

SCHOOLS' FORUM

19th January, 2023

Commenced:	10.00am	Terminated: 12.00pm
Present:	Karen Burns (Chair) Lisa Lockett Simon Brereton Steve Marsland Kirsty Rimmer Richard O'Regan Gus Diamond Pierre Coiffait Anthony Benedict Anne Morgan Elaine Horridge Elaine Sagar Jerome Francis Louisa Siddall Wendy Lees Caroline Barlow Jane Sowerby Tim Bowman	Primary Schools – Academies Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools – L/A Maintained Secondary Schools – L/A Maintained Secondary Schools - Academies Special Schools – L/A Maintained Pupil Referral Service Tameside Teachers' Consultative Committee Diocesan Representative PVI Representative Finance Business Partner Senior Finance Manager Finance Manager Assistant Director, Finance Head of Education, Improvement and Partnerships Director, Education (Tameside and Stockport)
Apologies for absence:	Donal Townson Gemma Patterson Lisa Gallaher David Waugh John Cooper Susan Marsh Heather Farrell Iain Linsdell Betty Jones John Cooper Cllr North Cllr Feeley	Governor, Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools – L/A Maintained Secondary Schools – Academies Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools – Academies Primary Schools – Academies Secondary Schools – L/A Maintained Primary Schools – L/A Maintained Executive Member Executive Member

17 DECLARATIONS OF INTEREST

A declaration of interest was received from Gus Diamond (Secondary, Academies) in relation to Agenda item 5, specifically the Growth Fund.

18 MINUTES

Consideration was given to the minutes of the meeting of School's Forum, which was held on 27 September 2022. It was noted that Louisa Siddall, Senior Finance Manager had been present at the meeting and that her attendance had been omitted from the minutes.

RESOLVED

That, with the above amendment, the minutes of the meeting of Schools' Forum, which was held on 27 September 2022, be approved as a correct record

19 DEDICATED SCHOOLS GRANT (DSG) UPDATE 2022-23

Consideration was given to a report of the Assistant Director of Finance and Director of Education (Tameside and Stockport), which provided members with an update on the DSG budget position for the financial year 2022-23.

Members were advised that there was a forecast surplus of £0.353m on the Schools Block. It was noted that this related to £0.355m unallocated growth, a minor variation of £1k on an academy conversion offset by a £3k retrospective business rates charge. It was proposed that any surplus would contribute to the DSG deficit.

It was predicted that the Central School Services Block would be spent in full, whilst the High Needs Block was projected an in-year deficit of £4.385m, which would be reduced to £2.743m when taking into account the £0.954m transfer from the Schools Block and £0.688m from identified savings and cost avoidance, as outlined in the Deficit Recovery Plan.

A forecast surplus of £0.674m was projected for the Early Years Block and a detailed explanation on the Early Years forecast was provided. It was cited that although there is a forecast surplus there is an adjustment to early years funding annually which could reduce this position. It was noted that participation for 2 years olds was increasing. However, the DfE target number of potentially eligible families had reduced, which had led to a reduction in the estimates. This was also noted to be impacted by a reduction in birth rates across the borough.

In relation to Early Years funding, it was acknowledged that this was a complex area, which would continue to be closely monitored and that a more detailed update would be provided at the next meeting of School's Forum. It was also noted that there continued to be significant demand on the SEND Inclusion Fund and that this could increase further following the spring term school census.

The surplus forecast on Central Retention in the Early Years funding was explained to be as the result of vacancies in the Early Years Quality team and the SEMH team. However, it was noted that these posts had now either been recruited to or were in the process of recruitment.

Projections were provided in relation to the DSG Reserve. Members were advised that, if the 2022-23 projections materialised, there would be a cumulative deficit of £4.956m on the DSG. It was acknowledged that a deficit recovery plan had been developed and submitted and that discussions with the DfE were ongoing. It was confirmed that this position would continue to be closely monitored and that regular updates would be reported to Schools' Forum.

RESOLVED

That the contents of the report be noted and supported

20 FORMULA FUNDING 2023-24

Consideration was given to a report of the Director of Education, Tameside and Stockport and Assistant Director of Finance, which set out information on the allocation of the Dedicated Schools Grant funding for 2023-24 and details of additional funding provided.

