

## Minutes of the Schools Forum Meeting held on 16 January 2020

Present: Richard Redgate (Chairman)

### Attendance

Kevin Allbutt	Jane Rutherford
Sara Bailey	Philip Siddell
Steve Barr	Anne Tapp
Karen Dobson	Jennie Westley
Keith Hollins	Wendy Whelan
Vicki Lewis	Judy Wyman
Les McDowell	
Julie Rudge	

**Observers:** Mark Sutton and Philip White

**Also in attendance:** Matthew Biggs, Jo Galt, Anthony Humphreys, Andrew Marsden, Tim Moss, Julie Roberts, Melanie Scott, Will Wilkes and Michelle Williams

**Apologies:** Nicky Crookshank, Richard Lane, Anita Rattan, Kirsty Rogers, Philip Tapp and Liz Threlkeld

### PART ONE

#### 79. Declarations of Interest

There were none at this meeting.

#### 80. Minutes of the meeting held on 17 October 2019

**RESOLVED** – That the minutes of the Schools Forum held on 17 October 2019 be confirmed and signed by the Chairman.

#### 81. Minutes of the extraordinary meeting held on 26 November 2019

**RESOLVED** – That, subject to the inclusion of Steve Barr and Judy Wyman under apologies, the minutes of the extraordinary meeting of the Schools Forum held on 26 November 2019 be confirmed and signed by the Chairman.

#### 82. Notices of Concern

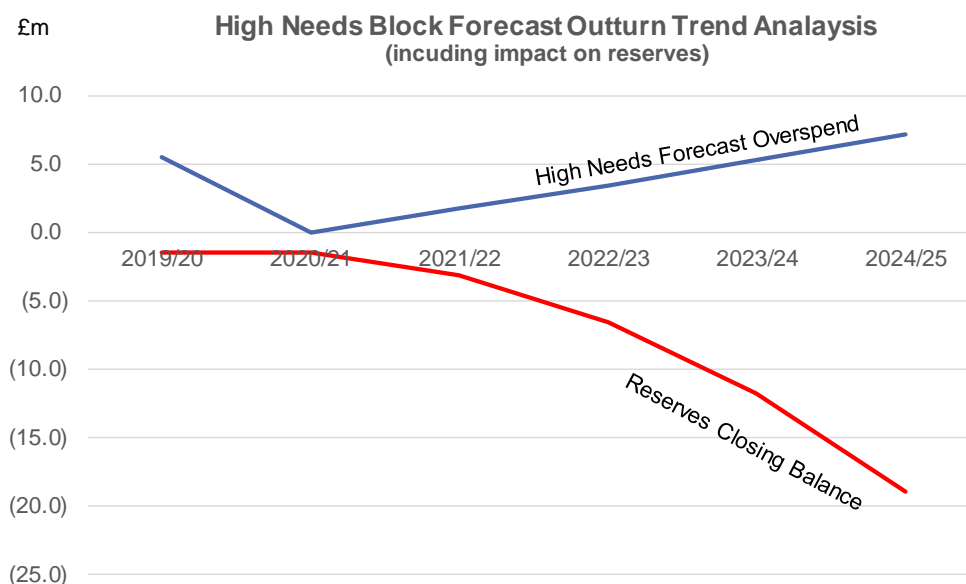
Members noted that four new Notices of Concern had been issued and signed. Squirrel Hayes First School and the King's Church of England School were both as a result of the schools being unable to comply with their original Licensed Deficit plan. St. Peter's C of E (VC) First School and Greenhall Nursery were due to the schools being unable to set a balanced budget for 2019/20. Notices of Concern had been issued to two other

schools. Entrust were working with these schools and would report to Forum once these had been agreed and signed by their Chairman of Governors. Notices of Concern had been removed for All Saints C of E (A) Primary School, Bednall and Brewood Middle School, following their conversion to Academy status.

