

Schools Forum

Thursday 15 July 2021

14:00

Meeting to be conducted using Microsoft Teams - Microsoft Teams

John Tradewell
Director of Corporate Services
7 July 2021

A G E N D A

Part One

1. **Apologies**
2. **Declarations of Interest**
3. **Membership Update Report** (Pages 1 - 2)
4. **Minutes of the meeting held on 25 March 2021** (Pages 3 - 10)
5. **Decisions taken by the Chairman under delegated powers**
6. **Notices of Concern and Licensed Deficit Agreements** (Pages 11 - 12)
7. **Growth Fund** (Pages 13 - 16)
8. **Schools Budget 2020/21 Final Outturn** (Pages 17 - 18)
9. **High Needs Block** (Pages 19 - 26)
10. **Work Programme** (Pages 27 - 30)
11. **Appointment of Chair**

The current Chair, Richard Redgate, has indicated that he is willing to stand for another term.



12. Appointment of Vice Chair

The current Vice Chair, Steve Barr has indicated that he is willing to stand for another term.

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

Kim Prince Anson	Anne Tapp
Jane Rutherford	Les McDowell
Philip Siddell	Alison Parr
Richard Redgate (Chair)	Abigail Rourke
Claire Shaw	Kelly Mitchell
Kirsty Rogers	Andrew Shaw
Chris Wright	Mark Boughey
Steve Barr (Vice-Chair)	Nadine Key
Kevin Allbutt	Carolyn Trowbridge
Judy Wyman	Sarah Clark
Claire Evans	Helen Baron
Jennie Westley	Jessica Roden
Keith Hollins	Sadie Jones
Vicki Lewis	Karen Dobson
Julie Rudge	

Local Authority Observers

Jonathan Price (Observer)
Mark Sutton (Observer)

Core Officers

Alison Barnes	Melanie Scott
Will Wilkes	Anthony Humphreys
Andrew Marsden	Lesley Calverley
Tim Moss	
Michelle Williams	

MEMBERSHIP – May 2021

Representing:		Name	Election date
Nursery	All maintained nursery schools	Nadine Key	May 2025
Primary	All Maintained Primary	Les McDowall	May 2023
Primary	All maintained primary	Kelly Mitchell	May 2025
Primary	All maintained primary	Jenni Westley	May 2023
Primary	All maintained primary	Vicki Lewis	May 2023
Primary Heads Forum		Claire Evans	May 2023
Maintained Secondary	All secondary maintained schools	Carolyn Trowbridge	May 2025
Secondary Heads Forum		Jane Rutherford	May 2025
Special schools	All maintained special schools	Kim Prince Anson	May 2025
Special schools	All academy special schools	Alison Parr	May 2023
Pupil Referral Units	Maintained pupil referral units	Kirsty Rogers	May 2025
Pupil Referral Units	Academy pupil referral units	Richard Redgate	May 2023
Middle (Note 1)	All Middle schools	Chris Wright	May 2023
Secondary Academy	All secondary academies	Mark Boughey	May 2025
Secondary Academy	All secondary academies	Sarah Clark	May 2025
Secondary Academy	All secondary academies	Julie Rudge	May 2023
Secondary Academy	All secondary academies	Vacancy	-
Secondary Academy	All secondary academies	Andrew Shaw	May 2025
Primary Academy	All primary academies	Jessica Roden	May 2025
Primary Academy	All primary academies	Anne Tapp	May 2023
Primary Academy	All primary academies	Helen Baron	May 2025
Primary Academy	All primary academies	Keith Hollins	May 2023
Primary Academy	All primary academies	Abigail Rourke	May 2023
Primary Academy	All primary academies	Kevin Allbutt	May 2025 (Note 2)

Note 1: The Middle Schools representative is nominated by the Middle Schools Forum, and although the current representative is from an academy, their Forum agreed his nomination as a representative of all middle schools.

Note 2: Until their current term of office expires, in accordance with the Constitution.

Non-Schools Members (9 members)

Representing:	Name	Term of office expires
Lichfield Diocesan Board of Education	Claire Shaw	May 2025
Birmingham Diocesan Schools Commission	Vacancy	
Prosperous Staffordshire Select Committee	Vacancy	
PVI (Early Years)	Philip Siddell	May 2025
PVI (Early Years)	Sadie Jones	May 2025
16-19 Education	Karen Dudson	May 2025
16-19 Education	Vacancy	
Schools' Consultative Groups	Steve Barr	May 2025
Schools' Consultative Groups	Judy Wyman	May 2023

Official positions:

Role:	Name	
Chair of the Forum	Richard Redgate	Academy Pupil Referral Units
Vice-Chair of the Forum	Steve Barr	Schools' Consultative Groups
Clerk to the Forum	Mandy Pattinson	LA officer, Member & Democratic Services

Minutes of the Schools Forum Meeting held on 25 March 2021

Present: Richard Redgate (Chair)

Attendance

Alun Harding	Claire Evans
Kim Prince	Nicky Crookshank
Jane Rutherford	Vicki Lewis
Wendy Whelan	Anne Tapp
Philip Siddell	Les McDowell
Kirsty Rogers	Alison Parr
Chris Wright	Jonathan Price (Observer)
Steve Barr (Vice-Chair)	Kelly Mitchell
Kevin Allbutt	Andrew Shaw
Judy Wyman	David Jobburn (Sub. for Jenni Westley)

Also in attendance: Lesley Calverley, Anthony Humphreys, Tim Moss, Mandy Pattinson and Melanie Scott.

Apologies: Karen Dobson, Sara Bailey, Richard Lane, Jennie Westley, Keith Hollins, Jo Galt and Julie Rudge

25. Declarations of Interest

There were none declared at the meeting.

26. Minutes of the meeting held on 14 January 2021

With reference to a question raised under the previous minutes (page 1 last paragraph) it was hoped that when the final outturn figures were available for those schools in deficit, the reasons for the deficit would be looked at carefully to see if they were Covid related. The Forum were informed that the expectation of additional funding for schools to cover the Covid costs had come from an official response from the DfE to a Parliamentary petition to fully fund cost of Covid in schools. The response had indicated that in serious circumstance additional funding or advances would come from the Local Authority.

