

Schools Forum

Thursday 14 July 2022

14:00

Meeting to be conducted using Microsoft Teams

John Tradewell
Director of Corporate Services
6 July 2022

A G E N D A

Part One

1. **Apologies**
2. **Declarations of Interest**
3. **Membership update**

Stephen Drew has joined the Schools Forum as the 'Maintained Primary' representative - to serve until May 2025.
4. **Minutes of the meeting held on 24 March 2022** (Pages 1 - 8)
5. **Matters arising**
6. **Decisions taken by the Chairman under delegated powers**
7. **Update to the Staffordshire Scheme for Financing of Schools & Financial Regulations for Schools** (Pages 9 - 12)
8. **Notices of Concern and Licensed Deficit Agreements** (Pages 13 - 14)
9. **Growth Fund - Allocation Funding 2022/23** (Pages 15 - 18)
10. **Schools Budget 2021/22 Final Outturn** (Pages 19 - 20)



11. **High Needs Block (inc. Education Banding Tool update and SEND Contract Management Report - Academic Year 2022/21)** (Pages 21 - 32)

12. **Work Programme** (Pages 33 - 36)

Membership

Stephen Drew	Vicki Lewis
William Wilson	Julie Rudge
Kate Cooke	Anne Tapp
Richard Sutton	Alison Parr
Steve Swatton	Abigail Rourke
Kim Prince Anson	Kelly Mitchell
Jane Rutherford	Mark Boughey
Philip Siddell	Nadine Key
Richard Redgate (Chair)	Carolyn Trowbridge
Claire Shaw	Sarah Clark
Kirsty Rogers	Helen Baron
Chris Wright	Jessica Roden
Steve Barr (Vice-Chairman)	Sadie Jones
Kevin Allbutt	Karen Dobson
Judy Wyman	Emily Verow
Claire Evans	

Local Authority Observers

Mark Sutton
Jonathan Price

Core Officers

Alison Barnes	Melanie Scott
Will Wilkes	David, Bingham
Andrew Marsden	Anthony Humphreys
Tim Moss	Halit Hulusi
Michelle Williams	

Minutes of the Schools Forum Meeting held on 24 March 2022

Present: Richard Redgate (Chair)

Attendance	
Kate Cooke	Julie Rudge
Richard Sutton	Anne Tapp
Steve Swatton	Alison Parr
Kim Prince Anson	Abigail Rourke
Jane Rutherford	Kelly Mitchell
Philip Siddell	Mark Boughey
Claire Shaw	Nadine Key
Chris Wright	Carolyn Trowbridge
Steve Barr (Vice-Chair)	Sarah Clark
Judy Wyman	Helen Baron
Claire Evans	Sadie Jones
Vicki Lewis	Karen Dobson

Observers: Councillor Mark Sutton (Official Observer), Councillor Jonathan Price (Official Observer), Alun Harding and Steve Breeze.

Also in attendance: Tim Moss, Lesley Calverley, Antony Humphreys, Will Wilkes, Carolyn Knight, Mandy Pattinson and Simon Humble.

Apologies: William Wilson, Kirsty Rogers, Kevin Allbutt, Jennie Westley, Jessica Roden and Emily Verow

PART ONE

63. Declarations of Interest

There were no declarations made at the meeting.

64. Membership Update

Jenni Westley had informed the Secretary that she would be resigning as a member of the Schools Forum. Entrust had been contacted and would undertake the process to elect a new representative from the All Maintained Primary section in April 2022. Jenni was elected until May 2023, it was therefore suggested that the term on the newly elected member be extended until May 2025.

NOTED:

- a) That Jenni Westley had resigned as a member of the Schools Forum and that Entrust would be starting the process to elect a new member in April 2022.

65. Minutes of the last meeting held on 13 January 2022

The following points were raised:

1. **Minute 57.4 – High Needs Block – feedback received from the DfE.** The response from DfE was that the Local Authority needed to work collaboratively with the Schools Forum to approve the decision to switch to 0.5%. This process was undertaken as a lobbying position by SCC, but the DfE had confirmed that, unless the Schools Forum supported the proposal, the DfE would not override the decision. Colleagues at other local authorities had confirmed that the only authorities that had received approval to switch were those that had Schools Forum support.
2. **Minute 61 - High Needs Block (inc. Banding Tool update)** made reference to the appointment of a SEND contract manager. It was agreed that an update would be provided at the next Schools Forum meeting scheduled to take place in July 2022. The minute also referred to a conversation that had taken place between Secondary Heads relating to the alternative provision that was available and needed for Pupil Referral Units. It was suggested and agreed that a similar mechanism should be developed for Primary Heads.

RESOLVED:

- a) That the minutes of the meeting held on the 13 January 2022 be confirmed as a correct record and signed by the Chair.

66. Decisions taken by the Chairman under delegated powers

None taken by the Chair since the last meeting.

67. Pupil Referral Unit and High School meeting Feedback

A verbal update was provided by Officers and Forum members who attended the Pupil Referral Unit and High School meeting.

Carolyn Knight provided feedback from the Pupil Referral Unit meeting. There were three main items to report. These were:

- Was there a need to review the SEND and Inclusions Hubs and District Inclusion Panels (DIPs) to ensure they met needs within an area;
- SEND Local offer. SEND Local Offer project manager contacted school to discuss issues and consider how they would be addressed;

- Concern about lack of suitable alternative provision for secondary pupils. Head Teachers were asked to speak with schools from other areas, to find what the particular needs were, and feedback. Meeting to be arranged with PRU Headteachers to see if gaps could be met or, if not, what might need to be commissioned.

Julie Rudge provided feedback from the High School meeting. The salient points of the meeting included:

- Heads wanted the Local Authority to know that they were doing all they could to be inclusive, but something needed to change with alternative provision;
- It was felt that the main challenge with alternative provision revolved around the funding of the PRUs and the lack of ability to plan for the future;
- It was felt that DIPs were successful at a secondary level. However, when they were "piggybacked" by SEND Hubs the provision weakened. It was felt that it was essential that DIPs were reinstated, and the professional support need to be available and fit for purpose;
- It was felt that there were risks in allowing districts to develop SEND Hubs as there would be very little central control. There was also a disproportionate level of involvement between Secondary and Primary Head Teachers, with Secondary being less represented;
- There were concerns with special school places in the area, with some being taken by out of area students. The Head Teachers were pleased to see the move toward earlier assessment for Staffordshire;
- To support the sustainability and financial stability of PRUs, the Local Authority was asked to ensure there was a financially strong model for PRUs across the County;
- It was felt that, in areas where there aren't any PRUs, decisions were made to not send children to PRUs because of cost. The Head Teachers hoped for more graduated programmes that could be offered before the final decision to send to PRU;
- Head Teachers felt that a forum needed to be established to allow for open and transparent discussions to take place relating to the alternative provision available in primary and secondary schools.

