

## SCHOOLS' FORUM

16 July 2020

Commenced: 10.05am

Terminated: 10.55am

<b>Present:</b>	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, Primary Schools – L/A Maintained
	Lisa Lockett	Primary Schools – L/A Maintained
	Andy Card	Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Rebeckah Hollingsworth	Tameside Pupil Referral Service
	Scott Lees	Tameside Teachers' Consultative Committee
	Elaine Horridge	Diocesan Representative
	Councillor Leanne Feeley	Executive Member
	Anton McGrath	14-19 Sector
	Christine Mullins	Finance Business Partner, TMBC
	Louisa Siddall	Senior Accountant, TMBC
	Wendy Lees	Senior Finance Officer, TMBC
	Elaine Sagar	Early Years Private, Voluntary and Independent Sector
<b>Apologies for absence:</b>	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Tim Bowman	Assistant Director, Education TMBC
	Robin Elms	Special Schools – L/A/Maintained
	Jenny Langley	Secondary Schools – Academies
	Gill McFadden	Business Manager – All Saints Catholic College
	Councillor Oliver Ryan	Executive Member

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 2 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum held on 11 February 2020. The following amendments were agreed:

In Item 60, Dedicated Schools' Grant Funding Formula 2020-21, the report detailed that the total Schools Block settlement for 2020-21 was **£169,918**. This figure should be amended to **£169,918m**.

Again, in Item 60, it was stated that, in December 2019, the provisional 2020-21 High Needs Block allocation of **£24,599m** (before Academy recoupment) was released. This figure should be amended to **£24.599m**

### RESOLVED

**That that the minutes of the meeting of the School's Forum held on 11 February 2020 be amended, as outlined, and approved as a correct record.**

### 3 DEDICATED SCHOOLS GRANT OUTTURN 2019-20 AND BUDGET UPDATE 2020-21

Consideration was given to a report of the Assistant Director of Finance and Assistant Director of Education, with regard to the outturn position for 2019-20 and an update for the budget position for the financial year 2020-21.

The report set out:

- The final outturn position for the Dedicated Schools Grant for 2019-20
- A budget update for the Dedicated Schools Grant for 2020-21
- The dedicated Schools Grant reserve position at 31 March 2020 and the estimated reserve position at 31 March 2020-21

Members of the Forum considered the presented outturn and forecast information for each of the 4 DSG funding blocks and some indicative pressures for 2020 and beyond were highlighted. It was outlined that the total over spend in-year was £3.907m. A surplus of £114,000 for the Schools Block was highlighted and it was explained that this mainly related to a surplus of growth funding of £101,000 and other small surpluses relating to business rates.

The deficit in the High Needs Block of £4.568m was brought to the attention of the Forum and it was explained that this would be discussed in more detail later within the High Needs Funding Update.

It was stated that the £251,000 surplus on the Early Years Block was due to not having the final allocations for the 2019-20 financial year and that this update was due within the next week. It was, however, predicted that there may be an additional allocation of £296,000 which would increase the Early Years Block surplus

It was explained that, within the Early Years Funding, the surplus for 3 and 4 Year Olds was reflective of the uptake of Universal Entitlement and the increase in uptake on the Extended Entitlement. It was also noted that there were deficits in the 2 Year Old Offer, the Early Years Pupil Premium and SEND Inclusion Funds.

As final settlements were not due until later this month, it was explained that final update would be provided to the Forum in September 2020. The Forum were made aware that, due to the resources being funded from the centrally retained element of Early Years' Funding being implemented part way through the year, there was an in-year surplus which supported the pressure on High Needs funding.

With regard to the DSG forecast for 2020-21, it was stated that there was a forecast deficit of £4.754m. It was explained that this deficit was predominantly due to pressures on the High Needs Block. However, it was also stated that this was partially offset by an expected surplus on the Schools Block in respect of rates rebates following recent academy conversions. It was proposed that any surplus would contribute to the DSG reserve deficit and it was anticipated that this surplus may increase following the October census information.

