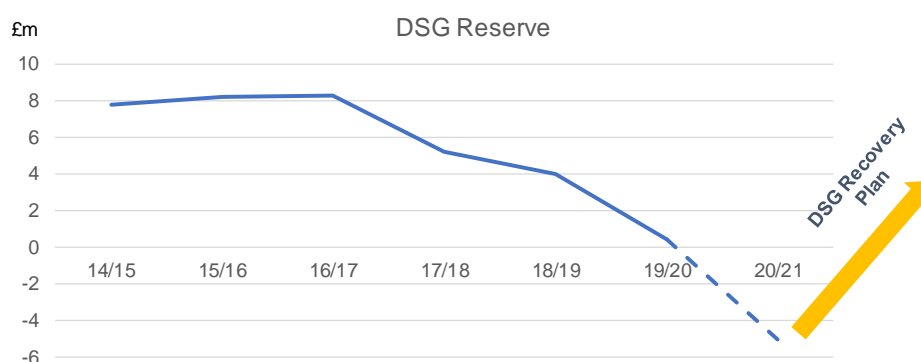
iii. In setting the 2020/21 budget additional capacity has been provided for the roll out and support of District Locality Hubs aligned to the wider SEND and Inclusion Transformation programme. Whilst all district hubs are now operational, initial delays in the expansion of the programme will likely to result in an underspend this year of c £1m.

Note: the High Needs Block does not include the following costs:

- SEND home to school/college transport; this is funded from the Council's general fund resources. The budget in 2020/21 is £11.9m and the latest forecast is that this budget will overspend by up to £3.1m in 2020/2021. 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.
- prudential borrowing; a further amount of £0.924m is funded from the Central Block for historical but on going debt charges as a result of borrowing previously taken out to finance historical capital investment in our Special Schools.

DSG Deficit Recovery Plan

13. As a result of the on-going overspend in the HNB, over the last few years the DSG reserve has been fully depleted and - given the forecast overspend 2020/21 – will go into deficit at the end of the current financial year:



14. Schools Forum, at its meeting in October, approved a deficit management plan utilising surplus Growth Fund money (after amounts have been used to fund NFF shortfalls and contributions to schools for in year growth¹) that will be transferred to the DSG reserve. It is estimated that, for 2020/21, this will be around £2.5m and in 2021/22 will provide for a further c £1m - £1.5m.
15. This policy will be reviewed annually and until such time that accumulated DSG balances are returned to the target level of £4m (equivalent to c 2.5% of the annual DSG (excluding Schools))

High Needs Block Workshop

16. A workshop has been arranged for 7th January 2021, involving members of Schools Forum, to consider further the key issues impacting on the High Needs Block. As this took place after the publication of this report, a verbal update will be given at Schools Forum of the outcomes and recommendations arising from that session.

¹ In accordance with the Council's Growth Fund Policy

School Funding - Dedicated Schools Grant 2021

Staffordshire Schools Block (all schools, including academies)

17. This has increased the Staffordshire allocation to £529.9m, an increase of £19.1m or 3.7%. Additional to this are the rolled up Teachers pay and pension grants of £24.6m, taking the overall schools block allocation to £554.5m.
18. Since 2018/19 Staffordshire has been using the National Funding Formula to allocate funding to schools. It is anticipated that in 2021/22 the maximum protections set out in the statutory guidance can be funded, although work is ongoing before this position can be finalised². It is expected that as in 2020/21 no capping will be required in 2021/22.
19. The funding protections will mean that each school will receive:
 - £4,180 for every Primary pupil (an increase of £430 or 11.4%),
 - £5,215 for every KS3 pupil (an increase of £415 or 8.6%) and
 - £5,715 for every KS4 pupil (an increase of £415 or 7.8%).

If the funding protections are applied in full each school will receive a minimum gain of 2% per pupil.

