

DERBYSHIRE COUNTY COUNCIL
DERBYSHIRE SCHOOLS' FORUM
Minutes of the Meeting Held on 19th June 2019
At 6pm Committee Room 1, County Hall, Matlock

Present

Members			
Stephanie Marbrow	Rosliston C of E Primary	Barbara Arrandale	Hasland Infant School
Peter Johnston	The Village Federation	Bridget Hanley	Litton CE Aided Primary
Karen Burton	Elmsleigh Infant & Nurs'y	Martin Brader	Dronfield Henry Fanshawe
Janet Snell	Bakewell Lady Manners	Tracey Burnside	Whittington Green School
Dan O'Donovan	Esteem MAT	Julien Scholefield	Esteem MAT
David Plummer	Netherthorpe School	David Channon	Church of England Diosese
Dawn Curry	The Avenue Nursery	Deborah Turner	NUT
Chris Wayment	ASCL		
Substitutes			
-			
Observers			
-			
DCC Officers/others			
Chris Allcock	Ch. Services Finance	Kathryn Boulton	Service Dir. Schls & Learning
Karen Gurney	Ch. Services Finance	Saranjit Shetra	Ch. Services Schl Impr'ment
Phil Burrows	Ch. Services Finance	Ruth Lane	Ch. Services Finance

Apologies

Chris Greenhough, David Baker, Alan Thomas, Andrew Wild, Lisa Key, Cllr Dale, Gill Hutton, Angela Staunton. Gill and Angela have also resigned from the Forum.

Martin Brader chaired the meeting and Chris Allcock confirmed that it was quorate.

19/07 Minutes if the meeting held on 31st January 2019

Matters of accuracy

There were no matters of accuracy raised.

Matters arising

There were no matters arising discussed.

19/08 SEND Provision – DfE Call for Evidence

Chris Allcock presented the paper which sought the views of the Schools Forum on the DfE's recent SEND Call for Evidence, the closing date for responses being 31st July 2019. The DfE have stated they are already aware of the funding pressures in this area and are looking at other aspects of SEND provision.

The DfE have concerns about the current system and a key issue is the drift of pupils from mainstream to special or alternative provision, and the disproportional financial pressures on individual schools who have a reputation for inclusivity.

A link to the consultation was provided in the report and the consultation questions included as an appendix. The report invited the Forum to raise any issues they would like to see included in the LA's response.

Deborah Turner said the trade unions had also been asked for their views and they in turn were asking for the views of SENCOs in schools. A general discussion took place which made the following points:

Smaller schools have real financial pressures to find the first £6,000 of support for individual pupils with SEN. The inclusive ones don't believe the current funding system works and this is a real barrier. More money is required. An example was quoted of an inclusive school that believed the current method of devolving funds is not sufficiently targeted at pupils with educational and behavioural needs and more is required to be done to help with the first £6,000 that schools are expected to contribute.

Special schools are 'full to bursting' but are still being consulted on accepting more pupils.

There are real pressures on schools to be successful in obtaining EHCPs and GRIPs. An example was quoted of a pupil who is due to start in Year 7 at a secondary school who needs oxygen and a full time adult to support her, but there is no funding available via a EHCP/GRIP because it is a medical need not an educational one. These pupils go under the radar and some schools have a lot of them needing support. Members felt that Health were not contributing enough to support these pupils and Kathryn Boulton said this must be reflected in the response from the LA.

Tracey said that the maximum EHCP of £9,150 plus the school £6,000 contribution is not enough to provide one to one support. Another reported that, anecdotally, pupils with SEN are being refused secondary school places, possibly because of financial restrictions, i.e. a school cannot meet a pupil's needs financially rather than having the capacity to do so.

Schools cannot afford to use the whole of their Notional SEN budget purely on SEN because it is needed to run the wider school. One member stated that we need to be proactive with SEN in order to reduce needs in the future, rather than reactive, but this would take more money.

One of the questions is whether the current primary sector measure of Low Prior Attainment – i.e. the number of pupil not making a good level of development– is too binary an indicator and does not reflect the spectrum of development. If lower levels of needs were recognised and more funding allocated to this area, less funding would be available for higher levels of needs as the money is a finite pot. It was felt that a lot of these discussions are pointless if there is no more money.