There was concern that the change in school census date (from October to January) would affect the Pupil Premium for some schools by up to £1,300.

On page 3 (5th paragraph) the word convenience should read convened.

The Chair went through the action sheet attached to the minutes.

RESOLVED: That subject to Convenience on page 3 (paragraph 5) being changed to convened, the minutes of the Schools Forum held on 14 January 2021 be confirmed as a correct record and signed by the Chair.

27. Decisions taken by the Chairman under delegated powers

No decisions had been made by the Chairman since the last meeting.

28. Membership Update Report

Kelly Mitchell and Andrew Shaw were welcomed to the Forum. As their membership ran for 4 years, the forum was requested to extend this by 5 weeks to enable their election term to fall in line with the other members due for election in May 2025. It was noted that nominations for the May 2021 elections were now underway.

A complete membership list was provided for information

RESOLVED:

- a) That the term of office for Kelly Mitchell and Andrew Shaw be extended to May 2025.
- b) That the updated membership list be noted.

29. Notices of Concern and Licensed Deficit Agreements

It was reiterated that the Local Authority would be working closely with schools to identify the reasons for any deficits within their budgets. The government had responded to a previous inquiry on Covid costs incurred by schools, with their response being that Covid-19 costs should be treated in the same way as any other deficit and in line with the statutory scheme for financing schools.

There had been no new notices of concern or licensed deficits issued since the last meeting.

RESOLVED – That the report be noted.

30. Schools Forum Constitution

The Staffordshire Schools Forum constitution had previously been updated in July 2019. The Forum had suggested a further review which had been carried out by the Chair, Vice Chair and officers of the Council and these suggested amendments were brought to the Forum for consideration.

The majority of the constitution remained in place however, there were some suggested changes which affected members. These were considered and discussed separately:

- a) Apologies at meetings – suggested paragraph 3.6 to be added:
“To ensure the effectiveness of the decision making process surrounding the use of public money, all Schools Forum members are expected to attend the Forum meetings. Apologies must be made in advance of each meeting. Members’ apologies will be considered at the Forum meeting and accepted if agreed by the

majority of attending members. Where a member has not attended 3 consecutive meetings of Schools Forum and apologies have not been formally accepted, the Council will terminate their appointment and will undertake the appropriate nomination, election, and appointment process”

The Forum was informed that if agreed this would be introduced from the next meeting.

- b) It was proposed that the election of the Chair and Vice Chair would take place at the final meeting (usually July) of the school year for a period of two years, but they will not take up their appointments until the first Schools Forum meeting in the new school year (usually October) following their election. This is to allow for a smooth transition between Chairs.

There was some concern that if the elections took place in July, those new members elected in May, may not know enough about the nominees to make an informed choice.

It was explained that by holding the election in July the new Chair would be able to have an input into the October agenda and ensure a smooth transition takes place. If a Chair lost their seat or was no longer a member of the Forum, another election would take place.

A number of options were considered at the meeting including receiving nominations at the July meeting but voting at the October meeting, but generally it was felt that to ensure the smooth transition between Chair and to enable planning for the next meeting, a July election with the Chair taking office in October was the better choice.

- c) Two options were suggested to deal with the Chair and Vice Chair nomination process. Those being:
 - i. Option A
Nominations for Chair and Vice Chair are received by the Clerk in advance of final meeting of the school year. Nominations, with pen portrait, must be submitted at least 7 days prior to the publication of Schools Forum papers. Names of the nominees, along with the pen portraits, would be emailed to Schools Forum members in preparation for the election (if required) at the meeting. Where no nominations are received prior to the meeting, nominations will be sought at the meeting.
 - ii. Option B
Nominations for Chair and Vice Chair are received under the agenda item at the final meeting of the school year. The election (if required) would take place as part of that agenda item.

Concern was raised by officers that nominations in advance of the meeting would reduce transparency and could restrict the ability to oppose a nomination as the opportunity would have closed when nominations became public. It was argued that knowing the candidates in advance made the process more democratic for members.

There was also concern that up to half of the Forum membership was re-elected every 2 years and so new members may not know the individuals they were voting for.

It was felt that the candidates providing a brief summary of their experience and skills would provide the forum with more information which would inform their choice.

There was concern that the July meeting was not always well attended as it was at the busiest time of the school year.

When considering option B, it was suggested that it would help to know if the current Chair and Vice Chair were willing to stand for a further term, in advance of the meeting.

- d) It was proposed that the timescale for the selection, nomination and appointment of schools and academy members should be shortened. Each part of the process would be 2 working weeks.

If agreed, appendix B of the constitution would need updating.

- e) It was proposed that Appendix C should be included in the constitution which set out when and how the termly review of maintained and academy school representatives was undertaken.

There was no debate on this item before being agreed.

The Chair and Vice Chair thanked all those involved in the process for the suggestions and help.

RESOLVED:

- a) That the report be noted and the following amendments to the Constitution be approved:
- b) Apologies at meetings – paragraph 3.6 (as detailed above) be approved.
- c) The election of the Chair and Vice Chair would take place at the final meeting (usually July) of the school year for a period of two years, but they will not take up their appointments until the first Schools Forum meeting in the new school year (usually October) following their election.
- d) Option B – Nominations for Chair and Vice Chair are received under the agenda item at the final meeting of the school year. The election (if required) would take place as part of that agenda item with candidates giving a short resume of their experience at the meeting. Chair and Vice to indicate in advance of the meeting if they are willing to stand again.
- e) The timescale for the selection, nomination and appointment of schools and academies members would be shortened so that each part of the process is now 2 working weeks.
- f) Appendix C to be included in the constitution.

31. High Needs Block Update

The Forum considered the report of the Deputy Chief Executive and Director for Families and Communities which provided a detailed update on the High Needs Block (HNB) funding. Members of the Forum were informed that the forecast overspend on the 2020/21 High Needs Block (HNB) was now £6.5m which was £1m higher than reported at quarter 3. The main reason given was the increase in demand in the independent sector due to an increase in the number of children and young people with

higher and more complex needs. The impact of this meant that at the end of the current financial year the overall Dedicated Schools Grant (DSG) reserve would be in deficit.

