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SCHOOLS' FORUM

Day: Tuesday
Date: 21 June 2022
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 Schools' Forum	
3.	**MINUTES**	1 - 4
	To consider the minutes of the meeting of Schools' Forum held on 15 March 2022	
4.	**DEDICATED SCHOOLS GRANT OUTTURN 2021-22 AND BUDGET UPDATE 2022-23**	5 - 12
	To consider the attached report of the Director, Education (Tameside and Stockport) and the Assistant Director, Finance	
5.	**DSG HIGH NEEDS SPENDING AND DEFICIT RECOVERY PLAN UPDATE**	13 - 20
	To consider the attached report of the Director, Education (Tameside and Stockport)	
6.	**SCHOOL BALANCES 2021-22**	21 - 24
	To consider the attached report of the Assistant Director, Finance	
7.	**SCHEME OF FINANCING FOR SCHOOLS 2022/23**	25 - 28
	To consider the attached report of the Director, Education (Tameside and Stockport)	
8.	**DATE OF NEXT MEETING**	
	To note that the next meeting of Schools' Forum will be held on 27 September 2022 at 10am	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Natalie King, Democratic Services Officer, natalie.king@tameside.gov.uk, 0161 342 2316, to whom any apologies for absence should be notified.

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SCHOOLS' FORUM

15 March 2022

Commenced: **10.00am** **Terminated: 10.50am**

Present:	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, 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
	Simon Brereton	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Simon Wright	Primary Schools – Academies
	Iain Linsdell	Primary Schools – Academies
	Andrew Foord	Headteacher, Special Schools – L/A Maintained
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Gill McFadden	Business Manager – Secondary Academies
	Anthony Benedict	Pupil Referral Service
	Rosario Sarno	Governor, Special Schools – Academies
	Anton McGrath	14-19 Sector
	Anne Morgan	Tameside Teachers' Consultative Committee
	Tim Bowman	Director, Education (Tameside and Stockport)
	Caroline Barlow	Assistant Director, Finance
	Jane Sowerby	Head of Education Improvement and Partnerships
	Louisa Siddall	Senior Accountant, TMBC
Apologies for absence:	Cllr Leanne Feeley	Executive Member
	Cllr Oliver Ryan	Executive Member
	John Cooper	Primary Schools – L/A Maintained
	Elaine Horridge	Diocesan Representative
	Heather Farrell	Primary Schools - Academies
	Steve Marsland	Primary Schools – L/A Maintained

26 DECLARATIONS OF INTEREST

There were no declarations of interest from Members of Forum.

27 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum, held on 19 January 2022.

It was noted that the costing of school improvement de-delegation had not yet been confirmed and that potential buy-in from academies may have an impact on final costings. Therefore, Members were advised that work was currently being undertaken in relation to this and that the final cost of this offer in terms of a per-pupil rate would be provided in due course.

RESOLVED
That the minutes of the meeting of Schools' Forum, held on 19 January 2022, be approved as a correct record.

28 EARLY YEARS FUNDING 2022-23

Consideration was given to a report from the Assistant Director of Finance and Director of Education (Tameside and Stockport), which outlined the arrangements concerning the Dedicated Schools Grant Early Years Funding for 2022-23.

Members were provided with details of the current funding settlement for Early Years 2021-22 and 2022-23. It was noted that the 2021-22 settlement was currently based on published allocations from DfE, using census data collated in Summer 2021, Autumn 2021 and Spring 2021. The 2022-23 settlement was based on the Schools, Early Years and Alternative provision census data from January 2021.

Members were advised that a consultation had been undertaken throughout February 2022, in order to gather opinion based on a range of proposals for 2022-23.

It was explained that the hourly rate of funding for 3 and 4 year olds received by the Local Authority had increased from £4.65 in 2021-22 to £4.82 in 2022-23 for both universal and extended entitlement.

Members were informed that the local funding scheme must include a base rate, which applies to all children in all settings. Members were informed that there was a mandatory requirement to have a supplementary rate in relation to deprivation. It was explained that supplementary rates relating to rurality/sparsity, flexibility, quality and English as an additional language were also possible. However, it was noted that the total value of supplements could not exceed 10% of the overall funding within this block.

It was noted that the funding scheme for 2021-22 contained one supplementary element, which was in relation to deprivation. Members were advised that this would continue to be the only supplement in 2022-23. With this in mind, Members were made aware that consultation had been undertaken regarding the method of allocation of deprivation funding.

It was acknowledged that it was essential to aim to ensure, as much as is possible, that funding effectively reaches the children living in families on very low incomes and that this funding should be used to provide additional support for the needs of eligible children, particularly as low-income households had been impacted most by the pandemic.

Members were made aware that the current method of allocation for deprivation was based on 3 bandings and a deprivation supplement was paid to all children. However, consideration had been given to a move towards a single rate of deprivation, which would potentially allow more targeted allocation of this funding. It was acknowledged that this would be important in ensuring that those children, who were the most relatively deprived were receiving the support they needed in order to develop. It was also noted that the Early Years Working Group were in support of this model.

The range of options for deprivation funding models were outlined for Members. These included:

Option 1 – Continue with the existing model
The allocation of deprivation could continue through the existing model where deprivation is allocated based on three bands and allocated for all children.

Option 2 – Model 1: Single rate of deprivation targeted to 30% of the most deprived children
The allocation of £0.30 per hour deprivation supplement will be targeted at eligible children identified in the 30% most deprived areas (as identified thorough the indices of deprivation 2019) in Greater Manchester.

Option 3 – Model 2: Single rate of deprivation targeted to Bands A to D of the School Funding Formula IDACI Bands
The allocation of £0.21 per hour deprivation supplement would be targeted at eligible children

identified in Bands A – D of the School Funding Formula IDACI Bands. The advantages and disadvantages of each model and proposed rates were outlined. Members were informed that this information had been included in the consultation document, alongside modelled, anonymised data. It was confirmed that this had been presented to the Early Years Working Group, who, in principle, were in agreement with moving towards a more targeted rate of funding.