Members were advised that the provisional DSG settlement of £257.527m for 2023-24 had been received on 16 December 2022. In addition, the government had announced that an additional £2.3billion per year would be invested in schools over the next 2 years. This would represent an

actual increase of £2 billion after an adjustment had been made to remove the element which related to the Health and Social Care Levy.

In Tameside, a Mainstream Schools Additional Grant (MSAG) for 2023-24 had also been allocated, which totalled £6.915m alongside additional funding of £1.636m to support the High Needs Block.

A detailed breakdown of the provisional settlement for the 4 blocks within the DSG compared to the latest 2022-23 settlement figures was provided for Members.

Members were advised that the Schools Block, which was the largest element of DSG funding, covered funding for all pupils and school led factors in the funding formula and comprised of the following:

- A primary unit of funding (PUF) of £4,996.61
- A secondary unit of funding (SUF) of £6,486.04
- Premises – this includes PFI and business rates, which are based on historical spend.
- Business rates, which are included in the LA allocation but will be top sliced from the DSG allocation and retained by the ESFA who will make payments to all LA's directly on behalf of Schools.
- Growth – this is calculated using the difference between the primary and secondary numbers on roll on the October 2021 and October 2022 school censuses.

It was explained that, in 2023-24, LAs would be able to set the Minimum Funding Guarantee (MFG) between +0% and +0.5% per pupil and that a Gains Cap could be used, which was a limiting factor that limits the gain in pupil led funding per pupil that a School received. It was noted that this factor had been used in previous years to enable the LA to meet its statutory duty to set a balanced DSG budget.

Members were made aware that the provisional figures from the DfE had previously indicated that it would be affordable to:

- continue to apply the 2023-24 national funding formula rates;
- set the MFG protection at the highest rate of 0.5%;
- remove the gains cap; and
- transfer 0.5% of the School Block Funding to the High Needs Block.

However, following receipt of figures from the DfE, which had since been updated to reflect October census data, this scenario was not affordable within the funding allocation for the Schools Block as there was a shortfall of approximately £312k. As a result, members were provided with a range of alternative options as set out below and **option 3** was recommended in setting the formula for 2023-24.

- **Option 1 – Include a gains cap to balance the budget:** There were 24 schools that would be affected by capping their gain, which would total approximately £315k. The cap would allow a gain of up to 4.6% in funding. This assumed the MFG was set at 0.5%, as stated in the consultation.
- **Option 2 – Set the MFG at 0% and include a gains cap:** There were 7 schools, who were in receipt of MFG and this would only save £34k, which would be transferred to the gaining schools (of which 23 would be affected). To balance the budget, there would need to be a cap of 4.7% (allowing a increase of funding up to 4.7%), which would total approximately £281k.
- **Option 3 – Reduce the 0.5% transfer to the High Needs Block:** The 0.5% would provide £1.005m to support the High Needs Block. In order to balance the budget, MFG would be kept at 0.5% and have no cap on gains, the block transfer would need to reduce to 0.345% and this would provide support of £694k to the High Needs Block.

It was suggested that adopting **option 3** would ensure that support was still being given to the High Needs Block and the gaining schools would have the increased funding, which related to the additional needs factors. It was also noted that those schools with Minimum Funding Guarantee (MFG) would remain protected to the highest level.

An update was provided for Members in relation to the Growth Fund and it was noted that the estimated Growth Fund required for 2023-24 was £274k. A detailed breakdown of this was provided for Members.

Members were informed that the Contingency budget had been established to support those schools facing a deficit budget position in order to support the DSG against any future pressures. It was explained that, where schools were in deficit or facing deficit in the next financial year, they would be subject to a review in line with the School Deficit process as outlined within the Tameside Scheme Financing. It was further stated that the LA would work very closely with the school and governors in order to manage the deficit and ensure action was taken to address this.

Members were made aware that the de-delegation rate for Contingency for 2023-24 remained at £5.81 per pupil and agreement to de-delegate in 2023-24 was sought from both the primary and secondary sectors. It was noted that, should both sectors agree to contribute, based on October 2022 census information, this would result in the following contribution to Contingency:

- Mainstream Primary Maintained Schools - £65k
- Mainstream Secondary Maintained Schools - £35k

As in previous financial years, all schools were asked to support safeguarding across the borough by agreeing to a contribution of £3.03 per pupil, which equated to approximately £106k towards the cost of Tameside Safeguarding Children's Partnership (TSCP).

