

## SCHOOLS' FORUM

**Day:** Tuesday  
**Date:** 29 September 2020  
**Time:** 10.00 am  
**Place:** Zoom Meeting

Item No.	AGENDA	Page No
1	<b>APOLOGIES FOR ABSENCE</b>	
2	<b>DECLARATIONS OF INTEREST</b>	
3	<b>APPOINTMENT OF CHAIR AND DEPUTY CHAIR</b> To appoint a Chair and Deputy Chair for the 2020/21 Academic Year.	
4	<b>MINUTES</b> To consider the minutes of the meeting of the Schools' Forum held on 16 July 2020.	1 - 6
5	<b>SCHOOLS FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION</b> To consider the attached report of the Director of Governance and Pensions.	7 - 14
6	<b>SCHOOL BALANCES 2019-20</b> To consider the attached report of the Assistant Director, Finance and the Assistant Director, Education.	15 - 20
7	<b>SCHOOL FUNDING ANNOUNCEMENTS AND UPDATES</b> To consider the attached report of the Assistant Director, Finance and the Assistant Director, Education.	21 - 32
8	<b>DSG BUDGET UPDATE FOR 2020-21 AND EARLY YEARS OUTTURN POSITION FOR 2019-20</b> To consider the attached report of the Assistant Director, Finance and the Assistant Director, Education.	33 - 40
9	<b>SCHOOL CONDITION CONTRIBUTION PROTOCOL</b> To consider the attached report of the Assistant Director, Education.	41 - 46

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From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Natalie King, Democratic Services Officer, to whom any apologies for absence should be notified.

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## 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.**

#### **4 HIGH NEEDS FUNDING UPDATE 2020-21**

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.**

## **5 SCHEME OF FINANCING FOR SCHOOLS 2020**

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.**

**CHAIR**

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# Agenda Item 5

<b>Report To:</b>	<b>SCHOOLS FORUM</b>
<b>Date:</b>	29 September 2020
<b>Reporting Officer:</b>	Sandra Stewart – Director of Governance and Pensions
<b>Subject:</b>	<b>SCHOOLS FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION.</b>
<b>Report Summary:</b>	A report for noting the updated Terms of Reference for Schools Forum, of the guiding principles and constitution for the Schools Forum. These documents have been updated to reflect the Department for Education's guidance for Schools Forum published September 2018 and updated May 2020
<b>Recommendations:</b>	<p>Members of the Schools Forum are requested to note the contents of the report.</p> <p>It is recommended the Schools Forum support the publication of terms of reference, Forum principles, constitution and membership of Schools Forum on the council's website to comply with best practice of Schools Forum.</p>
<b>Links to Community Strategy:</b>	Effectively calculated and targeted resources will improve access to a quality education experience for all our children.
<b>Policy Implications:</b>	There are no policy implications as a result of this report.
<b>Financial Implications:</b> <b>(Authorised by the Section 151 Officer)</b>	There are no direct financial implications as a result of this report. However the terms of reference and constitution outlines the financial decisions and consultation that the council need to be carried out with schools, to ensure we exercise our statutory duties with regards of schools funding.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	Members should be aware of the Terms of Reference as they establish the rules for conducting Schools Forum business.
<b>Risk Management:</b>	<p>Local Schools are not given appropriate information to contribute to decision making as laid out in regulation.</p> <p>If Schools Forum protocol is not adhered to funding decisions could be called in for scrutiny by the Secretary of State for Education.</p>

## ACCESS TO INFORMATION

## NON-CONFIDENTIAL

**This report does not contain information which warrants its consideration in the absence of the Press or members of the public.**

## Background Papers

The background papers relating to this report can be inspected by contacting Natalie King, Democratic Services Officer:



Telephone: 0161 342 2316



e-mail: [natalie.king@tameside.gov.uk](mailto:natalie.king@tameside.gov.uk)

## 1. BACKGROUND AND INTRODUCTION

- 1.1 It is an annual requirement to update membership in at the first meeting of the academic year to review the membership, and appoint both Chair and Vice Chair of Forum. It is timely to review the Terms of Reference for the new academic year alongside this.

## 2. SCHOOLS FORUM

- 2.1 The attached document is a comprehensive document that covers the relevant governance expected surrounding schools forum. There are five areas within the document for members to note as follows;

- The Terms of Reference
- Schools Forum Principles
- Schools Forum Constitution
- Schools Forum Membership
- Schools Forum Voting Procedures

- 2.2 Terms of Reference have been established which provide an overview of the purpose and main functions for the Schools Forum.

- 2.3 A set of guiding principles have been established to cover expectations of all Schools Forum members in relation to their role as a member and to ensure that all consultation and decision making is effective and fair.

- 2.4 The Schools Forum constitution covers, in more detail, the powers of Schools Forum in relation to consultation and decision making with regard to approving Dedicated School Grant budgets and formula changes on the Schools Block funding.

- 2.5 It further outlines areas that Schools Forum must be consulted upon, membership and attendance of meetings, organisation and proceedings of meetings, expenses and future changes to the documents.

- 2.6 **Appendix A** outlines the protocols for decision making, voting and substitute attendance at meetings and provides a list of current Forum Membership, including vacancies.

## 3. RECOMMENDATIONS

- 3.1 As set out on the front of the report.

# APPENDIX A

## SCHOOLS FORUM FOR TAMESIDE

### Terms of Reference, Principles and Constitution for Schools Forum (Revised September 2018)

#### TERMS OF REFERENCE

##### THE SCHOOLS FORUM

Representatives from schools, academies and free schools make up the Schools Forum. There is also some representation from non-school organisations, such as nursery and 16-19 education providers.

The Forum acts as a consultative body on some issues and a decision making body on others.

The Forum acts in a consultative role for:

- changes to the local funding formula (the local authority makes the final decision)
- proposed changes to the operation of the minimum funding guarantee
- changes to or new contracts affecting schools (school meals, for example)
- arrangements for pupils with special educational needs, in pupil referral units, and in early years provision

The Forum decides:

- how much funding may be retained by the local authority within the dedicated schools grant (for example, providing an admissions service, or providing additional funding for growing schools)
- any proposed carry forward of deficits on central spend from one year to the next
- proposals to de-delegate funding from maintained primary and secondary schools (for example, for staff supply cover, insurance, behaviour support)
- changes to the scheme of financial management

##### PRINCIPLES

Whilst members are representatives of their specific sectors or phase, they will be expected to seek feedback from the schools they represent.

Schools Forum members should consider the needs of the whole educational community, rather than using their position on the Schools Forum to advance their own sectional or specific interests.

Schools staff and governors should make sure that the representatives they choose are competent to act as their advocates.

They should also ensure that they are aware of Schools Forum business and make their views known about decisions affecting schools' finance.

Local authorities must publish all Schools Forum papers in advance of each meeting.

Any recommendations should be clear and local authority responsible officers should attend meetings to provide further information and advice.

All Schools Forum meetings must be open to the public. Observers do not have an automatic right to speak at meetings, but the chair may allow contributions where appropriate.

## **CONSTITUTION**

The title of the Forum shall be the 'Schools Forum for Tameside' herein after referred to as 'The Schools Forum'.

### **Introduction**

The Schools Forum has been established in accordance with the provisions of the Schools Forums (England) Regulations 2012 (S.I. 2012/2261). The following document lays out a revised constitution and terms of reference of The Schools Forum, building upon the original documentation drawn up in June 2003. The Schools Forum is a separate statutory body and, as such, is not a committee of the local authority.

### **Functions of the Forum**

To make decisions in relation to:

- de-delegation from mainstream maintained schools budgets (separate approval will be required by the primary and secondary phase members of schools forum), for prescribed services to be provided centrally
- to create a fund for significant pupil growth in order to support the local authority's duty for place planning (basic need), including pre-opening and diseconomy of scale costs, and agree the criteria for maintained schools and academies to access this fund
- to create a fund for falling rolls for good or outstanding schools if the schools' surplus capacity is likely to be needed within the next three years to meet rising pupil numbers and agree the criteria for maintained schools and academies to access this fund
- agreeing other centrally retained budgets, including for local authority statutory responsibilities (where these relate to maintained schools only, voting is by the primary, secondary, special and PRU members of schools forum)
- funding for central early years expenditure, which may include funding for checking eligibility of pupils for an early years place, the early years pupil premium and/or free school meals
- authorising a reduction in the schools budget in order to fund a deficit arising in central expenditure, or from de-delegated services, which is to be carried forward from a previous funding period in the 2019 to 2020 funding year. The Schools Block is ring-fenced. Local authorities require Schools Forum approval in order to move up to 0.5% from the Schools Block to other blocks
- in each of these cases, the local authority can appeal to the Secretary of State if the Schools Forum rejects its proposal.

The Local Authority must consult the Schools Forum in relation to:

- amendments to the school funding formula, for which the voting is restricted by the exclusion of non-schools members, except for PVI representatives
- arrangements for the education of pupils with special educational needs in particular the places to be commissioned by the local authority and schools, and the arrangements for paying top-up funding
- arrangements for the use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the local authority and schools, and the arrangements for paying top-up funding
- arrangements for early years provision
- administrative arrangements for the allocation of central government grants paid to schools via the local authority

### **Membership and Attendance**

The Schools Forum will be made up of schools, academies and free schools members and non-school members as listed below. Non-schools members will make up no more than a third of a Schools Forum's total membership

### **Schools members**

Members should be headteachers, governors or bursars (they may be represented by other senior members of staff within their school). Governors can include interim executive members of an interim executive board. Membership will be determined in accordance with regulation.