A proposal to increase the SEN Inclusion Fund (SENIF) was outlined for Members. They were advised that it was proposed to increase this fund to approximately £378k for 3 and 4 year olds and approximately £61k for 2 year olds, in response to increased demand for support from providers. It was explained that this would be affordable through increased rates provided by the DfE. Members were also advised that discussions with the Early Years Working Group were ongoing in order to review SENIF allocation and to ensure robust and clear criteria for the allocation of this funding.

With regard to 2 Year Old Funding, it was noted that the hourly rate of funding received by the Local Authority had increased from £5.46 (2021-22) to £5.67 (2022-23). It was further explained that, in 2021-22, the provider hourly rate was £5.30 with £0.13 per hour retained centrally and was proposed that the rate to providers be increased to £5.40 with £0.14 per hour retained centrally.

Members were informed that the allocation rate for Early Years Pupil Premium (EYPP) had increased from £0.53 to £0.60 per hour per eligible pupil (up to a maximum of 570 hours) and that the allocation for Disability Access Fund (DAF) had increased from £615 to £800.

In relation to the consultation, Members were made aware that a total of 80 responses were received out of a total of 261 providers and the outcomes were outlined as follows:

a. Support was given for the proposals for 3 and 4 years olds. 50% (40 respondents) supported the proposals, 45% (36 respondents) did not and 5% (4 respondents) did not provide a response.
b. Support was given for the proposals for 2 year olds. 60% (48 respondents) supported the proposals, 36% (29 respondents) did not and 4% (3 respondents) did not provide a response.
c. The preferred option for the distribution of deprivation was Option 1, to continue with the existing model. 64% (51 respondents) preferred Option 1, 19% (15 respondents) preferred Option 2, 16% (13 respondents) preferred Option 3 and 1% (1 respondent) did not provide a response.

Members noted that a number of comments were received in relation to the consultation, which suggested that further clarity may be required. With this in mind, the increase in rate was broken down further, as follows:

- 3 and 4 Year Olds: Of the £0.17 increase in hourly rate from DfE, it was proposed there was a £0.10 increase to the base rate, £0.06 to increase the SENIF and £0.01 into central retention. The LA do not retain £0.47 centrally. Around £0.24 is held centrally (in line with operational guidance) and the remaining £0.23 supports SENIF and Deprivation.
- 2 Year Olds: Of the £0.21 increase in hourly rate from DfE, it was proposed there was £0.10 increase to the base rate, £0.10 to increase the SENIF and £0.01 into central retention.

Members were made aware that further consultation regarding the SENIF process would be undertaken with providers and that, although the general consensus had been to continue with Option 1 for deprivation funding, further work would be required in order to provide more information and clarity around the proposed models. This would form part of the annual review process and deprivation would be subject to consultation again for 2023/24.

RESOLVED
(i) That the contents of the report be noted and supported.
(ii)That the preferred option (option 1) for the allocation of deprivation be supported

29 DATE OF NEXT MEETING

RESOLVED

That the next meeting of The Schools Forum be held on Tuesday 21 June 2022 at 10am.

CHAIR

Report to:	**SCHOOLS' FORUM**
Date:	21 June 2022
Reporting Officer:	Caroline Barlow – Assistant Director of Finance Tim Bowman – Director of Education (Tameside and Stockport)
Subject:	**DEDICATED SCHOOLS GRANT OUTTURN 2021-22 AND BUDGET UPDATE 2022-23**
Report Summary:	A report on the Dedicated Schools Grant (DSG) outturn position for 2021-22 and an update of the budget position for the financial year 2022-23.
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)**	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. The outturn position for 2021-22 resulted in a deficit on the overall DSG of £3.243m. The current projection for 2022-23 is expected to be a deficit on the DSG of £5.786m. A deficit recovery plan has been developed and work continues to resolve the deficit position.
Legal Implications: **(Authorised by the Borough Solicitor)**	This grant is paid to support the local authority's schools budget. The Council is responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums. The Council is also responsible for allocating the ISB to individual schools in accordance with it's local schools funding formula. The grant is provided to the Council by the Secretary of State for Education under section 16 of the Education Act 2002 which states the following must be adhered to failing which the grant can be recovered: • The grant is a ring-fenced specific grant and it must be used in support of the schools budget as defined in the School and Early Years Finance Regulations 2020 for 2020-21 and the School and Early Years Finance (England) Regulations 2020 for 2021-22; and for no other purpose. • At the end of the financial year the Chief Finance Officer (CFO) of the local authority is required to append an additional note to the statement of accounts confirming the deployment of the grant in support of the schools budget as required by the Accounts and Audit (England) Regulations 2015.

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

- Given the deficit position a meaningful engagement is required with the DfE so as to address the position and avoid action by the Secretary of State and to minimise any impact of educational provisions.

Risk Management:

The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved.

The Council is responsible for the effective administration and management of the DSG. The cumulative deficit brought forward from 2020-21 and the increase in the size of the deficit at the end of 2021-22 is subject to a deficit recovery plan with the DfE. There is a risk that this may impact on the effective support and education of our most vulnerable children.

