

SCHOOLS' FORUM

Day: Tuesday
Date: 28 September 2021
Time: 10.00 am
Place: Zoom Meeting

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE To receive any apologies for the meeting from Members of Schools' Forum.	
2.	DECLARATIONS OF INTEREST To receive any declarations of interest from Members of School's Forum.	
3.	APPOINTMENT OF CHAIR AND DEPUTY CHAIR To appoint a Chair and Deputy Chair for the 2021-22 Academic Year.	
4.	MINUTES To consider the minutes of the meeting of Schools' Forum, which was held on 22 June 2021.	1 - 10
5.	SCHOOLS' FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION To consider the attached report of the Director of Governance and Pensions.	11 - 18
6.	SCHOOL BALANCES 2021-21 To consider the attached report of the Assistant Director, Finance and Director, Education (Tameside and Stockport).	19 - 24
7.	SCHOOLS' FINANCIAL VALUES STANDARD RETURNS To consider the attached report of the Assistant Director, Finance.	25 - 28
8.	2022 -23 SCHOOL FUNDING UPDATE ON NFF AND SUMMER ANNOUNCEMENTS FROM DFE To consider the attached report of the assistant Director, Finance and Director, Education (Tameside and Stockport).	29 - 38
9.	DSG SCHOOLS' GRANT BUDGET UPDATE To consider the attached report of Assistant Director, Finance and Director, Education (Tameside and Stockport).	39 - 44

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Agenda Item 4

SCHOOLS' FORUM

22 June 2021

Commenced: 10.00am

Terminated: 11.35am

Present:	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Gemma Patterson	Primary Schools – L/A Maintained
	Kirsty Rimmer	Primary Schools – L/A Maintained
	Lisa Lockett	Primary Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	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 Horridge	Diocesan Representative
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Gill McFadden	Business Manager – Secondary Academies
	Anton McGrath	14-19 Sector
	Councillor Leanne Feeley	Executive Member
	Tim Bowman	Director, Education Tameside and Stockport
	Christine Mullins	Finance Business Partner TMBC
	Louisa Siddall	Senior Accountant, TMBC
	Wendy Lees	Finance Manager
Apologies for absence:	Heather Farrell	Primary Schools – Academies
	Simon Brereton	Primary Schools – L/A Maintained
	Elaine Sagar	Early Years Private, Voluntary and Independent Sector
	Councillor Oliver Ryan	Executive Member

1 DECLARATIONS OF INTEREST

An interest in Agenda Item 8, Growth Funding Requests, was declared by Lisa Gallaher.

2 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum, held on 16 March 2021.

Donal Townson informed Forum that his attendance on the minutes had incorrectly indicated that he was governor of a secondary school rather than primary school.

RESOLVED

That, with the amendment above, the minutes of the meeting of Schools' Forum held on 16 March 2021 be approved as a correct record.

3 DSG SCHOOLS GRANT OUTTURN 2021-21 AND BUDGET UPDATE 2021-22

Consideration was given to a report of the Assistant Director of Finance and Director of Education, which outlined the Dedicated Schools Grant Outturn position for 2020-21 and an update of the budget position for the financial year 2021-22.

Members were informed that there had been an overall, in-year deficit of £1.129m, with the main reason for this relating to the deficit on the High Needs Block of £1.822m, which would be subject to further discussion in Agenda Item 4. Members were made aware that this had been partly offset by a surplus on the Schools Block of £0.296m, which related to surplus in business rates and growth funding.

It was explained that the surplus on the Early Years Block was currently £0.703m and that final allocations for the Early Years settlement would be provided to the DfE in November 2021, based on the census data from January 2021. Members were informed that there had been a final adjustment of the 2019-20 allocation, which was the clawback of £0.018m, and it was estimated that a further clawback of £0.293m, relating to 2020-21 financial year would reduce the Early Years surplus to £0.392m. A detailed breakdown of this was provided for Members in Table 2.

It was highlighted that the figures provided were based on the actual payments for Summer 2020, Autumn 2020 and Spring 2021 terms, along with the adjustment to increase the hours of participation to Autumn 2019 levels. Members noted that the majority of providers had remained open in Spring 2021, throughout the lockdown period, with a number of providers having temporary closures as a result of outbreaks and periods of self-isolation. However, it was acknowledged that the second period of lockdown had seen lower levels of participation than anticipated, which had meant there was an estimated reduction in funding of £0.293m expected for 2020-21. It was stated that a more detailed update would be provided for Members in November 2021.

Members were informed that the centrally retained element of Early Years funding was not fully spent as work had not progressed as expected due to the pandemic. Members were reminded that any surplus would be used to support the overall DSG deficit, as previously agreed by Schools Forum.

In terms of the current financial year, Members were informed that there was a projected deficit of £341k and reference was made to the previously agreed 0.5% (£0.878m) transfer from the Schools Block to the High Needs Block. The surplus of £0.181m on the Schools Block was highlighted and it was explained that this related to actual rates charges being lower than estimated (£0.049m) and unallocated growth (£0.132m). However, Members were made aware that this could be subject to change further to decisions, which may be made later in this meeting, in relation to the growth fund requests. Members were reminded that, as agreed with Schools Forum in January 2021, this unallocated growth should support the deficit on the DSG.

It was explained that the Central School Service Block was expected to be spent in full and that the projected, in-year deficit on the High Needs Block was expected to be £2.155m, which would reduce to £0.948m with the £0.878m transfer from the Schools Block and savings of £0.329m identified in the DSG Deficit recovery Plan.

Members were made aware that the Early Years Block was currently estimated to be in surplus (£0.426m). However, it was also noted that there would be changes in the funding mechanism for Early Years in 2021-22, due to the impact of the pandemic, with a detailed estimate provided for Members in Table 4.

It was explained that an Early Years Working Group had now been established, with priority areas for review having been identified as deprivation and SEND Inclusion Fund. Members were informed that papers would be brought to Schools' Forum to agree any changes to the funding mechanism.

With regard to the DSG Reserve, Members were made aware that there had been an increase in the reserve deficit, predominantly as a result of the in-year High Needs deficit. It was outlined that

contributions to the reserve had reduced this burden. However, it was acknowledged that this was still a difficult issue to resolve. Members were informed that, if the 2021-22 projections materialised, there would be a deficit of £2.027m on the DSG. With this in mind, Members were reminded that a deficit recovery plan had been developed and submitted to the DfE and that there were ongoing discussions with DfE in relation to this. It was confirmed that this plan had previously been presented to Schools' Forum in November 2020.

RESOLVED

That the contents of the report be noted and supported

4 HIGH NEEDS FUNDING UPDATE 2021-22

Consideration was given to a report of the Assistant Director of Finance and the Director of Education, which provided information on the High Needs out turn position for 2020-21 and an update on the 2021-22 budget position and management of the High Needs deficit.

It was, again, highlighted that the position for 2020-21 had been finalised and that there was an in-year deficit of £1.822m (after the Schools Block transfer of £0.850m). Members were made aware that this was an improved position on both the original and revised projections, which had previously been shared with Schools Forum. They were informed that the main reasons for this change were:

- A slowing in the growth of the number of EHCPs; there had 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 had been reviewed which resulted in a reduction of costs expected
- A service redesign and active management of service spend in SEN Support services had been carried out, which had resulted in a reduction of costs along with some smaller savings.

It was stated that the predominant reason for this change was directly linked to a slowing in the growth of the numbers of Education Health Care Plans (EHCPs) and less costly placements within the both the independent and Post 16 sectors. Reference was made to Table 3, to demonstrate this and it was stated that the borough was now broadly in line with the national average for EHCPs.

It was explained that, whilst numbers had increased in the mainstream and special sectors, there has been reductions in the numbers of students placed in the independent sector and post-16 sector. It was stated that this reduction could also be attributed to:

- The SEND 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.

In relation to the current budget position, it was highlighted that the High Needs budget continued to remain under significant pressure and Members were reminded that Tameside was still receiving a cap of 12% on National Funding Formula allocation. This equated to £3.151m of funding, which was not received by the borough as a result of this cap.

Members were informed that the 2021-22 budget was projecting an in-year deficit of £1.278m and a cumulative deficit of £2.964m (after the Schools Block transfer of £0.878m). However, it was explained that a number of savings were expected as part of the Deficit Recovery Plan and that this should see the in-year deficit reduce to £0.948m by the end of 2021-22. In addition, Members were

made aware that initial estimates showed potential further surpluses in the Early Years and Schools Block, which could result in an overall DSG deficit of £2.027m.