Following a question relating to the issue of Hubs not working for children with SEND and the possible need to pause and evaluate, it was confirmed that a review would take place to assess this.

RESOLVED:

- a) That J Rudge share summary of Secondary Head Teacher's meeting with C Knight.
- b) That a PRU Head Teacher meeting to discuss how this will fit with SEND and Inclusion Hubs will be arranged.

68. Notices of Concern and Licensed Deficit Agreements

It was reported that there hadn't been any new notices of concern or licensed deficits issued since the last meeting.

69. High Needs Block

The Forum were presented with the regular report highlighting the latest position of the High Needs Block. The forecast outturn for the 2021/22 High Needs Block was £8.2m overspend, which shows no change from the position last reported. At the end of the last financial year the DSG reserve went into deficit by circa £2m and would deepen given the expected overspend in 2021/22. A 'deficit management plan' would be brought forward and a workshop to start this process had already taken place. Significant additional Government funding next year would see Staffordshire's High Needs Budget increase to £114.8m; an increase of £13.7m compared with 2021/22 (circa 13.6%). However, this would be insufficient to close the gap and it would be likely that a further overspend would arise in 2022/23. None of the funding increase would be used to repay historical deficits. The Council recognised the financial pressure 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 2.5%. Work to implement the new Education Banding Tool continued in line with the original implementation plan and went live on 14 March 2022.

In response to a question relating to the issue of Independent Placements and the strategy in place to bring these numbers down, members were informed that the High Needs Working Group had looked at this designation alongside another piece of work to understand implications from tribunals. It was confirmed that a significant and wider piece of work would be undertaken which would involve a review of special provision across the County, including PRU provision and resource-based provision, whilst also looking at what could be done in the short-term.

It was explained that numbers in the independent sector had gone up because spaces weren't available in Staffordshire Special Schools. It was suggested that a quick win would be to try and get more children into the Staffordshire Special Schools by working with the assessment and placement team.

In response to a question relating to the introduction of the toolkit from 14th March, it was confirmed that independent special schools were not included as they determined their own rates.

In response to a question regarding the Deficit Management Plan and what would be introduced to move things forward, it was explained to the Forum that there were limited available strategies. The banding tool had never been

used as a mechanism to reduce resource, but could be considered in the future, along with utilising the available specialist places in Staffordshire for Staffordshire youngsters. It was also explained that the 5/6 non-statutory processes that were discussed by the working group would not cover the future deficit of £15m. It was reported that this was a national challenge, therefore Government were being looked to in terms of the expectations that had been set out.

In response to a question regarding the inclusion of SEND transport in the HNB Budget. It was confirmed that SEND Transport was statutory and had to be provided, but that further work on the implementation of the policy would be undertaken as part of the wider review.

In response to a question relating to the Special School Rates Education Banding Tool (Appendix C to the report), it was explained to the Forum how the new Banding Model would function. The Forum was informed that it would be difficult to understand the impact until the banding tool came into full force across all schools. Reviews would be built in, both termly and annually and the new model would be "needs led".

RESOLVED:

- a) That the updates to the High Needs Block following the report previously presented in January 2022 be noted.
- b) That the proposed High Needs Block budget 2022/23 be noted.
- c) That the latest update on the development and roll out of a new Education Banding Tool be noted.

70. Schools Budget Update

The Schools budget update for 2022/23 was presented to the Forum. The report focussed on Central Provisions, Individual School Budgets, Early Years Funding and High Needs Funding.

It was explained to the Forum that the growth fund budget had been set at £1.9m, and that underspend would be transferred into the Dedicated Schools Grant reserve, as per the deficit recovery plan. It was also explained that, although maintained schools approved a levy per pupil for Education Functions of £50.56 at the November meeting, there had been a slight change in the number on roll at maintained schools, therefore the final levy for 2022-23 had been set at £50.84 per pupil. The Forum was also informed that the budget also included a Minimum Funding Guarantee of +1% per pupil from the 2021-22 baseline. This ensured schools were protected from excessive year on year changes due to changes in pupil characteristics.

The Forum were informed that Early Years funding base rates had been set at £4.26 per hour for 3 & 4 year olds and £5.47 per hour for 2 year olds. A contingency fund had been set up to manage fluctuations in demand figures. This was equivalent of 0.8% of the whole Early Years DSG Block, which was lower than the 1% threshold advised by the workshop.

It was explained to the Forum that the Higher Needs Block funding for 2022/23 was c £114.8m, a net increase of £13.7m compared with 2021/22 (13.6%). It was also explained that, for 2022-23, Special School budgets would be set based on a Minimum Funding Guarantee of 2.5%, which was higher than the MFG set by Government of 0%.

In response to a question relating to the percentage of funding per pupil, it was explained that funding wasn't generated based on the number of pupils in the school, and there were a number of factors that affected the total amount of funding received.

In response to a question relating to the distribution of the Deprivational Supplement and the fact that a number of delegates no longer received the supplement, it was explained that the way in which the supplement was calculated hadn't changed. The metrics used by Government were reviewed every 5 years and were last changed in 2019. The Chair asked Philip Siddell to forward information to SCC officers who would look into the issue.

RESOLVED:

- a) That the Schools budget update of 2022/23 be noted.

71. Date of next meeting and Work Programme

The future work programme, date of next meeting and future meetings were discussed.

Work Programme

The future work programme was presented to the Forum.

RESOLVED:

- a) That an update from the SEND Contract Manager be included in the next meeting.
- b) That the duplicated reference to the "Appointment of Chair and Vice Chair" be amended.
- c) That the Work Programme be noted.

Future Meetings

The Chair suggested the following alternative meeting arrangements for future meetings.

Normal year

Four meetings held per year.

Three meetings held virtually via Teams.

October meeting to be held in a face-to-face environment. County Buildings, Martin Street, Stafford.

Election year (of Chair and Vice-Chair)

Four meetings held per year.

Two meetings held virtually via Teams.

July meeting (election of Chair and Vice-Chair) and October meeting to be held in a face-to-face environment. County Buildings, Martin Street, Stafford.