Chris reported that in 2019-20, 38 LAs sought permission to transfer funding from their Schools Block (SB) to their High Needs Block (HNB). It was pointed out that, if there was more Schools Block funding less would be required for Alternative Provision (AP) as more pupils would be kept in school.

The Chair reminded the Forum that there has been a very high profile publicity campaign regarding SEND funding across the country. The new Ofsted framework encourages inclusivity however, the funding system does not.

Finally, Chris asked members to e-mail the Schools Forum e-mail address if they had any further views not expressed tonight that they would like to be included.

The Forum agreed to note the report.

19/09 SEND – Derbyshire Strategic Review

Kathryn Boulton presented the paper to inform the Schools Forum of the key issues and recommendations from the LA's 2018-2019 SEND Strategic Review.

Isos Partnership started this review in September 2018 and much of the information in this report was presented to Schools Forum at its November 2018 meeting. Before the report was commissioned the LA recognised through Ofsted assessments, self-assessment and peer reviews that SEND provision was already good in Derbyshire but more work was needed to improve areas such as processing GRIP applications. An independent review was required to help formulate a strategy for the next 3-5 years. It is important to note the positive areas about Derbyshire and, whilst there are some issues with GRIPs as a process, the principle of having GRIPs is widely accepted. In Derbyshire more young people are educated in mainstream schools than in other LAs and we have lower rate of increase in EHCPs than the national average.

Six themes have been identified from the review, which in turn have each identified recommendations and actions to be undertaken in order to achieve the desired outcomes. The themes are:

- i) Strategic partnership working & co-production with parents & young people.
- ii) Partnership working and joint commissioning across education, health and care.
- iii) Identification & assessment of needs, information and access to support.
- iv) Building inclusive capacity in mainstream schools and settings and providing targeted support for inclusion.
- v) Developing responsive effective local specialist provision.
- vi) Preparation for Adulthood.

Isos have now completed their work and the next steps are to present a draft strategy of the plans to achieve the outcomes required to the SEND Strategic Board. The Board will have a development day to work it up and provide a report to Cabinet on 4th July which will also be shared with schools and a launch arranged. This should give the LA the opportunity to work with many partners to address the key SEN issues we have all been raising tonight and we have to ensure that we're making the most efficient use of our finite resources.

Chris Allcock suggested that a Schools Forum sub group be formed to discuss high needs issues before wider discussion at future Schools Forum meetings. The following Forum members volunteered:

Stephanie Marbrow, Julien Scholefield, Karen Burton, Peter Johnston, & Tracey Burnside. The first meeting is expected to take place in early September.

Julien Scholefield commented that he thought the strategic review was really valuable, stakeholders including himself had been involved and it was always important to review processes and improve them. However, his memory of the reason for the review was about funding and the crisis within the HNB i.e. a sufficiency review. It was an opportunity to review which services needed to be maintained, expanded, changed or commissioned and developed to ensure the efficient use of public funding. However, the report doesn't comment on this area at all, the report comes across as being quite vague. Julien's view was that a lot of money is spent on indirect services whereas the crisis, as discussed at the Forum, is at the coal face in schools. We have to address the over spend of the HNB.

Kathryn Boulton replied that more specific actions would be in the Strategic Report to be taken forward including reviews of areas of expenditure for direct and indirect services and we must work together to ensure that that this review makes a difference for children and families.

Chris Allcock said that the timeline required for approving a transfer of money from SB to HNB is incredibly tight especially as there has to be a consultation with schools and, if the Forum reject the LA's application, to make a formal application to the Secretary of State. Chris added that more funding might be provided by the DfE for 2020-21 but it was necessary to plan on the basis of a standstill position until any extra funding is confirmed.

The Forum agreed the report's recommendations.

19/10 High Needs Resources and Spend 2020 – 21 onwards

Chris Allcock presented the paper to inform the Schools Forum of the current position regarding high needs funding and the need to address the over-commitment of the grant. The 2018-19 high needs grant overspent by £3.616m, this is an unsustainable position as the uncommitted DSG reserves are now below £1m. Future spending will be influenced by the Isos report, Strategic Plan and the work of the Schools Forum sub-group.

