

## Minutes of Schools Forum

**Monday 13<sup>th</sup> December 2021 at 2.30pm**  
**Virtual, via Microsoft Teams**

**Present:** N Toplass (Chair)  
J Barry (Vice-Chair)  
M Arnull, J Bailey, S Baker, D Barton, E Benbow, K Berdesha, C Handy-Rivett, L Howard, D Irish, W Lawrence, G Linford, S Mistry, E Pate and J Topham.

**Officers:** J Gill, F Hancock, M Jarrett, R Kerr, S Lilley, M Tallents and A Timmins.

**52/21 Apologies:**

No apologies were submitted.

**53/21 Declarations of Interest**

There were no declarations of interest.

**54/21 Minutes**

**Agreed** that the minutes of the meeting held on 8<sup>th</sup> November 2021 be approved as a correct record.

**55/21 To agree that Mrs S Mistry be appointed to the Forum for a 4-year Term of Office**



**Agreed** that S Mistry be appointed to the Forum for a 4-year term of office.

## 56/21 School Revenue Funding 2022/23 Consultation Responses

The Forum received a report which sought recommendations from the Forum in relation to the school funding formula for 2022/23 following consultation with schools.

Furthermore, the report sought approval for various matters in relation to de-delegation proposals for 2022/23, Education Funding proposals for 2022/23 and Central Schools Services Block for 2022/23.

The decisions of the Forum defined the budget setting processes for all schools and academies within the borough for the next financial year. Given national government announcements on future funding for schools, this process would assist schools in preparing strategic plans, ensuring schools were able to create viable budget, staffing and curriculum plans. All decisions would affect the amount available to be delegated directly with schools and focus on what funding was centrally retained to protect services and schools with falling rolls.

The Schools Budget Consultation had been issued to schools on 10<sup>th</sup> November 2021 having been approved at the Schools Forum meeting on 8<sup>th</sup> November 2021, with a deadline of noon on 1<sup>st</sup> December 2021 to respond.

A summary of responses to this consultation was detailed within Appendices 1 – 5, which were appended to the report.

Consultation with the below stakeholders had held as follows: -

- Joint Executive Group – 11<sup>th</sup> November 2021
- Primary/Secondary Partnership – 15<sup>th</sup> November 2021
- Joint Union Panel – 16<sup>th</sup> November 2021
- Association Sandwell Governing Bodies – 24<sup>th</sup> November 2021



A total of 53 responses had been received (compared with 70 last year), with 43 out of 94 (46%) primary schools / academies, and 10 out of 20 (50%) secondary schools / academies responding.

The authority had also received two responses from individual unions.

## Consultation Responses

The consultation on the formula funding for schools for 2022/23 includes proposals on the following: -

The funding formula to use for allocating schools budgets:

- Option 1 – Stepped change in the ratio - LA Formula with a ratio of 1:1.29 in year 3.
- Option 2 – Secondary Schools receive 1% more above the overall increase in funding.
- Option 3 – National Funding Formula Factor Values
- Pupil Number Growth Contingency Fund.
- Minimum funding guarantee and capping of gains.
- Education Functions.
- De-delegation proposals.
- Central Schools Services Block.

## Funding Options – Consultation responses

The authority had modelled 3 options for calculating schools revenue budget for 2022/23. There had been some general adjustments, which apply to all options, which were as follows: -

- Q3 Langley had opened in September 2016 with a PAN of 240 for each year group. The PAN had increased to 300 from September 2021 (however, for modelling purposes, the pupil numbers were the same as 2021/22 to allow for comparison).
- The Shireland Technology Primary had opened in September 2019 with a PAN of 60 for Reception.
- The West Bromwich Collegiate Academy had opened in September 2019 with a PAN of 150 for each year group.



- The amalgamation of Warley Infants and Bleakhouse Junior Schools into Bleakhouse Primary School on 1<sup>st</sup> September 2020. The guidance stated that where schools had amalgamated during the financial year, they retained the equivalent of 85% of the predecessor schools' lump sums for the following financial year (2021/22).

For example, assuming a lump sum of £100,000, the additional payment would be £70,000 ( $(£100,000 \times 2) \times 85\% - £100,000$ ).

Local authorities could apply to provide a second year of protection. Applications must specify the level of protection sought, although the expectation from the DfE was that the additional protection would not exceed 70% of the combined lump sums. They had stated they will consider applications on a case-by-case basis.

At its meeting on 8<sup>th</sup> November 2021, Forum members had agreed that an application could be submitted for Bleakhouse Primary School requesting a second year of the lump sum protection equivalent to 70% of the predecessor schools' lump sum for the financial year 2022/23.

The ESFA had since approved the application request.

The funding formula options were as follows: -

**Option 1: Stepped increase to the 2022/23 Local authority model - Increase of the Primary: Secondary Ratio to 1:1.29 (3rd Year)**

This model used the same factors as previous years, except for the two factors mentioned below. In Sandwell's local school funding formulae, the 2021/22 rate for Basic Entitlement / AWPU was significantly above the National Funding Formula (NFF) rate. The recommendation had therefore been to keep these rates the same for 2022/23 and instead introduce for the first time, factor value rates for Free School Meals (FSM) and Free School Meals Ever 6 (FSM6) in order to reflect the change of moving to a primary secondary ratio of 1:1.29:



## **Option 2: Secondary Schools receive 1% more above the overall increase in funding.**

This model provided secondary schools 1% more of the additional funding than primary pupils (The 1% was calculated on the basis of funding to primary and secondary schools prior to applying MFG and MPPF). The model used the same factors as previous years, except for the FSM6 which had been introduced for the first time in order to reflect the change of secondary schools receiving 1% more above the overall increase in funding.

## **Option 3: National Funding Formula Factor Values**

This model used the factor values used in the National Funding Formula, without applying the Area Cost Adjustment. In order to fund the Pupil Number Growth fund and the MFG to be set at 0.5% to keep in line with the modelling of the other options, the English as an additional language factor had been changed from those eligible pupils recorded on the census as having entered state education in England during the last three years, whose first language was not English, to those pupils entering during the last two years to remain within the funding envelope announced.