Access to Information:

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

1. INTRODUCTION

1.1 This report is presented to advise Schools' Forum of the outturn position for the overall Dedicated Schools Grant (DSG) in 2021-22, to provide an update on the DSG budget for 2022-23 and the DSG reserve position. The report sets out:

- The outturn position for the DSG for 2021-22 (Section 2)
- A budget update for the DSG for 2022-23 (Section 3)
- The DSG reserve position as 31 March 2022 and the estimated DSG reserve position at 31 March 2023 (Section 4)

2. DSG OUTTURN POSITION FOR 2021-22

2.1 The outturn position against the 2021-22 DSG settlement is shown in Table 1.

TABLE 1 – DSG Outturn 2021-22

DSG Funding Blocks	DSG Settlement 2021-22 at March 2022 £000	Block Transfer 2021-22 £000	Revised DSG 2021-22 £000	Distribution / Spend 2021-22 £000	Surplus / (Deficit) £000
Schools Block	183,081	(878)	182,203	182,025	178
Central School Services Block	1,114	0	1,114	1,107	7
High Needs Block	28,196	878	29,073	31,046	(1,973)
Early Years Block	16,571	0	16,571	16,424	147
Variation to Early Years Block 2020-21 funding adjustment	6	0	6	0	6
Early Year Block estimated 2021-22 funding adjustment	78	0	78	0	78
Total	**229,045**	**0**	**229,045**	**230,602**	**(1,558)**

Note: the above table includes rounding's

2.2 The surplus on the schools block relates to actual business rates charges being £0.049m lower than estimated and unallocated growth of £0.128m. As agreed with Schools Forum in January 2021, the unallocated growth should support the deficit on the DSG. It is proposed this surplus contributes to the DSG deficit

2.3 There is a small surplus on the Central Services Schools Block (CSSB) of £7k. This relates to the costs of servicing Schools Forum being lower than budget as a result of remote meetings and a small surplus on the Admissions Team costs due to reduced expenditure on non-staffing resources. It is proposed this surplus contributes to the DSG deficit.

2.4 The high needs budget continues to be under significant pressure with a closing in year deficit for 2021-22 of £2.851m and after the schools block transfer of £0.878m, this reduces to £1.973m. Further information on high needs spending and the Deficit Recovery Plan is provided in a separate agenda item.

2.5 The surplus on the early years block is currently £0.153m, which relates to £0.147m in-year surplus and £6k additional funding from the final 2020-21 early years allocation from DfE. It

is estimated there will be additional funding of £0.078m allocated in relation to the 2021-22 financial year as the final settlement will be adjusted based on the early years census data from January 2022. The final early years settlement for 2021-22 will be announced in July 2022. This would result in an overall surplus on early years of £0.231m. It is proposed this surplus contributes to the DSG deficit.

2.6 A detailed breakdown of the early years block for 2021-22 is included in Table 2.

TABLE 2 – Early Years Outturn (Provisional) 2021-22

Early Years Funding Block	Early Years DSG Settlement 2021-22 at March 2022 £000	Distribution / Spend 2021-22 £000	Outturn Surplus / (Deficit) £000	Estimated Funding Adjustment for 2021-22 £000	Estimated Final Outturn Surplus / (Deficit) £000
3 and 4 Year Olds Universal Entitlement	8,556	8,395	161	(21)	140
3 and 4 Year Olds Extended Entitlement	4,012	3,911	102	48	149
2 Year Olds	2,740	2,847	(107)	52	(55)
Early Years Pupil Premium	177	181	(4)	0	(4)
Disability Access Fund	73	38	35	0	35
Central Retention	780	647	134	0	134
SEN Inclusion Fund	232	405	(173)	0	(173)
Total	**16,571**	**16,424**	**147**	**78**	**225**

Note: the table above includes rounding's

2.7 The distribution / spend is based on the actual payments made to providers for 2, 3 and 4 year olds and central spend to support the Early Years sector. The current position indicates an underspend of £0.289m for 3 & 4 year olds, an overspend of £0.055m for 2 year olds and an overspend £4k on early years pupil premium.

2.8 The SEN Inclusion Fund has an overspend of £0.173m which is partly offset by underspends of £0.035m on the Disability Access Fund and £0.134m on the centrally retained budget. Savings on the centrally retained budget are as a result of reduced activity due to the Covid 19 pandemic and some staffing savings.

2.9 Due to the pressure on the SEN Inclusion Fund in 2021/22, it was agreed at Schools Forum in March 2022 to increase the budget as demand continues to grow in this area. This was afforded through an increase in the funding rates from DfE. This will be closely monitored throughout 2022-23 and updates will be reported to Schools Forum and Members.

3. DSG BUDGET UPDATE FOR 2022-23

3.1 The current DSG settlement for 2022-23 and forecast distribution / spend is included in Table 3.

TABLE 3 – DSG Forecast for 2022-23

DSG Funding Blocks	DSG Settlement 2022-23 at March 2022 £000	Block Transfer 2022-23 £000	Revised DSG 2022-23 £000	Forecast Distribution / Spend 2022-23 £000	Forecast Surplus / (Deficit) £000
Schools Block	190,743	(954)	189,789	189,535	254
Central School Services Block	1,182	0	1,182	1,182	0
High Needs Block	32,918	954	33,871	36,755	(2,884)
Early Years Block	16,965	0	16,965	17,201	(236)
Early Years Estimated July 2022 Funding Adjustment			323		323
Total	**241,807**	**0**	**242,130**	**244,673**	**(2,543)**

Note: the table above includes rounding's

3.2 As agreed with Schools' Forum, the 0.5% transfer from the Schools Block to the High Needs Block of £0.954m has been completed as shown in Table 3.

3.3 A review of the PFI contract for the Pyramid Schools resulted in a reduction to the PFI contributions for the three schools. This wasn't known until after the report was taken to Schools Forum to agree the 2022-23 funding formula in January 2022. The value of the reduction (approx. £0.26m) would have resulted in minimal increases across all schools and due to the timing of determining this reduction and DfE statutory deadlines this surplus funding was added to the growth fund.

3.4 There is a forecast surplus of £0.254m on the schools block. This relates to £0.257m unallocated growth (as discussed in the paragraph 3.3) offset by a £3k retrospective business rates charge. The final growth allocation is based on pupil numbers at the October 2022 census point and the figures will be updated once this has been finalised. This may impact on the current surplus forecast. It is proposed that any surplus on the schools block contributes to the DSG deficit.

3.5 The CSSB is expected to be spent in full.

3.6 The projected in-year deficit on the high needs block is expected to be £4.526m, which reduces to £2.884m with the £0.954m transfer from the schools block and a combination of both savings and cost avoidance totalling £0.688m identified in the Deficit Recovery Plan. The projection also includes £5.402m of estimated in-year growth related to increasing number of EHCP's and the planned new Resourced bases. Further information on high needs is included in a separate agenda item.

