

## SCHOOLS' FORUM

27 September 2022

Commenced: 10.00am

Terminated: 11.15am

<b>Present:</b>	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, 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
	Steve Marsland	Primary Schools – L/A Maintained
	John Cooper	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Betty Jones	Governor, Secondary Schools – L/A Maintained
	Simon Wright	Primary Schools – Academies
	Pierre Coiffait	Headteacher, Special Schools – L/A Maintained
	Anthony Benedict	Pupil Referral Service
	Anne Morgan	Tameside Teachers' Consultative Committee
	Elaine Horridge	Diocesan Representative
	Cllr Leanne Feeley	Executive Member
	Iain Linsdell	Primary Schools – Academies
	Lisa Richards	16-19 Sector
	Heather Farrell	Primary Schools – Academies
	Elaine Sagar	PVI Representative
	Caroline Barlow	Assistant Director, Finance
	Anthony Benedict	Pupil Referral Service
<b>Apologies for absence:</b>	Donal Townson	Governor, Primary Schools – L/A Maintained
	Gemma Patterson	Primary Schools – L/A Maintained
	Cllr North	Executive Member
	Kirsty Rimmer	Primary Schools – L/A Maintained
	Mark Bidgood	Special Schools - Academies

### 8 APPOINTMENT OF CHAIR AND DEPUTY CHAIR

#### RESOLVED

**That Karen Burns be appointed as Chair and Susan Marsh be appointed as Deputy Chair of the Schools' Forum for the 2022-23 Academic Year.**

### 9 DECLARATIONS OF INTEREST

The following Members declared an interest in Agenda Item 6 and withdrew from the meeting during discussion and voting on this item:

- Betty Jones
- Pierre Coiffait
- Steve Marsland

### 10 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum, which was held on 21

June 2022.

## **RESOLVED**

**That the minutes of the meeting of Schools' Forum, which was held on 21 June 2022, be approved as a correct record.**

## **11 SCHOOLS FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION**

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

The documents reflected the Department for Education guidance for Schools' Forum published in September 2018 and updated in March 2021.

In considering the report, members noted that there were currently 3 vacancies within Schools' Forum, for this academic year, which included:

- 2 Academy Secondary School representatives
- 1 Non-School Member (Roman Catholic Diocese)

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

## **RESOLVED**

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

## **12 SCHOOL BALANCES**

Consideration was given to a report of the Assistant Director of Finance and Director of Education (Tameside and Stockport), which provided further review of 2021-22 excess surplus balances at risk of clawback and details of the 2022-23 surplus balances approved in line with the balance mechanism scheme.

Members were reminded that, at the last meeting of Forum, Members were made aware of 17 schools with excess surplus balances above permitted levels. Of these, 10 schools had carried an excess surplus balance for 2 consecutive years and, in line with the previously agreed clawback mechanism, 50% of the balance was currently at risk of clawback.

It was noted that, at the June 2022 meeting, Forum, Members took a decision, in principle, to invoke the claw back mechanism to 2021-22 excess surplus balances, subject to giving schools an opportunity to provide details of any exceptional circumstances. Members were made aware that the 10 schools at risk of clawback had since been contacted to ask if they wished to put forward exceptional circumstances for consideration. Responses had been received from 8 of the 10 schools.

Members were provided with an anonymised summary of the correspondence reviewed from schools based on the previous Forum 'in principle decision' to claw back and associated recommendations. The review also included a recommendation on whether the exceptional circumstance had impacted or caused the 2021 excess surplus.

It was recommended that 2 schools were asked to move the funds held to capital reserves in order to support the delayed capital works the schools were due to undertake. The other 8 letters received outlined what they would spend the balance on, rather than what the exceptional reasons were for still holding the balance. One school had outlined the reasons for holding higher balances.

Members acknowledged that decisions relating to invoking the clawback were difficult to make. However, following detailed discussion, they were in agreement that the rules surrounding the clawback mechanism had been designed to be fair and transparent and, with this in mind, they were satisfied that these had been applied correctly, when considering the circumstances of each case.

In relation to 2022-23 surplus balances, Members were advised that 11 schools (9 primary, 1 secondary and 1 special school) had submitted plans with surplus balances above the sector thresholds for the financial year 2022-23. In line with the Balance Mechanism Scheme, these schools had also submitted an approved Utilisation of School Balances form, which identified the reasons for holding the surplus and it was noted that the Schools' Finance Team would continue to monitor the balances in-year with a further update brought to School's Forum at a later date.

