

## SCHOOLS' FORUM

29 September 2020

Commenced: 10.05am

Terminated: 11.50

<b>Present:</b>	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, Primary Schools – L/A Maintained
	Lisa Lockett	Primary Schools – L/A Maintained
	Andy Card	Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained
	Simon Brereton	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Simon Wright	Primary Schools - Academies
	Heather Farrell	Primary Schools – Academies
	Rosario Sarno	Governor, Special Schools - Academies
	Scott Lees	Tameside Teachers' Consultative Committee
	Elaine Sagar	Early Years Private, Voluntary and Independent Sector
	Tim Bowman	Assistant Director, Education TMBC
	Catherine Mosely	Head of Access Services

  

<b>Apologies for absence:</b>	Louisa Siddall	Senior Accountant, TMBC
	Wendy Lees	Senior Finance Officer, TMBC
	Councillor Oliver Ryan	Executive Member
	Councillor Leanne Feeley	Executive Member
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Elaine Horridge	Diocesan Representative
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Rebeckah Hollingsworth	Tameside Pupil Referral Service

  

Christine Mullins	Finance Business Partner TMBC
Anton McGrath	14-19 Sector

### 7 DECLARATIONS OF INTEREST

There were no declarations of interest

### 8 APPOINTMENT OF CHAIR AND DEPUTY

#### RESOLVED

**That Karen Burns be appointed as Chair and Susan Marsh be appointed as Deputy Chair of the Schools' Forum for the 2020/21 Academic Year.**

### 9 MINUTES

Consideration was given to the minutes of the meeting of the Schools' Forum held on 16 July 2020. It was noted that Lisa Gallaher had sent apologies for this meeting.

#### RESOLVED

**That, with the amendment stated above, the minutes of the meeting of Schools' Forum held on 16 July 2020 be approved as a correct record.**

## 10 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 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 was effective and fair

The documents reflected the Department for Education guidance for Schools' Forum published in September 2018 and updated in May 2020.

In considering the report, members noted that there were currently 7 vacancies within Schools' Forum, for this academic year, which included:

- 3 Maintained Primary School representatives
- 2 Academy Primary School representatives
- 1 Secondary Academy representative
- 1 Maintained Special School representative

Members undertook to raise the matter at suitable forums and groups and agreed to feedback through the Clerk and Chair of Schools Forum in advance of the next meeting.

Rosario Sarno was introduced to the Forum as Governor Representative for Academy Special Schools.

Simon Brereton explained that he had previously been a member of Schools' Forum and was happy to be re-appointed representing Maintained Primary Schools.

The Deputy Chair stated that there had previously been a Governor representing Academy Secondary Schools, who had not attended Schools Forum for some time. It was agreed that the Clerk would contact this representative to confirm membership and provide an update with regard to this vacancy.

Andy Card announced that he would be retiring from Schools Forum. As a result, an additional vacancy within the Maintained Primary School sector would be created.

### RESOLVED

- That the Terms of Reference, Forum Principles, Constitution and membership of Schools Forum be approved for publication on the Council's website.**
- That current vacancies within Schools Forum membership be raised at suitable forums and groups, as appropriate**

## 6 SCHOOL BALANCES 2019-20

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education. This provided an update of the surplus balances held by schools at the end of the 2019-20 financial year, alongside details of the current balance mechanism scheme and balances for 2020-21.

It was explained that school balances had reduced by £0.322m or 5% compared to 2018-19, with Primary sector balances being reduced by £1.01m and Secondary sector balances showing an improved deficit position, having reduced a small deficit to a surplus by £0.299m. In addition, it was highlighted that Special sector balances had increased by £0.469m.

The movement in school balances was discussed and it was explained that 2 Primary Schools closed the year with a combined deficit of (£24,383), whilst 49 Primary Schools held a combined

surplus of £5,927,243. There were 2 Secondary Schools closing the year with a combined deficit of (£1,179,580), whilst 4 Secondary's held a combined surplus of £1,456,617. 5 Special Schools also held a combined surplus balance of £876,894.