For Staffordshire the HNB budget for 2021/22 had now been finalised for a total of £101.0m; an increase of £11.6m compared with 2020/21 (13%). None of this funding increase would be used to repay historical deficits.

The Council recognises the financial pressures schools across Staffordshire were facing and would increase funding next year for all state funded special schools, on a like for like basis, by a minimum of 1.0%

Staffordshire would be providing a response to the DfE consultation about the proposals for a small number of changes to the national funding formula that was used to allocate high needs funding to local authorities in the 2022-23 financial year.

The High Block Needs Working Group had met on 9 February for the second time. The focus of the session had been on modelling HNB spend and demand going forward and establishing a national context of HNB funding and how Staffordshire compared against other authorities. This information was attached to the report as appendix B. The next working group meeting would review non statutory funding and the needs of those children and young people being placed in the independent non maintained sector. The Chair reminded the forum that the group could only make recommendations to the LA and could not force changes.

Following a question on the Independent school and the impact on how the LA were evaluating the impact of the funding on the special school sector, it was explained that as part of the monitoring of children and young people, evaluation would be done in the same way as any other educational provision. The forum was reminded that the Independent sector was not always the LA choice and that there was a variety of reasons why an individual could be placed there, such as parental choice or being required to place there following a tribunal.

It was agreed that work was being done to look at the curriculum offer so that, for example, high performing children who had special needs were not placed in the independent sector simply because state funded special schools could not offer the same range of subjects. The educational banding tool was being reviewed to ensure the right level of funding was available, as was work with health partners on joint commissioning.

Officers felt that the overspend needed to be looked at as a whole and that the overspend on one area shows that the whole HNB was insufficient. One of the key areas to look at was managing capacity and appropriate provision at the special and mainstream schools to ensure that independent schools are used out of necessity and not choice. There was a plea for more funding for ECHP and speech and language provision so that it was available when needed, which could help to win tribunal cases.

Following a question on what proportion of the £1m overspend was allocated to the independent schools, it was explained that this was only 1% and in part due to the backlog being dealt with and trying to predict the number of individuals with high needs. It had been predicted that 380 children and young people would enter the system this year but 400, some with very high specialist needs, had.

Of the children not in any type of school, it was reported that there were 80 children accessing alternative educational settings for a number of different reasons including some due to medical need. The budget was slightly under spent this year partly due to Covid-19 and the online offer being available to all pupils. The National Tuition Fund was available to schools, but this was for a maximum of 15 hours per child.

It was acknowledged that the Education Banding Tool would inevitably mean an increase in funding for some schools and a decrease for others depending on the allocation the funding. Therefore, protections maybe required.

RESOLVED – That:

- a) The update on the High Needs Block since the previous report in January 2021 be noted.
- b) That the proposed High Needs Block budget 2021/22 be noted.

32. Schools Budget Update

The Forum were reminded that there were four categories of centrally retained budgets within the school's budgets and these were:

- De-delegated items
- Central School Services Block (CSSB)
- Central Schools Expenditure
- Education Functions (previously funded by the Education Services Grant)

Of the Individual Schools budget, the following was listed as a summary:

- The growth fund budget has been set at £2m
- The final education functions levy has been set at £55.71 per pupil
- School budgets have been set using the National Funding Formula (NFF)
- The NFF has been funded in full with the maximum permissible MFG of 2% and no capping of gains.

The Early Years funding summary was that:

- Early Years funding rates have been set at £4.10 per hour for 3 & 4 year olds and £5.26 per hour for 2 year olds
- An Early Years contingency has been set at 0.7% of the Early Years Block funding
- Any underspend on Early Years contingency will be returned to providers as a one-off payment in the following financial year.

It was reported that the market recovery group had met and had appreciated that the increase in Government rates were being passed through in their entirety to the base rate and also that the 19/20 contingency was going to be redistributed again which was viewed as helpful.

The High needs funding summary was:

- Additional Government funding of £11.6m in 2021/22
- Special School budget have been set to provide for a Minimum Funding Guarantee of 1% and no capping of gains

- No request has been made for a funding switch of up to 0.5% from the Schools Block into the High Needs Block in 2021/22

RESOLVED – That the report be noted.

33. Work Programme and Date of Next Meeting

RESOLVED – That the Work Programme and future meeting dates be noted.

Chair

Schools Forum – 15th July 2021

Notices of Concern

Recommendation

1. Members note the issue and withdrawal of Notice of Concerns 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, Notices of Concern have been withdrawn for Greenhall Nursery and St Peters, Caverswall. Notices of Concern were issued to these schools following projected budgetary deficits. Both schools finished 2020/21 with in year surpluses and have set balanced budgets for 2021/22.
5. No new Notices of Concern have been issued. Two schools finished 2020/21 in a deficit position and the Schools Finance Team are working with them to put Licenced Deficit agreements into place. No new Notices of Concern are required for any 2021/22 budgetary deficits.
6. Following a query to the DfE, we've received confirmation that where a school and its nursery share a single registration then the two budgets should be offset against each other. As a result, consideration will be given to nursery budgets – where there is single registration - alongside the Individual Schools Budgets, going forwards.

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 15 July 2021

Growth Fund - Allocation of Funding 2021/22

Recommendations

- 1) That Schools Forum note the allocations of Growth Fund:
 - a. funding for infant class size legislation:
1 primary school
 - b. funding for exceptional basic need growth:
1 primary school; 3 secondary schools
 - c. funding for new schools:
pre-opening costs for 2 new free school opening in 2022/23
post-opening costs for 3 free schools opened in 2019/20 and 2021/22

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

Why is it coming here – what decision is required?

