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## SCHOOLS' FORUM

**Day:** Tuesday  
**Date:** 22 June 2021  
**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 16 MARCH 2021</b> To consider the minutes of the meeting of Schools' Forum on 16 March 2021.	1 - 4
4.	<b>DSG SCHOOLS GRANT OUTTURN 2020-21 AND BUDGET UPDATE 2021-22</b> To consider a report from Assistant Director, Finance and Director, Education on the Dedicated Schools Grant outturn position for 2020-21 and an update of the budget position for the financial year 2021-22.	5 - 12
5.	<b>HIGH NEEDS FUNDING UPDATE 2021-22</b> To consider a report from Assistant Director, Finance and Director, Education on the High Needs outturn position for 2020-21 and update on the 2020-21 budget position and management of the High Needs deficit.	13 - 20
6.	<b>SCHOOL BALANCES 2021-21</b> To consider a report from Assistant Director, Finance and Director, Education to provide an update on the surplus balances held by schools at the end of 2020-21 financial year.	21 - 24
7.	<b>DSG CONTINGENCY FUND</b> To consider a report from Assistant Director, Finance and Director, Education to provide an update in relation to the DSG Contingency Fund.	25 - 28
8.	<b>GROWTH FUNDING REQUESTS</b> To consider a report from Assistant Director, Finance and Director of Education with regard to funding requests outside of the approved growth criteria and in relation to the Contingency Fund.	29 - 36

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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, [natalie.king@tameside.gov.uk](mailto:natalie.king@tameside.gov.uk), 0161 342 2316, to whom any apologies for absence should be notified.

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# Agenda Item 3

## SCHOOLS' FORUM

16 March 2021

**Commenced: 10.00am**

**Terminated: 10.35am**

<b>Present:</b>	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Simon Brereton	Primary Schools – L/A Maintained
	Gemma Patterson	Primary Schools – L/A Maintained
	Kirsty Rimmer	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Simon Wright	Primary Schools – Academies
	Heather Farrell	Primary Schools – Academies
	Mark Bidgood	Primary Schools – Academies
	David Ainsworth	Governor, Secondary Schools – Academies
	Andrew Foord	Special Schools – L/A Maintained
	Rosario Sarno	Governor, Special Schools – Academies
	Anthony Benedict	Pupil Referral Service
	Anne Morgan	Tameside Teachers' Consultative Committee
	Elaine Sagar	Early Years Private, Voluntary and Independent Sector
	Elaine Horridge	Diocesan Representative
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Donal Townson	Governor, Secondary Schools – L/A Maintained
	Anton McGrath	14-19 Sector
	Councillor Leanne Feeley	Executive Member
	Tim Bowman	Assistant Director, Education TMBC
	Christine Mullins	Finance Business Partner TMBC
	Louisa Siddall	Senior Accountant, TMBC
<b>Apologies for absence:</b>	Councillor Oliver Ryan	Executive Member
	Lisa Lockett	Primary Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained

### 28 DECLARATIONS OF INTEREST

There were no declarations of interest

### 29 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum held on 14 January 2021. With regard to agenda item 6, De-delegation and RPA 2021-22, the following amendment was agreed:

It was made clear that, as a group, headteachers of both primary and secondary sectors had attempted to seek clarity with regard to costings of the SLA in terms of what would be provided. It was acknowledged that, for a variety of reasons, this clarification had not yet been achieved. However, there was a suggestion that it would be possible to work towards an amended model. It was further explained that discussions with regard to an exploration of options had begun, with a view to continuing to work towards a model that would be suitable, moving forwards.

## **RESOLVED**

**That the minutes of the meeting of Schools' Forum held on 14 January 2021 be approved as a correct record, with the above amendment to agenda item 6, De-delegation and RPA 2021-22**

### **30 EARLY YEARS FUNDING 2021-22**

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education, which outlined the arrangements concerning the DSG Early Years funding for 2021-22.

With regard to 3 and 4 year old funding, it was explained that there had been an increase in the hourly rate of funding received by the LA, from £4.59 in 2020-21 to £4.65 for 2021-22, for both universal and extended entitlement.

A breakdown of these rates was provided for Members and they were informed that there had been a proposal to increase the base rate from £4.20 to £4.25, with the deprivations bands to remain as they were, currently. It was further explained that there continued to be a mandatory requirement on the SEND inclusion fund, with a proposed increase from £0.180m in 2020-21 to £0.216m for 2021-22, using the remaining increase on the hourly rate.

Members were informed that the operational guidance confirmed that LAs must ensure at least 95% of the funding, in relation to 3 and 4 year olds, would be passed through to providers in 2021-22. The proposed rates, together with the SEN Inclusion Fund, would, therefore, mean the LA would be compliant with legislation and that the central retention, based on the current settlement, would be approximately £0.71m.

Members were made aware that the centrally retained funding would be used to support:

- Early Education Funding Team – This fully supports the administration of Early Years funding, the annual costs associated with the Servelec IT system which is used to calculate and process the payments to Schools and Private, Voluntary and Independent providers.
- Family Information Services – This supports an Information Officer. This post provides advice, guidance and information to families wishing to access Children's services and was implemented to support the increased demands from the early years extended provision.
- Early Years Quality Improvement Team – This supports 4 Quality Officers and 2 SENCOs. Support is primarily in relation to: signposting and promoting the standard 15 hours offer and extended 30 hours offer; OFSTED regulations and standards; and Special Educational Needs and Disabilities related issues.
- SEN Team – funding support for an Early Years SEN Caseworker as specific support for SEN in early years.
- Social Emotional and Mental Health Service – funding support for an Early Years Co-ordinator as specific support in early years.
- Sensory Support – funding support for a Hearing Impaired Teacher as specific support for Early Years.
- Making it REAL (Raising Early Achievement in Literacy). This is aimed at supporting practitioners to build parents' knowledge and confidence so that they can help their children with reading and writing and create a positive early home learning environment. This programme is evidence-based, has been very successful in Oldham at raising GLD and we are currently running a trial and test cohort in eight primary schools in Tameside. The funding will be used to bring PVIs and more school nurseries on board with Making it REAL.

In relation to 2 year old funding, it was reported that the hourly rate hourly rate of funding received by the LA had increased from £5.38 in 2020-21 to £5.46 2021-22. It was proposed that the base

rate for this funding be increased by £0.06 from £5.24 to £5.30, and the SEND inclusion fund be increased by £0.02. It was further proposed that the centrally retained element of this funding remain at £0.13, as in 2020-21.

Members were informed that there were no proposed changes for the Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF). With regard to EYPP, the allocations to individual providers would continue to be based on a maximum eligibility of 38 weeks per year, 15 hours per week and an hourly rate of £0.53. In relation to DAF, members were advised that the allocation rate for eligible children would be £615 per child.

Members were made aware that the results of the Early Years Funding Formula Consultation 2021-22 had been distributed to Members in advance of the meeting. This consultation had gathered responses and opinion in relation to the proposals set out in this report.

Consultation was undertaken with 276 providers and 29 responses were received in relation to the proposals. From the information collated, it was explained that 79% of respondents agreed with the proposed increase in provider hourly rate for 3 and 4 year olds and 21% disagreed. A similar outcome was received in response to the proposed changes for 2 year old funding, with 74% of respondents agreeing with the proposals and 26% in disagreement.

A question was raised with regard to the centrally retained element of the funding, specifically, accessing funding for 2 year olds. It was explained that the LA was looking at the most effective ways to allocate this funding and that further working groups would be set up in relation to ensuring that this continued and offered best fit for providers. It was also confirmed that the LA was very stringent in where this funding was utilised and ensured that all funding proposals were compliant and subject to review.

