

## SCHOOLS' FORUM

**Day:** Tuesday  
**Date:** 24 November 2020  
**Time:** 10.00 am  
**Place:** Zoom Meeting

Item No.	AGENDA	Page No
1.	<b>APOLOGIES FOR ABSENCE</b> To receive any apologies for the meeting from members of Schools' Forum.	
2.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest from members of Schools' Forum.	
3.	<b>MINUTES OF SCHOOLS' FORUM MEETING 29 SEPTEMBER 2020</b> To consider the minutes of the meeting of Schools' Forum held on 29 September 2020.	1 - 8
4.	<b>SCHOOLS BLOCK FUNDING FORMULA 2021-22 CONSULTATION OUTCOME</b> To consider the attached report of the Assistant Director, Finance and the Assistant Director, Education.	9 - 18
5.	<b>HIGH NEEDS DEFICIT RECOVERY 2021-22</b> To consider the attached report of the Assistant Director, Finance and the Assistant Director, Education.	19 - 32

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# Agenda Item 3

## SCHOOLS' FORUM

29 September 2020

Commenced: 10.05am

Terminated: 11.50

<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
	Lisa Gallaher	Primary Schools – L/A Maintained
	Simon Brereton	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Simon Wright	Primary Schools - Academies
	Heather Farrell	Primary Schools – Academies
	Rosario Sarno	Governor, Special Schools - Academies
	Scott Lees	Tameside Teachers' Consultative Committee
	Elaine Sagar	Early Years Private, Voluntary and Independent Sector
	Tim Bowman	Assistant Director, Education TMBC
	Catherine Mosely	Head of Access Services
	Louisa Siddall	Senior Accountant, TMBC
	Wendy Lees	Senior Finance Officer, TMBC
	Councillor Oliver Ryan	Executive Member
	Councillor Leanne Feeley	Executive Member
<b>Apologies for absence:</b>	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Elaine Horridge	Diocesan Representative
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Rebeckah Hollingsworth	Tameside Pupil Referral Service
	Christine Mullins	Finance Business Partner TMBC
	Anton McGrath	14-19 Sector

### 7 DECLARATIONS OF INTEREST

There were no declarations of interest

### 8 APPOINTMENT OF CHAIR AND DEPUTY

#### RESOLVED

**That Karen Burns be appointed as Chair and Susan Marsh be appointed as Deputy Chair of the Schools' Forum for the 2020/21 Academic Year.**

### 9 MINUTES

Consideration was given to the minutes of the meeting of the Schools' Forum held on 16 July 2020. It was noted that Lisa Gallaher had sent apologies for this meeting.

#### RESOLVED

**That, with the amendment stated above, the minutes of the meeting of Schools' Forum held on 16 July 2020 be approved as a correct record.**

## 10 SCHOOLS FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION

Consideration was given to a report of the Director of Governance and Pensions, giving details of the Terms of Reference for Schools' Forum, which included the guiding principles and constitution of the Forum. The Terms of Reference had been established to provide an overview of the purpose and functions of the Schools Forum with guiding principles covering the expectations of all Schools Forum members in relation to their role as a member, to ensure the consultation and decision making was effective and fair

The documents reflected the Department for Education guidance for Schools' Forum published in September 2018 and updated in May 2020.

In considering the report, members noted that there were currently 7 vacancies within Schools' Forum, for this academic year, which included:

- 3 Maintained Primary School representatives
- 2 Academy Primary School representatives
- 1 Secondary Academy representative
- 1 Maintained Special School representative

Members undertook to raise the matter at suitable forums and groups and agreed to feedback through the Clerk and Chair of Schools Forum in advance of the next meeting.

Rosario Sarno was introduced to the Forum as Governor Representative for Academy Special Schools.

Simon Brereton explained that he had previously been a member of Schools' Forum and was happy to be re-appointed representing Maintained Primary Schools.

The Deputy Chair stated that there had previously been a Governor representing Academy Secondary Schools, who had not attended Schools Forum for some time. It was agreed that the Clerk would contact this representative to confirm membership and provide an update with regard to this vacancy.

Andy Card announced that he would be retiring from Schools Forum. As a result, an additional vacancy within the Maintained Primary School sector would be created.

### RESOLVED

- That the Terms of Reference, Forum Principles, Constitution and membership of Schools Forum be approved for publication on the Council's website.**
- That current vacancies within Schools Forum membership be raised at suitable forums and groups, as appropriate**

## 6 SCHOOL BALANCES 2019-20

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education. This provided an update of the surplus balances held by schools at the end of the 2019-20 financial year, alongside details of the current balance mechanism scheme and balances for 2020-21.

It was explained that school balances had reduced by £0.322m or 5% compared to 2018-19, with Primary sector balances being reduced by £1.01m and Secondary sector balances showing an improved deficit position, having reduced a small deficit to a surplus by £0.299m. In addition, it was highlighted that Special sector balances had increased by £0.469m.

The movement in school balances was discussed and it was explained that 2 Primary Schools closed the year with a combined deficit of (£24,383), whilst 49 Primary Schools held a combined

surplus of £5,927,243. There were 2 Secondary Schools closing the year with a combined deficit of (£1,179,580), whilst 4 Secondary's held a combined surplus of £1,456,617. 5 Special Schools also held a combined surplus balance of £876,894.

Reference was made to the changes in the Balance Mechanism Scheme for 2019-20, which 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 was established to allow schools to transfer balances set aside for specific capital projects
- The clawback of surplus balances was applied to balances held in excess of 2 consecutive years, and at a rate of 50%
- Any balances clawed back from schools was used to offset High Needs Block overspend, subject to compliance with regulations
- The clawback agreement would be reviewed annually
- Exceptional circumstances would be considered with regard to clawback

It was stated that, taking into account these changes, all surplus balances had been reviewed and those schools that exceeded their approved surplus balance had been contacted and advised that these surplus balances may be at risk of clawback at the end of 2020-21. Forum members were informed that there were 15 schools above the approved surplus balance at the end of June 2019. However, it was explained that the number of schools with surplus balances above the permitted level had reduced this year following the threshold being raised. There were currently 8 Primary Schools and 1 Special School with balances above the permitted level. Each of these schools had submitted plans to the Local Authority to advise on the reasons for holding this surplus. It was explained that this would continue to be monitored and that the final position would be brought back to Forum to in order to consider any exceptional circumstances and whether the clawback mechanism should be invoked.

Members of the Forum were made aware that, at the end of the academic year 2018-19, there were 5 schools that closed the year with a deficit. At the end of 2019-20, 2 of these secondary schools were still operating under a licensed deficit. Similarly, 2 primary schools closed the year in deficit and the Local Authority were working with those 2 primary schools alongside another primary school who were looking to set a licensed deficit this year. One of these deficits had now been licensed with the other 2 schools having meetings scheduled over the coming weeks.

## **RESOLVED**

**That the position of Schools Balances 2019-20 be noted.**

## **7 SCHOOL FUNDING ANNOUNCEMENTS AND UPDATES**

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education providing an update on the latest school funding announcements. The report provided information with regard to the DFE spending announcements and some context for the potential impact of the Council's position. Forum members were made aware that Dedicated Schools Grant (DSG) announcements at this stage covered the Schools Block, High Needs Block and Central Service Support Block. However, Early Years Block information would not be shared at this point.

Forum members were made aware of the 2021-22 allocation of funding on a national basis in comparison to 2020-21. It was highlighted that there had been an overall increase of £3.2bn, of which £2bn related to existing pay and pension grants. With regard to the allocation for Tameside MBC, the provisional figure had increased by £12.5m, excluding growth. It was stated that £7.5m of this increase related to the Teachers' Pay and Pension Grant, which was protected and must be

passed directly onto schools. It was also explained that the further £5m represented a 3% increase on 2019-20 cash levels.

An overview of the main changes was provide for Forum members, including detailed explanation of the Teachers' Pay and Pension Grant (TPPG), Sparsity Factor, IDACI Bandings, Prior Attainment, Minimum Funding guarantee (MFG) and Minimum Per Pupil Funding Levels for 2020-21, as outlined in the report.

It was highlighted that 2021-22 would continue to be a soft formula for Local Authorities to administer funding due to the impact of Covid-19. It was also explained that the DFE had confirmed they would look to a future date for a hard formula implementation.

A question was raised with regard to pay grants and the ability of schools to fund pay rises, particularly when schools have high levels of staff who had reached the upper pay scales. It was acknowledged that this presented a complex issue. However, it was explained that the Teachers' Pay Grant was introduced to fund teachers' pay in September 2018 and September 2019 and this grant had not increased beyond these years. However, the 3% that had been added to the basic entitlement this year and the similar increase last year represented be the increase to fund these pay awards moving forwards. It was, therefore, confirmed that the increases on the basic entitlement represented the inflationary increases in pay awards.