With regard to the High Needs Block, it was made clear that the 0.5% previously agreed with Schools' Forum had now been actioned and this had been taken into account as part of the position on the High Needs projected outturn. The projected in-year deficit for this block was expected to be £5.654m, which would be reduced to £4.804m with the £0.850m transfer from the Schools Block, as previously agreed.

It was explained that the Early Years Block was currently expected to outturn on budget. However, it was highlighted that there may be significant financial pressures in this sector relating to sustainability for providers due to COVID-19 closures. With this in mind, it was stated that the Department for Education (DFE) had entitled local authorities to use the funding in this area more flexibly, with the caveat that the Local Authority must continue to find early year's settings for free entitlement as normal. However, it was stated that there was not sufficient information currently available to predict the impact of this and that a further, detailed report would be provided for

Schools' Forum at the next meeting. It was explained that this would provide a more detailed position, specifically with regard to Early Years funding.

With regard to the DSG Reserve, it was stated that, in 2019-20, there had been a reduction in the reserve, mainly due to funding the deficit on the High Needs Block. The report outlined that there had also been contributions to the reserve, with the most significant of these relating to surplus funding from the Early Years Block.

It was highlighted that, if the projections for 2020-21 were accurate, there would be a deficit of £5.311m on the DSG, meaning it would be likely that a deficit recovery plan would have to be submitted to the DFE. This would need to outline how recovery of this deficit and spending would be planned and managed over the next 3 years. It was explained that this would require detailed discussions with Schools' Forum and that this position would be closely monitored throughout the year with timely updates provided to Schools' Forum.

With regard to deficit recovery, it was outlined that a number of work-streams were already underway to look at various ways to recover the deficit. These included a systematic review of Element 3 funding bands, review of the use of Resource bases and increasing capacity within the Post 16 sector.

Members of the Forum were also made aware that, since the reports were published, there had been updates from the DFE regarding the conditions of the DSG. These updates stated that any local authority with an overall deficit on the DSG account at the end of 2019-20, or whose DSG surplus had substantially reduced during the year must co-operate with the DFE in handling this situation. It was stated that the Local Authority must provide information, as and when requested by the DFE, and there was an expectation that there would be meetings with officials at the department, as and when requested. It was also highlighted that there was an expectation Schools' Forum would be kept regularly updated with regard to the DSG account and plans for handling this, including High Needs pressures and potential savings.

Discussion ensued with regard to the need for Schools' Forum and the Local Authority to work closely together. It was emphasised that this systematic review was vital and, although still in its infancy, was already underway. It was also made clear that discussions were underway within the finance group and that this would be very much a coordinated and collaborative approach between the Local Authority and School's Forum.

A question was raised with regard to the SEND Inclusion Fund and it was explained that this fund was being reviewed. It was also explained that, due to an increase in demand on this fund, the budget had been increased from £150,000 to £180,000. In addition a sum of around £5,000 had also been allocated to the 2 Year Old fund in recognition that pressure had been increasing in this area. Members of the Forum were also made aware that this would be reviewed annually and that this would sit hand in hand with the High Needs Review.

A member of the Forum requested clarification with regard to additional High Needs Funding that had previously been provided and whether this would be likely continue. Concern was also expressed with regard to the time taken to conduct reviews and the capacity to stem significant deficits. Using and creating more localised provision was discussed along with the possibility of further Government announcements and possible policy changes in the near future. It was also stated that, in contrast with other Greater Manchester authorities, Tameside had continued to see growth and a significant increase in requests for assessment. It was explained that many factors are taken into account with regard to the High Needs' Funding formula and that historic funding remained a significant barrier.

## **RESOLVED**

**That the content of the report be noted and supported.**

Consideration was given to a report of the Assistant Director of Finance and Assistant Director of Education, outlining the High Needs' budget position and updating members of the Forum on the High Needs' Review.