3.7 The early years block is currently forecasting a deficit of £0.236m, However, the funding settlement for early years will be updated in July 2022 and it's anticipated there will be an increase of £0.323m to reflect the January 2022 census data. Therefore, there is an estimated surplus of £0.087m. A detailed breakdown of the estimate is included at Table 4.

TABLE 4 – Early Years Forecast 2022-23

Early Years Funding Block	Early Years DSG Settlement 2022-23 at March 2022 £000	Distribution / Spend 2022-23 £000	Forecast Outturn Surplus / (Deficit) £000	Estimated Funding Adjustment for 2022-23 £000	Estimated Forecast Outturn Surplus / (Deficit) £000
3 and 4 Year Olds Universal Entitlement	8,851	8,828	23	(89)	(66)
3 and 4 Year Olds Extended Entitlement	4,094	4,113	(19)	197	178
2 Year Olds	2,543	2,784	(240)	215	(26)
Early Years Pupil Premium	179	179	0	0	0
Disability Access Fund	94	94	0	0	0
Central Retention	764	764	0	0	0
SEN Inclusion Fund	439	439	0	0	0
Total	**16,965**	**17,201**	**(236)**	**323**	**87**

Note: the table above includes rounding's

3.8 The forecast distribution / spend for 3 and 4 year old universal and extended entitlements and 2 year olds is based on the anticipated participation for 2022-23. Participation is difficult to estimate and the figures will be closely monitoring throughout the year and reported to Schools Forum.

3.9 The SEN Inclusion Fund was increased as stated in 2.9 and will be closely monitored.

4. DSG RESERVE AS AT 31 MARCH 2022 AND ESTIMATED POSITION AS AT 31 MARCH 2023

4.1 Table 5 provides details on the closing position of the DSG reserve for 2021-22 and the estimated position of the DSG at 31 March 2023.

TABLE 5 – DSG Reserve

	2021-22 Surplus / (Deficit) £000	2022-23 Forecast Surplus / (Deficit) £000
DSG Reserve Brought Forward	**(1,686)**	**(3,243)**
Schools Block Changes		
In year position on business rates	49	(3)
In year position on the growth fund	128	257
Schools Block Subtotal	**178**	**254**
In year position on Central Schools Services Block	**7**	**0**
In year position on High Needs Block	**(1,973)**	**(2,884)**
In year position on Early Years	**147**	**(236)**

Early Years 2020-21 final adjustment	**6**	**0**
Estimated Early Years 2021-22 Adjustment	**78**	**0**
Estimated Early Years 2022-23 Adjustment	**0**	**323**
DSG Reserve after Commitments	**(3,243)**	**(5,786)**

Note: the table above includes rounding's

4.2 In 2021-22, there has been an increase in the deficit in the reserve mainly as a result of the in-year high needs deficit. Contributions to the reserve have slightly reduced the burden but there continues to be a significant issue to resolve.

4.3 If the 2022-23 projections materialise there would be a deficit of £5.786m on the DSG. A deficit recovery plan has been developed and submitted to the DfE. Discussions are continuing 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 continue to be closely monitored and updates reported to Schools' Forum

5. RECOMMENDATIONS

5.1 As set out at the front of the report.

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Report to:	**SCHOOLS' FORUM**
Date:	21 June 2022
Reporting Officer:	Tim Bowman - Director of Education (Tameside and Stockport)
Subject:	**DSG HIGH NEEDS SPENDING AND DEFICIT RECOVERY PLAN**
Report Summary:	This report provides an update on the current DSG deficit position along with updates on the Delivering Better Value programme and the action plan to address spending pressures.
Recommendations:	• Schools Forum to note the report. • Schools Forum members to outline any further savings ideas or considerations to be explored and added to the recovery plan.
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 policy and framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The High Needs funding is part of the Dedicated Schools Grant (DSG). It is a ring fenced grant solely for the purposes of schools and pupil related expenditure. The High Needs block is significantly overspending and the management plan is not sufficient to recover the deficit or balance the in-year overspending.
Legal Implications: (Authorised by the Borough Solicitor)	The way in which the council account for the deficit has been altered by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 which require DSG deficits to be held in a separate reserve account as set out in the main body of the report. Requirements on how the Council should plan its management of grant and report to DfE remains governed by the School and Early Years Finance (England) Regulations 2022. Under Schedule 2 of the School and Early Years Finance (England) Regulations 2022, Councils are required to carry forward overspends to their schools budget either in the immediately following year or the year after. They can apply to the Secretary of State to disregard this requirement. In the case of the Secretary of State giving such permission, this may be for all or part of the sum requested by a Local Authority (LA), and permission may be given subject to conditions. The impact of these provisions means that a council with a grant deficit must: (1) carry the whole of the deficit forward to be dealt with in the schools budget for the new financial year (2) carry part of it forward into the new financial year and the rest of it into the following financial year

(3) carry all of it into the following financial year

(4) apply to the Secretary of State if it wishes to fund any part of the deficit from a source other than the DSG.

In addition, any council with a deficit at the end of the financial year is required to co-operate with the DfE and in particular provide information when requested.

Ultimately, The Secretary of State can impose specific grant conditions on councils with an overall deficit position when it is considered that insufficient steps are not being taken to address the situation.

It is therefore imperative that this report sets out how the budget is to be brought back into balance.

Risk Management:

The correct accounting treatment of the DSG is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review as the DfE's current expectation is that LA's balance their in year spending by 2023/24; there is a real risk that Tameside will not be able to do that.

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

There is a risk that the DfE Green paper will not move at a sufficient pace to make enough impact to change current demand.