Reference was made to Table 4 and it was highlighted that there had been growth in-built at £1.352m. It was explained that this figure was still under review and it was acknowledged that it was challenging to try to use trend data to project and assess the cost of future growth. Members were informed that there had been a report commissioned from a company called Edge-ucate, who will provide assistance in projecting SEND across the borough over the next 10 years and help to provide accurate projections of future growth.

Updates were provided on DSG recovery and Members were informed that a further update would be provided at the next meeting to reconsider the growth projections, in light of the change in growth in 2020-21. It was also highlighted that representations had been made to DfE outlining the impact of the funding cap and the impact on ability to manage spend within High Needs Funding.

Members were informed that, as part of the SEND review, announced by DfE in September 2019, a first stage consultation had been launched in February 2021 and ran until March 2021. It was explained that this consultation formed the first part of a longer-term review of the High Needs National Funding Formula and would consider how the distribution of High Needs funding could be improved in order to achieve the highest quality support for the most vulnerable children and young people. As responses were still being analysed by DfE. Members were made aware that a further update would follow with regard to any outcome or changes to the Funding Formula for 2022-23.

Comments were shared in relation to the positive impact on the budget following the implementation of a variety of strategies. However, it was acknowledged that, whilst the cap on this budget remained, there was still an enormous challenge. It was stated that there was a paper being presented to Executive Cabinet later this week, which, if approved, would also help to increase special school places, finalise sixth form provision and help to increase resource base provision; all of which were elements included in the Deficit Management Plan.

Concerns were raised in relation to the review and the work undertaken with the traded services element of the SEND team. It was explained that this would need to continue to be monitored, along with the amount of traded income that is received. It was highlighted that, if the targets for traded income were not able to be met, it would be likely that the SEND support trading elements would have to cease. It was, therefore, made clear that these conversations with the Inclusion and Funding groups would continue in advance of the next meeting of Schools' Forum in order to ensure that decisions are able to be made and further pressure is not placed on the budget.

RESOLVED

That the contents of the report be noted and supported

5 SCHOOL BALANCES

Consideration was given to a report of the Assistant Director of Finance and Director of Education, which provided an update on the surplus balances held by schools at the end of 2021-22 financial year. It was explained that this was a preliminary report in advance of the planned agenda item relating to surplus balances scheduled for the next meeting of Schools' Forum.

Members were informed that balances were at £9.3m for the financial year 2020-21, which represented a £2.3m increase compared to the previous financial year. There had been a significant increase within the secondary sector (£1.4m), which was a planned increase relating to 2 schools in particular, which had significantly reduced their deficit.

It was highlighted that 2020-21 would be the first year where the clawback mechanism, which had previously been agreed by Schools' Forum, could be applied. Members were reminded that, where

schools held an excess surplus balance for 2 consecutive years, the excess would be subject to potential clawback at 50%, with this balance then used to support recovery of the High Needs Deficit.

Members were informed that 12 schools had been identified as being at risk of claw back from 2020-21 balances and that this would equate to £452,500.

Members were made aware that this issue had been raised at the meeting of Schools' Funding Group (SFG) in May 2021, where discussion had ensued regarding whether a general exemption should be given to all schools due to the pandemic and the impact of multiple lockdowns. It was the recommendation of Schools' Funding Group that reviews on a case by case basis should be made and that the claw back mechanism should be invoked, as per the scheme, where circumstances were not extenuating. It was also recommended that, where a school was holding monies for a capital scheme, that it should be passed over to the council to be held in the specific reserve that was established for such purposes.

In advance of the next meeting, members were 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?

Discussion ensued and it was noted that considering exceptional circumstances could be perceived as being subjective and, as such, could be problematic. As a result, it was suggested that perhaps a formulaic process may be more beneficial with capital reserve held centrally.

Questions were raised as to whether, if funds were set aside and held centrally, this would still be accessible following academisation. In response, it was suggested that this could potentially still be used for planned capital schemes if they had previously been ear-marked for this. However, if this was not the case, it would be used to support the High Needs Block, as previously agreed.

Concerns were raised regarding the impact of the pandemic on schools being able to carry out planned works. It was highlighted that there had been various projects, which had been planned but had been unable to happen due to lack of available tradespeople and resources. It was explained that this had led to significant delays and surplus balances and that Members should be mindful of this.

It was acknowledged that there needed to be a significant degree of challenge and accountability in terms of surplus balances, particularly as some schools had needed to make very difficult funding decisions whilst others had surplus balances available.

Members were reminded that any claw back would be focussed on surpluses beyond 2 years and that any money required for capital purposes could be ring fenced in the capital reserve.

Members were in agreement that this report would be considered, alongside further recommendations from Schools Funding Group in relation to exceptional circumstances, at the next meeting of Schools' Forum.

RESOLVED

That the position of Schools Balances 2021-22 be noted

6 DSG CONTINGENCY FUND

Consideration was given to a report of the Assistant Director of Finance and the Director of Education, which provided an update in relation to the DSG Contingency Fund.

Members were reminded of the intent and purpose of establishing a schools' contingency fund. They were also informed that, in 2019-20, mainstream secondary maintained schools had voted to de-delegate budget for contingency and had continued to do so, with mainstream maintained primary schools also voting to establish this in 2021-22. It was outlined that this contingency had been established to support those schools facing a deficit budget position or support the DSG against future pressures, where schools were closing or through forced academy conversion, where this would leave a deficit balance

Members attention was drawn to section 2 of the report, which outlined the approach taken with those schools who are in deficit. It was stated that this was a rigorous process in order to ensure that appropriate action was taken to address the deficit.

The criteria for allocations from the fund, which had been previously agreed by Schools' Forum, were outlined 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.

Members were informed that support would 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 licensed deficits. Alongside this, it was also highlighted that the LA would support any schools with closing deficit balances in order to minimise the impact and potential pressure on the DSG.

Members were reminded that the aim was to create a contingency fund of approximately £159k and were informed that both sectors were 2 financial years away from the contributions reaching the targeted amount. With this in mind, it was recommended that a minimum balance should be maintained.

Members were made aware that this report had previously been shared with Schools Funding Group (SFG), in order 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?

Following discussion on these matters, SFG had then made the following proposals for Schools' Forum to consider:

- 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 was 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.

- 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.
- It was 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
- 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.
- SFG discussed the contributions in each sector, and whilst it was recognised that the values in each sector would be different, due to pupil numbers and number of contributing school, all parties discussed the fact that primary schools were later to contribute to the fund than secondary schools. With this in mind, it was felt that merging of the pot could be considered when the contributions were more evenly matched and with the agreement of the separate sectors. No specific recommendation was made by the group in relation to this and, therefore, Schools' Forum opinion was sought.
- 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.

RESOLVED

- (i) That school-led representation for contingency allocation decisions via recommendations from the Schools Funding Group (SFG) be approved**
- (ii) That the proposed fund limits be approved**
- (iii) That the decision to approve the merging of primary and secondary sectors be delayed and re-considered at a later date**

7 GROWTH FUNDING REQUESTS

Consideration was given to a report of the Assistant Director of Finance and the Director of Education, which was put forward on behalf of 2 schools, which had asked Schools Forum to consider funding requests outside of the approved growth criteria and a further request for contingency funding.

An outline of Schools' Forum decisions and policies, which had previously been agreed in relation to growth funding, was provided.

It was explained to Members that St Paul's RC Primary School, Hyde was one of the schools in the borough in receipt of bulge class funding under the growth policies previously agreed, and one of the 2 schools subject to specific consultation and decisions under the change approved on 25 June 2019.

Members were informed that 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 and they requested that Schools Forum fund a further 5/12ths allocation in 2021/22 as the bulge class passes through its final year of School. It was stated that this would equate to £13,600.

The relevant seven financial years for the bulge class at St Paul's were 2014/15 to 2020/21. These were outlined for Members, who were also informed that growth funding had been allocated in line

with the policies agreed by Schools Forum at the time. Members were also made aware that St Paul's school balance at 31 March 2021 was a surplus of £54,530.

It was explained that Schools Funding Group (SFG) had supported this request and made this recommendation to Schools' Forum. Members were also made aware that, if Schools' Forum agreed to this request, the allocation would need to be met from the Growth Funding set aside for 2021/22. It was also noted that Schools' Forum had earmarked any un-utilised growth in 2021/22 to contribute to the High Needs Deficit Recovery.

In addition, Schools' Forum were asked to consider a further request from Milton St John's Primary School, Mossley, who had also been in receipt of bulge class funding and allocated funds over a 7 year period. This funding was outlined and, as was the case with St Paul's, Schools' Forum were asked to consider a further 5/12ths funding during the final financial year, where the bulge class would be in Year 6.