With regard to High Needs, it was made clear that the current announcements indicated an increase in funding by a further £730m or 10% nationally. It was also stated that Local Authorities had seen an increase between 8% minimum and 12% capped increase. It was explained that the funding formula for High Needs remained largely unchanged with the exception of some technical changes with regard to the cap, TPPG and MFG. Members of the forum were informed that Tameside had received the maximum increase possible, capped at 12% (before import/export adjustments and recoupmnt).

Forum members' attention was drawn to Table 3, which presented the provisional allocation for 2021-22 compared to the current 2020-21 allocation. It was explained that Tameside was seeing an overall increase of £3.390, or 14% as this did not include the TPPG (£0.488m) rolled into the High Needs Block for 2021-22. As TPPG was based on an existing grant, excluding this, there was a cash increase of £2.902m.

Forum members were asked to note that, 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. With this in mind, the substantial impact of this was highlighted in terms of the in-year projected deficit for this year and next year's High Needs Block. It was further demonstrated that the cap on this funding has had a significant and detrimental impact on the deficit position for the High Needs Block.

Whilst the notion of caps was agreed, concerns were raised with regard to the impact of the cap on High Needs funding. As a result, Forum members support was sought, on behalf of the schools in Tameside, with regard to the Local Authority being asked to reduce spending where there has not been sufficient funding received.

Concerns were also raised with regard to out of borough placements and an update was provided with regard to this. It was explained that there were currently too many families having to go out of borough because of a shortage of places locally. However, whilst it was acknowledged that there needed to be an investment in Special School places, it was, again, highlighted that the budget was currently insufficient to be able to ensure this. Again, it was emphasised that this was partly due to the challenge presented by this cap on High Needs funding.

Discussion ensued with regard to how and where investment in support services for SEND would take place. However, the limits within the budget were, again, highlighted with regard to the ability to be able to invest effectively in this support, in light of the current cap on funding. It was highlighted the Social, Emotional and Mental Health needs, in particular, required further

investment and reviews were currently being undertaken with regard to how services were currently funded. In conclusion, it was acknowledged that effective investment in these areas posed significant challenges, particularly when taking into account the cap on funding.

It was confirmed that Local Authorities would continue to be permitted to transfer up to 0.50% of the Schools Block allocation to another block within the DSG, with the support of Schools Forum. However, members were made aware that this transfer must exclude the additional funding for Teachers' Pay and Pension Grants to ensure that these remained, in full, with schools.

Members of the Forum were reminded that it had been previously agreed to transfer 0.50% into the High Needs Block and Forum were asked for their support with regard to the continuation of this arrangement. In addition, members were asked to consider the transfer of 1.00%, subject to consultation, with the final decision required for the next meeting of Schools Forum, in November.

It was explained that, 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 was unlikely that even the 1% transfer would be sufficient to offset the annual gap. Assuming the process was similar to previous years, this request would be subject to the following:

- A consultation process with all schools and academies
- Presentation of the impact of the intended transfer on individual schools 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 could be sustainable in the longer term
- Schools Forum approval for a one-off transfer for 2021-22

It was stated that Central Schools Services Block funding had provisionally increased by 6.45% or £0.061m from £0.953m to £1.015m. However, it was explained that, although there had been an increase, any extra funding here would need to be used to support the increases in pay and pensions for centrally employed teaching staff. Therefore, it would be likely that this increase would simply cover the increases on centrally retained staff.

Forum members were made aware of the increased measures for financial transparency, which would come into effect from 1 January 2021. It was explained that these changes had been brought forward as a number of Academy Trusts reported to DFE that they felt more accountable for their academies financial position than they had previously done as a Local Authority maintained school and these followed a period of consultation between July and September 2019. The DFE recognised that these measures would create new burdens for Local Authorities and would compensate through a direct grant based on the number of maintained schools within the Local Authority.

Changes to enhance financial transparency were discussed, including:

- Making public where Local Authorities are failing to comply with deadlines for completing assurance returns and financial collections
- Strengthening DSG annual assurance returns
- Maintained schools required to set 3 year budget forecasts
- Strengthening Related Party Transaction (RPT) arrangements in maintained schools
- Maintained schools internal audit too infrequent
- Strengthening arrangements to help schools that are in financial difficulty
- Greater transparency reporting high pay for school staff
- Greater transparency when reporting maintained school income and expenditure

## **RESOLVED**

- (i) That the contents of the report be noted.**
- (ii) That the Chair be supported in making representations to the Department for Education in relation to High Needs funding.**
- (iii) That it be agreed, in principle, for the Local Authority disapplication to the Secretary of State in order to transfer 1% from the Schools Block to the High Needs Block.**
- (iv) That it be agreed, in principle, for 0.5% to be transferred from the Schools Block to the High Neds Block, in the event of the 1% transfer having not been agreed by the Secretary of State.**

## **8 DSG BUDGET UPDATE FOR 2020-21 AND EARLY YEARS OUTTURN POSITION FOR 2019-20**

Consideration was given to a report of the Assistant Director of Education and the Assistant Director of Finance. The report outlined the budget position for the financial year 2020-21 and provided an update on the Early Years' final outturn position for the financial year 2019-20.

Forum members were made aware that there was a forecast surplus of £0.050m on the Schools Block. This related to rates rebates for schools that had recently converted to Academy status and actual rates charges being lower than estimated. It was also explained that Schools Forum would be updated again, in January 2021, due to the timing of the census and that any surplus was proposed to be contributed to the DSG deficit. In addition, it was highlighted that a small surplus of £0.003m was also projected on the Central Services Schools Block due to the cost of licences being slightly less than estimated. Projected deficits were also discussed, with the High Needs Block having a projected deficit of £3.543m and a projected deficit of £0.466m for the Early Years Block.

With regard to the High Needs Block, it was stated that the in-year projected overspend was £3.543m, after the Schools Block transfer. However, it was made clear that the growth was estimated, at this time, and that work was continuing with regard to accurately predicting the cost of future growth. It was explained that, when looking at the previous financial year, it would appear that a significant part of the growth had occurred in the Autumn term. With this in mind, it was envisaged that a clearer picture of this year's cost of growth may be seen by the end of this term.

Members of the Forum were informed that the overall settlement for Early Years had increased by £0.278m. However, it had previously been reported that there would be an estimated £0.296m in the final settlement. It was stated that the reason for this variation was that the actual settlement for Universal Entitlement of 3 and 4 years olds was lower than estimated (£0.013m).

It was explained that the estimated surplus of £0.547m was transferred to the reserve at the end of 2019-20 financial year to support the wider deficit on the DSG. It was also stated that the £0.018m reduction in surplus should be covered by the projected surplus for 2020-21. An overall settlement for the Early Years had increased to £17.261m and a detailed update of the Early Years Block was provided for members, along with explanation with regard to significant financial pressures in this sector relating to sustainability.

It was stated that the final settlement for Early Years funding would be announced in July 2021 and that, as a result of COVID-19, the DFE had advised that they would be changing the measurement of the adjustment. Members were informed that projections would continue to be updated throughout the financial year to take into account the actual uptake and that this would be reported to Schools Forum.

Members discussed the reduction in numbers within Nursery provision, across all sectors in the borough and issues relating to sustainability were highlighted. It was confirmed that there was currently a reducing birth rate in Tameside. With this in mind, it was suggested that provision may need to be adapted in terms of meeting parental needs and demands. It was highlighted that the



priority would need to be maintaining sufficiency of places and that this situation would continue to be reviewed.

Members of the Forum were made aware that there was a forecast of £3.638m deficit on the DSG and that a Deficit Recovery Plan would be required and would require the agreement of Schools Forum.

## **RESOLVED**

**That the contents of the report be noted**

## **9 SCHOOL CONDITION CONTRIBUTION PROTOCOL**

Consideration was given to a report from the Assistant Director of Education. The report outlined the Local Authority's proposed protocol for contributions towards the School Condition schemes, previously agreed through the Asset Management Planning and Advisory group.

It was explained that funding for condition work in community and voluntary controlled schools was received through the Devolved Formula Capital and that the Council also receives an allocation from Government. However, it was highlighted that these combined amounts were less than the value of the work required. It was stated that there had been an allocation of £1.3m, which had subsequently been increased to £1.8m, in-year.

Forum members were made aware that there had previously been an agreement with schools for a contribution scheme towards condition works. However, it was highlighted that this had not been fully implemented. This protocol was, therefore, seeking to reinforce this previous agreement and, with this in mind, the general principles were outlined.