A concern was raised with regard to the previous surplus in relation to Early Years Funding, when taking into consideration the relatively low starting points of children entering the primary sector. However, it was acknowledged that the funding model was complex, particularly when taking into account fluctuations in demand.

It was noted that there was one objection to approval of central retention of Early Years funding, with a suggestion that the PVI sector were not wholly satisfied with the support they were currently receiving in relation to centrally retained funding. However, it was acknowledged that the consultation had provided an opportunity for these views to be shared, in advance of any decisions being taken, and that this view had not been reflected in the consultation outcome.

## **RESOLVED**

- (i) That the contents of the report be noted and supported**
- (ii) That the central retention of Early Years funding be approved**

## **31 SCHOOLS' FORUM FORWARD PLAN 2021/22**

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education, which provided a forward plan of reports and meeting deadlines for the financial year 2021-22.

It was stated that Schools' Forum meetings had moved on-line since the first lockdown and had been held via zoom during 2020/21. Members were informed that the legislation, which had allowed these remote meetings to take place was due to cease on 31 March 2021. With this in mind, Members were advised that an update on how the next meeting would be held would be provided, once this had been established, and in response to any further changes in regulations and guidance.

The following dates for 2021-22 Schools' Forum meetings were proposed:

Tuesday 22 June 2021

Tuesday 28 September 2021

Tuesday 23 November 2021

**Thursday** 13 January 2022

Members views were sought with regard to conducting a review of Schools' Forum during 2021-22. It was noted that, whilst Members were keen to undertake the review and felt that this would be valuable in identifying next steps, they felt that this would be more beneficial later in the year. Members requested that this review be scheduled in the November meeting, when it was hoped that the effects of the current pandemic had eased and clarification of how future meetings would be held had been provided.

**RESOLVED**

**(i) That the proposed meeting dates set out for 2021-22 be approved**

**(ii) That a review of Schools' Forum be carried out during 2021-22**

**32 DATE OF NEXT MEETING**

**RESOLVED**

**That the next meeting of The Schools Forum be held on Tuesday 22 June 2021 at 10am**

**CHAIR**

# Agenda Item 4

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	22 June 2021
<b>Reporting Officer:</b>	Caroline Barlow – Assistant Director of Finance Tim Bowman – Director of Education (Tameside and Stockport)
<b>Subject:</b>	<b>DEDICATED SCHOOLS GRANT OUTTURN 2020-21 AND BUDGET UPDATE 2021-22</b>
<b>Report Summary:</b>	A report on the Dedicated Schools Grants outturn position for 2020-21 and an update of the budget position for the financial year 2021-22.
<b>Recommendations:</b>	Members of the Schools' Forum are requested to note and support 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 supporting 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:</b> <b>(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 outturn position for 2020-21 resulted in a deficit on the overall DSG of £1.686m. The current projection for 2021-22 is expected to be a deficit on the DSG of £2.027m. A deficit recovery plan has been developed and work continues to resolve the deficit position.</p>
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	<p>This grant is paid in support of the local authority's schools budget with the Council being responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums.</p> <p>The Council is also responsible for allocating the ISB to individual schools in accordance with their local schools funding formula.</p> <p>The grant is provided to the Council by the Secretary of State for Education under section 16 of the Education Act 2002 which states the following must be adhered to failing which the grant can be recovered:</p> <ul style="list-style-type: none"><li>• the grant is a ring-fenced specific grant and it must be used in support of the schools budget as defined in the School and Early Years Finance Regulations 2020 for 2020-21 and the School and Early Years Finance (England) Regulations 2020 for 2021-22; and for no other purpose</li><li>• at the end of the 2020 to 2021 financial year the Chief Finance Officer (CFO) of the local authority is required to append an additional note to the statement of accounts confirming the deployment of the grant in support of the schools budget as required by the Accounts and Audit (England) Regulations 2015;</li></ul>

- the Chief Finance Officer is also required to confirm the final deployment of the DSG in support of the schools budget.

Given the deficit position a collaborative approach is required with the DfE so as to address the position but also to minimise any impact of educational provisions.

**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.

The Council is responsible for the effective administration and management of the DSG. The deficit brought forward from 2019-20 and the increase in the size of the deficit at the end of 2020-21 is subject to a deficit recovery plan with the DfE. There is a risk that this may impact on the effective support and education of our most vulnerable children.

**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



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## 1. INTRODUCTION

1.1 This report is presented to advise Schools' Forum of the outturn position for the overall Dedicated Schools Grant (DSG) for 2020-21, to provide an update on the DSG budget for 2021-22 and the DSG reserve position. The report sets out:

- The final outturn position for the DSG for 2020-21 (Section 2)
- A budget update for the DSG for 2021-22 (Section 3)
- The DSG reserve position at 31 March 2021 and the estimated DSG reserve position at 31 March 2022 (Section 4)

## 2. DEDICATED SCHOOLS GRANT OUTTURN POSITION FOR 2020-21

2.1 The outturn position against the 2020-21 DSG settlement is shown in Table 1.

**Table 1 – DSG Outturn 2020-21**

<b>DSG Funding Blocks</b>	<b>DSG Settlement 2020-21 at March 2021 £000</b>	<b>Block Transfer 2020-21 £000</b>	<b>Revised DSG 2020-21 £000</b>	<b>Distribution / Spend 2020-21 £000</b>	<b>Surplus / (Deficit) £000</b>
Schools Block	169,918	(850)	169,068	168,772	296
Central School Services Block	953	0	953	947	6
High Needs Block	24,425	850	25,274	27,096	(1,822)
Early Years (EY) Block (confirmed funding)	17,261	0	17,261	16,559	703
Variation to EY Block 2019-20 Adjustment	(18)	0	(18)		(18)
EY Block (est. funding adjustment)	(293)	0	(293)	0	(293)
<b>Total</b>	<b>212,246</b>	<b>0</b>	<b>212,246</b>	<b>213,375</b>	<b>(1,129)</b>

*Note: the table above includes roundings*

2.2 The surplus of £0.296m on schools block relates to:

- Business Rates – a surplus of £0.051m relating to academy conversions in year (saving £0.072m) and changes to rateable charges (additional 0.021m).
- Growth Funding – surplus of £0.244m relating to unallocated growth funding.

2.3 There is a small surplus on the central school services block of £0.006m due to the cost of licences being slightly less than estimated and Schools Forum costs being lower than budget as a result of remote meetings during the pandemic.

2.4 The deficit on the high needs block is £1.822m and further information is provided in a separate agenda item.

2.5 The surplus on the early years block is currently £0.703m. Final allocations for the early years settlement will be provided by the DfE in November 2021. This final allocation is based on the early years census data from January 2021. As per Table 1, there has been a final adjustment to the 2019-20 allocation, which is the clawback of £0.018m, and it is estimated

there will be a further clawback of £0.293m relating to 2020-21 financial year which will reduce the early year's surplus to £0.392m.

