

DERBYSHIRE COUNTY COUNCIL
DERBYSHIRE SCHOOLS' FORUM
Minutes of the Meeting Held on 26th November 2019
At 4.30pm Rangewood Room, Post Mill Centre, South Normanton

Present

Members			
Linda Hack	The Dales Federation	Michelle Hill	Derbyshire Network 16-19
Barbara Arrandale	Hasland Infant School	Dan O'Donovan	Esteem MAT
George Wolfe	Curbar Primary School	Chris Wayment	ASCL
Stephanie Marbrow	Rosliston Primary School	Mandy Lee	Esteem MAT
Jeannie Haigh	Willows Academy Trust	Chris Greenhough	Swanwick School and Sports College
Mark Mallender	Derby Diocesan Board of Education	Lisa Key	QEGS MAT
Martin Brader	Dronfield Henry Fanshawe	Deborah Turner	NEU
Tracey Burnside	Whittington Green		
Janet Snell	Bakewell Lady Manners		
Substitutes			
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Observers			
Cllr Alex Dale	Elected Member		
DCC Officers/others			
Chris Allcock	Children's Services Finance	Paula Williams	Assistant Director, Learning, Access and Inclusion
Ruth Lane	Children's Services Finance	Saranjit Shetra	Assistant Director Education and Improvement
Phil Burrows	Children's Services Finance	Andy Walker	Children's Services Finance
Amanda Gordon	Early Years	Karen Gurney	Children's Services Finance
Alison Noble	Service Director - Early Help and Safeguarding	Warren Horridge	Services for Schools

Apologies

Dr Alan Thomas, Peter Johnston, Karen Burton, Peter Hallsworth, Emma Hill, David Channon, Dawn Curry, Andrew Wild.

Chris Allcock reported that David Plummer had resigned from the Forum. Chris also welcomed a new member, Peter Hallsworth, Headteacher at South Normanton Nursery, and apologised for not having done so at the last meeting.

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

19/23 Minutes if the meeting held on 2nd October 2019

Matters of accuracy

None

Matters arising

Page 6 - Chris Allcock stated that the High Needs Contingency paper would be brought to the January meeting as more work was needed on the report.

19/24 School Block Funding 2020-21

Chris Allcock presented the paper which informed the Schools Forum of the provisional Schools Block settlement for 2020-21 and potential implications for Derbyshire.

The government have announced 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. On 11th October 2019 the DfE released provisional DSG funding levels for 2020-21 for each LA. Final allocations will be published in December to reflect the October 2019 pupil census.

Chris briefly explained the basis of the calculation of the Primary and Secondary Units of Funding (PUF and SUFs) which drive the Schools Block allocations to LAs. The actual settlement for 2020-21, to be announced in December, will be based on the PUFs and SUFs applied to the October 2019 pupil census. However, the provisional figures give a good basis for planning purposes.

The increased National Funding Formula (NFF) multipliers are shown in Appendix 1, the figures for 2020-21 have been rounded by the DfE to the nearest £5 and the final figures may therefore be slightly different. Table 1 of the report shows provisional overall increases of £16.71m, 7.06% (primary sector) and £6.72m, 3.74% (secondary sector). The higher percentage increase for the primary sector mainly reflects the release of capped gains.

The Minimum Per Pupil Funding (MPPF) rates will be set at £3,750 (2019-20 £3,500) for primary schools and £5,000 (2019-20 £4,800) for secondary schools. For 2021-22 the primary minimum level will rise to £4,000. These values are mandatory.

There is a new formulaic approach to funding mobility in the NFF. Previously allocations were based on historic funding and, as Derbyshire did not have a mobility factor in its local formula, this change will bring in new funding. However, as the schedule of school figures shows, the number of schools triggering support and the amount of that support are relatively modest.

LAs are free to set the Minimum Funding Guarantee (MFG) between +0.5% and +1.84% per pupil.

In the last two years Derbyshire has endeavoured to mirror the mainstream NFF as closely as possible. In principle it would wish to do so again in 2020-21, subject to affordability.

The schedule of school figures shows what the impact would have been on individual schools if the formula had been applied to 2019-20 data. In general schools with protected levels of funding will receive smaller increases, whilst schools that were previously capped or were subject to the MPPF will see the largest increases.

Overall, based on 2019-20 data the provisional settlement appears to be just sufficient to fund the NFF in full. However, there is a concern that if the 2020-21 data causes additional cost pressures some variance from the full NFF would be required. If this were the case the report sets out possible ways to balance the Schools Block. A final decision on this will be taken by the Authority once the 2020-21 data set is available.

Appendix 2 shows the impact of applying different levels of MFG, even at a rate of +1.84%, the maximum allowed, the level of MFG protection would be much reduced than previous years.