Members were made aware that Milton St John's balance was a surplus of £159,478 at 31 March 2021 and that School Funding group (SFG) had also supported this request.

Members were then made aware of a second formal request for funding from Buckton Vale Primary School, Stalybridge. This request was in relation to the school having a Published Admissions Number (PAN) of 45 and pupil numbers being consistently below PAN, which had caused financial staffing resource allocation difficulties for the school.

It was explained that the access team had submitted a request to the Office of Schools Adjudicator on behalf of the school to reduce the PAN to 30 in response to a decline in demand in the area in line with the birth rate.

Members were made aware that the school had also requested that a Falling Rolls policy be established and a paper would be presented to Schools funding Group (SFG) and School's Forum in the Autumn term in relation to this.

It was highlighted that Buckton Vale felt 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, Members were reminded that growth funding was only allocated for schools with bulge classes. As the change at Buckton Vale was a permanent change to PAN, which was agreed by the School, it was explained that this did not fall under the bulge fund criteria.

The amount requested was £125,476.18 and this was outlined at Appendix A. Members were informed that, should this be approved, this would need to be funded from the 2021-22 Growth Fund.

In the event that Schools' Forum did not approve this request, it was explained that Buckton Vale had alternatively requested that Schools' Forum provide a one-off payment from the centrally held Dedicated School Grant (DSG) to address the shortfall outlined in Appendix A for £122,376. This would help the school to address the shortfall in school funding, which had occurred as a result of the school being under PAN numbers and a reducing PAN going forwards.

Members were made aware that this request was made 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 and Buckton Vale stated that this situation had parallels with their situation and the reduction in pupil demand.

It was noted that, whilst Schools' Forum could consider this request, the only funding pot that could be considered to fund this would be the primary school contingency fund due to no funding regulations that would allow an allocation from DSG.

Members were informed that Buckton Vale held a surplus balance of £74,836 as at 31 March 2021 and that Schools' Funding Group (SFG) did not support either of these requests.

RESOLVED

- (i) That an additional growth payment for St Paul's RC Primary School, Hyde of £13,600 be approved**
- (ii) That an additional growth payment for Milton St John's Primary School of £13,600 be approved**
- (iii) That the funding request from Buckton Vale Primary School from the Growth Fund be rejected**
- (iv) That the funding request from Buckton Vale Primary School from the Contingency Fund be rejected**

8 DATE OF NEXT MEETING

RESOLVED

That the next meeting of The Schools Forum be held on Tuesday 28 September 2021 at 10am

CHAIR

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Agenda Item 5

Report To:	SCHOOLS FORUM
Date:	28 September 2021
Reporting Officer:	Sandra Stewart – Director of Governance and Pensions
Subject:	SCHOOLS FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION.
Report Summary:	A report for noting the updated Terms of Reference for Schools Forum, of the guiding principles and constitution for the Schools Forum. These documents have been updated to reflect the Department for Education's guidance for Schools Forum published March 2021.
Recommendations:	<p>Members of the Schools Forum are requested to note the contents of the report.</p> <p>It is recommended the Schools Forum support the publication of terms of reference, Forum principles, constitution and membership of Schools Forum on the council's website to comply with best practice of Schools Forum.</p>
Links to Community Strategy:	Effectively calculated and targeted resources will improve access to a quality education experience for all our children.
Policy Implications:	There are no policy implications as a result of this report.
Financial Implications: (Authorised by the Section 151 Officer)	There are no direct financial implications as a result of this report. However the terms of reference and constitution outlines the financial decisions and consultation that the council need to be carried out with schools, to ensure we exercise our statutory duties with regards of schools funding.
Legal Implications: (Authorised by the Borough Solicitor)	Members should be aware of the Terms of Reference as they establish the rules for conducting Schools Forum business.
Risk Management:	<p>Local Schools are not given appropriate information to contribute to decision making as laid out in regulation.</p> <p>If Schools Forum protocol is not adhered to, funding decisions could be called in for scrutiny by the Secretary of State for Education.</p>

ACCESS TO INFORMATION

NON-CONFIDENTIAL

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

Background Papers

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



Telephone: 0161 342 2316



e-mail: natalie.king@tameside.gov.uk

1. BACKGROUND AND INTRODUCTION

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

2. SCHOOLS FORUM

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

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

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

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

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

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

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

3. RECOMMENDATIONS

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

APPENDIX A

SCHOOLS FORUM FOR TAMESIDE

Terms of Reference, Principles and Constitution for Schools Forum

TERMS OF REFERENCE

THE SCHOOLS FORUM

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

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

The Forum acts in a consultative role for:

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

The Forum decides:

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

PRINCIPLES

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

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

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

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

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

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

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

CONSTITUTION

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

Introduction

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

The School and Early Years Finance (England) Regulations 2021 amended The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020 to make permanent provisions to enable schools forums meetings to be held remotely. This includes (but is not limited to) telephone conferencing, video conferencing, live webcast, and live interactive streaming. Where a Schools' Forum decides to hold a public meeting by remote means only, the Forum should provide support or make alternative arrangements so that any interested parties who do not have telephone or online access can attend virtual meetings.

Functions of the Forum

To make decisions in relation to:

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

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

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

Membership and Attendance

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

Schools members

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

Non-Schools members

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

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

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

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

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

Meetings and Proceedings of the Schools Forum

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

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

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

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

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

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

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

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

Charging of expenses

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

Future Amendments to the Terms of Reference

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



ANNEXE A

MAINTAINED PRIMARY SCHOOL MEMBERS (9)	SCHOOL
Steve Marsland	Headteacher – Russell Scott Primary School
Lisa Gallaher	Headteacher – Milton St John Primary School
Lisa Lockett	Headteacher – Stalyhill Infants School
Susan Marsh	Governor - Governors’ Forum
Donal Townson	Governor – St John Fisher
Gemma Patterson	Headteacher – Lyndhurst Primary School
Kirsty Rimmer	Headteacher – St Anne’s Primary School
Simon Brereton	Headteacher – Holy Trinity Primary School
Vacancy	
ACADEMY PRIMARY SCHOOL MEMBERS (5)	ACADEMY
Karen Burns	CEO, Victorious Academies Trust
Simon Wright	Headteacher - St Paul’s Primary Academy, Stalybridge
Heather Farrell	Headteacher - Oakfield Primary School
Mark Bidgood	Headteacher - Canon Johnson C of E Primary School
Vacancy	
MAINTAINED SECONDARY SCHOOL MEMBERS (2)	SCHOOL
Richard O’Regan	Headteacher – Alder Community High School
Betty Jones	Governor – St Damian’s RC College
ACADEMY SECONDARY SCHOOL MEMBERS (2)	ACADEMY
David Ainsworth	Governor – Great Academy
Gill McFadden	Business Manager – All Saints Catholic College
MAINTAINED SPECIAL SCHOOLS (1)	SCHOOL
Andrew Foord	Headteacher – Cromwell High School
ACADEMY SPECIAL SCHOOLS (1)	SCHOOL
Rosario Sarno	Governor – Hawthorns
PUPIL REFERRAL (1)	SCHOOL
Anthony Benedict	Whitebridge & Elmbridge Learning Centres
NON SCHOOL MEMBERS (5)	REPRESENTING
Anne Morgan	Tameside Teachers’ Consultative Committee
Elaine Sagar	Early Years Private Voluntary & Independent Sector
Elaine Horridge	Church of England Diocese
Vacancy	Roman Catholic Diocese
Anton McGrath	14-19 Sector
NON VOTING MEMBERS & OBSERVERS	REPRESENTING
DFE/EFA Representative	DFE/EFA Representative
Councillor O Ryan	Executive Member – Finance and Economic Growth
Councillor L Feeley	Executive Member - Lifelong Learning, Equalities, Culture and Heritage
Tim Bowman	Director of Education (Tameside and Stockport)
Report Presenters	
Council Officers Providing Financial or Technical Advice	

