

SCHOOLS' FORUM

22 October 2019

Present:	Karen Burns (Chair) Lisa Lockett Andy Card Lisa Gallaher Steve Marsland Simon Wright Marie Wright Susan Marsh Donal Townson Elizabeth Jones Gill McFadden Alan Harrison Rebeckah Hollingsworth Elaine Horridge Scott Lees Tim Bowman Louisa Siddall Wendy Lees Councillor Feeley	Primary Schools – Academies Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools – L/A Maintained Primary Schools - Academies Academy Schools – Academies Governor, Primary Schools – L/A Maintained Governor, Primary Schools – L/A Maintained Governor, Secondary Schools – L/A Maintained Secondary Schools - Academies Secondary Schools - Academies Tameside Pupil Referral Service Diocesan Representative Tameside Consultative Committee Assistant Director, Education TMBC Senior Accountant, TMBC Senior Finance Officer, TMBC Executive Member for Lifelong Learning, Equalities, Culture and Heritage
Apologies for absence:	Simon Brereton Elaine Sagar Heather Farrell Richard O'Reagan Anthon McGrath Christine Mullins	Primary Schools – L/A Maintained PVI Representatives Primary Schools - Academies Secondary Schools – L/A Maintained 14-19 Sector Finance Business Partner TMBC

33 DECLARATIONS OF INTEREST

There were no declarations of interest.

34 APPOINTMENT OF CHAIR AND DEPUTY CHAIR

RESOLVED

That Karen Burns be appointed as Chair and Susan Marsh be appointed as Deputy Chair of the Schools Forum for the 2019/20 Academic Year.

35 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum held on 26 June 2019, it was noted that Andrew Card was present at the meeting.

A comment was raised in relation to the Growth regarding clarification regarding 'more than 5' should read '5 or more.'

RESOLVED

That with the amendments stated above that the minutes of the meeting of the School's Forum held on 26 June 2019 be approved as a correct record.

36 SCHOOLS' FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION

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

The documents reflected the Department for Education guidance for Schools' Forum published in September 2018 and there had been no subsequent legislative amendments to those documents.

In considering the report members noted there remained four vacant positions including two within Academy Secondary School membership. In response to the request that an Academy Governor Representative be appointed, members were advised that there was considerable discretion within the statutory guidance to accommodate local priorities and practice. Schools and Academies members together must number at least two-thirds of the total membership of the schools forum and the balance between maintained primary, maintained secondary and academies members must be broadly proportionate to the pupil numbers in each category

Members commented on the vacancies available for Governor representatives on the Schools Forum. Local Authority officers would continue to make representations to Academy Trusts, Academy Special School and Maintained Secondary Schools seeking nominations to serve on the Schools Forum. All members undertook to raise the matter at suitable forums and groups and feedback through the Chair of the Schools Forum.

RESOLVED

That the Terms of Reference, forum principles, Constitution and membership of Schools Forum be approved for publication on the Council's website.

37 DEDICATED SCHOOLS GRANT BUDGET UPDATE FOR 2019-20 AND EARLY YEARS OUTTURN POSITION FOR 2018-19

Consideration was given to a report of the Assistant Director of Education and the Assistant Director of Finance detailing the Dedicated Schools Grant budget position for the financial year 2019-20 and updating the School Forum on the Early Years final outturn position for the financial year 2018-19.

The Assistant Director of Education advised the School's Forum that the Local Authority had a statutory duty to use resources efficiently and effectively against priorities and to achieve a balanced annual budget. It was important members understood the outturn and budget positions and that robust challenge was factored into the reporting mechanism especially given the current known deficits

The updated Dedicated Schools Grant settlement for 2019-20 had been received in July 2019. Comparative to the projected distribution/spend in 2019-20 there was an expected deficit of £5,974m. This was primarily due to a projected deficit on the high needs block of £5.388m.

For the Early Years 2019-20 settlement projections were based on estimates for uptake and current indications showed there would be significant pressure on the 3 & 4 Year Olds Extended Entitlement and 2 Year Olds funded hours. Urgent work was required to ensure the take up of the places was reflective of the actual places being funded throughout the year for the Spring Term census collection.

In addition to the 2019-20 Early Years update there was also an updated settlement for 2018-19. For 2018-19 the overall settlement for Early Years had increased by £0.122m and it was estimated that there would be an additional £0.109m in the final settlement. The main reason for the variation was an increase in the Early Years Pupils Premium settlement of £0.015m. This results in a total surplus of £0.692m relating to 2018-19. For 2019-20 the overall settlement for Early Years has increased to £16.479m (an increase of £0.209m, the projected deficit on the early years block was £0.671m).

