

SCHOOLS FORUM

THURSDAY, 21 JANUARY 2021

PRESENT: Isabel Cooke, Andrew Morrison, Amanda Dean, Martin Tinsley (Chairman) and Michael Wallace

Also in attendance: Councillor Gurpreet Bhagra, Councillor David Cannon, Councillor Maureen Hunt and Councillor Neil Knowles

Officers: Mark Beeley, Kevin McDaniel, Tracey Anne Nevitt, James Norris, Fatima Rehman and Sarah Ward

APOLOGIES

Apologies for absence were received from Maggie Callaghan, John Fletcher and Joolz Scarlett. An offline apology was received from the Vice Chairman during the meeting. Stephen McCormac was no longer a governor for Forest Bridge School, and therefore no longer a member of the Forum.

DECLARATIONS OF INTEREST

None.

MINUTES

RESOLVED UNANIMOUSLY: That the minutes of the meeting held on 19 November 2020 be approved.

BUDGET MONITORING AND FORECAST 2020/21

James Norris, Head of Finance, introduced the report as an update on the in-year financial position of the Dedicated Schools Grant (DSG). The forecast for the deficit budget position at the end of March 2021 was being compiled. The total DSG allocation for 2021/22 was £124mn.

The projected in-year deficit was £388,000 against the Local Authority (LA) administered budget of £65mn, which adversely moved the budget by £180,000, compared to the position reported in the last meeting. This was due to increased cost and volume of placements in independent special schools from Autumn 2020 and projected until Spring 2021. There could be an additional £300,000 overspend due to factors such as the individual provision for pupils, the matrix payments, and bandings of the children. Data from Christmas 2020 onwards had shown a likely increase in overspend.

A deficit of £1.4mn was projected (1.1.% of the overall budget allocation), and if the £300,000 did materialise, the overspend would increase to £1.7mn (1.4% of the overall budget allocation). Due to the deficit position moving forward, a mandatory submission of a Deficit Management Plan (DMP) was required, which demonstrated how the LA would recover from the deficit position. The biggest overspend was in the High Needs Block.

The Chairman asked how the deficit position of the LA compared to neighbouring authorities and the Panel was informed that the LA was in a more favourable position than Richmond and Kingston, though nationally, all authorities were in a similar position.

Kevin McDaniel, Director of Children's Services, said several issues led to this, including a need for a review in the system, with an upcoming Special Educational Needs (SEN) review to take place by the Department for Education (DfE). Activities that previously allowed a drive to 0% rise of costs for non-maintained special schools could no longer be exercised during COVID-19 due to national guidance to protect suppliers. There was also a spike in children with an Education, Health and Care Plan (EHCP) and additional challenges due to the loss of normality.

The Chairman asked if the DfE was to provide leeway due to COVID-19, and the Forum was informed that regulations had tightened since the pandemic and therefore a DMP was required. The Chairman raised his concerns about children not being funded enough to meet their support needs.

(Sarah Cottle joined the meeting.)

The Panel noted the item.

DEDICATED SCHOOLS GRANT BUDGET ALLOCATION 2021/22 AND DEFICIT MANAGEMENT PLAN

James Norris said the purpose of the report was to provide an update on the indicative settlement in 2021-22, the submission of the draft Authority Pro-forma Tool (APT) and the DMP.

The Chairman asked if the DMP could be delayed until the full impact of COVID-19 could be assessed, and the Forum was informed it would be unlikely to have a definitive plan and caveats would be put in place to allow variances.

The Chairman asked for Councillors present in the meeting to inform the Council that any action was short-term, with a review of longer-term plans post COVID-19. Councillor Hunt affirmed she would take this forward.

James Norris said there was an increase in the Schools Block, which would be passed onto the schools directly through the local formula. As the budget setting exercise was undertaken in advance of the December 2020 settlement, there was a need for budget realignment in the new financial year.

(Councillor Knowles joined the meeting.)