SCHOOLS FORUM VOTING PROCEDURE

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

Agenda Item 6

Report to:	SCHOOLS' FORUM
Date:	28 September 2021
Reporting Officer:	Caroline Barlow – Assistant Director, Finance Tim Bowman – Director, Education (Tameside and Stockport)
Subject:	SCHOOL BALANCES
Report Summary:	This report provides: <ul style="list-style-type: none">• A review of 2020-21 Excess Surplus Balances• Details of the Balance Mechanism Scheme and current balances held in 2021-22
Recommendations:	Schools Forum approve schools with excess surplus balances holding them for capital purposes are moved to a capital reserve. Schools Forum approve clawback of surplus balances subject to any mitigating factors to be taken into consideration as outlined in the report.
Corporate Plan:	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.
Policy Implications:	In line with financial policies and financial regulations
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	As per School Forum policy on clawback of excessive balances, any funds removed from schools would be transferred to the DSG reserve to support the High Needs deficit recovery plan.
Legal Implications: (Authorised by the Borough Solicitor)	There are no immediate legal implications arising from this report save that finance needs to be content that the correct accounting treatment is applied to ensure compliance with the grant conditions.
Risk Management:	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.
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  Telephone: 0161 342 3216  e-mail: Christine.mullins@tameside.gov.uk

1. INTRODUCTION

- 1.1 The purpose of this report is provide Schools' Forum with the outcome of a review of the Excess Surplus Balances held by schools at the end of financial year 2020-21 as requested at the June 2021 meeting. And also, to provide an update on the Balance Mechanism Scheme and the Surplus Balances currently held by schools in 2021-22.
- 1.2 All schools receive their delegated budget share based on the Local Funding Formula and governing body have delegated powers and responsibilities to manage and deploy their financial resources in accordance with their agreed aims and objectives to achieve the best outcomes for pupils.
- 1.3 Maintained schools are permitted to carry forward any year-end surplus/deficit recorded at the 31 March to the following financial year as long as they conform to rules of the Balance Control Mechanism Scheme

2. EXCESS SURPLUS BALANCES AT THE END OF FINANCIAL YEAR 2020-21

- 2.1 Following the report presented to Schools Forum in June 2021 on the final position of school Balances for 2020-21 financial year 12 schools were identified as having excess surplus school balances at risk of claw back. Schools Forum requested a further detailed review of any exceptional circumstances before any decision to claw back balances was taken. This review is now complete and its findings presented below.
- 2.2 A total of 12 schools have been identified as carrying an excess surplus balance at the end of 2020-21, these balances are subject to a decision regarding clawback at a rate of 50% of the excess. For all these schools this is the second year of carrying an excess above approved levels.
- 2.3 4 of these schools have closed the financial year with excess balances above the approved surplus balance submitted to the Council in June 2020
- 2.4 The remaining 8 schools did not submit a request to hold a surplus balance at that time as they were under the permitted thresholds for their sector but have closed the financial year with balances over those thresholds.
- 2.5 Following agreement with Schools Funding Group (May 2021) and Schools Forum (June 2021) all schools were given the opportunity to provide details of any exceptional circumstances that they consider should be taken into account before any decision is taken to clawback.
- 2.6 The table below shows the levels of excess balances and the amounts that relate to either:
 - Delays in capital projects
 - Other underspends as a result of the Pandemic

Table 1: Schools with Excess Surplus Balances 2020-21:

Reasons	Schools	Capital Delays	Underspends as result of Pandemic	Total
Capital Delays	6	£406,078		£406,078
Underspends as a result of Pandemic	6		£46,423	£46,423
(1) Total Excess Balances	12	£406,078	£46,423	£452,501
Less Covid Catch Up Premium			-£30,104	
(2) Remaining Excess Balance	2	£406,078	£16,319	£452,501

Note: 2 schools have actually a combination of both capital delays and general underspends as a result of the Pandemic.

- 2.7 In line with the Balance Mechanism Scheme, the 8 schools (6 capital only and 2 with a combination of capital and general underspends) that have identified their excess surplus is related to delays in capital projects are detailed in section 3 below. The scheme outlines that balances for a particular delayed scheme could be held for 2 years.
- 2.8 There are 6 schools with balances of £46,243 at risk of clawback. These schools have identified the excess surpluses held relate to exceptional circumstances as a result of the pandemic and lockdowns and have provided details of areas on their budget plans that underspent. The reasons and examples given include the following, a more detailed analysis of the values involved is included in section 4:
- Underspends on catering contracts
 - Residential trips
 - Interventions
 - Reduced extra-curricular activities
 - Unspent teaching material's

3. CAPITAL RESERVE

- 3.1 The following extract forms part of the Balance Mechanism Scheme:

As agreed with Schools Funding Group and Schools Forum a Capital Reserve will be set up by the LA to allow schools to transfer balances being used to support specific capital projects prior to their completion. This will support schools facing delays in projects starting that cross financial years.

A number of criteria will apply:

- *The account will attract interest repayable to the school*
- *The transfer of any balances will be subject to agreement with the LA on the specific capital project*
- *If the scheme does not progress or is underspent the balance is not returned to the school but is instead treated as a surplus balance and subject to clawback (note: the 2 year or 50% criteria in section 7 will not apply)*

- 3.2 As detailed above, there are 8 schools holding balances for capital purposes. It is recommend that schools forum requests the balances in these schools are moved as per their planned capital balances to a Capital Reserve, rather than be removed for clawback. Table 2 gives further breakdown of the amounts that it is recommended is transferred.

Table 2: Schools with Excess Balances Relating to Capital Projects

Capital Reserve Transfers	Excess Amount 2020-21	Capital Project Transfer	Capital Project	Financial year Transferred	Held Until
School 1	£22,000	£22,000	Building	2021-22	2023-24
School 2	£18,719	£18,719	Building	2021-22	2023-24
School 3	£120,764	£274,000	Building	2021-22	2023-24
School 4	£38,000	£38,000	Building	2021-22	2023-24
School 5	£37,634	£256,000	Building	2021-22	2023-24
School 6	£13,402	£13,402	Building	2021-22	2023-24
School 7	£109,872	£109,872	ICT	2021-22	2023-24
School 8	£45,987	£45,987	ICT	2021-22	2023-24
Total	£406,378	£777,980			

4. GENERAL UNDERSPEND AS A RESULT OF THE PANDEMIC

4.1 Table 3 shows the level of school balances relating to general underspends broken down by school:

Table 3: General Underspend as a Result of the Pandemic

Underspends Due to Pandemic	Excess Amount
School 1	£12,065
School 4	£7,305
School 9	£3,156
School 10	£13,503
School 11	£5,248
School 12	£5,146
Total	£46,423

4.2 All schools have received in-year additional funding from government which may have impacted upon them having unanticipated increased balances, such as Covid Catch up premium. For most schools this grant has been received in advance of need, it is recommended this is removed from the balances prior to any clawback decision as the catch up grant was not announced until mid-financial year so schools may still have been planning how this grant would be spent at the end of the financial year.

4.3 Removing the Covid catch-up grant would remove £30,104 of balances and 4 schools from being 'at risk of clawback'.

4.4 This would leave 2 schools still at risk of clawback at the levels below:

Table 4: Schools At Risk of Claw Back (after Covid Catch Up Removed)

At Risk of Claw back	Amount
School 1	£11,685
School 10	£4,634
Total	£16,319

4.5 There have been further developments with regards to term time only back pay for staff under the NJC terms and conditions in Tameside and a report is currently going through the

Council's governance process, which will result in all affected schools needing to incur additional on-going salary costs, and incur some back-pay. For the two schools above the cost is estimated to be as outlined in table 5:

Table 5: Estimated Cost of Term Time only Back pay

At Risk of Claw back	Surplus Amount	Term Time only Est	Residual Surplus.
School 1	£11,685	£30,683	£0
School 10	£4,634	£21,094	£0
Total	£16,319	£51,777	£0

Schools' Forum may or may not want to take this into consideration when considering the clawback mechanism.

