

SCHOOLS FORUM
MEETING HELD ON 8th OCTOBER 2019

PRESENT

Primary Maintained School Headteachers: Mr A Ruffell and Mrs C Taylor

Primary Academy Headteacher: Mrs K Haycock

Primary Governors: Mrs M Dowson and Mr C Wilson

Secondary Maintained School Headteacher: Mr R Henderson

Secondary School Headteacher Representative: Mr S White

Special School Representative: Mrs C Thomas

14 – 19 Representative: Mr P Cook

Local Authority Representative: Councillor C Clarke

Trade Union Representative: Mr L Russell (Chair)

OFFICIALS: Mr D New – Senior Finance Manager
Mr M Gray – Director of Children Services
Mr G Waller – Senior Accountant
Mrs S Hewitson – Secretary to the Forum

ALSO IN ATTENDANCE: Mrs N Fletcher – S&GSS, Observer

1. **EVACUATION PROCEDURES**

Members noted the evacuation procedures to be used to exit the building in an emergency.

2. **APOLOGIES FOR ABSENCE**

RESOLVED that the apologies for absence submitted on behalf of Mrs J Armstrong, Ms E Carr, Mr G Rickard, Mrs S Richardson, Mr E Squire, Mr J Thompson and Mr E Huntington be received and noted.

Mrs M Dowson joined the meeting.

Mrs K Haycock declared she was a substitute in the absence of Mrs J Armstrong as Primary Academy Headteacher.

3. **DECLARATION OF INTERESTS**

Members were invited to declare any personal or business interests they may have in any item included on the agenda.

No interests were declared

4. **MINUTES FROM THE LAST MEETING – 25th June 2019**

RESOLVED that the minutes of the meeting held on 25th June 2019, be approved.

5. MATTERS ARISING FROM THE MINUTES

There were no matters arising.

6. BUDGET MONITORING – SCHOOLS BUDGET 2019/20

The circulated report informed members of the Forum with the current projected outturn position on the Schools Budget based on information to the end of September 2019. It is estimated that there would be a deficit of £3.716 million by the end of this financial year. However, D New asked members to note that this figure included the cumulative overspend brought forward from 2018/19 of £2.577 million. The 2019/20 budget was set with a planned in year deficit of £263k.

Mrs C Taylor joined the meeting.

Appendix 1 showed the revised budget against the projected outturn for 2019/20 on the Schools Budget as at 30th September, in the prescribed DfE Section 251 reporting format. The reasons for the significant variances were as follows:

- Savings on ESFA rates adjustments on academy recoupment were expected to result in an £80k saving.
- *Top-up funding maintained providers* – Estimated overspend of £143k. This was mainly top-ups to some SBC maintained schools and out of area maintained special schools.
- *Top up funding academies and free schools* – The projected overspend of £230k was mainly due to top-ups to some SBC academies and out of area academies.
- *Top-up funding Independent Providers* - The projected overspend of £753k related to the increasing number and cost of specialist agency placements.
- *SEN Support Services* - £28k estimated overspend resulting from a further increase in costs for the Hearing Impaired and Visually Impaired support arrangement with Middlesbrough Council.
- *Pupil growth / infant class sizes* - Estimated £176k underspend based on initial admissions data relating to September 2019.

P Cook asked for clarification regarding the responsibility of Schools Forum and what they were accountable for. D New explained Local Authority were responsible for the planned spend around Dedicated Schools Grant (DSG) funding and working in partnership with the Schools Forum regarding the position of High Needs Funding (HNF). P Cook highlighted the continuous pressures on funding and that deficits continued year on year.

S White agreed with P Cook and outlined the pressure on HNF and the ever increasing needs within schools which was a trend locally and nationally. He also highlighted the costs of out of borough placements. M Gray commented that it was the Local Authority's responsibility to manage HNF however there continued to be pressures.

C Wilson asked if the Schools Forum responsibilities had been reviewed recently. This would be an agenda item at the next meeting.

D New advised that High Needs would be discussed in greater detail under agenda item 9.

Members RESOLVED:

- a) to note the position on the schools budget
- b) that any surplus or deficit on the Schools Budget supported by DSG is carried forward to the following financial year.

7. SCHOOL FUNDING ARRANGEMENTS 2020/2021

The paper circulated was intended to inform the Schools Forum of the latest information regarding the national funding settlement for schools and the potential implications for Stockton.

National Increases

The Government had announced that nationally schools budget will rise by £2.6 billion in 2020/21, £4.8 billion in 2021/22 and £7.1 billion in 2022/23, compared to 2019/20 funding levels. This included:

- a) An increase of £700 million more in 2020/21 for High Needs (although no commitment had been confirmed beyond 2020/21).
- b) An additional £66 million for early years providers.

