

## SCHOOLS' FORUM

22 June 2021

**Commenced: 10.00am**

**Terminated: 11.35am**

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

### 1 DECLARATIONS OF INTEREST

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

### 2 MINUTES

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

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

### RESOLVED

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

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

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

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

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

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

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

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

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

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

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

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

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

## **RESOLVED**

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

## **4 HIGH NEEDS FUNDING UPDATE 2021-22**

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

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

- A slowing in the growth of the number of EHCPs; there had been reductions on both the numbers of EHCPs as well as cost of placements in both the independent and Post-16 sector
- Receipt of additional income and grants (relating to Pupil Premium, SEN Inclusion, Covid and increased income from OOB placements)
- A number of commitments outstanding from previous years where invoices had not been received from providers had been reviewed which resulted in a reduction of costs expected
- A service redesign and active management of service spend in SEN Support services had been carried out, which had resulted in a reduction of costs along with some smaller savings.

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

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

- The SEND Team challenging and reviewing the most costly placements
- Movement within our cared for children cohort placed in education who have previously been attached to residential placement usually at a high cost.
- A number of high-cost placements have been reviewed at the point of key stage transfer and young people have been transitioned back into borough.

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

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

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

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

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

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

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

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

## **RESOLVED**

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

## **5 SCHOOL BALANCES**

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

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

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

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

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

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

In advance of the next meeting, members were asked to consider:

- a) Whether exceptional circumstances should be applied across all schools for 2020-21 and no claw back should take place?
- b) Whether claw back should be reviewed on an individual school basis?
- c) Whether claw back should go ahead as planned and the £0.452m at risk be removed from schools?

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

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

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

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

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

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

## **RESOLVED**

**That the position of Schools Balances 2021-22 be noted**

## **6 DSG CONTINGENCY FUND**

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

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

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

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

- Allocations from the fund should not be made until the fund reaches the suggested level
- Allocations should be sector-specific unless all sectors agree to contribute to the fund
- Decision on approvals from the fund will be agreed by Director of Education and the Assistant Director Finance
- There should be school sector representation as part of the approval process but the representation should not include the requesting school
- When a school is facing financial difficulty a request should be submitted by the school outlining their case for consideration
- Allocations will only be made where sufficient funds are available.

Members were informed that support would be provided for schools in deficit and, therefore, in financial difficulty through the normal deficit recovery process, in line with the LA approach to managing licensed deficits. Alongside this, it was also highlighted that the LA would support any schools with closing deficit balances in order to minimise the impact and potential pressure on the DSG.

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

Members were made aware that this report had previously been shared with Schools Funding Group (SFG), in order to consider the following areas:

- Are there any further criteria that should be considered as part of the allocation basis?
- If the sectors reach the targeted balance should the funds be merged?
- In terms of the school sector representative who would make the decisions on allocations who do we think is the appropriate representative, Head Teacher? Business Manager? Governor or a mix?
- Should there be criteria for the schools representative/s in terms of their own school financial health?
- De-delegation does not apply to special schools, however special representatives can choose to make contributions to establish a contingency fund that will work in the same way, is this something to be considered?

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

- The group discussed the nature of the fund and agreed that the criteria outlined in the original paper to Schools Forum were still relevant and appropriate so did not feel further areas should be considered. As funding was limited for schools, they felt it was not appropriate to create expectations that a fund was readily available to invite bids from schools, but it should be there to support schools who were in significant and extenuating circumstances.

- Fund levels – The initial balance recommended was £159,000 which represented 10% of deficit balances at the time. There has been significant work by the schools in deficit, with support from the Finance team, which means 10% of balances in 2020/21 stands at £42,400. However the amount currently held would not cover the largest deficit if that school were to become a Sponsored Academy. There was a recommendation from the group that there should be a collar and cap approach taken to the fund.
- It was proposed that to apply a minimum level of 10% of deficit balances, with a maximum of the total outstanding deficit balances in the prior full financial year. To address the deficit risk to the DSG, the levels for 2022/23 would be:  

Minimum	£42,400
Maximum.	£424,200
- The group discussed school representation in the decision-making on requests from the contingency fund. It was felt that appropriate support to the decision making by the Directors, should be via recommendations from SFG as opposed to any one individual. This would enable colleagues to maintain relationships with schools requesting support from contingency.
- SFG discussed the contributions in each sector, and whilst it was recognised that the values in each sector would be different, due to pupil numbers and number of contributing school, all parties discussed the fact that primary schools were later to contribute to the fund than secondary schools. With this in mind, it was felt that merging of the pot could be considered when the contributions were more evenly matched and with the agreement of the separate sectors. No specific recommendation was made by the group in relation to this and, therefore, Schools' Forum opinion was sought.
- In relation to the special schools creating a contingency fund, it was agreed that the special sector would be written to and asked if they would like to establish a separate fund.

## **RESOLVED**

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

## **7 GROWTH FUNDING REQUESTS**

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

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

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

Members were informed that St Paul's has made a request that Schools Forum consider providing some further growth funding to be awarded to them for taking a bulge class in September 2014. The School received funding of £37,975 for 7/12ths of the year and they requested that Schools Forum fund a further 5/12ths allocation in 2021/22 as the bulge class passes through its final year of School. It was stated that this would equate to £13,600.

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

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

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

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

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

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

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

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

It was highlighted that Buckton Vale felt that, at the time the decision to increase the PAN was taken, this should have triggered a growth funding payment and Schools Forum should have met allocated funding from the growth funding. However, Members were reminded that growth funding was only allocated for schools with bulge classes. As the change at Buckton Vale was a permanent change to PAN, which was agreed by the School, it was explained that this did not fall under the bulge fund criteria.

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

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

Members were made aware that this request was made on the same basis as the allocation of £337k in 2014 for a shortfall in de-delegated services. Schools Forum, at the time, took this decision in line with the Operational Guidance and rules surrounding de-delegation due to loss of trade with schools converting to Academy and Buckton Vale stated that this situation had parallels with their situation and the reduction in pupil demand.

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



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

**RESOLVED**

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

**8 DATE OF NEXT MEETING**

**RESOLVED**

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

**CHAIR**