### **Non-Schools members**

A representative of providers of 16-19 education must be elected from those providers. Early years' providers from the private, voluntary and independent (PVI) sector.

### **Other attendees who are permitted to contribute to a Schools Forum meeting:**

- the director of children's services at the authority or their representative;
- the chief finance officer at the authority or their representative;
- any elected member of the authority who has primary responsibility for children's services or education in the authority;
- any elected member of the authority who has primary responsibility for the resources of the authority;
- any person who is invited by the Forum to attend in order to provide financial or technical advice to the Forum;
- an observer appointed by the Secretary of State; and
- any person presenting a paper or other item to the Forum that is on the meeting's agenda, but that person's right to speak shall be limited to matters related to the item that the person is presenting.

Tameside's membership can be found at **Annexe A**

Meetings will be open to the public, although there is no automatic opportunity for members of the public to speak. Public involvement can come through Forum invitation only. Where the Forum discusses matters of a confidential nature e.g. contracts where there is a commercial interest, then this should be considered private and confidential and members of the public excluded. In all cases the principles of the Local Government (Access to Information) Act apply.

### **Meetings and Proceedings of the Schools Forum**

The local authority shall act as clerk to The Schools Forum and ensure that all of the procedural aspects of Forum performance are complied with.

The Schools Forum shall meet at least four times per year.

The Forum shall be quorate if at least 40% of the voting membership is available at the meeting.

A Chair and Vice Chair shall be elected annually from those members present at the first meeting of the academic year; the term of office being one year. Any elected member or officer of the authority cannot stand as Chair.

A member of Schools Forum may nominate an alternate to attend a meeting if he or she is unable to do so, but the alternate must also fulfil the same criteria as the member; they must be from the same category of school within the local authority. The appointed member, prior to the meeting, shall notify the name of the substitute member to the officer acting as clerk to the Forum.

Any member who fails to attend four consecutive meetings of Schools Forum, even where a substitute attended on his or her behalf, may have their membership terminated.

A draft agenda shall be agreed for the 12 month period. The Chair of Forum must decide upon the agenda for the meeting following consultation with members of the Forum. The final agenda and written papers are to be circulated 5 working days before the start of the meeting. Verbal or tabled reports will only be accepted in extenuating circumstances.

Voting procedures at Forum are covered in **Annexe B** attached.

**Charging of expenses**

All expenses of the Forum shall be met by the Authority, and charged to the schools budget. Expenses can be claimed in line with the forum expenses procedure.

**Future Amendments to the Terms of Reference**

Membership and terms of reference will be reviewed by the Local Authority at the start of each academic year.

## ANNEXE A

<b>MAINTAINED PRIMARY SCHOOL MEMBERS (9)</b>	<b>SCHOOL</b>
Steve Marsland	Headteacher – Russell Scott Primary School
Lisa Gallaher	Headteacher – Milton St John Primary School
Lisa Lockett	Headteacher – Stalyhill Infants School
Andy Card	Headteacher – The Heys Primary School
Susan Marsh	Governor - Governors' Forum
Donal Townson	Governor – St John Fisher
Vacancy	
Vacancy	
Vacancy	
<b>ACADEMY PRIMARY SCHOOL MEMBERS (5)</b>	<b>ACADEMY</b>
Karen Burns	Headteacher – Inspire Academy
Simon Wright	St Paul's Primary Academy, Stalybridge
Heather Farrell	Oakfield Primary Academy
Vacancy	
Vacancy	
<b>MAINTAINED SECONDARY SCHOOL MEMBERS (2)</b>	<b>SCHOOL</b>
Richard O'Regan	Headteacher – Alder Community High School
Betty Jones	Governor – St Damian's RC College
<b>ACADEMY SECONDARY SCHOOL MEMBERS (2)</b>	<b>ACADEMY</b>
Gill McFadden	Business Manager – All Saints Catholic College
Vacancy	
<b>MAINTAINED SPECIAL SCHOOLS (1)</b>	<b>SCHOOL</b>
Vacancy	
<b>ACADEMY SPECIAL SCHOOLS (1)</b>	<b>SCHOOL</b>
Rosario Sarno	Governor – Hawthorns School
<b>PUPIL REFERRAL (1)</b>	<b>SCHOOL</b>
Rebeckah Hollingsworth	Whitebridge & Elmbridge Learning Centres
<b>NON SCHOOL MEMBERS (5)</b>	<b>REPRESENTING</b>
Scott Lees	Tameside Teachers' Consultative Committee
Elaine Sagar	Early Years Private Voluntary & Independent Sector
Elaine Horridge	Church of England Diocese
Ian Noone	Roman Catholic Diocese
Anton McGrath	14-19 Sector
<b>NON VOTING MEMBERS &amp; OBSERVERS</b>	<b>REPRESENTING</b>
DFE/EFA Representative	DFE/EFA Representative
Councillor O Ryan	Executive Member – Finance and Economic Growth
Councillor L Feeley	Executive Member (Lifelong Learning, Skills and Employment)
Tim Bowman	Assistant Director - Learning
Report Presenters	
Council Officers Providing Financial or Technical Advice	

### SCHOOLS FORUM VOTING PROCEDURE


1. The decision as to whether a ballot is held will normally be determined by the requirements of the paper tabled. In exceptional circumstances where members wish to hold a ballot and record the outcome to an item not previously considered to require a vote, then a vote can be triggered by a formal proposition by a member and subsequently agreed by the Chair.
2. Votes shall be cast by a show of hands unless the chair decides that a secret ballot is appropriate.
3. Each member of the Schools Forum, or their substitute, shall have one vote. Non-members (e.g. officers, observers) are not entitled to vote.
4. Non-schools members, other than those who represent early years' providers, must not vote on matters relating to the formulae to be used by the local authority to determine the amounts to be allocated to schools and early years' providers in accordance with regulations.
5. Only the maintained primary schools members of The Schools Forum may vote to decide whether or not to authorise the de-delegation proposals for their phase of maintained schools only.
6. Only the maintained secondary schools members of The Schools Forum may vote to decide whether or not to authorise the de-delegation proposals for their phase of maintained schools only.
7. The proceedings of the Forum are not invalidated by:
  - any vacancy among their number;
  - any defect in the election or appointment of any member;
  - or any defect in the election of the chair.
8. Issues put to the vote shall be decided by a majority of the members, or their substitutes, present at the meeting and voting on the issue.
9. In the case of equal votes, discussion will continue to try to achieve consensus if this cannot be achieved, the Chair will be deemed to have a second or casting vote, with no restriction on either how or whether this is exercised.
10. The numbers of votes and abstentions cast shall be reconciled and recorded.
11. If the members feel that the consultative process is best served by advising decision-makers of the wider views represented in the Forum, then these will be recorded in the minutes together with the weight of each opinion as indicated by votes cast.
12. When casting a vote, members exercise their judgement to decide on issues, bearing in mind the views of their constituent organisations.
13. Declarations of special interest should be made before a vote and recorded in the minutes to cover situations where the decision would affect an individual, the school they represent specifically, or where they, or a related party, have a personal interest in an organisation tendering for a contract with the local authority. For this purpose, a related party is deemed to be where you, or a close relative or member of your household, own a company or have a major shareholding in said company.



# Agenda Item 6

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	29 September 2020
<b>Reporting Officer:</b>	Tom Wilkinson – Assistant Director, Finance Tim Bowman – Assistant Director, Education
<b>Subject:</b>	<b>SCHOOL BALANCES 2019-20</b>
<b>Report Summary:</b>	This report provides: <ul style="list-style-type: none"><li>• An update of the surplus balances held by schools at the end of 2019-20 financial year</li><li>• Details of the current Balance Mechanism Scheme and current balances for 2020-21</li></ul>
<b>Recommendations:</b>	Schools' Forum are asked to note the position of schools balances 2019-20.
<b>Corporate Plan:</b>	Schools spending support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supporting aspiration and hope through learning and moving with confidence from childhood to adulthood.
<b>Policy Implications:</b>	In line with financial policies and financial regulations
<b>Financial Implications:</b> (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	As outlined in the body of the report.
<b>Legal Implications:</b> (Authorised by the Borough Solicitor)	Overall effective use of resources across Tameside schools is a key component in the Authority's Annual Use of Resources Statement. We need to ensure any approach is maintained and kept under review and perverse incentives do not occur. It is important that there is fairness and equality across the system as every child matters and due consideration needs to be given to effective clawback mechanisms.
<b>Risk Management:</b>	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and closure of accounts to ensure that this is achieved. These are subject to regular review.
<b>Access to Information:</b>	<b>NON-CONFIDENTIAL</b> <b>This report does not contain information, which warrants its consideration in the absence of the Press or members of the public.</b>

**Background Information:** The background papers relating to this report can be inspected by contacting

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## 1. INTRODUCTION

- 1.1 The purpose of this report is to update Schools' Forum members on the schools surplus balances at the end of the 2019-20 financial year.
- 1.2 All schools receive their delegated budget share based on the Local Funding Formula and governing body have delegated powers and responsibilities to manage and deploy their financial resources in accordance with their agreed aims and objectives to achieve the best outcomes for pupils.
- 1.3 Maintained schools are permitted to carry forward any year-end surplus/deficit recorded at the 31 March to the following financial year as long as they conform to rules of the Balance Control Mechanism Scheme.