In relation to the Risk Protection Arrangement (RPA), Members were advised that, where schools had opted into this agreement for 2022-23, membership would continue on an ongoing basis. It was, therefore, noted that, should schools wish to opt out of this arrangement, they would need to make their own risk protection arrangements going forwards. RPA for 2023-24 was confirmed to be £23 per pupil and it was noted that nursery numbers were included to calculate the charge for the primary sector, where relevant.

With regard to additional funding, the Mainstream Schools Additional Grant (MSAG) would be paid as a separate grant for 2023-24 and it was the DfE's intention for this to be rolled into the DSG baseline allocation from 2024-25. This allocation would be based on the October 2022 census and would be allocated as follows:

- basic per pupil rate for pupils (reception through to year 11), £119 for primary, £168 for key stage 3 and £190 for key stage 4
- a lump sum of £4,510 per school
- a rate for FSM6 (£104 per eligible primary pupil and £152 per eligible secondary pupil)

It was further noted that the school level allocations for 2023-24 would be published in May 2023.

The outcomes of the Schools Funding Consultation were shared with Members, who were informed that 18 responses had been received in total. However, 2 of these were duplicate responses, one of which was removed. In response to the question 'Do you support a 0.5% transfer from the Schools Block to the High Needs Block' (as agreed in principle with Schools' Forum), it was noted that 56% supported the 0.5% transfer and 44% did not support the 0.5% transfer.

Detailed information in relation to Early Years Funding streams for 2022-23 and 2023-24 was provided for Members and it was noted that the increase in funding across all Early Years streams was due to an increase in the funding rates, which were outlined. It was stated that consultation would need to be held with Early Years providers regarding the increased rates and an additional Schools' Forum meeting was required in order to agree the rates of allocation.

Approval was sought in order to centrally retain 5% (in line with operational guidance) of 3 and 4 year old funding (£741k based on current settlement) and £0.14 per hour (as a minimum) of 2 year old funding (£71k based on current settlement). It was explained that this would support the following areas:

- Early Education Funding Team
- Family Information Services
- Early Years Quality Improvement
- SEN Team
- Social Emotional and Mental Health Service
- Sensory Support
- Making it REAL (Raising Early Achievement in Literacy)

Members were informed that a further paper with proposed funding rates, SEN Inclusion Fund and outcome of the consultation would be presented at the next meeting of Schools' Forum, which was agreed to be scheduled for 7 March 2023.

It was explained that the total allocation for the Central Schools Services Block, which funds the statutory duties the LA undertakes for both maintained schools and academies, had received a total allocation of £1.249m for 2023-24. This was based on a per pupil element of £35.81 for ongoing duties, for example, School Admissions Schools' Forum, Copyright Licenses (£209k) and former ESG duties. It was noted that these overall costs were estimated to be in excess of £1.2m and there was £1.040m available to support these costs. It was made clear that the funding received to support these statutory functions did not fully cover these costs and Members were formally requested to approve the central retention of this funding.

Discussion ensued in relation to the report and it was acknowledged that, whilst it was positive news that additional funding had been made available, with increasing costs, including pay award increases, funding was still an issue and presented risks to schools and the LA. Following discussion, it was noted that, alongside the MSAG, there would also be some additional funding allocated to special schools.

It was explained that the Early Years Funding Group was planned and that much of this information would be brought forward for discussion. It was also noted that, whilst Early Years Funding rates had increased, this was also significantly impacted by the mainstreaming in of the Teachers' Pay and Pension Grant. With this in mind, further consultation would be brought to the Early Years sector and, following the next meeting of Schools' Forum, indicative allocations would be available for providers by the end of March 2023.

RESOLVED

- (i) That the recommended funding formula for mainstream schools be approved,**
- (ii) That the growth fund be approved.**
- (iii) That the transfer from the Schools Block to High Needs Block, as outlined in Option 3, be approved.**
- (iv) That de-delegation of funding for Schools Contingency be rejected for the primary maintained sector.**
- (v) That de-delegation of funding for Schools Contingency be approved for the secondary maintained sector.**
- (vi) That a continued contribution to Tameside Safeguarding Children's Partnership be approved.**
- (vii) That central retention of Early Years Funding be approved.**
- (viii) That the allocation of the Central Services Schools Block be approved.**

21 HIGH NEEDS AND DEFICIT RECOVERY UPDATE

Consideration was given to a report of Director of Education (Tameside and Stockport), which provided an update on the DSG deficit position in both 2022-23 and 2023-24, along with updates on the Delivering Better Value programme and the action plan to address spending pressures.