#### **RESOLVED**

- (i) That it be agreed no further action is required for school 1**
- (ii) That it be agreed the excess balance be clawed back at a rate of 50% for schools 2, 3, 4, 5, 6, 7, 8 and 10 and used to offset the High Needs Deficit**
- (iii) That it be agreed the claw back fund from school 9 be moved to the Capital Reserve Fund**
- (iv) That the surplus balance position for 2022-23 be noted**

### **13 SCHOOLS' FINANCIAL VALUES STANDARD RETURNS**

Consideration was given to a report of the Assistant Director of Finance, which provided an update on the mandatory requirement for schools to complete the self-assessment process against the Schools' Financial Value Standard by 31 March 2022.

It was explained that this return needed to be submitted on an annual basis and had been designed with schools to help them in managing their finances and to give assurance that they have secure financial management in place.

It was explained that the standard consisted of questions, which governing bodies or management committees should formally discuss annually with the headteacher and senior staff. It concentrated on the key elements of financial management and efficiency and was aimed mainly at governors as they have a statutory responsibility for financial management in schools.

It was noted that, from 2021-22, schools were now being asked to record and complete a template to record any Party Related transactions and that these must be submitted to the LA along with the return. A further change noted was that the requirement on schools to complete a 'self-assessment dashboard' had been removed as the DfE's school benchmarking website had been updated to include an individualised 'SFVS dashboard', which schools must review and evidence as part of the SFVS self-assessment.

Members were informed that, once governor-approved returns had been submitted to the Local Authority, the LA should consider any Related Party Transactions submitted by schools, paying particular attention to any over £20,000, ensuring they are satisfied with the financial controls in place. In addition, it was stated that they should use schools' SFVS returns to inform their programme of financial assessment and audit.

With regard to the position of Tameside schools, Members were made aware that, of the 58 schools open at the start of 2021-22, the LA had received 57 returns, one school that had an academy order

in place did not submit; this was in line with an eligible exemption. It was also noted that no schools in Tameside returned a Related Party Transaction above £20,000.

It was outlined that The LA had been required to submit an assurance statement, signed by the Chief Financial Officer detailing which schools completed the SFVS, to the DfE by 31 May 2022. Members were informed that this statement had been signed and sent to the EFSA by the deadline as required.

## **RESOLVED**

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

### **14 SCHOOLS FUNDING UPDATE ON NFF AND SUMMER ANNOUNCEMENTS FROM DFE**

Consideration was given to a report of the Assistant Director of Finance and the Director of Education (Tameside and Stockport), which provided members with an update on the latest funding announcements.

Members were advised that the DSG announcements at this stage only covered the Schools Block, High Needs Block and the Central Service Support Block. It was explained that Early Years Block information was not shared at this point and updates on this and confirmation of all other allocations would be expected in December 2022. In addition, it was outlined that indicative figures released at this stage were based on the 2022-23 data set (October 2021 census data) and would change in some areas to take account of October 2022 census returns.

It was explained that 2023-24 was the second year of a three year funding settlement which had seen core school funding increase by £1.5bn from 2022-23 and there was an increase in funding rates of 1.9% nationally. In addition, the provisional 2023-24 allocation for Tameside had increased by £7.5m, this was after increasing the 2022-23 allocation to take account of the supplementary funding, which was allocated in 2022-23.

Members were informed that the Schools Block allocation was based on October 2021 census data. It was also explained that the provisional 2023-24 allocation for Tameside MBC had increased by £5.190m; this excluded Growth funding which would be allocated following funding announcements in December 2022.

The main changes within Schools Block allocations were outlined for Members. These included changes relating to increases in IDACI and FSM6 Factors and Sparsity Factors, proxy measures for Prior Attainment, changes in the way Business Rates would be paid, use of local formulae for the Minimum Funding Guarantee, and the continuation of compulsory Minimum Per Pupil Funding Levels (MPPL).

It was highlighted that this was the first year the DfE were moving LA's closer to a direct National Funding Formula; meaning every LA must use only NFF factors and they must use all of the NFF factors. It was noted that they must also move 10% closer to the NFF factors. Members were assured that Tameside was already in line with NFF and, as a result, these changes would not impact Tameside schools.

In relation to High Needs Block funding, Members were informed that this had increased 6.3% nationally (£570m) and that Local Authorities had seen an increase between 5% and 7% capped. It was noted that the 7% increase was before recoupment and the hospital factor was included and that Tameside had received a 7% capped increase. It was also discussed that, without this cap, Tameside would have, in fact, received an additional £3.479m. This increase was after adding in the supplementary grant that had been added to the 2022-23 baseline. Members were made aware that these current announcements were provisional and would be subject to further updates.

Members were informed of the provisional High Needs allocation for 2023-24 compared to the current 2022-23 allocation. This demonstrated an overall increase of £2.276m (before any recoupment and any further adjustments) or 7%. However, this was expected to be offset by an estimated increased spend of £8.455m if growth in Education Health Care Plans (EHCPs) were to continue at the current rate. This would leave an estimated in-year gap of £4.165m and a carry forward overspend from 2022-23 totalling £6.871m, which would leave an estimated £11.036m deficit to address in 2023-24.

