

DERBYSHIRE COUNTY COUNCIL
DERBYSHIRE SCHOOLS' FORUM

Minutes of the Meeting Held on 2nd October 2019
At 6pm Committee Room 1, County Hall, Matlock

Present

Members			
Linda Hack	The Dales Federation	Peter Hallsworth	South Normanton Nursery
Dr Alan Thomas	Northfield Junior School	Dan O'Donovan	Esteem MAT
George Wolfe	Curbar Primary School	David Plummer	Netherthorpe
Peter Johnston	The Village Federation	Lisa Key	QEGS MAT
Bridget Handley	Litton CE Aided Primary	Emma Hill	Castle View Primary
Karen Burton	Emsleigh Infant & Nursery	Deborah Turner	NEU
Martin Brader	Dronfield Henry Fanshawe	Chris Wayment	ASCL
Julien Scholefield	Esteem MAT	Tracey Burnside	Whittington Green
Janet Snell	Bakewell Lady Manners		
Substitutes			
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Observers			
Cllr Jim Coyle	Elected Member	Cllr Alex Dale	Elected Member
DCC Officers/others			
Chris Allcock	Ch. Services Finance	Paula Williams	Ass't Director Learning, Access and Inclusion
Ruth Lane	Ch. Services Finance	Saranjit Shetra	Service Director Schools & Learning
Phil Burrows	Ch. Services Finance	Eddie Grant	Ch. Services Finance

Apologies

Barbara Arrandale, Stephanie Marbrow, Caroline Rogers, David Baker, Dawn Curry, Andrew Wild.

Chris Allcock confirmed that Caroline Rogers had also resigned from the Forum. Chris welcomed the following new members.

Linda Hack, Primary Governor, The Dales Federation
 Dr. Alan Thomas, Primary Governor, Northfield Junior
 George Wolfe, Primary Governor, Curbar Primary
 Kevin Hirst, Academy representative, Brookfield Community School (Redhill Academy Trust)
 Emma Hill, Academy representative, Castle View Primary

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

19/16 Minutes if the meeting held on 19th June 2019

Matters of accuracy

Item 19/14, para 1, line 2 should read conversion rather than conversation.

Matters arising

There were no matters arising discussed.

19/17 Dedicated Schools Grant – Deficit Recovery Reporting

Chris Allcock presented the paper to

- i) Inform the Schools Forum of the Department for Education (DfE) process for managing Local Authority Dedicated Schools Grant (DSG) deficits.
- ii) Update Schools Forum on the projections for Derbyshire's DSG balance.

This paper was prepared prior to the recent school funding announcement. Local authorities are now required to submit a recovery plan to the DfE if they have an accumulated DSF deficit of more than 1% at the end of a financial year. LAs in this position have until the end of June on the following financial year to submit a recovery plan to the DfE.

A DfE consultation in November 2018 drew comments from LAs that many already had a DSG deficit or were facing the imminent prospect of such a deficit and the main reason was the ever-increasing high needs pressures. On 17 December 2019, the Secretary of State announced an additional high needs funding of £125 million for 2018-19 and a further £125 million for 2019-20, together with £100 million of capital resources as an initial response to these pressures.

Based on 2019-20 DSG figures, Derbyshire's deficit would need to reach £5.557m in order to trigger the DfE's threshold.

Chris then ran through Derbyshire's projected position which predicts an accumulated deficit of £2.116 million against the general reserve at 31 March 2020. However, once re-pooled funds and the earmarked reserve for new schools are taken into account the overall position is predicted be a surplus of £2.095 million. Based on these projections it is unlikely that Derbyshire will need to submit a recovery plan next year.

No questions were raised and the Schools Forum agreed to note the report.

19/18 DSG monitoring 2019-20 – Period 5

Chris Allcock presented the paper which provided the Schools Forum with an update of the Revenue Budget position of the DSG for 2019-20 based on spending to the end of August 2019 (Period 5).

The monitoring shows an overspend falling to the LA of £2.667m of which earmarked reserves of £0.551m are available to meet this shortfall leaving an accumulated deficit of £2.116m.

The main area of overspend is the High Needs Block (HNB) at £2.812m. Although no update on the spending settlement for 2020-21 has been received, the DfE have confirmed that LAs will see an increase of between 8% and 17% per head to their HNB funding for 2020-21. These percentages suggest an increase for Derbyshire of between ~£5.6m and ~£12m.

No questions were raised and the Schools Forum agreed to note the report.

19/19 School Funding settlement

Chris Allcock presented the paper to inform the Schools Forum of the latest information regarding the national funding settlement for schools. He had hoped that information on the impact for Derbyshire would be available for this meeting, however, this was not the case. This information will be provided to the next meeting of the Forum in November.