Members were informed that the High Needs Budget position for 2022-23 had slightly improved on the summer term and an in-year deficit of £4.385m was now forecasted, prior to any transfer from the Schools Block or savings identified as part of the High Needs Review. When taking into account the agreed transfer from Schools Block in 2022-23 (£0.954m), it was noted that this would reduce the in-year deficit to £3.431m.

A range of proposed savings, which equated to £0.688m were detailed for Members and it was explained that this would further reduce the deficit to £2.743m. However, it was acknowledged that there was a potential risk attached should these savings not materialise in full throughout this financial year.

With regard to growth, Members were made aware that the spend against forecast continued to be broadly in line with the planned budget. However, it was outlined that there continued to be higher than average growth in the Independent sector, Out of Borough placements and Post-16 provision. In contrast, growth in mainstream, special schools and resourced provision was lower than had been anticipated. It was suggested that some delays in establishing new resource bases had contributed to this and noted that growth would continue to be monitored closely, with a more detailed review to be carried out alongside the SEND team. Members were also informed that the number of Education Health and Care Plans (EHCP) had continued to increase in line with predictions

An update was provided on the High Needs Settlement, following December 2022 announcements from DfE, and providing comparison data with 2022-23. It was highlighted that Tameside had seen an increase of 8% since 2022-23. It was noted that this funding was subject to further updates during the financial year 2023-24 in order to reflect 2023-24 high needs places and import/export adjustments.

Based on the additional £2.3billion additional government investment over the next 2 years, it was stated that the High Needs Block would benefit from an increase of £400m. In Tameside, it was explained that this would represent an additional £1.636m, which would take the overall increase to £4.301m (an increase of 13% when compared to 2022-23).

Members were made aware that the conditions of the DSG outlined that LAs were required to pass on to special schools the allocations of additional funding using a proportion of their additional High Needs funding in 2 ways:

- For 2023-24, a Minimum Funding Guarantee (MFG) would be applied to special schools budgets. Previously this had always been set at 0%. However, for 2023-24, it had been set at 3% (compared to the 2021-22 baselines)
- For 2023-24, special schools and Alternative Provision (AP) Schools would receive a separate additional allocation amounting to 3.4% of their total place and top up funding allocated in 2022-23

It was explained that this additional 3.4% funding allocation would be excluded from Minimum Funding Guarantee (MFG) arrangements so that schools would receive 3% MFG increase relative to a 2021-22 baseline and the additional 3.4% in 2023-24.

Members were informed that 836 commissioned places had been agreed with alternative provision (AP) and special schools for September 2023 and a detailed breakdown of these was provided, alongside a comparison with September 2022 numbers.

An update on the Delivering Better Value Programme (DBV) was provided and Members were informed that Tameside were part of tranche 2. It was stated that the programme would comprise of 2 phases over an 18 month period, both of which were outlined in the report.

A review of the Management Action Plan was provided and Members were reminded that, following a report approved by Schools' Forum in November 2020 with regard to funding additional places in specialist settings, the report was looking to bring the local approach in line with national funding

guidance. It was noted that the first 5% of growth after the annual commissioned places would not be funded and it was outlined that, where places had been commissioned but not filled in specialist settings, consideration would be given to top-up payments against utilised place funding. It was, therefore, anticipated that there would be a potential cost avoidance of £50,000 per annum rather than actual savings. It was noted that, during 2022-23, this had already been reached and estimated savings would total approximately £82,000 and affect 3 schools.

Members were made aware that a Resource Base Review had been undertaken and the proposal to establish 40 additional local places in 2021-22, a further 40 places in 2022-23 and 40 more in 2023-24 was outlined, alongside an update on current progress. It was noted that work was continuing in order to expand this model in both the primary and secondary sectors and discussions were ongoing with a number of schools. Whilst it was acknowledged that this proposal did not offer financial savings, it was highlighted that this helped in addressing demand across the borough and avoided more costly placements in independent and non-maintained schools.

It was explained that the Matching Provision to Need (MPTN) document had been paused and that further updates would be provided as part of the Delivering Better Value (DBV) programme updates.

