

## **Minutes of the Schools Forum**

**23 September at 2.30pm  
at Sandwell Council House, Oldbury**

**Members Present:** D Irish (Chair),  
M Arnall, J Bailey, R Fisher, L Gillam, L  
Howard, G Linford, Z Padda, P Shone, J  
Smallman and C Walsh.

**Officers Present:** C Ward, J Gill, R Kerr, S Lilley and A  
Timmins.

**Observer:** J Kellas.

**Apologies:** D Barton, A Burns, N Toplass.

**35/19 Agenda Item 1 – Apologies**

As above

**36/19 Agenda Item 2 – Declaration of Interest**

None

**37/19 Agenda Item 3 - To confirm the minutes of the meeting held  
on 17<sup>th</sup> June 2019.**

**Resolved** that the minutes for the forum held on the 17<sup>th</sup>  
June, 2019 be confirmed as agreed subject to amendment  
of page 3, para 8, Minute No. 25/19 should read “that  
Westminster’s Schools figures in respect of the Budget  
plans 2020-21 were a deficit as it was not printed in red”.

**38/19 Agenda Item 4 - High Needs – ALATS letter Secretary of  
State for Education.**

Schools Forum was informed that a letter had been submitted to  
the Secretary of State by treasurers across the country writing to  
highlight significant pressures being experienced due to shortfall  
in funding for pupils with Special Educational Needs and

[ILO – UNCLASSIFIED]

## **Schools Forum – 23 September 2019**

Disabilities via the High Needs Block of the Dedicated Schools Grant.

Local Authorities would be asked to produce a three-year recovery plan, which would be quite onerous, if we overspent our allocation

A number of forums were lobbying the Government for funding.

39/19

### **Agenda Item 5 – Financial transparency of maintaining schools.**

Schools forum received a report in respect of the Government consultation on Financial Transparency of local authority-maintained schools and academy and was asked to feedback views on the consultation. The consultation had been issued on 17<sup>th</sup> July 2019 and the deadline for responses was 30<sup>th</sup> September 2019.

Schools Forums commented and questioned proposals as follows:-

#### **Proposal 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections**

The main responsibility lies with the L A, however schools would have to comply with set procedures and right format so that it could be passed onto DfE. This would apply to the School Financial Value Standard (SFVS) and the Consistent Financial Reporting. The L A welcomed comments from Maintained schools.

#### **Proposal 2a: Strengthening DSG annual assurance returns: Collecting the number of schools with suspended budgets and notices of financial concern through existing DSG assurance statement**

#### **Proposal 2b: Strengthening DSG annual assurance returns: Adding a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud**

## **Schools Forum – 23 September 2019**

A concern raised was that recovered money may be used to top slice funding, and this may not take into account any legal costs incurred by the LA in bringing the case to court. It was a concern how this information would be used. It would be suggested that the cost of a fraud investigation should be considered in figures.

### **Proposal 3: Requiring maintained schools to provide local authorities with 3-year budget forecasts**

No change for Sandwell however the format may be changed. It was felt that a challenge to the DfE should be made to insist that they provide schools with 3 year budget predictions to aid this work. Also, they should issue the assumptions that schools should use for budgeting eg. Pay rises, inflation to ensure consistency and to enable proper comparisons. The DfE issue 3 year budgets for schools capital programmes so they should be able to do it for revenue budgets.

### **Proposals 4 (a,b,c): Strengthening Related Party Transaction arrangements in maintained schools:**

Academy trusts must report all related party transactions above £20,000 in advance of the transaction taking place using an on-line form. The arrangements for reporting in maintained schools was not as stringent. The experience of academies was that the DfE were slow to respond.

### **Proposal 5: Requiring maintained schools to be subject to internal audit at least every 3 years.**

It was highlighted that an audit every three year would create capacity issues for the local authority. However, it was also felt that it is an important aspect of being transparent. There was an issue around capacity and funding to complete this task. The academy schools stated they have to pay for an annual audit to be undertaken.

### **Proposals 6 (a,b,c): Strengthening arrangements to help schools that are in financial difficulty:**

Sandwell already had in place a process where schools that were unable to set a balanced budget have to submit a deficit recovery plan. It was agreed it was a good idea to continue with arrangements to submit a recovery plan rather than when the

## **Schools Forum – 23 September 2019**

deficit rises above 5% of schools funding. In respect to producing a recovery plan, the Local Authority would work with each school finding out what schools need to operate and support with benchmarking.

A question was raised what the authority would do if a school cannot come up with a plan to recover the deficit within 3 years. The response from C Ward was that some schools needed support to consider where they can make savings and the Local Authority would provide the support to deliver the funding savings.

The Local Authority would work with schools to create a high-level action plan.