2.6 A detailed breakdown of the early years block for 2020-21 is included in Table 2.

**TABLE 2 – Early Years Outturn (Provisional) 2020-21**

<b>Early Years Funding Block</b>	<b>EY's DSG Settlement 2020-21 March 2021 £000</b>	<b>Actual Distribution / Spend 2020-21 £000</b>	<b>Outturn Surplus / (Deficit) £000</b>	<b>Estimated Funding Adjustment for 2020-21 £000</b>	<b>Estimated Final Outturn Surplus / (Deficit) £000</b>
3 and 4 Year Olds Universal Entitlement	9,028	8,465	563	(111)	452
3 and 4 Year Olds Extended Entitlement	4,276	3,800	476	(100)	377
Autumn 2020 Term Adjustment 3 & 4 Year Olds		546	(546)		(546)
2 Year Olds	2,789	2,538	251	(82)	169
Autumn 2020 Term Adjustment 2 Year Olds		169	(169)		(169)
EY Pupil Premium	136	163	(27)		(27)
Disability Access Fund	69	36	33		33
Centrally Retention (3 & 4 Year Olds) based on 5% Retention	710	563	147		147
Centrally Retention (2 Year Olds)	69	69	0		0
Variation to EY's Block 2019-20 Adjustment	(18)	0	(18)		(18)
SEN Inclusion Fund - 3 & 4 Year Olds	185	211	(26)		(26)
<b>Total</b>	<b>17,243</b>	<b>16,559</b>	<b>685</b>	<b>(293)</b>	<b>392</b>

Note: the table above includes roundings

2.7 The figures are based on actual payments for the Summer 2020, Autumn 2020 and Spring 2021 terms, along with the adjustment to increase the hours of participation to Autumn 2019 levels where required (as reported at Forum in September 2020).

2.8 In spring 2021 the majority of providers remained open through the lockdown period, with a number of providers having temporary closures as a result of outbreaks requiring temporary closure for self-isolation. The 2nd period of lockdown has seen lower levels of participation than anticipated, which means there is an estimated reduction on funding of £0.293m expected for 2020-21.

2.9 The centrally retained element of early years funding was not fully spent as work did not progress fully as expected due to of the pandemic. As previously agreed by Schools Forum, any surplus will support the overall DSG deficit.

### 3. DSG BUDGET UPDATE FOR 2021-22

- 3.1 The current DSG settlement for 2021-22 and projected distribution/spend is included in Table 3.

**TABLE 3 – DSG Forecast for 2021-22**

<b>DSG Funding Blocks</b>	<b>DSG Settlement 2021-22 at March 2021 £000</b>	<b>Block Transfer 2021-22 £000</b>	<b>Revised DSG 2021-22 £000</b>	<b>Forecast Distribution / Spend 2021-22 £000</b>	<b>Forecast Surplus / (Deficit) £000</b>
Schools Block	183,081	(878)	182,203	182,022	181
Central School Services Block	1,114	0	1,114	1,114	0
High Needs Block	28,277	878	29,154	30,102	(948)
Early Years Block	17,494	0	17,494	17,068	426
<b>Total</b>	<b>229,965</b>	<b>0</b>	<b>229,965</b>	<b>230,636</b>	<b>(341)</b>

*Note: the table above includes roundings*

- 3.2 As agreed with Schools Forum, the 0.5% transfer from the Schools Block to the High Needs Block of £0.878m has been completed as shown in Table 3
- 3.3 The forecast surplus of £0.181m on the schools block relates to actual rates charges being lower than estimated (£0.049m) and unallocated growth (£0.132m). As agreed with Schools Forum in January 2021, the unallocated growth should support the deficit on the DSG. The growth allocation is based on pupil numbers at the October 2021 census point and the figures will be updated once this has been finalised, decisions arising from the growth and contingency papers which are separate agenda items may impact on the surplus. Any surplus on the schools block is proposed to contribute to the DSG reserve deficit.
- 3.4 The central schools service block is expected to be spent in full.
- 3.5 The projected in-year deficit on the high needs block is expected to be £2.155m, which reduces to £0.948m with the £0.878m transfer from the schools block and savings of £0.329m identified in the DSG Deficit Recovery Plan. Included in this figure is £1.352m of estimated in-year growth. Further information can be found on this in a separate agenda item.
- 3.6 The early years block is currently estimated to be in surplus. However, due to the impact of the pandemic, the DfE are changing the funding mechanism for early years in 2021-22. Funding will be based on data collections in Summer 2021, Autumn 2021 and Spring 2022 terms. This is different to prior years when the funding has been based on the Spring census data only. A detailed breakdown of the estimate is included at Table 4.

**TABLE 4 – Early Years Forecast 2021-22**

<b>Early Years Funding Block</b>	<b>Early Years DSG Settlement 2021-22 at March 2021 £000</b>	<b>Forecast Distribution / Spend 2021-22 £000</b>	<b>Forecast Outturn Surplus / (Deficit) £000</b>
3 and 4 Year Olds Universal Entitlement	9,117	8,802	315
3 and 4 Year Olds Extended Entitlement	4,335	4,032	302
2 Year Olds	2,820	2,982	(161)
EY's Pupil Premium	136	166	(30)
Disability Access Fund	73	73	0
Centrally Retention (3 & 4 Year Olds) based on 5% Retention	711	711	0
Centrally Retention (2 Year Olds)	69	69	0
SEN Inclusion Fund - 3 & 4 Year Olds	216	216	0
SEN Inclusion Fund - 2 Year Olds	16	16	0
<b>Total</b>	<b>17,494</b>	<b>17,068</b>	<b>426</b>

*Note: the table above includes rounding's*

- 3.7 The forecast distribution is based on the anticipated participation for 2020-21. It is extremely difficult to project participation, especially in light of the pandemic; therefore, the figures are likely to fluctuate as we progress through the year.
- 3.8 The change in funding mechanism will have an impact on the 2021-22 early years funding for the council and will need to be monitored closely throughout the year to assess the impact. There is a risk that participation will increase after the data collection point and funding allocated will not be sufficient to cover the actual cost, updates will be reported to Schools Forum throughout the year.
- 3.9 An Early Years Funding group has been established and will be meeting throughout the year. Priority areas for review are deprivation and SEND Inclusion fund. Papers will be brought to Schools' Forum to agree any changes to the current funding mechanism.
- 4. DSG RESERVE AS AT 31 MARCH 2021 AND ESTIMATED POSITION AT 31 MARCH 2022**
- 4.1 Table 5 provides details on the closing position of the DSG reserve for 2020-21 and the estimated position of the DSG at 31 March 2022.

**TABLE 5 – DSG Reserve**

	2020/21 Surplus / (Deficit) £000	2021/22 Forecast Surplus / (Deficit) £000
<b>DSG Reserve Brought Forward</b>	<b>(557)</b>	<b>(1,686)</b>
<b>Schools Block Changes</b>		
In year surplus on business rates	51	49
In year surplus on growth fund	244	132
<b>Schools Block Subtotal</b>	<b>296</b>	<b>181</b>
<b>In year deficit on Central Schools Services Block</b>	<b>6</b>	<b>0</b>
<b>In year deficit on High Needs Block</b>	<b>(1,822)</b>	<b>(948)</b>
<b>In year surplus on Early Years</b>	<b>703</b>	<b>426</b>
<b>Variation to Early Years Block 2019-20 Adjustment</b>	<b>(18)</b>	<b>0</b>
<b>Estimated Early Years 2020-21 Adjustment (TBC November 2021)</b>	<b>(293)</b>	<b>0</b>
<b>DSG Reserve after Commitments</b>	<b>(1,686)</b>	<b>(2,027)</b>

*Note: the table above includes rounding's*

- 4.2 In 2020-21, there has been an increase in the deficit in the reserve mainly as a result of the in year high needs deficit. Contributions to the reserve have reduced the burden but there is still a significant issue to resolve.
- 4.3 If the 2021-22 projections materialise there would be a deficit of £2.027m on the DSG. A deficit recovery plan has been developed and submitted to the DfE. Discussions have been held with the DfE and are ongoing. Further information on the high needs deficit recovery can be found in a separate agenda item. The position will be closely monitored throughout the year and updates will be reported to Schools' Forum.

