

SCHOOLS FORUM

25 June 2019

Commenced: 10.00am Terminated: 11.20am

Present:	Karen Burns (Chair)	Primary Schools – Academies
	Lisa Lockett	Primary Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained
	Simon Wright	Primary Schools - Academies
	Heather Farrell	Primary Schools - Academies
	Susan Marsh (Deputy Chair)	Governor, Primary Schools – L/A Maintained
	Anthony McDermott	Governor, Primary Schools – L/A Maintained
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Richard O’Regan	Secondary Schools – L/A Maintained
	Gill McFadden	Secondary Schools - Academies
	Alan Harrison	Secondary Schools - Academies
	Rebeckah Hollingsworth	Tameside Pupil Referral Service
	Anton McGrath	14-19 Sector
	Elaine Horridge	Diocesan Representative
	Scott Lees	Tameside Consultative Committee
	Tim Bowman	Assistant Director, Education
	Christine Mullins	Finance Business Partner
	Louisa Siddall	Senior Accountant
	Wendy Lees	Senior Finance Officer
Apologies for absence:	Steve Marsland	Primary Schools – L/A Maintained
	Maire Wright	Academy Schools – Academies
	Pierre Coiffait	Academy Special Schools
	Simon Brereton	Primary Schools – L/A Maintained
	Elaine Sagar	PVI Representatives
	Andy Card	Primary Schools – L/A Maintained

23. CHAIR’S OPENING REMARKS

The Chair welcomed everyone to the meeting, in particular, new Forum member Scott Lees, representing Tameside Consultative Committee.

24. DECLARATIONS OF INTEREST

Forum Member	Subject Matter	Type of Interest	Nature of Interest
Lisa Gallaher – Primary Schools, L/A Maintained	Agenda Item 4	Prejudicial	Head teacher of one of the schools funded for a bulge class.

25. MINUTES

The Minutes of the meeting of the Forum held on 12 February 2019, having been circulated, were approved as a correct record.

During consideration of the item below, Lisa Gallaher declared a prejudicial interest and paid no part in the discussion and decision making process in respect of Recommendation (iii).

26. SCHOOLS FUNDING CONSULTATION UPDATE

The Assistant Director of Finance and the Assistant Director of Education submitted a report providing an overview of work carried out by the Schools funding group at the request of Schools Forum, relating to Split Site, Growth and Early Years.

It was reported that, on 26 March 2019, the Schools Funding Group met to discuss the Split Site criterion, the Growth Factor and use of the Early Years Funding. The issues were discussed at length and a number of differing options were considered. The group requested a consultation with all schools and academies setting out the options that the group had identified it felt appropriate for consideration. The consultation ran from 7 May 2019 to 24 May 2019. Of the 90 schools consulted, 9 responses were received to the split site questions (9% of all schools) and for the Growth Factor, 8 schools (8% of all schools) responded. The results of the survey were set out in an appendix to the report.

In respect of the Split Site Factor, it was explained that 4 options were recommended for consultation and option 2 below was supported by 70% of schools and it was also the favoured option by the Schools Funding Group.

'Change the Split Site Factor to the following:

- The school is recognised as one school by the DfE, and has only one school number; and*
- The separate sites are effectively operation as separate schools with senior leadership (or a head of centre) being needed at both sites.'*

With regard to the Growth Fund, it was explained that a number of options were presented to the Schools Funding Group which the group did not feel were appropriate and recommended three alternatives, with 62.5% of schools supporting Option 2:

'Growth Per Pupil Model – Growth should be funded based on actual numbers pro rata to the period September to March and allocated on AWPU rates for schools dependent on sector. Both one off bulge classes and planned continued growth classes would be funded using the same principles. Schools would be funded on an academic year basis.

Schools Funding Group requested that the growth policy should have a minimum number of pupils where growth was planned in a school acknowledging that if school was expecting to take a growth class. It was felt there should be more than 5 pupils before growth funding was allocated, but a minimum level of funding of 15 pupils funded to ensure that the school did not face financial difficulty. This was consulted upon and 89% respondents supported this approach.