RESOLVED:

- a) That the arrangements for future meetings be approved.

Date of next meeting

14 July 2022

RESOLVED: That the date of the next meeting be noted.

Chairman

Schools Forum – 14th July 2022

Update to the Staffordshire Scheme for Financing of Schools & Financial Regulations for Schools

Recommendation

1. The Schools Forum approves the revised Staffordshire Scheme for Financing Schools (SSFS) Financial Regulations for Schools and Procurement Regulations.

Report of the Deputy Chief Executive and Director for People:

PART A

Why is it coming here – what decision is required?

2. Any amendments to the SSFS, Financial Regulations for schools and Procurement Regulations require approval from Schools Forum.

Reasons for recommendation

3. The SSFS, Financial Regulations and Procurement Regulations have been reviewed and updated.

PART B

Background:

4. There has been one amendment to the SSFS. The paragraph relating to the Salix loan scheme, in section 3.5 Borrowing by schools, has been removed following the closure of the current phase of the scheme.
5. A number of changes have been made to the Finance Regulations to Schools, these changes are listed in Appendix A.
6. Changes made to the Procurement Regulations are listed in Appendix B.

Appendix A

- A link to IR35 Guidance for Schools has been included in section E6.
- A link to guidance relating to Purchase Cards has been included in section E23.
- Paragraph F16, “all commission costs relating to these facilities must be paid from the budget of the portfolio area which is offering them,” has been deleted as this is referred to in earlier paragraphs.
- Sections F23-25 have been updated to reflect the Staffordshire County Council Financial Regulations (May 2022) relating to Customer Invoices.
- Section G2 has been amended to reflect the Staffordshire County Council Financial Regulations (May 2022) relating to customer invoices.
- Appendix 2 Money Laundering has been amended to reflect the Staffordshire County Council Finance Regulations (May 2022).

Appendix B

- There has been a change in terminology and “good and services” have been replaced by “supplies and services” throughout the document.
- In section A1, “supply of goods and services” has been replaced by “provision of goods and services”.
- Section B1 has been amended so that “every contract you make on our behalf must comply with” now includes “the Public Contracts Regulation (where applicable).”
- B2 now reads “in some circumstances contracts may be governed by UK procurement statute law.”
- B2a has been amended to “a supplies or services contract value for more than £213,477 (inc. VAT) must be advertised in the Government’s “Find A Tender” portal (this replaces the OJEU).” An additional note has been added to the end of Section B2, “NB – the above trigger threshold will remain valid until end of 2023. Triggering this threshold requires the procurement process to follow the Public Contracts Regulations. To determine whether the contract value triggers the above threshold, VAT ABSOLUTELY MUST be included with the final contract value.”
- B7 has been amended to read “you must ensure that the contractor has a limit of indemnity of £5 million for employers liability insurance” and a final sentence of “refer to the council Risk & Insurance Manager for the requirements on professional indemnity insurance” has been added.
- Section C2 now includes an additional line “Note however, the requirement to include a VAT element when calculating the threshold in section B2.”
- Section D10, “you cannot exempt any process which is required to follow the Public Contracts Regulations.”
- Section G7b has been amended to read “an outline of the specification of the supplies or services to be provided;”
- G8b has been amended to read “a detailed specification and quantities of the supplies or services to be provided;”
- G13 has been amended to include brackets “you must not open any tender you receive after the stated closing time under paragraph G8(g) or which does not comply with paragraphs G8(d) or (e).
- The header for section I has been amended to read “Tender Procedures (over the Public Contract Regulations thresholds).”
- I2 now reads “If you are inviting tenders for contracts over or close to the Public Contracts Regulations (‘PCR’) thresholds (see section B2 for supplies and services threshold).”
- I3 has been amended to read “for information, for all contracts tendered under the Public

Contracts Regulations you must have a 10-day standstill period between the decision to award and entering into any contract.”

- I4 has been amended to read “you must announce all contracts awarded under the Public Contracts Regulations using a contract award notice in Find a Tender / Contracts Finder, which must be sent no later than 30 calendar days after the date you enter into contract.”
- I5 now reads “it is very important that the rules regarding the Public Contracts Regulations are followed correctly as any financial penalty of not adhering to these rules would fall on the school’s budget. Therefore, it is strongly advised that you always get advice from procurement advisors in undertaking such procurements.”
- In the glossary, the definition of the OJEU has been changed to “Official Journal of the European Union, now replaced by Find a Tender (FTS).”
- The final threshold in diagram “Procurement Regulations for Schools” has been amended to be £213,477 including VAT (see section B2).”

Report author:

Author’s Name: Melanie Scott, Senior Education Accountant, Entrust Support Services Ltd

Ext. No.: 07921 277815

Schools Forum – 14th July 2022

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, no new Notice of Concerns have been issued or withdrawn.
5. The Entrust Schools Finance team continue to work with all schools who have existing Notice of Concern or Licensed Deficit agreement. The team are also working with a number of schools following the 2021/22 year end and 2022/23 budget setting process.

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 14 July 2022

Growth Fund - Allocation of Funding 2022/23

Recommendations

- 1) That Schools Forum note the allocations of Growth Fund:
 - a. funding for infant class size legislation:
2 primary schools
 - b. funding for exceptional basic need growth:
1 primary school; 2 secondary schools
 - c. funding for new schools:
pre-opening costs for 1 new free school opening in 2023/24
post-opening costs for 5 free schools opened between 2019/20 and 2022/23

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, "the growth fund can only 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) On 25 March 2021, Forum approved an increased Growth Fund budget of £2,000,000, in accordance with the national funding formulae for schools. Any underspend in the growth fund would be contributed to DSG balances.
- 5) On 13 January 2022, Forum agreed to end the requirement for schools that are eligible for growth funding to submit a financial self-declaration from 2022/23.