- 1) In accordance with the DfE's [schools revenue funding operational guidance](#), growth fund can be used to:
 - “support growth in pre-16 pupil numbers to meet **basic need**”
 - “support additional classes needed to meet the **infant class size regulation**”
 - “meet the costs of **new schools**”
- 2) On 11 February 2013, Schools Forum agreed to establish Growth Fund criteria and members asked to be advised of funding allocations.
- 3) On 16 January 2018, Forum revised the policy for new free schools opened by Staffordshire County Council through its free school presumption process (separate from with the “wave” process followed by DfE to open free schools).
- 4) In 25 March 2021, Forum approved an increased Growth Fund budget of £2,000,000. This is in line with the principles of conversion to the NFF’s formula. Any underspend in the growth fund would be contributed to DSG balances.
- 5) To reduce administrative burdens during COVID-19, schools were not asked to submit a financial self-declaration with information on the three previous financial years.

Reasons for recommendations:

Funding for infant class size legislation

- 6) In accordance with the infant class size criteria, **£11,164 will be allocated to 1 school** based on an agreed number of additional infant teachers.
- a) Rushton CE (C) Primary School (Staffordshire Moorlands)
£11,164 towards the cost of a 2nd infant class teacher

Funding for basic need growth

- 7) In accordance with the basic need growth criteria, **£168,080 will be allocated to 4 schools** that worked with the LA to meet exceptional population growth locally by creating an additional class (in primary schools) or exceeding PAN by at least 5% (by middle and secondary schools).
- a) Bishop Lonsdale CE (VC) Primary School (Stafford)
£42,020 for 1 additional infant class teacher (YR)
 - b) Codsall Community High School (South Staffordshire)
£42,020 allocation
 - c) Alleynes High School (Stafford)
£42,020 allocation
 - d) The Weston Road Academy (Stafford)
£42,020 allocation

Funding for the cost of new schools

- 8) In accordance with the new schools' criteria, a total of **£262,250 will be allocated** for post-opening costs for **3** new free schools that opened in 2019/20 and 2021/22 and pre-opening costs for **2** new free schools opening in 2022/23.
- a) Poppyfield Primary Academy (Cannock Chase)
£43,000 towards post-opening costs (opened in 2019)
 - b) Streethay Primary School Free School (Lichfield)
£43,000 towards post-opening costs (opened in 2019)
 - c) Anker Valley Primary Academy (Tamworth)
£57,250 towards post-opening costs (opening in 2021)
 - d) Bramshall Meadows First School (East Staffordshire)
£53,500 towards pre-opening costs (opening 2022)
 - e) Fradley Park Primary School (Lichfield) £65,500 towards pre-opening costs (opening 2022)

Total expenditure

- 9) The total allocation of £11,164 for infant class size legislation
- 10) The total allocation of £430,330 for basic need growth and new schools funding
- 11) These represent an **underspend of £1,558,506 against the budget of £2,000,000.**
- 12) Any underspends will be contributed to DSG balances.
- 13) Expenditure on the cost of new free schools will grow in future years as the number of new schools increases. For information, Appendix A shows indicative costs for new schools proposed to be open by 2025/2026.

Report author: Andrew Marsden, County Commissioner for Access to Learning
Tel. No: 01785 278787

Appendix A: Indicative pre- and post-opening revenue start-up costs for all new free schools 2021/22 to 2025/26

Estimated pre and post opening costs for new free schools over the next 5 years (2021/22-2025/26)									
Estimated Opening date	School Name	School Type/size	District	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
2019	Streethay Primary - open	1FE Primary	Lichfield	£49,750	£43,000	£20,250	£13,500	£6,250	£0
2019	Poppyfield Primary Academy - open	1FE Primary	Cannock	£49,750	£43,000	£20,250	£13,500	£6,250	£0
2021	Anker Valley Primary	1FE Primary	Tamworth	£65,500	£57,250	£49,750	£43,000	£20,250	£13,500
2022	Bramshall Meadows	1FE First	East Staffs	£12,000	£53,500	£39,000	£32,250	£24,500	£6,250
2022	Fradley Park	1FE Primary	Lichfield		£65,500	£57,250	£49,750	£43,000	£20,250
2023	Deanslade Farm	1FE primary	Lichfield			£65,500	£57,250	£49,750	£43,000
2023	*Rugeley Power Station	2FE Primary and 5FE Secondary	Rugeley			£0	£0	£0	£0
2024	*Branston Locks	2FE Primary	Burton				£0	£0	£0
2024	Watery Lane	1FE Primary	Lichfield				£65,500	£57,250	£49,750
2024	Tamworth: Dunstall Lane	1FE Primary	Tamworth				£65,500	£57,250	£49,750
2024	Tamworth Golf Course	1FE Primary	Tamworth				£65,500	£57,250	£49,750
2024	Stafford North SDL site	1FE Primary	Stafford				£65,500	£57,250	£49,750
2024	South of Shortbutts Lane	1FE Primary	Lichfield				£65,500	£57,250	£49,750
2025	Stafford North SDL site	2FE Primary	Stafford					£131,000	£114,500
2025	Burton: Beamhill - Primary	1FE Primary	East Staffs					£65,500	£57,250
Totals for schools opening 2021/22-2025/26				£177,000	£262,250	£252,000	£536,750	£632,750	£503,500

*These are schools of at least 2FE that would be opened under the DfE's free school "wave" programme, where the DfE funds the pre- and post-opening start-up costs.

NB The opening dates (and funding) are subject to change as they are based on estimated housing trajectories updated by Local Planning Authorities in each district and borough council.

Schools Forum – 15th July 2021

Schools Budget 2020/21: Final Outturn

Recommendations

1. That the Schools Forum note the 2020/21 Schools Budget financial outturn.

Report of the County Treasurer

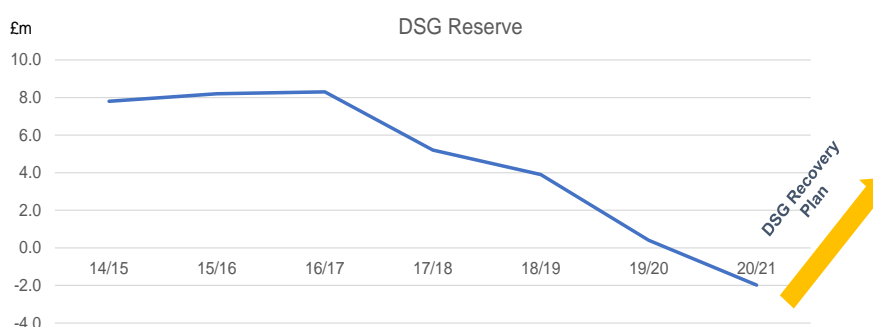
Outturn on Schools' Budgets 2020/21.

