

## Minutes of the Schools Forum Meeting held on 18 January 2024

Present: Richard Redgate (Chair)

<b>Attendance</b>	
Stephen Drew	Steve Breeze
William Wilson	Mark Boughey
Richard Sutton	Carolyn Trowbridge
Steve Swatton	Sadie Jones
Kim Prince Anson	Alun Harding
Philip Siddell	Dawn Freeman
Kirsty Rogers	Nicola Mason
Chris Wright	Andrew Skelding
Steve Barr (Vice-Chair)	Paul Spreadbury
Vicki Lewis	

**Observers:** Mark Sutton and Jonathan Price

**Apologies:** Kevin Allbutt, Anne Tapp, Helen Barron, Jessica Roden, Emily Verow and Lindi Nejrup

### Part One

#### 25. Declarations of Interest

There were no declarations of interest made on this occasion.

#### 26. Minutes of the meeting held on 09 November 2023

**Resolved:** That the minutes of the meeting held on the 09 November 2023, be confirmed as a correct record and signed by the Chair.

#### 27. Matters arising

##### **Update to Minute 5 of the 13 July 2023 meeting, relating to the Membership Update and Meeting Attendance Review.**

During the discussion of this item it had been highlighted that Judy Wyman had been unwell for some time and had had to spend time in hospital. A get-well card had been sent to Judy by the Chair of the Forum, and it was reported that Judy had been discharged from Hospital before Christmas and was on the road to recovery.

## **Update to Minute 23 of the 09 November 2023 meeting relating to the High Needs Block Update and 0.5% Funding Switch Request.**

The Forum was informed that following the decision of Schools Forum Members to not support the 0.5% transfer request from the Schools Block to the High Needs Block, the Local Authority (LA) had submitted a disapplication request to the Secretary of State through the Education and Skills Funding Agency, to make a final decision on the application to make this switch. On Friday 12 January 2024 the LA had been notified that the application had been successful.

In response to a question from Steve Barr asking if the notification received had highlighted why the decision had been made, it was confirmed that the notification had only stated that the request had been granted. It was agreed that a letter would be sent to the Secretary of State, through the Education and Skills Funding Agency, to request additional information that explained why the decision to support the LA's disapplication request had been made on this occasion.

### **Post meeting note**

Following the meeting the members of the Forum were contacted and asked to provide the Chair with any specific information they wished to be included in the letter to the Secretary of State. Steve Barr asked for the following questions to be included:

- As in previous years, Staffordshire Schools Forum rejected the LA's request to move 0.5% from the schools block to high needs in November. Schools Forum has never agreed to this request in the past, and the SoS/minister has always supported that decision.
- The letter dated 12th January 2024 does not explain satisfactorily why the response this year has been different and Schools Forum members would appreciate some detail on the rationale behind that decision.
- The letter refers to the LA's "detailed management plan" and acknowledges that Schools Forum did not approve the request, but there has been no request from ESFA/DfE to Schools Forum to submit the reasons behind Forum's rejection of the LA's proposal. It seems unjust to base a decision on a detailed submission by one party, whilst simply noting the result of a vote by the other party, without exploring the arguments behind this vote.
- The point that Schools Forum are "supportive of the broader actions of the management plan" is irrelevant. Members gave this careful consideration before coming to their decision and they are the ones with local knowledge. There is no direct link between the two issues.

**Resolved:** That a letter be sent by the Schools Forum Chair to the Secretary of State, through the Education and Skills Funding Agency, to request additional information that explained why the decision to support the LA's disapplication request had been made.

## **28. Decisions taken by the Chairman under delegated powers**

Members were reminded that, as per the resolution of **Minute 18 - Termly Membership Review and Constitution Update**, of the Schools Forum Meeting held on the 09 November 2023, it was agreed that future reviews of the Schools Forum membership numbers would be brought to Schools Forum meetings for note.