Most respondents voted for Option 1. The responses for each option was shown below: -

- Option 1 – 42 Agreed, 11 against
- Option 2 - 1 Agreed, 52 against
- Option 3 – 0 Agreed, 53 against

The following responses reflect some of the comments received:

- *“I have not indicated an option as my preference is to request a standstill as I do not believe any more money should be moved from primary sector to secondary sector as no evidence / research has been provided to support. Further consultation is needed through schools forum.”*



- *“Without discussing and agreeing an educational rationale, it should not be possible to make any of the changes to school funding mechanisms as proposed”*

The comments above were a small reflection of the comments received in relation to the options for the authority funding formula. Appendix 5 provided further detail on the comments made about the funding formula as well as detailing comments on each question in the consultation and general comments overall.

## **Pupil Number Growth Fund**

Local authorities may top-slice the DSG to create a growth fund. The growth fund was ring-fenced so that it is only used for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of necessary new schools. These would include the lead-in costs, post start-up costs and any diseconomy of scale costs

Local authorities were responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies.

- Local authorities must fund all schools on the same criteria.
- Where growth occurs in academies that were funded by ESFA on estimates, the ESFA would use the pupil number adjustment process to ensure the academy is only funded for the growth once.

The Authority had estimated the costs for authority led expansions of schools to cater for the increase in birth rates, pre-opening and diseconomy of scale costs for West Bromwich Collegiate Academy and it had also estimated mid-year admissions costs.

For the last 4 – 5 years, the pupil number growth fund had been set at £2.269m. However, since 2019/20 the level of recoupment that the LA had been able to retain had increased to an average of £0.544m per year compared to levels of £0.178m per year prior to



2019/20. This had, therefore, increased the total Pupil number growth funding in the last few years.

In 2021/22 the Pupil number growth fund had reduced from the levels set in previous years of £2.269m to £1.091m as a result of accrued balances built up over the last few years.

The Government had stated in their consultation document “Fair School Funding for all: completing our reforms to the National Funding Formula”, that they were planning to change growth funding and the basis on which they fund new and growing schools.

### **DFE Growth fund – Current formulaic method**

Growth funding was within local authorities’ schools block NFF allocations. Since 2019/20, growth funding had been allocated to local authorities using a formulaic method based on lagged growth data. The change in the method of funding to local authorities had not changed the way in which authorities could allocate funding locally.

For each local authority, the growth factor would allocate: -

- £1,485 for each primary “growth” pupil.
- £2,220 for each secondary “growth” pupil.
- £70,800 for each brand-new school that opened in the previous year (that was, any school not appearing on the October 2020 census but appearing on the October 2021 census).

The authority currently funds schools as follows: -

- LA agreed PAN Increase / Bulge Class at 100% of Basic Entitlement / AWPU; which for 2021/22 was £3,512 for primary pupils and £4,977 for secondary pupils.
- Mid-Year Admissions at 50% of Basic entitlement / AWPU for 2021/22.
- New / Growing schools – ESFA rates for leadership and resources.



Given the disparity between the Growth funding rates received by the authority and the Pupil number growth rates used to pay schools, and because of the government's plans to change the basis of funding; the authority was proposing two options for setting the allocation: -

- Option 1: Continue with the current criteria as set out in section 4.25 (of the report). An estimation of the Pupil Number Growth amount required was £1.850m.
- Option 2: To fund schools for LA agreed PAN / Bulge increase and New / growing schools only. The funding for mid-year admissions would cease. An estimation of the Pupil Number Growth amount required was £1.300m.
- Option 2 had been put forward for schools to consider working towards aligning the authority's Pupil growth fund with the government's direction of travel; particularly in relation to the growth values.

The majority of respondents had agreed option 2 with a Pupil Number growth fund set at £1,300,000: -

- Option 1 – 21 Agreed, 32 against
- Option 2 - 35 Agreed, 18 against

## De-delegation Proposals

There were 5 de-delegation proposals, as set out in the table below: -

De-delegation Budget Proposals 2022/23				
Ref	Service	Total Budget	Primary Phase Cost	Secondary Phase Cost
		£	£	£
1	Health & Safety Licenses	5,990	4,970	1,020
2	Evolve Annual Licence	6,300	5,200	1,100
3	Union Facilities Time	213,000	177,000	36,000
4	School Improvement Service	100,000	83,000	17,000
5	School in financial difficulty	88,000	73,000	15,000
	<b>Total De-delegation proposals</b>	<b>413,290</b>	<b>343,170</b>	<b>70,120</b>



Schools Forum maintained school members were asked to make a decision on these budgets, taking into consideration the responses which had been received from schools (as set out in appendix 2 to the report).

### Education Functions Proposals for maintained schools

Local Authorities could fund services previously funded from the general funding rate of the ESG (for maintained schools only) from maintained school budget shares, with the agreement of maintained school members of the Schools Forum.

The relevant maintained schools members of the Schools Forum (primary and secondary), should agree the amount the local authority would retain.

Sandwell, in line with guidance, intended to set a single rate per 5 to 16-year-old pupil for all mainstream maintained schools, both primary and secondary. The rate of £14.97 per pupil was based on October 2020 census data, this would be updated to be based on October 2021 census data.

If the local authority and Schools Forum were unable to reach a consensus on the amount to be retained by the local authority, the matter could be referred to the Secretary of State.

There were 3 education function proposals, as detailed in table below: -

<b>Education Functions Budget Proposals 2022/23</b>		
<b>Service</b>	<b>Total Budget</b>	<b>Amount per pupil</b>
	<b>£</b>	<b>£</b>
Education Benefits Team	175,000	5.55
Children's Clothing Support Allowance	33,000	1.05
Safeguarding & Attendance	264,000	8.37
<b>Total Education Functions</b>	<b>472,000</b>	<b>14.97</b>



## Attendance and Safeguarding Team

At the last meeting, Schools' Forum had expressed an interest in better understanding the services provided by the Attendance and Safeguarding team and the appropriateness of the funding approved by the Forum. The request for additional information was made at a stage in the current consultation process that would not allow time for wider consideration and enable the Forum to make an informed decision about future funding.