## 5. RECOMMENDATIONS

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

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# Agenda Item 5

<b>Report to:</b>	<b>SCHOOLS FORUM</b>
<b>Date:</b>	22 June 2021
<b>Reporting Officer:</b>	Caroline Barlow – Assistant Director of Finance Tim Bowman – Director of Education (Tameside and Stockport)
<b>Subject:</b>	<b>HIGH NEEDS FUNDING UPDATE 2021-22</b>
<b>Report Summary:</b>	A report of the High Needs out turn position for 2020-21 and update on the 2021-22 budget position and management of the High Needs Deficit.
<b>Recommendations:</b>	Members of the Schools Forum are requested to note and support the contents of the report.
<b>Corporate Plan:</b>	High Needs Funding significantly supports 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 policy and framework.
<b>Financial Implications:</b> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>The Dedicated Schools Grant is a ring fenced grant provided by the Department for Education (DfE) solely for the purposes of schools and pupil related expenditure.</p> <p>The out-turn position for 2020-21 resulted in an overspend in excess of funding of £1.822m against the High Needs funding allocation, this is offset by a small DSG overall reserve of £0.136m leaving an overall DSG overspend of £1.686m. The current projection for 2021-22 is expected to see an in year deficit again on High Needs of £0.948m and along with some further surpluses on early years and schools block would leave an overall DSG deficit of £2.027m</p> <p>The overspending position on the DSG grant is wholly related to High Needs spending.</p>
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	<p>The Education Skills and Funding Agency (ESFA) makes an allocation to local authorities for high needs as part of the Dedicated Schools Grant to provide support to meet the Council's responsibilities for children and young people with SEND under the Children and Families Act 2014, and for those who need alternative provision (including hospital education).</p> <p>The High Needs Funding: 2021 to 2022 Operational Guide was issued by the ESFA in February 2021 which sets out the changes to the 2021 to 2022 High Needs funding system which is predominately related to place and top up funding. The national funding formula and underpinning operational processes and principles remain largely unchanged although there is a high needs consultation underway, which could see changes to the funding formula in the future, the DfE is currently analysing responses.</p> <p>The Council is responsible for administering the grant in accordance with the ESFA guidance.</p>

**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.

The Council is responsible for the effective administration and management of the DSG. The current deficit and expected increase in the size of the deficit by the end of 2021-22 will be managed as part of the DSG Deficit Recovery plan and may affect the effective support and education of our most vulnerable children.

**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:



Telephone: 0161 342 3216



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## 1. INTRODUCTION

1.1 The following report updates members on the 2020-21 out-turn position against the High Needs Budget and gives an update on the High Needs Budget position for 2021-22 including work planned on the High Needs Review and management of the DSG deficit recovery plan.

## 2. HIGH NEEDS BLOCK OUT-TURN POSITION 2020-21

2.1 The High Needs position for 2020-21 is now finalised and shows an in-year deficit of £2.673m. After the 0.50% schools block transfer of £0.850m this reduces to £1.822m.

2.2 This is an improved position both on the original projection and the revised projection at the end of December. The main reasons for this are;

- A slowing in the growth of the number of EHCPs; there have been reductions on both the numbers of EHCPs as well as cost of placements in both the independent and Post-16 sector
- Receipt of additional income and grants (relating to Pupil Premium, SEN Inclusion, Covid and increased income from OOB placements)
- A number of commitments outstanding from previous years where invoices had not been received from providers have been reviewed which resulted in a reduction of costs expected
- A service redesign and active management of service spend in SEN Support services has been carried out which has resulted in a reduction of costs along with some smaller savings.

2.3 Table 1 - demonstrates the final spend against the original budget across all sectors and demonstrates the areas affected by the in-year growth:

**Table 1: High Needs Final Position 2020-21**

High Needs Budget Position	2020-21 Original Budget April 20 £000	2020-21 Revised Budget Autumn 20 £000	2020-21 Final Spring Term £000	2020-21 Variance to Autumn £000	2020-21 Budget Variance to Final £000	% Change Budget to final
Mainstream	2,662	3,187	3,100	(525)	(438)	-16.45%
Special	11,099	11,535	11,532	(436)	(433)	-3.90%
TRPS	2,560	2,559	2,562	1	(2)	-0.08%
Resourced Units	155	184	181	(29)	(26)	-16.77%
Independent Schools	3,139	3,163	2,800	(24)	339	10.80%
NMSS	374	452	448	(78)	(74)	-19.79%
OOB (Pre 16)	1,064	1,043	1,010	21	54	5.08%
Post 16	2,855	2,763	2,411	92	444	15.55%
Hospital Education	82	82	70	0	12	14.63%
SEN Support Services	1,822	1,746	1,746	76	76	4.17%
Income OOB	(358)	(439)	(392)	81	34	-9.50%
<b>Total Spend</b>	<b>25,454</b>	<b>26,275</b>	<b>25,468</b>	<b>(821)</b>	<b>(14)</b>	<b>-0.06%</b>
Original Funding	24,401	24,425	24,425	(24)	(24)	
Academy Recoupment	(1,630)	(1,630)	(1,630)	0	0	
<b>Total Funding</b>	<b>22,771</b>	<b>22,795</b>	<b>22,795</b>	<b>(24)</b>	<b>(24)</b>	
<b>In Year Position</b>	<b>(2,683)</b>	<b>(3,480)</b>	<b>(2,673)</b>	<b>797</b>	<b>(10)</b>	

<b>Projected in Year Growth:</b>						
Summer Term Real Time	1,238	0				
Autumn Term Real Time	990	0				
Spring Term Real Time	743	179				
Total Growth	2,971	179	0			
<b>Projected Overspend at Year End</b>	<b>(5,654)</b>	<b>(3,657)</b>	<b>(2,672)</b>			
<b>0.5% transfer Schools Block</b>	850	850	850			
<b>High Needs Block In Year 2020-21</b>	<b>(4,804)</b>	<b>(2,807)</b>	<b>(1,822)</b>			

2.4 The projected deficit has reduced by £2.982m compared to the original projection and this can be seen in Table 2 below:

**Table 2: High Needs Deficit Position**

	<b>Projection £000's</b>	<b>Difference £000's</b>
Original Projected Shortfall	<b>(4,804)</b>	
Autumn Term Projection	<b>(2,808)</b>	1,996
Final Position	<b>(1,821)</b>	2,982

2.5 As summarised in point 2.2 there have been a number of reasons for the changing budget position but the main reason appears to be the anticipated growth is lower than expected both in the number of new EHCPs and the cost of placements.

2.6 It was identified mid-year that both the cost of growth and number of EHCPs was slowing and it is a combination of both of these factors that has contributed to the reduced spend. Although the number of EHCPs has grown, they have not grown at the level anticipated.

2.7 Across all sectors, total plans have increased from 1,570 to 1,724 but it was originally expected that numbers would increase to approx. 1,803. Work in October 2020 as part of the DSG recovery plan did include a revised projection of 1,730, which is in line with final EHCP numbers reported to Schools Forum in January 2021. This can be seen in Table 3 below.

2.8 Whilst numbers have increased in the mainstream and special sector, we have seen reductions in the numbers of students placed in the Independent Sector and Post-16 sector. The reduction can also be attributed to:

- The SEN Team challenging and reviewing the most costly placements
- Movement within our cared for children cohort placed in education who have previously been attached to residential placement usually at a high cost.
- A number of high-cost placements have been reviewed at the point of key stage transfer and young people have been transitioned back into borough.