Should all the projections materialise, there would be a deficit of £2.624m on the Dedicated Schools Grant. This would result in the requirement to submit a deficit recovery plan to the Department for Education outlining how the deficit would be recovered.

RESOLVED

That the report be noted.

38 HIGH NEEDS FUNDING UPDATE 2019-20

Consideration was given to a report of the Assistant Director for Education and the Assistant Director for Finance seeking approval in principal to a 0.5% transfer from schools block to high needs block in 2020-21 (at a minimum); and to support a disapplication request to the Secretary of State to transfer 1.00% from the schools block to the high needs block (if required) following further funding announcements expected October 2019.

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;
- 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.

The revised High Needs Budget 2019-20 forecast was projecting an in year deficit of £5.39m on the high needs block and assumed the current reserves carried from 2018-19 of £3.23m, would be used to offset this deficit leaving an overall deficit of £2.16m. Government spending plans had confirmed £700m would be allocated to the High Needs Block in 2020-21. The funding floor would be set at 8% so all Local Authorities' would see an increase of at least this percentage, the gains cap would be set at 17%, allowing Local Authorities an increase up to this percentage. Tameside had previously had a cap on the High Needs national funding formula so would see an increase above 8%. Current announcements indicate the increase in Tameside will be around 16.8%. It was assumed Tameside could receive between £2.32m and £2.90m, but figures published recently show the increase will be around £3.4m. However, this additional £0.5m would still not resolve the current overspend projection.

It was detailed that, within the DSG allocation the Schools Block was ring fenced in 2019-20, however, Local Authorities retained limited flexibility to:

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

Based on the current schools block allocation for 2019-20, 0.50% would equate to £0.811m and 1.00% would equate to £1.624m. This may increase following the recent announcements however it was unlikely even the 1% transfer would be sufficient to offset the annual gap of approx. £2.49m to £3.07m forecast.

It was explained that the forecast could move again as a result of the final funding announcements expected in December and the potential pressure on the early block which currently reduces the DSG reserve balance available at the end of 2019-20.

Based on the current projections the Local Authority would be required to submit a Disapplication Request to the Secretary of State by the 28 November 2019. The proposal to transfer funding will be subject to:

- A consultation process with all schools and academies
- Presentation of the impact of the intended transfer on individual school budgets
- The strategic high needs plan
- A full breakdown of the budget pressures that have led to the requirement to transfer
- A strategic financial plan setting out how high needs expenditure can be sustainable longer term
- Schools Forum approval for a one-off transfer for 2020-21

It was reported that the SEND Forward Plan was due to be considered at the meeting of the Educational Attainment Board meeting later that day. The Forward Plan had been shared with all schools and academies for consideration and feedback sought on the proposals contained within it. It was requested that the SEND Forward Plan be circulated to Schools Forum members.

RESOLVED

- (i) That the projected outturn for 2019-20 of £5.38m that will be offset by reserves of £3.23m leaving an overall deficit of £2.16m be noted.
- (ii) That the position on High Needs budget for 2020-21 is forecasting a deficit of approx. £4.65m to £5.23m after the additional funding included in the recent announcements be noted.
- (iii) That an agreement in principle to 0.50% transfer from schools block to high needs block in 2020-21 (at a minimum) be approved.
- (iv) That an agreement in principle to support a disapplication request to the Secretary of State to transfer 1.00% from the schools block to the high needs block (if required) following further funding announcements expected October 2019, be approved.

39 SCHEME OF FINANCING FOR SCHOOLS UPDATE

Consideration was given to a report of the Assistant Director of Finance outlining changes to Tameside Scheme of Financing for Schools, following the release of revised guidance from the Department of Education.

Local Authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The scheme had been revised in light of the new guidance with a comprehensive list of the revisions contained within Appendix 1 of the submitted report.

It was discussed that the revised Scheme has been circulated to all schools and Chairs of Governing Bodies for comments on the changes by 31 October 2019. The results of consultation will be reported back to Schools Forum for consideration and approval of the scheme.

RESOLVED

That the report be noted.

40 SCHOOL FUNDING ANNOUNCEMENTS AND UPDATES

Consideration was given to a report of the Assistant Director of Education and the Assistant Director of Finance providing details of the September 2019 Education funding announcements and some context for the potential impact on Tameside MBC.