## 2. FINAL POSITION 2019-20

- 2.1 Table 1 summarises school balances by sector for the financial year 2019-20 and shows the movement from 2018-19 balances:

**Table 1 School Balances 2019-20 compared to 2018-19.**

Sector	2018-19	2019-20	Movement	% Change
Primary	£7,003,697	£5,902,860	(£1,100,837)	-16%
Secondary	(£22,797)	£277,037	£299,834	-1315%
Special	£408,373	£876,894	£468,521	115%
<b>Totals</b>	<b>£7,389,273</b>	<b>£7,056,791</b>	<b>(£332,482)</b>	<b>-5%</b>

- 2.2 The table identifies overall school balances have reduced by £0.332m or 5% compared to 2018-19, in particular:
- Primary sector balances have reduced by £1.101m but this does include academy conversions which is equate to £0.555m of this reduction (six academy conversions in 2018-19 and 1 in 2019-20)
  - Secondary sector balances have an improved deficit position and have reduced a small deficit to a surplus and by £0.299m
  - The special sector balances have increased by £0.469m
- 2.3 Table 2 below analyses further the overall balances split by those schools in surplus and those schools closing the financial year with a deficit balance.

**Table 2 – school balances 2019-20 analysed by surplus and deficit balances**

Sector	No	Surplus	No	Deficit	Total
Primary	49	£5,927,243	2	(£24,383)	£5,902,860
Secondary	4	£1,456,617	2	(£1,179,580)	£277,037
Special	5	£876,894	0	£0	£876,894
<b>Totals</b>	<b>58</b>	<b>£8,260,754</b>	<b>4</b>	<b>(£1,203,963)</b>	<b>£7,056,791</b>

## 3. REVIEW OF 2019-20 SCHOOL BALANCES IN LINE WITH THE BALANCE MECHANISM SCHEME

- 3.1 There were a number of changes to the Balance Mechanism Scheme in 2019-20 and these included:
- The % thresholds for surplus balances increased from 8% to 12% in primary and special schools.

- The % thresholds for surplus balances increased from 5% to 9% in secondary schools.
- An interest bearing Capital Reserve will be established to allow schools to transfer balances set aside for to specific capital projects.
- The clawback of surplus balances will apply to balances held in excess of two consecutive years and at a rate of 50%.
- Any balances clawed back from schools will be used to offset High Needs Block overspend, subject to compliance with regulations.
- The clawback agreement will be reviewed annually.
- Exceptional circumstances will be considered with regard to clawback.

3.2 Taking into account the changes above, all surplus balances have been reviewed in line with the Utilisation of School Balances Forms submitted by schools in June 2019 and those schools that exceeded their approved surplus balance have been contacted by the Schools Finance Team (in June 2020) and advised their surplus balances maybe at risk of claw back at the end of 2020-21 (i.e. they have a second year excess balance).

3.3 The table below shows the total number of schools with a surplus balance and whether the balances are within the permitted sector threshold or not.

**Table 3 – schools with surplus balances and schools with excess surplus balances**

Sector	Schools below Sector threshold		Schools above sector threshold		Balances at risk and eligible for potential claw back in year 2	
	No	£	No	£	No	£
Primary	34	£2,299,550	16	£3,627,692	13	£904,109
Secondary	2	£303,289	2	£1,153,328	2	£150,997
Special	5	£876,894	0	£0	0	£0
<b>Totals</b>	<b>41</b>	<b>£3,479,733</b>	<b>18</b>	<b>£4,781,020</b>	<b>15</b>	<b>£1,055,106</b>

#### 4. SURPLUS BALANCES 2020-21

4.1 Following submission of the approved budget plans in May 2020, 9 schools (8 primary and 1 special schools) submitted plans with surplus balances above the sector thresholds for the financial year 2020-21.

4.2 In line with the Balance Mechanism Scheme, these schools have also submitted an approved Utilisation of School Balances form identifying reasons for holding the surplus.

4.3 Schools Finance Team will continue to monitor schools balances

4.4 A further update will be brought to forum once school balances for 2020-21 are finalised. Forum Members will be asked to review any action in line with the Balance Mechanism Scheme regarding invoking the claw back. Schools' Forum will be asked to consider any exceptional circumstance that should be taken into account.

#### 5. DEFICIT SCHOOLS

5.1 The table below gives Forum information regarding maintained schools in Tameside who are facing financial difficulty with a comparison of the balances position at year-end 2018-19 and 2019-20.

Sector	No	Closing Deficit 2018-19	No	Closing Deficit 2019-20	Total
Primary	1	(£9,056)	2	(£24,383)	(£15,327)
Secondary	2	(£1,567,092)	2	(£1,179,580)	£387,512
Special	2	(£17,344)	0	£0	£17,344
<b>Totals</b>	<b>5</b>	<b>(£1,593,492)</b>	<b>4</b>	<b>(£1,203,963)</b>	<b>£389,529</b>

- 5.2 In 2018-19, five schools closed the financial year with a deficit balance and in 2019-20, four of those schools were licenced to operate a deficit budget by the Assistant Director of Finance and the Assistant Director of Education in line with the Tameside Scheme of financing. The primary school affected was an academy conversion. The remaining four have made progress in terms of recovering the deficit position. The two Special schools are now back into a balanced position.
- 5.3 At the end of 2019-20, two further primary schools closed the financial year with a deficit balances totalling £24k and both secondary schools although in deficit did improve the position by £388k.
- 5.4 Currently in 2020-21 the two secondary schools continue be licenced to operate a deficit budget and three primary schools have applied to operate a deficit budget in 2020/21, one has been approved and work is continuing with the two remaining primaries.
- 5.5 The revised DfE Financial Transparency Agenda puts further reporting requirements for schools in deficit as part of The School Information (England) Regulations 2020, which take effect from 1 January 2021. This will mean the DfE will look to;
- Collect information on the amount of recovery plans from each LA through the DSG return where the schools deficit is in excess of 5%
  - Formalise the approach to working with LA's and include requests for high level action plans from some LA's regarding the deficits.

Full details of the changes are outlined in a separate paper on this agenda.

## 6. RECOMMENDATIONS

- 6.1 As set out at the front of the report.

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# Agenda Item 7

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	29 September 2020
<b>Reporting Officer:</b>	Tim Bowman – Assistant Director Education Tom Wilkinson – Assistant Director Finance
<b>Subject:</b>	<b>SCHOOL FUNDING ANNOUNCEMENTS AND DFE UPDATES</b>
<b>Report Summary:</b>	This report provides an update on the latest school funding announcements.
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. Members of the Schools' Forum are requested to note the contents of the report.</li><li>2. Agree in principle to 0.50% transfer from schools block to high need block in 2021-22 (at a minimum).</li><li>3. Agree in principle to support a disapplication request to the Secretary of State to transfer 1.00% from the schools block to the high needs block (if required) following further funding announcements.</li><li>4. Schools Forum notes the changes to financial transparency that will be incorporated into School Information (England) regulations 2020.</li></ol>
<b>Corporate Plan:</b>	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
<b>Policy Implications:</b>	In line with financial and policy framework.
<b>Financial Implications:</b> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. Financial Transparency changes will bring new report requirements in for both schools and Local Authorities outlined in section 6.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	The Financial Transparency requirements will bring a number of changes to bring more into line with existing Local Authority and Academy requirements. I would be helpful to undertake an audit of preparedness for the new regulations and ensure all schools sighted on the implications for them.
<b>Risk Management:</b>	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.
<b>Access to Information:</b>	<b>NON-CONFIDENTIAL</b> <b>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</b>

**Background Information:** The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner, Financial Management, Children’s and Safeguarding Services



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## 1. INTRODUCTION

- 1.1 This report provides information with regards to the DfE spending announcements and some context for the potential impact of the Tameside MBC position. The DSG announcements at this stage only cover the Schools Block, High Needs Block and the Central Service Support Block. Early Years Block information is not shared at this point. Updates on this and confirmation of all other allocations are expected in December 2021.
- 1.2 These indicative figures should be taken in the context that the information released at this stage is based on the 2020-21 data set and will change in some areas to take account of October 2020 census returns.

## 2. SCHOOLS BLOCK

- 2.1 The Schools Block allocation is based on October 2019 census data. Table 1 outlines the 2021-22 allocation of funding on the national basis compared to 2020-21. There has been an overall increase of £3.2bn of which £2bn relates to existing pay and pensions grants. The allocation by national priority is outlined below.

**TABLE 1 - Allocation by national priority**

Item	Total Funding Including ACA 2020-21 £m	Total Funding Including ACA 2021-22 £m	Change £m	% Increase
AWPU	25,656	28,450	2,794	11%
Minimum Per Pupil	266	455	189	71%
<b>Basic per pupil Funding</b>	<b>25,922</b>	<b>28,905</b>	<b>2,983</b>	<b>12%</b>
Deprivation	3,188	3,341	153	5%
Low Prior Attainment	2,653	2,613	(40)	(2%)
English as an additional language	415	420	5	1%
Mobility	51	52	1	2%
<b>Additional Needs Funding</b>	<b>6,307</b>	<b>6,426</b>	<b>119</b>	<b>2%</b>
Lump Sum	2,359	3,341	982	42%
Sparsity	26	42	16	62%
Premises	641	531	(110)	(17%)
<b>School Led Funding</b>	<b>3,026</b>	<b>2,473</b>	<b>(553)</b>	<b>(18%)</b>
<b>Area Cost Adjustment</b>	<b>883</b>	<b>949</b>	<b>66</b>	<b>7%</b>
<b>Funding Floor Protection</b>	<b>464</b>	<b>581</b>	<b>117</b>	<b>25%</b>
<b>TOTAL</b>	<b>35,719</b>	<b>38,916</b>	<b>3,197</b>	<b>9%</b>

- 2.2 The provisional 2021-22 allocation for Tameside MBC has increased by £12.5m, which currently excludes growth, and is shown in Table 2.