**Table 3: Analysis of Growth by number of EHCP's**

Sector	Original 2020-21 EHCP No's	Projected 2020-21 EHCP No's	Final 2020-21 EHCP No's	Difference
Mainstream	509	545	580	71
Special	562	685	637	75
TRPS	17	23	39	22
Resourced Units	57	58	58	1
Independent	109	117	89	-20
NMSS	10	11	8	-2
OOB (Pre 16)	93	105	104	11
Post 16	213	259	209	-4
<b>Totals</b>	<b>1,570</b>	<b>1,803</b>	<b>1,724</b>	<b>154</b>

### 3. CURRENT BUDGET PROJECTION 2021-22

- 3.1 The high needs budget continues to be under significant pressure in 2021-22. Even with the growth slowing and stabilising and the increases in funding (as detailed at the January 2021 Schools Forum meeting) Tameside is still receiving a cap of 12% on its National Funding Formula allocation. The cap is £3.151m of funding allocated in the formula to the borough which Tameside does not receive a result of the capping applied.
- 3.2 The 2021-22 original budget is projecting an in-year deficit of £1.278m and a cumulative deficit of £2.964m. This is after the 0.50% schools block transfer of £0.878m. See Table 4 below for further details.
- 3.3 A number of savings are expected as part of the Deficit Recovery plan (these are discussed in more detail in section 4). The savings expected in 2021-22 will see the in-year deficit reduce to £0.948m by the end of 2021-22.
- 3.4 Initial estimates show some potential further surpluses on the early years and schools block which could result in an overall DSG deficit of £2.027m, as outlined in the agenda item Budget Update 2021-22.

**Table 4: High Needs Forecast In Year Deficit 2021-22 before Savings**

<b>High Needs Budget Position 2021-22</b>	<b>2021-22 Original Forecast £000</b>
Mainstream	3,015
Special	12,554
TRPS	2,702
Resourced Units	155
Independent Schools	2,564
NMSS	452
OOB (Pre 16)	1,132
Post 16	3,103
Hospital Education	88
SEN Support Services	1,865
Income OOB	(403)
<b>Total Spend</b>	<b>27,227</b>
Original Funding	28,277
Academy Recoupment	(1,854)
<b>Total Funding</b>	<b>26,423</b>
<b>In Year Deficit Before Growth</b>	<b>(804)</b>
Projected in Year Growth:	
Summer Term Real Time	662
Autumn Term Real Time	472
Spring Term Real Time	218
<b>Total Growth</b>	<b>1,352</b>
0.5% transfer Schools Block	878
<b>High Needs Block In Year 2021-22 Deficit</b>	<b>(1,278)</b>

#### 4. DSG DEFICIT RECOVERY

- 4.1 The 2021-22 DSG conditions of grant, paragraph 5.2, requires any Local Authority with an overall deficit on its DSG account at the end financial year 2020-21, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the DfE for managing their future DSG spend.
- 4.2 The DSG Deficit Management Plan was submitted to the DfE In November 2020 and sets out the LA's proposed actions to address the deficit as well as capture elements of the High Needs Review. A summary of the actions discussed at Schools Forum in November are outlined below:
- 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 (TRPS) and inclusive schools.

4.3 The Plan is currently being reviewed and an update will be brought to the next Schools Forum to reconsider the growth projections in light of the change in growth in 2020-21. A report has been commissioned with Edge-ucate to look at the projection in SEND need across the borough. The data provided needs some further review and analysis but the initial figures show that if assessments continue in their current form, Tameside could expect to see growth of 65% from 2020-21 to 2030-31.

However, the figures are based on atypical information. The projections are based on the past three years' information and at Tameside the growth has been behind the curve compared to most LAs. There has been an active drive to look at the review process and the timeliness and assessment for children, which has seen exponential growth since 2018 with plan numbers almost doubling. The increase since 2014 is 2.5 times higher, which shows the distortion of the recent years' growth. Therefore there is little trend data for us to rely on or for the company to project forward. This makes realistic financial modelling of any growth difficult. In addition, the SEN assessment team is facing significant capacity pressures, which means there are a number of plans that may need to be ceased; however, they do not have the staffing resources to carry out the reviews to cease the plans appropriately. There is a report to Elected Members regarding addressing staffing levels in the SEND team which is currently awaiting a decision.

4.4 The current growth figures are therefore based on the SEND team's best forecasts. These expect growth to stabilise, however we are as yet unsure of the impact that the pandemic may have on the numbers. There are also some delays in Post-16 numbers which will require a further piece of work. The figures and growth modelling will be revisited and assumptions updated throughout the year.

4.5 At meetings regarding the High Needs Deficit in Tameside and the impact of the funding cap, the LA has made representations to the DfE, outlining that the impact of the funding cap, and it is a significant factor in our ability to manage spend within the High Needs Funding envelope. DfE colleagues have noted our representations.

## 5. DEFICIT RECOVERY WORKPLANS

5.1 This section of the report provides Schools Forum with an update on work strands outlined in the deficit recovery submission.

### 5.2 Funding

For 2021-22, it was proposed, with Schools Forum approval, that a 0.5% transfer from the Schools Block would be made without the need for Secretary of State approval. A further transfer of 0.5% was requested to the Secretary of State, however approval was not granted for this second transfer so in 2021-22 there will only be a 0.50% transfer at £0.878m. This will increase the need for savings from the high needs spending.

### 5.3 Review of Services Funded from the High Needs Block

Initial work has identified some savings in SEN Support Services and these are covered above in section 2.2. Work is underway, which includes changes to staffing, and consultation surrounding these changes is being finalised. The areas under review include Sensory Support Services and Specialist SEND Support Services, it is expected that these will complete by summer 2021. Savings will be factored into the spending forecast as they are confirmed.

### 5.4 New Resource Bases

The Head of SEN has been consulting with schools and academies regarding establishing new Resource Bases. A number of schools have declared an interest. The plan includes

both opening new bases and increasing capacity within existing units which will see the number of places available within the borough increase by 40 this September 2021 with an additional 40 places next September 2022 and a further 40 places September 2023.

The next phase of this work is due to start imminently, which will include sharing the cost modelling with the schools involved in preparation for September 2021 opening.

#### **5.5 Element Top Up Rate Review**

A Matching Provision to Need (MPTN) document has been developed by the SEN team. There have also been some initial discussions with special schools and information has been gathered to help understand current provision. The SEN Team is carrying out further work to map current pupils and their current banding to the number bands identified in the MPTN tool. This work is still in the initial stages and further updates will be provided as this progresses. The agreed implementation date for the new bands is April 2022 and there are no changes to the funding bands for 2021-22.

#### **5.6 Over Capacity Place Funding**

An overcapacity paper has been approved by Schools Forum for consultation with special schools. The consultation will take place before the summer break and the outcome and findings will be reported back to Schools Forum in September 2021. The paper has recommended a 5% range of placements option and asked that this be shared with special schools for consideration.

Special schools have previously seen this proposal in summer 2019. At this time the proposal was stalled due to the significant increase in growth. Now that growth appears to have stabilised and additional SEND place-planning is being commissioned, the timing to implement is more appropriate.

### **6. SEN REVIEW**

6.1 As part of the SEN Review announced by the DfE in September 2019, a first stage consultation was launched in February 2021 and ran to 24 March 2021.

6.2 The consultation forms the first stage of a longer-term review of the High Needs National Funding Formula. This review will be taken forward following the SEN review, and will consider how the distribution of High Needs funding can be improved, to achieve the highest quality support for the most vulnerable children and young people.


6.3 The DfE has stated that it is still analysing responses and a further update will follow on any outcome or changes to the funding formula for 2022-23.