Reasons for recommendations:

Funding for infant class size legislation

- 6) In accordance with the infant class size criteria, **£43,992 will be allocated to 2 schools** based on an agreed number of additional infant class teachers.
 - a) Rushton CE (C) Primary School (Staffordshire Moorlands)
£11,476 towards the cost of a 2nd infant class teacher
 - b) St. Leonard's CE (A) First School, Ipstones (Staffordshire Moorlands)
£32,516 towards the cost of a 2nd infant class teacher

Funding for basic need growth

- 7) In accordance with the basic need growth criteria, **£128,550 will be allocated to 3 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) Doxey Primary School (Stafford)
£42,850 for 1 additional infant class teacher (YR)
 - b) Nether Stowe High School (Lichfield)
£42,850 allocation
 - c) King Edward VI School (Lichfield)
£42,850 allocation

Funding for the cost of new schools

- 8) In accordance with the new schools' criteria, a total of **£252,000 will be allocated** for post-opening costs for **5** new free schools with an opening date between 2019/20 and 2022/23 and pre-opening costs for **1** new free school planned to open in 2023/24.
 - a) Poppyfield Primary Academy (Cannock Chase)
£20,250 towards post-opening costs (opened in 2019)
 - b) Streethay Primary School (Lichfield)
£20,250 towards post-opening costs (opened in 2019)
 - c) Anker Valley Primary Academy (Tamworth)
£49,750 towards post-opening costs (opened in 2021)
 - d) Bramshall Meadows First School (East Staffordshire)
£39,000 towards pre-opening costs (opening in 2022)

- e) Fradley Park Primary School (Lichfield)
£57,250 towards post-opening costs (opening in 2022)
- f) Deanslade Farm Primary School (Lichfield)
£65,500 towards pre-opening costs (planned to open in 2023)

Total expenditure

- 9) The total allocation of **£43,992** for infant class size legislation
- 10) The total allocation of **£380,550** for basic need growth and new schools funding
- 11) These represent an **underspend of £1,471,038 against the budget of £1,895,580.**
- 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 2026/2027.

Report author: Andrew Marsden, Head of Access to Learning, Inclusion and Improvement
Tel. No: 01785 278787

Appendix A: Indicative pre- and post-opening revenue start-up costs for all new free schools opening between 2022/23 to 2025/26

Estimated Opening date	School Name	School Type/size	District	2022/23	2023/24	2024/25	2025/26	2026/27
2019	Streethay Primary School - open	1FE Primary	Lichfield	£20,250	£13,500	£6,250	£0	
2019	Poppyfield Primary Academy - open	1FE Primary	Cannock	£20,250	£13,500	£6,250	£0	
2021	Anker Valley Primary Academy - open	1FE Primary	Tamworth	£49,750	£43,000	£20,250	£13,500	£6,250
2022	Bramshall Meadows First School - opening	1FE First	East Staffs	£39,000	£32,250	£24,500	£6,250	£0
2022	Fradley Park Primary & Nursery School - opening	1FE Primary	Lichfield	£57,250	£49,750	£43,000	£20,250	£13,500
2023	Deanslade Farm	1FE Primary	Lichfield	£65,500	£57,250	£49,750	£43,000	£20,250
2023	*Rugeley Power Station	2FE Primary and 5FE Secondary	Rugeley		£0	£0	£0	£0
2024	*Branston Locks	2FE Primary	Burton		£0	£0	£0	£0
2024	Dunstall Farm	1FE Primary	Tamworth		£65,500	£57,250	£49,750	£43,000
2024	Tamworth Golf Course	1FE Primary	Tamworth		£65,500	£57,250	£49,750	£43,000
2024	Stafford North SDL site	1FE Primary	Stafford		£65,500	£57,250	£49,750	£43,000
2025	Watery Lane	1FE Primary	Lichfield			£65,500	£57,250	£49,750
2025	South of Shortbutts Lane	1FE Primary	Lichfield			£65,500	£57,250	£49,750
2025	Stafford West SDL site - Burleyfields	1FE Primary	Stafford			£65,500	£57,250	£49,750
Totals for schools opening 2022/23-2026/27				£252,000	£405,750	£518,250	£404,000	£318,250

*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 – 14th July 2022

Schools Budget 2021/22: Final Outturn

Recommendations

1. That the Schools Forum note the 2021/22 Schools Budget financial outturn.

Report of the County Treasurer

Outturn on Schools' Budgets 2021/22.

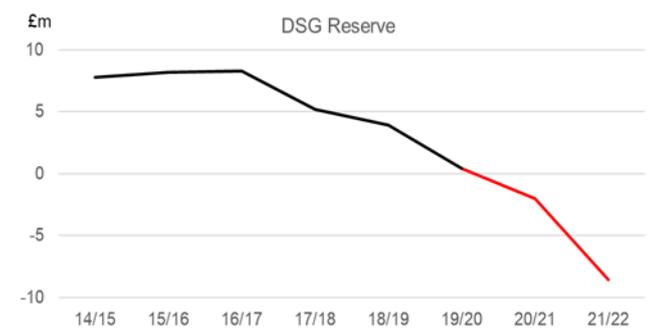
1. The outturn position for 2021/22 was a £6.4m variance (2.2%) overspend on planned expenditure across all services. A summary of balances is shown below including the effect on DSG reserves.

2021/22 Schools Budget Final Outturn				
	Budget	Final Outturn	Variation (under) / over	% variance
	£m	£m	£m	
Planned Expenditure:				
Individual Schools	160.6	160.6	0.0	0.0%
High Needs, excluding place funding included above	69.1	77.3	8.2	11.9%
Early Years	50.5	50.7	0.2	0.4%
Central and De-Delegated Items	11.3	9.3	(2.0)	-17.6%
Total (A)	291.5	297.9	6.4	2.2%
Funding for 2021/22 budget:				
	Budget	Final Outturn	Variation (under) / over	
	£m	£m	£m	
2021/22 DSG settlement	(291.5)	(291.3)	0.2	
ESFA Post 16 funding	(26.6)	(26.6)	0.0	
Total (B)	(318.1)	(317.9)	0.2	
Overall variance on 2021/22 Budget (A + B)			£m	
			6.6	

DSG Reserve (Surplus) / Deficit	
	£m
Opening DSG reserve 1 April 2021	2.0
Use of reserve	6.6
DSG reserve at 31 March 2022	8.6

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 £8.2m (11.8%). The pressure areas in the service were top up budgets which overspent by £3.7m (mainstream £1.6m, special schools £2.1m) and expenditure on independent special schools which overspent by £5.8m. This was offset by an underspend on Pupil Referral Unit top ups of c £1m and other SEN support services/Government grant of £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 Early Years budget was overspent by c £0.2m (0.4%); this includes the redistribution of unspent 2020/21 contingency of £0.2m.
5. The Central and de-delegated items have underspent by £2m (17.6% of the budget). This is mainly because of surplus growth fund allocation which Schools Forum – at its meeting in November 2021 – agreed should continue to be used for the DSG deficit recovery plan.
6. As a result of the on-going overspend in the HNB, over the last few years the DSG reserve has been fully depleted. There is no longer a buffer to fund this on-going pressure. At the end of 2020/21, the DSG reserve had gone into deficit (overdrawn) by c £2m. At the end of the financial year 2021/22 the DSG reserve deficit is £8.6m, an increase of 6.6m.