National Picture

The Chancellor of the Exchequer confirmed to Parliament that funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22 and £7.1 billion for 2022-23. The Minister of State for School Standards has provided the following further details:

- 2020-21 funding will be distributed using the Schools and High Needs NFF.
- LA Primary & Secondary Units of Funding (PUF/SUF) rates will be published in October.
- Final School and High Needs allocations will be published in December.
- Teachers' Pay Grant and Teachers Pension Grant will both continue to be paid separately to the NFF in 2020-21.

Schools Block

- The NFF will be largely unchanged, however, technical changes and changes in multipliers will be advised in October 2019.
- The Minimum Per Pupil Funding levels (MPPF) for 2020-21 will be £3,750 for primary (an increase of £250) and £5,000 for secondary (an increase of £200). In 2021-22 the primary minimum level will rise to £4,000. The MPPF rates are mandatory and a first step by the DfE towards a "hard" national formula.
- The funding floor will be +1.84%, in line with the forecast GDP deflator, to protect per pupil allocations in real terms.
- Schools' core allocations – which the LA expects include the pupil led and lump sum allocations - will benefit from a 4% in these NFF multipliers.
- Pupil mobility funding will be allocated via a formulaic approach rather than a historic basis. This factor has never been used in Derbyshire and this change will represent new funding locally for those schools that trigger this indicator.
- LAs will determine Minimum Funding Guarantee (MFG) rates next year which must be between +0.5% and +1.84% per pupil.
- No gains cap will be applied in the NFF. However, LAs can apply a cap locally if required: this may be necessary, for example, if the funding increase were insufficient to increase all the other formula factors in full.
- Growth funding will be based on the same methodology as this year. The same transitional protection arrangements will apply which will ensure no authority can lose more than 0.5% of its 2019-20 schools block allocation.
- The government remains committed to a "hard" national funding formula. However for 2020-21 LAs will continue to have discretion over their own funding formula.
- LAs will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with Schools Forum approval. A disapplication will be required for transfers above 0.5%, or any amount without Schools Forum approval.

Appendix 1 is a first look at the increase in funding which would be required in Derbyshire in order to deliver the national changes in full next year. Based on 2019-20 data the total cost for the primary sector would be around £16.1m, an overall increase of ~6.8% and £6.7m for the secondary sector, an increase of ~3.5%.

Whether these factors/multipliers are affordable will depend on the increase in Derbyshire's PUF/SUF values and the impact of 2020-21 data changes

High Needs Block

This will be covered in a later paper to this meeting.

Early Years Block

Nationally, an increase of £66m has been announced which equates to 2.1% of the national quantum. Derbyshire's currently hourly rate received from the DfE is £4.39, which is protected, the true NFF rate being £4.17. If Derbyshire receives a pro-rata increase, and is allowed to keep its current protection, this would imply a new funding rate for 2020-21 of £4.48 per hour.

The settlement is silent on the future of the Maintained Nursery School grant which supports the higher costs of nursery schools. The government has previously committed to keep this grant until the end of the 2019/20 academic year. If the grant were to cease the loss for Derbyshire would equate to around £1m per year and thus represents a key financial risk.

Central School Services Block (CSSB)

No rates have been announced yet and this will be covered as part of the DSG allocation report at the November Forum meeting.

The Chair, Martin Brader, asked if the potential transfer of 0.5% of the Schools Block to the High Needs Block was now less likely. Chris replied that he could not say at present until the LA has received more information on the funding settlement.

Martin asked if there will be any spare funding in the Schools Block to transfer and Chris replied that he was doubtful that this would be the case. Derbyshire has adopted the NFF in full and thus the allocations to schools should closely align with the allocations underpinning the Derbyshire's overall allocation.

If a transfer were to be sought a decision would have to be made on which NFF multipliers to reduce, which would present various technical difficulties.

Schools/academies would have to be consulted regarding any transfer. Consequently, once the settlement has been received the LA will have to make a very quick decision as to whether or not to consult schools on this issue.

Councillor Dale asked how the LA would be able to do this within the timescales given that final allocations aren't published until December. Chris replied that the information to be published later this month will be a very good estimate of the actual December figures, and certainly sufficient for planning and/or consultation purposes.

No further questions were raised and the Schools Forum agreed to note the report.

19/20 High Needs funding

Chris Allcock presented the paper to inform the Schools Forum of the latest information regarding High Needs funding in Derbyshire. The information was drawn from papers recently shared with the Forum's SEN sub-group.

Appendix 1 shows the High Needs Block (HNB) settlement for 2019-20 and the DfE have indicated an increase of at least 8% per head of population with a limit of 17%. Chris highlighted the Funding Floor element, £0.617m in the 2019-20 settlement. The Floor works in a similar way to the Minimum Funding Guarantee (MFG) for schools and ensures no LA loses as a result of the introduction of the High Needs NFF. Derbyshire loses under this formula and the Floor protects our total funding. The risk is that some or all of this protection is deducted from the increase in funding next year.