Reference was made to the changes in the Balance Mechanism Scheme for 2019-20, which included:

- The % thresholds for surplus balances increased from 8% to 12% in Primary and Special Schools
- The % thresholds for surplus balances increased from 5% to 9% in Secondary Schools
- An interest bearing Capital Reserve was established to allow schools to transfer balances set aside for specific capital projects
- The clawback of surplus balances was applied to balances held in excess of 2 consecutive years, and at a rate of 50%
- Any balances clawed back from schools was used to offset High Needs Block overspend, subject to compliance with regulations
- The clawback agreement would be reviewed annually
- Exceptional circumstances would be considered with regard to clawback

It was stated that, taking into account these changes, all surplus balances had been reviewed and those schools that exceeded their approved surplus balance had been contacted and advised that these surplus balances may be at risk of clawback at the end of 2020-21. Forum members were informed that there were 15 schools above the approved surplus balance at the end of June 2019. However, it was explained that the number of schools with surplus balances above the permitted level had reduced this year following the threshold being raised. There were currently 8 Primary Schools and 1 Special School with balances above the permitted level. Each of these schools had submitted plans to the Local Authority to advise on the reasons for holding this surplus. It was explained that this would continue to be monitored and that the final position would be brought back to Forum to in order to consider any exceptional circumstances and whether the clawback mechanism should be invoked.

Members of the Forum were made aware that, at the end of the academic year 2018-19, there were 5 schools that closed the year with a deficit. At the end of 2019-20, 2 of these secondary schools were still operating under a licensed deficit. Similarly, 2 primary schools closed the year in deficit and the Local Authority were working with those 2 primary schools alongside another primary school who were looking to set a licensed deficit this year. One of these deficits had now been licensed with the other 2 schools having meetings scheduled over the coming weeks.

## **RESOLVED**

**That the position of Schools Balances 2019-20 be noted.**

## **7 SCHOOL FUNDING ANNOUNCEMENTS AND UPDATES**

Consideration was given to a report of the Assistant Director of Finance and the Assistant Director of Education providing an update on the latest school funding announcements. The report provided information with regard to the DFE spending announcements and some context for the potential impact of the Council's position. Forum members were made aware that Dedicated Schools Grant (DSG) announcements at this stage covered the Schools Block, High Needs Block and Central Service Support Block. However, Early Years Block information would not be shared at this point.

Forum members were made aware of the 2021-22 allocation of funding on a national basis in comparison to 2020-21. It was highlighted that there had been an overall increase of £3.2bn, of which £2bn related to existing pay and pension grants. With regard to the allocation for Tameside MBC, the provisional figure had increased by £12.5m, excluding growth. It was stated that £7.5m of this increase related to the Teachers' Pay and Pension Grant, which was protected and must be

passed directly onto schools. It was also explained that the further £5m represented a 3% increase on 2019-20 cash levels.

An overview of the main changes was provide for Forum members, including detailed explanation of the Teachers' Pay and Pension Grant (TPPG), Sparsity Factor, IDACI Bandings, Prior Attainment, Minimum Funding guarantee (MFG) and Minimum Per Pupil Funding Levels for 2020-21, as outlined in the report.

It was highlighted that 2021-22 would continue to be a soft formula for Local Authorities to administer funding due to the impact of Covid-19. It was also explained that the DFE had confirmed they would look to a future date for a hard formula implementation.

A question was raised with regard to pay grants and the ability of schools to fund pay rises, particularly when schools have high levels of staff who had reached the upper pay scales. It was acknowledged that this presented a complex issue. However, it was explained that the Teachers' Pay Grant was introduced to fund teachers' pay in September 2018 and September 2019 and this grant had not increased beyond these years. However, the 3% that had been added to the basic entitlement this year and the similar increase last year represented be the increase to fund these pay awards moving forwards. It was, therefore, confirmed that the increases on the basic entitlement represented the inflationary increases in pay awards.

With regard to High Needs, it was made clear that the current announcements indicated an increase in funding by a further £730m or 10% nationally. It was also stated that Local Authorities had seen an increase between 8% minimum and 12% capped increase. It was explained that the funding formula for High Needs remained largely unchanged with the exception of some technical changes with regard to the cap, TPPG and MFG. Members of the forum were informed that Tameside had received the maximum increase possible, capped at 12% (before import/export adjustments and recoupment).