The Forum was reminded that the membership of the Schools Forum was reviewed within the first two weeks of a new term starting in September, January, and April, to confirm that the proportions of school representatives remained broadly comparable to the pupil numbers in each of the represented categories. The results of the January review were included within the agenda and presented for note by Forum members.

**Resolved:** That the January review of the Schools Forum Membership be noted.

## **29. Notices of Concern and Licensed Deficit Agreements**

It was confirmed that no new Notices of Concern had been issued or withdrawn.

The Entrust Schools Finance team continued to work with all schools who had an existing Notice of Concern or Licensed Deficit agreement.

**Resolved:** That the Notices of Concern and Licensed Deficit Agreements to schools be noted.

## **30. Update to the Staffordshire Scheme for Financing Schools & Procurement Regulations**

The Schools Forum received a report from the Director of Children and Families regarding an update to the Staffordshire Scheme for Financing of Schools (SSFS).

The Forum heard that the SSFS, Financial Regulations and Procurement Regulations had been reviewed and the following updates had been made:

- A number of sections had been amended to ensure they referred to the correct Director within the Local Authority.

- The list of reasons a Notice of Concern (NoC) would be issued had been amended. The first bullet point would read:
  - “When years two and three of the school’s published multiyear modeller indicate the school cannot operate within their in-year funding, and reserves are not sustainable”.
- Two bullet points stating why a NoC should be issued had been removed, these were:
  - “Revenue Deficits where there is no recovery plan,
  - Failure to set an in year balanced budget by 31st May”.
- Further detail had been provided that stated the actions the authority would take when a governing body failed to comply with a NoC. This would read:
  - “Where a governing body fails to comply with the Notice of Concern, the authority may issue a warning notice to a school, as set out in the ‘Schools causing concern statutory guidance for local authorities and regional directors’. When a school does then not comply with their warning notice, it will become eligible for intervention within the meaning of Part 4 of the Education and Inspections 2006 Act. In this situation, there are a number of statutory powers the local authority may use, these include:
    - the power to require the governing body to enter into arrangements,
    - the power to appoint additional governors,
    - the power to appoint an interim executive board (IEB),
    - the power to suspend the delegated budget”.

In response to a concern raised by Steve Swatton regarding the amendment relating to the reason a NoC may be issued, specifically in relation to the multiyear modeller that would be applied to years two and three, it was confirmed that the purpose of the amendment was to allow Entrust to be able to identify schools with an issue so that support be provided sooner. It was highlighted that taking action in Year 1 was almost too late, therefore the amendment would mean that additional time would be made available to allow schools to make appropriate changes that would support them to get out of the deficit.

In response to a query from Vicki Lewis asking whether the removal of the two bullet points relating to why a NoC would be issued was an acknowledgement that a lot of schools would start to find themselves in this position, it was clarified that this was a change in the assessment mechanism so it remained consistent with the rest of the Scheme for Financing Schools and the Staffordshire Regulations. It was also explained that any school that found themselves in difficulty, or with a deficit, would

need to implement a licensed deficit plan instead of a NoC. As long as a recovery plan was in place there would be no need for a NoC to be issued, but schools would have to demonstrate that they were working towards the plan.

**Resolved:** That the revised Staffordshire Scheme for Financing Schools (SSFS) be approved.

### **31. Verbal update on School Budgets 2024/2025**

A verbal update was given that related to the Dedicated Schools Grant (DSG) allocations that were received by the LA on the 19 December 2023 and covered the Schools Block, Central Block and the Early Years Block. The 2024/2025 budget update for the High Needs Block was covered in the High Needs Block report.

#### **Schools Block**

It was reported that the Schools Block allocation (excluding growth funding) had increased by 2.34% from 2023/24. This included the Mainstream Additional Grant (MSAG) which had been added to the schools block in 2023/24 and rolled in to the schools block for 2024/25.

