

DERBYSHIRE COUNTY COUNCIL
DERBYSHIRE SCHOOLS FORUM
Minutes of the Meeting Held on 21st October 2020
At 6pm on Microsoft Teams

Present

Members			
George Wolfe	Curbar Primary	Peter Hallsworth	South Normanton Nursery
Siobhan Johnston	The Brigg Infants	Julian Scholefield	Esteem MAT
Dr Alan Thomas	Northfield Junior School	David Baker	The Pingle Academy
Thomas Osborn	Baslow St Anne's Primary	Philip Curtis	Catholic Dioceses
Michelle Jenkins	Etwall Primary	Sarah Lorking	Redhill Academy Trust
Nick Goforth	Belper Secondary	Keith Hirst	Brookfield Community
Jeannie Haigh	Willows Academy	Margaret Mason	Children 1st
Martin Brader	Dronfield Henry Fanshawe	Daniel Neale	NEU
Chris Greenhough	Swanwick School & Sports College		
Substitutes			
Cilla Holman	Hadfield Infants	Ben Riggott	Parkside Community
Peter Crowe	ASCL		
Observers			
Cllr Jim Coyle	DCC		
DCC Officers/others			
Chris Allcock	Children's Services Finance	Amanda Gordon	Early Years Manager Education & Improvement
Ruth Lane	Children's Services Finance	Phil Burrows	Children's Services Finance
Karen Gurney	Children's Services Finance	Andy Walker	Children's Services Finance
Iain Peel	Service Director - Schools and Learning	Kirstin Bloxam	Process Improvement Manager
Saranjit Shetra	Assistant Director for Education Improvement		

Chris Allcock welcomed members new and old to the Schools Forum. He confirmed that Martin Brader has been elected Chair and Peter Johnston the Vice Chair, and that the meeting was quorate.

Apologies

Cllrs Dale and Patten, Peter Johnston, Jennifer Murphy, Emma Hill, Neil Beeson, Corrine Coward, Chris Wayment and Paula Williams.

20/15 Minutes of the meeting held on 25th June 2020

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

20/16 Schools Forum: Roles, responsibilities and Work Programme 2020/21

Chris Allcock presented the paper which summarised the roles and responsibilities of the Schools Forum and included a provisional work programme for 2020/21. The key point to note was that the Schools Forum's statutory role is to consider strategic financial issues affecting schools, rather than individual school matters.

Martin Brader asked what the likely longevity was for the Schools Forum. Chris replied that the DfE have promised a consultation on a hard National Funding Formula (NFF) later this year. There is currently a soft NFF in place which means the LA has some flexibilities. Chris felt that as a consultation was needed a hard formula would not be in place for 2021-22, 2022-23 or 2023-24 was more likely. An ESFA workshop had suggested a timeline of up to 2024-25.

The report was noted.

20/17 National Funding Update – Schools Block 2021–22

Chris Allcock presented the paper to inform the Schools Forum of the provisional indicative Schools Block settlement for 2021-22 and the potential implications for Derbyshire. The figure announced in July 2020 will be updated to reflect the October 2020 pupil census and a final figure will be released in December 2020.

By way of a reminder, details of the process by which the total LA-level Schools Block was calculated was set out in Appendix 1. Given the role of individual schools' budgets in determining the overall LA total, Derbyshire has endeavoured to replicate the National Funding Formula as closely as possible in its formula.

Chris advised that for 2021-22 LAs are able, with Schools Forum approval, to transfer up to 0.5% of the Schools Block to other Dedicated Schools Grant (DSG) blocks. Transfers in excess of this figure, and transfer requests rejected by the Schools Forum, would require Secretary of State's approval. Derbyshire does not anticipate seeking approval to any transfers for 2021-22.

In terms of the overall settlement, the main changes for 2021-22 are an overall increase for Derbyshire of £38m. However around £21.966m of the increase is in respect of funding currently paid as Teachers' Pay and Pension grants being rolled into the Schools Block. Adjusting for this means the like for like increase is around £16m, (3.3%).

Chris briefly went through the changes in the NFF multipliers in Appendix 2. Locally, the LA would wish to mirror the NFF in 2021-22, subject to it being affordable. The LA wrote to schools and academies in September 2020 to seek the views of schools and academies to this approach. The report made clear that there was significant support from respondents to both the implementation of the NFF and for the Minimum Funding Guarantee to be 2% per pupil.

However, if the NFF was unaffordable in full, perhaps because of data changes, there was no consensus about how the shortfall would be met.

The LA has had a first look at affordability for 2021-22, based largely on 2020-21 data, and the modelling suggests affordability is marginal. Key to affordability next year will be the impact of changes in deprivation and low prior attainment data. It should be noted that if the cost of full implementation of the NFF exceeds the Schools Block allocation there are no Dedicated Schools Grant (DSG) reserves to cover the shortfall.