It was, therefore, suggested that the Children's Directorate undertake a review of the team, with the assistance of the Forum, seeking to assess the value added by the team compared to the funding made available from DSG. The review to be completed in the first half of 2022 and reported to Schools Forum no later than the meeting scheduled for 20 June 2022, with the objectives of the review agreed in advance with the Chair of the School Forum.

## Minimum Funding Guarantee

Local authorities continued to have the ability to set a pre-16 minimum funding guarantee (MFG) in their local formulae, to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics (for example reducing levels of deprivation in a school) to flow through.

The DfE had stated that there continues to have greater flexibility for the MFG in 2022/23; local authorities were able to set an MFG between plus 0.5% and plus 2.00% per pupil. Setting the MFG between these rates provided the authority with the flexibility to make local decisions about the distribution of funding and enabled the authority to manage any changes in pupil characteristics when characteristics data was updated in December.

The respondents had unanimously voted for an MFG of at least 0.5% and up to 2.00% if modelling proved this was achievable within the funding given (53 agreed, 0 against).

The majority of respondents had agreed with the scaling and capping of the MFG if it proved necessary to ensure the MFG was within the funding envelope. (40 agreed, 13 against).



## Central School Service Block

The Central Schools Service Block (CSSB) continued to provide funding for local authorities to carry out central functions on behalf of maintained schools, and academies, comprising two distinct elements: -

- ongoing responsibilities; such as admissions and schools forum costs.
- historic commitments; in this case pensions administration.

Funding for historic commitments was based on the actual cost of the commitment. The DfE had stated they expect these commitments to reduce and cease over time and there would be no protection for historic commitments in the CSSB.

For 2022/23, the DfE had reduced Historic commitment funding by 20%; this had resulted in a cut for Sandwell from £0.182m to £0.146m.

Schools Forum approval was required each year to confirm the amounts on each line for central school services, as detailed in the table below. In the event that Schools Forum did not agree with the authority's CSSB proposal, as detailed below, the authority can ask the DfE to adjudicate.

<b>Central School Services Budget Proposals 2022/23</b>	
<b>Service</b>	<b>Total Budget</b>
	<b>£</b>
Statutory & Regulatory, Education Welfare and Asset Management	1,662,000
Schools Forum	3,000
Admission Service	452,600
Pensions Administration	145,900
<b>Total Central School Services</b>	<b>2,263,500</b>

The majority of respondents had agreed with each service element detailed in the table. Schools Forum members were requested to make a decision on these budgets taking into consideration the responses from schools (as set out in Appendix 4).



## Schools Response

The anonymised comments from schools in relation to the consultation were included in Appendix 5.

## Trade Union Response

The authority had consulted with the Joint Union Panel and received responses from the National Education Union (NEU) and the National Association of Head Teachers (NAHT).

The NEU had responded as follows: -

*“Sandwell is NOT what you call an ‘average’ area. In 2018, according to a report on childcare, it was reported that more than 20,000 children were living in poverty in Sandwell, which is one in every four children. It is for you to decide if you think things have improved since then. According to The English Indices of Deprivation 2019, which is an official measure of deprivation, Sandwell is one of the most deprived areas in the country. On most measures, Sandwell is the most deprived local authority within the Black Country.”*

*The DfE acknowledged the essential role of LAs during the pandemic to support education, however, such praise will be short lived. The consultation document mentions significant financial challenges ahead such as the increasing outsourcing of services, once provided by the council. This is a further step towards a fragmented, privatised system in which, sadly, competition and profit will come before pupils.”*

The NEU stated in relation to question 1: -

*“Whilst Sandwell NEU recognises the historic primary/secondary ratio as being favourable to primary schools, there is a reason for this. As stated above, Sandwell is not an ‘average’ LA, regarding poverty and deprivation. Sandwell NEU would have preferred a standstill option.”*

The NAHT had agreed with the proposal to change the Pupil Number Growth criteria and they agreed with all the other



proposals for the MFG and capping and scaling, de-delegations, Education functions and the Central Schools Services Block. The NAHT did not respond to question 1 in the consultation, but had stated that “A number of members have been in touch to express disappointment that there was no standstill option presented this year given the significant increases in their ongoing expenditure.”

The NAHT had also agreed with the proposal to change the Pupil Number Growth criteria and they agreed with all the other proposals for the MFG and capping and scaling, de-delegations, Education functions and the Central Schools Services Block.

### **Proposed Schools Funding Formula 2022/23**

The views of all stakeholders would be taken into consideration in relation to the consultation on the schools funding formula for 2022/23. The authority would consider the recommendation of School forum, but it would ultimately be the local authority’s decision.

Members discussed the report and, in particular, queried the following: -

The Vice-Chair sought clarification in relation to the ‘stand-still’ option. Various Head Teachers had spoken with him on this particular matter. He had been informed that this particular directive had arisen from a decision by Councillor Hackett back in February 2019. He understood, from reading the minutes of that meeting, that Primary and Secondary Head Teachers had been requested to discuss the educational journey of the children to help understand the impact of the move towards NFF. As this had taken place before his appointment to the Forum, he queried if any such discussions had taken place at the Forum and, if so, what was the outcome of those discussions.

R Kerr advised that the feedback she had received from the Director in post at that time was that Head Teachers were of the opinion that the direction of travel should be a move towards the NFF in stages over the forthcoming years. A number of the existing Forum Members who had served during this time period,



clarified that they had been part of such discussions and that the outcome, as described by R Kerr, was an accurate reflection of what had been decided. All schools had been consulted and had voted. The 3-year option had been selected by the majority of schools, on the understanding that it would come back to the Forum each year to be voted on.