The growth funding allocation was £3.3m which was as estimated and reported to the Schools Forum at the November 2023 meeting. It was also noted that no funding had been received for falling rolls, which was as anticipated.

As had already been announced earlier in the meeting, on Friday 12 January 2024, confirmation had been received that the Secretary of State had approved the 0.5% funding switch, which would result in c.£3.2m being transferred from the Schools Block to the High Needs Block.

It was confirmed that the School budgets would again be set using the National Funding Formula (NFF). The Core factors within the NFF had increased by 1.4%, and Staffordshire County Council (SCC) would still be able to set the Minimum Funding Guarantee (MFG) at the maximum permissible level of 0.5%. This meant that all schools would see a minimum per pupil increase of 0.5% compared to 2023/24.

Affordability would be managed through the per pupil gains cap. Final figures were still being calculated but it was estimated the cap would be c1.25%.

In response to a question from Steve Barr asking if it would be possible to provide the Schools Forum with a figure that would demonstrate the

impact the switch would have on the budget of an average sized primary school and a medium sized secondary school, it was confirmed that this information wasn't available at that time, but would be made available to Schools in the future.

### **Central Block**

The historical commitments allocation had reduced by 20% and was reported as £1.045m. This would be used to fund prudential borrowing costs of £924k and the underspend of £121k would contribute to the DSG deficit, as approved at Schools Forum held in November 2023.

The ongoing commitments allocation was £4.3m. This would be used to fund the retained duties, also approved at the Schools Forum meeting held in November 2023. The underspend of £181k would be transferred to the DSG deficit.

### **Early Years Block**

Members were informed that, in 2024/25, the Government intended to invest an additional £400m funding for the early years entitlements budgets, including uplifts for the existing entitlements and funding to reflect cost pressures from national living wage and pay and pensions.

For SCC rates received from Government had been increased as follows:

- 3 and 4-year-old hourly rate per child had increased by 5.0% to £5.47 in 24/25. The final national average hourly funding rate was reported as £5.88.
- 2-year-old hourly rate per child was £7.66 in 2024/25 (an increase of 1p from the 2023/24 combined rate).
- Under 2-year-old hourly rate per child is £10.40 in 2024/25.

It was confirmed that an Early Years Workshop had been planned to take place with Early Years Providers on the 30 January 2024 to discuss how the budgets would be distributed.

**Resolved:** That the Verbal update on School Budgets 2024/2025, be noted.

## **32. High Needs Block including Deficit Management Plan**

The Schools Forum received a report from the Director of Children and Families relating to the High Needs Block (HNB).

Members heard that the forecast outturn for the 2023/24 High Needs Block was £20m overspend which saw no increase on the Quarter 2 forecast overspend. Key variances were reported as:

- an overspend of c £11m against the school 'top up' budgets including, most significantly, a rise in the number of children with EHCP/AEN support in Mainstream Schools and Academies leading to a £4.2m overspend, and an overspend of £5.3m in special schools and academies due to the combined impact of increasing demand, complexity and costs.
- an overspend of c £6.9m in Independent Special Schools with numbers reported as being in excess of 600 pupils, which is double the number reported four years ago.

It was highlighted that the financial position had been negatively impacted by increased costs that were created as a result of the introduction of the Education Banding Tool (EBT). The Schools Forum was reminded that, following the planned review of the EBT during Summer 2023, the decision had been made to suspend the use of the EBT as a mechanism to calculate the top-up funding for Staffordshire pupils with an Education, Health and Care Plan (EHCP) from 1 August 2023. It was reiterated that SCC remained committed to the EBT and was currently undertaking a remodelling of both mainstream and specialist band values to ensure the quality assurance steps were in place, with the intention of reinstating the EBT with the assurance that all issues experienced had been resolved. SCC would continue to keep schools informed of progress with the aim of an education provider consultation being undertaken prior to an agreed re-launch of the EBT.

