

DERBYSHIRE COUNTY COUNCIL DERBYSHIRE SCHOOLS' FORUM

Minutes of the Meeting Held on 13 October 2021 At 5pm at The Post Mill Centre, South Normanton

Present

Members

George Wolfe	Curbar Primary
Peter Johnston	The Village Federation
Siobhan Johnston	The Brigg Infants
Jennifer Murphy	Hunloke Park Primary
Peter Hallsworth	South Normanton Nursery
Chris Greenhough	Swanwick School & Sports College
Martin Brader	Dronfield Henry Fanshawe
Nick Goforth	Belper School
Tom England	Esteem MAT
Julian Scholefield	AV&E Support Centre
Tim Croft	Redhill Academy Trust
Keith Hirst	Brookfield Community School
Margaret Mason	Children 1st
Sarah Baker	Team Education Trust
Peter Crowe	ASCL
Lisa Key	QEGS
Deborah Turner	NEU
Michelle Jenkins	Etwall Primary School

Substitutes

Cilla Holman	Hadfield Infants School
Chris Wayment	ASCL

Observers

Cllr Alex Dale	Elected Member DCC
Cllr Robert Flatley	Elected Member DCC

DCC Officers/others

Saranjit Shetra	Assistant Director, Education and Improvement
Iain Peel	Service Director, Schools and Learning
Paula Williams	Assistant Director, Learning Access & Inclusion
Chris Allcock	Children's Services Finance
Shelley Kerslake	Children's Services Finance
Elena Beard	Children's Services Finance
Phil Burrows	Children's Services Finance
Andy Walker	Children's Services Finance
Ruth Lane	Children's Services Finance

Martin Brader chaired the meeting. Chris Allcock confirmed that the meeting was quorate and gave the Forum details of updated membership.

Sarah Lorking has been replaced by Tim Croft. Dan O'Donovan has been replaced by Tom England. Canon Wainscott has been replaced by Canon Lewis. Neil Beeson has left, no replacement yet. The CEO Network appears to have folded leaving the position formerly filled by Michelle Hill vacant.

21/19 Apologies

Thomas Osborn
Alan Thomas
Canon Carolyn Lewis
Nicola Foulds
Ben Riggott
Emma Hill
Philip Curtis
Cllr Julie Patten
Cllr Ruth George

Baslow St Anne's Primary
Northfield Junior School
Church of England Diocese-Derby
The Dales Federation
Parkside Community
Castle View Primary
Catholic Dioceses of Nott'm and Hallam
Elected Member DCC
Elected Member DCC

21/20 Minutes of the meeting held on 30 June 2021

The minutes were approved for accuracy and there were no matters arising.

21/21 DfE Consultation "Fair school funding for all – completing our reforms to the National Funding Formula"

Chris Allcock presented the paper to inform the Schools Forum of the DfE's latest consultation regarding mainstream school funding, to identify potential local issues and to share the LA's response.

Chris confirmed that he had circulated the LA's draft response in advance of its submission which is detailed in Appendix 1. The DfE are keeping the soft National Funding Formula (NFF) for the time being, giving LA's continued, but limited, discretion over their local funding formulae. DfE have reaffirmed their commitment to delivering a hard NFF in the future, but no timescale has been given.

Derbyshire are currently very close to the NFF, as are many other LA's, particularly in respect of pupil and school led allocations. However, the main difficult area relates to premises factors, specifically PFI, exceptional circumstances, and split site funding. The history behind individual schools' allocations is held locally and distributing resources via a hard formula could have a major impact on the schools that rely on these funding streams.

The DfE have confirmed they intend to retain growth and falling rolls funds. Derbyshire does not have a falling rolls fund as it can only be used to support Good or Outstanding schools.

The DfE propose requiring local authorities to move their formula 10% closer to the NFF. This requirement, which takes effect from 2023-24, should not present any major difficulties locally as our formula already closely mirrors the NFF.

The DfE propose no changes for 2022-23 and LAs, with the support of their Schools Forum can continue to de-delegate funds for specified services if they so wish.

The DfE is considering ceasing the Central School Services Block (CSSB) altogether and requiring LA's to cover these responsibilities by other means e.g. trading or de-delegation. Funding for any remaining responsibilities may be transferred from the DSG to MCHLG (Ministry for Communities, Housing & Local Government) grants. The DfE repeated their intention to phase out the historic commitments element of funding from this block.