In order to keep spending within the high needs grant limit there are four broad options available.

Option 1 - is an increase in High Needs Funding from the Comprehensive Spending Review (CSR) which is what we are hoping for. Messages from DfE seem to indicate that education funding is a priority, however, we won't know that until later in the year. Also the additional £1.6m received in both 2018-19 and 2019- 20 has not yet been baselined, hence there is a theoretical risk that this may not be available going forward.

Option 2 – is a review/prioritisation of resources that support our local SEND offer. Appendix 1 summarises how the high needs grant is spent.

Option 3 – is an increase in charges to schools and academies for services funded by the high needs block.

Option 4 – is a local transfer of funding from other sources e.g. the Schools Block.

The risk is any increase in funding from the DfE will not be quantified until fairly late in the budgeting process. Derbyshire's high needs grant is higher than the pure national formula would allocate as we receive around £0.6m in protection. One concern is Derbyshire's share of any increase in national funding could be offset by a reduction in protection.

The first monitoring of the high needs spending for 2019- 20 is currently work in progress but could show a deficit of around £2m. When the budget was set the grant was over-committed by £0.870m. The estimated shortfall of £2m reflects higher level of spend on post 16 provision, out county placements and mainstream top ups.

The £2m provisional forecast assumes that special school and top up funding remains at current levels and the Forum and Council may wish to consider increasing the rates paid as there has been no increase since 2015-16. Each increase of 1% would cost approximately £0.5m and savings from elsewhere in the high needs block would be needed to fund this.

If additional funding under Option 1 were received, the priority would be to close the funding gap. Option 2 needs to be considered as part of the Isos review as previously discussed. Option 3 is more sensitive in that it would target savings on those schools that exclude.

Given the current financial circumstances the Authority is planning on adopting Option 4 for both 2020- 21 and 2021-22. Two years are considered necessary as any change to indirect spending will take time to realise the financial savings. The Authority intends to publish proposals for schools and academies to consider in a consultation early in the 2019/20 academic year, the consultation will include the financial impact on individual schools.

A general discussion then took place.

One Forum member thought it would be interesting to see how many schools respond to this consultation, giving the response rates to previous ones.

The Chair asked if 0.5% of SB is taken, and given the requirements that a minimum threshold of £4,800 per secondary school pupil and £3,500 per primary school pupil is funded, how would the reduction work? Chris replied that this will be a difficult calculation as some schools' reductions could be abated by the impact of these thresholds, minimum funding guarantee or the funding floor protection factors. Modelling needs to be done to assess the impact on individual schools and this would be included within the consultation.

If we transfer money to HNB, how will mainstreams schools manage to operate? If SEN educators have the loudest voice they will win, if others have the loudest voice they will win, it will never satisfy anyone.

Should we be looking at why we are overspent on the HNB? We need to be proactive in addressing problems rather than reactive but we need money to be able to do this.

Cancelling REHO will have an effect on future need and pressures will increase further. There are some really deep questions to be answered, will reducing central services actually help?

One of the biggest increases in costs is in respect of out county provision. Can we see why children are being placed in this provision and take steps to reduce this in the future?

Another significant increase has been provision for 16-25 year olds, the increase being due to national changes in SEND policy. Spending in Derbyshire has almost doubled over the last three years, a trend reflected in many other LAs, not just Derbyshire. The third main increase has been the level of top up "element 3" payments in respect of children in mainstream schools, particularly in the primary sector.

One Forum member commented that we need the outcomes of the Call for Evidence, the outcomes of the Strategic review before we can address the question. However, we don't have the time to wait for these before instigating a transfer of funding between blocks: the expectations being placed upon the Forum are unrealistic.

Chris confirmed that for planning purposes we need to plan on a transfer of funding for two years, the DfE operational guidance states that as part of the process we have to show that the HNB can live within its means after that. He felt that two years would be required given the lead in time for any major shifts in costs.