Alan Thomas asked for more information on sparsity. Chris explained how it is calculated and that, although Derbyshire is a largely rural county, it has a lot of schools relative to its population. This feature means that the nearest "alternative school" in the calculation is not far enough away to meet the sparsity criteria. Sparsity funding is currently calculated using distance as measured by how the 'crow flies' basis, although the DfE are looking to move away from this method of calculation in the future.

Michelle Jenkins commented that in the current climate, and as unemployment increases, deprivation counts are likely to increase too. Also as pupils have been missed so much school,

the Low Prior Attainment (LPA) count was also likely to increase. Chris and Andy Walker replied that the FSM count risk was down to timing, specifically, would an increase be reflected in the October 2020 census data. The pupil assessments affecting LPA were being done as an average of previous years for each school and so should have limited overall impact.

Julian Scholefield asked when the DSG reserves disappeared. Chris replied that although he didn't have the exact figures to hand the High Needs Block (HNB) has been a significant drain over recent years and the Early Years Block (EYB) has also been subsidised, though to a lesser extent, for the last two years.

Nick Goforth commented that he used to be on the Leicestershire Schools Forum where sparsity was often discussed, and he approved of the substantial increase in the multiplier.

Martin Brader asked about the 31 schools who qualified for MFG, are they the same as last year and when are they likely to cease qualifying? Chris replied that he could not be entirely sure but that the list of schools for a particular year would have some similarity to the year before. Schools with significant MFG support in one year are likely to receive it in the following year. For those in receipt of the highest levels of MFG protection it could take several years for the support to be phased out. Equally, some schools dip in and out of MFG eligibility due to year on year changes in data.

The Forum agreed the recommendations.

20/18 National Funding Update – High Needs Block 2021–22

Chris Allcock presented the paper to inform the Schools Forum of the provisional indicative High Needs Block settlement for 2021-22.

Chris detailed how the High Needs Block (HNB) is calculated and that after making an adjustment for the Teachers Pay and Pension grants which are being rolled into the HNB, the like for like increase is around 10.1% per head of population, which is to be welcomed. More work needs to be done on the HNB budgets for next year and a detailed report will be submitted to the December meeting. High Needs Block budgets are a matter for the LA rather than the Schools Forum.

Julian Scholefield asked if there would be a consultation with providers regarding High Needs Top ups and that he appreciated that the SEND plan, which is still unknown, could have an impact.

Chris replied that traditionally consultation has taken the form of discussion with Schools Forum. He added that the HNB increased by 14% for 2020-21, however a significant part of that increase was needed to meet existing costs which were significantly above the level supported by the budget. He was not sure what a consultation might look like but was happy to consider this with colleagues. Iain Peel added that the SEND transformation team were undertaking a big piece of work looking at demand coming through and the need for places and that the process was very slow.

Martin Brader commented on the increase of approximately one third in FSM eligibility and how would that impact on the Schools Block. Chris confirmed that this would be a cost pressure on the Schools Block which would not attract any more funding in the allocation from the DfE.

The Forum agreed the recommendations.

20/19 National Funding Update – Other DSG funding 2021–22

Chris Allcock presented the paper to inform the Schools Forum of the latest position regarding the other elements of DSG funding for 2021-22. Further background on each block is provided in Appendix 1.

This item was presented for completeness as the amounts involved are far less than the other Blocks discussed. The Central School Services Block (CSSB) funds the LA's ongoing responsibilities for schools and academies and for its historic commitments. Funding for ongoing responsibilities was set to increase by 6.45% per pupil. However, historic commitments funding, used to support the LA's Early Help offer, has fallen by £02.78m (20%).

Determination of CSSB budgets are a matter for Schools Forum and will be the subject of a report to the December meeting.

Indicative Pupil Growth allocations, which are part of the Schools Block, have not been published as they will be based on the October 2020 pupil census. Pupil Growth budgets are a matter for Schools Forum and will be the subject of a report to the December meeting.

Finally, in terms of the Early Years Block, no details have been published, other than confirmation that the Maintained Nursery School Grant will continue for the summer term 2021. Details of the LA's hourly rate – a key determinant of the rate paid to providers – is still awaited.

No comments were raised from the floor.

The Forum agreed the recommendations.

20/20 De-delegation of funding 2021-22 – Responses to Consultation

Chris Allcock presented the paper which asked representatives of LA maintained schools on the Schools Forum to consider the de-delegation (re-pooling) of funds for 2021-22.

Funding regulations allow LAs, with the approval of the sector representatives of LA schools on the Forum, to de-delegate/top-slice funds to support the provision of a range of functions. Academies are not part of the de-delegation framework and therefore keep both the funding and the responsibility for their own costs.

LA schools had been asked to submit their views via a consultation and the results were detailed in Table 1 of the report. A majority of the responses from schools supported the de-delegation of funding for each service.