It was explained that Local Authorities would 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 would continue to be in place for any amounts over 0.50% or for any amount without Schools Forum approval.

Members were advised that, based on current growth projections, even continuing with a 0.50% transfer (as in 2021-22) of £1.001m, this would still leave a potential in-year deficit on the High Needs Block of £4.165m in 2023-24 and a 1.00% transfer would still leave an in year deficit of £3.164m. With this in mind, Members were asked to support, in principle, the 0.5% transfer to the High Needs Block to support spending for additional needs (subject to affordability within the Schools Block allocation).

It was explained that consultation with schools would be carried out in the normal way to seek opinion on the block transfer. However, consultation with regard to the application of the Schools Block NFF was no longer needed as there was full compliance with DfE requirements.

In relation to the Central Services Schools Block, Members were made aware that this had been reduced overall by 4.1%. However, it was noted that Tameside would see an increase in funding as the formula continued to reduce historic funding by 20%. It was explained that Tameside would not be affected by this reduction as it had no historic funding.

## **RESOLVED**

**(i) That the contents of the report be noted**

**(ii) That it be agreed, in principle, to transfer 0.50% from Schools Block to High Needs Block in 2023-24, subject to affordability**

## **15 DSG MONITORING 2022-23 UPDATE**

Consideration was given to a report of the Assistant Director of Finance and the Director of Education (Tameside and Stockport), which outlined the Schools Grant budget position for the financial year 2022-23 and provided an update on the Early Years final outturn position for 2021-22.

Members were made aware of the current DSG settlement for 2022-23 and informed that there was a forecast surplus of £0.254m on the Schools Block. This related to £0.257m unallocated growth, which had been offset by a £3k retrospective business rates charge. It was noted that final growth allocation would be based on pupil numbers at the October 2022 census point and, therefore, the figures would be updated once this was finalised. It was acknowledged that this may impact on the current surplus forecast and proposed that any surplus on the Schools Block be used to contribute to the DSG deficit.

Members were advised that the Central Services Schools Block was expected to be spent in full and that the projected in-year deficit on the High Needs Block was expected to be £4.581m. It was noted that this would reduce to £2.939m 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. This projection also included £2.482m of estimated remaining in-year growth relating to further increases in the number of EHCP's and the planned new Resource Bases. In contrast, the Early Years Block was projected to have a surplus of £0.429m.

Members were informed that the High Needs Budget position for August 2022 had seen a slight increase of £0.010m from the original position, which had forecast an in-year deficit of £3.629m. It was noted that the original budget had included growth of £5.401m and, to date, 54% of this budget had been spent; this could indicate growth could be slightly higher than expected.

It was acknowledged that some of the growth had been in areas, which had not been anticipated, for example, in the Post 16 sector and in out of borough placements. Members were informed that growth would continue to be monitored closely and that a more detailed review would need to be carried out following updated intelligence from the SEN team as well as updates on the new resourced units.

Details of the Early Years settlement for 2021-22 were provided for Members and it was noted that the overall settlement had increased by £81k, which had resulted in a final surplus of £0.228m and had been used to contribute towards the DSG deficit. A detailed update of the Early Years Block for 2022-23 was also provided.

It was acknowledged that participation was difficult to estimate but was continuing to reduce, which had contributed to surpluses for 3 and 4 year old funding. Members were advised that there would be a further funding adjustment based on the spring term census data and, if estimates were accurate, this would suggest that there would be a clawback of funds, which would reduce the anticipated surplus.

It was explained that the reduction in participation for 3 and 4 years olds was, in part due to the reducing birth rate. However, it was also acknowledged that the take up of places had decreased, based on the latest census information.

In relation to the SEND Inclusion Fund (SENDIF), Members were made aware that there was currently a nil variation. However, it was noted that demand on the fund for the summer term appeared to be high and, therefore, a full review would be undertaken and an update provided at the next meeting.

Details on the closing position of the DSG for 2021-22 and the estimated position for 31 March 2023 was provided for Members. It was noted that, if the 2022-23 projections materialised there would be a deficit of £5.496m on the DSG. Members were informed that a deficit recovery plan had been developed and submitted to the DfE and discussions were ongoing, with further information to be shared at the next meeting.

Discussion ensued in relation to the high number of out of borough placements and it was agreed that an update in relation to the possible reasons surrounding this would be brought for discussion at the next meeting.

#### **RESOLVED**

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

#### **16 DATE OF NEXT MEETING**

#### **RESOLVED**

**That the next meeting of The Schools Forum be held remotely on Thursday 1 December 2022 at 10am.**

**CHAIR**