Pooling of funding for Multi Academy Trusts (MATs) is to continue, although the DfE do not see any role for equivalent pooling arrangements in other parts of the education system.

A SEND review is expected, although it is understood that this will now be published in the spring. A further funding consultation is anticipated to consider how a hard NFF can best support SEND provision.

The DfE have signalled they are looking at the implications of moving LA maintained schools on to an academic year accounting period, bringing them into line with academies.

Julian Schofield pointed out that although MAT pooling of funds can be undertaken only 18% of MATs do so currently and they need permission from the ESFA. Deborah Turner said that MAT pooling can cause problems, Doncaster being cited as an example, leading to money being taken back by the DfE.

Schools Forum agreed to note the DfE's consultation proposals and the response submitted.

21/22 De-Delegation of Funding 2022-23 – Responses to Consultation

Chris Allcock presented the paper to ask representatives of LA maintained primary, secondary and special schools on the Schools Forum to consider the de-delegation of funds for 2022-23.

The funding announcements in July 2021 allow de-delegation to be an option again for 2022-23. The LA wrote to schools in the summer and Table 1 indicates the responses to the consultation. In all areas 80% or more supported the de-delegation or top-slicing of funds. In view of the responses, the report recommended that funding for the services listed should be de-delegated/top sliced for 2022-23 for LA maintained primary, secondary and special schools.

The consultation also asked schools for their views regarding an alternative insurance provider, should the Authority decide to trigger the break clause in its current contracts. Responses indicated strong support for the School and Academy Insurance Framework (SAIF) with a 75% preference amongst the primary sector and 90% preference amongst secondary sector responses. A further report will be provided to the Forum on the insurance provider for schools at either the December 2021 or January 2022 meeting.

No comments were raised from the floor. Votes were then taken on the issue of the de-delegation/top-slicing of the budgets for 2022-23. The results were as follows:

Primary sector representatives agreed by a margin of five votes for and none against.

Secondary sector representatives agreed by a margin of two votes for and none against.

Special school representative agreed by a margin of one vote for and none against.

The Forum also agreed to seek Council's approval to the arrangements and noted the position regarding insurance and that a further report would be provided in December.

21/23 Indicative National Funding Settlement 2022-23

Chris Allcock presented the paper to inform the Schools Forum of the indicative National School Funding settlement for 2022-23 and the potential implications for Derbyshire.

Table 1 sets out the primary and secondary units of funding (PUFs and SUFs) which result in increases in funding of £9.664 million (+3.64%) for the primary sector and £7.097 million (+3.29%) for the primary sector. The total allocations are based on the October 2020 pupil census and will be revised when the October 2021 counts are confirmed. Funding for the

cost of schools' rates has reduced slightly due to academy conversions, the reduction has no effect as the loss of funding is offset by a reduction in costs. An update on the Schools Block is expected to be available for the December Forum meeting.

Appendix 1 shows that National Funding Formula multipliers have increased by circa 3%, the exception being sparsity which has increased by 22% for primary schools and 14% for secondary schools. Notwithstanding recent increases in gas prices and the national insurance rates, the 3% increase for core multipliers is likely to be above the level of inflation. Nick Goforth interjected that he thought the NI increase was going to be funded in some way for schools.

The DfE are looking at changing the measurement relating to sparsity funding to use actual road distances. The change, which is welcome, will mean an additional 24 schools in Derbyshire becoming eligible for this funding.

The DfE have also allowed local authorities to introduce an additional distance threshold of 80% of the existing measurement. This would mean a further 30 schools would qualify for some degree of funding and remove the funding cliff edges from the current two mile (primary) and three mile (secondary) thresholds. Funding for these additional thresholds has been allowed for in the PUFs and SUFs. Chris offered the view that it was slightly odd that the additional thresholds are optional, given the policy objective is to have a consistent funding formula for all schools in all areas.

Pupil Growth Funding

Chris expects a broadly similar level of funding in 2022-23 as 2021-22. Further details will be confirmed at the December 2021 meeting once the October 2021 census data is known.

High Needs Block (HNB)

The HNB is set to increase by 8% in 2022-23, equivalent of £7.013m compared with 2021-22 funding levels. The DfE have changed the historic spend element of the calculation and Derbyshire this has contributed to our lower increase than some other LAs. The 2022-23 HNB allocation will be confirmed in December and will reflect updated import/export numbers and pupil data changes.