The LA was required to submit the draft Authority Pro-forma Tool (APT) to the Education Skills Funding Agency to ensure allocation of funding was going to academies and maintained schools equitably. This was to be approved by the Council on 23 February 2021.

The Chairman asked for a summary of why there was an increasing deficit going forward, and the Forum was informed that since 2016/17, the budget was in deficit. The Dedicated Schools Grant (DSG) deficit was steadily rising and there was approximately £1mn overspend in the High Needs Block (HNB). There were opportunities and underspends in the central block and growth fund, which had been factored in and could be released this year. The DSG deficit was forecasted to be £1.4mn in March 2021 and school balances had reduced over the same period by 40%. More money was going out of the system than in.

The Chairman said the growth in the HNB was worrying and the schools that had built up resilience were having to use them to close the gap within the budgets.

James Norris said that using trend data, it was forecasted that by 2024/25, if no changes in processes and practices were made, there would be a deficit in all blocks amounting to £8.2mn. It was proposed to pay off the current £1.4mn deficit in the next four financial years and reduce costs by £400,000 annually.

Kevin McDaniel explained the proposed list of DMP actions to help reduce costs, including:

- Block transfers - Block transfers could be made to provide greater resource to the HNB.
- Review existing Specialist Resource Provision – Have a wider collection of bases to support individual expertise within existing schools or settings to keep children in EHCP plans within the local system, rather than mainstream schools where support was given individually.
- Open new Resource units.
- Improved commissioning including annual reviews, inflation negotiations - Reassess the way annual reviews were done so that value for money and the outcomes were identified. There was additional capacity in the system to make annual reviews focused on provision and its impact.
- Increased contributions from partners – Young people received contributions from the health services for their conditions. The health services said they could be more responsive with the funding streams from the NHS to bring more resources. National mental health programs funded by the NHS would be rolled out in the next 4 years. Work would be done to see how the skills could be used to divert expenditure elsewhere.

(Councillor Cannon left the meeting.)

- Local SEN place sufficiency plan – Ensure there were enough places locally in special schools rather than resource units. Manor Green had grown significantly and the number of students with additional needs had increased in the college sector. Instead of sending children out of the borough, provisions could be made locally and ensure the authority was an influential commissioner. This could increase attractiveness to families and children with challenges outside of the borough.
- Post 16 pathway planning and proactive promotion of vocational pathways – With the change to EHCPs running up to the age of 25, there was an increasing proportion of young people accessing residential colleges outside the area, which was expensive. Feedback from young people suggested they would prefer accessing education while living in their existing community, which would reduce the cost.
- Annually review the use and value for money of notional SEN funding with evidence that it is being used built into processes – Ensure there was consistency in provision, as the borough was diverse in the distribution of EHCP pupils.
- Review of High Needs Block activities for cost effectiveness – To ensure the activities add value and evaluate each funded cost centre.
- Review other block expenditure projections – Ensure the budget plan had credibility.

The Chairman asked if the actions were feasible and the Forum was informed there was no choice and there was a need to nationally pressure the system to be just.

The Chairman asked if there was any progress in plans to allocate borough children in local special schools before other boroughs, and the Forum was informed that there was limited progress because of law and regulations in admissions. The challenge was when children from other boroughs were having in-year transfers because of placement breakdown, and therefore remained the following year. Work needed to be done to stabilise placements to avoid breakdowns.

The Chairman said extra resource units would be greatly received by headteachers, as it made sense for children to be taught in their community. Kevin McDaniel said there was a significant growth fund allocation in mainstream schools planning, which was an allowable sum of money within the Schools Block to be delegated to the plan to provide the right units. The Forum could share the growth revenue to enable the units to start quickly.

Michael Wallace raised his concern regarding the proposed resources, not units, that were spread between Windsor and Maidenhead. The children that went out of borough for a specialist education would not be suitable for resource provision but for a resource unit. Children would still travel a significant distance within the borough and would be away from their local community. Kevin McDaniel agreed and said the budget forecast had an additional cost for the items on the plan. This would not make a big cost saving for out of borough children and there was a need for a bigger group of schools to be willing to be involved in the conversation.