**TABLE 2 – Tameside MBC Provisional 2021-22 Funding**

	<b>2020-21 Funding Allocated £000</b>	<b>2021-22 Provisional Funding £000</b>	<b>Increase £000</b>
Pupil Led Funding	164,926	177,385	12,459
Premises Funding	3,870	3,923	53
<b>Total Funding excluding Growth</b>	<b>168,796</b>	<b>181,308</b>	<b>12,512</b>

2.3 Of the £12.5m increase, £7.5m of this relates to the Teachers' pay and pension grant being rolled into the DSG funding. The £7.5m is protected and must be passed directly onto schools. The £5m represents a 3% increase on 2019-20 cash levels. A full breakdown of the funding elements can be found at **Appendix A** along with the detailed national funding amounts.

2.4 The main changes to funding are as follows:

2.5 **Teachers' Pay and Pensions Grant (TPPG)** – The teachers' pay and pensions grant which was previously paid separately to schools has been added into the formula rather than paying this as a separate grant. This will be added to the basic entitlement per pupil funding of £180 for primary and £265 for secondary schools. Schools were previously able to separately bid for additional funds where the grant did not cover the increased pension costs. This has been added to the overall formula.

2.6 **Sparsity Factor** – The National Funding Formula (NFF) rates have been significantly increased by DfE on the sparsity factor. For a primary school, it has gone from £26k to £45k per school and for a secondary school has gone from £67k to £70k per school. This factor is payable to schools that are both small and remote, a school has to be both to attract this funding;

- Small – Average year group is less than, 21.4 (Primary) 69.2 (Middle), 120 (secondary) and 62.5 (All through)
- Remote – The nearest compatible school (relevant phase) is more than 3 miles for secondary and 2 miles for all other phases.

DfE have stated this increase is to address the impact that low pupils numbers has on the funding allocation for these schools. DfE believe due to these circumstances the schools have very little scope to make efficiencies.

The allocation of funding affects the national allocation of funding. However, this will not benefit schools in Tameside as we have no schools who meet the criteria to attract this funding.

2.7 **IDACI Bandings** – The data set used to attract deprivation funding for schools has been updated from the 2015 IDACI data to the 2019 data. DfE have banded the deprivation indices similarly to the 2015 bands to try and reduce the impact of huge fluctuations on individual schools.

The rates at which the bandings are paid have been increased by at least 3% in most cases. We are awaiting more data from the DfE for the changes to IDACI data so we can understand what difference this change will make for Tameside schools. We expect this to be released to us in September 2020.

2.8 **Prior Attainment** – The prior attainment factor uses pupil attainment data as a measure to allocate funding for pupils with low prior attainment. For 2021-22 the 2019 attainment data

will be used as a proxy for allocating this funding due to the formal results process for summer 2020 being suspended as a result of Covid19 lockdown.

- 2.9 **Minimum Funding Guarantee (MFG)** – Local Authorities will continue to set a MFG which in 2021-22 must be between +0.5% and +2.0%.
- 2.10 **Minimum Per Pupil Funding Levels** – for 2021-22 this factor will ensure that every primary school receives at least £4,000 per pupil and every secondary school at least £5,150 per pupil, delivering on the government’s pledge to level up the lowest funded schools. On top of this primary schools will receive an additional £180 per pupil and secondary schools £265 per pupil to cover the additional teachers’ pay and pension costs previously funded through separate grants.
- 2.11 2021-22 will continue to be a soft formula for Local Authorities to administer funding due to Covid19. The DfE have confirmed they will look to a future date for a hard formula implementation.

### 3. HIGH NEEDS BUDGET UPDATE 2021-22

- 3.1 The current announcements indicate the High Needs funding has increased by a further £730m or 10% nationally, local authorities have seen an increase between 8% minimum and 12% capped increase.
- 3.2 The funding formula remains unchanged for 2021-22 with the exception of some technical changes detailed below:
- The funding floor is set at 8% and the cap at 12% for 2021-22 (17% in 2020-21)
  - Teachers Pay and Pensions Grant (TPPG) is included as outlined below
  - The MFG for special schools will remain at 0% (this means no special school will receive less per pupil on a like for like pupil cohort compared to last year. Further guidance on this protection is due to be issued by the DfE at the end of this month.
- 3.3 The additional funding allocated nationally has been used to support the funding floor and capped increases with the remaining funding distributed through the proxy factors.
- 3.4 Tameside have received the maximum increase possible capped at 12% (before Import/Export adjustments and Recoupment).
- 3.5 Table 3 below shows the provisional allocation for 2021-22 compared to the current 2021-21 allocation. Tameside is seeing an overall increase of £3.390m or 14% as this does include the TPPG (£0.488m) rolled into the High Needs Block for 2021-22. TPPG is based on existing grant and so excluding this there is cash increase of £2.902m.

**TABLE 3 - Provisional High Needs Budget 2021-22**

	<b>Current Year 2020-21</b>	<b>Provisional 2021-22</b>	<b>Increase</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
High Needs Funding	25,079	28,469	3,390
Import/Export Adjustment	(654)	(654)	0
Less Recoupment	(1,630)	(1,630)	0
<b>Total</b>	<b>22,795</b>	<b>26,185</b>	<b>3,390</b>

Without the cap at 12%, Tameside would have received an additional £3.1m in 2021-22 and for context, the 2020-21 cap was £2.6m. Table 4 below shows the impact this could have had on the in-year projected deficit for this year and next years' High Needs Block deficit and demonstrates:

- (a) the High Needs deficit before any block transfers and,
- (b) Assuming the 0.50% transfer from Schools Block continues in 2021-22

**TABLE 4 – Capped High Needs Funding Allocation**

	2020-21 Current £000's	2021-22 Provisional £000's	Cummulative £000's
NFF Allocation before Cap	£27,652	£31,620	
Cap on Funding	(£2,573)	(£3,151)	
<b>NFF Actual Allocation</b>	<b>£25,079</b>	<b>£28,469</b>	

**a) High Needs Deficit before any Block Transfer**

High Needs In Year Deficit (with Cap & before 0.50% transfer from Schools block )	(£4,393)	(£2,644)	(£7,037)
High Needs In Year Deficit (without Cap & before 0.50% transfer from Schools block)	(£1,820)	£507	(£1,314)

**b) High Needs Deficit assuming 0.50% Transfer form Schools Block**

High Needs In year Deficit (with Cap)	(£3,543)	(£1,775)	(£5,318)
High Needs In year Deficit (without Cap)	(£970)	£1,376	£405

- 3.6 In relation to the TPPG consideration will need to be given on how this will be pass ported onto schools and providers, taking into account it covers schools, centrally employed teachers as well as independent settings. In special schools the additional funding does equate to £660 per funded place but the DfE have confirmed there is not a national expectation to add this to the base funding i.e. change it from £10,000 to £10,660. It is likely to be included in top-up rates but discussions will take place with North West colleagues to try to ensure a consistent approach can be reached.

**4. BLOCK TRANSFER 2021-22**

- 4.1 Local Authorities will continue to be able to transfer up to 0.50% of the Schools Block allocation to another block within the DSG, with Schools Forum approval. However, the transfer must exclude the additional funding that has been allocated to LA's for the Teachers' Pay and Pension Grants, to ensure these remain in full with schools. A disapplication process to the DfE will continue to be in place for any amounts over 0.50% or for any amount without Schools Forum approval.
- 4.2 The table below gives an overview of the High Needs funding and forecast spending for 2020-21 to 2021-22. The growth in spending is very much an estimate at this stage and the increase in plans has been up and down throughout this year. It is also difficult to understand the impact covid will have on the request to assess, therefore some very high level estimations for 2021-22 have been made, work will continue to refine these estimations. The table shows even continuing with a 0.50% transfer (as in 2020-21) of

£0.869m this would still leave a potential in-year deficit on the High Needs Block of £1.775m in 2021-22. Consideration will also need to be given to the cumulative deficit on the High Needs block and the impact this will have on other blocks within the Dedicated Schools Grant (DSG).