The Schools Funding group also wanted to consider a cap on pupil numbers funded to limit the amount being top-sliced from the school block to fund this, and recognising that it was likely there would be some economies of scale that could be made once the class size was over 30. Schools were asked what level of cap, if any, was reasonable. The outcome of the consultation with 50% of respondents, would be to cap funding at 30 pupils.

Details of the proposed Growth Policy were appended to the report.

In respect of Historic Growth Arrangements, as part of the consultation, Schools Funding Group also discussed the funding arrangements for two schools that were currently in receipt of growth funding on a historic arrangement. The discussion was to agree whether the schools should continue to be funded on the historic arrangements already in place or whether the schools should

be moved to whichever new arrangements were put in place. There were four options presented for consultation with 75% of schools supporting Option 1:

'Funding should continue in both schools'.

With regard to Early Years, as requested at last Forum, School Funding Group were to hold discussions regarding the proposals for additional funding being used to strengthen the SEND offer. It was agreed that, subject to the affordability of plans, the following be supported:

- *Increase the area SENCO model - with two more posts to deliver on this;*
- *Increase capacity in the Quality Team – to include additional capacity in each locality to support speech language and communication needs, the area SENCO role and quality work in good settings, this would also include additional commissioned school to school support;*
- *Set aside funding for a commissioning fund to enable school to school and PVI sector to support as an Early Years improvement fund. With some specific focus on Speech, Language and Communication.*

There was also a discussion regarding the need in future to consider further, the headroom for further central retention (i.e. currently, 96% was allocated and 4% retained, however the statutory pass through allocation was 95% with 5% retention).

Forum members were informed that the Schools Funding Group had met again on 21 May 2019 to discuss High Needs Pressure, Schools Balances and Contingency. A summary had been prepared from the meeting to share with schools, however the detail on High Needs and the School balances were subject to separate agenda items. The Schools Funding Group had requested discussion at Business Manager meetings and Primary Heads briefings to ensure schools were aware of the issues ahead of the consultation of 2020/21 Funding announcements.

The Chair sought further clarification in respect of a breakdown of how Early Years centrally retained money was spent. The Finance Business Partner gave an outline of how monies were spent and agreed to forward details to the Chair, following the meeting.

RESOLVED

- (i) That the proposed changes to the split site factor, as outlined in section 3.3 of the report, be approved;**
- (ii) That the proposed change in funding for the Growth Factor, as outlined in Appendix C to the report, be approved;**
- (iii) That the existing funding arrangements remain in place for the two schools being funded for bulge classes on a historic basis; and**
- (iv) That the Early Years recommendations, as detailed in Section 6 of the report, be supported.**

27. SCHOOLS FINANCIAL VALUE STANDARDS

Consideration was given to a report of the Assistant Director of Finance, which provided an update on the requirement for schools to complete the self-assessment process against the Schools Financial Value Standard by 31 March 2019.

It was explained that the standard consisted of 25 questions which governing bodies or management committees should formally discuss annually with the head teacher and senior staff. It concentrated on the key elements of financial management and efficiency and was aimed mainly at governors as they had a statutory responsibility for financial management in schools. In doing so, governors managed a considerable amount of public money and carrying out the SFVS assessment would assist in this task and gave assurance to the LA's that schools had sound financial management in place.

It was further explained that of the 67 Tameside schools open at the start of 2018/19, the LA received 63 returns. This was 100% compliance taking into account 6 schools closed in year due to academy conversion. The School Finance Team had been proactive in reminding and chasing schools ahead of the deadline and the returns had now been shared with the Internal Audit Team who would use the information to assist in the production of the Annual Audit Plan.

The LA was required to submit an assurance statement signed by the LA Chief Financial Officer detailing which schools were implementing SFVS to the DfE by 31 May 2018. This statement was signed and sent to the EFA by the deadline as required.

RESOLVED

That the content of the report be noted.

28. SCHOOL BALANCES 2018/19 AND BALANCE MECHANISM 2019/20

A report was submitted by the Assistant Director of Finance and the Assistant Director of Education providing information relating to balances held by schools at the end of 2018/19.

The report summarised school balances for the financial year 2018/19 by sector and the change in position from 2017/18 and it was identified that, overall, school balances had increased by £3.185 million or 75.74%.