A Member of the Forum queried if Cabinet, when provided with the figures based upon whatever the Forum decided on this report, would be provided with a sample of the key comments from schools. She felt it was important that Cabinet was presented with a representative sample of the comments from schools so that they could consider the viewpoints / context within which the decision would be made. In addition, the original decision had been taken pre-pandemic and the situation was now quite different.

R Kerr advised that a sample of responses could be included in the report to Cabinet, as set out in Appendix 5 to this report.

The Vice-Chair, responding to the above issues and how the needs of children had significantly changed since the Pandemic, sought clarification in relation to if there was a viable option, or not, to overturn the original decision made back in February 2019. Furthermore, if this was the last of the 3-year plan, whether it would be an option next year to 'stand-still'.

M Jarrett advised that it was difficult to answer this query at present, as it would be entirely dependent upon the next guidance document issued by the DfE in order to ascertain what options were / were not viable. As soon as the guidance had been issued, a report detailing the most viable options would be brought back to the Forum for consideration.

The Vice-Chair requested Officers who designed the consultation form to look at taking into account the comments made by schools and to adjust the form accordingly for future years. R Kerr agreed to look into this matter.

A number of Forum Members requested that a Sub-Working Group of the Forum be set up to review the 'Union Facilities Time'



aspect of the de-delegated budget proposals in a similar way to that of the Working Group which had been set up to review the efficacy of Safeguarding and Attendance. This suggestion was agreed, and Officers would make the necessary arrangements accordingly.

**Agreed** that the below items be approved / rejected, as set out: -

Item Voted on	For	Against	Abstain
Funding Options: Option <b>1</b>	12 <b>Agreed</b>	0	1
Pupil No. Growth Contingency Fund: Option <b>2</b>	12 <b>Agreed</b>	0	0
Minimum Funding Guarantee & Capping Gains Part A: 0.5% - 2.00%	12 <b>Agreed</b>	0	0
Minimum Funding Guarantee & Capping Gains Part B: MFG within funding envelope	13 <b>Agreed</b>	0	1
Education Functions Budget Proposals 2022/23: Education Functions	12 <b>Agreed</b>	0	0
Education Functions Budget Proposals 2022/23: Children's Clothing Allowance support	12 <b>Agreed</b>	0	0
Education Functions Budget Proposals 2022/23: Safeguarding & Attendance	14 <b>Agreed</b>	0	0



Item Voted on	For	Against	Abstain
De-delegated Budget: <b>Health &amp; Safety Licenses</b>	<b>Primary: 6</b> <b>Secondary: 1</b> <b>Agreed</b>	<b>Primary: 0</b> <b>Secondary: 0</b>	<b>Primary: 0</b> <b>Secondary: 0</b>
De-delegated Budget: <b>Evolve Annual License</b>	<b>Primary: 6</b> <b>Secondary: 1</b> <b>Agreed</b>	<b>Primary: 0</b> <b>Secondary: 0</b>	<b>Primary: 0</b> <b>Secondary: 0</b>
De-delegated Budget: <b>Union Facilities Time</b>	<b>Primary: 1</b> <b>Secondary: 1</b> <b>Agreed</b>	<b>Primary: 0</b> <b>Secondary: 0</b>	<b>Primary: 5</b> <b>Secondary: 0</b>
De-delegated Budget: <b>School Improvement Services</b>	<b>Primary: 6</b> <b>Secondary: 1</b> <b>Agreed</b>	<b>Primary: 0</b> <b>Secondary: 0</b>	<b>Primary: 0</b> <b>Secondary: 0</b>
De-delegated Budget: <b>School in Financial Difficulties</b>	<b>Primary: 6</b> <b>Secondary: 1</b> <b>Agreed</b>	<b>Primary: 0</b> <b>Secondary: 0</b>	<b>Primary: 0</b> <b>Secondary: 0</b>
CSSB Proposals 2022/23: <b>Statutory &amp; Regulatory, Education Welfare and Asset Management</b>	13 <b>Agreed</b>	0	0
CSSB Proposals 2022/23: <b>Schools Forum</b>	13 <b>Agreed</b>	0	0
CSSB Proposals 2022/23: <b>Admissions Service</b>	13 <b>Agreed</b>	0	0
CSSB Proposals 2022/23: <b>Pensions Administration</b>	13 <b>Agreed</b>	0	0
Attendance & Safeguarding Review	13 <b>Agreed</b>	0	0



The Forum received a report for information, which provided the HNB monitoring position as at 31<sup>st</sup> October 2021 projected to 31 March 2022 and special provision occupancy as at 30<sup>th</sup> November 2021.

### **HNB Budget 2020/21**

The updated HNB grant for 2021/22, reported as at 31<sup>st</sup> August 2021, was £53.240m.

The DFE had further updated the grant allocation and had made a positive adjustment of £0.315m so the HNB grant currently stood at £53.555m.

The anticipated in year surplus as at 31<sup>st</sup> August 2021 projected to 31<sup>st</sup> March 2022 was £1.332m, reported in September, had now been revised to a surplus of £1.408m.

The balance bought forward as at 1<sup>st</sup> April 2021 was a £0.597m surplus.

Appendix 1 to the report showed the 2021/22 High Needs Block Budget Allocation, the actual expenditure as at 31 October 2021 and the variance from budget.

### **The Variances**

#### **Variation 1**

Out of borough placements, other associated costs, showed a £20k saving and was due to the reduction in room hire costs for the delivery of support to students that were awaiting a school roll. During COVID these had been delivered virtually and from September 21 normal face to face delivery had resumed.

#### **Variation 2**

There had been an increase in EHCP assessments which had resulted in a projected overspend of £514k on the delegated funding provided to mainstream schools and academies.



Sandwell Community School, additional funding of £200k had been included here to be prudent to fund pupils placed at SCS requiring top up that was not included in the funding already allocated. SCS had funded 180 places at £10k per place plus Top Up for 80 places. This area was currently under review by a Task and Finish Group.