**TABLE 5 – Impact of 2021-22 Funding Allocations against Projected Costs**

	Current Year 2020-21	Provisional 2021-22	Change
	£000's	£000's	£000's
High Needs Funding	25,079	28,469	3,390
Topslice from the Schools Block	850	869	19
Import/Export Adjustment	(654)	(654)	0
Less Recoupment	(1,630)	(1,630)	£0
<b>Total</b>	<b>23,644</b>	<b>27,054</b>	<b>3,410</b>
Current Forecast Spend	(26,150)	(27,187)	(1,037)
Estimated Growth	(1,037)	(1,642)	(605)
<b>Total Estimated Spend</b>	<b>(27,187)</b>	<b>(28,829)</b>	<b>(1,642)</b>
Annual Funding Gap	(3,543)	(1,775)	1,768

- 4.3 Considering the provisional funding allocation and the continuing growth in the High Needs population we ask Schools Forum to continue to support top-slicing the Schools Block to support the High Needs block spending.
- 4.4 Based on the current schools block allocation for 2021-22, 0.50% would equate to £0.869m and 1.00% would equate to £1.738m. These figures may increase as a result of the final funding allocation due in December however it is unlikely even the 1% transfer will be sufficient to offset the annual gap.
- 4.5 The decision to top slice funding is an annual decision. Schools' Forum members are asked to agree in principle, a minimum 0.50% transfer and support a request to the Secretary of State for a 1% transfer. The deadline for the application process is September with a further process in November. The information required has not yet been released. Assuming the process is similar to previous years the request will be subject to the following;
- A consultation process with all schools and academies
  - Presentation of the impact of the intended transfer on individual school budgets
  - The strategic high needs plan
  - A full breakdown of the budget pressures that have led to the requirement to transfer
  - A strategic financial plan setting out how high needs expenditure can be sustainable longer term
  - Schools Forum approval for a one-off transfer for 2021-22
- 4.6 Schools Forum members are also asked to support the chair in making representations to the Department for Education about Tameside's High Needs funding.

## 5. CENTRAL SCHOOL SERVICES BLOCK (CSSB)

- 5.1 Central Schools Services Block funding has provisionally increased by 6.45% from £0.953m to £1.015m for Tameside MBC (an increase of £0.061m).
- 5.2 At this stage, the Teachers' Pay and Pensions for the centrally employed teachers has not yet been added. This will increase the allocation further but the allocation of these funds will be needed to be to cover the increased costs of those centrally held posts before increases are allocated to other areas.
- 5.3 Some Local Authorities have historic costs which continue to reduce by 20% on the prior year allocation. Protection is afforded for Local Authorities with on-going prudential borrowing costs and historic teachers' pension costs. This does not affect Tameside as there are not central historic costs.

## **6. SCHOOLS FINANCIAL TRANSPARENCY**

- 6.1 This section of the reports provides some detail with regards to the increase financial transparency measures being introduced for Local Authorities and Maintained schools as a result of the School Information (England) regulations 2020, to take effect from 1 January 2021.
- 6.2 The changes have been brought forward as a number of Academy Trusts reported to DfE that they feel more accountable for their academies financial position than they previously did as an LA maintained school. DfE currently believe that Academies are financially stronger and the implementation of these proposals will increase financial transparency in schools and reduce the likelihood of deficits. The changes outlined below follow consultation carried out between July and September 2019.
- 6.3 If these measures are to be introduced, this would be from the start of the 2020/21 financial year unless specified differently below
- 6.4 **New Burdens**  
DfE recognise these measures will create new burdens for Local Authorities and will compensate LA's under the New Burdens policy, for 2021-22, this will be done through a direct grant to each LA, in proportion to the number of maintained schools they have. The DfE will work with LA's to finalise the overall amount and distribution.
- 6.5 **The Issues & Proposals**  
The changes to enhance financial transparency are as follows:

### **Issue 1 – Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections**

DfE will publish the names of LA's .Gov.uk who do not meet the deadlines with 3 or more of the following collections

- School Financial Value Standard (SFVS)
- Dedicated Schools Grant CFO assurance statement
- Consistent Financial Reporting
- Section 251 Budget
- Section 251 Outturn

This is to mirror the requirements for Academies, where Academies failure to comply with deadlines for 2/4 reports results in the trust name being published on gov.uk.

### **Issue 2 – Strengthening DSG annual assurance returns**

The DfE will collect new information as part of the CFO DSG assurance statement.

The number of schools with suspended budgets and notices of financial concern

Amounts recovered by the LA recover from fraud investigations, the number of cases and the value of money recovered.

Guidance will be produced by the DfE setting out how fraud related costs should be captured to ensure consistency of reporting.

### **Issue 3 - Maintained schools are not required to provide local authorities with 3-year budget forecasts**

The Scheme for Financing Schools currently allows authorities to require a multi-year budget plans from schools but this is not mandated. The change will be to make it a requirement of the Scheme of Financing to set a 3 year budget. This is not a change for Tameside as this is already our practice.

### **Issue 4 - Strengthening Related Party Transaction (RPT) arrangements in maintained schools**

At present, all RPT's taking place in academies must be reported ahead of payment, this applies to all transactions. If the amount is over £20K, approval is required from the EFSA, anything under does not need approval but must be reported. For maintained schools the SFVS contains two specific questions about RPT's and is not as stringent. There are three options for the proposal:

The change will require all schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs. This should not be an additional burden for schools as they must declare these and discuss them with their Governing Body.

In addition, there will be additional columns into the CFO Assurance Statement, to request the number of RPTs and value for each to be disclosed.

There is also an expectation for LA's to take a more active role where RPT exceed £20k. This is something that will be considered as part of the Scheme of Financing for 2021/22. The first SFVS this will apply to is the 2021/22 return due September 2022.

### **Issue 5 - Maintained Schools internal audit is too infrequent**

The proposal was to directly change the scheme guidance to require all maintained schools to have an internal audit at least every 3 years. This will not be implemented. This is due to the additional burden this will place on some Local Authorities and that it may take resources away from High Risk School Audits. The DfE will reconsider its approach on this with Local Authorities.

### **Issue 6 - Strengthening arrangements to help schools that are in financial difficulty**

The proposal will be a directed change to the Scheme of Financing as follows:

Schools to submit a recovery plan to the LA when their deficit rises above 5% as a minimum however where LA' have more stringent requirements in place the DfE do not seek to change these.

Further to this:

- The DfE will collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.
- The DfE will formalise the approach to working with Las and include a request for high level action plans from some Las:
- Data-sharing and monitoring: to share published data on the school balances in each LA ,highlighting the number and proportion with a revenue deficit of over 5%.

Available support from the Department - The DfE will share published data with LAs on their schools' financial, educational performance and pupil/school characteristics and this work will start after publication of the next Consistent Financial Reporting (CFR) data.

Where the LA requests support from the DfE school resource management teams - Targeted monitoring and support: use of the above data and evidence and challenge from the Department, this can happen at any time during the year

The DfE will request high-level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. These thresholds will be reviewed every year. This information could be requested at any time during 2021, after the publication of the CFR data

**Issue 7 - There is not enough transparency when it comes to reporting high pay for school staff**

The DfE mandate that all LA maintained schools will be required to publish annually on their websites the number of individuals earning over £100K in £10K bandings. This requirement comes into force 1 January 2021.

**Issue 8 - There is not enough transparency when it comes to reporting maintained school income and expenditure**

There is a requirement for LA maintained schools to publish on their own websites a link to the benchmarking website, where the CFR is published. The benchmarking website already has explanatory information surrounding the accounts, and it also makes comparisons across schools easier. This will keep burdens to a minimum for schools. This comes into force 1 January 2021.

**7. RECOMMENDATIONS**

7.1 As set out at the front of the report.



## APPENDIX A

Item	2020-21 Unit Value £	2021-22 Unit Value £	% Increase	Total Funding Included ACA £m	Proportion of core total %
<b>Basic per pupil Funding</b>				<b>28,905</b>	<b>76.5%</b>
<b>AWPU</b>				<b>28,450</b>	<b>75.3%</b>
Primary AWPU	2,857	<b>3,123</b>	9.00%	14,482	38.3%
KS3 AWPU	4,018	<b>4,404</b>	10.00%	8,236	21.8%
KS4 AWPU	4,561	<b>4,963</b>	9.00%	5,731	15.2%
<b>Minimum Per Pupil</b>				<b>455</b>	<b>1.2%</b>
Primary Minimum Per Pupil Funding	3,750	<b>4,180</b>	11.00%	319	0.8%
Secondary Minimum Per Pupil Funding	5,000	<b>5,415</b>	8.00%	136	0.4%
<b>Additional Needs Funding</b>				<b>6,426</b>	<b>17.0%</b>
<b>Deprivation</b>				<b>3,341</b>	<b>8.8%</b>
Primary FSM	450	<b>460</b>	2.00%	372	1.0%
Secondary FSM	450	<b>460</b>	2.00%	230	0.6%
Primary FSM6	560	<b>575</b>	3.00%	613	1.6%
Secondary FSM6	815	<b>840</b>	3.00%	712	1.9%
Primary IDACI A	600	<b>620</b>	3.00%	97	0.3%
Primary IDACI B	435	<b>475</b>	9.00%	145	0.4%
Primary IDACI C	405	<b>445</b>	10.00%	133	0.3%
Primary IDACI D	375	<b>410</b>	9.00%	117	0.4%
Primary IDACI E	250	<b>260</b>	4.00%	139	0.3%
Primary IDACI F	210	<b>215</b>	2.00%	108	0.2%
Secondary IDACI A	840	<b>865</b>	3.00%	81	0.3%
Secondary IDACI B	625	<b>680</b>	9.00%	129	0.3%
Secondary IDACI C	580	<b>630</b>	9.00%	120	0.3%
Secondary IDACI D	535	<b>580</b>	8.00%	106	0.4%
Secondary IDACI E	405	<b>415</b>	2.00%	141	0.3%
Secondary IDACI F	300	<b>310</b>	3.00%	99	0.3%
<b>Low Prior Attainment</b>				<b>2,613</b>	<b>6.9%</b>
Primary Low Prior Attainment	1,065	<b>1,095</b>	3.00%	1,557	4.1%
Secondary Low Prior Attainment	1,610	<b>1,660</b>	3.00%	1,055	2.8%
<b>English as an additional language</b>				<b>420</b>	<b>1.1%</b>
Primary EAL	535	<b>550</b>	3.00%	31	0.8%
Secondary EAL	1,440	<b>1,485</b>	3.00%	108	0.3%
<b>Mobility</b>				<b>52</b>	<b>8.8%</b>
Primary Mobility	875	<b>900</b>	3.00%	42	0.1%
Secondary Mobility	1,250	<b>1,290</b>	3.00%	10	0.0%