Central School Services Block (CSSB)

The pupil element funding has decreased by 2.5%, however this should not present any practical difficulties as the amount received exceeds the level of costs. Historic commitments funding, which in Derbyshire contributes to our Early Help Offer, has decreased by 20%. This reduction was expected. A report setting out the Authority's proposals for 2022-23 will be brought to the Schools Forum meeting in December.

Early Years Block

No information at this stage, we expect initial allocations to be published in December 2021.

Chris Greenhough asked that if we were changing measurements for sparsity from the crow flying to road distances, should we consider changing measurements for the calculation of SEN transport costs. There was no-one available to reply from the LA.

Peter Johnston asked about the DfE discretionary thresholds and said sparsity funding is a real 'game changer' for small schools. For his federation of four schools it accounted for 20%

of the total budget share. Phil Burrows added that the sparsity discretionary thresholds do appear to be funded within our PUFs and SUFs. Chris Allcock added that it looks like we have the money and, from our modelling, can afford the allocations.

Schools Forum agreed to note the report.

21/24 Local Authority request to use 0.5% of Schools Block 2022-23: responses to consultation

Chris Allcock presented the paper to inform the Schools Forum of the LA's funding consultation for 2022-23 and summary of the responses received.

By way of background he said in each of the last three years the HNB has overspent by between £3.9m and £5.3m. This has resulted in an £8m Dedicated Schools Grant (DSG) surplus three years ago becoming a £6m deficit at the end of 2020-21.

For the current financial year, the plan had been to set a balanced High Needs Block (HNB) budget and allow the Central Schools Services Block to underspend by £0.725m, thus reducing the accumulated deficit. However, the latest monitoring shows a forecast HNB overspend of ~£4m at present which may increase before the year end. Therefore, the latest forecast is for an accumulated DSG deficit of between £9m and £10m by the end of 2021-22. The Schools Block transfer of 0.5% is now more critical than ever.

The consultation included schedules of the impact on individual schools, based on 2021-22 data. However, schools are not being asked to take a real terms cut next year because of the increase of 3% in NFF multipliers.

One question on the consultation was about Minimum Per Pupil Level thresholds (MPPL). If schools eligible for this funding contributed towards the 0.5% transfer, their contributions would be refunded to them by the MPPL factor. This would mean around 70 schools wouldn't contribute. The ESFA have signalled that the Secretary of State will not allow schools' funding to fall below the MPPL. This will potentially reduce the overall value of the 0.5% transfer to around £2m.

The consultation also asked how the funding sought from the transfer might otherwise be raised, including reducing key stage one class size support, not funding inflation within the HNB, reducing the HNB vulnerable children's fund and reducing the HNB contingency fund. There was little support for any of these options.

The response rate to the consultation was reasonable with 35% of primary schools, 40% of secondary schools and 10% of special schools engaging. The responses were set out in two tables and showed that primary schools were significantly in favour of the transfer, whilst secondary schools were significantly against it. In overall terms, and based on the number of children attending the schools that responded, 47% were in favour and 53% against.

Chris clarified that the Schools Forum decision is to approve/reject the 0.5% transfer, the impact on formula multipliers is a matter for the Authority, although he expected this would be as set out in the consultation.

All Forum members can vote, Council Elected Members are observers in this situation and have no vote. The Chair invited questions from the floor, and these included the following:

Deborah Turner commented that the unions were not normally involved in budget votes. Chris Allcock confirmed that he has specifically checked the eligibility rules with the DfE and the decision is for the whole Schools Forum.

Chris Wayment added that as a union representative she represents staff and the impact upon them of financial decisions and that perhaps this decision should look at how much extra funding schools will get in the 2022-23 settlement, not at how much they will lose. Chris Wayment felt the amounts involved would not trigger redundancies in any school setting. Chris Allcock added that with hindsight it might have been helpful had the consultation shown the increases in formula budgets and how much the 0.5% would reduce these increases.

Siobhan Johnson asked why secondary schools are in general against the transfer and primary schools are in favour. Nick Goforth, said that as a secondary school representative, he felt that a 3% increase in multipliers was probably less than inflation in school expenditure. Also, as his school budget was so tight, if he didn't receive the MPPL funding in full it would cause redundancies in his school.

Chris Allcock said he had consulted on the basis that schools in receipt of the MPPL could contribute towards the transfer. However, in light of advice from the ESFA this is unlikely to be allowed and that as a result the £0.6m from these schools won't now be received.