1. The outturn position for 2020/21 was a £2.4m variance (0.7%) overspend on planned expenditure across all services. A summary of balances is shown below including the effect on DSG reserves.

2020/21 Schools Budget Final Outturn				
	Budget	Final Outturn	Variation (under) / over	% variance
	£m	£m	£m	
Planned Expenditure:				
Individual Schools	166.2	166.2	0.0	0.0%
High Needs, excluding place funding included above	85.3	91.2	5.9	4.5%
Early Years	49.6	48.8	(0.8)	-1.6%
Central and De-Delegated Items	14.6	11.8	(2.8)	-19.1%
Total (A)	315.6	318.0	2.3	0.7%
Funding for 2020/21 budget:				
	Budget	Final Outturn	Variation (under) / over	
	£m	£m	£m	
2020/21 DSG settlement	(289.0)	(288.9)	0.1	
ESFA Post 16 funding	(26.6)	(26.6)	0.0	
Total (B)	(315.6)	(315.5)	0.1	
Overall variance on 2020/21 Budget (A + B)			£m	
			2.4	

DSG reserve	
	£m
Opening DSG reserve 1 April 2020	(0.4)
Use of reserve	2.4
DSG reserve at 31 March 2021	2.0

2. The Individual Schools Budget (ISB) is break even. This outturn relates to budgets allocated to individual schools through the funding formula. Any under or overspends are contributed to each individual school's balances.
3. The High Needs service has overspent by £5.9m (4.5%). The pressure areas in the service were top up budgets which overspent by £5.3m (mainly academy top ups), and expenditure on independent schools which overspent by £2.7m, offset by underspends in other areas within the service, most significantly the allocation for the Hubs which underspent by £1.6m and Post 16 which underspent by £0.3m. Numbers accessing the high needs service - and the complexity of need - have continued to rise, particularly in relation to top up and independent settings.
4. The services that are showing underspends in 2020-21 are:
 - the Early Years' service which has underspent by £0.8m (1.6% of the budget). This includes the redistribution of unspent 2019/20 contingency of £0.6m; and
 - the Central and de-delegated items which have underspent by £2.8m (19.1% of the budget). This is mainly as a result of surplus growth fund allocation which Schools Forum – at its meeting October 2020 – agreed should be used for the DSG deficit recovery plan.
5. As a result of the on-going overspend in the HNB, over the last few years the DSG reserve has been fully depleted and can no longer be used as a buffer to fund this on-going pressure. At the end of 2020/21 the DSG reserve has gone into deficit (overdrawn) by c £2m:



School Balances

6. As at 31st March 2021 maintained schools held reserves of £22.1m; an increase of £6.6m from the position at 31st March 2020. Whilst there continues to be a number of approved licenced deficits (12 schools, with a value of £1.4m), this is also significantly improved from the number at the end of the previous year (14 schools totalling c £2.4m). The funding of these is met from school balances until such time as the school repays the deficit.
7. Where a school is giving cause for concern and has significant revenue balances, then a conversation is held between the school and the local authority as to how balances are being used to improve outcomes for learners.

Report author:

Author's Name: Anthony Humphreys
Strategic Finance Business Partner

Schools Forum – 15th July 2021

High Needs Block update

Executive Summary:

- For Staffordshire the High Needs Block budget for 2021/22 is £101.0m; an increase of £11.6m compared with 2020/21 (13%). None of this funding increase will be used to repay historical deficits.
- The Council recognises the financial pressures schools across Staffordshire are facing and has increased funding this year for all state funded special schools, on a like for like basis, by a minimum of 1.0%.
- The forecast outturn for the 2021/22 High Needs Block is £7.5m overspend.
- At the end of the last financial year the DSG reserve went into deficit by c £2m and will deepen given the expected overspend in 2021/22. A 'deficit recovery' was previously approved by Schools Forum earmarking surplus Growth Fund money to contribute to the DSG reserve; it was agreed this should be reviewed annually and, given the worsening situation, further action may be required.
- The transformation and implementation of the revised SEND operating model, supported by the new SEND strategy, is expected to provide a more sustainable model.

Recommendations:

That Schools Forum notes:

1. the High Needs Block budget 2021/22 and latest forecast outturn
2. the latest update on the development and roll out of a new Education Banding Toolkit

Report of Deputy Chief Executive and Director for Families and Communities

Background

3. 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 been reported regularly. Pressures on the High Needs block are on going due to the continued 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 independent placements and costs,
 - Increase in Matrix funding for special schools,
 - The funding of increased numbers of pupils out of education.