As a result of the on-going overspend in the HNB the DSG reserve had been fully depleted and at the end of 2022/23 there had been an accumulated deficit of c£14.2m. Given the latest forecast overspend in 2023/24 of £20m the deficit was likely to increase over the year and, after the transfer of anticipated surpluses from Growth Fund and Central Block, was forecast to be over £30m in deficit at the end of the current year. It was highlighted that, left unaddressed, the funding gap for the HNB would increase going forward to at least £40m over budget by 2027/28. This would see the overall accumulated DSG deficit increase to between £150m and £225m by the end of 2027/28.

The Forum was reminded of the Deficit Management Plan, and a number

of updates were provided. Most notably:

- Creating an inclusive system where more of our children are educated and supported in our mainstream schools, reducing the reliance on more expensive independent provision.
- Reviewing existing policy, non-statutory provision and considering alternative delivery and funding options. The Council continued to work up options for the provision of residential educational provision (c £1.8m p.a.). This was a complex issue that would take time. It had therefore been agreed that existing contracts would be extended for a further 2 years up to July 2026.
- Transfer of 0.5% funding from the Schools Block to the High Needs Block (circa £3.2m in 2024/25). This would be invested to fund the Council's transformation programme.

The provisional Government funding settlement for 2024/25 would see SCC's High Needs Budget increase to £132.4m (a net rise of circa 4%). It was reported that whilst this was in line with expectation the rise was significantly lower than recent years and, given the continuing growing demand, the existing overspend would likely increase further next year and going forward.

Members were informed that the Government had set a Minimum Funding Guarantee level for 2024/25 of between 0% and 0.5%. Given SCCs forecasted overspend and accumulated deficit it had been decided that the MFG for 2024/25 would be set at 0%.

In response to a question from Steve Barr asking if it was within SCC's authority to select the level at which the MFG was set, it was confirmed that it was an Officer decision within the parameters set by the Government.

In response to a question from Paul Spreadbury asking if confirmation could be provided that the current funding levels for all pupils would remain the same until they changed school or there was a significant change of need, it was confirmed that unless there was a significant change of need the current arrangements would remain in place.

It was noted that some Special Schools were receiving consultations for September 2024. SCC was asked whether the funding agreed for these pupils would be guaranteed until they either changed school or there was a significant change of need, in response it was confirmed that, where a place and funding had been agreed, those arrangements would remain in place until there was a significant change of need. It was also confirmed that a child that remained in the same school but moved through the Key



Stages would not be considered a substantive change.

Kim Prince-Anson highlighted that a Special School had received consultations for September 2025, but were unable to confirm places as they were unaware of the level of funding that would be available. In response the Forum was informed that work would be taking place during the Spring term of 2024 to analyse the data gathered during the Autumn term of 2023, and discussions relating to the new banding levels associated with the EBT would likely take place with Schools in the Summer term of 2024.

In response to a question from the Chair asking if there was an intention to engage with Special School Head teachers to develop good practice, it was confirmed that Special Heads would be asked to help to process the new data set, and to support the development of the new model.

An update was provided by the Head of SEND on the Accelerated Progress Plan (APP) and Strategy for Special Provision update. The Forum heard that large strides had been made in the implementation of the APP. A report had been received from the Department for Education indicating that they continued to be supportive of the approach SCC had adopted – mindful that the two major strategies, the Enhanced Assess-Plan-Do-Review (EAPDR) Pathway and the pre-statutory Staffordshire Enhanced District Inclusion Support (SEDIS) Model were still being worked on.

The EAPDR had been launched in January 2024. 15 children were already on the Pathway with allocated Educational Psychologists (EP), funded by SCC. These were noted as children being supported in schools in a pre-statutory position - before an Education, Health and Care Needs Assessment. Additional enhancements were due to be implemented focussing on the support children received as they travelled through the process. The EADPR would continue to be monitored and a project team was in place that would closely monitoring demand, process and outcomes.