School Balances

7. As of 31st March 2022, maintained schools held reserves of £24.3m; an increase of £1.8m from the position on 31st March 2021. There continues to be a number of approved licenced deficits (12 schools, with a value of £1.5m), a similar amount to the previous financial year. The funding of these is met from school balances until such time as the school repays the deficit.
8. 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 – 14th July 2022

High Needs Block update

Executive Summary:

- For Staffordshire the High Needs Block budget for 2022/23 is £114.8m; an increase of £13.7m compared with 2021/22 (13.6%). 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 2.5%.
- The forecast outturn for the 2022/23 High Needs Block is £6.0m overspend.
- At the end of the last financial year the DSG reserve 'deficit' increased from £2m to £8.6m and will deepen further given the expected overspend in 2022/23. A 'deficit management plan' must now be brought forward.

Recommendations:

That Schools Forum notes:

1. the High Needs Block budget 2022/23 and latest forecast outturn
2. the latest update on the roll out of a new Education Banding Tool
3. the latest update on the SEND Contract Management programme

Report of Director for Children & Families

Background

4. 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 educated 'other than at school'.

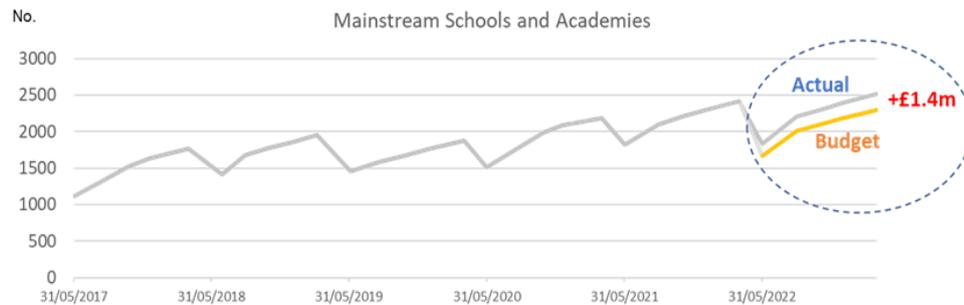
Budget 2022/23 and Forecast

5. For 2022/23 the Government initially confirmed an increase in the overall High Needs Block of £780m; however, as part of the 2021 Autumn Spending Review further funding of £325m has been confirmed in recognition of the very significant service and cost pressures impacting in this area. 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. For Staffordshire the High Needs budget 2022/23 is £114.8m; an increase of £13.7m compared with 2021/22 (13.6%). 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 2022-23 Special School budgets have been set to include:
 - a Minimum Funding Guarantee of 2.5% (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 2.5%.
 - no capping of school gains
7. As in previous years, the schools block will be ring-fenced in 2022-23, 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's request this year for a transfer of 0.5% (equivalent to c £3m) from Schools Block to High Needs Block was refused by Schools Forum at its meeting November 2021.
8. 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. The forecast overspend this year is circa £6.0m (a more detailed overview of the High Needs Block budget is provided within Appendix 1):

<u>High Needs Budget 2022/23</u>	Budget 22/23 £m	Outturn £m	Over / (Under) spend £m
Planned Places	33.1	33.1	0.0
Top Up Budgets	40.6	42.3	1.7
<u>Non Top Up Budgets</u>			
Independent Schools (Mainstream & Special)	25.7	28.9	3.2
Alternative provision (inc Hubs)	3.7	3.6	(0.1)
Post 16	4.7	5.5	0.8
Other	7.0	7.4	0.4
Total Net Spend	114.8	120.8	6.0
Total Funding	(114.8)	(114.8)	(0.0)
Net Outturn	0.0	6.0	6.0

9. Key variances arising

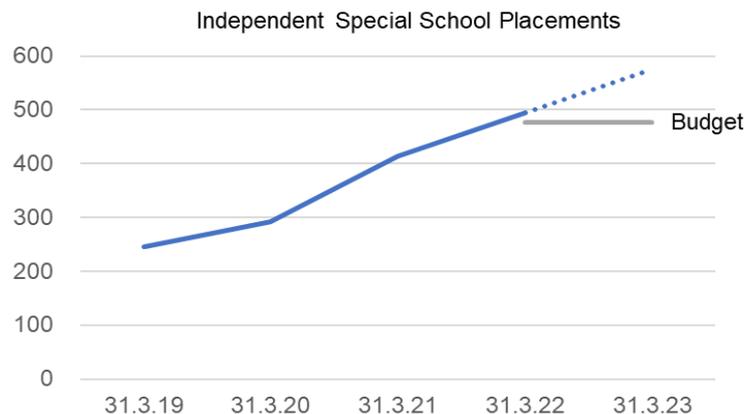
- i. An overspend of c £1.7m against the school 'top up' budgets including:
- a rise in the number of children with EHCP/AEN support in Mainstream Schools and Academies leading to a £1.4m overspend:



- An overspend of £0.5m 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.

Top Ups	2022/23		
	# fte		£m
Matrix 1	564	24%	0.1
Matrix 2	805	34%	1.3
Matrix 3	999	42%	8.5
Matrix tbc	2		0.0
School Specific	2370		9.9
Additional Places			0.7
Enhancements			2.4
Exceptional Need			0.5
Residential			1.8
Adjustments (part time / backdated)			0.0
EBT (1-10)	3		0.0
EBT (school specific)			0.0
Allowance for more growth			3.5
Total Spend			21.9
Budget			21.4
Variance			0.5

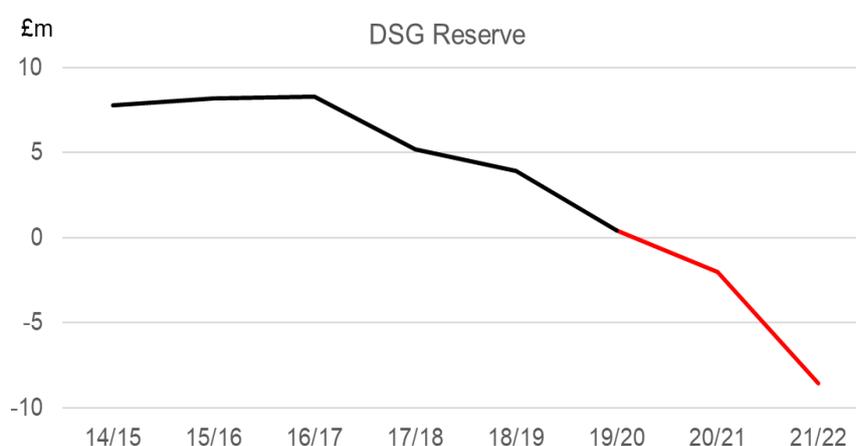
- ii. An overspend of c £2.9m in Independent Special Schools



- iii. Other net overspends of c £1.4m due to increasing demand, most significantly for Post 16 provision (£0.8m) and Early Years (SEN Inclusion fund) (£0.4m).