The Chair commented that if the LA can't demonstrate that the high needs gap can be solved in three years then the Schools Forum can't approve it. If the LA recommends to Schools Forum a transfer of funding and the Schools Forum disagrees, what happens then?

Chris confirmed that the LA would have to take a view on how the books could be balanced. If the LA considers that a transfer was still required it could apply to the Secretary of State for permission. To give some context, in 2019-20 51 LA's requested permission effect a transfer, 38 were considered by the Minister (13 requests were subsequently withdrawn), 28 were approved in full, 3 approved in part and 7 rejected.

With regard to Option 3, exclusions are generally approved in the best interests of the individual pupil or the remainder of pupils within school, they are not undertaken lightly. To then charge those schools would not help the situation. The current system doesn't encourage other schools to take in excluded pupils, because they get no funding for pupils who tend to require additional support. One head-teacher stated that in his cluster he knows schools who would take on pupils if funding came with them.

A union representative said that schools cannot make reductions in teaching staff anymore because the cuts have already reduced them to the minimum requirement. Reductions in funding impact on the level of teaching assistants and these are the people who support students at risk of exclusion the most.

It is cheaper to do a managed move rather than place a pupil in Alternative Provision.

Tracey Burnside pointed out the contribution to Early Help of approx. £0.6m would not be required in future years, as the team have been disbanded from September 2019. Chris confirmed that this would be the case and the projections for 2019-20 and 2020-21 already reflect this saving.

The Forum agreed to note the report.

19/11 High Needs Provision – Notional SEN budgets & SEN Contingency funding

Chris Allcock presented the paper to ask the Forum to consider:

- i) Updating the LA's notional SEN budget calculations; and
- ii) Whether or not to adopt revised calculations to determine school & academies' eligibility for support from the SEN contingency fund.

The review of the notional SEN funding calculation was timely as increasingly schools are arguing that they cannot afford the first £6k of additional support. Julien Scholefield had recently received an e-mail from a school asking that this issue be raised at the Schools Forum.

Schools don't appear to be widely aware of notional SEN funding within their budget, the purpose of publishing a notional SEN budget is to reassure schools that they do have funding to support such pupils. There is no national notional SEN formula although there is a National Funding Formula. Derbyshire's notional SEN calculation is out of date as it refers to the old local - pre NFF - formula.

Appendices 1 & 2 show the notional SEN percentages by indicator for primary and secondary schools by shire LA.

Table 2 shows the current and proposed Derbyshire notional SEN percentages, the proposed percentages have been calculated using the shire averages. Table 3 compares the existing and proposed notional SEN formulae on the 2017-18 local funding formula and 2019-20 NFF.

The LA's view is that our notional SEN calculation needs to be revised as it currently significantly overstates the amount of SEN funding in schools' allocations.

The Chair, Martin Brader, said that a reduction in notional SEN budgets for schools will encourage those who feel they don't have enough for the first £6k of support to shout even louder. Chris confirmed, this may be so but changing the formula still feels like the right thing to do as the current calculation is out of date. It is also worth noting that the change to the notional SEN formula would not change the amount of funding a school receives.

Following this discussion the Forum agreed with the proposed change to the calculation of the notional SEN budgets.

The second part of the paper concerned the distribution of the £350k SEN contingency funding. The current method was designed to eliminate the need for individual school applications. However, the calculation doesn't take into account pupils who have AEN but don't qualify for an EHCP or GRIP and increasingly schools are unhappy with the impact of these other AEN pupils are having on their costs.

There are two key questions to consider:

- (i) should eligibility for support from the SEN contingency include all children with additional educational needs, not just those in receipt of GRIP/EHCP?
- (ii) If so, what per pupil cost should be assumed for children with AEN below the GRIP/EHCP threshold?

Chris explained the proposed calculation which takes into account the relative costs of all the SEN/AEN/GLD pupils compared with the notional SEN budget. Appendix 3 shows what the position and contingency funding paid would have been if the formula had been applied for 2019-20.

Looking at the outcomes there is a concern regarding the reliability of the data of pupils with a 'K' marker as this data set is not independently validated. Chris suggested we might just use the 'E' marker and the NFF formula low prior attainment data as an alternative.