It was stated that, under this protocol, the day to day management of the safety and use of school buildings and their sites would rest with the Governing Body of the school and that it would be the responsibility of the Governing Body to undertake appropriate, planned and preventative maintenance. However, the protocol would ensure that there would be appropriate contributions from all parties towards condition work.

It was explained that schools would 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. It was also confirmed that funding for other capital works, such as the purchase of IT equipment would not be covered under this protocol. It was also stated that investment would be prioritised on keeping school buildings safe and in good working order through tackling poor building condition, building compliance, energy efficiency and health and safety issues.

Members of the Forum were informed that a report on the proposed School Condition Contribution Protocol had been discussed by the Schools Funding Group in April of this year. This had included a number of different proposals on how the contribution element of the proposed Protocol could work and the following options were presented:

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

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

Feedback demonstrated that all members of the Schools Funding Group were unanimously in support of contributing an amount to ensure that the School Condition budget could stretch further, providing that there would be a fair way of prioritising the schemes. 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). As both options included an initial contribution of £10,000 for primary schools and £25,000 for secondary schools, it was recommended that Option 1 be implemented, initially, with a review to take place in April 2021.

An illustration of Option 1 was provided for members of the Forum:

- The full scheme cost at a primary school was £45,000, the school would contribute £10,000 and the Council would contribute £35,000.
- The full scheme cost at a secondary school was £75,000, the school would contribute £25,000 and the Council would contribute £50,000.

It was explained that, where schools did not have sufficient funds to contribute, consideration would be given to enable such funds to be made available to schools and for this to be re-paid over future years. It was also stated that the Council would seek to apply the protocol consistently and that they would be ultimately responsible for determining whether the protocol should be varied or exceptions made, with reasoning clearly stated. Although it was proposed that the new protocol would be applied to all schemes individually, it was explained that consideration would also be given to schools with multiple projects identified as priority works over a short period of time.

With regard to the Capital Maintenance Programme from 2020, it was stated that the Council had commissioned Condition Surveys for all community and voluntary controlled primary schools and that this would form the basis for the Capital Programme for the next 5 years, with these surveys being updated a rolling basis. In addition, members were made aware that an application process had been developed for schools in order to access funding for urgent works, not previously identified in the Condition Surveys. It was explained that such applications would be considered by the Education Capital Programme Board within a term and that decisions would be made based on the urgency of the work set against the urgency of the work identified through the Condition Surveys.

Forum members were made aware there was an expectation that the majority of schemes approved would be for completion within the financial year in which the funding was allocated and that only in exceptional circumstances would schemes be approved that would take longer to deliver.

#### **RESOLVED**

**That the School Condition Contribution Protocol be agreed and implemented from 1 October 2020**

#### **10 DATE OF NEXT MEETING**

#### **RESOLVED**

**That the next meeting of The Schools Forum be held on Tuesday 24 November 2020 at 10am.**

**CHAIR**

# Agenda Item 4

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	24 November 2020
<b>Reporting Officer:</b>	Tom Wilkinson – Assistant Director, Finance Tim Bowman – Assistant Director, Education
<b>Subject:</b>	<b>SCHOOLS BLOCK FUNDING FORMULA 2021-22 CONSULTATION</b>
<b>Report Summary:</b>	A report on the consultation to all schools as to how the School Block funding should be allocated for 2021-22.
<b>Recommendations:</b>	Members of Schools' Forum are requested to: <ol style="list-style-type: none"><li>1. Support a transfer of 0.5% from the Schools Block to the High Needs Block.</li><li>2. Support a transfer of up to 1% from the Schools Block to the High Needs Block if the allocation allows the LA to continue to adopt NFF rates for 2021-22.</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. The financial implications are the subject of the report.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	It is important that any decision is taken only after the outcome of the consultation has been carefully considered by the decision makers. Failure to do so could result in the decision being subject to challenge.
<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>
<b>Background Information:</b>	The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner: Telephone: 0161 342 3216 e-mail: <a href="mailto:christine.mullins@tameside.gov.uk">christine.mullins@tameside.gov.uk</a>

## 1. INTRODUCTION

- 1.1 The Department for Education (DfE) published the National Funding Formula (NFF) provisional allocations for schools, high needs and central school services for 2021-22 in July, along with the technical notes setting out how they have calculated the provisional allocations. Further information was required to allow the Local Authority (LA) to produce more detailed school level information for Schools Block Funding and this was received mid-September. The rates for 2021-22 and school level information are included at **Appendix A** and **Appendix B**.
- 1.2 A consultation on the proposals set out in this report has been circulated to all schools and Chairs of Governors, which will close on 11 November 2020. Due to the timing of the consultation, the results are not able to be published as part of this report but there will be a verbal update at the meeting.

## 2. PROVISIONAL ALLOCATION FOR 2021-22

- 2.1 Table 1 compares 2021-22 with the 2020-21 position. At this point, the allocation the LA will receive in terms of Early Years funding has not been published and, therefore, Early Years is excluded from the figures.

**Table 1 – 2021-22 Allocations Compared with 2021-22 Provisional Allocations**

<b>Funding Block</b>	<b>2020-21 £000</b>	<b>2021-22 £000</b>	<b>Increase £000</b>
Schools Block (excluding growth)	168,796	181,308	12,512
High Needs Block	24,425	27,815	3,390
Central School Services Block (CSSB)	953	1,015	61
<b>Total</b>	<b>194,174</b>	<b>210,138</b>	<b>15,964</b>

- 2.2 Of the £12.5m increase on the Schools Block, £7.5m relates to the Teachers' Pay and Pension grant being rolled into the DSG Funding. The £7.5m is protected and must be passed directly to schools. The remaining £5m increase represents a 3% increase on 2020-21 cash levels.
- 2.3 Of the £3.4m increase on the High Needs Block, £0.49m relates to the Teachers' Pay and Pension grant being rolled into the DSG Funding. Therefore, the cash increase is £2.9m. However, the pressures on High Needs still exceed the increase we are set to receive as a LA.
- 2.4 There are increases in funding across all blocks for Tameside MBC which is positive. However, the pressures on High Needs exceed the increase we are set to receive as a LA.

## 3. HIGH NEEDS PRESSURE

- 3.1 Tameside have received the maximum provisional funding increase possible, capped at 12% (before Import/Export adjustments and Recoupment). 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.
- 3.2 Table 2 shows the impact the capping of funding 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 2 – Capped High Needs Funding Allocation**

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

<b>a) High Needs Deficit before any Block Transfer</b>			
High Needs In Year Deficit (with Cap & before 0.50% transfer from Schools block )	<b>-£4,393</b>	<b>-£2,644</b>	<b>-£7,037</b>
High Needs In Year Deficit (without Cap & before 0.50% transfer from Schools block)	<b>-£1,820</b>	<b>£507</b>	<b>-£1,314</b>
<b>b) High Needs Deficit assuming 0.50% Transfer from Schools Block</b>			
High Needs In year Deficit (with Cap)	<b>-£3,543</b>	<b>-£1,775</b>	<b>-£5,318</b>
High Needs In year Deficit (without Cap)	<b>-£970</b>	<b>£1,376</b>	<b>£405</b>

- 3.3 As reported to Schools' Forum, the estimated position on High Needs for 2020-21 is an in-year overspend of £3.543m. This is after the £0.85m transfer from the Schools Block (the position would have been an in-year overspend of £4.393m without the transfer). In 2021-22, whilst the additional increased funding is very much welcomed, it would still leave a shortfall of £1.775m (based on current estimates) and does not take into account the 2020-21 expected DSG deficit estimated to be £3.638m, which Schools' Forum will need to support a plan to recover.
- 3.4 A DSG deficit recovery plan is currently being worked on and further information can be found as a separate agenda item.

#### **4. FUNDING 2021-22**

- 4.1 The increase in the Schools Block funding is positive and will allow all schools to see an increase in their pupil led funding. As reported at Schools' Forum in September, there is a minimum funding guarantee (MFG) of +0.5% to +2%. This means that all schools will see at least 0.5% increase on their pupil-led funding.
- 4.2 The NFF rates have increased by 3% in the majority of instances, except Free School Meals (FSM), which has increased by 2%. There is a summary table of rates included at **Appendix A**.
- 4.3 The school level funding information is included at **Appendix B**. Schools should note that any figures provided will not be the actual figures received for the 2021-22 financial year. These figures are all indicative and subject to change. Once the LA has received the updated census data for October 2020 in December, final calculations will be produced.
- 4.4 The provisional calculations are based on the October 2019 census data, updated to include the 2019 IDACI data. This will be updated with October 2020 census data when the final allocations are made in 2021-22.