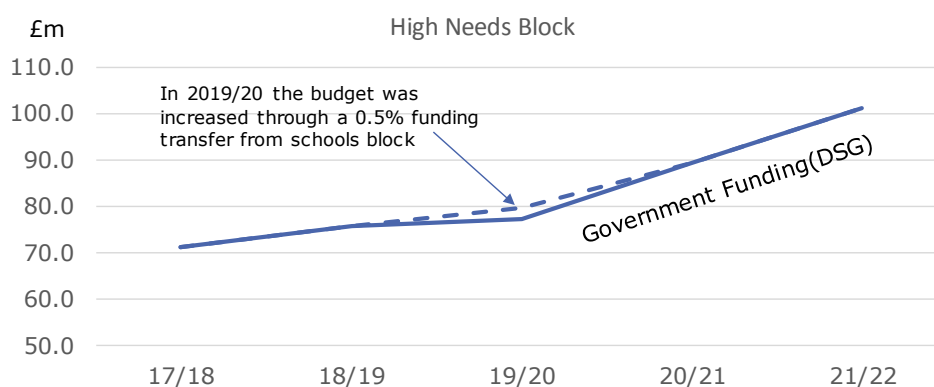
Early Years Block

20. The overall Early Years allocation has increased to £50.548m, an increase of £0.681m or 1.4%. This allocation is based on January 2020 census and there is still the intention from Government to use January 2021 census, which would then be adjusted in July 2021. This carries a risk that the number of children will have temporarily reduced due to the pandemic, which would adversely affect our overall level of funding.
21. The Early Years rates have increased to £5.36 per child per hour for 2 year olds (an increase of 8p or 1.5%) and £4.44 per child per hour for 3 and 4 year olds (an increase of 6p or 1.4%). Staffordshire is currently considering how this increase in allocation will be passed out to providers and this will be communicated as soon as possible and brought forward to Schools Forum for information at its meeting in March.
22. Allocations for the Disability Access Fund (DAF), £615 per child, and Early Years Pupil premium (EYPP), 53p per eligible child per hour, remain the same as previous years.

² This will involve using some of the Growth fund allocation to enable the NFF to be funded in full. We will need to ensure there is enough headroom in the Growth fund allocation to help with the Schools Forum agreed DSG deficit recovery strategy.

High Needs Block

23. For 2021/22 the Government has confirmed an increase in the overall High Needs Block nationally of £730m. This following many years of government underfunding that has led to a severe crisis in this area nationally, where funding levels have failed to keep pace with costs and demand.
24. The High Needs budget 2021/22 has now been finalised for a total of £101.0m; an increase of £11.6m compared with 2020/21 (13%).³



25. Staffordshire, along with other councils across the sector, have been lobbying for additional resource and it is a positive sign that the Government has – in the last two years – provided for significant additional investment in this area. Whilst this is appreciated, it will not close the gap completely and we will continue to canvas for additional resource.
26. Growing demand within the Special Educational Needs and Disabilities (SEND) system represents one of the Council's key service and financial risks. It is anticipated that through the transformation and implementation of the revised SEND Operating Model, supported by the new SEND strategy, will provide a more sustainable model, further improve relationships with district and school partners, and deliver improved educational and life outcomes for children and young people.

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³ Part of this increase includes the 'roll in' of Teachers Pay Grant and Teachers Pension Grant equivalent to £2.2m which up to now has been paid as a separate grant but going forward will be received as part of the High Needs Block. On a like for like basis, the actual increase is £9.4m (11%).

| 2020-2021 HIGH NEEDS BUDGET | | | |
|---|----------------------|-----------------|---------------------|
| (As at November 2020) | Latest Budget | Forecast | Over/(Under) |
| | £m | Outturn | spend |
| | £m | £m | £m |
| Planned Places | 30.7 | 30.7 | 0.0 |
| Top Up Budgets | 30.9 | 35.8 | 4.9 |
| Staffordshire Special Schools and Academies | 15.0 | 17.9 | 3.0 |
| Staffordshire Mainstream Schools | 11.4 | 13.5 | 2.1 |
| Pupils in other LA Special & Mainstream Schools & Academies | 1.7 | 2.0 | 0.3 |
| Pupil Referral Units | 2.8 | 2.4 | (0.4) |
| Non Top Up Budgets | 27.5 | 28.4 | 0.9 |
| Independent Schools Mainstream | 1.2 | 1.5 | 0.3 |
| Independent Schools Special | 14.0 | 15.5 | 1.5 |
| Independent Hospital Fees | 0.3 | 0.2 | (0.1) |
| Early Years PVIs | 0.1 | 0.0 | (0.1) |
| District Inclusion Partnerships | 3.0 | 2.0 | (1.0) |
| Education Other Than At School (EOTAS) | 0.2 | 0.4 | 0.2 |
| SEN Support Services | 4.5 | 4.5 | 0.0 |
| Post-16 FE Placements & Top-ups for ISPs | 4.2 | 4.3 | 0.1 |
| GRAND TOTAL | 89.1 | 94.9 | 5.8 |
| Funding | (89.1) | (89.4) | (0.3) |
| High Needs Allocation from Government | (89.1) | (89.4) | (0.3) |
| Transfers from other Blocks | 0.0 | 0.0 | 0.0 |
| NET FORECAST OUTTURN | (0.0) | 5.5 | 5.5 |