Access to Information:

NON-CONFIDENTIAL

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

Background Information:

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

Telephone: 0161 342 3216

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

1. INTRODUCTION

1.1 This report provides an update in relation to the High Needs DSG deficit position and forward spend projections.

1.2 The report gives a high level outline of the DfE's Delivering Better Value scheme that Tameside have been invited to take part in and local context on the changing landscape.

1.3 The report provides an update on the proposals and work streams already in the Management Action plan to start to address the DSG High Needs deficit. These strands of work have been discussed at previous meetings, any further savings ideas or considerations that Schools Forum identify can be explored and added to the plan.

1.4 These proposals will be included in the DSG Management Action Plan to the DfE outlining our recovery proposals.

2. DEFICIT POSITION AND IN YEAR GAP

2.1 The cumulative DSG deficit for Tameside at the end of 2021/22 is £3.243m, an increase from £1.687m in 2020/21.

2.2 The High Needs element of the grant allocated by the DfE for 2021/22 was £28.196m, a block transfer from Schools block of £0.878m was approved by schools forum providing funds of £29.073m to support High Needs provision in the borough. Spend of £31.046m exceeds the in-year allocation by £1.973m.

2.3 The SEND Green paper highlights the unprecedented investment in the high needs sector where funding has increased by 40% between 2019-20 and 2022-23. Despite this and the proposed management actions below, Tameside continues to face significant deficits both in year and now on the overall DSG.
Part of this is in relation to the cap on funding on the High Needs National Funding Formula, a significant part of the funding allocation is still based on 2017-18 baseline spend. Tameside have been receiving a cap on funding since 2018-19, the cap for 2022-23 is £2.988m.
The table below shows the current High Needs Funding allocation's across all Greater Manchester (GM) Authorities and Tameside are receiving the second lowest allocation per pupil.

Table 1: High Needs Funding Allocations all GM Authorities

LA	2022-23 High Needs Block	Mid 2022 2-18 Population	Unit Per Pupil Funding
Trafford	£36,667,827	55,340	£663
Tameside	***£32,917,502***	***48,784***	***£675***
Wigan	£45,620,718	65,626	£695
Stockport	£42,816,539	61,424	£697
Rochdale	£36,870,805	51,557	£715
Bolton	£53,292,486	65,585	£813
Salford	£48,580,888	55,440	£876
Oldham	£51,158,374	56,805	£901
Manchester	£114,058,597	117,712	£969
Bury	£40,929,921	41,626	£983
	£502,913,657	**619,899**	

2.3 This cumulative deficit will need to be recovered along with bringing our in year spending in line with the grant allocated by the DfE. Within the High Needs DSG National Funding Formula (NFF) the funding due to Tameside is capped and has been since the start of the NFF, however it is DfE's expectation that the LA and schools operate within the spending limits of the amount allocated.

2.4 In LA Accounts, there is currently a time limited agreement that any deficit reserve in the DSG will not be taken into consideration by the external auditors when considering the financial health of the LA, the guidance states;

'Where a local authority has a deficit on its schools budget relating to its accounts for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the local authorities' general fund for a period of three financial years.'

As this is the last year that this arrangement is in place, it is therefore imperative we take timely, appropriate action.

3. GROWTH PROJECTIONS AND PROFILING FUTURE SPEND

3.1 Tameside historically had low numbers of Education Health Care Plans (EHCP's). However in recent years demand for assessment and awarding of plans has grown exponentially. We are now more in line with other LA's, the impact of Covid is not yet fully understood, but is impacting on support needed. It is difficult to ascertain at this stage if the increased demand is temporary.

3.2 Growth modelling was carried out by Edge-ucate last year; however, the growth projections predicted by them have been exceeded. Although Edge-ucate only predicts Pre 16 growth, final numbers of new EHCP's in this sector for 2021-22 are already 70 higher than they predicted.

3.3 There has been some issues with the robustness of data and placement information, which presents difficulty in projecting the demand growth and subsequently the financial implications. To improve the position the lead for the SEND data has transferred to the Schools Improvement Data lead and a 3-4 week diagnostic review of the SEND processes and systems along with a recommendations report will be undertaken by Tameside's Transformation Team over the summer.

3.4 Once the outcome of the review of data referred to above is completed, high level changes will be updated in line with actual changes and costs.

3.5 The current forecast of the in-year and continuing gap that Tameside needs to address is as follows;

Table 2: Projected DSG Deficit

	2022-23	2023-24	2024-25	2025-26	2026-27
Overall DSG Deficit Projection	**£000**	**£000**	**£000**	**£000**	**£000**
In year gap after saving delivery	(2,844)	(4,008)	(6,571)	(7,804)	(8,807)
Prior Year Carry forward Deficit	(3,243)	(6,087)	(10,094)	(16,666)	(24,470)
Year End Deficit	**(6,087)**	**(10,094)**	**(16,666)**	**(24,470)**	**(33,277)**

3.6 It is clear that the current plan does not address the financial difficulty faced.

4. UPDATE ON EXISTING MANAGEMENT ACTION PLAN

4.1 **Funding**

An annual vote has taken place with the mainstream sector to look to transfer funds from the Schools Block to the High Needs Block fund, these transfers have been considered on an annual basis and have been approved by schools forum in line with regulations.

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

A review of the services that are funded from the High Needs Block took place to look where any potential financial savings could be realised which covered the following areas:

Portage – A review of the portage service was undertaken, for inclusive practice and waiting times for families. Where appropriate support was provided by other existing groups including targeted and inclusive universal support groups resulting in budgetary savings of £40,100.

Early Years (EY) Appropriate Funding Posts. – A review of the Pupil Support structure identified 2 posts that were being funded from High Needs that support the Early Years agenda, this was a SEMH worker in Pupil Support and a Hearing Impaired Specialist post. This post were redirected to EY's central support funding realising a saving of £106,700 to the High Needs Budget.

Pupil Support Restructure – A review of the Pupil Support team was undertaken to consider the offer to schools and the way the service was aligned. This review has realised annual savings of £16,245.

Total annual savings realised through these reviews £163,045.