In the primary sector, the overall surplus balance reduced by -£0.350million, however some of this reduction related to three academy conversions £0.461 million meaning the actual movement in year in the maintained sector was an increase of £0.111 million. In the secondary sector the deficit balances reduced by £3.341 million or -99.32%. There was an increase in surplus balances in the special sector of £0.193 million or 89.31%.

A further analysis of overall balances split by those schools in surplus and those schools closing the financial year with a deficit balance was also provided in the report.

It was reported that a number of schools had seen increases in their balances over and above that approved under the balance mechanism scheme for 2018/19. The Schools Finance Team had offered more support to work closely with schools to ensure the budget plans being set for 2019/20 were more robust and accurate at the start of the financial year and to support schools in taking a more strategic approach to budget setting. Additional budget monitoring support was also on offer to ensure schools were regularly reviewing their budget and were in a position to review and change budget spending plans within the financial year in order to manage any surplus balances.

The report concluded that, once all budget plans for 2019/20 (31 May) and approved surplus plans (30 June) had been received and reviewed by the LA a further report on schools spending plans and surplus balances would be reported to Schools Forum in October along with recommendations for managing any claw back in 2019/20.

Discussion ensued in respect of schools balances and Forum members raised concerns about surplus balances and the rigour of the current claw back arrangements.

RESOLVED

- (i) That the content of the report be noted; and**
- (ii) That a further report on schools spending plans and surplus balances be submitted to the next meeting of the Schools Forum with a view to revisiting the current claw back arrangements.**

29. DEDICATED SCHOOLS GRANT OUTTURN POSITION FOR 2018/19 AND BUDGET UPDATE FOR 2019/20

The Assistant Director of Finance and the Assistant Director of Education submitted a report providing the Dedicated Schools Grant (DSG) outturn position for the financial year 2018/19 and an update of the budget position for the financial year 2019/20.

The DSG Outturn 2018/19 position was explained and an Early Years breakdown given. The overall DSG in-year deficit of £0.937 million had been funded from DSG reserve and further details of the reserve movement were included in the report.

Details were provided of the DSG reserve as at 31 March 2019 and the estimated DSG reserve position at 31 March 2020.

It was explained that, should all the projections materialise, there would be a deficit of £2.156 million on the DSG. As a result, a deficit recovery plan would have to be submitted to the DfE outlining how the deficit would be recovered over the next three years. This would require discussions and agreement of the Schools Forum and the position would be closely monitored throughout the year and updates would be reported to Schools Forum.

RESOLVED

- (i) That the content of the report be noted; and**
- (ii) That further update reports be submitted to the Schools Forum throughout the year.**

30. HIGH NEEDS FUNDING UPDATE

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education on the High Needs Budget and options for managing the budget pressure in 2020/21.

It was explained that, as previously reported, there continued to be a significant and continued pressure on the High Needs Block arising from a number of areas as follows:

- The increasing high needs population such as special school places and resourced provision;
- Increase Education Health Care Plans being issued;
- Increases in the number of Post 16 placements requiring top up funding; and
- Increased spending in supporting Tameside children in the Independent Sector or Out of Borough placements.

The funding pressures faced in Tameside were being replicated in local authorities across the country and ways of managing these pressures whilst continuing to support those children most in need were being considered. This would require a different way of thinking in terms of practice, provision and places commissioned. Recent benchmarking information had shown LA's across the country were in a similar position with the average deficit on the DSG being around £3.4 million and 74% of LA's projected a deficit in 2018/19 compared to 34% in 2015/16.

In December 2018, the Secretary of State for Education, announced £250 million of funding across two financial years 2018/19 and 2019/20 to address the national pressure on High Needs spending and in response to representations made by local Government and Schools. Tameside had been allocated an additional £0.517 million both in 2018/19 and 2019/20 which would partly offset the projected deficit on this budget.

The DfE had further acknowledged the concern for many schools and local authorities and confirmed the issue would be carefully considered in the forthcoming spending review. To support this, a 'call for evidence' was launched on the 3 May 2019 and its focus was to review how the current available funding was distributed, and what improvements might be made in the future. It sought information about whether there were aspects of the funding system that were driving up

costs without improving outcomes for the young people concerned. The closing date for responses was 31 July 2019. The LA would be preparing its response and all schools and governing bodies were encouraged to respond.