<b>School Led Funding</b>				<b>2,473</b>	<b>6.5%</b>
<b>Lump Sum</b>				<b>3,341</b>	<b>6.4%</b>
Primary Lump Sum	114,400	<b>117,800</b>	3.00%	2,032	5.4%
Secondary Lump Sum	114,400	<b>117,800</b>	3.00%	398	1.1%
	<b>2020-21 Unit Value £</b>	<b>2021-22 Unit Value £</b>	<b>% Increase</b>	<b>Total Funding Included ACA £m</b>	<b>Proportion of core total %</b>
Primary Sparsity	26,000	<b>45,000</b>	73.00%	38	0.1%
Secondary Sparsity	67,600	<b>75,000</b>	11.00%	4	0.0%
<b>Premises</b>				<b>531</b>	<b>1.4%</b>
<b>Area Cost Adjustment</b>				<b>949</b>	
<b>Floor</b>				<b>581</b>	
Primary floor funding				334	
Secondary floor funding				247	
<b>TOTAL</b>				<b>38,916</b>	

# Agenda Item 8

<b>REPORT TO:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	29 September 2020
<b>Reporting Officer:</b>	Tim Bowman – Assistant Director Education Tom Wilkinson – Assistant Director Finance
<b>Subject:</b>	<b>DSG BUDGET UPDATE FOR 2020-21 AND EARLY YEARS OUTTURN POSITION FOR 2019-20</b>
<b>Report Summary:</b>	A report on the Dedicated Schools Grant budget position for the financial year 2020-21 and update on the Early Years final outturn position for the financial year 2019-20.
<b>Recommendations:</b>	Members of the Schools' Forum are requested to note the contents of the report.
<b>Corporate Plan:</b>	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and support aspiration and hope through learning and moving with confidence from childhood to adulthood.
<b>Policy Implications:</b>	In line with financial policy and framework.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>The current projection for 2020-21 is expected to be a deficit on the DSG reserve of £3.638m at the end of the financial year.</p> <p>The report details the in year movements and forecasts on the 4 main blocks of the DSG, with the High Needs Block continuing to be under pressure with a forecast in year shortfall of funding of £3.543m, offset by underspends of £0.446m on the Early Years block, £0.031m on the Schools Block and £0.003m on the Central Block.</p> <p>A deficit recovery plan will need to be produced as to how the deficit is expected to be recovered and spending managed over the next 3 years. This will require discussions and agreement with Schools' Forum. The main body of the report provides the detail of performance against the budget and the overall financial position.</p>
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	There is a statutory duty to use resources efficiently and effectively against priorities and to achieve a balanced annual budget. In noting the report Forum Members should ensure they understand the outturn and budget positions and that robust challenge is factored into the reporting mechanism especially given the current known deficits.
<b>Risk Management:</b>	<p>The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved.</p> <p>The Council is responsible for the effective administration and management of the DSG. The deficit brought forward from 2019-20 and the expected increase in the size of the deficit by the end</p>

of 2020-21 will require the Council to implement a deficit recovery plan with the risk that this may impact on the effective support and education of our most vulnerable children.

There are new and emerging risks as result of the Covid 19 pandemic. The implications of this in relation to schools are currently unknown.

As announcements are released from Government, work will be undertaken to understand the risks and reported when possible.

**Access to Information:** **This report does not contain information which warrants its consideration in the absence of the press or members of the public.**

**Background Information:** The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner, Financial Management, Children’s and Safeguarding Services



Telephone: 0161 342 3216



e-mail: [christine.mullins@tameside.gov.uk](mailto:christine.mullins@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 This report is presented to provide an update on the Dedicated Schools Grant (DSG) budget for 2020-21 and advise Schools' Forum of the final outturn position for the Early Years element of DSG for 2019-20. The report sets out:
- A budget update for the DSG for 2020-21 (Section 2)
  - A detailed update for High Needs for 2020-21 (Section 3)
  - A detailed update for Early Years (including the final settlement of 2019-20 DSG) (Section 4)
  - The DSG reserve position at 31 March 2020 and the estimated DSG reserve position at 31 March 2021 (Section 5)

## 2. DSG BUDGET UPDATE FOR 2020-21

- 2.1 The updated DSG settlement for 2020-21 was received in July 2020. The updated settlement and the projected distribution / spend is included in Table 1.

**TABLE 1 – DSG Forecast for 2020-21**

<b>DSG Funding Blocks</b>	<b>DSG Settlement 2020-21 at July 2020 £000</b>	<b>Block Transfer 2020-21 £000</b>	<b>Revised DSG 2020-21 £000</b>	<b>Projected Distribution / Spend 2020-21 £000</b>	<b>Forecast Surplus / (Deficit) £000</b>
Schools Block	169,918	(850)	169,068	169,037	31
Central School Services Block	953	0	953	951	3
High Needs Block (Pre/Post 16)	24,425	850	25,274	28,817	(3,543)
Early Years Block	17,261	0	17,261	16,815	446
<b>Total</b>	<b>212,557</b>	<b>0</b>	<b>212,557</b>	<b>215,620</b>	<b>(3,063)</b>

- 2.2 The settlement figures have been updated to reflect the July update for Early Years and import/export adjustment for High Needs. As agreed with Schools Forum, the 0.5% transfer from the Schools Block to the High Needs Block of £0.850m has been completed as shown in Table 1.
- 2.3 There is a forecast surplus of £0.050m on the schools block relating to rates rebates in relation to schools that recently converted to Academy status and actual rates charges being lower than estimated. This partly offset by rates revaluations (relating to 6 schools) resulting in an increase in the costs of £0.019m. There may be an increase in this surplus in relation to the allocation of growth funding. The growth allocation is based on pupil numbers at the October 2020 census point and the figures will be updated once this has been finalised. Any surplus is proposed to contribute to the DSG reserve deficit.
- 2.4 There is forecast to be a small surplus on the central school services block of £0.003m due to the cost of licences being slightly less than estimated.
- 2.5 The projected deficit on the high needs block is £3.543m and further information on this can be found in Section 3.
- 2.6 The projected surplus on the early years block is £0.466m and further details are provided in Section 4 of this report.

### 3. HIGH NEEDS UPDATE FOR 2020-21

- 3.1 As discussed at the last Forum, the High Needs budget position is under constant review in order that the growth projection can be reassessed and updated as soon as monthly timeline information on the number of new EHCP's is received. Table 2 below shows the budget position updated as at the end of the summer term.

**TABLE 2 - High Needs Budget Position at August 2020**

High Needs Budget Position	2020-21 Original Budget (April 20) £000	2020-21 Revised Budget Summer Term £000	2020-21 Varaince £000	% Change
Mainstream	2,662	2,990	(328)	-12%
Special	11,099	11,271	(172)	-2%
TRPS	2,560	2,554	6	0%
Resourced Units	155	170	(15)	-10%
Independent Schools	3,139	3,123	16	1%
NMSS	374	402	(28)	-7%
OOB (Pre 16)	1,064	1,028	36	3%
Post 16	2,855	2,976	(121)	-4%
Hospital Education	82	82	0	0%
SEN Support Services	1,822	1,880	(58)	-3%
Income OOB	(358)	(325)	(33)	9%
<b>Total Spend</b>	<b>25,454</b>	<b>26,151</b>	<b>(697)</b>	
Original Funding	24,401	24,425	24	
Academy Recoupment	(1,630)	(1,630)	0	
<b>Total Funding</b>	<b>22,771</b>	<b>22,795</b>	<b>24</b>	
<b>Overspend before Overspend b fwd &amp; Growth</b>	<b>(2,683)</b>	<b>(3,356)</b>	<b>(673)</b>	
Projected in Year Growth:				
Summer Term Real Time	1,238	326	912	
Autumn Term Real Time	990	532	458	
Spring Term Real Time	743	179	564	
Total Growth	2,971	1,037	1,934	
<b>High Needs Block - Projected Overspend at Year End (Before Overspend b fwd &amp; Block</b>	<b>(5,654)</b>	<b>(4,393)</b>		
<b>0.5% transfer Schools Block</b>	850	850		
<b>High Needs Block In Year 2020-21</b>	<b>(4,804)</b>	<b>(3,543)</b>		

- 3.2 Following the real time movement exercise for the summer term the budget position has been updated to take account of the actual allocations for the summer term and the growth projection for the remaining financial year adjusted in line with this spend. The in-year projected overspend is £3.543m.
- 3.3 The growth is very much an estimate at this time and work is continuing to try and accurately predict the cost of future growth. This is a difficult task as the growth has taken place over a relatively short period of time and so there is no real trend data to predict future growth.
- 3.4 The current figures do show although the number of plans being issued continues to be at a steady predicted rate but the cost of the growth seems to be lower than estimated. This

could be related to the where the growth is currently weighted (mainstream and special) but also that plans are still in the statutory process and therefore the full costs haven't yet been allocated. It is also unclear at this stage what the full year impact of COVID school closure will be on numbers of request to assess. The information below shows the numbers of requests to assess and those completed. The number completed would be the indicator of costs. This shows us that there are less coming into the system for assessment, which may mean Tameside is now coming to the end of its historic catch-up in numbers.