5. SURPLUS BALANCES CURRENTLY HELD BY SCHOOLS IN FINANCIAL YEAR 2021-22

- 5.1 Following submission of the approved budget plans in May 2021, 12 schools (7 primary, 3 secondary schools and 2 special schools) submitted plans with surplus balances above the sector thresholds for the financial year 2021-22.
- 5.2 In line with the Balance Mechanism Scheme, these schools have also submitted an approved Utilisation of School Balances form identifying reasons for holding the surplus.
- 5.3 Schools Finance Team will continue to monitor schools balances
- 5.4 A further update will be brought to Forum once school balances for 2021-22 are finalised. Forum Members will be asked to review any action in line with the Balance Mechanism Scheme regarding invoking the claw back on 2021-22. Schools' Forum will be asked to consider any exceptional circumstance that should be taken into account

6. CONCLUSIONS

- 6.1 Schools' Forum are asked to make decisions in relation to schools balances and the use of clawback mechanism for the schools that are the subject of this report namely to .;
 - Approve the movement of capital balances as detailed in Table 2 to a Capital Reserve to be held in a reserve as described in section 3.
 - Review the exceptional circumstances presented by schools and agree if any of these should be taken into consideration when making clawback decisions of Schools Balances for 2020-21, including if consideration should be made for Covid Catch Up Premium or term time only back pay
 - Schools' Forum take a decision to claw back balances should members are asked to consider whether the Covid Catch Up Premium should be taken into account
 - Schools' Forum to decide if term time only back pay should be considered before clawback of balances.
 - Schools' Forum to decide if clawback of balances should be invoked for school x and school x

7. RECOMMENDATIONS


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

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Agenda Item 7

Report to:	SCHOOLS' FORUM
Date:	28 September 2021
Reporting Officer:	Caroline Barlow, Assistant Director of Finance.
Subject:	SCHOOLS FINANCIAL VALUE STANDARDS (SFVS)
Report Summary:	To provide an update on the requirement for schools to complete the self-assessment process against the Schools Financial Value Standard by 31st March 2021.
Recommendations:	Schools' Forum note the contents of the report
Corporate Plan:	Appropriate managed schools 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.
Policy Implications:	<p>Schools spending must be in line with financial policies and financial regulations.</p> <p>Overall effective use of resources across Tameside schools is a key component in the Authority's Annual Use of Resources Statement.</p>
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The SFVS returns are an assessment of how well school governors are equipped to carry out their financial safeguarding duties</p> <p>To ensure a robust mechanism is in place to support schools in recognises and addressing any weaknesses in their Financial management and allow Internal Audit Team use the information to support the internal audit programme.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>The Council is responsible for financial regularity in the schools that it maintains and the Council's 151 Officer is responsible for making the necessary arrangements for local financial and management controls, under section 151 of the Local Government Act 1972.</p> <p>The 151 Officer is required to submit a signed assurance statement to the Department of Education each year confirming that they have in place a system of audit for schools that gives them adequate assurance over their standards of financial management and the regularity and propriety of their spending.</p> <p>The statement also provides a breakdown of the numbers and types of schools within the local authority that have submitted the annual return.</p>
Risk Management:	There are no direct risks as a result of this report. Any areas of concern or risk identified in the returns will be reported to Internal Audit to use in their assessment of schools on a rolling audit programme.
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

 Telephone: 0161 342 3216

 e-mail: Christine.mullins@tameside.gov.uk

1. INTRODUCTION

- 1.1 The schools financial value standard (SFVS) is a mandatory requirement for Local Authority (LA) maintained schools. The SFVS has been designed with schools to help them in managing their finances and to give assurance that they have secure financial management in place.
- 1.2 Governing bodies of maintained schools or management committees of pupil referral units (PRUs) have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors or management committees.
- 1.3 The standard consists of questions which governing bodies or management committees should formally discuss annually with the headteacher and senior staff. It concentrates on the key elements of financial management and efficiency and is aimed mainly at governors as they have a statutory responsibility for financial management in schools. In doing so, governors manage a considerable amount of public money and carrying out the SFVS assessment will assist in this task and give assurance to the Local Authority that schools have sound financial management in place.
- 1.4 The form is now more in line with the Academy return which is currently an excel spreadsheet with separate tabs for the governing body to consider. There is a series of questions in categories outlined at 1.5, but also has a dashboard which looks at key information for the school and provides comparisons to other similar schools to make it much easier for the governing body to compare schools performance.
- 1.5 The assessment can be used to identify training requirements for governors which will increase the skills available to the school. The questions are categorised into 7 areas:
- Governance
 - Schools Strategy
 - Setting the annual budget
 - Staffing
 - Value for money
 - Protecting Public Money
 - Review of the Dashboard
- 1.6 The standard itself is self-explanatory and support notes are included to guide schools through the process. If a school answers no or in part to any question governors or management committees are required to outline any remedial actions with specified deadlines and must monitor progress to ensure all actions are cleared within the deadlines.
- 1.7 There is no prescription of the level of evidence that the governing body or management committee should require. The important thing is that governors and the management committee are confident and honest in their self-assessment.

2. THE ROLE OF THE LOCAL AUTHORITY

- 2.1 The school must send a copy of a governor approved return to their local authority's finance department.
- 2.2 Local authorities will use schools' SFVS returns to inform their programme of financial assessment and audit. The SFVS will not be externally assessed. Local authority and other auditors will have access to the standard, and when they conduct an audit can check whether the self-assessment is in line with their own judgment. Auditors should make the governing body, the management committee and the local authority aware of any major discrepancies in judgments. Auditors should also ensure that all actions have been addressed before a SFVS review takes place for another year.

3. POSITION OF TAMESIDE SCHOOLS

3.1 Of the 58 schools open at the start of 2020/21, the LA received 58 returns. This is 100% compliance.

3.2 The Schools Finance Team has been proactive in reminding and chasing schools ahead of the deadline and the returns have now been shared with Internal Audit Team who will use the information to assist in the production of the Annual Audit Plan.

3.3

	Primary	Secondary	Special	PRU
Total number of eligible schools in LA	47	6	4	1
Number of eligible schools that completed the SFVS	47	6	4	1
Number of eligible schools that did not complete SFVS (non-compliant without exemption)	0	0	0	0
Number of eligible schools that did not complete SFVS (with exemptions)	0	0	0	0

4. ASSURANCE STATEMENT

4.1 The LA was required to submit an assurance statement signed by the Chief Financial Officer detailing which schools completed the SFVS to the DfE by 31 May 2021. This statement was signed and sent to the EFA by the deadline as required.

5. RECOMMENDATIONS

5.1 As set out at the front of the report.

Agenda Item 8

Report to:	SCHOOLS' FORUM
Date:	28 September 2021
Reporting Officer:	Caroline Barlow – Assistant Director Finance Tim Bowman – Director Education (Tameside and Stockport)
Subject:	2022-23 SCHOOL FUNDING UPDATE ON NFF AND SUMMER ANNOUNCEMENTS FROM DFE
Report Summary:	This report provides an update on the latest school funding announcements
Recommendations:	<ol style="list-style-type: none">1. Members of the Schools' Forum are requested to note the contents of the report.2. Agree in principle to 0.50% transfer from schools block to high need block in 2022-23 (at a minimum).3. Agree in principle to support a disapplication request to the Secretary of State to transfer 1.00% from the schools block to the high needs block (if required) following further funding announcements.
Corporate Plan:	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.
Policy Implications:	In line with financial and policy framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. The provisional allocations for 2022-23 are outlined within the report. The allocation of the High Needs element of this grant is insufficient to meet current spending or growth in number of pupils requiring support.</p> <p>The Schools Forum and the Council must continue to look for savings to address the growing High Needs deficit and continue to update DfE with progress against the DSG deficit recovery plan.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>There are no immediate legal implications arising from this report save that the Forum needs to be content that the correct accounting treatment is applied to ensure compliance with the grant conditions based on the detailed information provided by finance.</p> <p>The Forum will no doubt also wish to consider the opportunities to make further saving and the progress being made with the deficit recovery plan when reviewing this report.</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. These will be subject to regular review.
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, Children’s and Safeguarding Services



Telephone: 0161 342 3216



e-mail: christine.mullins@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report provides information with regards to the DfE spending announcements and some context for the potential impact of the Tameside MBC position. The DSG announcements at this stage only cover the Schools Block, High Needs Block and the Central Service Support Block. Early Years Block information is not shared at this point. Updates on this and confirmation of all other allocations are expected in December 2021.
- 1.2 These indicative figures should be taken in the context that the information released at this stage is based on the 2021-22 data set (October 2020 census data) and will change in some areas to take account of October 2021 census returns.

2. SCHOOLS BLOCK UPDATE 2022-23

- 2.1 The schools block allocation is based on October 2020 census data. Table 1 outlines the 2022-23 allocation of funding on the national basis compared to 2021-22 giving a cash increase of £40.146m an increase of 4%.

TABLE 1 – Allocation by national priority

Item	Total Funding Including ACA 2021-22 £m	Total Funding Including ACA 2022-23 £m	Change £m	% Increase
AWPU	28,450	29,490	1,040	4%
Minimum Per Pupil	455	372	(83)	(18%)
Basic per pupil Funding	28,905	29,862	957	3%
Deprivation	3,341	3,566	225	7%
Low Prior Attainment	2,613	2,640	27	1%
English as an additional language	420	412	(8)	(2%)
Mobility	52	44	(8)	(15%)
Additional Needs Funding	6,426	6,662	236	4%
Lump Sum	2,430	2,503	73	3%
Sparsity	42	95	53	126%
School Led Funding (excluding Premises)	2,473	2,599	126	5%
Premises	531	527	(4)	(1%)
Funding Floor Protection	581		(84)	(14%)
TOTAL	38,916	40,146	1,230	3%
Area Cost Adjustment (included already within the factors above)	949	989	40	4%

- 2.2 The provisional 2022-23 allocation for Tameside MBC has increased by 5.573m, which currently excludes Growth funding. A full breakdown of the funding elements can be found at **Appendix A** along with the detailed national funding amounts.