### **Variation 3**

High Point had opened on 1<sup>st</sup> September 2021. It had initially been thought that the place element would have to be met through the HNB. However, the DFE had clarified in July 2021 that this would be funded directly with no impact on Sandwell's HNB.

### **Variation 4**

An amount £480k from the Early Years Grant was used to offset the early support for pupils in private provider settings and those in Mainstream early years settings. An additional sum of £70K had been allocated in this financial year bringing the overall funding to £550k. The support for pupils in mainstream schools was set against the schools' delegation and not shown separately. The £550k would be insufficient to cover the full costs of meeting the needs of the pupils in these early years settings. Questions had been raised at the SEND Consultation Working Group regarding the level of grant and the possibility that this could be increased going forward.

### **Variation 5**

The total variances equated to a saving of £386k across 9 service areas. These were mainly due to staff turnover, maternity leave, opting out of the LA superannuation scheme and full-time budgeted posts covered by staff on reduced hours.

### **Variation 6**

Preventing Secondary Exclusions Team had not been appointed to so there was a saving of £199k in 2021/22. This was part of the SEND Consultation and it had been agreed at last Schools Forum on 8 November 2021 that this would be used to fund the



reintegration officer posts currently funded by schools through the exclusion levy. This would not impact on the HNB until next financial year so this will remain a saving in 2021/22.

### **Variation 7**

Alternative Provision was budgeted at £843k in December 2020. Based on the leavers in July 2021, and the close monitoring of placements by the Alternative Provision Panel, the saving was currently predicted to be £310k. Any changes in this would be reported and evidenced in future monitoring reports.

### **Variation 8**

SEN Developments was showing an underspend of £760k. This budget head currently covered independent appeals and reports, and any funding agreed that did not clearly fit onto any other budget head. It also held the HNB balancing figure of £440k, which was the difference between the calculated budgets as at 1<sup>st</sup> April 2021 and the HNB Grant initial settlement 2021/22. An underspend of £449k had been reported on the previous monitoring and the increase was predominantly due to the additional grant received of £315k.

### **Variation 9**

There was a favourable variance of £191k against the Children with Disabilities Team contribution. The HNB had previously contributed £95,800 to the CWD Team and questions had been raised previously about what this contribution was for. As the contribution had not been required in 2020/21, but was accrued, this had now been reversed and the funding had also been transferred back into the HNB. It had also been reported that this funding will not be required in 2021/22 or any subsequent years.

### **Variation 10**

There was a favourable variance of £97k against the Non-Statutory SEN contribution from the HNB due to staff turnover.



## Focus Provision and Special School Place Funding

Appendix 2 to the report showed the Focus Provision, Special School and PRU commissioned places for the period 1/4/21-31/3/22, together with the average occupancy for the for the period 1/4/21-30/11/21.

A total of 1,103 commissioned places had been funded and allocated to schools and PRUs of which 79 were utilised by other local authority's pupils. An additional 25 places had been budgeted for which may be allocated to special schools should they exceed their commissioned allocations on average over the financial year.

Table 1, below, showed the new provisions / expansions in special provision from 1<sup>st</sup> September 2021.

Establishment	Commissioned places from 1/9/21
The Meadows Expansion	18
Westminster SPI	12
High Point	38
Total	68

The Focus Provisions overall average under occupancy as at 31<sup>st</sup> August 2021 was 12%. The under occupancy as at 30<sup>th</sup> November 2021 was 4%. Primary under occupancy was 1.6% while Secondary was 7.1%.

There were no vacant places across the 4 Special Schools.

The commissioned places were the places that the LA had purchased at the beginning of the financial year and were not the actual numbers that the schools can accommodate (PAN).

The pupil tracking data for PRUs was now done on the same basis as the Focus Provision and Special schools for consistent



reporting. The total places commissioned for the period 1/4/21-31/3/22 across the 3 PRUs were 255. The average occupancy as at 30<sup>th</sup> November 2021 projected to 31<sup>st</sup> March 2022 was 179, but the actual foot fall was 328. The average occupancy may change over the course of time due to the nature of the pupils entering the PRUs and the duration of their enrolment.

M Jarrett commended Officers' hard work to get the Council to a point where the budget was operating at a surplus, given the increases in demand over the last couple of years. However, Officers' projections for future years were not as likely to be as favourable. Schools Forum would need to take this into account and look at what mitigations could be put in place to help address such concerns. He also advised that the Forum may need to enter into consultation with the DfE, taking into account the likely financial pressures going forward from 2023/24 onwards.

Members considered the report and queried the following, in particular: -

A Forum Member requested further information / detail to come back to the Forum in relation to variation 2 and 4.7 of the report. In particular, he wished to establish what SCS were claiming, to ensure places weren't being claimed where they shouldn't be, so that various Primary and Secondary PRUs could be compared, along with the costs allocated to each.

S Lilley advised that a task and finish group had been established to look into this matter, however it had not met for a while for a variety of reasons. He advised that, as he was soon to be leaving his post, another Officer would need to be sought to lead on this matter. J Gill and M Tallents agreed to pick this matter up. In addition, J Gill agreed to prepare a report for M Jarrett to bring him up to speed on the matter.

A Forum Member queried the costs associated with variation 4 and whether this required a closer look, taking into account that, in general, more was spent on this than had been budgeted for.

J Gill advised that she would be able to detail this in a report once the end of the financial year outturn figures were available. M



Tallents advised that the figures for the early years intervention grant for those children going into Reception would also need to be included within this report.

In relation to the fact that High Point was being funded centrally, the Chair queried why this the case and if it was intended to carry on the same next year.

J Gill advised that, to the best of her knowledge at present, it was set to continue to be funded centrally as no notification had been received as yet to indicate otherwise, at least until the point where capacity had been reached. Where capacity had been reached, it would then transfer to the HNB and then 'passported' out accordingly, similar to how it operated with Academies.