DSG Reserve and Management Plan

10. 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 2021/22 an overspend of £8.2m. Staffordshire County Council is not alone in this difficult financial predicament – this is a position shared by the majority of Councils across the sector.
11. 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 the deficit increased from £2m to £8.6m. Given the latest forecast overspend 2022/23 that deficit is likely to increase this year and going forward until such time that the SEND transformation plan can impact:



12. Schools Forum has previously agreed¹ surplus Growth Fund money (after amounts have been used to fund NFF shortfalls and contributions to schools for in year growth²) transfer to the Council's DSG reserve. However, it is clear that additional action must be taken and, the Council must now bring forward a 'DSG deficit management plan' outlining the mitigations it will put in place to address the existing shortfall. This will be brought to Schools Forum at the meeting in the Autumn term 2022. This will sit alongside the wider service transformation plan.

Other Updates

Meeting with the ESFA

13. An informal meeting between the Council and the Education and Skills Funding Agency (ESFA) took place on 14 June 2022. At this meeting the ESFA confirmed that Staffordshire would not be invited to join either the [Safety Valve Programme](#)

¹ Schools Forum 15th October 2020

² In accordance with the Councils' Growth Fund Policy

or the Delivering Better Value for SEND programme. These programmes are available for those local authorities with the largest DSG deficits.

14. It was agreed that the Council will complete the DSG deficit management plan using the ESFA template. This will be shared with Schools Forum at the meeting in Autumn 2022.

Education Banding Tool

15. From 14th March 2022, the Local Authority went live with the tool across maintained, academy and independent mainstream providers and maintained and academy specialist providers to calculate the education element of the high needs top-up funding for Staffordshire children and young people with an Education, Health and Care Plan (EHCP).
16. From this date the EBT was applied to:
 - ALL draft EHCPs following an EHC needs assessment
 - ALL amended EHCPs where there was a significant change in need as identified through the annual review process.
17. Our work with Imosphere, the provider of the EBT, is continuing to prove productive and they are supporting us to understand the impact of the implementation of the model. Since launch, there have been 232 cases (with individual Capita IDs) of children between Key Stage 1 and post 16 (2 children post 16 – one aged 16 the other 17) as current key stage. From this we note the following:
 - 85% of Key Stage 1 to post 16 children submitted through EBT with communication and interaction recorded as SEN area (197/232)
 - 77% of Key Stage 1 to post 16 children with cognition and learning recorded as SEN area (180/232)
 - 78% of Key Stage 1 to post 16 children recorded SEMH as SEN area (181/232)
 - 55% of Key Stage 1 to post 16 children with Sensory or physical difficulties recorded as SEN area – (127/232)
18. EBT cases for Early Years children are recorded as 77 submissions. Of these:
 - 94% of Early Years children for which Needs Profile submitted (72/77 children) estimated Education Band of 5 or higher
 - 97% of Early Years children with communication and interaction recorded as SEN area
 - 95% of Early Years children with cognition and learning recorded as SEN area
 - 66% of Early Years children with SEMH recorded as SEN area in 51/77 children
 - 79% of Early Years children with Sensory or physical difficulties recorded as SEN area - 61/77 children
19. We are continuing to monitor and develop the EBT in light of the live data. We are pleased to note that the EBT approach adopted in Staffordshire is consistent

with the direction of travel set out in the Green Paper; SEND review: right support, right place, right time (March 2022).

SEND Contract Management

20. At the meeting of Schools Forum in March 2022 it was requested for an update on the contract management of independent and non-maintained placements. The report set out in appendix 2 indicated the full contractual agreements undertaken during the academic year 2020/ 2021 and the costs agreed for the agreement within the individual pupil/ placement agreements (IPA).
21. During the academic year:
- 383 school placements agreed within the Independent Schools sector
 - CYP requiring an IPA throughout the academic year has risen from 464 to 524
 - the full contractual sum of £35,074,807 HNB funding was committed for the contractual placements (based on the length of the IPA)
22. Further details are available in the 2020/2021 academic year annual report.

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Appendix 1 – Forecast Outturn 2022/23 (as at Quarter 1)

2022-2023 HIGH NEEDS BUDGET (as at Quarter 1)	Latest Budget	Forecast Outturn	Over/(Under) spend
	£m	£m	£m
Planned Places	33.1	33.1	0.0
Top Up Budgets	40.6	42.3	1.7
Staffordshire Special Schools and Academies	20.9	21.4	0.5
Staffordshire Mainstream Schools	15.0	16.4	1.4
Pupils in other LA Special & Mainstream Schools & A	2.2	2.2	(0.0)
Pupil Referral Units	2.5	2.3	(0.2)
Non Top Up Budgets	41.1	45.4	4.3
Independent Schools Mainstream	1.8	2.1	0.3
Independent Schools Special	23.9	26.8	2.9
Independent Hospital Fees	0.2	0.2	0.0
Early Years PVI's	0.2	0.6	0.4
Alternative provision (inc Hubs)	3.2	3.0	(0.2)
Education Other Than At School (EOTAS)	0.5	0.6	0.1
SEN Support Services	6.6	6.6	(0.0)
Post-16 FE Placements & Top-ups for ISPs	4.7	5.5	0.8
GRAND TOTAL	114.8	120.8	6.0
Funding	(114.8)	(114.8)	(0.0)
High Needs Allocation from Government	(114.8)	(114.8)	(0.0)
Transfers from other Blocks	0.0	0.0	0.0
NET FORECAST OUTTURN	0.0	6.0	6.0