- 4.5 The premises elements of funding have been updated to reflect an uplift in RPIX for PFI of 1.56%.
- 4.6 **Appendix B** includes information on the 2020-21 funding allocation and provides details of the proposed funding scenario for 2021-22. This scenario would allow a transfer of 0.5% (£0.869m) from the provisional Schools Block allocation to the High Needs Block, whilst continuing to adopt the NFF rates for 2021-22. Based on the provisional School Block allocation the MFG would be set at 0.5% and the gains cap at 3.21% to allow the transfer to take place. **Appendix B** also provides information on the impact of the changes introduced by DfE on the IDACI data and inclusion of the Teachers' Pay and Pension grants for further context.
- 4.7 The LA have spent the last few years moving to the NFF and this has been with the support of schools in line with DfE's instruction. With this in mind, we want to adhere to NFF as closely as possible. The movement of 0.5% will not fully support the High Needs pressure for 2021-22 and if there was sufficient funding to allow a 1% transfer (£1.738m) whilst maintaining the NFF rates, the LA would like support from Schools to do this. This requires approval from the Secretary of State through the disapplication process.

## 5. CONCLUSION

- 5.1 There is significant pressure on High Needs partly because of the current High Needs national funding formula (a significant element of the formula stills protects historic spend from 2017-18). This results in the LA receiving a 'capped' allocation and, therefore, contributes to the deficit position as shown in Table 2. The LA will continue to raise this issue with the DfE.
- 5.2 As schools would still benefit from an increase in pupil-led funding, the LA are asking schools to support a minimum 0.5% transfer from the Schools Block to the High Needs Block.
- 5.3 If affordable, whilst adhering to NFF as closely as possible, the LA are asking schools to support a 1% transfer from the Schools Block to the High Needs Block (subject to Secretary of State approval).
- 5.4 It should be noted that, if the final funding announcements result in sufficient funding in the High Needs Block then, the block transfer will be reduced or removed entirely.

## 6. RECOMMENDATIONS

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

## Schools Block Unit Rates

	2020-21 Rates	2021-22 Proposed Rates
<b>Basic Entitlement (AWPU)</b>		
Primary	2,857	3,123
Secondary - KS3	4,018	4,404
Secondary - KS4	4,561	4,963
<b>Deprivation</b>		
FSM – Primary	450	460
FSM – Secondary	450	460
FSM6 – Primary	560	575
FSM6 – Secondary	815	840
IDACI band F: Primary	210	215
IDACI band E: Primary	250	260
IDACI band D Primary	375	410
IDACI band C: Primary	405	445
IDACI band B: Primary	435	475
IDACI band A: Primary	600	620
IDACI band F: Secondary	300	310
IDACI band E: Secondary	405	415
IDACI band D: Secondary	535	580
IDACI band C: Secondary	580	630
IDACI band B: Secondary	625	680
IDACI band A: Secondary	840	865
<b>English as an Additional Language (EAL)</b>		
Primary	535	550
Secondary	1,440	1,485
<b>Low Prior Attainment</b>		
Primary	1,065	1,095
Secondary	1,610	1,660
<b>Mobility</b>		
Primary	875	900
Secondary	1,250	1,290
<b>Lump Sum</b>		
Primary	114,400	117,800
Secondary	114,400	117,800
<b>Minimum per Pupil Funding</b>		
Primary	3,750	4,180
Secondary	5,000	5,415
Secondary - KS3	4,800	5,215
Secondary - KS4	5,300	5,715

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## Funding Information

School No.	School	1 2020-21 Funding NOR (Based on October 2019 Census excluding nursery)	2 2020-21 Total Funding £	3 2021-22 Proposed Total Funding £	4 Potential Change in Total Funding £	5 Potential Change in Total Funding %	6 Impact of Teachers Pay and Pension £	7 Change in Funding Excluding Teachers Pay and Pension Grant %	8 Impact of Changes Between IDACI 2015 and 2019 Datasets £
2001	Greenfield Primary School and Early Years Centre	265	1,335,013	1,394,062	59,049	4.42%	52,870	0.46%	(1,395)
2004	Hollingworth Primary School	174	778,707	813,366	34,659	4.45%	31,299	0.43%	(30,015)
2006	Pinfold Primary School	358	1,959,626	2,080,535	120,909	6.17%	69,052	2.65%	510
2011	Arundale Primary School	184	1,273,117	1,316,012	42,895	3.37%	35,083	0.61%	11,454
2018	Gorse Hall Primary and Nursery School	398	1,572,790	1,691,721	118,930	7.56%	71,592	3.01%	(5,955)
2019	Stalyhill Junior School	232	930,609	986,454	55,845	6.00%	41,732	1.52%	(2,882)
2020	Arlies Primary School	207	931,407	995,353	63,946	6.87%	37,235	2.87%	7,778
2021	Buckton Vale Primary School	299	1,188,077	1,271,400	83,323	7.01%	53,784	2.49%	12,475
2024	Lyndhurst Community Primary School	226	1,059,464	1,130,310	70,846	6.69%	40,653	2.85%	3,033
2025	Broadbent Fold Primary School and Nursery	208	851,958	893,147	41,189	4.83%	37,415	0.44%	(4,518)
2026	Wild Bank Community School	161	995,931	1,032,951	37,020	3.72%	32,567	0.45%	2,420
2027	Millbrook Primary School	202	930,980	976,301	45,321	4.87%	41,154	0.45%	15,215
2037	The Heys Primary School	229	1,085,715	1,158,241	72,526	6.68%	41,193	2.89%	10,915
2039	Audenshaw Primary School	213	865,057	907,617	42,560	4.92%	38,314	0.49%	1,200
2042	Russell Scott Primary School	422	1,761,806	1,891,618	129,812	7.37%	75,909	3.06%	11,820
2045	Fairfield Road Primary School	410	1,736,700	1,862,645	125,944	7.25%	73,751	3.01%	5,293
2051	Livingstone Primary School	182	819,772	860,676	40,904	4.99%	37,267	0.44%	(513)
2055	Aldwyn Primary School	397	1,562,029	1,703,868	141,839	9.08%	71,412	4.51%	5,875
2056	St Anne's Primary School	212	865,605	912,837	47,232	5.46%	38,135	1.05%	246
2058	Corrie Primary School	317	1,365,147	1,463,206	98,059	7.18%	57,022	3.01%	(11,810)
2063	Holden Clough Community Primary School	362	1,466,928	1,561,593	94,665	6.45%	65,117	2.01%	(40)
2064	Dane Bank Primary School	218	881,413	945,761	64,349	7.30%	39,214	2.85%	3,622
2068	Greswell Primary School and Nursery	420	1,745,277	1,865,997	120,720	6.92%	75,550	2.59%	(9,637)
2073	Stalyhill Infant School	178	735,170	770,358	35,188	4.79%	32,019	0.43%	(1,735)
2081	Ravensfield Primary School	419	1,791,823	1,921,297	129,474	7.23%	75,370	3.02%	(6,366)
3000	Gee Cross Holy Trinity CofE (VC) Primary School	209	860,613	917,118	56,505	6.57%	37,595	2.20%	(1,840)
3001	Broadbottom Church of England Primary School	102	499,575	520,975	21,400	4.28%	19,416	0.40%	298
3003	St John's CofE Primary School, Dukinfield	310	1,222,230	1,318,113	95,883	7.84%	55,763	3.28%	(3,973)
3019	Hurst Knoll St James' Church of England Primary School	212	977,971	1,044,886	66,915	6.84%	42,127	2.53%	(1,928)
3022	St James CofE Primary School, Ashton-under-Lyne	207	1,023,685	1,067,073	43,388	4.24%	38,770	0.45%	6,388
3026	Milton St John's CofE Primary School	227	918,698	963,668	44,970	4.89%	40,833	0.45%	373
3027	Micklehurst All Saints CofE Primary School	190	942,283	981,014	38,731	4.11%	34,533	0.45%	(2,057)
3301	St George's CofE Primary School	211	988,575	1,058,724	70,149	7.10%	40,980	2.95%	(593)
3303	Mottram CofE Primary School	134	593,381	628,597	35,216	5.93%	25,028	1.72%	975
3304	St Paul's Catholic Primary School	215	871,465	914,081	42,616	4.89%	38,674	0.45%	(16,305)
3305	St James Catholic Primary School	154	935,386	976,963	41,577	4.44%	37,315	0.46%	1,375
3308	St Mary's Catholic Primary School	211	894,767	951,757	56,990	6.37%	37,955	2.13%	(9,696)
3309	St Peter's Catholic Primary School	206	828,288	869,062	40,774	4.92%	37,055	0.45%	(610)
3310	St Raphael's Catholic Primary School	210	874,375	937,527	63,152	7.22%	37,775	2.90%	12,004
3312	Holy Trinity CofE Primary School	212	1,085,630	1,130,203	44,574	4.11%	38,135	0.59%	(8,640)
3313	St Peter's CofE Primary School	214	1,031,093	1,100,029	68,936	6.69%	38,494	2.95%	(12,745)