In respect of the High Needs Outturn position 2018/19, it was reported that the year-end position resulted in an in-year deficit of £1.453 million. As in 2017/18, the 2018/19 deficit would be funded from Dedicated Schools Grant (DSG) reserve which left the reserve standing at £3.23 million in 2019/20. The forecast for 2019/20, based on known current commitments was detailed in the report, which showed that there could be an in-year deficit of £1.921 million before any in-year growth or developments to the current high needs funding arrangements.

In terms of 2019/20 growth and pressures, the LA had already seen a sharp increase in the number of EHCP's issued and this currently stood at 2.7% of the population aged 2-19 years at April 2019. There had continued to be a significant number of referrals over the last 4 months, averaging at 45 per month. If growth continued throughout the financial year at current levels this would create a potential further pressure on the High Needs budget, which could exceed £3.5 million. It was estimated that the number of plans maintained would increase by between 300 – 650, bringing the total number of EHCP's Tameside maintained to more than 1800. If the projections materialised, the High Needs overspend of £5.51 million would create a deficit of £2.156 million on the total DSG. As a result, a deficit recovery plan would have to be submitted to the DfE, outlining how the deficit would be recovered and how spending would be managed over the next 3 years. This would require discussions and agreement of the Schools Forum. The position would be closely monitored throughout the year and updates would be reported to Members.

It was further explained that, within the DSG allocation the Schools Block was ring fenced in 2019/20, however, LA's retained limited flexibility to:

- Transfer up to 0.50% of their schools block funding into another block with approval of their Schools Forum; and
- Seek Secretary of State Approval if they required a movement of more than 0.50% by submitting a disapplication request.

It was anticipated, due to the current pressures on the High Needs Block and the potential growth that the LA would need to carry out a transfer from Schools Block into High Needs block in 2020/21. In preparation for the 2020/21 budget it was necessary to look at how any block transfer would be managed. To demonstrate the impact this would have on schools' funding a number of scenarios had been modelled. Details of how funding could be transferred if a decision was made to move 0.50% or 1.00% of the current Schools Block, were displayed in the report.

In order to afford the movement between blocks but continue to allocate funding through the National Funding Formula (NFF), adjustments would be required to the current Minimum Funding Guarantee (MFG) and/or gains cap. Three scenarios had been modelled to provide some context on the impact to schools allocations which were detailed in an appendix to the report, along with some statistics on the number of schools affected (of a total of 92 schools) and the range of change to the total school allocation.

It was explained that the information contained in the report and appendix had been presented to and discussed with the Schools Funding Group. The Group had discussed the need to transfer funding from schools block to the high needs block and most of the members supported a transfer. It was also acknowledged that a 1% transfer would be needed and in principle supported scenario 3 in the appendix to the report.

In conclusion, it was summarised:

- The overspend on the High Needs Block in 2018/19 was £1.46 million and would be offset by DSG Reserves;
- The projected overspend in 2019/20 of £5.51 million included significant in year growth that would be continually reviewed and monitored;

- DSG Reserves of £3.23 million were available to support the projected deficit in 2019/20 but may not be sufficient to avoid a DSG deficit at the end of the financial year; and
- Any decision to move funding from the school block to the high needs block would be a one year decision taken by Schools Forum.

Detailed discussion ensued with regard to the above and the challenging nature of the decisions which would need to be taken should the projections as detailed, materialise.

RESOLVED

- (i) **That the content of the report be noted and supported;**
- (ii) **That, unless there was significant reductions in demand for specialist services that there would be a requirement for a transfer from the Schools Block to the High Needs block, to support the Education of the most vulnerable children in the borough; and**
- (iii) **That an update on this issue be provided to the next meeting of the Forum, including growth levels and final funding announcements.**

31. CHAIR'S CLOSING REMARKS

The Chair thanked everyone for their attendance and explained that as the next meeting would be the first of the 2019/20 Academic Year, there would be an opportunity to review the composition and size of the Forum over the intervening period, in line with DfE legislation and comparison with other Forums.

32. DATE OF NEXT MEETING

RESOLVED

To note the date of the next meeting of the Schools Forum as Tuesday 22 October 2019 at 10.00am, Discovery Academy, Porlock Avenue, Hyde.