**Agreed** that the contents of the report be noted.

## 58/21 SEND Review Follow up

The Forum received a report for information, which provided Members with: -

- additional information and financial implications of the SEND & HNB consultation outcomes.
- an overview of the financial and timing implications of the High Needs Provision Capital Allocation Grant.
- confirmation that DFE had agreed a three-year increase in HNB funding and that 2022/23 would be the last year of that agreement. Further announcements were anticipated for 2023/2024 onwards, but no timescales had been provided thus far.

## SEND HNB Consultation Outcome Options

There were 6 proposals that had been consulted on and presented at the last Schools Forum Meeting, as follows: -



## Proposal 1

Should the Time Allocation Model of Inclusion Support Services be reviewed for Secondary Schools from a flat rate allocation to a formula allocation in line with the primary model?

Schools Forum had agreed to the change from a flat rate to a formula model with further consultation with Secondary representatives on specific elements and weightings to the formula (option 1.2). The proposal has been presented at JEG, Primary and Secondary Partnership during November 2021. A steering group of Secondary representatives would be formed in the new year.

This would have no financial implications on the HNB.

Table 1, in Appendix 1 to the report, showed the financial implications of this option on the HNB and had been used as a status quo position. The estimated outturn reported in the October 2021 monitoring report had been used as the starting point for the projected carry forward. An indicative estimate for 2022/23 had also been used to produce the cash flow.

## Proposal 2

This proposal was to determine the use of funding being held with the SEN Support Service category of the HNB to employ a Secondary Preventing Exclusions Team (PSE). An alternative proposal had been put forward to use this funding to employ the Transition / Reintegration Team currently funded through schools Exclusion Levy.

Schools Forum had agreed the use of the PSE allocated budget to be used to fund the reintegration officers.

The Financial implications of this was a saving of £37,100 per annum.

Table 2, in Appendix 1 to the report, showed the impact of this option compared with the baseline.



## Proposal 3

To determine the level of top up funding allocated to children and young people with an Education, Health and Care Plan (EHCP). This proposal had 5 options: -

**Option 3.1** to increase the element 3 top up by 1% across all top ups. To include mainstream schools, special schools, focus provision schools and PRUs (excluding Albright).

**Option 3.2** to increase the element 3 top up by 2% across all top ups. To include mainstream schools, special schools, focus provision schools and PRUS (excluding Albright).

**Option 3.3** to increase the element 3 top up by 1% across all top ups in mainstream schools and focus provisions schools only

**Option 3.4** to increase the element 3 top up by 2% across all top ups in mainstream schools and focus provisions schools only

**Option 3.5** to maintain current levels of top-up funding for all pupils.

Schools forum deferred this proposal to this meeting pending further financial information.

The annual impact of proposal 3 had been calculated based on the current anticipated outturn as at 31/3/22 and the predicted budget for 2022/23. The financial impact of each option was shown in Tables 3 – 7 of Appendix 1 to the report.

## Proposal 4

To incrementally increase specialist places for primary and secondary aged pupils with severe learning difficulties / complex needs and secondary aged SEMH students.

There had been a steady increase year on year in the number of Children and Young people requiring additional support though an EHCP. This increase was expected to continue over the next 5 years.

The anticipated increase in the number of EHCPs over the next 5 years was approximately 1300. The expectation was that 35% of



these would require specialist places and as Sandwell schools were very inclusive, 65% would be met in mainstream with support.

Over this 5-year period, 271 specialist places had already been agreed through the opening of Specialist Free Schools and expansions of existing provisions and built into the HNB cashflow leaving approximately 1029 still to be planned and funded.

Of the 1029 still to be agreed, 184 would be specialist places and 845 would be mainstream with support.

The current need for specialist places were KS3 SEMH Focus provisions, KS3/4 SEMH special school places and SLD Primary and Secondary satellite schools / extensions.

The cost per place had been calculated as an average, however, the actual cost could be higher following the statutory assessment process and finalising the new EHCPs.

Capital cost of the specialist provision would be met through the High Needs Capital Allocation, as applicable.

Schools forum had deferred this proposal to this meeting pending further financial information.

There was no additional funding in the HNB to fund the place elements and top up for these additional EHCPs, but each year the funding was adjusted for special school pupils on roll by a small amount per place equating to £4000.

At this point in time, there had not been an announcement for any increases after 2022/23.

Table 8, in Appendix 1 to the report, showed the estimated financial impact on the HNB from April 2022 onwards. The actual impact would vary based on timelines for expansion completions.

## Proposal 5

To support the development of specialist teaching environments in mainstream schools.



The purpose of the grant was to enable mainstream schools in Sandwell to become “even more inclusive” and meet the growing complexity of pupils Special Educational Needs entering their schools. The grant would be for one-off capital funding to be used to enhance the physical accommodation of the school site, to provide specialist teaching and / or intervention spaces to enhance school provision. Examples included; structured teaching spaces for pupils with ASD, Sensory rooms, nurture / therapeutic environments and hygiene rooms.

Funding for this would be from the High Needs Capital Allocation and would have no impact on the HNB.

Schools Forum had deferred this to the next meeting pending further information on how the grant system would work. A draft proposal was attached at Appendix 3 to the report.

## **Proposal 6**

To provide a limited one-year resource grant, funded by the HNB to schools who establish the specialist teaching spaces detailed in proposal 5

This would be a maximum of £100K for 1 year and schools would receive a maximum of £2000 per school. The criterion for the resource grant was included within Appendix 3 to the report.

The financial impact of this would be minimal on the HNB.

This had been deferred by Schools Forum pending the additional information requested in proposal 5.

## **Conclusion to the Proposals**

The financial impact tables 1 – 8, in Appendix 1 to the report, were in isolation for each proposal. Within Appendix 2 to the report, Tables 9 – 13 showed the impact of Proposal 2 which had already been agreed, Proposal 3 which was the increases in top-ups and Proposal 4 the anticipated increase in the number of pupils with EHCPs over the 5-year period. Table 14 showed the capacity



created in the development of specialist places and the impact in mainstream.