	Cumulative Number of plans			
	Requests		Completed	
	2019	2020	2019	2020
<b>Jan</b>	48	64	40	15
<b>Feb</b>	86	91	67	40
<b>Mar</b>	139	111	47	55
<b>Apr</b>	181	139	48	59
<b>May</b>	234	175	64	63
<b>Jun</b>	265	204	65	54
<b>Jul</b>	331	250	75	49
<b>Aug</b>	339	259	55	50

3.5 Looking at the last financial year it does appear that a significant part of the growth occurred in the autumn term so it is envisaged by the end of this term we will be able to get a clearer picture of this year's cost of growth.

#### 4. EARLY YEARS UPDATE (INCLUDING THE FINAL SETTLEMENT FOR 2019-20)

4.1 In addition to the 2020-21 update, there was also an updated settlement for 2019-20, specifically in relation to early years. The early years figures take account of the January 2020 census which has resulted in the below changes.

4.2 For 2019-20 the overall settlement for early years has increased by £0.278m. As reported in June 2020, it was estimated that there would be an additional £0.296m in the final settlement. The main reason for the variation was the actual settlement for universal entitlement of 3 and 4 year olds being lower than estimated (£0.013m). This is detailed in Table 3.

**TABLE 3 – Early Years Outturn 2019-20 Final Position**

Early Years Funding Block	Actual Distribution / Spend 2019-20 £000	Estimated Surplus / (Deficit) at March 2020 £000	Final Settlement for 2019-20 £000	Final Outturn Surplus / (Deficit) £000
Early Years for 3 and 4 Year Olds Universal Entitlement	8,618	477	9,083	465
Early Years for 3 and 4 Year Olds Extended Entitlement	3,859	171	4,032	173
Early Years for 2 Year Olds	2,924	(222)	2,703	(222)
Early Years Pupil Premium	158	(9)	141	(17)
Early Years Disability Access Fund	31	23	54	23
Early Years Centrally Retained Expenditure (3 & 4 Year Olds) based	339	206	545	206

on 4% Retention				
Early Years Centrally Retained Expenditure (2 Year Olds)	50	0	50	0
SEN Inclusion Fund	248	(98)	150	(98)
<b>Total</b>	<b>16,228</b>	<b>547</b>	<b>16,757</b>	<b>529</b>

- 4.3 The estimated surplus of £0.547m was transferred to the reserve at the end of the 2019-20 financial year. This was required to support the wider deficit on the DSG. The £0.018m reduction in surplus should be covered by the projected surplus for 2020-21.
- 4.4 For 2020-21 the overall settlement for early years has increased to £17.261m (in increase of £0.485m). A detailed update of the early years block for 2020-21 is included in Table 4.

**TABLE 4 – Early Years 2020-21 Updated Settlement and Projections**

<b>Early Years Funding Block</b>	<b>Early Years DSG Settlement 2020-21 at July 2020 £000</b>	<b>Projected Distribution / Spend 2020-21 £000</b>	<b>Estimated Outturn Surplus / (Deficit) £000</b>
Early Years for 3 and 4 Year Olds Universal Entitlement	9,028	8,939	89
Early Years for 3 and 4 Year Olds Extended Entitlement	4,276	3,936	340
Early Years for 2 Year Olds	2,789	2,790	(1)
Early Years Pupil Premium	136	158	(22)
Early Years Disability Access Fund	69	29	40
Early Years Centrally Retained Expenditure (3 & 4 Year Olds) based on 5% Retention	710	710	0
Early Years Centrally Retained Expenditure (2 Year Olds)	69	69	0
SEN Inclusion Fund - 3 & 4 Year Olds	180	180	0
SEN Inclusion Fund - 2 Year Olds	5	5	0
<b>Total</b>	<b>17,261</b>	<b>16,815</b>	<b>446</b>

- 4.5 Table 4 reflects the updated 2020-21 early years settlement, compared with the projected distribution / spend against the grant. Due to the current Covid19 situation, it has been more difficult to complete the projections for spend, due to the impact on providers and it is currently unknown what the financial impact of wider opening of provision from September will have. At present we are anticipating a £0.446m surplus at the end of the financial year but this could dramatically change due to current circumstances and the rapidly changing environment we find ourselves in.
- 4.6 There may be significant financial pressures in this sector relating to sustainability for providers due to Covid-19 closures. The DfE have enabled local authorities to use the funding in this area of funding more flexibly, however with a caveat that the Local Authority must continue to fund early year's settings for free entitlement as normal. The flexibility allows the LA to utilise its centrally held funding to support the sector if they underspend their part of the allocation.
- 4.7 Wider reopening of settings from September will give us a better understanding of sufficiency and sustainability of providers. Some of the Private and Voluntary Sector Early Years settings have taken advantage of the furlough scheme and grants allowable. 21 of



our settings applied to the Tameside Discretionary Grants scheme and were awarded £210k funding to support sustainability.

- 4.8 The projections have been formulated based on the following:
- actual payments to providers for the Summer 2020 Term;
  - the estimated participation for the Autumn 2020 Term, uplifted to Autumn 2019 participation for open providers with continuing provision, if Autumn 2020 is lower. This is in line with Government guidance and will be based on the overall early years provision within settings;
  - the estimated participation for the Spring 2021 Term. This has been the most difficult to forecast as it's not as straight forward to follow prior year trends.
- 4.9 The final settlement for early years funding will not be announced until July 2021 and as a result of the Covid19 situation the DfE have advised they will be changing the measurement of the adjustment. The projections will continue to be updated throughout the financial year to take account the actual uptake and reported to Schools Forum.
- 4.10 It is currently projected that the centrally retained element of early years funding will be fully spent. Local Authority officers are in discussion on the utilisation of this funding and an update will be provided at the next Schools' Forum.

## 5. DSG ESTIMATED RESERVE POSITION AT 31 MARCH 2021

- 5.1 Table 5 provides details on the closing position of the DSG reserve for 2019-20 and the estimated position of the DSG at 31 March 2021.



**TABLE 5 – DSG Reserve**

	2019/20 Surplus / (Deficit) £000	2020/21 Forecast Surplus / (Deficit) £000
<b>DSG Reserve Brought Forward as at 1 April</b>	<b>3,228</b>	<b>(557)</b>
<b>Schools Block Changes</b>		
In year surplus on business rates	13	31
In year surplus on growth fund	101	0
<b>Schools Block Subtotal</b>	<b>114</b>	<b>31</b>
<b>In year surplus on Central Schools Services Block</b>		<b>3</b>
<b>In year deficit on High Needs Block</b>	<b>(4,568)</b>	<b>(3,543)</b>
<b>In year surplus on Early Years</b>	<b>251</b>	<b>446</b>
<b>Estimated Early Years 2019-20 Adjustment (TBC June 2020)</b>	<b>296</b>	
<b>Early Years Block 2018-19 Adjustment</b>	<b>122</b>	
<b>Variation to Early Years Block 2019-20 Adjustment</b>		<b>(18)</b>
<b>DSG Reserve after Commitments</b>	<b>(557)</b>	<b>(3,638)</b>

- 5.2 If the 2020-21 projections materialise, there would be a deficit of £3.638m on the DSG. A deficit recovery plan will be required outlining how we expect to recover this deficit and manage spending over the next 3 years and will require discussions and agreement of the Schools' Forum. Should the DfE contact us we will need to work with them, providing information on how we intend to recover the deficit. The position will be closely monitored throughout the year and updates will be reported to Schools' Forum.