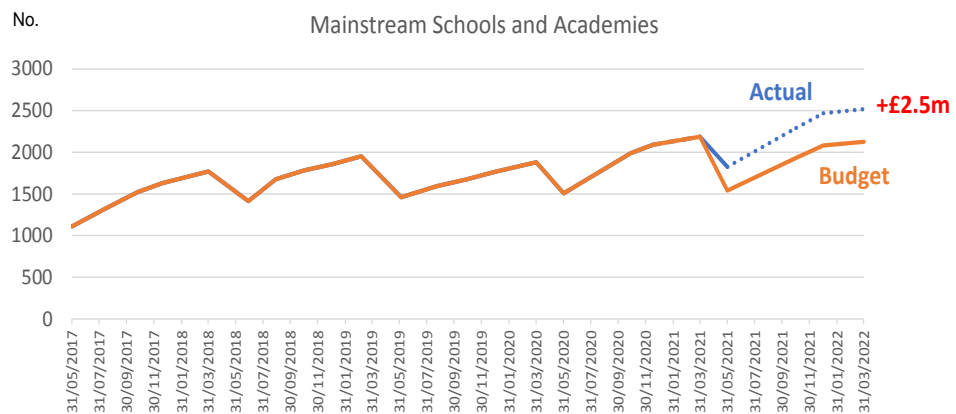
- Budget 2021/22 and Forecast

4. 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:
 - £1.43bn (65%) for Schools
 - £0.73bn (33%) for High Needs
 - £0.04bn (2%) for Early Years
5. 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.
6. Information received from f40 and CCN indicates that Government agree and intend to include a plan to tackle HNB deficits as part of the Comprehensive Spending Review due to take place in the Autumn.
7. For Staffordshire the High Needs budget 2021/22 is £101.0m; an increase of £11.6m compared with 2020/21 (13%). This increase has been passed on in full for the provision of SEND support; none of this funding increase will be used to repay historical deficits. Most significantly this has ensured for 2021-22 Special School budgets have been set to include:
 - a Minimum Funding Guarantee of 1.0% (significantly higher than the MFG set by Government of 0%); ensuring that funding for all Special Schools, on a like for like basis, increased by a minimum of 1.0%.
 - no capping of school gains
8. As in previous years, the schools block will be ring-fenced in 2021-22, with the option to transfer 0.5% of the Schools Block funding into the central school services, high needs or early years blocks, subject to the approval of Schools Forum. Staffordshire did not make a request this year of Schools Forum for the transfer 0.5% (equivalent to circa £3.0m) from the Schools Block to the High Needs Block.
9. Whilst the additional Government funding is recognised, rises will only keep pace with rises in cost and demand and are insufficient to close the gap. Last year was severely impacted by the development and resolution of the backlog in EHCP assessments and we are now only this year seeing the full year impact of those additional EHCPs – accordingly the forecast overspend this year is circa £7.5m (a more detailed overview of the High Needs Block budget is provided within Appendix 1):

High Needs Budget	Budget 21/22 £m	Outturn £m	Over / (Under) spend £m
Planned Places	32.0	32.0	0.0
Top Up Budgets	35.9	39.6	3.7
Non Top Up Budgets			
Independent Schools (Mainstream & Special)	18.2	23.5	5.3
Alternative provision (inc Hubs)	3.4	2.4	(1.0)
Post 16	4.4	4.0	(0.4)
Other	7.1	7.0	(0.1)
Total Net Spend	101.0	108.5	7.5
Total Funding	(101.0)	(101.0)	(0.0)
Net Outturn	0.0	7.5	7.5

10. Key variances arising

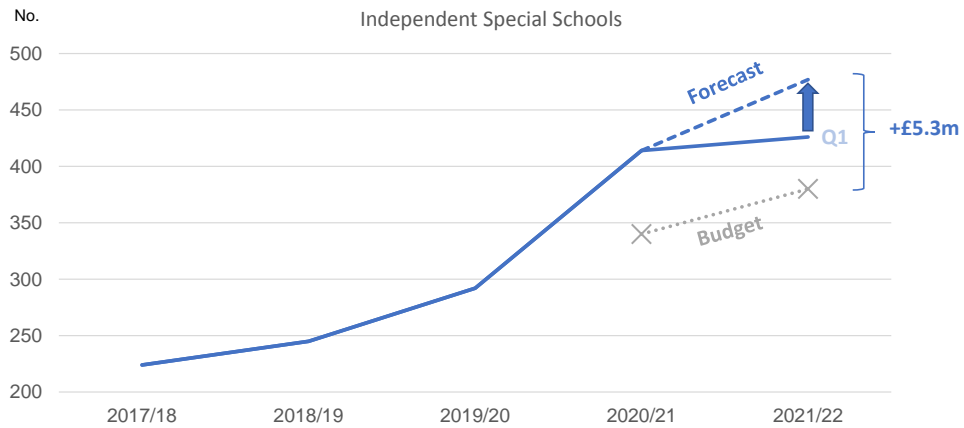
- i. An overspend of c £3.7m against the school 'top up' budgets including:
- a rise in the number of children with EHCP/AEN support in Mainstream Schools and Academies leading to a £2.5m overspend:



- An overspend of £1.8m in special schools and academies, arising as a result of both an increase in demand and a rise in the proportion of children with higher needs.

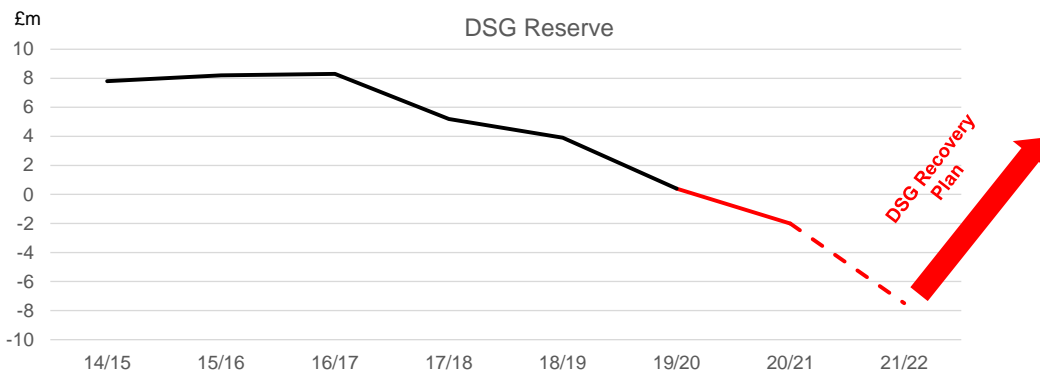
	2019/20			2020/21			2021/22		
	#	%	£m	#	%	£m	#	%	£m
Top Ups									
Matrix 1	664	30%	0.1	612	27%	0.1	600	26%	0.1
Matrix 2	790	36%	1.3	815	35%	1.3	813	35%	1.3
Matrix 3	758	34%	6.5	872	38%	7.4	911	39%	7.8
Matrix tbc			7.9			8.9	31		0.1
School Specific	2212		0.8	2299		1.6	2355		2.0
Additional Places			1.6			2.1			0.7
Enhancements			2.9			3.0			2.4
Exceptional Need			1.0			1.2			0.6
Residential			1.8			1.8			1.8
Adjustments (part time / backdated)			0.0			0.2			0.1
Allowance for more growth									3.0
Total Spend			16.0			18.8			20.0
Budget			14.3			15.5			18.2
Variance			1.7			3.3			1.8

ii. An overspend of c £5.3m in Independent Special Schools



- DSG Reserve and Recovery Plan

11. There has been a history of underfunding nationally of the Higher Needs Block which has led to significant year on year overspends in HNB, most recently for 2020/21 an overspend of £5.9m. Staffordshire County Council is not alone in this difficult financial predicament – this is a position shared by the majority of Councils across the sector (see Appendix 2).
12. As a result of the on-going overspend in the HNB, over the last few years the DSG reserve has been fully depleted and at the end of last year went into deficit by c £2m. Given the latest forecast overspend 2021/22 that deficit is likely to increase this year and going forward until such time that the SEND transformation plan can impact:



13. Schools Forum has previously agreed¹ a deficit recovery plan earmarking surplus Growth Fund money (after amounts have been used to fund NFF shortfalls and contributions to schools for in year growth²) for transfer to the Council’s DSG reserve. In 2021/22 this is estimated to be c £1.5m but given the worsening financial position outlined above further action is likely to be required.

¹ Schools Forum 15th October 2020

² In accordance with the Councils’ Growth Fund Policy

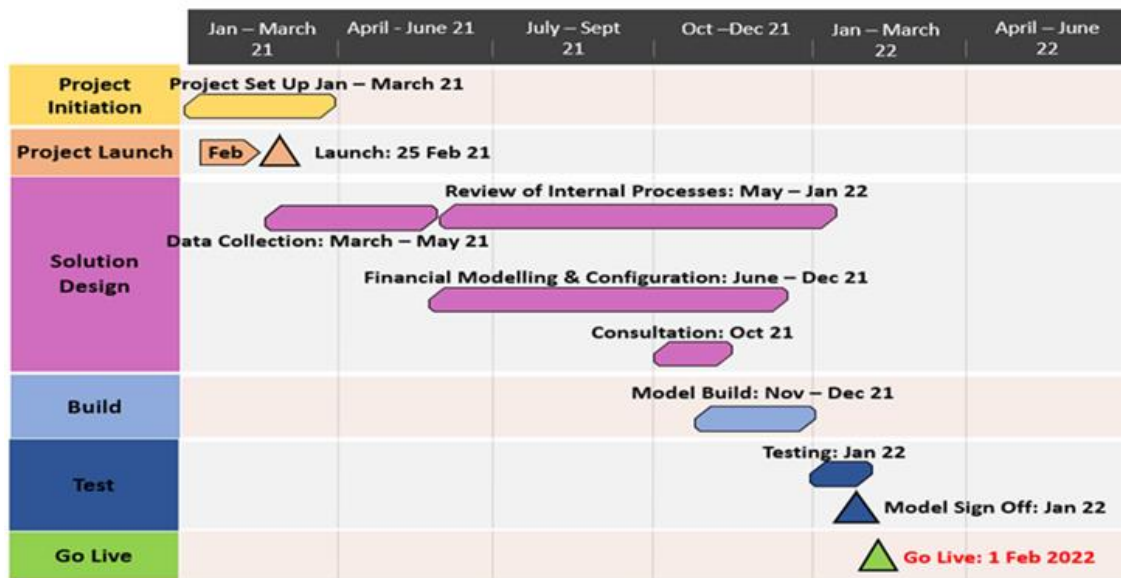
Other Updates

- High Needs Block Workshop

14. On 21 June 2021 the High Needs Block Workshop, involving members of the schools forum, convened to consider the key issues impacting on the High Needs Block and the future role of the work group.
15. Given the on ongoing SEND transformation / stabilisation plans and forthcoming roll out of the revised Education Banding Toolkit, it was agreed that going forward the group should continue to meet to consider, support and challenge the implementation of the DSG recovery plan.

- Education Banding Toolkit

16. Progress on the implementation of the Education Banding Tool has continued as per the agreed high level implementation plan (see below).



17. The SEND Assessment and Planning Team have successfully completed the Banding Tool assessment of the required 600 pilot pupils and finance have detailed the current HNB funding currently attributed to each pupil as this will form the basis of the financial modelling and band configuration stage within the implementation plan.
18. An Education Provider Survey was completed to support the Benefits Realisation Plan. This survey confirmed education providers views of the current mechanism of agreeing top-up funding for pupils with an EHCP and the survey will be repeated 12 months following implementation to evidence the primary aim of this tool which is to provide a fair, accurate and consistent method and evidence base when allocating funding for pupils with an EHCP.

75 anonymous responses; 18.5% overall response rate	Strongly Disagree/Disagree
Fair and Equitable	53.3%
Transparent	60.0%
Consistent	65.3%
Communicated clearly	60.0%
Funding level allocated sufficient to meet need	74.7%
Decision made promptly	69.3%

19. Key risks and issues have been identified and shared with project members and all notes and slides from the Reference and Steering Group meetings are published on the [Local Offer](#). A phased implementation approach has been agreed to be implemented from the go live date of 1st February 2022. We are now in the next stage of the project which will incorporate a review and update of the internal processes required to implement the tool with the SEND Assessment Team and the financial modelling and configuration stage where in we will consider how the Tool will work for Staffordshire and the values we place on each band level. This will be done in partnership with the members of the Reference Group and will form part of the wider consultation with all our education providers in the autumn term.