Finally, the DfE have confirmed that Schools Forums can continue to de-delegate funding for 2020-21. Accordingly the Authority intends to de-delegate the funds for relevant services for next year in accordance with the decision taken by Schools Forum at its June 2019 meeting. Rates for next year have yet to be confirmed but are unlikely to change significantly from 2019-20.

Martin Brader asked Chris how long he thought MFG would be part of the funding formula. Chris replied that he expected it to continue for some years. Even when the DfE adopt a hard NFF they will want to avoid unreasonable turbulence in individual schools' budgets between financial years and so are likely to continue with some form of protection.

No further comments were raised and the Schools Forum agreed the report's recommendations.

19/25 Early Years Block Indicative Allocations 2020-21

Chris Allcock presented the paper to update the Schools Forum on the Early Years Block announcements for 2020-21 and the implications for providers in Derbyshire.

The provisional Early Years Dedicated Schools Grant (DSG) funding rates for 2020-21 for individual LAs for two, three and four year olds are provided in Appendix 1. The key points to note include:

2 year olds - the funding rates for all LAs have increased by £0.08 per hour, Derbyshire's figure will rise from £5.20 to £5.28 (+1.54%).

3 and 4 year olds - most LAs will see a flat rate increase of £0.08 per hour with a national minimum rate of £4.38. However, 12 LAs, including Derbyshire, whose current rates are protected at a level above the national minimum rate, will receive no increase. Derbyshire's funding for 2020-21 will therefore remain at £4.39 per hour as this is above both the national minimum rate (£4.38) and our updated pure funding rate under the Early Years National Funding Formula (£4.24).

The government have also confirmed that the Maintained Nursery Schools Grant will continue for 2020-21, in 2019-20 this grant was worth £1.086m to Derbyshire.

Table 1 shows the estimated settlement for 2020-21 and its distribution is indicated in Table 2. Table 3 showed that, based on the figures from Tables 1 and 2, the requirement to passport 95% of relevant funding to providers will be met.

Provisional central early years budgets are set out in Table 4 and reflected reductions in the DSG support for the Early Years Improvement Service and removing the contributions to the LA's Early Help Offer and the Every Child a Talker (ECAT) support programme.

The Early Years Improvement Service has made significant savings year on year and are solely funded by the Early Years block of the DSG. This has resulted in a changed level of support for schools and the PVI sector. However, it is able to meet the local authority statutory requirements. ECAT will, at least for the next two years, be funded via the Early Years Professional Development Programme, which focusses on communication.

To provide some broader context of the funding position, Table 5 compares the hourly rates received by LAs and the hourly rate paid to providers. In summary those LAs that pay a higher rate to providers generally receive a higher hourly rate from the government.

The Authority is aware that despite Derbyshire's current basic rate being comparable with many other near neighbour LAs, maintaining rates to providers at 2019-20 levels next year would represent a real terms reduction. PVI providers in particular would be adversely affected by this given the impact of the national Minimum Wage increases and other cost pressures.

The report calculated that each additional £0.01 increase to the basic rate (£4.08) would cost around £80k. The options for delivering an increase in the universal rate would require either further reductions in central EY spend, moving funding within the EY formula and/or transferring funding from other blocks of the DSG. However, any changes have to be both affordable in 2020-21 and sustainable. Given the current position regarding DSG balances, the use of one off reserves is not possible, and in any event would be unsustainable.

In terms of central spend, one possible option would be to transfer more of the cost of the EY SEN Service to the high needs block, the Service's overall costs are already apportioned across the two blocks. If half of the early years subsidy were transferred to the high needs block this would release around £0.239m, enough to fund a £0.03p per hour increase in the basic rate.

Jeanie Haigh said she thought there were too many uncertainties in the future to make any decisions. Deborah Turner added that one course of action could have a negative impact on another sector and Chris Allcock confirmed that the High Needs Block (HNB) is under a lot of pressure, a report on this is on tonight's agenda.

Amanda Gordon said that she is working with PVIs and nursery providers to help maintain provision but it is proving very difficult. She is operating on the bare bones of staff as leavers are not replaced and there is nothing more to cut from central budgets. Saranjit Shetra said that central spend cannot be cut further as the LA is only just meeting its statutory requirements and that EY and SEN are high priorities for the LA.

Andy Walker asked if other LAs have nursery schools. Chris replied that around 96 other LAs must have at least one nursery school as they receive a share of the national Maintained Nursery School grant.

The Schools Forum agreed the report's recommendations.

19/26 High Needs Block Funding 2020-21

Chris Allcock presented the paper to inform the Schools Forum of the latest information regarding High Needs Block funding in Derbyshire for 2020-21.

Appendix 1 detailed the estimated settlement which shows an increase of £9.40m (13.4%) for Derbyshire compared with 2019-20. Most of the increase is due to increases in the national high needs formula multipliers, however, a 23% increase in the free school meals (fsm) count had also contributed. This increased fsm count is likely to cause a demographic funding pressure in the schools block.