As had been previously mentioned, the in-year deficit of £4.569m was highlighted. However, it was explained that the DSG reserves of £4.012m had been fully utilised which had left a deficit against the overall DSG of £0.557m at the end of 2019-20.

The High Needs budget position was explained in terms of the final spend against the original budget across all sectors. It was stated that there had been a growth in all sectors, particularly for Mainstream, which had seen a growth of 30.63%, Special with a growth of 10.35% and the Independent Sector, which had grown by 46.19%.

The Forum were made aware that Tameside was a net exporter of High Needs places and the latest data demonstrated that there were currently 181 pupils attending out of borough institutions with 68 pupils coming into Tameside schools and colleges. This net of 113 places represented an increase compared to 80 net places for 2019-20.

With regard to the projected High Needs budget, it was explained that even with increases in funding of around 18% compared to 2019-20, this area of the budget was still forecasting an in-year deficit of £2.683m before growth and the overspend brought forward. It was stated that this projection included estimated growth in demand at £2.971m. Taking into account this growth, the deficit on the DSG of £0.557m and the Schools Block transfer of £0.850m into the High Needs Block, this would still leave a projected deficit on the overall DSG budget of £5.361m. It was made clear that these figures had been based on growth in demand for plans and had not yet taken into account any impact of the High Needs Review.

With regard to the projected growth in Education Health Care Plans, the latest figures showed that growth had slowed slightly from around 30 new plans per month to around 24 plans. However, it was stated that this could still result in further growth of approximately 280 plans in the 2020-21 financial year, at a cost of £2.971m. This would suggest there would be 3.94% of pupils with Education Health Care Plans meaning that Tameside would have one of the higher rates across Greater Manchester authorities.

It was discussed that initial meetings had taken place with the School Funding Group, where the following areas were discussed:

- Review of the current funding model to gain an understanding of how it was calculated initially;
- Understanding the costs involved from schools in supporting pupils with specific needs;
- Researching other funding models across Greater Manchester;
- Establishing principles for the new model; and
- Identifying and agreeing a new or revised funding model.

It was outlined that this project would be a joint project led by both the SEND and Finance teams, and would involve engagement, consultation and liaison with all relevant parties. This would include head-teachers, business managers, governors, SEND leads, parents and Parent Forums. It was explained that work on this was already underway and should be complete by the end of the financial year, with a view to introducing the new rates from April 2021.

## **RESOLVED**

**That the content of the report be noted and supported.**

Consideration was given to a report of the Assistant Director of Finance, outlining the changes to the Tameside Scheme of Financing for Schools. It was stated that changes to this scheme were required following updates from the Department for Education (DFE).

It was explained that, for 2020 and due to the impact of COVID-19 on schools, local authorities and the Department for Education (DFE), changes had been kept to a minimum. These changes were outlined in Appendix A.

Members of the Forum were made aware that the only local change was in relation to the Surplus Balance mechanism Scheme that had been subject to consultation and approval by Schools' Forum in December 2019.

The biggest change was the extension of the Risk Protection Arrangement (RPA), outlined in a previous report to Schools' Forum in February 2020. The DFE advised that guidance had changed to reflect this inclusion. However, due to the pandemic, they had not had time to conduct a consultation on a directed revision and this may be done at a later date.

Appendix A also outlined some minor changes to wording in the scheme to reflect changes from the DFE on points of clarification. It was explained that further changes were expected in relation to the financial transparency, for which consultation was run by the DFE last financial year. As these changes had been delayed, the DFE advised that further information would be published at a later date. However, no time scales had yet been issued. Changes relating to financing and operating leases that were due to come into effect on 1 April 2020 had also been delayed for a year due to the pandemic.

#### **RESOLVED**

**That the changes from DFE be noted and supported.**

**That the local changes, as a result of previous Schools' Forum reports and decisions, be approved.**

## **6 DATE OF NEXT MEETING**

#### **RESOLVED**

**That the next meeting of The Schools Forum will be held on Tuesday 29 September 2020 at 10.00am.**