Independent and Non-Maintained Placements

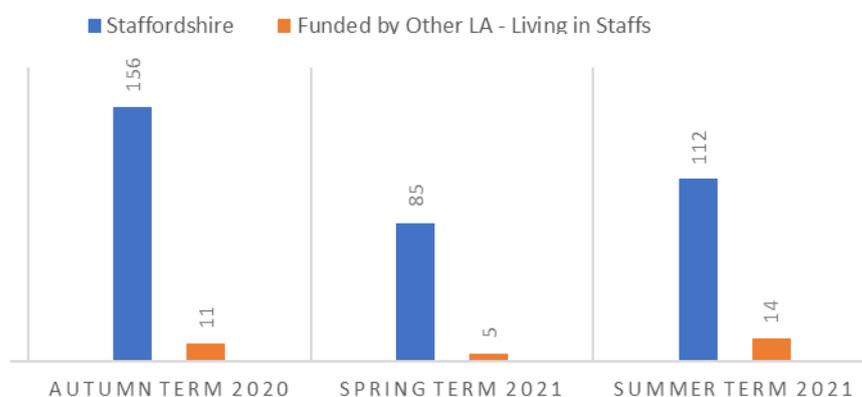
1. Overview

An Individual Placement/Pupil Agreement (IPA) will only be in place for a maximum of 4 years for an individual pupil. This ensures that at each key stage/transition point a new IPA is drawn up to ensure the outcomes detailed within the IPA are current and cost implications are taken account of.

NCY	Age	Key Stages	No of Yrs
<i>Nursery & Reception</i>	2-5	<i>Early Yrs</i>	3 Years
<i>Year 1 – 2</i>	5-7	KS1	2 Years
<i>Year 3 – 6</i>	7-11	KS2	4 Years
<i>Year 7 – 9</i>	11-14	KS3	3 Years
<i>Year 10 – 11</i>	11-16	KS4	2 Years
<i>Year 12 +</i>	16-26	Post 16	Annually

- 1.1. When a CYP is admitted to an independent school during Year 9 the approval can extend beyond Key Stage 3 and include Key Stage 4. This would still ensure the total number of years agreed within an IPA does not exceed the maximum of 4 years.
- 1.2. Post 16 approval will cover 2 years where the individual agreement is linked directly to a specific course rather than the school placement.
- 1.3. Below is an overview of CYP who have an EHCP naming an independent or non-maintained school during the academic year 2020/2021:

PLACEMENTS AGREED DURING THE TERMS



Movement of CYP during 2020/2021

- 383 school placements agreed within the Independent Schools sector (30 of these were funded by another LA) taking the total number of CYP requiring an Individual Pupil Agreement to 524.
- 131 left a provision with 17 of these funded by another LA

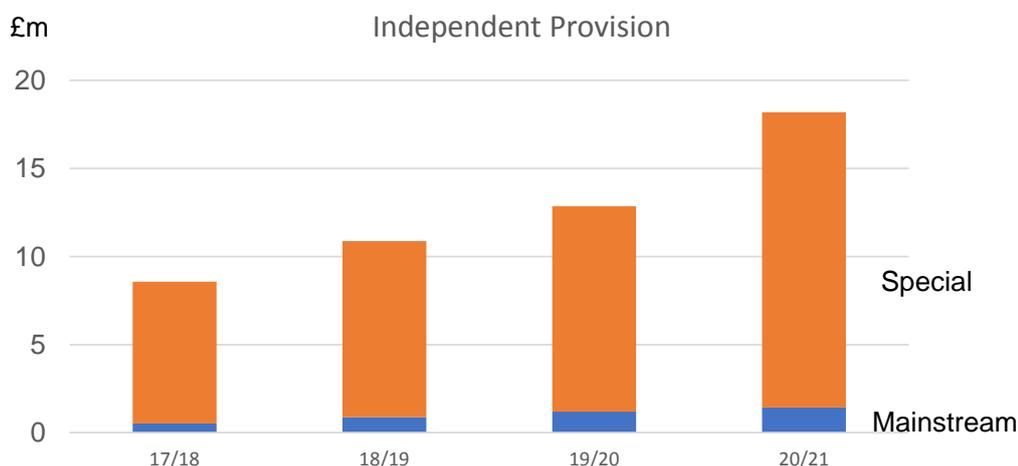
- 1.4. During the academic year the full contractual sum of £35,074,807 HNB funding was committed for the contractual placements (£17,243,080 Autumn, £7,379,786 Spring, £10,451,941 Summer) for the 353 CYP (251 Staffordshire funded new placements + 102 existing placements)
- 1.5. Of the 64 providers who we currently place with, 55 have now signed up to the National Association of Independent Schools & Non-Maintained Special Schools (NASS) Contract with Staffordshire. It is our intention to ensure that all new providers are signed up to the NASS contract prior to placements commencing to ensure that they are clear of our expectations.
- 1.6. See Appendix A to view a list of current providers we place with, showing who has signed the NASS contract and who is listed on the Section 41 list. Section 41 of the Children's and Families act 2014 allows the secretary of state to publish a list of approved independent educational institutions, independent schools and Special Post-16 institutions who must evidence that they meet a certain criteria. If a Parent of a Young Person requests that an approved provider to be named in their EHCP then the LA is under a conditional duty to accept (unless it would be unsuitable for the age, ability, aptitude or SEN of the CYP, or that the attendance of the CYP would be incompatible with the efficient education of others or the efficient use of resources). Applications to the Section 41 list are considered on a yearly basis. Currently there are 254 institutions listed, with only 4 in Staffordshire. Out of the 64 providers that we place with 16 are on the Section 41 list.
- 1.7. All Providers who have a current NASS contract in place are now listed on the SCC Contracts Register, a termly update is submitted to the Commercial Team to ensure that the information remains up to date and accurate.
- 1.8. The demand for CYP requiring an IPA throughout the academic year has risen from 464 to 524. We continue to negotiate with providers to sign the NASS contract and subsequent IPAs. Where these are in place, 76 % of the cohort have completed IPAs. Of the remaining 24%, 15% with providers for signing, 4% awaiting further agreement, 3% waiting for start dates and 2% with queries.
- 1.9. Further analysis of the data evidenced 80% of placements agreed during the summer term had a signed IPA in place prior to admission, with the IPA being signed by both parties on average of 25 days before an admission date.