The Assistant Director of Education advised that the specific detailed information had not been received from the Department for Education and as such assumptions had been made within the figures presented. The government has made a commitment to a £7.1 billion increase in funding for schools by 2022-23, with a £2.6bn increase in real cash terms for 2020-21 including the estimated teachers' pay grant.

Information was provided on current consultations to which, schools may want to respond.

The mandatory minimum per pupil funding level consultation had been launched on 10 September 2019, with the Department for Education consulting on how to implement the minimum per pupil funding levels in the National Funding Formula on a mandatory basis in 5 to 16 schools funding with questions cover:

- The methodology used to calculate the minimum per pupil levels in local funding formulae;
- The circumstances in which local authorities can request to disapply the use of the minimum per pupil funding levels;
- Any other considerations for delivering this change at a local level;
- With regard to the public sector equality duty, the impact of the proposals on different groups of pupils, particularly those with protected characteristics.

Consultation on extending the Academies Risk Protection Arrangement to Local Authority Maintained Schools had been launched on 9 September 2019. The context of the consultation was around extending the Risk Protection Arrangement of self-insurance currently operational for academy trusts to Local Authority Maintained Schools.

RESOLVED

That the report be noted.

41 SURPLUS BALANCES 2019-20

Consideration was given to a report of the Assistant Director of Education and the Assistant Director of Finance updating on the surplus balances held by schools and providing details of the current Balance Mechanism Scheme.

At the meeting of the Schools Forum held on 26 June 2019 it was reported that school balances at the end of 2018-19 financial year were £7.39m. In line with the Scheme for Financing Schools budget plans submitted in May 2019 had been reviewed and these plans show schools were forecasting balances would reduce to £3.97m by the end the financial year.

Under the current Balance Mechanism Scheme, balances were subject to the following thresholds:

- Primary and special schools can carry forward up to 8% of the 2018/19 school funding allocation as general balances – these are referred to as permitted balances
- Anything over 8% in primary and special schools will be classed as a surplus balance and can only be held for one of four specified allowable purposes.
- Secondary schools can carry forward up to 5% of the 2018-19 School Funding Allocation referred as permitted balances.
- Anything above 5% in secondary schools will be classed as a surplus Balance.

It was reported there were 16 schools with projected surplus balances. The balances totalled £3.22m of which £1.41m was surplus. In addition to schools holding surplus balances a further 44

schools are holding permitted balances of £2.10m. Of these schools 12 primary schools were considered to be close to the 8% threshold and so at risk of closing the 2019-20 financial year with an ‘unapproved’ surplus balance.

A local agreement in the Scheme for Financing Scheme states ‘any school which has a revenue surplus balance which is more than twice the permitted threshold, will be subject to a more detailed review of the plans for the surplus. There were 6 schools that met this threshold requiring Local Authority officers to commence a review of spending plans of these schools.

In reviewing the existing Balance Mechanism Scheme benchmarking had been undertaken against Authorities across the North West. Some schemes in operation in neighbouring Local Authorities were similar to Tameside but there were some differences including:

- A threshold of 12% across all sectors
- Increased thresholds to 10% and 7% respectfully
- A clawback rate of 50% of the surplus balance
- Clawback only against balances held for 2 years
- Any clawbacks removed to be contributed to Dedicated Schools Grant reserve to support High Needs Pressures.
- Contribution to a Capital Reserve held by the Local Authority. If schemes do not materialise as planned the funds are returned to all Schools and Academies.

The Schools Funding Group had considered options to amend the Balance Mechanism Scheme at their meeting held on 2 October 2019 and requested the Schools’ Forum to consider adopting the following mechanisms into the scheme:

- Increase permitted balances to 12% in primary schools and 9% in secondary schools.
- Schools Forum to use its powers of clawback if balances are held for in excess of 2 years.
- Looking to allocate any clawback to the High Needs Budget subject to compliance with regulations
- Look to set up a Capital fund held by the Local Authorities for specific Capital schemes with restrictions that if the scheme does not progress the balance is not return to the school but is instead treated as a surplus balance subject to clawback.

Members discussed the current mechanism but no changes were formally agreed.

RESOLVED

- (i) **That the surplus balances be increased so that Primary Schools can carry forward 9% and Secondary Schools carry forward 7%.**
- (ii) **That Schools be notified that surpluses would be clawed back if held for two years with any such funds being used to reduce the High Needs deficit.**

42 DATE OF NEXT MEETING

RESOLVED

That the date of the next meeting of the Schools Forum will be held on Tuesday 26 November 2019 at 10.00am, Discovery Academy, Porlock Avenue, Hyde.

CHAIR