### **7. RECOMMENDATIONS**

7.1 As set out at the front of the report

# Agenda Item 6

<b>Report to:</b>	<b>SCHOOLS FORUM</b>
<b>Date:</b>	22 June 2021
<b>Reporting Officer:</b>	Caroline Barlow – Assistant Director, Finance Tim Bowman – Director of Education (Tameside and Stockport)
<b>Subject:</b>	<b>SCHOOL BALANCES 2020-21</b>
<b>Report Summary:</b>	This report provides an update on the surplus balances held by schools at the end of 2020-21 financial year
<b>Recommendations:</b>	Schools Forum are asked to consider whether the claw back mechanism should be applied to 2020-21 surplus balances and approve clawback from schools except for balances held for capital purposes which should be moved to a capital reserve or where there are extenuating circumstances which will be considered on a case by case basis, as per the recommendation from School Funding Group.
<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)	School funding is primarily given from the Dedicated Schools Grant, which is ring-fenced for educational purposes. Under the Scheme of Financing schools are able to hold reasonable balances and any excess balances are subject to clawback by Schools Forum. Schools Forum have agreed any clawback of funds would be utilised to support the High Needs deficit recovery.
<b>Legal Implications:</b> (Authorised by the Borough Solicitor)	There are no immediate legal implications arising from this report save that consideration always need to had in relation to ensuring good value for money of the use of any balances.
<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>
<b>Background Information:</b>	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 The purpose of this report is to provide a preliminary update to Schools Forum ahead of the planned agenda item on surplus balances at the September 2021 meeting, and to confirm the approach that should be taken.

## 2. FINAL POSITION 2020-21

- 2.1 Table 1 summarises school balances by sector for the financial year 2020-21 and shows the movement from 2019-20 balances:

Sector	2019-20	2020-21	Movement	% Change
Primary	£5,902,860	£6,256,162	£353,302	6%
Secondary	£277,037	£1,713,736	£1,436,699	519%
Special	£876,894	£1,384,386	£507,492	58%
<b>Totals</b>	<b>£7,056,791</b>	<b>£9,354,284</b>	<b>£2,297,493</b>	<b>33%</b>

- 2.2 The tables shows overall balances have increased by £2.297m or 33% compared to 2019-20 and in particular:
- Primary balances have increased £0.353m or 6% and this is after £0.552m has been written out to 4 converting academies in 2020-21.
  - Secondary balances have increased by £1.437m or 519%. This is a planned increase and is largely due to 1 school significantly reducing their deficit in year and another school recovering their deficit in year.
  - Special school balances have increased by £0.507m or 58%.

## 3. BALANCE CONTROL MECHANISM

- 3.1 2020-21 is the 1st year of where changes to the schools clawback mechanism agreed by Schools Forum can be applied. School Forum decided that if schools had an excess surplus balance (beyond approved levels) for 2 consecutive years the excess would be subject to claw at 50%. Schools Forum have agreed any claw back balances would be used to support recovery of the High needs deficit.
- 3.2 A review of the schools surplus balances against their approved surplus balances at 30 June 2020 has identified there are potentially 12 schools at risk of claw back from 2020-21 balances. See table 2 below:

No of Schools with Excess Balance	No of years with Consecutive Excess Surplus	Total Excess Surplus Balances	At Risk of Claw Back at 50%
7	Year 1	£241,330	£0
12	Year 2	£905,001	£452,500
<b>19</b>		<b>£1,146,331</b>	<b>£452,500</b>

- 3.3 Schools are aware of the process surrounding clawback of excess reserves and those holding excess reserves have over the past 2 years been asked to confirm spending plans and confirm what they will be utilising those balances for. Schools have been receiving letters over the past couple of weeks,, notifying them they are at risk of clawback. However they have not yet been informed of any plans to claw back the above balances. Before the clawback is invoked, schools forum's direction is request as to whether or not there are any exceptional circumstances to consider before the process is undertaken with schools. The

obvious one being the impact of Covid, particularly around delays in spending plans relating to capital projects

- 3.4 School Funding Group met 18 May 2021 and the issue of clawback was discussed. The group discussed whether a general exemption should be given to all schools due to the pandemic and the impact of multiple lockdowns. The group agreed that, whilst schools may have had delay to capital works, other spending proposals could have progressed. The group also felt that some schools had historic balances going back quite some time which would continue to run if action was not taken this time.
- 3.5 The group recommend that a review of a case by case basis should be made. Where a school is holding monies for a capital scheme that should be passed over to the council to hold in the specific reserve that was established for such circumstances. The group believe the clawback mechanism should be invoked as per the scheme where circumstances are not extenuating.

#### **4. CONCLUSION**

- 4.1 Schools Forum are asked to consider:
- a) Whether exceptional circumstances should be applied across all schools for 2020-21 and no claw back should take place?
  - b) Whether claw back should be reviewed on an individual school basis?
  - c) Whether claw back should go ahead as planned and the £0.452m at risk be removed from schools?
- 4.2 School Funding Group discussed the matter 18 May 2021 and supported option b.

#### **5. RECOMMENDATIONS**

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

# Agenda Item 7

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	22 June 2021
<b>Reporting Officer:</b>	Caroline Barlow, Assistant Director of Finance. Tim Bowman, Director of Education, Tameside and Stockport.
<b>Subject:</b>	<b>DSG CONTINGENCY FUND</b>
<b>Report Summary:</b>	This report provides an update in relation to the DSG contingency fund. The report requests Schools Forum to agree changes to the allocation criteria and the approval process.
<b>Recommendations:</b>	<ul style="list-style-type: none"><li>• Schools Forum Members approve the school-led representation for contingency allocation decisions to be via recommendations from the Schools Funding Group.</li><li>• Schools Forum approve the proposed fund limits.</li><li>• Schools Forum make recommendations regarding the merging of the Primary and Secondary Sectors.</li></ul>
<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 supporting aspiration and hope through learning and moving with confidence from childhood to adulthood.
<b>Policy Implications:</b>	In line with the 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 (DSG) is a ring-fenced grant solely for the purposes of schools and pupil-related expenditure. The contingency fund has been established to mitigate the financial risk of deficit schools converting to academies and to support schools in deficit in significant financial difficulties.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	The legal implications in relation to the DSG are set out in the main body of the report.
<b>Risk Management:</b>	The correct accounting treatment of the DSG is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. The Council is responsible for the effective administration and management of the DSG. The DSG is in deficit at the end of 2020-21 is £1.686m and is subject to a deficit recovery plan with the DfE. There is a risk that this may impact on the effective support and education of our most vulnerable children.
<b>Access to Information:</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:</b>	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

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 The purpose of this paper is to provide a reminder of the intent and purpose of establishing a schools contingency fund in Tameside, and to consider if it is appropriate to make any further amendments to the allocation basis and criteria.
- 1.2 In 2019-20 mainstream secondary maintained schools voted to de-delegate budget for Contingency and have continued to do so since. Mainstream primary maintained schools voted to establish a contingency fund in 2021-22.
- 1.3 The contingency budget has been established to support those schools facing a deficit budget position or to support the DSG against any future pressures where schools are closing or are forced to convert to an academy leaving a deficit balance, as this would need to be funded from DSG.
- 1.4 A school with a deficit balance transfers the balance to the Academy Trust where the transfer to Academy is a convertor route, i.e. the School chooses via an Academy order to convert to an Academy. The balance remains a DSG issue where the schools are a forced conversion as part of a Sponsored Academy conversion route required by the Secretary of State.
- 1.5 Schools Funding Group was asked to consider criteria for an allocation process to be established which are outlined in section 3. These were agreed by Schools Forum on 17 December 2019.