APPENDIX B

School No.	School	1 2020-21 Funding NOR (Based on October 2019 Census excluding nursery)	2 2020-21 Total Funding £	3 2021-22 Proposed Total Funding £	4 Potential Change in Total Funding £	5 Potential Change in Total Funding %	6 Impact of Teachers Pay and Pension £	7 Change in Funding Excluding Teachers Pay and Pension Grant %	8 Impact of Changes Between IDACI 2015 and 2019 Datasets £
3314	St Stephen's CofE Primary School	208	950,355	1,015,632	65,278	6.87%	37,415	2.93%	(12,055)
3316	St Mary's CofE Primary School	209	875,927	938,894	62,967	7.19%	37,595	2.90%	2,310
3317	St George's CofE Primary School	156	668,130	708,829	40,699	6.09%	30,912	1.46%	1,535
3319	Canon Burrows CofE Primary School	422	1,617,397	1,769,164	151,767	9.38%	75,909	4.69%	27,862
3322	St Mary's RC Primary School	206	837,684	889,962	52,278	6.24%	37,055	1.82%	3,590
3323	St Stephen's RC Primary School	411	1,595,632	1,723,248	127,616	8.00%	73,931	3.36%	18,790
3324	St Joseph's RC Primary School	171	721,334	765,915	44,580	6.18%	33,075	1.59%	785
3325	St John Fisher RC Primary School, Denton	208	896,425	951,927	55,501	6.19%	37,415	2.02%	(10,470)
3326	St Christopher's RC Primary School	223	912,399	958,721	46,321	5.08%	40,113	0.68%	350
3327	St Anne's RC Primary School	211	884,958	938,545	53,587	6.06%	37,955	1.77%	735
3331	Our Lady of Mount Carmel RC Primary School, Ashton-under-Lyne	207	913,004	976,820	63,817	6.99%	37,235	2.91%	3,989
4006	Alder Community High School	840	5,216,967	5,584,648	367,681	7.05%	222,415	2.78%	(3,300)
4018	Mossley Hollins High School	833	4,588,987	4,860,879	271,892	5.92%	220,562	1.12%	14,285
4025	Hyde Community College	1,068	6,473,692	6,851,709	378,016	5.84%	282,785	1.47%	(43,336)
4028	Denton Community College	1,347	7,892,595	8,491,533	598,938	7.59%	356,659	3.07%	(1,364)
4602	St Damian's RC Science College	824	4,496,248	4,853,019	356,771	7.93%	218,179	3.08%	(2,055)
4603	St Thomas More RC College Specialising in Mathematics and Computing	770	4,031,365	4,365,075	333,710	8.28%	217,189	2.89%	1,830
2000	Silver Springs Primary Academy	392	1,707,949	1,840,540	132,591	7.76%	79,229	3.12%	15,725
2005	Oakfield Primary and Moderate Learning Difficulties Resource Provision	208	931,443	996,026	64,584	6.93%	37,415	2.92%	(11,375)
2008	Flowery Field Primary School	625	2,637,920	2,804,520	166,600	6.32%	112,425	2.05%	(51,789)
2009	Inspire Academy*	328	1,427,218	1,486,803	59,585	4.17%	52,819	0.47%	4,097
2010	Discovery Academy*	116	572,939	610,049	37,110	6.48%	21,894	2.66%	(1,447)
2014	Linden Road Academy and Hearing Impaired Base	230	1,003,637	1,074,504	70,868	7.06%	41,372	2.94%	9,795
2015	St Paul's CofE Primary School, Stalybridge	272	1,094,026	1,175,804	81,779	7.48%	51,162	2.80%	(2,432)
2032	Bradley Green Primary Academy	202	891,451	953,632	62,181	6.98%	36,336	2.90%	(13,472)
2033	Dowson Primary Academy	424	1,632,280	1,783,145	150,865	9.24%	76,269	4.57%	(1,889)
2034	Godley Community Primary Academy	238	954,650	1,004,093	49,443	5.18%	43,424	0.63%	(7,617)
2038	Ashton West End Primary Academy	410	1,910,405	2,043,870	133,466	6.99%	73,751	3.13%	(31,211)
2040	Poplar Street Primary School	411	1,690,974	1,815,229	124,255	7.35%	73,931	2.98%	(5,656)
2046	Manchester Road Primary Academy	380	1,619,934	1,738,520	118,587	7.32%	68,354	3.10%	7,985
2049	Moorside Primary School	408	1,629,279	1,753,210	123,931	7.61%	73,391	3.10%	17,766
2053	Waterloo Primary School	369	1,574,576	1,689,525	114,949	7.30%	66,376	3.08%	18,113
2061	Denton West End Primary School	414	1,577,212	1,738,625	161,413	10.23%	94,430	4.25%	2,471
2069	Manor Green Primary Academy	390	1,624,952	1,745,455	120,503	7.42%	70,153	3.10%	(11,410)
2078	Oasis Academy Broadoak	378	1,664,434	1,784,031	119,597	7.19%	67,995	3.10%	(9,205)
2079	Leigh Primary School	277	1,218,032	1,299,646	81,613	6.70%	51,899	2.44%	(1,710)
4001	Rayner Stephens High School	625	3,598,182	3,862,137	263,955	7.34%	165,488	2.74%	(17,618)
4002	Laurus Ryecroft*	434	2,285,500	2,437,017	151,518	6.63%	82,347	3.03%	36,018
4011	Copley Academy	665	3,758,336	4,056,374	298,039	7.93%	176,079	3.25%	19,438
4023	Longdendale High School	872	4,621,011	4,993,409	372,398	8.06%	230,888	3.06%	(5,325)
4604	All Saints Catholic College	649	3,677,001	3,968,030	291,028	7.91%	171,842	3.24%	(17,950)
5400	Audenshaw School	991	5,235,614	5,661,974	426,360	8.14%	262,397	3.13%	(5,435)
5401	West Hill School	843	4,392,880	4,759,927	367,047	8.36%	223,210	3.27%	10,610

School No.	School	1 2020-21 Funding NOR (Based on October 2019 Census excluding nursery)	2 2020-21 Total Funding £	3 2021-22 Proposed Total Funding £	4 Potential Change in Total Funding £	5 Potential Change in Total Funding %
5402	Fairfield High School for Girls	976	5,049,147	5,485,143	435,996	8.64%
6905	New Charter Academy	1,264	7,349,687	7,922,561	572,875	7.79%
6906	Droylsden Academy	916	5,272,937	5,687,664	414,727	7.87%
2066	Greenside Primary School	423	1,717,022	1,846,627	129,605	7.55%
2077	Yew Tree Primary School	453	1,900,548	2,028,736	128,188	6.74%
2080	Rosehill Methodist Community Primary School	414	1,786,412	1,916,448	130,036	7.28%
3020	Parochial CofE Primary and Nursery School, Ashton-under-Lyne	195	873,353	933,630	60,278	6.90%
3311	Canon Johnson CofE Primary School	210	942,662	1,007,964	65,302	6.93%
<b>Total</b>		<b>34,832</b>	<b>168,434,836</b>	<b>180,336,507</b>	<b>11,901,671</b>	

6 Impact of Teachers Pay and Pension £	7 Change in Funding Excluding Teachers Pay and Pension Grant %	8 Impact of Changes Between IDACI 2015 and 2019 Datasets £
292,631	2.84%	15,507
334,682	3.24%	(2,564)
242,538	3.27%	35,805
76,089	3.12%	29,195
81,486	2.46%	(14,325)
74,470	3.11%	12,445
35,077	2.89%	(8,086)
37,775	2.92%	6,012
<b>7,541,179</b>		<b>3,961</b>

\* these schools are growing schools so the NOR are adjusted to take into account expected growth

Appendix B Notes:

Column 1	October 2019 NOR (excluding nursery)
Column 2	Schools block allocation in 2020-21
Column 3	Proposed provisional schools block allocation in 2021-22 (NFF Rates (Appendix A), 0.5% MFG and 3.21% Gains Cap)
Column 4 & 5	The change between 2021-22 and 2020-21 (funding in columns 3 and 4)
The below provide some context around the change in funding for additional information	
Column 6	This is the Teachers' Pay and Pension Grant Funding being used in the formula for 2020/21 by DfE
Column 7	The % change between 2021-22 and 2020-21 excluding the Teachers Pay and Pension grant funding
Column 8	This shows the impact of the change of data set between 2015 and 2019 using the updated 2021-22 rates (positive figure show and increase and figures in () show a decrease; these changes in data will be protected through MFG