Forum members' attention was drawn to Table 3, which presented the provisional allocation for 2021-22 compared to the current 2020-21 allocation. It was explained that Tameside was seeing an overall increase of £3.390, or 14% as this did not include the TPPG (£0.488m) rolled into the High Needs Block for 2021-22. As TPPG was based on an existing grant, excluding this, there was a cash increase of £2.902m.

Forum members were asked to note that, without the cap at 12%. Tameside would have received an additional £3.1m in 2021-22 and, for context, the 2020-21 cap was £2.6m. With this in mind, the substantial impact of this was highlighted in terms of the in-year projected deficit for this year and next year's High Needs Block. It was further demonstrated that the cap on this funding has had a significant and detrimental impact on the deficit position for the High Needs Block.

Whilst the notion of caps was agreed, concerns were raised with regard to the impact of the cap on High Needs funding. As a result, Forum members support was sought, on behalf of the schools in Tameside, with regard to the Local Authority being asked to reduce spending where there has not been sufficient funding received.

Concerns were also raised with regard to out of borough placements and an update was provided with regard to this. It was explained that there were currently too many families having to go out of borough because of a shortage of places locally. However, whilst it was acknowledged that there needed to be an investment in Special School places, it was, again, highlighted that the budget was currently insufficient to be able to ensure this. Again, it was emphasised that this was partly due to the challenge presented by this cap on High Needs funding.

Discussion ensued with regard to how and where investment in support services for SEND would take place. However, the limits within the budget were, again, highlighted with regard to the ability to be able to invest effectively in this support, in light of the current cap on funding. It was highlighted the Social, Emotional and Mental Health needs, in particular, required further

investment and reviews were currently being undertaken with regard to how services were currently funded. In conclusion, it was acknowledged that effective investment in these areas posed significant challenges, particularly when taking into account the cap on funding.

It was confirmed that Local Authorities would continue to be permitted to transfer up to 0.50% of the Schools Block allocation to another block within the DSG, with the support of Schools Forum. However, members were made aware that this transfer must exclude the additional funding for Teachers' Pay and Pension Grants to ensure that these remained, in full, with schools.

Members of the Forum were reminded that it had been previously agreed to transfer 0.50% into the High Needs Block and Forum were asked for their support with regard to the continuation of this arrangement. In addition, members were asked to consider the transfer of 1.00%, subject to consultation, with the final decision required for the next meeting of Schools Forum, in November.

It was explained that, based on the current Schools Block allocation for 2021-22, 0.50% would equate to £0.869m and 1.00% would equate to £1.738m. These figures may increase as a result of the final funding allocation, due in December. However, it was unlikely that even the 1% transfer would be sufficient to offset the annual gap. Assuming the process was similar to previous years, this request would be subject to the following:

- A consultation process with all schools and academies
- Presentation of the impact of the intended transfer on individual schools 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 could be sustainable in the longer term
- Schools Forum approval for a one-off transfer for 2021-22

It was stated that Central Schools Services Block funding had provisionally increased by 6.45% or £0.061m from £0.953m to £1.015m. However, it was explained that, although there had been an increase, any extra funding here would need to be used to support the increases in pay and pensions for centrally employed teaching staff. Therefore, it would be likely that this increase would simply cover the increases on centrally retained staff.

Forum members were made aware of the increased measures for financial transparency, which would come into effect from 1 January 2021. It was explained that these changes had been brought forward as a number of Academy Trusts reported to DFE that they felt more accountable for their academies financial position than they had previously done as a Local Authority maintained school and these followed a period of consultation between July and September 2019. The DFE recognised that these measures would create new burdens for Local Authorities and would compensate through a direct grant based on the number of maintained schools within the Local Authority.