The report set out the LA's potential 2020-21 spending requirements. Place funding has increased by £0.314m to £14.672m, mainly due to increased special school provision. The budgets for Element 3 top-ups has increased by £2.328m to £47.252m which includes a 2% uplift for inflation (4% for special schools, PRUs and ER schools). Base budgets for services and other central spend have increased by £0.290m.

The above increases summarised in Table 2.4 would leave £1.500m of the £9.401m increase remaining. However, there are other potential calls on this balance including:

Demographic pressure - Previous years have seen significant increases in spend and further increases in the number and/or cost of EHCP/GRIP allocations would not be covered. Costs are already running at around £50k per month higher than earlier this term.

Specialist provision (inflation) – the increased funding may impact on the independent and non-maintained sector market and the increases in fees sought. The estimates only provide for a 2% inflationary increase.

Specialist provision (Top ups) – the 4% increase for Derbyshire special schools, ER and PRUs is below the overall increase in the Schools Block. Special schools have already indicated that they were looking for a larger increase.

DSG deficit – the accumulated DSG deficit at the end of 2019-20 is expected to be around £3m. In setting DSG budgets for 2020-21, including the high needs block, some funding needs to be earmarked to begin to repay this deficit.

Early Years Pre School SEN Service – as the early years paper to this meeting has noted, one way to provide an increase in the basic early years funding rate would be to transfer some of the cost of this service from the early years block to the high needs block. If the early years subsidy were halved this would utilise around £0.239m of the balance.

Strategic SEN review – following the LA commissioned SEND review earlier this year, the Authority is considering what changes to make to its local offer in the future. It would be helpful if some funding were available to help facilitate agreed changes.

Contingency – as the Forum is aware the issue of support for mainstream schools with a significant proportion of children with additional educational needs is under review. A further report on this will be brought to the next Schools Forum meeting in January. Any increase in the size of the contingency fund would add further pressure next year.

The special school sector representative, Chris Greenhough, said special schools are very disappointed at a potential increase of 2% in overall funding when the LA is receiving 13.4% extra. They were expecting considerably more as they are dealing with the most vulnerable pupils in society.

Chris Wayment from ASCL had recently attended a regional conference where it was reported that on the whole LAs were getting an increase of approximately 12%, but due to pressures already in the system schools were going to receive very little more than in 2019-20.

Tracey Burnside said that we should be looking at how the HNB is spent overall and how it could be spent more effectively. Chris Allcock said a sub-group of Schools Forum had been formed to consider transferring funding from SB to HNB, but following the large increase in HNB settlement this group was no longer required.

Paula Williams said a big piece of work was being undertaken following the ISOS review and that she will be contacting former members of the Forum sub group to ask if they wish to be involved. Paula plans to look at all areas of spending, including value for money, structure of SEND, top ups, OLA placements, and the relationships between services to achieve improvements for children and improve cost effectiveness. An action plan for this review has been written but has yet to be agreed. Paula will report to the Forum in January to provide an update.

The Forum agreed the report's recommendations.

19/27 Central School Services Block (CSSB) budgets 2020-21

Chris Allcock presented the paper to seek Schools Forum approval to the 2020-21 Central School Services Block (CSSB) budgets. He said that CSSB spend is a matter for Schools Forum rather than the LA.

The CSSB is a relatively new area of funding having been introduced in 2018-19. Table 1 shows the provisional allocation with a note that funding will be updated to reflect October 2019 pupil numbers. The per-pupil funding for ongoing responsibilities has increased by 1.95%, whilst the historic commitments element has decreased by 20%. Chris considered it likely that the latter will continue to reduce by a similar cash value over the next 4 years until the funding ceases.

The proposed ongoing responsibilities budgets have been increased for inflation.

Derbyshire's historic commitments funding supports the LA's Early Help Offer, if the Forum does not allocate this money for this purpose in 2020-21 it would disappear in the future. Alison Noble, Service Director Early Help and Safeguarding, said that although there has been a significant reduction in the Early Help offer due to funding cuts the LA is still committed to offering the service to schools.

The report therefore sought approval from the Schools Forum to continue to fund the contribution to the Early Help offer in 2020-21 in line with the CSSB grant allocation.

Any balance of CSSB funding from the final settlement would remain unallocated and thus help to meet the accumulated DSG deficit.

No other comments were made.

The Schools Forum agreed to the CSSB budgets requested by the Authority for 2020-21 as set out in Table 2 of the report.

19/28 Dates and venues of future meetings

Monday 20th January 2020 - 4.30pm – 6.30pm at Post Mill Centre, South Normanton
Thursday 25th June 2020 - 6pm – 8pm at County Hall, Matlock

The meeting closed at 5.40pm.