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# Agenda Item 5

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	24 November 2020
<b>Reporting Officer:</b>	Tim Bowman – Assistant Director, Education Tom Wilkinson – Assistant Director, Finance
<b>Subject:</b>	<b>HIGH NEEDS DEFICIT RECOVERY 2021-22</b>
<b>Report Summary:</b>	This report is to outline proposals and work streams proposed to address the DSG High Needs deficit. These proposals will be included in the DSG Management Plan to the DfE outlining our recovery proposals.
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. Schools Forum members are asked to give their support to these proposals, which will underpin the actions to reduce and contain spending from the High Needs Block.</li><li>2. Schools Forum members are requested to support the application to the Secretary of State to dis-apply the regulations and request a 1% top-up, if this is affordable, once the revised NFF rates are applied.</li><li>3. Schools Forum members are asked to outline any further savings ideas or considerations to be explored and added to the plan.</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>	<p>The High Needs funding is part of the Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. This is significantly overspending and a management plan to recover the deficit is needed.</p> <p>The detailed proposals are outlined in this report, some of which will require approval by elected members.</p> <p>It is not the DfE's expectation that the deficit can be fully recovered over a short period, therefore, this should be a medium to long term recovery plan.</p> <p>The deficit is expected to be £3.6m by the end of 2020/21. It is estimated that the proposals would recover this, It should be noted that this does assume the DfE will remove the cap on funding.</p>
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	<p>As set out in the main body of the report, the Dedicated Schools' Grant in a ring fenced grant. Therefore, it is critical that it is managed and spent in accordance with the terms grant so as to avoid any claw back provisions being triggered.</p> <p>The grant also requires Local Authorities with a deficit to prepare a Management Plan for consideration by the DfE.</p> <p>This report sets out the steps for completing this Management Plan. In due course, the plan and a number of the current proposals set</p>

out in this report will have to be considered by Cabinet.

**Risk Management:**

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.

There is the risk that the number of EHCPs will continue to grow despite the management action being taken outlined in the report, which could impact on the Local Authority's (LA) ability to reduce the deficit.

There is a risk to future funding levels from the DfE being cut due to Government spending reviews as a result of the Covid pandemic, or that the cap on funding will not be removed.

There is a risk that the Secretary of State will not approve the request to the 1% transfer from Schools Block to the High Needs Block.

**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 Information:**

The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner, Financial Management, Governance, Resources and Pensions



Telephone: 0161 342 3216

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

## **1. INTRODUCTION**

- 1.1 This report is to outline proposals and work streams proposed to address the Dedicated Schools Grant (DSG) High Needs deficit. This report looks to Schools Forum members to support these proposals, which will underpin the actions to reduce and contain spending from the High Needs Block. These strands of work have been discussed at previous meetings and this report looks to bring these discussion into one report for consideration.
- 1.2 Any further savings ideas or considerations that Schools Forum identify can be explored and added to the plan.
- 1.3 These proposals will be included in the DSG Management Plan to the Department for Education (DfE) outlining our recovery proposals. The management template must be presented at the time of the disapplication request.

## **2. DSG DEFICIT MANAGEMENT PLAN**

- 2.1 Under the 2020/21 DSG conditions of grant, paragraph 5.2 requires that any Local Authority with an overall deficit on its DSG account at the end financial year 2019/20, or whose DSG surplus has substantially reduced during the year must, must be able to present a plan to the DfE for managing their future DSG spend.
- 2.2 The DfE created a management template, which it expects Local Authorities (LAs) to use in order to outline how they intend to manage any DSG deficit. The template was first published on 16 September 2020 and updated by the DfE 13 October 2020 to correct errors in formula and data population. The Education Skills Funding Agency (ESFA) held a workshop showing how to use the document on 16 October 2020. In this session, they stated it was expected that this DfE template would be completed and provided to DfE as part of any disapplication request.
- 2.3 The template is an excel spreadsheet that is very large and contains lots of data and financial comparisons. There is an expectation that, once this has been approved, this will be saved to the Council's website to ensure full transparency. It is also expected that, prior to this being published, Schools Forum and Elected Members will be consulted.
- 2.4 The template must be approved by the Section 151 Officer of the LA, and the Director of Children's Services. Elected Members must be sighted on the action plan and Schools Forum engagement must be evidenced.

## **3. DISAPPLICATION REQUEST**

- 3.1 As previously discussed at School Forum in September 2020, Schools Forum agreed due to the available funding and the growth in pupils needing Education Health Care Plans (EHCPs) that they would be minded to support a 1% transfer from the Schools Block to the High Needs Block. This has been discussed as part of the other paper on today's agenda.
- 3.2 Local authorities must submit disapplication requests to the Secretary of State, using the proforma provided by the ESFA, in cases where the local authority wishes to move more than 0.5% of the Schools Block, regardless of any previously agreed transfer amounts. The deadline for submission of this proforma is 20 November 2020.
- 3.3 As the deadline for the disapplication request is in advance of the Schools Forum meeting, and the requirement to submit the plan was released after the September Schools Forum meeting, the ESFA advised that the application should be submitted, noting that approval by Schools Forum would be sought retrospectively on 24 November.

## 4. MANGEMENT ACTIONS AND PROPOSALS

4.1 The plan sets out the LA's proposed actions to address the deficit. As reported at September 2020 Schools Forum it is forecast that the DSG deficit will be £3.638m. The plan looks at measures to mitigate this; a summary of the actions are outlined below, which will be discussed in more detail at the meeting:

- Funding – Transfer between blocks, disapplication requests and funding cap assumptions
- Review of services funded from the High Needs Block
- Element 3 – Funding review
- Resource bases
- Building contracts and estates review
- Growth and overcapacity Funding
- Post 16 SEND Provision
- Tameside Pupil Referral Services (TPRS) and inclusive schools.

### **Funding**

4.2 It is proposed, subject to approval of Schools Forum, that 0.5% transfer from the Schools Block will be made without the need for the Secretary of State approval. A further transfer of 0.5% will be requested to the Secretary of State. However this will only be made assuming that this can be achieved in adherence to the NFF funding bands. The final element of the funding proposal is that we anticipate future funding from the DfE will remove the significant cap on our funding (£3.1m for Tameside).

### **Review of Services Funded from High Needs**

4.3 A detailed review of the services that are funded from the High Needs Block is underway, which is expected will realise financial savings. Any changes to staffing as a result of any of these reviews will be consulted upon under the usual processes. Separate approval of these proposals will be subject to the LA's governance and decision making processes. The areas under review include Sensory Support Services and Specialist SEND Support Services. Alongside this, there are currently 2 specialist posts that are funded inappropriately from the High Needs Block. The posts solely support the Early Years agenda, therefore, these will be funded from the Council's centrally retained element going forward.

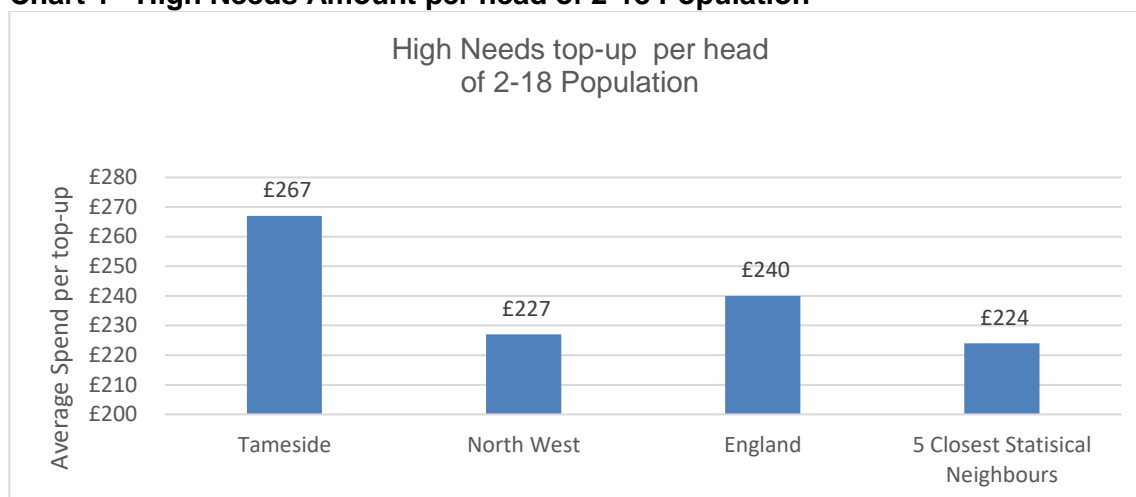
### **Element 3 Funding**

4.4 A review of the Element 3 top-up funding is underway. No financial implications of this have been considered at this stage as a banding model is being developed, which focuses on the provision needed to support the pupils need rather than funding the type of need. A Matching Provision to Need (MPTN) document has been developed by the SEND team and will be fully consulted upon.