### **Proposal 7: Increasing transparency in the reporting of high pay for school staff**

Academy trusts must disclose information about each individual earning over £100,000 and the DfE were proposing that this measure should be introduced into Local Authority maintained schools and for the information to be published on school website.

C Ward commented that there used to be regulations setting out salaries for headteachers etc. He suggested the DfE should set pay bands for different size schools to address the anomalies of pay across schools.

### **Proposal 8: Increasing transparency in reporting-maintained school income and expenditure.**

The DfE had asked for LA's and schools to indicate and quantify any new burdens and costs they believe would arise from the implementation of these proposals.

It was recognised that it was difficult to quantify the amount of resources that would be required when it was not known which option the Government would go with.

**Resolved** that schools be encouraged to complete the consultation; a further copy would be circulated to Schools.

## **Schools Forum – 23 September 2019**

40/19

### **Agenda Item 6 - Consultation: implementing mandatory minimum per pupil funding levels**

Schools Forum received a report in respect of the Government consultation in implementing mandatory minimum per pupil funding levels.

The consultation had been issued on 10<sup>th</sup> September 2019 and the deadline for responses was 22<sup>nd</sup> October 2019.

Currently local authorities have flexibility over how the funding they received through the NFF was distributed locally in consultation with schools. 81 authorities had moved all of their factor values in their own local formulae closer to the national formula. 121 authorities including Sandwell, chose to use the factor for minimum per pupil levels this year (2019/20). Authorities and schools were advised to plan on the basis it was mandatory, and the consultation focusses on how best to implement the change.

There were four questions within the consultation and schools were advised to feedback.

Media enquiry had asked how many schools in Sandwell would benefit from the Government announcement of the minimum per pupil funding levels if we implement it with primary £4,000 and secondary £5,000. It was estimated based on 2019/20 data that 6% of schools would benefit from additional funding via minimum per pupil funding, but this figure was caveated that this was not definitive because pupil characteristics change year on year.

Models and scenarios would be brought to a future meeting of Schools Forum.

A National Fair Funding conference was planned for 19<sup>th</sup> November 2019 in Reading and those members interested in attending should forward details to the meeting clerk.

Rose Kerr was attending a workshop organised by the DfE on 14<sup>th</sup> October 2019 and would then do some modelling to firstly present to the sub-committee and then present to the next Schools Forum meeting.

## **Schools Forum – 23 September 2019**

**Resolved** that Schools Forum note the report and was recommended to feedback views on the consultation.

### **41/19      Agenda Item 7 - Consultation: SEN call for evidence. Response – Verbal update**

Schools Forum was advised that a meeting in respect of the SEN consultation had been undertaken and a submission had been completed in respect to increased funding as the deadline was July 2019.

### **42/19      Agenda Item 8 – HNB – August 2019 Budget monitoring report**

Schools Forum received a report in respect of the High Needs Block monitoring position as at 31<sup>st</sup> August 2019 projected to 31<sup>st</sup> March 2020.

The DfE had allocated an additional funding over a two-year period therefore the additional one-off grant of £ 851,000 was reflected in the figures. This funding may not be made available next year.

It was expected that some future funding would be made available, however it was not known as yet.

Table 1 showed initial budget as at 1<sup>st</sup> April 2019 and the anticipated outturn as at 31<sup>st</sup> March 2020 and the variance from the budget.

The anticipated in year deficit as at 31<sup>st</sup> August 2019 projected to 31<sup>st</sup> March 2020 was £275,000.

The balance brought forward as at 1<sup>st</sup> April 2019 was £90,000 surplus. There would be a transfer of funds in 2019/20 amounting to £30,000 from the Early years grant to fund posts.

The Alternative Provision panel allocated two places to Alternative Provision. More panels had been undertaken and that data would be reported back.

## **Schools Forum – 23 September 2019**

The occupancy across the four special schools was running at full capacity. Two of the four schools were over occupancy and in year adjustments would be made to account for the overoccupancy at the yearend if still applicable, whilst two were carrying 1 vacancy each.

Data for the PRU's was not available at this point.

Members questions and comments in respect of this item were as follows:-

- Some Alternative Provision would be re directed to PRU'S.
- Permanent exclusions - decreasing and there were vacancies in the PRU's.
- Students attached to school needing Alternative Provision receive this from schools.
- Any further allocation would go through the Alternative Provision panel.
- Cost of Alternative Provision was dependent upon the provider, some were reasonable but may not provide the necessary provision.
- The implications for the next year with overspend would mean commencing with a deficit from the onset, however additional funding was expected from the DfE.
- Numbers would reduce significantly in future as those currently in year 11 would reduce.
- Government had been underfunding the High Needs Block and an 8 – 17% increase in funding was needed. Parents were challenging about reductions in SEN budgets.
- Compared to other local authorities Sandwell was in a good place.