It was also announced an additional £400 million for 16-19 provision. The DfE would publish final dedicated schools grant allocations for LA's in December 2019.

Separate to this, the Government would continue to provide teacher pay grant and teachers' employer contributions grant to schools.

Schools Budget

The DfE had confirmed the following key elements of the schools National Funding Formula (NFF) in 2020/21:

- a) The government's intention to move to a 'hard' NFF for schools – where budgets would be set on the basis of a single, national formula. They recognised this represented a significant change and would work closely with local authorities, schools and others to make this transition as smoothly as possible.
- b) In 2020/21 local authorities would continue to have discretion over their schools funding formulae. However, as a first step towards hardening the formula, from 2020/21 the government would make the use of the national minimum per pupil funding (MPPF) levels, at the values in the school NFF, compulsory for local authorities to use in their own funding formulae.
- c) The minimum per pupil funding (MPPF) amount for 2020/21 would increase to £3,750 (from £3,500) for primary schools and £5,000 (from £4,800) for secondary schools; the increase was 7% for primary and 4.2% for secondary. The primary schools minimum then rising to £4,000 in 2021/22;
- d) The DfE were running a Minimum Per Pupil Funding (MPPF) consultation which closed on 22nd October on the best way to implement the change in which they were proposing to exclude premises factors from the MPPF.
- e) The funding floor would be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil allocations for all schools in real terms. This minimum increase in 2020/21 allocations would be based on the individual school's NFF allocation in 2019/20;

- f) Schools that were attracting their core NFF allocations will benefit from an increase of 4% to the formula's core (i.e. pupil led) factors;
- g) Pupil mobility funding would be allocated via a formulaic approach rather than on an historic basis;
- h) LA's would have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +1.84% per pupil; as well as to use a gains cap.
- i) Growth funding would be based on the same methodology as this year, with the same transitional protection ensuring that no authority whose growth funding was unwinding would lose more than 0.5% of its 2019/20 schools block allocation;
- j) Local authorities would continue to be able to transfer up to 0.5% of their schools block to the high needs block of the DSG, with schools forum approval. A disapplication would be required to the SoS for transfers above 0.5%, or any amount without schools forum approval.
- k) LA Primary and Secondary Units of Funding (PUF/SUF) rates would be published in October.

The headline figure of 4% increases in formula factors and the minimum funding per pupil increase required to be treated with caution, as these may be offset by MFG changes. The increase in funding was to be welcomed, however, until the DfE published much more detailed information it was difficult to gauge precisely the implications locally.

Early Years

There would be an increase to early years spending of £66 million to increase the hourly rate paid to childcare providers through the government's free hours offers. The DfE had not supplied any information on LA level allocations or how they would increase the rates.

Central Schools Services Block

There had been no announcements on changes to the funding of the Central Schools Services Block.

Timeframes

An extract of the DfE's timetable as published in the Schools revenue funding 2020/21 operational guide was attached as an Appendix.

Other updates

The Department was considering extending the risk protection arrangement (RPA) currently operational for academy trusts (ATs) to Local Authority Maintained Schools (LAMS). The DfE had launched a public consultation on 9th September 2019 to allow those with comments, views or concerns to express them. The consultation was open for comments until 4th November.

C Thomas advised although it was reassuring to hear that primary and secondary schools would benefit from the MPPF, she voiced concerns around the funding strains on special schools.

M Gray explained the vast majority of the overspends were going towards top up funding including interventions and alternative provisions. He informed Schools Forum members that he was currently working with other links to access more alternative

provisions. The recovery plan would have been successful however, more spend had been projected this year as per the document. Fundamentally there were not sufficient funding available nationally and needs were ever increasing locally and nationally.

S White suggested a multi-year plan to prevent the ongoing deficit moving forward. A Ruffell explained that the deficit would be much larger if schools weren't consuming their own school budget funding to subsidise costs for pupils with additional needs.

Members RESOLVED note the report.

8. DELEGATION / DE-DELEGATION 2020/21

Funding for certain services must be allocated through the formula but can be passed back, or de-delegated for mainstream primary and secondary schools with school forum approval.

The authority was proposing the option of de-delegation (i.e. central management) for all of the areas covered in this report for 2020/21.

As per previous years, it was agreed that this paper would again be scheduled earlier in the year to allow, if required, eligible voting members time to seek the views of their respective representative on the options open to them. Also in the event of the proposal being rejected this would allow time to plan for the transfer of budgets and responsibilities.