TABLE 2 – Tameside MBC Provisional 2022-23 Schools Block Funding

	Total 2021-22 Funding Allocated £m	Total 2022-23 Provisional Funding £m	Increase £m
Pupil Led Funding	£178.222	£183.726	£5.504
Premises Funding	£3.923	£3.992	£0.068
Total Funding Less Growth	£182.145	£187.718	£5.573

2.3 The main changes are as follows:

2.4 **Sparsity Factor** - This factor is payable to schools that are both small and remote, a school has to be both to attract this funding. DfE believe due to these circumstances the schools have very little scope to make efficiencies.

The NFF rates have been significantly increased by DfE on the sparsity factor for a 2nd year, increasing from £45k to £55k per primary school, and from £75k to £80k in secondary schools

TABLE 3 – Sparsity Factor increase levels since 2020-21

Sparsity	2020-21 £	2021-22 £	In Year %	2022-23 £	In Year %	Cumulative Increase £	% Increase
Primary Sparsity	26,000	45,000	73%	55,000	22.00%	29,000	112%
Secondary Sparsity	67,000	75,000	12%	80,000	7.00%	13,000	19%

In addition to increasing the rate for 2022-23, the DfE has also changed the measurement for remoteness of schools by using road distances instead of straight line distances as well as allowing for a distance taper (1.6 to 2 miles primary and 2.4 to 3 miles for secondary). The impact of this means 2,500 schools attract this factor up from 1,300 schools.

The allocation of funding affects the national allocation. This factor increases from £42m to £95m, therefore is not available to allocate to other factors. However, this will still not benefit schools in Tameside. The distance change and taper has been modelled through for Tameside schools and there are still no schools in Tameside that would attract this factor under NFF despite the change in measurement

2.5 **IDACI |Bandings** - The data set used to attract deprivation funding for schools. The rates at which the bandings are paid have been increased by at least 3% in most case.

2.6 **Prior Attainment / Mobility** - The prior attainment factor uses pupil attainment data as a measure to allocate funding for pupils with low prior attainment. The 2019 attainment data continues to be used as a proxy for allocating this funding. Similarly the mobility factor is using a proxy for May 2020 and the census did not take place. The child's start date in school will be used instead. These proxies are necessary due to formal results process and census collection being suspended/withdrawn as a result of the pandemic

2.7 **FSM Ever 6** - The measurement point for this factor has changed. This has been brought forward from the January census to the October census to reduce the lag in this factor and bring it in line with the measurement point for other factors. The increase in this factor is 2%.

2.8 **Business Rates** - Following consultation last year regarding centralising of business rates, this funding will no longer come to the LA or Academy Trusts for them to pay the council.

These costs will be paid directly by DfE to each LA on behalf of all schools and Academies in its area.

- 2.9 **Minimum Funding Guarantee (MFG)** - LA's can continue to set the MFG in local formulae between +0.5% and +2% per pupil.
- 2.10 **Minimum Per Pupil Funding Levels (MPPL)** - There is the continuation of compulsory MPPL. This means that all primary schools will receive at least £4,265 per pupil and all secondary schools £5,525 per pupil (£5,321 KS3 and £5,831 KS4) for MPPL.

3. MOVE TO HARD NFF & DfE CONSULTATION

- 3.1 Since its introduction in 2018-19 the NFF has been a 'soft' formula. This means, although the DfE calculates funding allocations based on individual mainstream schools data and characteristics, these school level allocations are then aggregated for each LA. Whilst the DfE does set parameters, LA's currently do have some discretion and flexibility on how these are applied. The DfE are taking the next steps to a 'hard' national formula and to support this have launched, in July, a consultation for LA's schools, academy trusts and any other interested parties.
- 3.2 The consultation can be found at the link below and the closing date is 30 September 2021. [Fair school funding for all: completing our reforms to the National Funding Formula \(education.gov.uk\)](https://www.education.gov.uk/fair-school-funding-for-all-completing-our-reforms-to-the-national-funding-formula)
- 3.3 Tameside along with a significant number of LA's are already mirroring the majority of the NFF factors but will be submitting a response to the consultation. Schools and Academies are encouraged to do the same.

4. HIGH NEEDS BUDGET UPDATE 2022-23

- 4.1 High Needs funding has increased by 9.6% nationally, £780m, local authorities have seen an increase between an 8% minimum and 11% capped increase. The 11% increase is before recoupment, Alternative Provision (AP) and Hospital Funding Factor is included. Tameside have received the maximum increase possible capped at 11%. Without the cap at 11% Tameside would have received an additional £2.988m.
- 4.2 Following the DfE consultation earlier in the year the historic factor within the High Needs calculation will be allocated based of 50% of an LA's 2017-18 actual spend rather than 2017-18 planned spend. For this factor Tameside historic factor changed from £8.6m to £8.8m, however due to the capping factor the full benefit of the increase is not received.
- 4.3 The current announcements are provisional and will be subject to further updates as below:
- December 2021 update to the basic entitlement factor, based on January 2021 alternative provision (AP) census and October 2021 school census data.
 - May/June 2022 update to the import/export adjustment, based on January 2022 school census data and February 2022 R06 Individualised Learner Record (ILR) data for students in further education.
 - May/June 2022 update to the additional funding for new and growing special free schools, alongside the import/export adjustment, based on January 2022 school census data.
 - Any adjustments to hospital education funding following the data collection by DfE in autumn 2021.
- 4.4 Tameside have received the maximum increase possible capped at 11% (before Import/Export adjustments and Recoupment).

4.5 Table 4 shows the provisional allocation for 2022-23 compared to the current 2021-22 allocation. Tameside are seeing an overall increase of £3.072m (before recoupment and any further adjustments) or 11%. Note: an estimate for growth in pupil numbers is built in at £0.101m, this will be finalised and confirmed in December 2021 but is likely to be offset by an estimated increase in recoupment.

TABLE 4 - Provisional High Needs Allocation 2022-23

High Needs Allocation	Forecast 2021-22 £m	Forecast 2022-23 £m	Difference £m	Difference %
Total high needs elements in the funding floor and gains calculation	£25.468	£28.533	£3.065	12.0%
Basic Entitlement	£3.282	£3.283	£0.000	0.0%
Total Formula Allocation	£28.750	£31.816	£3.065	10.7%
Plus AP Funding Factor	£0.180	£0.187	£0.007	3.9%
Less Import/export	(£0.735)	(£0.735)	£0.000	0.0%
Total Allocation (before Recoupment)	£28.195	£31.268	£3.072	10.9%
Less Recoupment	(£1.853)	(£1.964)	(£0.111)	6.0%
Total Allocation (after Recoupment)	£26.342	£29.304	£2.961	11.2%
Additional Basic Entitlement (expected Dec 21)***		£0.101	£0.101	0.0%
Funding Available	£26.342	£29.405	£3.062	11.6%
Forecast Spend	£29.613	£34.988	£5.375	18.2%
Annual Funding Gap (In year Deficit)	(£3.271)	(£5.583)	(£2.313)	70.7%

*** Estimated increase in allocation based October 2021 census

4.6 The table also shows although Tameside is seeing increases in funding of £3.062m (after recoupment) this is offset by an estimated increased spend of £5.375m.

4.7 This increased spend reflects the continuing expected increases and further growth of EHCP's which are shown below in Table 5. This also shows the percentage of pupils in receipt of an EHCP's is likely to increase steadily from 3.58% (national average approx. 3.6%) to over 6% in the next 5 years.