Changes to enhance financial transparency were discussed, including:

- Making public where Local Authorities are failing to comply with deadlines for completing assurance returns and financial collections
- Strengthening DSG annual assurance returns
- Maintained schools required to set 3 year budget forecasts
- Strengthening Related Party Transaction (RPT) arrangements in maintained schools
- Maintained schools internal audit too infrequent
- Strengthening arrangements to help schools that are in financial difficulty
- Greater transparency reporting high pay for school staff
- Greater transparency when reporting maintained school income and expenditure

## **RESOLVED**

- (i) That the contents of the report be noted.**
- (ii) That the Chair be supported in making representations to the Department for Education in relation to High Needs funding.**
- (iii) That it be agreed, in principle, for the Local Authority disapplication to the Secretary of State in order to transfer 1% from the Schools Block to the High Needs Block.**
- (iv) That it be agreed, in principle, for 0.5% to be transferred from the Schools Block to the High Neds Block, in the event of the 1% transfer having not been agreed by the Secretary of State.**

## **8 DSG BUDGET UPDATE FOR 2020-21 AND EARLY YEARS OUTTURN POSITION FOR 2019-20**

Consideration was given to a report of the Assistant Director of Education and the Assistant Director of Finance. The report outlined the budget position for the financial year 2020-21 and provided an update on the Early Years' final outturn position for the financial year 2019-20.

Forum members were made aware that there was a forecast surplus of £0.050m on the Schools Block. This related to rates rebates for schools that had recently converted to Academy status and actual rates charges being lower than estimated. It was also explained that Schools Forum would be updated again, in January 2021, due to the timing of the census and that any surplus was proposed to be contributed to the DSG deficit. In addition, it was highlighted that a small surplus of £0.003m was also projected on the Central Services Schools Block due to the cost of licences being slightly less than estimated. Projected deficits were also discussed, with the High Needs Block having a projected deficit of £3.543m and a projected deficit of £0.466m for the Early Years Block.

With regard to the High Needs Block, it was stated that the in-year projected overspend was £3.543m, after the Schools Block transfer. However, it was made clear that the growth was estimated, at this time, and that work was continuing with regard to accurately predicting the cost of future growth. It was explained that, when looking at the previous financial year, it would appear that a significant part of the growth had occurred in the Autumn term. With this in mind, it was envisaged that a clearer picture of this year's cost of growth may be seen by the end of this term.

Members of the Forum were informed that the overall settlement for Early Years had increased by £0.278m. However, it had previously been reported that there would be an estimated £0.296m in the final settlement. It was stated that the reason for this variation was that the actual settlement for Universal Entitlement of 3 and 4 years olds was lower than estimated (£0.013m).

It was explained that the estimated surplus of £0.547m was transferred to the reserve at the end of 2019-20 financial year to support the wider deficit on the DSG. It was also stated that the £0.018m reduction in surplus should be covered by the projected surplus for 2020-21. An overall settlement for the Early Years had increased to £17.261m and a detailed update of the Early Years Block was provided for members, along with explanation with regard to significant financial pressures in this sector relating to sustainability.

It was stated that the final settlement for Early Years funding would be announced in July 2021 and that, as a result of COVID-19, the DFE had advised that they would be changing the measurement of the adjustment. Members were informed that projections would continue to be updated throughout the financial year to take into account the actual uptake and that this would be reported to Schools Forum.

Members discussed the reduction in numbers within Nursery provision, across all sectors in the borough and issues relating to sustainability were highlighted. It was confirmed that there was currently a reducing birth rate in Tameside. With this in mind, it was suggested that provision may need to be adapted in terms of meeting parental needs and demands. It was highlighted that the

priority would need to be maintaining sufficiency of places and that this situation would continue to be reviewed.

Members of the Forum were made aware that there was a forecast of £3.638m deficit on the DSG and that a Deficit Recovery Plan would be required and would require the agreement of Schools Forum.

## **RESOLVED**

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

## **9 SCHOOL CONDITION CONTRIBUTION PROTOCOL**

Consideration was given to a report from the Assistant Director of Education. The report outlined the Local Authority's proposed protocol for contributions towards the School Condition schemes, previously agreed through the Asset Management Planning and Advisory group.