2. Finance (SEND Finance Team provided the following information)

2.1. The table below shows the 2020-2021 budget and provisional outturn for Independent Schools (Mainstream and Specials), not including SEN Inclusion Fund (Early Years allocations) or Independent Hospital fees. It shows the forecast 'overspend' of c £4m

	£m	£m	£m	£m	£m	£m
	Budget 2021/22	Provisonal Outturn 2021/22	Variance 2021/22	Budget 2020/21	Outturn 2020/21	Variance 2020/21
Independent Schools - Mainstream	1.470	1.470	0	1.200	1.391	0.191
Independent Schools - Special	18.194	22.151	3.957	14.000	16.781	2.781
	19.664	23.621	3.957	15.200	18.172	2.972

2.2. The chart below shows the level of spend in the independent provision and the increase over the last four years; whilst additional government funding in 2021/22 has provided for a significant budget rise next year, this is still unlikely to be sufficient given the increasing cost of new placements and demand:



2.3. The total cost of the for the Contracts Manager including on-costs is £66k. This post continues to demonstrate a cost benefit to SCC with a cumulative saving of £280k which equates to a net saving of £214k as at July 2021 (a 12 month period).

2.4. As part of one of the contract variations that were implemented a year ago, providers were required to share individual pupil attendance. With this data now being fully recorded within Capita for the past academic year, it has meant that when agreeing new places and reviewing existing places at CDMG we have been able to input individual attendance expectations for CYP within the IPA element of the contract. This has been especially important where historic attendance has been low. When confirming this with one provider they agreed to discount the fees by 50% for non-attendance during the first term, this is because of the good and valued working relationship we have now established.

**Independent Schools showing
Contract and Section 41 approved information**

	64	55	16
		86%	25%
School	Contract in Place	Section 41 Approved	
Abbotsholme - Issued 17/03/2021	No		
Active Wellbeing school	Yes		
Alderwasley Hall School	Yes	Yes	
Arc School Ansley	Yes	Yes	
Arc school Old Arley	Yes	Yes	
Aurora Hanley School	Yes		
Beech Hall School	No		
Bladon House School	Yes	Yes	
Bluebell School	Yes		
Chase Grammar	Yes		
Cheshire Alternative Provision School	Yes		
Compass Community School- Victoria Park	Yes		
Denstone College	Yes		
Draycott Moor College	Yes		
Elmfield School	No		
Heather Field School	Yes		
Heathfield Knoll School	Yes		
High Grange Children's School	Yes		
High Peak School	No		
Highclare School	Yes		
Hillcrest Glebedale School	Yes	Yes	
Hillcrest Shifnal School	Yes	Yes	
Higford School	Yes	Yes	
Hopedale School	Yes	Yes	
Intuition Holistic Education	No		
JP Alternative Education	Yes		
Kinetic Academy	Yes		
Lavender Field School	Yes		
Longdon Hall School	Yes		
Longdon Park School	Yes		
Maple Hayes Hall School	No	Yes	
Maple View School	Yes		
Mill House School	Yes		
Moor Park	No		
NAS Church Lawton	Yes		
New College Worcester	Yes		
Norton College	Yes	Yes	
Options Trent Acres School	Yes		
Overley Hall School	Yes		
Overstone Park School	Yes		
Pace Education Ltd	Yes		
Peak (Gailey) Cannock sent to provider for	Yes		
Peak Audley	Yes		
Peak Education (Longford Road) Cannock (Yes		
Peak Education Stoke (Snowhill) Sent to	Yes		
Pegasus (prev Caldwell Hall School)	Yes	Yes	
Priory Rugeley School	Yes	Yes	
Roaches Independent School	Yes		
Royal School for the Blind (Liverpool)	Yes		
Royal School for the Deaf - Derby	Yes		
Sporting Stars Academy	Yes		
Spring Hill High School	Yes		
St David's College	No		
St Dominics Grammar School	Yes		
Stepping Stones	Yes		
Sunfield School	Yes		
Underley Garden	Yes	Yes	
Values Academy	Yes	Yes	
Values Academy Nuneaton	Yes	Yes	
Wathen Grange School	Yes		
Westmorland School	Yes	Yes	
Wrekin College	No		
Woodside Lodge Learning Centre	Yes		
Woodbury School (Horizon Care)	Yes		

Schools Forum Work Programme

There are a number of items the Schools Forum considers annually; 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.

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Meeting	Item	Details
Autumn Term 20 October 22	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Primary Behaviour Support Services – 2021-22 Financial Year	Annual item
	Minority Ethnic Achievement Service (MEAS) 2021-22 Financial Year	Annual item
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Schools Budget 2023-24: De-delegation, Central Expenditure and Education Functions. (Schools Improvement Grant – de-delegation if requested for 2023 – Minute 13/01/22).	Annual item
	Education Banding Tool update	As required

Agenda Item 12

Meeting	Item	Details
Spring Term 12 January 23	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Education Banding Tool update	As required

Meeting	Item	Details
Spring Term 23 March 23	Notices of Concern and Licensed Deficit Agreements	Standard item
	High Needs Block	Standard item
	Schools Budget Update	Standard item

Meeting	Item	Details
Summer Term 13 July 23	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
	Election of Chair and Vice Chair	Every two years

Meeting	Item	Details
Autumn Term 19 October 23	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Primary Behaviour Support Services – 2021-22 Financial Year	Annual item
	Minority Ethnic Achievement Service (MEAS) 2021-22 Financial Year	Annual item
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Schools Budget 2023-24: De-delegation, Central Expenditure and Education Functions. (Schools Improvement Grant – de-delegation if requested for 2023 – Minute 13/01/22).	Annual item
	Education Banding Tool update	As required

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Meeting	Item	Details
Spring Term 23 March 22	Notices of Concern and Licensed Deficit Agreements	Standard item
	Pupil Referral Unit and the High School Head Teacher meeting feedback	Following meeting in February 2022
	High Needs Block	Standard item
	Schools Budget Update	Standard item

Meeting	Item	Details
Summer term - 13 July 2022	High Needs Block	Standard item
	Notices of Concern and Licensed Deficit Agreements	Standard item
	Growth Fund	Standard item
	Schools Budget 2021/22 Final Outturn	Annual item
	Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations	General update if required
	Education Banding Tool update	As required
	Update from SEND Contract Manager	General update

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Pending	
County Council Redundancy Policy	When there is something to report
In relation to minute 39 (150721) growth fund and schools not being asked to submit financial self declarations post Covid.	It was asked if this could be added to the work programme so that it wasn't missed.
Education Banding Tool working group minutes to be circulated to Forum members as and when available	