## **2. DEFICIT SCHOOLS**

- 2.1 Where a school is in deficit or facing deficit in the next financial year they will be subject to a review in line with the School Deficit Recovery process as outlined within the Tameside Scheme Financing, the Local Authority (LA) will work very closely with the school and its Governors to support them to manage the deficit and ensure action is taken to address it.
- 2.2 It is also anticipated that consideration could be given to provide funding for schools struggling to manage deficits. This would be where financial issues are beyond the control or influence of the Headteacher and where significant action has been taken to bring the plan back into balance and where further cuts are likely to impact on the attainment of the pupils in the school.
- 2.3 It was acknowledged that whilst schools are facing financial pressures, it's prudent to establish a contingency budget to protect future pressures against the DSG which will affect all schools. The aim was to create a contingency fund of approximately £159k.

## **3. ALLOCATIONS FROM THE FUND**

- 3.1 The allocation process was established as follows:
  - Allocations from the fund should not be made until the fund reaches the suggested level
  - Allocations should be sector-specific unless all sectors agree to contribute to the fund
  - Decision on approvals from the fund will be agreed by Director of Education and the Assistant Director Finance
  - There should be school sector representation as part of the approval process but the representation should not include the requesting school
  - When a school is facing financial difficulty a request should be submitted by the school outlining their case for consideration
  - Allocations will only be made where sufficient funds are available.

- 3.2 Support will be provided for schools in deficit and therefore in financial difficulty through the normal deficit recovery process, in line with the LA approach to managing licenced deficits.
- 3.3 Alongside this, the LA will support any schools closing with deficit balances to minimise the impact and potential pressure on the DSG.
- 3.4 The contingency contributions to date are as follows:

<b>Contingency Contributions</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
Balance at 31.3.2021		65,205.42	<b>65,205.42</b>
2021-22 De-delegations	67,432.00	33,383.00	<b>100,815.00</b>
<b>Total Contributions</b>	<b>67,432.00</b>	<b>98,588.42</b>	<b>166,020.42</b>
Target Balance	159,000.00	159,000.00	<b>318,000.00</b>
<b>Shortfall</b>	<b>(91,568.00)</b>	<b>(60,411.58)</b>	<b>(151,979.58)</b>

- 3.5 Both sectors are two financial years away from the contributions reaching the targeted amount. It is recommended that a minimum balance should be maintained.

#### 4. FUTURE CONSIDERATIONS

- 4.1 A paper was presented to the Schools Funding Group (SFG) to consider the following areas;
- Are there any further criteria that should be considered as part of the allocation basis?
  - If the sectors reach the targeted balance should the funds be merged?
  - In terms of the school sector representative who would make the decisions on allocations who do we think is the appropriate representative, Head Teacher? Business Manager? Governor or a mix?
  - Should there be criteria for the schools representative/s in terms of their own school financial health?
  - De-delegation does not apply to special schools, however special representatives can choose to make contributions to establish a contingency fund that will work in the same way, is this something to be considered?
- 4.2 SFG discussed these matters and make the following proposals for Schools Forum to consider.
- 4.3 The group discussed the nature of the fund and agreed that the criteria outlined in the original paper to Schools Forum were still relevant and appropriate so did not feel further areas should be considered. As funding is limited for schools they felt it was not appropriate to create expectations that a fund was readily available to invite bids from schools, but it should be there to support schools who were in significant and extenuating circumstances.
- 4.4 Fund levels – The initial balance recommended was £159,000 which represented 10% of deficit balances at the time. There has been significant work by the schools in deficit, with support from the Finance team, which means 10% of balances in 2020/21 stands at £42,400, however the amount currently held would not cover the largest deficit if that school were to become a Sponsored Academy. There was a recommendation from the group that there should be a collar and cap approach taken to the fund.
- 4.5 It is proposed that to apply a minimum level of 10% of deficit balances, with a maximum of the total outstanding deficit balances in the prior full financial year. To address the deficit risk to the DSG, the levels for 2022/23 would be:

Minimum	£42,400
Maximum.	£424,200

Schools Forum is requested to consider the values proposed and whether or not a further buffer should be set aside for in-year allocations for specific issues with schools facing extenuating financial risks.

- 4.6 The group discussed school representation in the decision making on requests from the contingency fund. It was felt that appropriate support to the decision making by the Directors, should be via recommendations from SFG as opposed to any one individual. This would enable colleagues to maintain relationships with schools requesting support from contingency.
- 4.7 SFG discussed the contributions in each sector, and whilst it is recognised that the values in each sector would be different due to pupil numbers and number of contributing schools. All parties discussed the fact that primary schools were later to contribute to the fund than secondary schools and that merging of the pot could be considered when the contributions were more evenly matched and if the separate sectors agreed. No specific recommendation was made by the group in relation to this, Schools Forum opinion is sought.
- 4.8 In relation to the special schools creating a contingency fund it was agreed that the special sector would be written to and asked if they would like to establish a separate fund.

## **5. RECOMMENDATIONS**

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

# Agenda Item 8

<b>Report to:</b>	<b>SCHOOLS FORUM</b>
<b>Date:</b>	22 June 2021
<b>Reporting Officer:</b>	Caroline Barlow – Assistant Director of Finance Tim Bowman – Director of Education (Tameside and Stockport)
<b>Subject:</b>	<b>GROWTH AND CONTINGENCY SCHOOLS FUNDING REQUESTS</b>
<b>Report Summary:</b>	This report is put forward on behalf of two schools that ask Schools Forum to consider funding requests outside the approved growth criteria and one request for contingency fund. The decision does impact on one further school as outlined in the report.
<b>Recommendations:</b>	<ul style="list-style-type: none"><li>• Schools Forum approves an additional growth payment for St Pauls RC Hyde of £13,600.</li><li>• Schools Forum approves an additional growth payment for Milton St Johns of £13,600</li><li>• Schools Forum rejects the requests for funding from Buckton Vale Primary from both the growth and the contingency fund.</li></ul>
<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 supporting 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:</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. There is currently £0.132m unallocated growth funding, which Schools Forum agreed in January 2021 should support the DSG deficit. Should approval be given for the additional growth payment for St Pauls RC Hyde, the unallocated amount would reduce to £0.118m. Approval of an additional growth payment for Milton St Johns would affect the growth allocation for 2023/24.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	The Council has a statutory duty to ensure that the Dedicated Schools Grant is effectively and responsibly managed. Therefore careful consideration needs to be given to these requests and also to the financial implications as set out above to ensure that a balanced and reasonable decision is reached balancing both the interests of the children at the particular schools and also the impact on the Tameside wide educational provision.
<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. The Council is responsible for the effective administration and management of the DSG. The deficit brought forward from 2019-20 and the increase in the size of the deficit at the end of 2020-21 is subject to a deficit recovery plan with the DfE. There is a risk that

this may impact on the effective support and education of our most vulnerable children.

**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



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## **1. INTRODUCTION**

1.1 The purpose of this paper is to consider funding requests by two primary schools outside the Schools Forum approved growth criteria and a further request from schools contingency funding.

1.2 Tameside growth policies provide funding for known, planned and agreed increases in PAN where funding is lagged, and for bulge classes. The growth policy in Tameside has been reviewed at a number of different points by Schools Forum, a summary of the change points and appropriate reports are as follows, the reports can be provided for background purposes upon request;

- 2013/14 – growth funding was introduced in Tameside to address a shortfall in places in Key Stage 1 from September 2013. Schools Forum agreed a policy of funding bulge class funding as one year only, date 16 January 2013. This policy provided 7/12ths funding on a one year only basis of £26,332.
- 2017/18 – Change to the growth policy for schools taking growth classes from September 2017. Changes are outlined below but can be found in section 3.11 and 3.12 of Agenda item 4 Dedicated Schools Grant Funding Formula 2017/18, 14 February 2017.