**RESOLVED** – That the report be noted.

### 83. High Needs Block

Members were informed that the projected overspend on the High Needs Block continued to increase and the forecast outturn for 2019/20 was now £5.5m, in the main due to increasing numbers of children and young people placed in independent special schools. The impact of this projection meant that at the end of the current financial year the overall DSG reserve would be all but depleted and there would be no “buffer” available to help manage future budget pressures. The following graph gave further projections on current spend of the impact on reserves. Left unaddressed it was likely that the reserve would fall into a significant deficit position:



It was expected that the SEND transformation would yield savings over the medium term through Inclusion and SEND locality hubs. These would provide a mechanism to identify and support children experiencing difficulties early, reducing the proportion that escalated to requiring and EHCP. However, it was unlikely that this would deliver the necessary savings in the short term. Accordingly, the Local Authority had requested a further switch from the schools block to the High Needs Block to avoid bringing the overall DSG reserve into deficit. Members of Schools Forum had rejected the request to transfer 0.5% from the Schools Block to the High Needs Block at their extraordinary meeting in November 2019. Consequently, the Local Authority had made representation to the Secretary of State for the switch to take place. However, members were informed that notification had now been received that this had been declined, on the basis that more funding was to be made available in 2020/21. For Staffordshire, the High Needs Block in 2020/21 would be around £88.2m, an increase of £11.1m (14%) compared to 2019/20. Forum noted that the Local Authority had provided additional

investment to stabilise the workforce to deal with the significant increase in demand for EHCPs along with amending and updating the plans maintained.

It was suggested to members of Forum that a Working Group be re-established to review the High Needs Spend and investigate whether additional savings or efficiencies could be made. Members were informed that special school transport budget was also forecast to be overspent by up to £1.5m in 2019/20 and work was being undertaken with colleagues working in this area to see if any actions can be taken to mitigate this. A member queried what the long-term plan was to address the budget issues around independent special schools. They were informed that it would be important to identify special educational needs sooner, in order for appropriate support and intervention to be provided, to avoid in some cases escalation to the need for an EHCP. However, in those cases where these were needed they would be done. It was important to keep special schools for specialist provision, the challenge was that the special schools in Staffordshire were at capacity, so it was about creating space and movement. It was acknowledged that additional resources, such as extra physiotherapy and support for speech and language, would be required in special schools to reduce the need for placements in independent and non-maintained special schools. Special schools would have to provide an enhanced curriculum offer if they were to accommodate those children with more complex needs.

It was confirmed that the assumptions made in the budget forecast had been correct, following the government's announcement of allocations in December 2019. There was a request from the Secondary Heads Forum that the SEND Transformation work was funded and that there would be clarity and transparency around that level of funding, so that for each district they will be clear about what level of funding comes with rolling this out from the Local Authority to schools, so that they could be reassured about equality across districts.

The Cabinet Member for Children and Young People informed the Forum that this could not be solved just by the Local Authority and work needed to be done with leaders across the sector. In The numbers of young people in the independent school sector in Staffordshire were only just above the national average. However, the number of children in special schools was significantly higher than the national average. The point was made that it was important to consider alongside this information what percentage of schools were special schools in Staffordshire compared to the national average and whether it was the case that there were more children in special schools because there were more of these schools in the County. Officers confirmed that this data had been requested and further work was being done on this. Statistically Staffordshire was way above average in the number of requests for assessment for EHCPs compared with both the West Midlands and the national average.

Several members expressed concern that although extra funding was coming into the High Needs block it would not be passed on to special schools. Whilst it was understood that the funding would be used to address the underlying budget shortfall it was disappointing that special schools' budgets were lagging behind those of mainstream schools and asked that this should be given some consideration.

A member queried when all the locality hubs would be in place and was informed that the intention was that this would be by September 2020. There were significant

concerns among headteachers at the pace of the introduction of the hubs and they would be apprehensive at the suggestion that it would be fully rolled out in September.

In relation to the High Needs Block Working Group it was suggested that these could either be members of the Forum or the colleagues who they represented. Interest parties were invited to contact Tim Moss, Head of Education Strategy and Improvement and he would circulate information. A member requested clarification on the specific remit for the group, as there had been a number of Working Groups looking at this area. It was suggested that the Group could look at where the budget was being spent and how efficiently. The savings had been delivered as part of the last round of work undertaken but it would be helpful to look again and ask were there things being funded which shouldn't be.

**RESOLVED** – That:

- a) The updates to the High Needs Block since the previous report in October 2019 be noted;
- b) It be noted that Council's request to the Secretary of State for Education to transfer 0.5% of the Schools Block allocation to the High Needs Block was declined; and
- c) A Working Group be established to review the High Needs Block spend and provide recommendations as to where additional savings or efficiencies can be made.