Nick Goforth said that Leicestershire did a transfer of 0.5% from Schools Block to High Needs Block a few years ago even though this was not recommended by their Schools Forum. They also took the alternative view of restricting HNB expenditure by reducing expensive Out of County placements and introducing more ER places in schools.

Chris Greenhough said he didn't complete the consultation but wanted to point out that the number of pupils supported by HNB is much greater than just the pupils in special schools with more than 50% of funding going in to EHCP/GRIPs.

Julian Schofield pointed out that the Derbyshire position is not as bad as lots of other LA's and doesn't know of any LA that is not in a deficit position. He also re-iterated his concern that the central spend on SEN is too high. This has needed reviewing for years as our spend is more than other LA's.

Paula Williams replied that the LA is looking at these issues, but it takes time and there are proposals within the DSG recovery plan to achieve a reduction in central spend. She is also waiting for the DfE SEND review which has been delayed. She is having a meeting about independent provision this week and has been invited to be part of a tribunal panel on a national basis and commented that decisions about Out of County provision are often taken out of our hands by local tribunals.

Michelle Jenkins said that certain central services are just not meeting schools' needs. Paula Williams replied that she is working on this and looking at a redesign of two services in particular. Value for money reviews and a total redesign of SEN support services are being considered and a consultation will be published.

Peter Johnson said we are always concerned about balancing the books rather than necessarily solving the problem and this 0.5% transfer means that the significant problems around SEN remain. He is also worried that limiting the sparsity increase, the impact on small schools is big compared with the other contributors. He felt that they had been targeted because of the large proposed increase.

Nick Goforth asked if the transfer was a one off. Chris Allcock replied that this had been the plan at the time of the writing the consultation. However, given the latest monitoring and the forecasts for future years, he felt unable to provide any guarantees.

In response to another question, Chris clarified that the Schools Forum a decision on transferring funding one year at a time. If the Authority wished to make another transfer in the future it would be subject to a further consultation with schools and would require a separate Forum decision.

With regard to the sparsity question, schools which were ineligible last year and which now suddenly qualify are likely to see a sizeable increase in funding, even with the reduced increase in the multiplier. For those that were eligible last year, the £3,333 increase still represents a 7.4% uplift for primary schools, well above the increase in other formula multipliers.

Iain Peel said that the pressure on EHCP/GRIP funding is not unique, in 2019 there were 581 new plans issued, in 2020 the number was 632, in 2021, to date, the number is already 595. Although a real pressure, this is less than the national average. Nationally, the DfE anticipate a 29% increase in the future. He added that Leicestershire have a £37 million DSG deficit forecast in three years' time. The national average for out of area SEND provision is 2.1/1000 pupils whereas Derbyshire's figure is 1/1000. Nottingham and Nottinghamshire are doing much better without a DSG deficit, but they support SEND in a very different way to Derbyshire and have done so for 25/30 years. We do need to address our position.

Margaret Mason commented that the SEN support in the early years sector is increasing dramatically and they are just not getting the support they need from the LA. The system is too slow, if we supported children earlier, we could save problems later and we should concentrate on this.

Deborah Turner asked where the 0.5% figure for the transfer comes from. Chris Allcock replied this is the maximum that Schools Forum can approve locally; anything above that has to go to the Secretary of State. A Freedom of Information request to the DfE indicated that the Secretary of State does not overturn local Schools Forum decisions in this area.

Siobhan Johnson asked if the £10m DSG deficit is after the 0.5% SB transfer. Chris Allcock explained that £10m is the forecast figure for the end of this year. The 0.5% transfer, if approved, would then reduce this figure to £8m in 2022-23.

Councillor Alex Dale said he would continue to lobby as part of the F40 group about school funding and in particular HNB to government. He is also putting across our voice to the DfE as part of a cross party group including MPs and LAs

Lisa Key commented that the HNB is a huge problem and an ongoing issue, but we cannot continue this conversation every year. We talked about reducing central spend years ago and there is a need to see some financial benefits impact.

The vote on whether to approve the LA's request to transfer 0.5% of School Block to High Needs Block then took place. 15 members voted in favour, 2 against and there were 3 abstentions.

The Forum agreed the 0.5% transfer and the report's recommendations

21/25 Dates of future meetings

1 December 2021 at 6pm. (Virtual)

27 January 2022 at 6pm (Virtual)

29 June 2022 at 5pm (Post Mill Centre)

The meeting closed at 6.30pm.