**6. RECOMMENDATIONS**

6.1 As set out at the front of the report.

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	29 September 2020
<b>Reporting Officer:</b>	Tim Bowman – Assistant Director Education
<b>Subject:</b>	<b>SCHOOL CONDITION CONTRIBUTION PROTOCOL</b>
<b>Report Summary:</b>	This report outlines the local authority's proposed protocol for contributions towards school condition schemes, previously agreed through the Asset Management Planning and Advisory Group.
<b>Recommendations:</b>	<p>It is recommended that:</p> <ul style="list-style-type: none"><li>• The School Condition Contribution Protocol is agreed and implemented from 1 October 2020</li><li>• The local authority will ask for a contribution towards all school condition schemes. The contributions will be £10,000 for primary schools and £25,000 for secondary schools.</li></ul>
<b>Corporate Plan:</b>	The proposals contained within this report will support the delivery of the Corporate Plan.
<b>Policy Implications:</b>	In line with approved policy.
<b>Financial Implications:</b> (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The proposed protocol would support affordability of schools capital schemes, and support the council in improving the quality of the school asset base throughout the borough.
<b>Legal Implications:</b> (Authorised by the Borough Solicitor)	In the interests of transparency and fairness an annual programme should be published together with all contributions and exceptions made and the reason for doing so.
<b>Risk Management:</b>	As outlined in the report.
<b>Access to Information:</b>	<p style="text-align: center;"><b>NON-CONFIDENTIAL</b></p> <p><b>This report does not contain information which warrants its consideration in the absence of the press or members of the public.</b></p>
<b>Background Information:</b>	<p>The background papers relating to this report can be inspected by contacting Catherine Moseley – Head of Access Services, Access, Learning, Children's Services</p> <p> Telephone: 0161 342 3302</p> <p> e-mail: Catherine.moseley@tameside.gov.uk</p>

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 Day to day management and responsibility for the safety and use of school buildings and their sites rests with the Governing Body of the school. However, inevitable wear and tear of school buildings requires condition works to be carried out.
- 1.2 Schools receive some funding for condition work through Devolved Formula Capital and the Council also receives an allocation from government. The combined amounts are less than the value of work required.
- 1.3 Condition surveys have been carried out to prioritise the work that needs doing and funding is allocated against these priorities by the Education Capital Programme Board.
- 1.4 This Protocol seeks to reinforce a previous agreement with schools for a contribution scheme towards condition works. This will ensure maximum impact with the limited funding available.
- 1.5 The 'lead' for education capital projects sits with the Head of Access Services reporting to the Assistant Director of Education.
- 1.6 Delivery of capital projects is commissioned through the Capital Projects Team who sit in the Growth Directorate of the Council.
- 1.7 This report sets out our understanding of the existing condition funding protocols and proposes how the programme will work going forward from 1 October 2020;
- 1.8 This report assumes that the Council will continue to receive annual capital conditions funding from the Government to support the schools for which it is responsible;
- 1.9 This report relates to Local Authority community and voluntary controlled schools only (Academies and Voluntary Aided schools are not eligible for maintenance funding from the Council).

## **2. GENERAL PRINCIPLES**

- 2.1 Day to day management and responsibility for the safety and use of school buildings and their sites rests with the Governing Body of the school;
- 2.2 Governing Bodies should arrange to undertake appropriate planned and preventative maintenance. In order to undertake these obligations, schools receive annual capital allocations through Devolved Formula Capital (DFC) and annual revenue allocations via their schools budgets;
- 2.3 The Local Authority also receives an annual capital allocation from government for undertaking work at schools including condition and modernisation work, and which is used to support the annual Building Maintenance Programme;
- 2.4 There is plenty of evidence of good practice in Tameside Schools that this fund has been well managed to date, where working relationships between the authority's, Capital Projects Team and school staff have provided positive improvement to school buildings.
- 2.5 The funding received to support condition work is never sufficient to cover all proactive and reactive works. This Protocol is to ensure that there are appropriate contributions from all parties towards condition work. Schools will be expected to fund minor condition projects from within their DFC allocation up to a value of £10,000 for primary schools and £25,000 for secondary schools.

2.6 Funding for other capital works, such as the purchase of IT equipment, is not covered under this protocol.

### 3. PRIORITIES

3.1 Investment is prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues. The evidence used to prioritise programmes are identified as follows:

- by school condition surveys carried out at the start of 2020;
- by evidence provided by schools themselves directly or via their appointed consultants, if they employ these;
- as a result of urgent surveys that are required to be undertaken in respect of particular concerns if and when they arise unexpectedly;
- as a result of Government initiatives and where the Council considers it prudent and where there might be an opportunity to progress a project.

### 4. EXISTING PROTOCOL

4.1 In 2006, the Council agreed the following levels of contributions from schools through the Asset Management and Planning Advisory Group.

#### Primary and Special Schools

Scheme Minimum Value	Scheme Maximum Value	Percentage of Scheme Value	Years of Devolved Formula Capital
£1	£100,000	25%	N/A
£100,001	£200,000	25% (up to Maximum of 1 years DFC)	
£200,001	£500,000	N/A	2
£500,001	£1,000,000	N/A	3
Over £1,000,000		N/A	3

#### Secondary Schools

Scheme Minimum Value	Scheme Maximum Value	Percentage of Scheme Value	Years of Devolved Formula Capital
£1	£100,000	50%	N/A
£100,001	£200,000	N/A	1
£200,001	£500,000	N/A	2
Over £500,001		N/A	3

### 5. CONCERNS ABOUT EXISTING PROTOCOL

5.1 It is clear that the existing protocol has not been applied consistently across all schools.

- 5.2 There has been a lack of clarity with regard to how much schools should contribute if they are undertaking other building maintenance work, which is not funded through the Building Maintenance Programme.
- 5.3 There has been a lack of clarity with regard to the level of contribution that should be made in respect of multiple schemes undertaken at schools, either in the same year, or in subsequent years.
- 5.4 The protocol makes no allowance in respect of the size of the school i.e. a small primary school is expected to pay the same contribution as a large secondary.

## **6. SCHOOL FUNDING GROUP**

- 6.1 A report on the proposed School Condition Contribution Protocol was discussed by the Schools Funding Group on the 28 April 2020. The report included a number of different proposals on how the contribution element of the proposed Protocol could work
- 6.2 The purpose of the discussion was to gauge opinions from members of the group and to gain an understanding of what the preferred option for schools would be.
- 6.3 The following options were put forward to the group along with a briefing note outlining the advantages and disadvantages of each option:

**Option 1** - The Council will ask for a contribution of £10k for primary schools and £25k for secondary schools to schemes costing more than these amounts. The Council will then contribute the rest of the amount.

**Option 2** - As with Option 1, the Council will ask for a contribution of the first £10k for primary schools and £25k for secondary schools. An additional amount of £50 per pupil will also be contributed. This would enable better differentiation between schools of different sizes, and will reflect the different levels of annual funding allocated to schools of different pupil sizes.

## **7. FEEDBACK FROM THE SCHOOL FUNDING GROUP**

- 7.1 All members of the group were unanimously in support of contributing to school condition schemes. The general consensus was that schools would not be opposed to contributing an amount in order to make the school condition budget go further, providing there was a fair way of prioritising the schemes.
- 7.2 The response to the two options was mixed, with some members of the group believing that the size of the school and number of pupils should be taken into consideration (**Option 2**) when calculating the contribution amount, whilst others felt that one sum for all schools would be the better option (**Option 1**).
- 7.3 As both options include an initial contribution of £10,000 for primary schools and £25,000 for secondary schools, it is recommended that **Option 1** is initially implemented with a review taking place in April 2021.

## **8. PROPOSED NEW FUNDING PROTOCOL (OPTION 1)**

- 8.1 The Council will ask for a contribution of £10k for primary schools and £25k for secondary schools to schemes costing more than these amounts. The Council will then contribute the rest of the amount to agreed schemes.

- 8.2 An illustration of what contribution this would result in is as follows:
- The full scheme cost at a primary school is £45,000, the school will contribute £10,000 and the Council will contribute £35,000.
  - The full scheme cost at a secondary school is £75,000, the school will contribute £25,000 and the Council will contribute £50,000.

## **9. CONSIDERATIONS**

- 9.1 Where schools do not have sufficient funds to contribute, consideration will be given to enable such funds to be made available to schools and for this to be subsequently re-paid over future years. Consideration into the school's overall financial position will be taken into account.
- 9.2 In order for the protocol to work effectively, in the interests of all schools, the Council will seek to apply the protocol consistently. However, in order to protect the interests of individual schools and their pupils, the Council will be ultimately responsible for deciding whether the protocol should be varied, in specific instances, but it will be stated why exceptions have been made.
- 9.3 As available funds are limited, the intention in delivering this proposal is to ensure that the limited funds the local authority holds will go further and improve facilities for more children.

## **10. MULTIPLE SCHEMES**

- 10.1 The new protocol will be applied to all schemes individually, but consideration will be given to schools with multiple projects identified as priority works over a short period of time, for example, where a school requires a new roof and a replacement boiler within the same year.

## **11. OTHER BUILDING LIABILITY WORKS**

- 11.1 As noted in Paragraph 2.1 above, schools and their Governing Bodies remain responsible for the day to day management of their school buildings and to ensure that they remain safe for pupils, staff and visitors. Schools will therefore remain responsible for undertaking the wide range of planned and preventative maintenance work and other day to day building liabilities.
- 11.2 Schools may require urgent works that were not previously identified. Where such work is required, it will follow the same funding protocols as the other scheduled works and will be approved by the Education Capital Programme Board.

## **12. CAPITAL MAINTENANCE PROGRAMME FROM 2020**

- 12.1 The Council has commissioned condition surveys for all voluntary controlled and community schools and this will form the basis for the capital programme for the next five years. Condition surveys will be updated on a rolling basis from 2020 onwards.
- 12.2 As set out in paragraph 3.1, the Council want schools to be able to access funding to support urgent works that have not been identified in the condition surveys and so have developed an application process for schools.
- 12.3 An application pro-forma will be provided, with the expectation that schools provide evidence proportionate to the scale of the project, especially noting the priorities stated in section 3.

- 12.4 Applications will be considered by the Education Capital Programme Board within a term and decisions will be made based on the urgency of the work set against the urgency of the work identified through the condition surveys.
- 12.5 The expectation is that the majority of schemes that are approved will be for completion within the financial year in which the funding is allocated. Only in exceptional circumstances will schemes be approved that will take longer to deliver.

### **13. RECOMMENDATIONS**

- 13.1 As set out at the front of the report.