SCHOOLS' FORUM

20 June 2023

Commenced: 10.00am **Terminated: 11.00am**

Present:	Karen Burns (Chair)	Primary Schools – Academies
	Lisa Gallaher	Primary Schools – L/A Maintained
	Susan Marsh	Primary Schools – L/A Maintained
	Kirsty Rimmer	Primary Schools – L/A Maintained
	John Cooper	Primary Schools – L/A Maintained
	Lisa Lockett	Primary Schools – L/A Maintained
	Heather Farrell	Primary Schools – Academies
	Steve Marsland	Primary Schools – L/A Maintained
	Gemma Patterson	Primary Schools – L/A Maintained
	Simon Brereton	Primary Schools – L/A Maintained
	Phil Williams	Primary Schools – L/A Maintained
	Pierre Coiffait	Special Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Chris Cluitt	Secondary Schools - Academies
	Anthony Benedict	Pupil Referral Service
	Anne Morgan	Tameside Teachers' Consultative Committee
	Elaine Horridge	Diocesan Representative
	Jerome Francis	Finance Business Partner
	Louisa Siddall	Senior Finance Manager
	Wendy Lees	Finance Manager
	Jane Sowerby	Assistant Director, Education
	Dave Leadbetter	Project Manager – Children's Services
	Cllr Feeley	Executive Member
Apologies for absence:	Cllr North	Executive Member

1 DECLARATIONS OF INTEREST

There were no declarations of interest from Members of the Board.

2 MINUTES

Consideration was given to the minutes of the meeting of Schools Forum, which was held on 7 March 2023.

RESOLVED
That the minutes of the meeting of Schools Forum, which was held on 7 March 2023, be approved as a correct record

3 DEDICATED SCHOOLS GRANT OUTTURN 2022-23 AND BUDGET UPDATE 2023-24

Consideration was given to a report of the Director of Resources and the Assistant Director of Education, which outlined the Dedicated Schools Grant (DSG) outturn position for 2022-23 and provided an update of the budget position for the financial year 2023-24.

It was noted that the financial implications statement on the report title page should be amended from £3.606m to £3.306m and that there was a discrepancy in the header of Table 2 of the report, which should have displayed brackets around surplus rather than deficit. Members noted the amendments and it was agreed that the agenda pack would be updated to reflect these changes.

The outturn position against the 2022-23 DSG was provided for Members and it was noted that there was an overall deficit of £0.063m. Members were made aware that the surplus of (£0.353m) on the Schools Block related to (£0.355m) unallocated growth, a minor variation of (£1k) on an academy conversion, which was offset by a £3k retrospective business rates charge. It was proposed that any surplus from the Schools Block be used to contribute towards the DSG deficit.

Continued pressure on the High Needs Block was discussed and Members were made aware that this had closed with an in-year deficit of £1.972m, which reduced to £1.018m with the (£0.954m) Schools Block transfer.

It was explained that the Early Years Block surplus, which was currently (£0.617m) related to (£0.614m) in-year surplus and (£4,000) additional funding from the final 2021-22 Early Years allocation from DfE. Estimations suggested that there would be a funding reduction of £0.016m for the 2022-23 financial year as the final settlement would be based on census date from January 2023. With this in mind, it was noted that the final settlement for Early Years would be announced in July/August 2023 and that the surplus would contribute to the overall DSG deficit.

Provisional Early Years data from 2022-23 was presented to Members with distribution/spend based on actual payments to provider over the summer, autumn and spring terms for 2,3 and 4 years olds. It was noted that the final outturn indicated an underspend of (£0.494m) for 3 and 4 year olds and (£0.084m) for 2 year olds. Members were also made aware of an estimated surplus of (£0.028m) for the Disability Access Fund and an overspend of £0.026m on Early Years Pupil Premium. Early Years participation rates were also discussed.