Schools Forum – 14 January 2020

Education Banding Tool

Recommendation

1. The Schools Forum to note the decision by the local authority to introduce and implement an Education Banding Tool across mainstream, special school and further education providers to calculate the education element of the top-up funding for children and young people with Education Health and Care Plans (EHCPs). Planned implementation date April 2022 however the full implementation plan still to be prepared and shared with all stakeholders.

Report produced on behalf of the Deputy Chief Executive and Director for Families and Communities

PART A

Why is it coming here – what decision is required?

2. To make Schools Forum fully aware of the proposal and to encourage involvement in it. No decision is required however members are requested to provide nominations to ensure there is education provider representation on the implementation project group. The local authority will in addition approach the Chairs of the Inclusion and SEND Locality Management Groups (LMGs) for nominations.

Reasons for recommendation

3. This is part of a solution for establishing education top-up funding linked to EHCPs which are met from the High Needs Block (HNB). It is achieved through a single algorithm which is implemented across all sectors of education – mainstream, specialist provision and further education.
4. The recommendation will support **fair, equitable and consistent** funding mechanisms across education providers and localities. It is a needs led Education Banding Toolkit rather than a provision based one which is not about reducing funding but about making it fair across the system
5. The alternative is to continue “as-is” with varying mechanisms we currently have in place to agree top-up funding for our EHCP pupils across the different education providers.

PART B

Background

6. The current Education HNB top-up funding for our CYP with an EHCP varies dependent upon the education setting that is named in their plan as there is an inconsistency across the sectors, for example:

- **Special Schools** – Top-up funding to Staffordshire’s 23 maintained and academy special schools is calculated using the Special School Matrix which consists of:
 - i. 3 Levels dependent on individual pupil need
 - ii. Enhancements – early years and KS4 & 5
 - iii. Exceptional Need funding
 - iv. School Specific value (eg lump sum)
 - v. Split Site funding

In the majority of cases top-up funding matrix levels are agreed in partnership with the school and the SEND Keyworker and/or SEND Locality Manager at the point of the EHCP being finalised.

Special schools have already expressed their dissatisfaction with the current system which was implemented April 2007 and therefore already overdue a review.

- **Mainstream Schools** – Top-up funding to mainstreams school is based on the number of hours, normally teaching assistant, determined through the pupil’s EHCP to support the outcomes and is known as AEN (Additional Educational Needs).

There is no clarity or justification on the number of hours agreed however the majority are provided with 20hrs teaching assistant pwk. The hours are not currently linked to individual outcomes as per the design of the EHC Hub.

- **Pupil Referral Units** – Top-up funding to the 6 PRUs is detailed within the TRIG-8 funding document and consists of:
 - i. 1 Level of need
 - ii. Package funding
 - iii. Lump sum
 - iv. Split Site funding

As the majority of CYP attending a PRU do not have an EHCP we do not envisage the PRU top-up funding to be within the scope of this project. However, should an EHCP pupil be placed within a PRU the Banding Toolkit will be used to calculate the bespoke top-up funding linked to the assessed needs of the CYP.

- **Further Education Colleges** – Top-up funding is agreed by Providers submitting cost sheets based on the programme they are delivering, and

provision levels identified in the EHCP. The LA review and question where necessary to agree the final rate paid.