To continue to fund growth bulge classes in reception as per the 2013/14 policy with updated value of £32,640.

To provide continued funding for schools who took a reception bulge class expecting 30 pupil but then received 20 or less in the bulge class making it difficult to mix classes, throughout the time the bulge class was with the school. This was based on a per pupil basis.

- 2019/20 – Change to Growth funding agreed at Schools Forum date 25 June 2019. The growth policy is now that schools will be funded on AWPU rates for schools in line with primary and secondary rates for both one off bulge classes and planned continued growth classes. The allocation to schools will be based on the increase in capacity adjusted for actual September intake numbers multiplied by 7/12th of the Basic Amount per Pupil (to cover September to March). Actual numbers will be taken from the October Census.

1.3 Schools were asked as part of the consultation whether they believe the funding for the two historic arrangements should remain in place or if the funding should follow the new scheme from 1 April 2020. The outcome of the consultation voted that the two should continue until the bulge class is in Year 6 based on the historic basis.

## **2. ST PAUL'S RC HYDE**

2.1 St Paul's was one of the schools in the borough in receipt of bulge class funding under the growth policies agreed, and one of the two schools subject to specific consultation and decisions under the change approved on 25 June 2019.

2.2 St Paul's has made a request that Schools Forum consider providing some further growth funding to be awarded to them for taking a bulge class in September 2014. The School received funding of £37,975 for 7/12ths of the year. They request that Schools Forum fund a further 5/12ths allocation in 2021/22 as the bulge class passes through its final year of School, which equates to £13,600.

2.3 St Paul's has been provided with growth funding in line with the growth policies approved and in line with custom and practice of funding pupils over a seven year period in primary schools and five year period in high schools. The relevant seven financial years for the bulge

class at St Paul's are 2014/15 to 2020/21 as outlined in the table below. Growth funding has been allocated in line with the policies agreed at Schools Forum at the time.

**Table 1 – St Paul's Bulge Funding Allocations**

Year	Amount	Notes
2014/15	37,975	Bulge One Year only
2015/16	0	No Funding Bulge One Year only Funding Policy
2016/17	0	No Funding Bulge One Year only Funding Policy
2017/18	32,640	Change in Policy
2018/19	32,640	
2019/20	32,640	
2020/21	32,640	

- 2.4 St Paul's School balance at the 31 March 2021 was a surplus of £54,530.
- 2.5 Schools Funding Group (SFG) was asked to consider the request and make a recommendation to Schools Forum. If Schools Forum agree to this request, the allocation will need to be met from the Growth Funding set aside for 2021/22. To note Schools Forum has earmarked any un-utilised growth in 2021/22 to contribute to the High Needs Deficit Recovery. SFG supports this request for additional funding.
- 2.6 For clarity and consistency the other school in receipt of bulge class funding is Milton St Johns. They have been allocated funding over a seven year period as follows;

**Table 2 – Milton St Johns Bulge Funding Allocations**

Year	Amount
2016/17	37,975
2017/18	32,640
2018/19	32,640
2019/20	32,640
2020/21	32,640
2021/22	32,640
2022/23	32,640

- 2.7 SFG were asked to consider if a further 5/12th's funding should be allocated to Milton in the final financial year the bulge class are in Year 6 in 2023/24 following the same logic as St Paul's, again SFG support the recommendation. Milton's balance at the 31 March 2021 was a surplus of £159,478.

### **3. BUCKTON VALE PRIMARY SCHOOL**

- 3.1 The second formal request for funding from Schools Forum is from Buckton Vale.
- 3.2 Buckton Vale School has asked for a funding request to be considered by Schools Forum in relation to school being a 45 PAN school and pupil numbers being consistently below PAN causing financial staffing resource allocation difficulties for the school. The Access Team has submitted a recent request to the Office of the Schools Adjudicator on behalf of the school to reduce the PAN to 30 as demand in the area has reduced in line with the birth rate.
- 3.3 Buckton Vale historically operated a resource base, the school ceased to take pupils into its resource base in September 2014, school had its PAN increased at the time from 40 to 45,

and the increased PAN supported the school in organising classes with a 1.5 intake of classes.

- 3.4 The school has requested that as a Local Authority we consider establishing a Falling Rolls Policy. A paper will be presented in the autumn term asking for School Funding Group views and a decision from Schools Forum in relation to this matter.
- 3.5 Buckton Vale's view is that at the time the decision to increase the PAN was taken this should have triggered a growth funding payment and Schools Forum should have met allocated funding from the growth funding. However as outlined in 1.2 growth funding was only allocated for schools with bulge classes. The change at Buckton Vale was a permanent change to PAN, which was agreed by the School so does not fall under the bulge fund criteria. The amount requested is £125,476.18 as outlined in the paper included at Appendix A. Should this be approved this again this would need to be funded from the 2021-22 growth fund.
- 3.6 If Schools Forum does not approve the request outlined at 3.5, Buckton Vale alternatively request that Schools Forum provides a one-off payment from the centrally held Dedicated School Grant (DSG) to address the shortfall in school funding as outlined at Appendix A for £122,376, which has occurred as a result of the school being under PAN numbers and a reducing PAN going forward.
- 3.7 The School makes this request on the same basis as the allocation of £337k in 2014 for a shortfall in de-delegated services. Schools Forum, at the time, took this decision in line with the Operational Guidance and rules surrounding de-delegation due to loss of trade with schools converting to Academy. The school states that this situation has parallels with their situation in their pupil demand reducing. Whilst Schools Forum can consider this request the only funding pot that can be considered to fund this would be the primary school contingency fund, as there are no funding regulations that would allow an allocation from DSG. Buckton Vale has a surplus balance of £74,836 as at 31 March 2021.
- 3.8 SFG was asked to consider both requests from Buckton Vale and to make a recommendation to Schools Forum. SFG does not support either of these requests.

#### **4. RECOMMENDATIONS**

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

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Dear Tim,

**Evidence for the Local Authority Regarding Funding Issues at Buckton Vale Primary School**

Year	AWPU (Age weighted pupil unit)	AWPU for 15 pupils (difference between 45 PAN & 30 PAN)	Teacher Salary that year. (lowest paid teacher out of the two employed)	50% of teacher salary requested reimbursement from Local Authority
2020/2021	£2,857	£46,845,00	£50,554,44	£25,227.22
2019/2020	£2,761	£42,855,00	£50,576,04	£25,288.02
2018/2019	£3,264	£41,415,00	£44,445.84	£22,222.92
2017/2018	£3,264	£48,960,00	£42,939.96	£21,469.98
2016/2017	£3,264	£48,960,00	£33,003,48	£16,501.74
2015/2016	£3,264	£48,960,00	£29,532.60	£14,766.30
2014/2015	£3,250	£48,750.00	£26,516.88	£13,258.44
Total shortfall from 45 PAN – lack of growth budget to school from authority				<b>£125,476.18</b>

**Table below shows the falling roll deficit budget over 7 years.**

Year	PAN	AWPU (Age weighted pupil unit)	Total funding allocation	Actual Pupils on roll	Actual AWPU	Shortfall – falling roll
2020/2021	45	£2,857	£128,565	27	£77,139	£51,426
2019/2020	45	£2,761	£124,245	37	£102,157	£22,088
2018/2019	45	£3,264	£146,880	39	£127,296	£19,584
2017/2018	45	£3,264	£146,880	44	£143,616	£3,264
2016/2017	45	£3,264	£146,880	44	£143,616	£3,264
2015/2016	45	£3,264	£146,880	45	£146,880	0
2014/2015	45	£3,250	£146,250	38	£123,500	£22,750
Total shortfall from falling roll						<b>£122,376</b>

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