The Chair put the decisions to a vote and the following was agreed:

The following was agreed

- (i) Schools Forum representatives of LA maintained primary schools voted to approve all the de-delegation/top-slicing of the budgets in Table 1;
- (ii) Schools Forum representatives of LA maintained secondary schools voted to approve all the de-delegation/top-slicing of the budgets in Table 1;
- (iii) The Schools Forum representative of LA maintained special schools voted to approve all the de-delegation/top-slicing of the budgets in Table 1;

In addition, Schools Forum agreed to seek the Council's approval to the arrangements arising from the above decisions.

Unlike previous years, insurance was not included in the recent consultation. This was because the DfE had determined that LA maintained schools could join their national Risk Protection Arrangements (RPA) Scheme from April 2020. This is a discretionary pool which means that any claims submitted are at the discretion of the DfE with no contractual guarantee of payment. The LA wanted to consider the implications of this change before proceeding.

The DfE have now clarified that LA maintained schools can only join the RPA if it wouldn't result in a break in existing contractual arrangements. Given the Council's current insurance contracts extend beyond 2021-22, schools will be asked in November if they wish to see funding for insurance de-delegated next year. A report on the outcome of this further consultation will be brought to the December meeting of the Schools Forum.

Alan Thomas asked if there was any data on RPA take up rates. Chris replied that none of the LA's schools have joined yet as they are covered by a contract with Zurich which expires in April 2022.

Philip Curtis said that his Academy chain are currently processing a claim with the RPA in respect of one of their schools which recently burnt down and he could share experiences in the future. Julian Scholefield said that when the Esteem Academy was formed they stuck with Zurich initially but now the RPA is better and they have swapped.

The Schools Forum noted the position regarding insurance and agreed to receive a further report at its next meeting.

Ben Riggott noted that it was worth exploring why School Improvement had scored the lowest in the consultation. Chris said he would ask School Improvement colleagues to note this.

20/21 DSG Financial Overview and Recovery Planning

Karen Gurney presented the paper to update the Schools Forum of the Department for Education's (DfE) revised processes for managing Local Authority Dedicated Schools Grant (DSG) deficits and to provide details of the position for Derbyshire.

Karen started by saying a change in DfE regulations requires that any LA with an overall deficit on its DSG at the end of the 2019-20 financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a recovery plan to the DfE for managing their future DSG spend. This plan should be regularly shown to Schools Forum and updated throughout the year.

Table 1 detailed the four categories comprising the overall DSG, the combined balance being £0.188m at the start of April 2020 and the forecast being a surplus of £1.118 by 31st March 2021. Of this forecast total £3.708m is committed leaving an effective deficit of £2.590m. The reduction in DSG in recent years has been largely due to overspends against the HNB grant.

Recent changes to regulations mean that LAs are longer able to use their own resources to meet DSG deficits, the DfE expectation is that deficits are recovered from future years' DSG allocations. Given the lack of flexibility in the Schools Block and modest size of the Central School Services and Early Years Blocks, resources to address the deficit are likely to have to come from future Pupil Growth and High Need Block allocations.

Chris Greenhough commented that a couple of times this evening it has been stated that the deficit on the HNB is due to overspends on the top-ups for pupils. He felt that this is what the HNB is for and shouldn't be referred to as an overspend.

The Forum agreed the recommendations.

20/22 Changes to the Derbyshire Scheme for Financing Schools

Andy Walker presented the paper to inform the Schools Forum of directed revisions to local authorities' Schemes for Financing Schools published by the DfE and to seek formal approval to their inclusion in Derbyshire's Scheme.

The revisions were:

- a requirement from next year for schools to submit a 3-year financial plan
- a requirement for schools with a deficit above 5% of their budget to submit a recovery plan. and
- that LA Maintained Schools (LAMS) are now (from April 2020) permitted to access the government's Risk Protection Arrangements (RPA).

The changes in the Scheme were notified to schools in September and no comments regarding them have been received.

Peter Crowe said it is always difficult to plan for years 2 and 3 and schools never know what funding would be and the year 3 figure is often terrifying. How accurate are plans now for year 3? Andy Walker replied that funding estimates are more accurate now and the LA is dependant on schools giving accurate expenditure plans. Around 80% of schools' costs are on staffing so if this is correct plans should be largely accurate.

Philip Curtis added that hopefully Government announcements are better these days in term of funding. Currently academies must address future deficits with the DfE, not with formal plans but just their thoughts.

Schools Forum approved the incorporation of the directed revisions into Derbyshire's Scheme of Financial Management, as set out in the report.

20/23 Dates of future meetings

Martin Brader asked members for general comments regarding how they felt the meeting had gone, especially from new members. He also asked if an induction session was required.

It was agreed that a list of members would be circulated along with a glossary of terms and acronyms and that any ideas regarding an induction session would be e-mailed to schoolsforum@derbyshire.gov.uk within the next week.

The following dates and times were confirmed for future meetings:

15th December 2020 at 6:00 p.m. – Teams Meeting
28th January 2021 at 6:00 p.m. – Teams Meeting
30th June 2021 at 6:00 p.m. – Teams Meeting

The meeting closed at 7.40pm.