Members were informed that there was an overspend of £0.127m on the SEND Inclusion Fund (SENDIF), which was offset by an underspend of (£0.149m) on the centrally retained budget. It had been agreed during the previous meeting of Schools' Forum that the SEND Inclusion budget be increased for 2023-24 to meet continued demand in this area. This had been afforded through an increase in funding rates from DfE and would be closely monitored, with updates provided throughout the financial year.

The current DSG settlement for 2023-24 and forecast distribution/spend was provided for Members. This included the £0.694m (0.345%) transfer from the Schools Block to the High Needs Block, which had previously been agreed and actioned.

The forecast surplus of (£0.010m) on the Schools Block was explained as relating to unallocated growth and, again, it was proposed that any surplus would contribute towards the DSG deficit.

A forecast deficit on the High Needs Block of £3.538m was outlined for Members, which would reduce to £2.845m with the (£0.694m) Schools Block transfer. It was noted that this forecast included £2.514m of estimated in-year growth, which related to increasing numbers of EHCPs and newly planned resource bases.

Members were made aware that there was a forecast surplus of (£0.345m) on the Early Years Block. This would be updated in in July/August, when it was anticipated that there would be a reduction of £0.049m to reflect January 2023 census data.

Early Years forecast data for 2023-24 was provided for Members. It was noted that, when calculating the base rate to providers for 3 and 4 year olds, the decision had been taken to uplift the rate by the full £0.14 per hour increase, which had been received in funding. Members were made aware that participation rates would be monitored and updates provided throughout the financial year.

Details of the closing position on the DSG reserve for 2022-23 and the estimated position of the DSG at 31 March 2024 were provided for Members, who were informed that, in 2022-23, the deficit had increased to £3.306m. It was explained that this was due to the overspend on the High Needs Block and the cap on High Needs Block funding gains, which was 7%.

It was suggested that, if 2023-24 forecast materialised, there would be a deficit of £5.846m on the DSG. With this in mind, it was noted that the council was engaging with DfE in the form of the Delivering Better Value programme in order to identify and implement high impact mitigations to reduce this deficit and regular updates would be provided.

Members were made aware of changes to the updated Scheme of Financing and advised that copies of this would be distributed to all maintained schools and updated on the council's website. They were also advised that there had been reforms in the National Funding Formula (NFF), which were due to begin in the 2024/25 financial year. These reforms would apply to split site and growth funding, see a national approach to calculating indicative SEND budgets introduced and promote further sector engagement on related funding issues.

It was stated that DfE planned to allocate split site funding nationally to mainstream schools based on a formula factor made up of a 'basic eligibility' element and a 'distance eligibility' element from 2024-25 and, although no schools in Tameside currently qualified, details of the eligibility criteria were outlined.

Members were also made aware that, DfE planned to introduce a set of national criteria and minimum standards for the allocation of growth funding by LAs in order to improve consistency and predictability. It was noted that the minimum requirements for 2024-25, rather than fully determined Standards, would allow more flexibility where commitments for growth funding had already been made for a number of future years.

It was further outlined that there would be revisions to the NFF's current growth allocation methodology used to allocate funding to LAs on the basis of both growth and falling rolls. It was noted that DfE planned to work with stakeholders in order to refine the standard criteria that would be used to fund schools with significant increases in pupil numbers or falling rolls from 2024-25. As part of this, it was also suggested that LAs would have greater flexibility to use growth funding to repurpose surplus space to create SEND units or Resourced Bases in mainstream schools.

Early Years Spring 2023 Budget Announcements were outlined for Members, including transformative reforms to childcare for parents, children, the economy and women. It was suggested that this new offer would empower parents, allowing them to progress their careers and support their families and noted that the new entitlements would be introduced in phases:

- From April 2024, all working parents of 2-year-olds can access 15 hours per week;
- From September 2024, all working parents of children aged 9 months up to 3-years old can access 15 hours per week;
- From September 2025, all working parents of children aged 9 months up to 3-yearsold can access 30 hours per week.