It was explained that funding for condition work in community and voluntary controlled schools was received through the Devolved Formula Capital and that the Council also receives an allocation from Government. However, it was highlighted that these combined amounts were less than the value of the work required. It was stated that there had been an allocation of £1.3m, which had subsequently been increased to £1.8m, in-year.

Forum members were made aware that there had previously been an agreement with schools for a contribution scheme towards condition works. However, it was highlighted that this had not been fully implemented. This protocol was, therefore, seeking to reinforce this previous agreement and, with this in mind, the general principles were outlined.

It was stated that, under this protocol, the day to day management of the safety and use of school buildings and their sites would rest with the Governing Body of the school and that it would be the responsibility of the Governing Body to undertake appropriate, planned and preventative maintenance. However, the protocol would ensure that there would be appropriate contributions from all parties towards condition work.

It was explained that schools would be expected to fund minor condition projects from within their DFC allocation up to a value of £10,000 for primary schools and £25,000 for secondary schools. It was also confirmed that funding for other capital works, such as the purchase of IT equipment would not be covered under this protocol. It was also stated that investment would be prioritised on keeping school buildings safe and in good working order through tackling poor building condition, building compliance, energy efficiency and health and safety issues.

Members of the Forum were informed that a report on the proposed School Condition Contribution Protocol had been discussed by the Schools Funding Group in April of this year. This had included a number of different proposals on how the contribution element of the proposed Protocol could work and the following options were presented:

**Option 1** - The Council would ask for a contribution of £10k for primary schools and £25k for secondary schools to schemes costing more than these amounts. The Council would then contribute the rest of the amount.

**Option 2** - As with Option 1, the Council would ask for a contribution of the first £10k for primary schools and £25k for secondary schools. An additional amount of £50 per pupil would also be contributed. It was suggested that this would enable better differentiation between schools of different sizes, and would reflect the different levels of annual funding allocated to schools of different pupil sizes.

Feedback demonstrated that all members of the Schools Funding Group were unanimously in support of contributing an amount to ensure that the School Condition budget could stretch further, providing that there would be a fair way of prioritising the schemes. The response to the two options was mixed, with some members of the group believing that the size of the school and number of pupils should be taken into consideration (Option 2) when calculating the contribution amount, whilst others felt that one sum for all schools would be the better option (Option 1). As both options included an initial contribution of £10,000 for primary schools and £25,000 for secondary schools, it was recommended that Option 1 be implemented, initially, with a review to take place in April 2021.

An illustration of Option 1 was provided for members of the Forum:

- The full scheme cost at a primary school was £45,000, the school would contribute £10,000 and the Council would contribute £35,000.
- The full scheme cost at a secondary school was £75,000, the school would contribute £25,000 and the Council would contribute £50,000.

It was explained that, where schools did not have sufficient funds to contribute, consideration would be given to enable such funds to be made available to schools and for this to be re-paid over future years. It was also stated that the Council would seek to apply the protocol consistently and that they would be ultimately responsible for determining whether the protocol should be varied or exceptions made, with reasoning clearly stated. Although it was proposed that the new protocol would be applied to all schemes individually, it was explained that consideration would also be given to schools with multiple projects identified as priority works over a short period of time.

With regard to the Capital Maintenance Programme from 2020, it was stated that the Council had commissioned Condition Surveys for all community and voluntary controlled primary schools and that this would form the basis for the Capital Programme for the next 5 years, with these surveys being updated a rolling basis. In addition, members were made aware that an application process had been developed for schools in order to access funding for urgent works, not previously identified in the Condition Surveys. It was explained that such applications would be considered by the Education Capital Programme Board within a term and that decisions would be made based on the urgency of the work set against the urgency of the work identified through the Condition Surveys.

Forum members were made aware there was an expectation that the majority of schemes approved would be for completion within the financial year in which the funding was allocated and that only in exceptional circumstances would schemes be approved that would take longer to deliver.

#### **RESOLVED**

**That the School Condition Contribution Protocol be agreed and implemented from 1 October 2020**

#### **10 DATE OF NEXT MEETING**

#### **RESOLVED**

**That the next meeting of The Schools Forum be held on Tuesday 24 November 2020 at 10am.**

**CHAIR**