Peter Johnson said that whilst it wouldn't be feasible to moderate every school on its 'K' marker, would it be possible to visit schools who according to the data seemed to be at a tipping point and whether we need to prioritise those schools as their capacity to prevent exclusions is absolutely stretched? Now that we have a dataset available which shows which schools are really struggling, what are we doing to support them?

The paper asks if the allocation of the SEN contingency should take into account the number of pupils with low prior development as well as GRIPS/EHCPs, not the exact formula modelled in the report.

Peter Johnson observed that any model is blunt or crude. The question come backs to how are we supporting schools/pupils and being proactive to their needs? The central services are just not there anymore, we are not seeking a proper solution to the SEN problem.

Martin Brader thought it was a good idea to include other measurements of SEN in addition to the 'E' marker. Kathryn Boulton thought it is a way of supporting schools to be inclusive and have that additional funding need.

Tracey Burnside asked why some schools are getting considerable more Notional SEN budget than they would appear to need. Is there a problem with the funding formula that allows that to happen?

The conclusion was that the Forum had reservations about using the 'K' marker as a method of assessing need. However the principle of looking beyond the number of pupils with an EHCP/GRIP allocation was broadly supported.

Chris confirmed that he would undertake some revised modelling and bring it back to Forum in time to consider what changes to make for 2020-21.

19/12 De-Delegation of Funding 2020–21: Responses to Consultation

Chris Allcock presented to paper to seek "in principle" decisions from school representatives on the Schools Forum in relation to the de-delegation (re-pooling) of funds for 2020-21.

The DfE have still to confirm the national arrangements for 2020-21, including whether or not LAs will continue to be able to top slice and de-delegate funding for a defined list of services.

There had been a good response to the consultation with 129 out of 276 primary, 5 out of 17 secondary and 3 out of 5 special schools responding. It was now down to school sector representatives to decide whether or not to agree to de-delegate/top slice the budgets in listed in Appendix 1.

The Chair asked representatives of LA maintained schools to vote on the proposals and the results were as follows:

Primary school representatives voted three for and none against
Secondary school representatives voted three for and none against;

There were no special school representatives of LA schools at the meeting but Chris Greenhough, the sector representative, had e-mailed Chris Allcock to say he voted for the proposal on behalf of the sector.

Subject to future DfE funding arrangements all sectors approved to de-delegate/top-slice the budgets in Appendix 1 for 2020-21 and the Forum seeks the Council's approval to these arrangements.

19/13 Dedicated Schools Grant Outturn 2018-19

Karen Gurney presented the paper to report the final revenue out-turn position for the 2018-19 Dedicated Schools Grant (DSG)

Martin Brader (Chair) and Peter Johnston (Vice Chair) both declared an interest in this item and asked if anyone else would like to Chair the item. Nobody volunteered and it was agreed that Martin would continue.

Karen said that the presentation format of this item had changed because £162m of Dedicated Schools Grant funding goes direct to Academies and High Needs institutions. This report presents the whole grant. The outturn of the LA spending of the DSG will be reported to the

Young People Portfolio meeting on 4th July. The report is broken down into the four blocks: Schools Block, Central School Services Block, Early Years Block and High Needs Block.

Schools Block indicates that in planned allocations, there was a planned underspend of £0.784m. The original surplus was £0.315m, however, an in- year surplus was generated due to rates savings on schools becoming academies as they are subject to 80% rates relief, being charitable bodies. This 'releases' previously committed DSG.

De-delegated funds underspent by £0.251m and for 2020/21 multiplier rates for charges will be reviewed. Within this there is a refund of £0.088m received following the closure of the school library service which has been redistributed to 2018-19 contributing schools in 2019-20.

The remainder of the net under spends have been carried forward as part of the overall DSG reserve, a net increase to reserves of £1.238m.

The ring-fenced reserve for de-delegated funds now totals £1.464m which have built up since funds were first re-pooled in April 2013. Disaggregating the accumulated balance would be complex due to the number of schools contributing, the services covered and benefits received varying from year to year. The LA's preferred option would be to utilise £0.604m of the surplus towards high needs costs in future years. This is the balance of the reserve as at 31st March 2014 when there were relatively few academies in Derbyshire, hence most schools contributed to, and benefited from, the fund.