**84. Early Years 2018/19 Underspend and 2019/20 Forecast**

*[Matt Biggs, Childcare and Sufficiency Manager, in attendance for this item.]*

Philip Siddell, the PVI representative on the Forum, circulated graphs giving details on data on the early years funding shortfall, based on the minimum/living wage, funding and costs per hour.

Members were informed that Early Years had underspent in 2018/19 and the forecast was for an underspend in 2019/20. Both years' underspends had been driven by fewer hours claimed for three and four year olds, compared to hours funded from the January census. There were difficulties in understanding why the January census point would be a high point in the census, there the was a need to review whether this was a trend. As more time elapsed this would help identify whether a trend was emerging. The Early Years funding rate for 2020/21 would be made in conjunction with an Early Years Working Group, taking trend analysis and affordability into account. Discussions were ongoing as to how any unspent Early Years contingency could be given back to providers in the following year as a one-off lump sum.

In late 2016 the government had introduced the National Funding Formula (NFF) and Staffordshire were required to develop a local Early Years formula based on those national guidelines which would be implemented in 2017/18. Consultation took place with the sector and following that consultation a number of changes were introduced, including moving from a variable rate to one universal rate for all providers, a reduction in the number of deprivation bandings for the PVI sector from 16 down to two to try and simplify locally the formula. In addition the model with schools operated as Governor run provision was changed and that brought changes to the way the Local Authority

transacted with schools in the way that budgets were set from schools' census. This was important context because there was a significant amount of change which meant that when the extended entitlement was introduced in September 2017 it had proved challenging to set an accurate budget based on the funding received from government. The January census was a snapshot and then the funding was paid out over the three terms. It was known that January was a low point for two year olds but appeared to be a high point for three and four year olds, which was producing an overall underspend. In recent years a contingency had been set up, which top-sliced off the rate from the 95% pass out required to providers. From the emerging trend analysis, with two years of underspend, there was still a term for an assessment to be made. Members were informed that a slight swing either way could potentially take the budget into an overspend, and it was difficult and volatile to forecast.

The County Council had made a decision to give contingency back retrospectively for 2018/19 in a lump sum by the end of the financial year. Funding Workshops had been set up at the end of January to look at the trend analysis which was now available, to see if further funding could be put into the rate for future years. Members were informed that Staffordshire was a fiscally well-run authority and the rate set had always been at a level that could be sustained but look to increase that if possible. There were some Local Authorities who over set the rate and then had to reduce it in the future. On point of accuracy, businesses were required to pay 3% on top of salaries as a pension contribution, not 1% as stated in the report. The Cabinet Member confirmed that it was the intention that as much funding as possible would be passed back to providers and that he had written to the Secretary of State to highlight the position in Staffordshire and how the rate is less than many adjoining authorities without there being any obvious reasons why this was the case, and offered to work with the DfE on how the rates were calculated.

A member commented that they did not remember a consultation taking place with every nursery provider on the rate. Officers confirmed that every registered early education provider receiving funding was given the opportunity to comment, when the consultation was sent out in December 2016. The response rate had been around 20%. The member stated that providers were told what the rate was going to be and although comments had been made that the rate didn't meet the requirement providers were told there was no point pursuing this as there was no option of additional funding. For clarification, members were informed that the consultation had been based on the principles of a formula, which the authority was required to do, which was then used to set the rate which then had to be approved by the County Council.

In referring to the graphs circulated, these had been produced to demonstrate the level of the shortfall. Since 2017 the funding rate per hour had remained static, whilst the minimum/living wage had increased quite significantly. A second graph demonstrated how this contributed to an increasing shortfall from a nursery's normal pricing structure. Whilst the pass back of the contingency would be welcomed, it was queried what was happening with the two previous years' underspends. Members were informed that any underspend or overspend would be contributed to, or drawn down from, DSG balances. The rate for 2020/21 from government represented the first increase since 2017/18, which supported the data outlined in the graphs demonstrating a growing shortfall. It would remain important not to over set the rate, but for 2020/21 it would be helpful to be able to take past data into consideration in the Early Years Working Group.