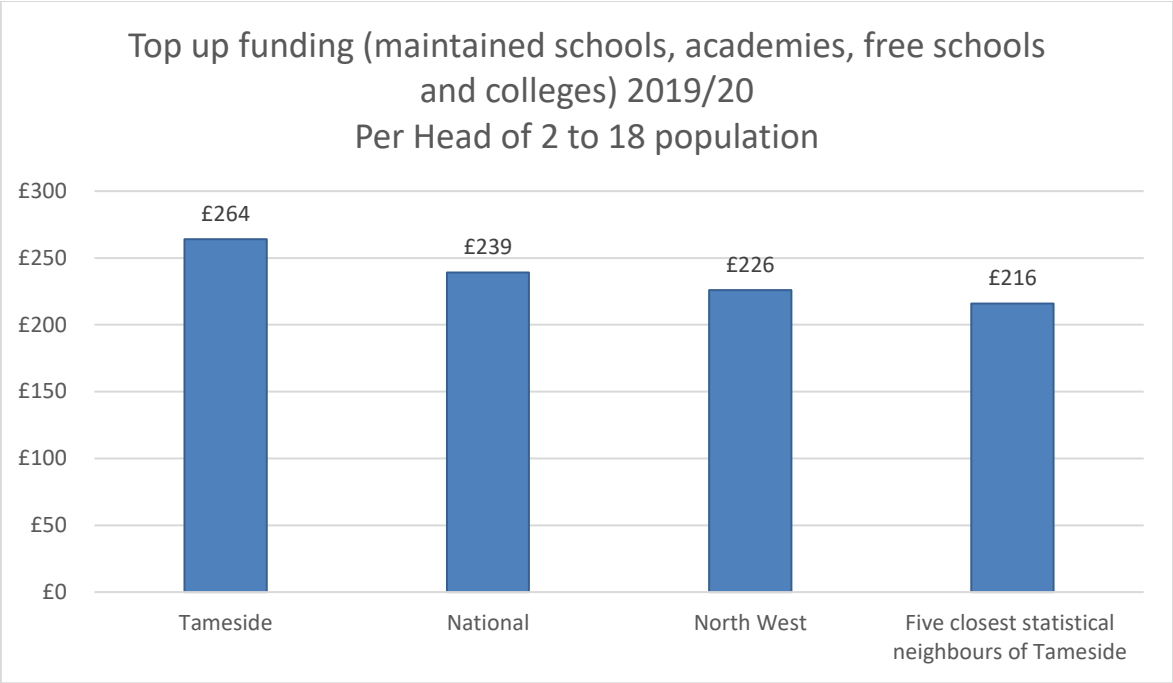
4.3 **Review of Element 3 Savings**

A review of the Element 3 top-up funding is underway. No financial implications of this have been considered at this stage. A banding model has been developed by the SEND team which focuses on the provision needed to support the pupils need rather than funding the type of need. This Matching Provision to Need (MPTN) document has been consulted upon within the Special School Sector. Consultation will be extended to include mainstream schools and a more detailed timeline will be shared ahead of a planned implementation date of April 2023.

The reason the financial impact has not as yet been determined is because part of the work plan will be to work through realistic costings of the provision in school, once the MPTN model has been approved and a mapping exercise will need to take place to move all students with funding to the new model. A detailed timeline will be brought back to Schools Forum in September 2022.

Benchmarking information shown in Table 3 shows the spend on top-up funding in Tameside on average top-up is between £38 and £48 higher than the rest of North West and statistical neighbours.

Table 3: Published Benchmarking - Top Ups per head of Population



4.4 **Resource Base Review**

As part of the specialist provision, the council have consulted on implementing additional local resource bases in mainstream settings. This is considered good practice in terms of keeping pupils in the local community to build networks and support inclusive practice.

This proposal sought to establish 40 additional local places in 2021-22, a further 40 places in 2022-23 and 40 more in 2023/24.

In 2021-22 consultation took place with the following settings to establish additional bases, and create additional places:

Table 4: New Resources Places September 2021

New Base	No of Places
Corrie (school)	10
Russell Scott (school)	4
Rosehill (academy)	10
Oakfield (academy)	8
Greenside (academy)	10
Total Additional Places Established	**42**

Work continues to expand this model into additional primary and secondary settings. This proposal does not offer financial savings but does help in addressing demand in borough and avoid more costly placements in independent and non-maintained schools, average cost of a placement in an Independent setting costs £35,000 per placement as opposed to £10,000 per placement in a local base.

4.5 **Growth and Over Capacity Funding**

Further to a report approved by Schools Forum 24 November 2020, regarding funding additional places in specialist settings, the report looks to bring the local approach in line with national funding guidance. The first 5% of growth after the annual place commissioning has taken place will not be funded. Along with this where places have been commissioned but not filled in specialist settings, consideration will be given to offsetting top-up payments

against unutilised place funding. Again there is not a saving in this proposal just potential cost avoidance of £50,000 per annum.

4.6 **Contract Review**

One of our special schools has a PFI style contract. A review of this contract will be undertaken to see if it represents value for money. It is envisaged savings could be found from this contract. This review will be undertaken with the support of the LEP, the outcome of which will be considered by Elected Members at Executive Cabinet. Potential savings to the High Needs block as a result of this review is an annual £279,000.

4.7 **Post 16 Provision**

A sixth form provision has been established at Cromwell school to provide increased parental choice and expand the provision in the Borough

4.8 **Tameside Pupil Referral Service (TPRS) Funding and Inclusive Practice**

A review of the funding model for TPRS was considered, TPRS received funding removed from schools in line with guidance for the funding to follow the child where exclusions occur and give to the admitting schools, where the pupil had not been admitted to a new school by the end of the financial year. This funding was on top of the council commissioning a number of alternative provision places from TPRS. After review and discussion it has been agreed that this funding will instead be returned to the High Needs Budget. This realised savings of £61,112 in 2021-22 and is expected to be approximately £160,000 in 2022-23.