Members were informed that the budget had also announced additional funding of £204m from September 2023, rising to £288m in the financial year 2024-25, to increase the funding paid to nurseries for the existing free hours offers. It was explained that this investment would allow the national average rate for local authorities for 2 and 3 year olds to increase by 30% from the current national average rate of £6 per hour to around £8 per hour from September 2023. The national average 3 to 4 year old rate for local authorities would rise in line with inflation from the current national average rate of £5.29 per hour to over £5.50 per hour from September 2023.

It was confirmed that the £600 start-up grant for childminders, who register with Ofsted, and £1,200 for those who register with a childminder agency, would be payable to any individual who had completed their childminder registration on or after 15 March 2023 and that new childminders would be able to apply for the grant from autumn 2023.

RESOLVED
That the contents of the report be noted and supported

4 DSG HIGH NEEDS SPENDING AND DEFICIT RECOVERY PLAN

Consideration was given to a report of the Director of Resources and the Assistant Director of Education, which provided 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

Members were informed that the DSG reserve brought forward at the beginning of 2022-23 was (£3.243m) and the in-year deficit on the High Needs Block in 2022-23 was (£1.018m) after a transfer from the Schools Block of £0.954m. It was explained that this had been offset by an underspend on the Early Years Block of £0.617m and an underspend on the Schools Block of £0.353m. However, it was noted that these were not expected to continue, following revisions to the assumed Early Years uptake.

It was confirmed that the High Needs Block in year deficit had reduced in 2022-23 compared to previous years and suggested that this was due to a number of factors, including strong Maintained Special School (MSS) provision growth with 122 additional commissioned places in maintained special schools for September 2022 and write-offs of prior year recoupment liabilities.

It was explained that High Needs expenditure was continuing to grow rapidly, being set to more than double between 2023 and 2028. Members were informed that, whilst growth in provision in the maintained special school sector had been a strength (with 122 additional commissioned places in September 2022 and a further 77 planned for September 2023), the DBV future year forecasts assumed that, after these planned expansions have taken place, maintained special schools would again reach capacity and usage of higher cost independent placements would increase.

It was noted that the rapid growth in EHCPs, which had historically been very low compared to GM neighbours had not been matched with growth funding due to the cap on High Needs Block gains (7%) and this had been the main factor in the High Needs Block deficit. With this in mind, it was explained that the goal of the Delivering Better Value programme (DBV) was to identify sustainable changes to the local SEND system, which could drive high quality outcomes for children and young people with SEND and culminate in an evidence based grant application to assist in the implementation of these changes.

A detailed outline of modules 1 and 2 of the DBV programme were outlined for Members and the two main focus areas of the DBV were highlighted as:

1. Inclusion - create an Inclusion Quality and Outreach Team, linked to existing Special Schools and Resource Provisions, and introduce a programme of training and workforce development (including parents and carers as appropriate).
2. Transitions – establish a new Early Years Assessment Centre with co-located wrap around services. The plan to improve the effectiveness and confidence surrounding transitions will also be supported through supporting the clearance of the backlog of annual reviews and identifying those pupils that may struggle at transition and providing early support.

It was explained that these identified high impact areas also crossed over with a range of SEND improvements that were happening outside of the DBV programme, in particular the redesign of SEND Teams, review of the Specialist Outreach Support Team and SEND Sufficiency.

Members were informed that, if successful, the £1m revenue grant bid would likely be available from September 2023 and was expected to be utilised within two years.

An update to the existing management plan was provided for Members. This included detailed information relating to the Resource base Review and the proposal to establish 40 additional local places in 2023-24 was shared with Members. Whilst this would not offer financial savings, it would help to address in borough demand and avoid more costly placements in independent and non-maintained schools.

Members were also made aware than work had been ongoing with maintained special schools with a view to increasing commissioned places to match growing demand. As such, Members were informed that there had been an increase of 77 places for the 2023-24 academic year.