The increase anticipated in the assessment for EHCPs was a national issue, therefore these places would be needed over the 5-year period and there was a real risk that the HNB would go into deficit if additional funding is not forthcoming from Central Government.

If the HNB went into deficit, the Local Authority would need to submit a deficit recovery plan to the DfE stating how the deficit would be managed. There were a number of ways to manage the deficit, those being: -

1. Review EHCP banding matrix and reduce the amount of “top up” money to all schools (as we had done previously). This would financially impact on schools and would be subject to consultation with schools and parents.
2. Review support services and additional service level agreements paid for through the HNB. This could lead to schools purchasing services directly that were currently provided through the HNB. This would impact financially on the schools to maintain the support they currently received.
3. Local Authorities could transfer up to 0.5% of the schools’ block to other blocks in the DSG, with Schools Forum approval. The LA had never requested a transfer from the schools’ block to the HN block, and it had been reported at the meeting on 8<sup>th</sup> November 2021, that the Authority would not be requesting a transfer for 2022/23. This was also a short-term solution as this option would not be available once the Hard Funding Formula was finalised which would be 2024/25 at the earliest.
4. Schools were asked to look at their pathways and structures to accommodate the pupils that the LA wished to place. This would impact on both schools and the HNB funding but could be partly funded by reducing out of borough placements.

## HNB Capital Allocations

The recent announcement allocated Sandwell £1.48m and there was a carry forward of £0.6m from the SEND capital allocation.



Some capital expenditure would be required to go through Cabinet for approval, which could result in a delay in starting the projects. This would mean that buildings / adaptations will be completed but the places not fully utilised until phased transfers in September 2023, as phased transfers for September 2022 would need to be finalised by February 2022.

The implications of this meant that some pupils would still be placed out of borough into independent schools in the intervening period.

## Other Considerations

The basic entitlement factor in the HNB was increased to account for increases in special schools / academies at approximately £4000 per place. Therefore, there would be some guaranteed increases in the HNB funding from 2023/24 onwards.

A budget for 12 places at Westminster SPI had been included in the cash flow projections. This was a new initiative to support pupils post 19 into work / apprenticeships. This pilot scheme had started on 1<sup>st</sup> September 2021 and was due to be reviewed shortly. If the pilot did not continue, this would result in a saving in the HNB.

Members considered the report and queried the following, in particular: -

The Vice-Chair queried what would happen if any of the proposals led to the HNB being pushed into a deficit.

The Vice-Chair also commented that, from the feedback head received from other mainstream Head Teachers, given the choice of either having money for additional top-up allocations or allocating that money for special school places, there was a strong feeling amongst his colleagues that money being allocated for special school places was where they would wish that money to be allocated. This preference was borne out of the strong feeling that mainstream schools were struggling with the high SEND needs required at present.



M Tallents advised that, in terms of mitigation, most of the proposals would lead to an in-year deficit by 2023/24 and a full deficit by 2024/25. However, the amount for future HNB funding was still awaited. When notification of the exact amount was received, if it was insufficient and would lead to a deficit, the Council / Forum would need to look at a variety of options to mitigate that risk, possibly via a DfE Management Review Plan.

The Chair queried whether or not it was viable to invest in the local special schools to help reduce the reliance on the cost of out of Borough and independent school placements.

M Tallents advised that the vast majority of those children who were placed out of Borough were SEMH and those with more complex needs. However, work was required to try and reduce such out of Borough placements.

A Member queried what the reason(s) was behind the increase in children with complex needs. Was it due to an increase in the population, or was it due to the Authority becoming more efficient at identifying such needs in children struggling in mainstream education.

M Tallents advised that it was due to a combination of both of those aspects. M Jarrett reported that better understanding the level of support required for such children going forward would assist with the liaising with the DfE and informing the DSG Management Plan to help deal with the HNB and the specific pressures the Authority was experiencing.

Members fed-back from their respective Primary and Secondary Heads meetings. Both phases agreed that they would like to see the capacity increased in relation to local PRUs with the long-term ambition that such children could be taught in mainstream schooling, wherever viable.

**Agreed that: -**

1. the contents of the report be noted, the risks involved and the impact of not expanding specialist places in Borough.



2. in relation to Proposal 3, Forum Members voted unanimously in favour of approving option 3.5, as set out in 6.6 of the report [unanimous].
3. in relation to Proposal 5, Forum Members voted in favour of rejecting this Proposal, as detailed in section 8 of the report [4 in favour of approving, 8 in favour of rejecting and 2 abstentions].
4. in relation to Proposal 6, Forum Members voted in favour of rejecting this Proposal, as detailed in section 9 of the report [12 in favour of rejecting].

## 59/21 Early Years entitlements funding rates for 2022/2023

The Forum noted a report which provided Members with information from the Education and Skills Funding Agency on Early Years entitlements funding rates for 2022/23.

At the October spending review, it had been announced that funding for early years entitlements would be increased, as follows: -

- £160 million in 2022/23,
- £180 million in 2023/24
- £170 million in 2024/25

when compared to 2021/22. This enabled local authorities to increase the hourly rates paid to childcare providers, reflecting cost pressures and anticipated changes in the number of eligible children.

In 2022/23, the hourly funding would be increased by 21 pence an hour for the 2-year-old entitlement and 17 pence an hour for the 3 and 4-year-old entitlements. Additionally, the minimum funding floor would be increased, meaning no council could receive less than £4.61 per hour for the 3 and 4-year-old entitlements.

Local authorities were required to consult providers on annual changes to their local formula. A report would be brought to the



Forum in the New Year detailing the outcomes of the consultation with a view to seeking approval for revised rates.

The supplementary funding hourly rate for maintained nursery schools would be 3.5%, equivalent to the increase in the 3 and 4-year-old hourly funding rates in 2022 to 2023.