In addition, a review of the number of places commissioned and inclusive practice with schools will continue to explore appropriate funding through working groups with the Tameside Primary Consortium (TPC) and Tameside Association of Secondary Headteachers (TASH).

5. CURRENT CONTEXT

5.1 Since the last update report to Schools Forum in September 2021 on the High Needs management plan, there has been some delay in moving forward on parts of the deficit recovery plan partly due to capacity issues within the SEND team as resources have been diverted to respond to;

- The SEND Inspection;
- The response to the Ofsted written statement of action;
- Additional workload as a result of the Covid pandemic.

In addition, the Service has experienced operational difficulties due to significant staff turnover and vacancies in the SEND team.

5.2 The Council have approved additional staffing in the SEND team to support the increased demand. Separate reports approved the following additional posts;

Report 1	SEN Caseworkers	Grade H x 1
	EHCP Writers	Grade F x 3
Report 2	SEN Caseworker	Grade H x 1
	SEND Admin Post	Grade C x 1
	Admin Apprentice	Apprentice

5.3 The DfE have also indicated some changes in approach to support local authorities with High Need Deficit recovery. The DfE already had the Safety Valve Intervention programme, which was introduced in 2020/21, this was developed to support those LA's with the very highest percentage DSG deficits recognising they would need help to turn things around. Although

Tameside's deficit is significant to us in terms of our spending levels it is i not significant enough for us to be considered for this programme.

5.4 There have been some further developments and in addition to this scheme, the DfE are launching a Delivering Better Value in SEND program (DBV). The program aims to build the capacity and capability in the system to begin to address existing challenges and pressures in anticipation of wider SEND reforms outlined in the Green Paper. The LA's that will be eligible for support from this program are LA's that have deficits that are growing but not yet at the level for Safety Value intervention.

The DfE are investing £85m for DBV across 55 LA's, some of this has been earmarked for the analysis stage, however the bulk of this funding will be for bidding for and local action plans. The DfE have appointed Impower Consulting Ltd as delivery partners in this work.

The first 20 eligible LA's will commence in June 2022 and Tameside has been identified as an LA that would be eligible for this program.

5.5 The program will follow two phases, the first phase will be a diagnostic stage, where the LA will receive some support from a SEND professional advisor and a SEND Financial Partner. This support will be to:

- carry out a review of current practice;
- support us to look at our data and analysis of this to support future decision making;
- Review our current spending:
- Support to review action plan to address deficit and produce a delivery plan to be submitted back to DfE.

It is anticipated the first stage will take approximately 6 months to get agreement from the DfE and then the second is expected to last around 18 months in delivery with the aim of bringing the budget back into a balanced positon.

5.6 DfE have suggested that funding will be provided to the LA to add capacity to the local teams to support this work however, specific details and confirmation has not yet been received.

6. CONCLUSION

6.1 With regards to the implementation of the action plan to date, this has realised savings in total of £323,000 from the review of SEN Support Service's and TPRS funding. The review of the resource bases creates cost avoidance of £1.428m provided the bases are fully utilised and a £50,000 cost avoidance on funding Over Capacity.

6.2 The current action plan, with the estimated growth does not address the in-year and continuing budget gap that Tameside faces.

7. RECOMMENDATIONS

7.1 As set out at the front of the report.

Report to:	**SCHOOLS' FORUM**
Date:	21 June 2022
Reporting Officer:	Caroline Barlow – Assistant Director, Finance Tim Bowman – Director of Education (Tameside and Stockport)
Subject:	**SCHOOL BALANCES 2021-22**
Report Summary:	This report provides an update on the surplus balances held by schools at the end of 2021-22 financial year.
Recommendations:	School's Forum are asked to: • Note the contents of the reports and the position of schools balances at the end of 2021-22 • Take into consideration views shared from School Funding Group • Consider whether the claw back mechanism should be applied to 2021-22 surplus balances (ahead of any formal decision in September 22) and approve clawback from schools except for balances held for capital purposes which should be moved to a capital reserve or where there are exceptional circumstances which will be considered on a case by case basis
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 policies and financial regulations.
Financial Implications: **(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**	School funding is primarily given from the Dedicated Schools Grant, which is ring-fenced for educational purposes. Under the Scheme of Financing, schools are able to hold reasonable balances and any excess balances are subject to clawback by Schools Forum. Schools Forum have agreed any clawback of funds would be utilised to support the High Needs deficit recovery.
Legal Implications: **(Authorised by the Borough Solicitor)**	There are no immediate legal implications arising from this report save that consideration always need to had in relation to ensuring good value for money of the use of any balances together with ensuring that the correct accounting procedures are applied.
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

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

1. INTRODUCTION

1.1 The purpose of this report is to provide a preliminary update to Schools Forum ahead of the planned agenda item on surplus balances at the September 2022 meeting, and to confirm the approach that should be taken.

2. FINAL POSITION 2021-22

2.1 Table 1 summarises school balances by sector for the financial year 2021-22 and shows the movement from 2020-21 balances:

Table 1: Final Position School Balances 2021-22

Sector	2020-21	2021-22	Movement	% Change
Primary	£6,256,163	£5,016,309	(£1,239,854)	-20%
Secondary	£1,713,736	£2,913,368	£1,199,632	70%
Special	*£1,384,386*	£1,364,225	(£20,161)	-1%
Totals	**£9,354,285**	**£9,293,902**	**(£60,383)**	**-1%**

2.2 The table shows overall balances have reduced by £0.060m or 1% compared to 2020-21 and in particular:

- Primary balances have reduced £1.240m or 20% and this is partly due to the term time only back pay primary schools had to absorb in 2021-22
- Secondary balances have increased by £1.200m or 70%.
- Special school balances have reduced by £0.020m or 1% and again in part is attributable to the impact of term time only back pay.