TABLE 5 - Projected Growth in EHCP Numbers

Sector	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Mainstream	575	824	1,024	1,154	1,219	1,269
Resourced	57	97	137	177	177	177
Special	676	728	800	830	860	890
Pre 16 (Independent, OOB & NMSS)	212	248	258	268	278	283
Post 16	209	239	274	314	359	374
Totals	1,729	2,136	2,493	2,743	2,893	2,993
Overall Growth		407	357	250	150	100
Age 2-18 ONS population projection	48,335	48,335	48,784	48,784	48,784	48,784
% of Population EHCP's	3.58%	4.42%	5.11%	5.62%	5.93%	6.14%

4.8 Tameside continues to receive a capped funding formula allocation in 2022-23 and this has a significant impact on the high needs deficit position. Without the cap for 2021-22 Tameside would have received an additional £3.151m funding and the latest announcements show a further cap of £2.988m for 2022-23. Table 6 below shows the impact this has had on the in-year projected deficit for 2021-22 and provisional deficit 2022-23 and demonstrates:

- (a) the High Needs deficit before any block transfers and,
- (b) Assuming the 0.50% transfer from Schools Block continues in 2022-23

TABLE 6 – Capped High Needs Funding Allocation

	2021-22 Current £m	2022-23 Forecast £m	Cumulative over 2 Years £m
NFF Allocation before Cap (& Recoupment)	£31.347	£34.256	
Cap on Funding	(£3.151)	(£2.988)	
NFF Actual Allocation	£28.196	£31.268	
a) High Needs Deficit before any Block Transfer			
High Needs In Year Deficit (with Cap & before 0.50% transfer from Schools Block)	(£3.270)	(£5.584)	(£8.854)
High Needs In Year Deficit (without Cap & before 0.50% transfer from Schools Block)	(£0.119)	(£2.596)	(£2.715)
b) High Needs Deficit assuming Transfer from Schools Block			
0.50% Transfer from Schools Block	£0.878	£0.939	
High Needs In Year Deficit (with Cap)	(£2.393)	(£4.645)	(£7.038)
High Needs In Year Deficit (without Cap)	£0.758	(£1.657)	(£0.899)

5. BLOCK TRANSFER 2022-23

5.1 Local Authorities will continue to be able to transfer up to 0.50% of the Schools Block allocation to another block within the DSG, with Schools Forum approval. A disapplication process to the DfE will continue to be in place for any amounts over 0.50% or for any amount without Schools Forum approval.

5.2 The table below gives an overview of the High Needs funding and forecast spending for 2021-22 and 2022-23. Based on current Growth projections the table shows even continuing with a 0.50% transfer (as in 2021-22) of £0.939m this would still leave a potential in-year deficit on the High Needs Block of £4.644m in 2022-23 and a 1.00% transfer would still leave an in year deficit of £3.705m and potential cumulative deficit over the 2 years of £6.098m. Consideration will also need to be given to the cumulative deficit on the High Needs block and the impact this will have on other blocks within the Dedicated Schools Grant (DSG).

TABLE 7 – Impact of 2022-23 Funding Allocations against projected Costs

Schools Block Transfer	Forecast 2021-22 £m	Forecast 2022-23 £m	Cumulative over 2 Years £m
High Needs Funding	£26.343	£29.405	
Forecast Spend	£29.613	£34.988	
Annual Funding Gap (In year Deficit)	(£3.270)	(£5.583)	(£8.853)
(1) 0.50% Transfer from Schools Block	£0.878	£0.939	
Annual Funding Gap (In year Deficit) -0.50% Transfer	(£2.393)	(£4.644)	(£7.036)

(2) 1.00% Transfer from Schools Block	£0.878	£1.878	
Annual Funding Gap (In year Deficit) -1.00% Transfer	(£2.393)	(£3.705)	(£6.097)

* Table includes rounding's

- 5.3 Tameside continues to have a significant funding gap. As in previous years Schools Forum are asked to support the 0.5% transfer to the High Needs block to support spending for additional needs. Schools Forum are further asked consider if a request to the DfE should be made in requesting an increased top slice to 1%, and request the Secretary of States permission to do so.
- 5.4 Consultation with schools will be carried out in the normal way to seek opinions as to the local application of the Schools Funding Formula in Tameside.

6. CENTRAL SERVICES SCHOOLS BLOCK (CSSB)

- 6.1 The CSSB covers funding allocated to Local Authorities to carry out central functions on behalf of pupils in maintained schools and academies in England. CSSB funding is split into two elements: funding for ongoing responsibilities and funding for historic commitments, Tameside receives only for on-going responsibilities in its allocation.
- 6.2 Similar to the HNB authorities can receive between a protected 2.5% increase and 5.6% capped. CSSG funding has increased by 5.6% for Tameside £62k as outlined in the Table 7 below. Without the cap Tameside would receive a further £145k.

TABLE 7 – Provisional CSSB Funding 2022-23

	Current Year 2021-22 £m	Provisional 2022-23 £m	Increase £m
CSSB Provisional Funding	£1.114	£1.176	£0.062

- 6.3 The main changes to the national formula allocations are the measurement point for FSM6 to October rather than January and changes to the historic costs. Tameside has no historic costs in its allocations. For other LA's historic costs continue to reduce at by 20% on the prior year allocation, with protection for LA's with on-going prudential borrowing costs and historic teacher's pension's costs.

7. CONCLUSION

- 7.1 Tameside will see increases in funding across all funding blocks under the proposed 2022-23 DSG funding announcements. However, the funding for High Needs in borough will remain insufficient to meet the need in the borough.

8. RECOMMENDATIONS

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

APPENDIX A

Item	2021-22 Unit Value	2022-23 Unit Value	% Increase	Total Funding Included ACA £m	Proportion of core total %
Basic per pupil Funding				£29,862	76.3%
AWPU				£29,490	75.4%
AWPU_Primary	3,123	3,217	3.00%	£14,821	37.9%
AWPU_KS3	4,404	4,536	3.00%	£8,624	22.0%
AWPU_KS4	4,963	5,112	3.00%	£6,045	15.5%
Minimum Per Pupil				£372	0.9%
Minimum Per Pupil Level Primary	4,180	4,265	2.00%	£279	0.7%
Minimum Per Pupil Level Secondary	5,415	5,525	2.00%	£92	0.2%
Additional Needs Funding				£6,662	17.0%
Deprivation				£3,566	9.1%
Deprivation_FSM_PRIM_Meals	460	470	2.00%	£453	1.2%
Deprivation_FSM_SEC_Meals	460	470	2.00%	£282	0.7%
Deprivation_FSM6_PRIM_Meals	575	590	3.00%	£639	1.6%
Deprivation_FSM6_SEC_Meals	840	865	3.00%	£730	1.9%
Deprivation_IDACI_PRIM_A	620	640	3.00%	£99	0.3%
Deprivation_IDACI_PRIM_B	475	490	3.00%	£147	0.4%
Deprivation_IDACI_PRIM_C	445	460	3.00%	£135	0.3%
Deprivation_IDACI_PRIM_D	410	420	2.00%	£118	0.3%
Deprivation_IDACI_PRIM_E	260	270	4.00%	£143	0.4%
Deprivation_IDACI_PRIM_F	215	220	2.00%	£109	0.3%
Deprivation_IDACI_SEC_A	865	890	3.00%	£86	0.2%
Deprivation_IDACI_SEC_B	680	700	3.00%	£136	0.3%
Deprivation_IDACI_SEC_C	630	650	3.00%	£127	0.3%
Deprivation_IDACI_SEC_D	580	595	3.00%	£111	0.3%
Deprivation_IDACI_SEC_E	415	425	2.00%	£148	0.4%
Deprivation_IDACI_SEC_F	310	320	3.00%	£104	0.3%
Low Prior Attainment				£2,640	6.7%
Prior_Attainment_PRIM	1,095	1,130	3.00%	£1,497	3.8%
Prior_Attainment_SEC	1,660	1,710	3.00%	£1,142	2.9%
English as an additional language				£412	1.1%
EAL_PRIM	550	565	3.00%	£307	0.8%
EAL_SEC	1,485	1,530	3.00%	£105	0.3%
Mobility				£44	0.1%
Mobility Primary	900	925	3.00%	£35	0.1%
Mobility Secondary	1,290	1,330	3.00%	£9	0.0%
School Led Funding				£2,599	6.6%
Lump Sum				£2,503	6.4%
Lump_Sum	117,800	121,300	3.00%	£2,092	5.3%


Lump_Sum_Sec	117,800	121,300	3.00%		£411	1.1%
Sparsity					£95	0.2%
Primary Sparsity	45,000	55,000	22.00%		£89	0.2%
Secondary Sparsity	75,000	80,000	7.00%		£7	0.0%
Premises					£527	1.3%
Area Cost Adjustment					£989	
Protections						
Floor					£497	
Primary floor funding					£279	
Secondary floor funding					£218	
TOTAL					£40,146	