The Early Years pupil premium would be increased by 7 pence to 60 pence per hour, equivalent to up to £342 per eligible child per year, to support better outcomes for disadvantaged 3 and 4-year-olds in 2022/23.

Funding for the disability access fund, to help providers make reasonable adjustments within their provision to support eligible 3 and 4-year-old children with a disability, would also be increased by £185 to £800 per eligible child per year.

Due to low attendance arising from the coronavirus (COVID-19) pandemic, temporary arrangements had been put in place calculating funding using a termly, rather than annual census. The ESFA had confirmed that for 2022/23, there would be a return to the normal process of allocating funding based on the annual January census.

The ESFA had confirmed that the 2021/22 funding would be based on the following: -

- nine-twelfths of the January 2020 census PTE numbers (to cover the April 2020 to December 2020 period); **plus**
- three-twelfths of the January 2021 census PTE numbers (to cover the January 2021 to March 2021 period)

Consequently, the Early Years funding for 2021/22 would be reduced by circa £570k, which had already been anticipated and did not create a financial pressure.

**Agreed** that the contents of the report be noted.



## Amendment to Fair Funding Scheme: Maintained schools involved in outsourcing

The Forum received a report which highlighted incidences of schools intending to outsource services not providing adequate notice to the Local Authority and the West Midlands Pension Fund. The report presented proposals to consult with schools on an amendment to the text of the Fair Funding scheme in order to address this matter.

The Fair Funding Scheme provided guidance to all maintained schools on the process to follow when undertaking the outsourcing of services with consequent TUPE transfer of staff.

Paragraph 11.12 '*Information for Maintained schools involved in outsourcing*' of the Fair Funding Scheme, acknowledged that maintained schools had delegated powers to make such decisions. However, under pension fund regulations, and in relation to any potential future pension liabilities / guarantees, the Council was still regarded as the Scheme Employer. This meant that the Council was a party to the Pension Admission Agreement which had to be signed and executed under deed of seal by Council Officers acting on behalf of the Council.

It had come to the attention of the Council that a number of maintained schools had recently outsourced services and transferred staff without following the guidance identified in the Fair Funding Scheme. Consequently, it was proposed that the current text for Paragraph 11.12 was replaced with the text in Appendix 1 to the report. The revised text provided further clarity on the requirements of schools.

Subject to School's Forum approval, schools would be consulted on the amended text with a view to a future report on the outcome of the consultation being brought back to the Forum.

**Agreed** (unanimously) that the Forum grants approval for schools to be consulted on amending the existing text of paragraph 11.12 '*Information for Maintained schools involved in outsourcing*' of the Fair Funding Scheme and replacing it with the revised text as set out in Appendix 1 to the report.



## 61/21 DSG Settlement 2022/23

The Forum received a verbal report from R Kerr in relation to the DSG Settlement for 2022/23.

R Kerr advised that the DSG settlement was due to be announced by the end of the current week, or early next week. In addition, the Council was also due to receive the Funding Model from the EFSA within a similar timeframe. In any case, the Forum would receive an update at its next meeting.

The Chair requested that, when received, Officers circulate the DSG settlement to Forum Members so that the direction of travel could be noted in advance of the next meeting.

**Agreed** that, when received, the DSG settlement be circulated to Forum Members for noting prior to the next meeting of the Forum.

## 62/21 Government Consultation – School Improvement Grant (SIG)

The Forum received a verbal report from A Timmins in relation to the School Improvement Grant Government Consultation.

A Timmins reported that the proposal was that the SIG would be undertaken in two stages, the first of which was that it would be reduced by half in April 2022 and then removed completely from April 2023 onwards.

This proposal had resulted from the Government's drive for additional academisation and the resulting reduced requirement for formal school improvement. It was anticipated that schools would buy into school improvement via de-delegation, for which the Forum had agreed to such a payment already this year. In future years, the Forum might need to look at alternatives for this role and what that role could look like.



63/21

## Director of Children's Services - Update

The Forum received a verbal update from M Jarrett, the recently appointed Director of Children's Services and Education.

M Jarrett advised that the DSG Settlement should be received by the end of the current week, or early next week. Once received and digested, a report would be brought to the Forum on the settlement and, where relevant, its implications.

In relation to the High Needs Block projections for 2023/24, Officers would need to understand what that projection looked like to help manage and mitigate any associated pressures. M Jarrett advised that it would be far better managed in-house, as opposed to intervention by the DfE via a DSG Management plan, which would be a significant piece of work and would likely be more problematic, in his experience.

Finally, M Jarrett advised that further discussions would need to be held in the future with the Forum in relation to the Block Transfer and what that looked like. Furthermore, how that could place pressure on the High Needs Block and the potential for utilising the Central Schools Services Block, Schools Block and Early Years Block; to ensure it was being utilised effectively, in terms of any recharges to offset the pressures against the High Needs Block.

64/21

## AOB

The Clerk, F Hancock, advised that the next meeting of the Forum on 17<sup>th</sup> January 2022 would most likely be held virtually in light of the recent recommendations by the Government in response to the COVID-19 Pandemic. The Clerk agreed to consult with the Chair / Vice-Chair and Officers in the New Year to determine the final arrangements for that meeting. This would then be communicated to all Forum Members.

Forum Members sought an update on the Fair Access Panel in light of recent retirements / staff moving-on, and what plans were in place to recruit to such vacancies.



M Tallents updated the Forum on staffing around this area. Reintegration Officers were currently fully staffed and would be transferring over to the High Needs Block in April 2022. In relation to the Independent Chair vacancy, M Tallents would be consulting with the Behaviour Management Board to try and help identify a suitable replacement. Other vacant posts had already been advertised or were due to be re-advertised. T Room had volunteered to assist in the interim period on the Panel.

**The Next Meeting of Schools Forum: 17<sup>th</sup> January 2022 at 2.30pm.**

**Location: TBC.**

**Meeting ended at 4.39pm**

Contact: [democratic\\_services@sandwell.gov.uk](mailto:democratic_services@sandwell.gov.uk)