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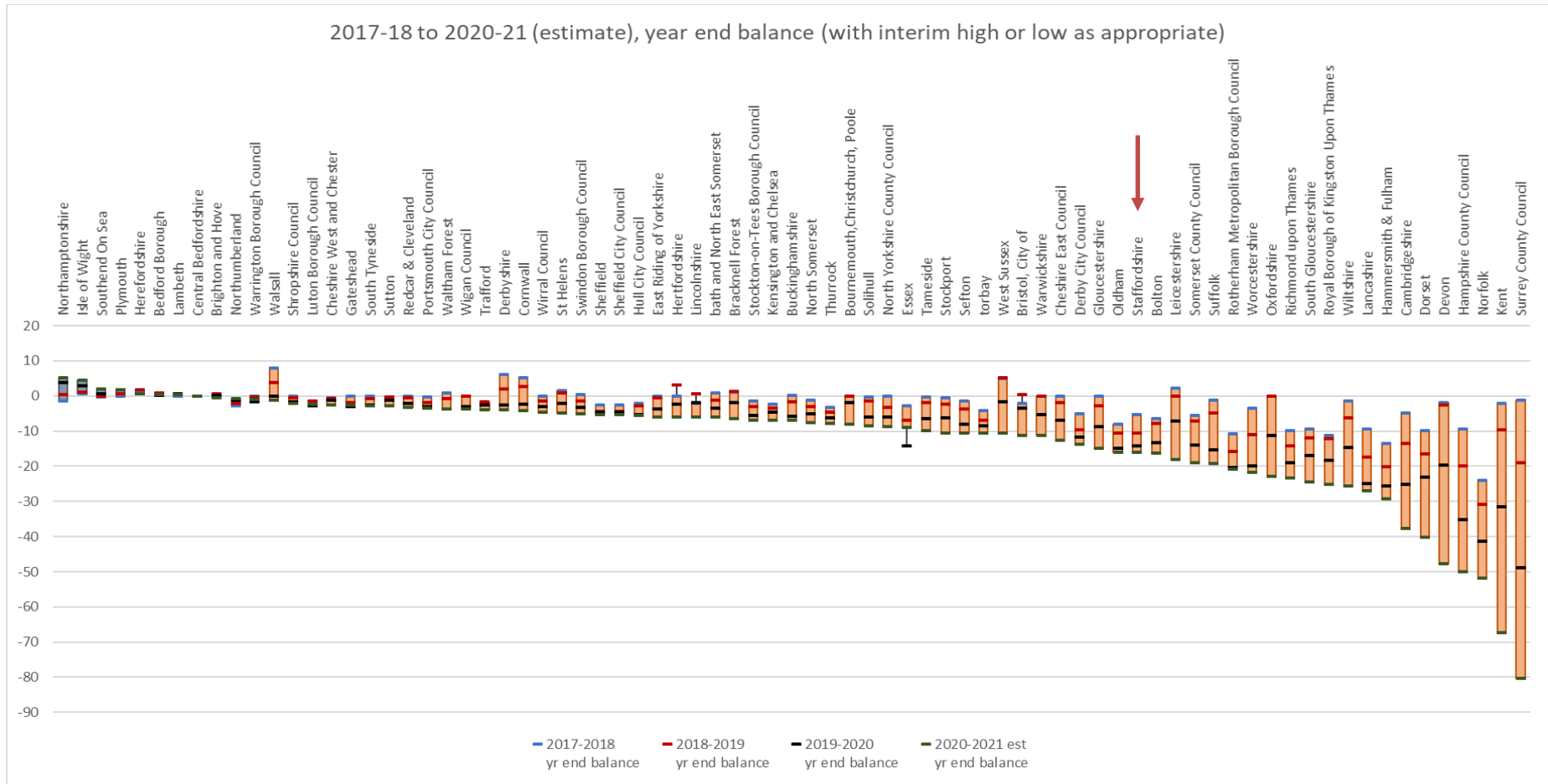
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Appendix 1 – Forecast Outturn 2021/22 (as at Quarter 1)

2021-2022 HIGH NEEDS BUDGET (as at Quarter 1)	Latest Budget	Forecast Outturn	Over/(Under) spend
	£m	£m	£m
Planned Places	32.0	32.0	0.0
Top Up Budgets	35.9	39.6	3.7
Staffordshire Special Schools and Academies	17.7	19.5	1.8
Staffordshire Mainstream Schools	13.1	15.6	2.5
Pupils in other LA Special & Mainstream Schools & Academies	2.1	2.0	(0.1)
Pupil Referral Units	3.0	2.5	(0.5)
Non Top Up Budgets	33.1	36.9	3.8
Independent Schools Mainstream	1.5	1.5	0.0
Independent Schools Special	16.7	22.0	5.3
Independent Hospital Fees	0.3	0.3	0.0
Early Years PVIs	0.1	0.1	0.0
Alternative provision (inc Hubs)	3.0	2.0	(1.0)
Education Other Than At School (EOTAS)	0.4	0.4	0.0
SEN Support Services	6.8	6.6	(0.2)
Post-16 FE Placements & Top-ups for ISPs	4.4	4.0	(0.4)
GRAND TOTAL	101.0	108.5	7.5
Funding	(101.0)	(101.0)	(0.0)
High Needs Allocation from Government	(101.0)	(101.0)	(0.0)
Transfers from other Blocks	0.0	0.0	0.0
NET FORECAST OUTTURN	(0.0)	7.5	7.5

Appendix 2: Accumulated High Needs Block Deficits 2017/18 – 2020/21 (estimate) (F40 Survey)



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 15 July 2021	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Growth Fund	Standard item
	Schools Budget 2020/21 Final Outturn	Annual item
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Membership update	General update

Meeting	Item	Details
	Appointment of Chair and Vice Chair	Annual item
Autumn Term 14 October 2021	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Primary Behaviour Support Services – 2020-21 Financial Year	Annual item
	Minority Ethnic Achievement Service (MEAS) 2020-21 Financial Year	Annual item
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Schools Budget 2022-23: De-delegation, Central Expenditure and Education Functions	Annual item
	Education Banding Toolkit update	As required
Spring Term 13 January 2022	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item

Meeting	Item	Details
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Education Banding Toolkit update	As required
Spring Term 24 March 2022	Notices of Concern and Licensed Deficit Agreements	Standard item
	High Needs Block	Standard item
	Schools Budget Update	Standard item
Summer term 14 July 2022	Appointment of Chair and Vice Chair	Annual item
	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Growth Fund	Standard item
	Schools Budget 2020/21 Final Outturn	Annual item

Meeting	Item	Details
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required

Items to come to the Forum when there is anything to report:	
County Council Redundancy Policy	When there is something to report