Agenda Item 9

Report to:	SCHOOLS' FORUM
Date:	28 September 2021
Reporting Officer:	Caroline Barlow – Assistant Director of Finance Tim Bowman – Director of Education (Tameside and Stockport)
Subject:	DEDICATED SCHOOLS GRANT BUDGET UPDATE 2021-22
Report Summary:	A report on the Dedicated Schools Grant budget position for the financial year 2021-22.
Recommendations:	Members of the Schools' Forum are requested to note and support the contents of the report.
Corporate Plan:	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.
Policy Implications:	In line with financial policy and framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>The current projection for 2021-22 is expected to be a deficit on the DSG of £3.124m at the end of the financial year.</p> <p>The report details the in year movements and forecasts on the 4 main blocks of the DSG, with the High Needs Block continuing to be under pressure with a forecast in year shortfall of funding of £2.393m, offset by underspends of £0.787m on the Early Years block, £0.168m on the Schools Block.</p> <p>A deficit recovery plan has been developed and work continues to resolve the deficit position.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>The Council has a statutory duty to use resources efficiently and effectively against priorities and to achieve a balanced annual budget.</p> <p>In noting the report, Forum Members should ensure they understand the outturn and budget positions and that robust challenge is factored into the reporting mechanism especially given the current known deficits and recovery plan.</p>
Risk Management:	<p>The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved.</p> <p>The Council is responsible for the effective administration and management of the DSG. The deficit brought forward from 2019-20 and the 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.</p>
Access to Information:	NON-CONFIDENTIAL

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

Background 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 provide Schools' Forum with an update on the Dedicated Schools Grant (DSG) budget for 2021-22 and the DSG reserve position. The report sets out:
- A budget update for the DSG for 2021-22 (Section 2)
 - A detailed update for High Needs for 2021-22 (Section 3)
 - A detailed update for Early Years (Section 4)
 - The DSG reserve position at 31 March 2021 and the estimated DSG reserve position at 31 March 2022 (Section 5)

2. DSG BUDGET UPDATE FOR 2021-22

- 2.1 The current DSG settlement for 2021-22 and projected distribution/spend is included in Table 1.

TABLE 1 – DSG Forecast for 2021-22

DSG Funding Blocks	DSG Settlement 2021-22 at July 2021 £000	Block Transfer 2021-22 £000	Revised DSG 2021-22 £000	Forecast Distribution / Spend 2021-22 £000	Forecast Surplus / (Deficit) £000
Schools Block	183,081	(878)	182,203	182,036	168
Central School Services Block	1,114	0	1,114	1,114	0
High Needs Block	28,196	878	29,073	31,467	(2,393)
Early Years Block	17,494	0	17,494	16,706	787
Total	229,884	0	229,884	231,323	(1,439)

Note the table above includes roundings

- 2.2 The forecast surplus of £0.168m on the schools block relates to actual rates charges being lower than estimated (£0.049m) and unallocated growth (£0.118m). 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. Any surplus on the schools block is proposed to contribute to the DSG reserve deficit.
- 2.3 The central schools service block is expected to be spent in full.
- 2.4 The projected in-year deficit on the high needs block is expected to be £3.271m, which reduces to £2.393m with the £0.878m transfer from the schools block. Included in this figure is a further £0.994m of estimated in-year growth for September to March 2022. Further information on this can be found in Section 3.
- 2.5 It is currently estimated the early years block will have a surplus of £0.787m. As discussed in the last update report, 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. Further information on the early year's position can be found in Section 4.

3. HIGH NEEDS UPDATE FOR 2021-22

- 3.1 The High Needs budget has now been updated following the summer term real time The exercise and the impact on the budget is shown in table 2 below.

TABLE 2 - High Needs Budget Position at August 2021:

High Needs Budget Position 2021-22	2021-22 Original Forecast £000	2021-22 Forecast Budget Summer Term £000	2021-22 Variance £000	% Change
Mainstream	3,015	3,452	(437)	14%
Special	12,554	12,733	(179)	1%
Tameside Pupil Referral Service	2,702	2,726	(24)	1%
Resourced Units	155	424	(269)	174%
Independent Schools	2,374	2,749	(375)	16%
Private Voluntary and Inpedant Settings	49	78	(29)	59%
Non Maintained Special School(NMSS)	452	452	0	0%
Out of Borough (OOB) (Pre 16)	1,132	1,326	(194)	17%
Post 16	3,103	3,217	(114)	4%
Hospital Education	88	88	0	0%
SEN Support Services	1,865	1,741	124	-7%
Income OOB	(403)	(367)	(36)	-9%
Total Spend	27,086	28,619	(1,533)	6%
Original Funding	28,277	28,277	0	
Academy Recoupment	(1,854)	(1,854)	0	
Adjusted Import / Export	0	(81)	81	
Total Funding	26,423	26,342	81	
In Year Deficit Before Growth	(663)	(2,277)	1,614	
Projected in Year Growth:				
Summer Term Real Time	662	0		
Autumn Term Real Time	472	568		
Spring Term Real Time	218	426		
Total Growth	1,352	994		
0.5% transfer Schools Block	878	878		
High Needs Block In Year 2021-22 Deficit	(1,137)	(2,393)		

- 3.2 The in year deficit has increased from £1.137m to £2.393m, an increase of £1.256m and this is as a result of an increase in the numbers of EHCP's and further anticipated growth way beyond anticipated growth levels.
- 3.3 Following the real time exercise the SEN Team have reviewed the new plans issued to date this financial year and used this information to update the expected Growth to the end of the financial year. Initial projections were based on 207 new EHCP'S being issued in year. However, after reviewing the current plans issued to date, this has been revised to include 407 new plans expected for the full financial year, see Table 3 below:

TABLE 3 - Expected Growth of New EHCP's in year:

Sector	Forecast April 21	Original Expected Growth In Year	Actual Growth Summer 21	Revised Growth In Year	Expected Growth in Plans by Year End
Mainstream	575	63	82	249	824
Resourced	57	40	-2	40	97
Special	676	74	5	52	728
Pre 16 (Independent, OOB & NMSS)	212	0	25	36	248
Post 16	209	30	13	30	239
Totals	1,729	207	123	407	2,136

3.4 Work continues with the SEN team to assess the impact of this Growth on future years.

4. EARLY YEARS UPDATE FOR 2021-22

4.1 A detailed update of the early years block for 2021-22 is included in Table 4.

TABLE 4 – Early Years Budget Position at August 2021

Early Years Funding Block	Early Years DSG Settlement 2021-22 at March 2021 £000	Forecast Distribution / Spend 2021-22 £000	Forecast Outturn Surplus / (Deficit) £000
3 and 4 Year Olds Universal Entitlement	9,117	8,646	472
3 and 4 Year Olds Extended Entitlement	4,335	3,888	446
2 Year Olds	2,820	2,870	(50)
EY Pupil Premium	136	166	(30)
Disability Access Fund	73	34	39
Central Retention	780	780	0
SEN Inclusion Fund	232	322	(89)
Total	17,494	16,706	787

4.2 Table 4 reflects the current settlement compared with the forecast distribution / spend. The projections are based on the actual payments made to providers for the summer term and estimated uptake for the autumn and spring terms for 2, 3 and 4 year olds. The current forecast indicates an underspend of £0.918m for 3 & 4 year olds, an overspend of £0.05m for 2 year olds and an overspend £0.03m on early years pupil premium. However, this is based on the current settlement and as previously reported, we are expecting our funding to be adjusted in line with the data collections from the summer term and future collections at autumn and spring. This is envisaged that the position will become more balanced and there will not be an underspend.

4.3 The current forecast for the SEN Inclusion Fund (SENIF) is illustrative of the increasing demand on the fund. The SENIF is being reviewed through the Early Years Working Group, further work is being undertaken to understand the demand, and funding allocated to ensure

funding support is being provided in the best way. This forecast is may be partly offset by the forecast underspend on the disability access fund. However, there is likely to be a pressure on the SENIF and overall early years funding as the allocation to the LA is adjusted.

- 4.4 It is extremely difficult to forecast the uptake of places, especially in light of the pandemic. This is a complex area of funding which continues to be closely monitored.

5. DSG RESERVE AS AT 31 MARCH 2021 AND ESTIMATED POSITION AT 31 MARCH 2022

- 5.1 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
DSG Reserve Brought Forward	(557)	(1,686)
Schools Block Changes		
In year surplus on business rates	51	49
In year surplus on growth fund	244	118
Schools Block Subtotal	296	168
In year deficit on Central Schools Services Block	6	0
In year deficit on High Needs Block	(1,822)	(2,394)
In year surplus on Early Years	703	787
Variation to Early Years Block 2019-20 Adjustment	(18)	0
Estimated Early Years 2020-21 Adjustment (TBC November 2021)	(293)	0
DSG Reserve after Commitments	(1,686)	(3,124)

- 5.2 If the 2021-22 projections materialise there would be a deficit of £3.124m 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.

6. RECOMMENDATIONS

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