4.5 The reason the financial impact has not as yet been determined is because part of the work plan will be to work through realistic costing of the provision in school, once the MPTN model has been approved. Benchmarking information shown in **Chart 1** shows the spend in Tameside on average top-up is between £43 and £40 higher than the rest of North West and statistical neighbours. The estimated savings are based on assuming that this model makes us broadly comparable and are approximately £0.047m, which is minimal over the whole sector.



**Chart 1 - High Needs Amount per head of 2-18 Population**



### **Resource Bases**

- 4.6 As previously discussed at Schools Forum, a review of our resource bases is underway to increase provision in the borough to meet the needs of our young people locally and reduce the need for Out of Borough and Independent settings. It is envisaged that additional places in each of the four localities be established. This proposed change will require additional funding to establish. However, this will support the LA in avoiding more costly provision elsewhere and it is anticipated to represent a net saving.
- 4.7 Further to the establishment of these additional bases, the LA will look to further develop additional sites and carry out a review of the centrally managed bases. This will establish if they are fit for purpose and provide value for money. The outcome of this review will again be subject to the LA's normal governance and staffing related consultation and decision making processes.

### **Building contracts and Estates Review**

- 4.8 One of our special schools has a PFI style contract. A review of this contract will be undertaken to see if it presents value for money. It is envisaged savings could be found from this contract.
- 4.9 Furthermore, a review of the special school estate use of PFI buildings will be considered over the longer term, including its use and if better use of space can be identified. Both of these reviews will require appropriate decision making through the LA's normal governance routes and approval before any savings can be realised.

### **Growth and Overcapacity Funding in Special Schools**

- 4.10 A paper was presented to Schools Funding Group in October 2020 for initial discussion regarding funding of additional special school places outside of the annual place review process.
- 4.11 The paper has been presented to the Schools Funding Group, who supported a 5% range of placements option in the paper and asked that this be shared with Special Schools for consideration. Special schools have previously seen this proposal in summer of 2019. At this time, the proposal was stalled due to the significant increase in growth. Now that growth appears to have stabilised and additional and more appropriate provision is being commissioned in the borough, it is believed to be appropriate timing to revisit the proposal. The paper is attached at **Appendix A** for Schools Forum consideration. The next steps will be to report back the consultation from special school headteachers and present back to Forum for decision making

### **Post 16 SEND Provision**

- 4.12 A sixth form provision is being established at Cromwell school to provide increased parental choice and expand the provision in the Borough. Appropriate LA governance and consultation will underpin this proposal.

### **TPRS provision and Inclusive schools.**

- 4.13 With the appointment of the new headteacher at Tameside Pupil Referral Service, the post holder will be looking at the rate of exclusions in the borough and appropriate support to schools. It is expected that, with appropriate support over a longer term, exclusions will reduce and the number of places needed at TPRS will decrease accordingly. Funding for targeted interventions will be considered as part of this plan.
- 4.14 In line with current DSG regulations, the LA will be following the guidance that funding for excluded pupils follow the pupil. The regulations now state that this should include all pupil led funding and pupil premium where appropriate. This will be implemented from January 2021. **Appendix B** outlines this approach from January 2021.

## **5. CONCLUSION**

- 5.1 The Section 151 Officer for the LA has a statutory duty to ensure value for money for the public purse. This review of spending supports this objective
- 5.2 As outlined in the report, the LA's plans to review spending and proposals for change are outlined for inclusion in the DfE Management template. Without appropriate action, the High Needs DSG block will continue to overspend and increase the deficit. This deficit is currently being cash flowed from LA general funding and reserves, which is not sustainable.
- 5.3 Without the Management Plan, the LA will be in breach of the DSG conditions of grant and will be subject to further investigation by the DfE on behalf of the Secretary of State.
- 5.4 Schools Forum are requested to consider this report and the proposals for future change and propose any further areas for consideration.

## **6. RECOMMENDATIONS**

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

**APPENDIX A****HIGH NEEDS REVIEW – UPDATE TO SCHOOL FUNDING GROUP****1. INTRODUCTION**

- 1.1. The High Needs budget continues to face significant pressures, both in financial terms and growth in demand for places. An update provided to Schools Forum in September showed the in-year deficit by the end of 2020-21 on the High Needs Block could be circa. £3.6m. In addition, and despite provisional allocations for 2021-22 showing an increase in High Needs funding of £2.9m, we are still facing an in-year deficit of £2.6m before any Schools Block transfer (reducing to £1.8m if a Schools Block transfer of 0.5% is actioned).
- 1.2. Work has started on the High Needs review and the sections below give an update on some of these, as well as outlining some priorities over the next couple of terms.

**2. COMMISSIONED PLACES**

- 2.1. There is a significant pressure on the number of places currently commissioned and a number of Providers have raised concerns on the numbers of funded places they will receive for the remaining seven months of this academic year and into 2021-22 academic year.
- 2.2. Commissioning of places generally takes place September/October each year and the LA then has to submit a formal 'Change Place Request' by the 13 November to the EFSA detailing any changes to commissioned places in academies and Post 16 Providers.
- 2.3. LAs have local flexibility to change funded place numbers at maintained schools and PRUs, and these numbers should be included on each authority's section 251 budget return for 2020 to 2021.
- 2.4. Place-funding allocations for non-maintained special schools and SPIs will be based on their latest R06 ILR return and allocated direct from the EFSA.
- 2.5. The High Needs guidance states *'Place funding is allocated as an annual amount of core funding. Once place funding is allocated, it is not associated with or reserved for a specific local authority or individual pupil or student. It is for the institution to decide how best to apportion their total allocated core funding across the actual number of places commissioned by local authorities, taking into account the provision and support that may be specified in the individual pupils' or students' EHC plans'*.
- 2.6. Annually commissioned place funding aims to give the provider a degree of financial stability and an LA must not seek to recover any funding it perceives as being unused. Similarly LA's should not automatically be charged an extra £6,000 or £10,000 per head if an provider has filled all funded places and this should be irrespective of which LA has filled them.
- 2.7. There is an expectation on LAs that where a provider exceeds the number of places funded and the additional costs can't be met from top up funding that the LA engage and agree how the additional costs of the specialist provision can be met.

- 2.8. The LA should not automatically be charged an additional £6,000 or £10,000 per pupil and any additional funding agreed should reflect the actual costs of making additional special provision available, which may only be marginal.
- 2.9. Any place commissioning should be carried out by the home LA.
- 2.10. The import/export adjustment compensates the LA for actual pupils living in other LAs areas although this will be in the following financial year. This will avoid the position where the commissioning LA effectively funds twice – both through increased top-up funding direct to the provider and through the £6,000 import/export adjustment in the national funding formula. These arrangements apply in particular to FE institutions and special schools that are experiencing year-on-year growth in the number of pupils and students with high needs that they admit.

**3. SPECIAL SCHOOLS – COMMISSIONING PLACES**

- 3.1. Demand for special school places has increased significantly in some schools over the last 2-3 years. Work is currently on-going with special schools to agree the places for September 2021 and current places are shown below.
- 3.2. In December 2018, we did start to have discussions with special schools around how over capacity would be funded going forward. A number of options were discussed which included:
  - (1) Not funding the first 5 places over commissioned numbers
  - (2) Applying a % threshold before additional place funding kicked in
  - (3) Funding some over-capacity place numbers at £5k rather than £10k.
- 3.3. None of the above scenarios were implemented, mainly because at the time special schools were seeing significant increases in demand for places and, to an extent, this is still the case currently. However, the data is also showing now there is some slowing of growth along with many special schools are now operating at capacity and will not be able to increase numbers much further.
- 3.4. Schools have been advised the current arrangements in 2020-21 i.e., funding any places over commissioned numbers will be continue to be fully funded at £10k (as part of the real time movement exercise at the end of each term). However, taking into account the points above regarding capacity and stabilising numbers now is the time to review again the policy around over capacity funding arrangements for the academic year 2021-22.
- 3.5. Data collated from other North West authorities on current arrangements is included below and we are aware a number of LAs are currently reviewing how over capacity will be managed going forward.