Kevin McDaniel asked if the Forum would be willing to write to the DfE about the concerns of the Forum and to recognise the Director of Children's Services was from the local authority, which was one part of the triumvirate. The Chairman agreed and thanked the officers for their efforts.

SCHOOL BUDGET FUNDING 2021/22

James Norris introduced the item and said the purpose of the report was to provide a summary of the results of the consultation from November 2020, decide which budget model should be implemented, give an update on the Growth Fund allocation 2021/22 and decide the proposed de-delegation rates for 2021/22 for maintained schools.

Three models were proposed by the local authority, following response from the consultation. The only difference between Model 1 and Model 2 was the minimum funding guarantee (MFG) at 0.5% and 1.5% respectively.

A total of 23 schools (39%) responded to the consultation representing 8,660 pupils (40%). This was an increase on previous response rates and efforts would be made to increase this response rate further for next year.

Of the schools that responded to the consultation:

- 65% supported retaining MFG at 0.5%, Model 1.
- 87% supported targeting funding at local priorities such as deprivation funding.
- 91% supported the Looked After Children factor to remain at the current rate. Responses suggested this was crucial for the vulnerable groups during COVID-19.
- 78% supported the proposal to target headroom at lump sum allowance. A small fraction of schools proposed using the headroom suggested as an alternative methodology, based on the number on roll or further funding towards the deprivation factors.
- 74% supported Model 1, therefore it was recommended to adopt Model 1.
- 78% supported the proposal to target headroom at lump sum allowance. A couple of schools opposed the approach and proposed a formulaic based approach rather than lump sum.

It was noted that the lump sum would increase from £120,821 to £123,960 per school, while in the initial modelling, the increase was anticipated to be 40% higher. Factors that decreased the additional funding included a 30% increase in the eligibility of pupil's free school meals and a shift in the number of pupils attracting the Low Prior Attainment funding.

Members voted on the adoption of Model 1.

RESOLVED UNANIMOUSLY: That the adoption of Model 1 be approved.

James Norris said the indicative growth fund for the next financial year was £680,000, based on the forecasted demand on the future level of placements for pupils.

It was proposed that the de-delegation rates for 2020/21 for maintained primary and secondary rates to remain the same. Due to the shift in Income Deprivation Affecting Children

Index and deprivation, there was less funding available to support behavioural support services based on the current costing model. Funding received was approximately £26,000 and therefore it was recommended to continue the level of service for the 2021/22 financial year. This was considering the pandemic and the ability to use some of the carried forward to fund the shortfall.

Michael Wallace said one should be prudent to use carried over figures to support the behaviour support team for when schools reopened, in case there were additional needs the team needed to aid in. Moving forward, the impact against cost of each team needed to be reviewed.

On behalf of the primary sector Mike Wallace approved the de-delegation rates. It was agreed that a decision in respect of the Secondary Sector should be deferred until the Vice Chairman was present.

RESOLVED: That the proposed de-delegation rates for 2021/22 for the Primary Sector be approved.

ACTION: The vote for the proposed de-delegation rates for 2021/22 be deferred in for the Secondary Sector until the next Schools Forum meeting.

James Norris said funding rates increased by 8p per hour for two-year-olds and 6p per hour for three- and four-year-olds. It was suggested to perform a low-level consultation to ask if there was an appetite for the funding to be increased, with the results brought back at the next meeting. The rate changes would be effective by 1 April 2021.

Kevin McDaniel said the government adjusted its guidance to enable a census based on the number of children expected post-pandemic, therefore sufficient money would be available next year for early year settings. Sarah Cottle thanked Kevin McDaniel and Clive Haines, Schools Leadership Development Manager, for their support in lobbying the government in adjusting the census.

The Panel noted the item.

The Chairman thanked all officers and Members.

The meeting, which began at 2.00 pm, finished at 3.11 pm

CHAIRMAN.....

DATE.....