Members were referred to the table under item 10 which summarised the services, their related estimated funding and the basis the funding which would be removed from the formula was shown.

The recommendation was to bring this back to the next meeting scheduled to be held on November 26th 2019.

A member questioned if the funding last year was comparable against the current year. D New confirmed that the methodology was the same but the overall value had reduced since due to academy conversions.

A member questioned what happened to the left over funds and how they were spent. D New confirmed that this would be a Schools Forum decision on how the outstanding funds may be spent, last year the remaining funds were transferred to High Needs Funding.

Members RESOLVED that the eligible Schools Forum members representing maintained schools seek the views of their respective maintained school representatives with a view to a vote at the Schools Forum meeting due to be held on 26th November 2019.

9. HIGH NEEDS UPDATE

The High Needs Report and two appendices would provide Schools Forum with an update on the financial position for High Needs factoring in the funding announcements made as part of the recent Government's Spending Round.

Spending Pressures

The school budget monitoring report on today's agenda showed the in year net pressures around high needs of £876k. In particular the agency budget was set based on 63 children in placements relating to the numbers present at the time and the actual

number has just increased to 77. Whilst, underlying reasons for the pressure had been explained in previous reports to the Forum, the latest pressure relates mainly to the following:

- Increased diagnosis of ASD children as health work to clear waiting lists in the area and identification of children with more complex SEMH needs. The lack of capacity meant having to place out of borough and in independent special school provision.
- The PRU was full meaning the LA were having to find alternative placements with a disproportionately high number of children having been excluded since schools return from the summer break including two at the PRU.
- There was very limited capacity in primary special school capacity, again which meant children more likely to have to be educated outside of the Borough.

The LA would continue to progress the actions from the High Needs Deficit recovery Plan presented to the last meeting in June 2019. These together with the Whole Statement of Action following the local area SEND inspection would form the action plan for the service moving forward.

There was however, a high risk that these pressures would continue. Specifically, in respect of the most recent pressures that were manifesting themselves, work would be progressed to accelerate the work on options for education for children with ASD which would provide quality provision in a more cost effective way. Further work was to be progressed with school leaders in mainstream provision to bolster the inclusion agenda. Consideration was being given to commissioning more local provision for primary aged children with severe learning difficulties which includes profound and complex medical needs and young people with autism.

High Needs Funding

Stockton's current High Needs Block allocation in 2019/20 is £24.53m, applying the 8% increase would result in a budget increase of £2 million. If the Government distributed the £700 million on the same basis they allocated the £125 million earlier in the year, Stockton would receive approximately £2.5 million. D New explained these figures had to be treated with extreme caution until we receive further information on how the increases would be built into the High Needs NFF and how the funding floors would be calculated.

In response to a member's question, D New confirmed that the £700 million was a one year settlement.

High Needs Position

The deficit recovery plan, as presented to the last Forum, showed at the end of 2020/21 a cumulative deficit of £2.8m assuming a transfer of £1.4m from schools to high needs block; members were directed to appendix 1 for the summary. Taking account of potential additional funding assumed of £2m and impact of the most recent pressures and their impact on potential savings a revised position is set out in Appendix 2 which showed a cumulative deficit of £3.6m excluding any transfer from Schools to High Needs Block in 2020/21. This is an increase of £0.8m on the planned cumulative deficit

The recommendation to Schools Forum was that a consultation exercise is undertaken with the schools and academies to transfer £0.65 million from the schools to High Needs Block.

A member queried what would happen if the Forum refused to transfer the £0.65 million from school to High Needs Block funding. D New explained that the Local

Authority could put a case forward to the Secretary of State to seek his approval.

P Cook questioned why the LA continued to contribute to pay off historical debts from 2017/18 instead of focusing on current deficits which was discussed in depth between members.

K Haycock questioned how the consultation would be undertaken and invited D New to speak at the next Primary Headteacher's group meeting to explain the process. D New confirmed that the consultation would be undertaken via email and confirmed that he would offer to attend the Primary Headteacher's meeting.

Members RESOLVED that a consultation exercise is undertaken with the schools and academies to transfer £0.65 million from the schools to High Needs Block and be brought back for consideration at the next meeting.

Agenda

Cllr C Clark withdrew from the meeting.

10 ANY OTHER URGENT BUSINESS

There were no matters raised.

11. DATE AND TIME OF THE NEXT MEETING

RESOLVED that the date and time of the next Schools' Forum meeting be held on Tuesday 26th November 2019 at 1:30pm in Room C at the Education Centre Stockton Sixth Form College.