	No of LAs	%
Fund Over Capacity at £10k pro rata	8	62%

Apply a threshold before additional Place Funding kicks in	2	15%
Only fund in Exceptional Cases	3	23%
Do not Fund Over Commissioned Places	0	0%
	13	100%

3.6. The examples below demonstrate how the options at paragraph 5.2 would impact:

**Option (1):** Do not fund for first 5 places over capacity in line with the mainstream growth criteria and acknowledgement that Growth does not **always** represent additional cost. In Example below, school is 7 places over commissioned numbers:

School Over Capacity 7 places:	Places	Amount	Additional Funding
0 - 5	0	£0	£0
6 and above	2	£10,000	£20,000
<b>Total</b>			<b>£20,000</b>

**Option (2):** Apply a % threshold to funding additional growth. This could better reflect different pressures small and larger size schools may experience.

Places funded over 5%	5%	NOR	Over Cap Places	Additional Funding
School with 100 places	5	110	5	£50,000
School with 150 places	8	159	1	£10,000

**Option (3):** Apply a sliding scale to funding over capacity. See example below where school is 9 places over commissioned numbers. The first 6 places attract places funding of £5,000 and over 7 attracts the £10,000 per place:

School Over Capacity 9 Places:	Places	Amount	Additional Funding
0 - 6	6	£5,000	£30,000
7 and above	3	£10,000	£30,000
<b>Total</b>			<b>£60,000</b>

3.7. A final option may be to include a clause in the overcapacity policy that any additional funding is assessed on an individual basis and will reflect additional costs incurred by the school until lagged funding catches up.

3.8. The High Needs Guidance referenced in paragraph 4.5 does include some further guidance on how over capacity should be managed.

- 3.9. The guidance also confirms in the same way that additional place funding may not automatically be allocated when places exceed the commissioned number it should not be withdrawn where a provider has unfilled places. However, when agreeing top up rates the LA and provider may wish to reflect economies and diseconomies of scale. For example, a provider is funded for 30 places (£300,000) and only fills 25 places it may agree with the LA to charge a lower rate top-funding to reflect the 'surplus' funding arising from its five unfilled places, which the LA has already funded.
- 3.10. The Group are asked for their views and discussion on:
- Should the overcapacity policy be reviewed in light of the High Needs guidance?
  - Is now the right time to review the policy and when, if a change were agreed, what would be the best in implementation date?
  - Views on the options presented.
  - Does the group agree the policy should apply to resourced units in the same way?

# APPENDIX B

## FUNDING FOR EXCLUDED PUPILS

### 1. INTRODUCTION AND BACKGROUND

- 1.1 The process for adjusting schools budgets for excluded pupils has been questioned over the past couple of years. The current process removes budget based on Basic Entitlement (AWPU), pro-rata to the relevant date of exclusion for the financial year. This budget is then allocated to the Pupil Referral Service (PRS) as in most cases this is the provision where the excluded pupil will be placed.
- 1.2 The Schools Revenue Funding Operational guidance 2020-21 clearly states where pupils are excluded, funding should flow in-year from the school that has excluded the pupil to the provision that takes responsibility for the pupil. If a school subsequently admits a pupil who has been permanently excluded during that financial year, it should then receive additional funding.
- 1.3 This paper provides the planned process for funding adjustments for exclusions, for both removal of budget from the excluding school and allocation of budget to a school admitting an excluded pupil. It should be noted that all calculations will be based on the Local Authorities (LAs) financial year, April to March.

### 2. PLANNED PROCESS FOR DEDUCTIONS FROM THE EXCLUDING SCHOOL'S BUDGET

- 2.1 The Schools Revenue Funding Operational guidance 2020-21 states that the LA must deduct from the school's budget in-year the amount within the formula relating to the age and personal circumstances of that pupil, pro-rata to the number of complete weeks remaining in the financial year from the 'relevant date'. This means the deduction should cover not just the basic entitlement but also the relevant amounts for pupil-led factors, such as free schools meals or English as an additional language (EAL), where the pupil would attract funding through those criteria. The budget share must also be adjusted for the pupil premium on the same basis as the school formula adjustments.
- 2.2 On this basis, the LA intends to implement the below deductions on the pro-rata basis from the 'relevant date'. The 'relevant date' is the sixth school day following the date of the permanent exclusion.
  - Basic Entitlement
  - Free School Meals
  - Free School Meals Ever 6
  - EAL
  - Pupil Premium Ever 6
  - Pupil Premium Service Child
  - Pupil Premium Former LAC
- 2.3 An example of what this would mean for a Primary and a Secondary School is included at **Appendix A**, based on 2020-21 rates.

### **3. PLANNED PROCESS FOR ADDITIONS TO THE ADMITTING SCHOOL'S BUDGET**

- 3.1 The Schools Revenue Funding Operational guidance 2020-21 states where a school admits a pupil who has previously been permanently excluded, then the LA must increase the schools budget in-year.
- 3.2 The LA intends to implement additional budget to admitting schools on the same basis that is used to calculate the exclusion deduction. Therefore, the admitting school would receive the pro-rata (to the number of complete weeks) amount of funding, as per the categories included in 2.2, from the 'relevant date' of admission. The 'relevant date' of admission being the date the pupil becomes a single registered pupil at the admitting school. The Admissions service will advise Finance of this 'relevant date' to allow the adjustment to take place. Therefore, it is important the school inform the Admissions service as soon as the pupil becomes single registered.
- 3.3 An example of what this would mean for a Primary and a Secondary School is included at **Appendix B**, based on 2020-21 rates.

### **4. THE FINANCE REGULATIONS**

- 4.1 The finance regulations apply specifically to mainstream maintained schools. However, as the operation guidance states, academies have provisions in their funding agreement that require the same adjustment to their budgets if requested to do so by the LA. As stated in 1.3, the adjustments relate to the LA financial year.
- 4.2 It is the intention that academies will be treated in the same way as mainstream, maintained schools when completing these funding adjustments.

### **5. SUMMARY**

- 5.1 The LA intends to update the funding adjustment process for excluded pupils and admission of excluded pupils to ensure the funding is in line with the operational guidance.



Example budget deduction for a Primary Exclusion on 1<sup>st</sup> January 2021

		Relevant Date of Exclusion
		<b>01/01/2021</b>
Pro-rata weeks to end of financial year		<b>13</b>
Sector:		
<input checked="" type="radio"/> Primary Pupil <input type="radio"/> KS3 Pupil <input type="radio"/> KS4 Pupil		
		<b>£710</b>
Basic Entitlement Deduction		
		<b>£0</b>
Free School Meals Deduction		
		<b>£140</b>
Free School Meals Ever 6 Deduction		
		<b>£130</b>
EAL Deduction		
		<b>£0</b>
Pupil Premium; Ever 6 Deduction		
		<b>£0</b>
Pupil Premium; Service Deduction		
		<b>£590</b>
Pupil Premium; Former LAC Deduction		
Total Deduction from Excluding Schools Budget		<b>£1,570</b>

Example budget deduction for a Secondary Exclusion on 1<sup>st</sup> January 2021

		Relevant Date of Exclusion
		<b>01/01/2021</b>
Pro-rata weeks to end of financial year		<b>13</b>
Sector:		
<input type="radio"/> Primary Pupil <input checked="" type="radio"/> KS3 Pupil <input type="radio"/> KS4 Pupil		
		<b>£1,000</b>
Basic Entitlement Deduction		
		<b>£0</b>
Free School Meals Deduction		
		<b>£200</b>
Free School Meals Ever 6 Deduction		
		<b>£360</b>
EAL Deduction		
		<b>£0</b>
Pupil Premium; Ever 6 Deduction		
		<b>£0</b>
Pupil Premium; Service Deduction		
		<b>£590</b>
Pupil Premium; Former LAC Deduction		
Total Deduction from Excluding Schools Budget		<b>£2,150</b>

Example budget allocation for a Primary Admission on 31<sup>st</sup> January 2021

Relevant Date of Exclusion  
**31/01/2021**

Pro-rata weeks to end of financial year **8**

Sector:

Primary Pupil

KS3 Pupil

KS4 Pupil

Basic Entitlement Deduction	£440
Free School Meals Deduction	£0
Free School Meals Ever 6 Deduction	£90
EAL Deduction	£80
Pupil Premium; Ever 6 Deduction	£0
Pupil Premium; Service Deduction	£0
Pupil Premium; Former LAC Deduction	£360
Total Deduction from Excluding Schools Budget	£970

Example budget allocation for a Secondary Admission on 31<sup>st</sup> January 2021

Relevant Date of Exclusion  
**31/01/2021**

Pro-rata weeks to end of financial year **8**

Sector:

Primary Pupil

KS3 Pupil

KS4 Pupil

Basic Entitlement Deduction	£620
Free School Meals Deduction	£0
Free School Meals Ever 6 Deduction	£130
EAL Deduction	£220
Pupil Premium; Ever 6 Deduction	£0
Pupil Premium; Service Deduction	£0
Pupil Premium; Former LAC Deduction	£360
Total Deduction from Excluding Schools Budget	£1,330