3. BALANCE CONTROL MECHANISM & EXCESS SURPLUS BALANCES

3.1 A review of the year-end surplus balances has identified 17 schools with excess surplus balances at the end of 2021-22 that have either:

- exceeded the approved surplus balance submitted to the Local Authority in June 2021,or
- school didn't submit a return to hold balances above the sector threshold but their year-end actual balances is above the threshold

Table 2: No of Schools with Excess Surplus Balances

No of Schools with Excess Balance	No of years Hold Excess Surplus	Total Excess Surplus Balance	At Risk of claw Back at 50%
7	Year 1	£653,239	£0
10	Year 2	£696,653	£348,327
17		£1,349,892	£348,327

3.2 In addition to the above, 2 further schools chose to earmark part of their 2021-22 balances in a capital reserve, see table 3 below. In line with Balance Mechanism Scheme, these balances can be held for up to 3 years.

No of Schools with Earmarked Capital Reserves	Year Invested in Capital Reserve	Total Earmarked Reserve
2	2021-22	£390,000

3.3 Schools' Forum agreed to treat all schools with excess surplus balances in 2020-21 as an 'exceptional circumstance' due to the pandemic and a decision was taken not to claw back any balances from last year. Therefore, any schools that were at risk of claw back last year will be classified as holding a second year consecutive balance this year in 2021-22

3.4 All schools with excess surplus balances have received notification of their excess balance and are aware schools forum will be reviewing the balances at this meeting ahead of any formal decision to claw back balances in September 2022.

3.5 School Funding Group met on the 18 May 2022, the issue of clawback was discussed and the following points were raised:

- The group acknowledged that whilst there are a number of pressures affecting schools budgets currently, the scheme has been in operation several years now and if the mechanism is not implemented in terms of claw back, there is little point in operating the scheme.
- Discussions did also acknowledge that the scheme only affects maintained schools and raised the issue of fairness in applying a scheme that can only invoke balances from this sector.
- However, the group did support a recommendation to invoke the clawback mechanism and any funding removed should be used to support the high needs deficit.

4. CONCLUSION

4.1 Schools' Forum are asked to consider:

a) Recommendations from Schools Funding Group
b) Whether claw back should go ahead as planned and the £0.348m at risk be removed from schools to support the High Needs Deficit as previously agreed.
c) Whether any exceptional circumstances should be taken into account from individual schools?

5. RECOMMENDATIONS

5.1 As set out at the front of the report.

Report to:	**SCHOOLS' FORUM**
Date:	21 June 2022
Reporting Officer:	Caroline Barker - Assistant Director of Finance
Subject:	**SCHEME OF FINANCING FOR SCHOOLS 2022/23**
Report Summary:	This report outlines the changes to Tameside Scheme of Financing for Schools. Changes are needed to the scheme to update for DFE directed changes and reflect local changes.
Recommendations:	• Schools' Forum note the Secretary of State for Education directed revisions for inclusion in the scheme. • Maintained Schools Forum representatives agree the local changes to the Tameside Scheme of Financing for Maintained Schools
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)**	There are no direct financial costs as a result of this report. The report brings the local Scheme of Financing in line with Department of Education's latest directed changes and updates for changes in administrative arrangements locally. This makes the local scheme compliant.
Legal Implications: **(Authorised by the Borough Solicitor)**	This report provides the Forum with a update to the Council's Scheme of Financing for Schools as required by the Department for Education. The details of those requirements and how they have been met are detailed in the main body of the report.
Risk Management:	Not updating the scheme in line with the DFE latest regulation could result in challenge from our schools in relation use of appropriate provisions of the scheme.
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 Local Authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The DfE has issued revised guidance on Local Authority schemes for financing schools which Local Authorities (LA) must take into account when they revise their scheme. Local changes to the scheme must be consulted upon with all LA maintained schools

2. REVISIONS TO TAMESIDE SCHEME OF FINANCING

2.1 The changes to Tameside's scheme for 2022/23 fall into two categories;

- Directed revisions – These are statutory revisions as directed by the Secretary of State for Education, the power of directed revision is used, to remove outdated provisions and to insert new provisions that are required for the implementation of government policy.

- Local Revisions – These are local management arrangements that are in place for which schools are consulted on any changes proposed.

3. DIRECTED REVISIONS

3.1 The Secretary of State for Education has made directed revisions to section 3.6 Borrowing by schools. Reference to the Salix Scheme has been removed, as this scheme has now closed.

The changes made are as follows;

3.2 **2020 Scheme Extract (Removed)**
From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. Schools can use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving.

If schools wish to make use of this scheme they will not be subject to additional approval, however this type of arrangement must be accounted for appropriately by the Local Authority as these arrangements will fall under its Treasury Management Policy, so the school must liaise with the Finance Team to ensure the loan is taken in accordance with the Authority's financial regulations.

3.3 **Revised 2022 Extract (Updated)**
The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

3.4 Schools' Forum Members are asked to note the directed revisions.

4. LOCAL REVISIONS

4.1 The change to the scheme of financing on point 3.2 is in response to feedback, in relation to the proportion of budget share payable at each instalment.

4.2 Feedback has been received stating the existing process created additional administrative cash planning burdens and more detailed cash flow management, and a simpler allocation basis would be more helpful.

4.3 The revision is to change the payment of budget shares to schools in 12 monthly instalments instead of the total of this sum is divided in equal 11th's and paid to the school in 10 instalments paid in all months except March with 2/11ths paid in July.

4.4 Consultation on the change was carried out via a couple of methods;

- Via Survey Monkey between 25 April and 7 May.2022 with Schools.
- Subject of discussion at School Funding Group 18 May 2022.

Feedback was collected via the survey monkey. The outcome was that of the 24 respondents, 79.17% agreed the suggested changes was positive and supported it.

4.5 Schools' Forum maintained school representatives are asked to vote in favour of this change.

5. CONCLUSION

5.1 The proposed changes to the Scheme of Financing for Schools outlined in this report will ensure the Local Scheme remains compliant with the DfE requirements of a local scheme.

6. RECOMMENDATIONS

6.1 As set out at the front of the report.

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