Members were reminded that an overcapacity policy had been introduced in 2022-23 with the expectation that it would achieve cost avoidance of £50,000 per year. However, as actual growth above commissioned places had been far higher than forecast, the impact had been greater than intended and was currently expected to have achieved cost avoidance of £171,666 over the 2022-23 academic year. It was explained that special schools, who had worked hard to accommodate additional pupils, had expressed concern that this had placed increasing and significant financial pressure on them. Due to this, the decision had been taken not to continue with this policy for the 2023/24 academic year.

During discussion relating to contract reviews, it was stated that, one special schools had a PFI style contract and, with this in mind, a review would be undertaken to investigate whether this represented value for money. It was noted that potential savings to the High Needs Block as a result of this review could potentially represent an annual £320,970. It was stated that the outcome of this review would be considered by Elected Members at Executive Cabinet.

RESOLVED
That the contents of the report be noted.

5 SCHOOL BALANCES 2022-23

Consideration was given to a report of the Director of Resources and the Assistant Director of Education, which provided an update on the surplus balances held by schools at the end of 2022-23 financial year.

Members were made aware that overall balances had increased by £0.453m or 5% compared to 2021-22 and in particular:

- Primary balances had reduced by £0.395m or -8%
- Secondary balances had increased by £1.111m or 38% and
- Special balances had reduced by £0.262m or -19% but this was largely due to an academy conversion
- The above movement also includes the clawback of schools 2021-22 excess surplus balances of £0.197m and the writing out of balances due to schools converting to academy of £0.330m

Members were reminded that, under the Balance Control Mechanism, a school was classed as carrying an excess surplus balance if their year-end balance had either:

- exceeded the approved surplus balance submitted to the Local Authority in June 2022
- or,
- school didn't submit a return to hold balances above the sector threshold.

It was noted that a review of the 2022-23 year-end surplus balances had identified 9 schools with excess surplus balances, totalling £0.659m and shown below. This represented a reduction compared to 2021-22, where there were 17 schools totalling £1.350m.

No of Schools with Excess Balance	No of years Hold Excess Surplus	Total Excess Surplus Balance	At Risk of claw Back at 50%
6	Year 1	£461,584	£0
3	Year 2	£197,790	£98,985
9		**£659,374**	**£98,985**

Members were informed that a number of schools had utilised the Capital Reserve within the scheme and current level of balances held in the Capital Reserve was £1.065m. This represented an increase on the 2 schools that earmarked a total of £0.390m in 2021-22.

No of Schools with Earmarked Capital Reserves *	Year Invested in Capital Reserve	Total Earmarked Reserve
2	2021-22	£390,000
6	2022-23	£675,442
Total		**£1,065,442**

It was stated that all schools with excess balances in either Year 1 or Year 2 had been notified There were 3 schools at risk of clawback, each of whom had submitted information they wished to be considered as exceptional circumstances, resulting in the excess surplus.

It was explained that views would be gathered from the Schools' Funding Group, and a recommendation would be brought forward to the September meeting of School's Forum in order for decisions to be taken in relation to invoking clawback.

Discussion ensued and it was noted that unfunded pay rises also need to be taken into consideration along with bulge years due to increased birth rates, which had significantly impacted some secondary schools, in particular. It was noted that schools had an opportunity to provide a detailed plan and outline specific reasoning for any surpluses held and that any decisions would need to be taken sensitively and based on the individual circumstances presented.

RESOLVED
(i) That the contents of the report and the position of schools balances at the end of 2022-23 be noted
(ii) That it be agreed that the decision as to whether to invoke the claw back mechanism for 2022-23 excess surplus balances be brought to School's Forum in the September meeting

6 DATE OF NEXT MEETING

RESOLVED
That the next meeting of The Schools Forum be held remotely on 26 September 2023 at 10am.

CHAIR