7. On the 14th January 2020 a presentation by Imosphere of their Education Banding Toolkit was delivered to a group of LA Officers and education representatives across mainstream, PRU, special schools and FE. This included School Forum members, Positive feedback was shared by those present, which included:
 - Clear and transparent system to calculate top-ups across the continuum of inclusion to move forward from our current position (as detailed above)
 - Evidence to support tribunals
 - Strong links with this system and the EHC Hub in collating answers to the assessment questions
 - Supports the allocation of personal budgets
 - Benchmarking longer-term with other LAs utilising system
 - Established company managing software already working in SCC Adults for last 8 years
 - Company already working in 5 local authorities implementing the Education Banding Toolkit eg Northamptonshire.

Context

8. It is proposed that the Education Banding Tool Kit will support consistency in funding top-up decision making with equitable distribution of resources across and within the education sectors. The primary aim will be to have in place:
 - A tool that generates an indicative budget that covers education contribution
 - A fair and accurate method and evidence base when allocating funding
 - Advantages offered by the same methodology being used across many areas which will give consistency, equitable and sustainability
 - All key stakeholders are signed up
 - Remove the need for individually negotiated top-up funding with education providers
 - A needs led rather than provision led calculation of top-up funding that is not about reducing funding but about making it fair across the system
9. The Needs Profile tools within the system capture the needs and situation of the CYP in a 'scored' way so that it can be used to support establishing a baseline band for top up funding. The information collected is strength based and therefore following Restorative Practice methods relating to:-
 - communication
 - achieving potential for learning
 - forming positive relationships and recreation
 - maintaining emotional well-being and dealing with change
 - self-care and mobility
 - behaviour and risk management
 - preparing for adulthood
10. A draft implementation program is detailed below:

- Launch – Education Banding Toolkit Implementation Group brought together to agree the key deliverables, purpose of the project and timescales
- Data Collection and Local Analysis – sample EHCPs assessed to complete the Needs Profile
- Pilot – training for SEND Keyworkers to complete the Needs Profile to collect data to analyse for configuration
- Financial Modelling and Configuration – using the data collected the Implementation Group analyse the level of variance for each band and configure the bands specifically for Staffordshire
- Consultation – ensuring wider stakeholder consultation sharing financial modelling and agreeing banding values
- Analysis – following consultation further analysis in readiness for “go-live”
- Go Live – training and process development

11. Within the implementation programme it is proposed that SEND Keyworkers will complete the needs profile alongside new applications for EHCPs and the annual review process using the information already available, initially focussed on the 5 – 16 years age range.

12. The proposal will be planned and aligned with the Annual Review Project and SEND Strategy.

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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 |
|--------------------------------|---|---|
| Spring Term 16 January 2020 | High Needs Block | Standard item |
| | Notices of Concern and Licensed Deficit Agreements | Standard item |
| | Early Years 2018/19 Underspend and 2019/20 Forecast | Requested at the meeting on 17 October 2019 |
| Spring term 26 March 2020 | Cancelled due to Covid-19 | |
| Summer term 2 July 2020 | Cancelled due to Covid-19 | |
| Autumn term 15 October 2020 | High Needs block | Standard item |

| Meeting | Item | Details |
|--------------------------------|--|--|
| | Primary Behaviour Support Services - 2019 2020 Financial Year | Annual item |
| | Minority Ethnic Achievement Service (MEAS) 2019 2020 Financial Year | Annual item |
| | Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations | Annual item |
| | NFF funding 2021/22 | Annual item |
| | Notices of Concern and Licensed Deficit Agreements | Standard item |
| | Schools Budget 2019-20: Final Outturn | Annual item |
| | Schools Budget 2021-22: De-delegation, Central Expenditure and Education Functions | Annual item |
| Spring term 14 January 2021 | High Needs Block | Standard item |
| | Notices of Concern and Licensed Deficit Agreements | Standard item |
| | Schools Forum Constitution | Requested at the October Forum meeting. Following discussions with |

| Meeting | Item | Details |
|---------------|----------------------------|--|
| | | the Chair and Vice Chair – this item has moved to 25 March meeting |
| 25 March 2021 | Schools Forum Constitution | Requested at the October Forum meeting |