With regard to Contract Reviews, it was envisaged that savings could potentially be found following the review of a PFI style contract, which was in place at one special school and the Director of Education would report to Executive Cabinet; setting out options to terminate the Facilities Management (FM) agreement with both Great Academies and Samuel Laycock. It was expected the potential saving to the High Needs Block as a result of this review would be approximately £279,000 per annum.

A review of the funding model for Tameside Pupil Referral Service was also outlined and it had been agreed that, where exclusions occurred, rather than the funding following the child, this would instead be returned to the High Needs Budget, which had realised savings of £61,112 in 2021-22 and was on target to achieve approximately £160,000 in 2022-23. In addition, it was stated that a review of the number of places commissioned and inclusive practice with schools would continue to explore appropriate funding through working groups Tameside Primary Consortium (TPC) and Tameside Association of Secondary Headteachers (TASH).

Discussion ensued with regard to plans to reduce the growth in independent schools and it was acknowledged that Tameside continued to place a much higher percentage of children in specialist provision than statistical neighbours. It was reiterated that work needed to continue as specialist provision was over capacity and that the demand for statutory plans needed to continue to be addressed, alongside improving the quality and consistency of practice and support available to all schools

It was noted that the budget continued to be capped at 7% and that the first meeting with DfE in relation to the delivering Better value Programme was scheduled for next week.

A question was raised in relation to the Growth and Over Capacity Funding and it was suggested that a significant majority of the £82,000 saving had impacted one school in particular. It was stated that there were particular difficulties arising from the difference in the commissioned number and the actual number of pupils on roll for special schools. As a result, a query was raised in relation to whether this situation would remain the same moving forwards in terms of overcapacity in one school, whilst others were reducing capacity. It was acknowledged that special schools had been accommodating in supporting the necessary rise in provision. However, concern was expressed in terms of the impact on school budgets as a result.

It was stated that the move to this model of funding places had brought Tameside in greater alignment with the DfE model of funding and emphasised that there was dual responsibility in managing the High Needs Block between Schools' Forum and the Local Authority. It was explained that some special schools, in particular, were more likely to experience this in-year growth as a

result of the nature of the needs of their pupils and acknowledged that this would present different challenges for different schools. There was also a suggestion that numbers of pupils supported by TPRS had significantly increased and it was felt that this information could be shared going forwards in order to better reflect the current situation for alternative provision (AP).

Following these discussions, it was agreed that conversations with special school and AP headteachers would be arranged in order to discuss the impact of this and that further information would be brought back to School's Forum in a future meeting.

RESOLVED

That the contents of the report be noted and supported.

22 SCHOOL IMPROVEMENT MONITORING AND BROKERING GRANT

Consideration was given to a report of Director of Education (Tameside and Stockport), which sought de-delegation from maintained schools in order to fund the school improvement function, which had previously been funded by the School Improvement Monitoring and Brokerage Grant.

Members were informed that, in line with the direction of travel of The Schools White Paper 2022, the government had now fully removed the School Improvement Monitoring and Brokering Grant and, as a result, local authorities were now required to seek de-delegation of Schools Block funding from maintained schools in order to support ongoing LA improvement activity costs.

Members were reminded of the previous transitional arrangements and were advised that for 2023-24, the de-delegated cost per pupil would increase to £12.78. They were also made aware of the many and varied benefits of the LA's school improvement activity, which was not only limited to mainstream schools. It was stated that academies and free schools would also be able to buy in to this service in order that equity and the ability to support the whole sector was retained. It was emphasised that this service facilitated whole sector cohesion and the statutory duties and powers of intervention were also outlined. It was also stated that the rate for 2024-25 would take into account the 2023-24 position.

Following presentation of the report, feedback from consultation within the primary maintained sector was shared, which was overwhelmingly positive and in favour of de-delegation for school improvement. However, it was also requested that transparency in where this funding was targeted could be shared in order that schools could ensure value for money during this time of unprecedented budget challenges.

RESOLVED

That de-delegation for the maintained sector at a cost per pupil of £12.78 be agreed.

23 ANY OTHER BUSINESS

A query was raised in relation to Schools Funding Group. It was agreed that a discussion would take place outside of Forum with regard to how this advisory group would work moving forwards and the timetabling of these meetings.

24 DATE OF NEXT MEETING

RESOLVED

That the next meeting of The Schools Forum be held remotely on 7 March 2023 at 10am.

CHAIR