Chris then took the Forum through the key areas of where the HNB is spent, namely: places, top ups, services and “other” allocations. The report also showed how spending on top ups had increased across most sectors in recent years. These local increases are not unusual with many other LAs experiencing similar demographic pressures.

Based on the expenditure to the end of period 4 (July) the forecast overspend for 2019-20 is £3.358m. This overspend, together with estimated allowances for inflation, demographic pressures and an increase in contingency funding, suggests that an additional £7.8m would be required next year. If the settlement increase were to be significantly below this figure there would be a problem and a possible need to seek a contribution from schools.

Paula Williams introduced herself as the new Assistant Director for Learning, Access and Inclusion. Paula is working with the SEN Forum sub-group, looking at the recent ISOS report, and considering the strategic changes that need to be made in the coming years.

Councillor Dale referred to the demographic increases in EHCP/GRIPs/Statements and asked if these were accurate. Chris said they were a reasonable estimate based on recent trends and that the figures would be kept under review. Paula Williams added that we need to understand why the number of EHCPs and GRIPs was increasing and that this was a national issue. Across the country EHCPs had risen by 40% last year alone, whereas in Derbyshire they had only increased by 4% due to having the GRIP system in place. The biggest rises nationally are in the 0-5 and 20-25 years age ranges, these increases are largely due to the impact of national SEN reforms. Paula said she would be happy to report to the Schools Forum in more detail in the future about the LAs plans.

No further questions were raised and the Schools Forum agreed to note the report.

Chris Allcock then presented a supplementary paper to item 19/20 regarding a Council Motion agreed on 17th July 2019 relating to SEN funding. The Council Motion resolved to ensure every Derbyshire SEND pupil gets the education they are entitled to get by:

- Urgently reviewing the discretionary contingency fund, in consultation with the Schools Forum, so that those schools which feel penalised because they have more SEND Children can be given more financial support; and
- To continue to pressure the government for more funding to be invested in education, especially SEND; and
- To bring a report outlining progress on reviewing the discretionary contingency fund and with the government to a future Full Council meeting within the next six months.

Chris said that meeting the six months timescale would be difficult as (a) the options available to the Council and the Forum would be affected by the settlement, that we still don't have and (b) there is a limited number of Council meetings in the 6 months in question.

The table circulated showed the allocations from the contingency fund for 2019-20. Historically, funding had been distributed in response to bids from schools. This process was very time consuming for both schools and the LA and led to late decision making,

which did not help schools plan. More recently funding had been allocated on a formulaic basis which gave greater and earlier certainty for schools.

The table showed the calculations for 2019-20, the initial calculated cost of support being £443,620. However as the budget was only £300,000 the actual allocations to schools had been scaled back. The table also included as a memorandum item an alternative view which compared the cost of schools' element 2 support with their Low Prior Attainment (LPA) allocations within this year's budget shares.

Options for the future include: returning to a subjective approach to allocating funds, increasing the size of the contingency, changing the 3% threshold, removing the requirement for schools to make a 1% contribution, or supporting only those schools whose costs exceed their LPA funding, a model that Leicestershire currently use.

A discussion then took place and Forum Members expressed the following views;

- Two schools with the same number of EHCP/GRIPs were getting different amounts from the contingency fund according to the size of school when the same number of pupils required support. It was explained that this was because 1% of the budget share was included as a contribution, which varied between schools of different sizes.
- Schools say they also have lots of pupils with Additional Education Needs (AEN) which were not included in this calculation.
- Data sets for AEN were looked at during a previous Forum meeting. The 'K' marker – used by schools to record children with AEN but not at the level triggering a top up - was not felt to be a sufficiently robust data to use as a measure of need.
- Not every child who requires additional SEN support triggers LPA funding.
- The Vice Chair of the Forum had concerns about the wording of the Council resolution marked in italics: *"Urgently reviewing the discretionary contingency fund, in consultation with the Schools Forum, so that those schools which feel penalised because they have more SEND Children can be given more financial support."* The Vice Chair indicated that, as all schools want more funding, others may start lobbying Council members if lobbying was seen to be successful in getting additional resources.
- One Forum member commented that it is very difficult to get an EHCP or GRIP.

In conclusion, Forum members agreed that there is no perfect answer to this issue. A further report would be brought to the November meeting of the Schools Forum.

19/21 Dates and venues of future meetings

Tuesday 26 November 2019 - 4.30pm – 6.30pm at Post Mill Centre, South Normanton

Monday 20 January 2020 - 4.30pm – 6.30pm at Post Mill Centre, South Normanton

Thursday 25 June 2020 - 6pm – 8pm at County Hall, Matlock

The meeting closed at 7.20pm.