## **Schools Forum – 23 September 2019**

43/19

### **Agenda Item 9 – Schools funding – Operational Guide 2020/21**

Schools Forum received an update in respect of the Government announcement on school funding for the next three years and to give an overview on the School revenue funding operational guidance issued for 2020/21.

The Government had confirmed that 5 – 16 core schools and High Needs budget would rise by £2.6 billion in 2020/21, a further £2.2 billion in 2021/22 and a further £2.3 billion in 2022/23.

Financial year 2020/2021 was the third year of the national funding formulae (NFF) for schools, high needs and central school services. The Department for Education had stated they would publish provisional NFF allocations at local authority level for the schools and high needs blocks in 2020/2021 in early October 2019, as well as notional school-level allocations.

The DfE would use the NFF to calculate the blocks within the dedicated schools grant (DSG) that would be allocated to local authorities in December 2019.

Schools block funding was based on notional allocations for each school, which would be aggregated into primary and secondary units of funding to arrive at the school's block funding for each local authority.

The following key elements had been confirmed in 2020/21 as follows:

- The minimum per pupil would be £3,750 for primary's rising to £4,000 in 2021/22 and £5,000 for secondary schools.
- The funding floor would be set at 1.84% protecting pupil funding in real terms.
- core national funding and factors would benefit from an increase of 4%. Exceptions to this were the free school meals factor which would increase by inflation. Premises funding would continue to be allocated at local authority level on the basis of actual spend in the 2019 to 2020 APT with a RPIX increase for the PFI factor only. A business



## **Schools Forum – 23 September 2019**

case had been submitted last year but had not come back as yet. BSFM charge and contributions not recognised.

- There would be no gains cap in the National funding formula so that schools can attract their full allocations.
- A new formulaic approach to the mobility factor so that funds were allocated fairly to local authorities.
- Growth funding based on the same methodology as last year and would have the same transitional protection ensuring that no authority whose growth funding was reducing and would lose more than 0.5% of its 2019 to 2020 schools block allocation. There would be no capping or scaling of gains from the growth factor.
- Teachers pay grant and pensions contributions would continue to be paid separately from the NFF in 20/21 and incorporated within the NFF by 2022.
- The funding floor for the High Needs block would be set at 8% so each local authority can plan for an increase of at least that percentage (as estimated by the Office for National Statistics). based on local authorities' high needs allocations in 2019 to 2020, including the additional £125 million announced in December 2018.
- The gains cap would be set at 17%, again calculated on the basis of per head of population.
- The DfE had confirmed the local authority responsible for setting formula 2021. The Government had confirmed its intention to move to a single NFF to determine every schools budget.
- A Government response to the consultation on the minimum per pupil funding would be published in November 2019.

Other changes to local authority formulae arrangements in 2020/21 were as follows:-

## **Schools Forum – 23 September 2019**

- The DfE were removing the funding floor factor in order to mirror the protection used in the NFF against 2017/18 baselines.
- Local authorities can set the MFG in local formulae between +0.5% and +1.84% per pupil and use a gains cap.
- Local authorities would be able to transfer up to 0.5% of schools block to other blocks of the DSG with Schools Forum approval.

In regard to central schools services block, provisional allocations would be published in October. It was expected that the historic commitments element 2020/21 would be reduced.

Pensions Administration continued to be classified as an historic commitment.

44/19

### **Agenda Item 10 – Schools funding – Draft modelling**

Schools Forum were informed that this item had been delayed until the next meeting on 11<sup>th</sup> November as the modelling would be undertaken after 14<sup>th</sup> October as mentioned previously.

**Resolved** that Schools funding – Draft modelling be deferred to the next meeting of Schools Forum on 11<sup>th</sup> November 2019.

45/19

### **Any Other Business**

Rounds Green had applied for School Forum assistance and the sub committee heard the application last week. A full pack of information was submitted by both the headteacher and the Chair of Governors which provided a high level of detail for the panel to consider. Evidence was provided confirming that the school had taken sufficient steps in year to manage their deficit. Plans to reduce expenditure in the future were robust and would deliver the required savings within 3 financial years. The additional funding provided by Schools' Forum would allow the school to retain staff and improve the standard of education in the school whilst reducing the deficit. The sub committee were unanimous in their decision to recommend that £125K be granted from the school's support fund.

## **Schools Forum – 23 September 2019**

**Resolved** that Schools Forum approve the recommendation of the sub committee that £125K be granted from the school's support fund.

(Meeting ended at 3.54pm)

Contact Officer: Shane Parkes Democratic Services Unit 0121 569 3190
--