Peter Johnston asked if we could use this money to build capacity and improve SEN services. Chris Allcock confirmed that this would be 'one-off' funding and Tracey Burnside said that this would help to buy time for the working group regarding future HNB expenditure.

The request was agreed by the Forum.

Karen also requested permission to repeat the 2018-19 allocation of £0.050m to School Improvement to support LA schools who are vulnerable in terms of school improvement and are also experiencing significant financial constraints.

Karen Burton confirmed that she thought this was a good idea and it was agreed by Forum.

Central School Services Block includes historic and formula commitments. The out-turn indicates an under spend of £0.011m. However, Karen wasn't sure that this report is wholly correct as the £0.35m spent on MIS support came from reserves, but she hadn't had time within the report preparation constraints to investigate further.

Within the **Early Years Block** the DfE continually refresh the allocations based on census information and the 2017-18 Early Years adjustment of £1.579m was anticipated. Small underspends were recorded in a number of areas and centrally funded expenditure was restricted by holding vacancies in order to meet the planned expenditure limits for future years.

Martin Brader said he was getting e-mails daily regarding a national crisis in nursery funding and asked if we were seeing this in Derbyshire. Karen replied that the LA hadn't received letters on this subject to her knowledge. Chris Allcock said there was a national issue about the Maintained Nursery Grant funding which has been guaranteed only until the end of summer 2020. Locally, the nursery unit rate has been reduced from April to fall in line with PVI providers and this may also have caused issues. The Chair agreed to pass on his information to the LA.

Finally, with regard to the **High Needs Block** there were some changes to the grant that was originally announced. We suffered an increase in the deduction relating to pupils attending schools in other LAs of £0.432m. The grant increased in December 2018 when DfE allocated an extra £1.6m for 2018-19. Expenditure was £3.616m over budget in particular due to out of County placements and post 16.

Looking at the **Dedicated Schools Grant Reserves** these reduced from £10.036m on 1st April 2018 to £5.604m on 31st March 2019 which, after taking into account future commitments, leaves £0.894 uncommitted. David Plummer asked what controls are in place to ensure that the Early Years Block doesn't overspend. Karen Gurney replied that DfE funds LAs based on January pupil numbers. However, as the LA has to fund on a real-time monthly basis there is a risk that you pay for more pupils than you receive funding for. The LA could reduce the hourly rate to hold back a contingency to cover this and the DfE have said they will review this issue for the future.

Members thought that if the rate was reduced then places would be reduced and there is a danger that the LA does not provide enough places across the county.

David Plummer asked what happens when all the DSG reserves are exhausted. Chris Allcock replied that the DfE have published deficit recovery guidelines. Where an LA has a deficit of 1% or more, approx. £5m for Derbyshire, it must report to the DfE with a recovery plan. Also, that when the hard NFF arrives, and the LA has no involvement with SB, any deficit becomes much harder to recover from EYB and HNB only.

The Forum agreed to the report's recommendations.

19/14 Schools Forum membership and role

Chris Allcock presented the paper to advise the Schools Forum of changes to the membership following further conversations to Academy status and to invite Forum members to discuss other membership-related issues and the likely work programme for 2019/20.

Chris advised that primary sector LA maintained membership needed to reduce by one and Academy membership needed to increase by one.

Chris said Karen and he had recently attended the national Local Management of Schools conference and the messages from the DfE were that Schools Forums would continue for the foreseeable future. Despite the hard NFF being deferred for at least another year, the next Comprehensive Spending Review, which determines funding from April 2020, would be crucial and he considered it important to retain the experience and expertise of the current Forum membership. On a practical level organising and running an election for a new Forum in the autumn would be difficult given other pressures. Accordingly there would be no change to the current terms of office which would run until August 2020 as previously advised. Individuals were of course free to make their own decisions regarding their future involvement.

The Forum agreed to note the report.

19/15 Dates and venues of future meetings

These have to be confirmed and an e-mail will be sent out in due course.

The meeting closed at 8.10pm.