**RESOLVED** – That the Early Years 2018/19 Underspend and 2019/20 Forecast be noted.

## 85. Schools Budget Update

As part of the 2019 Spending Round, the Government had announced that Schools were to be given an increased level of funding nationally, with a commitment to a £7.1 billion increase in funding by 2022/23. For Staffordshire the allocations released on 19 December, which included updated census numbers, for 2020/21 provided an extra c£25m (5%) for the Schools Block, an extra £11.9m (15%) for the High Needs Block (before deductions for Academy recoupments) and an extra £0.8m (1.6%) for the Early Years Block. The Central Services to Schools Block had decreased by £0.5m (8%) due to the Government’s unravelling of the Historical commitments. The 2020/21 total allocation for the Schools Block DSG was £510.8m, broken down in the table below. On average this was a funding increase of 4.27% for every pupil in Staffordshire.

	Unit of funding	Number on Roll	Allocation £m
Primary	4,047.78	66,235.00	268.1
Secondary	5,167.01	45,246.50	233.8
Premises Factor			4.8
<b>Schools Block (before Growth Fund)</b>			<b>506.7</b>
Growth Fund allocation			4.1
<b>Schools Block Allocation</b>			<b>510.8</b>

Included within the Schools Block allocation was an amount for Growth Funding, which since 2019/20 had been formula driven and allocated Growth Funding based on the differences between the primary and secondary numbers on roll in Middle Super Output Areas (MSOA) in the local authority on the October 2018 and October 2019 school censuses. This would fluctuate from year to year and was difficult to estimate. This formula awarded Staffordshire £4.1m in 2020/21, which was considerably higher than expected. Since 2018/19 the school block funding had been allocated to schools based on the National Funding Formula (NFF) factors, as approved by Schools Forum in consultation with all Staffordshire schools. The Government had increased the formula factors by 4% and the funding protections had also been increased. Last year there had been funding protection for middle and secondary schools but this was now done on key stage. A positive Minimum Funding Guarantee was a compulsory factor with a permitted range between +0.5% to +1.84%, ensuring that all schools gained on a per pupil basis from 2019/20.

The total cost of the NFF was £507.9m. This ensured that the NFF was delivered in full, with no capping required and the maximum possible MFG if 1.84%. The following table shows that there wasn’t enough funding in the allocation to fund these factors in full. Therefore, it was Staffordshire’s intention to contribute £1.2m from the Growth Fund into the schools NFF allocation to avoid capping any of our schools’ gains.

	<b>£m</b>
Cost of implementing the NFF in full to Staffordshire	507.9
Funded by:	
Schools Block (before Growth Fund)	506.7
Contribution required from Growth Fund	1.2
<u>Total Funding</u>	<u>507.9</u>
	<b>£m</b>
Growth Fund allocation	4.1
Less: Contribution required from Growth Fund	(1.2)
<u>Remaining Growth Fund Budget</u>	<u>2.9</u>

This remaining Growth Fund budget would replace the budget approved at the October meeting of Schools Forum, which was for £595k. This was in line with the principles of conversion to the NFF's formula. Any under or overspend in the Growth Fund would be contributed to or from DSG balances.

**RESOLVED** – That the Schools Budget Update for 2020/21 be noted.

#### **86. Work Programme**

Further to the discussions on the High Needs Block it was agreed that an update on the work of the High Needs Block Working Group should be included on the Work Programme. It was confirmed that the final values for historic commitments would be included in the Schools Budget report to the March meeting. Following the extensive work which had been undertaken in the past 12 months to revise the Constitution it was suggested that this may need further consideration. It was agreed to include this on the Work Programme for the Summer meeting. The Chairman informed members that he had requested that an additional column be added to indicate the status of items. A member queried whether the outcomes of the Early Years Workshops would be reported back to the Forum and was informed that these could form part of the Schools Budget report in March.

**RESOLVED** – That, subject to the additions outlined above, the Work Programme be noted.

#### **87. Date of next meeting**

**RESOLVED** – That the next meeting of Schools Forum be scheduled for Thursday 26 March 2020, at 2.00 pm in the Oak Rom, County Buildings, Stafford.

#### **88. Exempt minutes of the extraordinary meeting held on 26 November 2019**

**RESOLVED** – That the exempt minutes of the extraordinary meeting of Schools Forum held on 26 November 2019 be confirmed and signed by the Chairman.

**Chairman**