20 Expressions of Interest (EoI) had been received at the end of December, for involvement with the proposed eight SEDIS model Teams – in one instance an EoI had been received from two special schools working with two mainstream schools across all Key Stages. The analysis of the EoIs would start in late January 2024, with a view to interviewing candidates soon after. It was the intention that SEDIS model would be implemented (as a rolling start) from September 2024.

It was reported that a gap analysis had been undertaken to consider the need to develop further Special School provision. Seven EoIs had been received from Schools and a meeting would take place in March 2024 to conclude where the Capital Funding would be allocated. One of the

projects had already started and was currently in the build phase.

**Resolved:** a. That the High Needs Block budget update 2023/24 and latest forecast outturn be noted

b. That the update on the latest DSG government settlement be noted.

### **33. 2 year old and under - funding consultation**

The Schools Forum received a report from the Director of Children and Families relating to the 2-year-old-and-under Funding Consultation. The report was necessary to comply with the government's requirements for LAs to consult with early years providers, maintained nurseries and Schools Forum on elements of the early years funding formula for the new entitlements.

The Forum was informed that the 2023 Spring Budget announced additional funding for the existing early years entitlements for working parents, by extending the 30 hours free childcare offer from the point that their child was 9 months old, continuously through their early years to the start of school, thus removing the barriers to work for many parents. This was a government phased introduction which would commence in April.

It was noted that the government also extended eligibility for the early years pupil premium (EYPP) and the disability access fund (DAF) to all children accessing the entitlements from 2024-25, to provide support for disadvantaged children in the younger age groups. The government had proposed the funding formula for the new entitlements' cohort to follow the shape of the existing 3- and 4-year-olds formula. Although the new formula would follow the same structure as the existing 3 and 4-year-old formula, the Government were taking a different approach to deprivation in the additional needs factor. It was using a combination of free school meals data and a measure based on the income deprivation affecting children index, to reflect the different levels of deprivation across the country.

The Forum heard that LAs must plan to pass through at least 95% of their funding entitlements to Early Year providers. The 95% pass through included budget lines such as:

- base rate funding for all providers
- supplements for all providers, including deprivation.
- the funding paid directly to providers from the special educational needs inclusion fund (SENIF)
- contingency funding

The Government had stipulated that the prescribed listed optional funding 'supplements' that were available for 3 & 4-year-olds should also be made

available to 2-year-olds and under, but it was highlighted that adoption of any of the optional 'Funding Supplements' would reduce the Base Rate.

On 29 November 2023, the DfE announced that the deprivation supplement would also be an optional requirement with respect to funding for 2-year-olds and under, which was a change to their consultation position, where it was stated that the deprivation supplement would be mandatory.

The initial consultation was set to take place between 13 November and the 8 December 2023. Following the announcement by the DfE regarding the deprivation funding supplement, a supplementary question was sent out on the 6 December 2023 to early years providers to gain views on adopting the deprivation as an optional funding supplement. The deadline for responses to the supplementary question was the 15 December 2023.

The results of Staffordshire County Council's consultation with Early Years (EY) settings were included in Appendix A of the report. 217 Early Years Providers provided a response.

Most notable responses included:

- 52% (114 providers) agreed the contingency amount should be no more than 1% of the total budget, with 93% agreeing with any unused contingency being redistributed back to providers in the year following the underspend.
- 57% (125 providers) agreed that if the deprivation factor had been mandatory, it should be the only funding supplement, with the majority preferring no other funding supplement be introduced.
- 84% (184 providers) agreed with the Income Deprivation Affecting Children Index (IDACI) metric being used to assess whether a setting qualified for this additional payment to their base rate.
- Responses to the additional supplementary question, there were 76 responses received with the majority 67% (51 providers) agreeing with no deprivation supplement being paid for 2-year-olds and under.

Following assessment of the survey results, the proposals put forward by SCC were:

- to maximise the base rate as far as possible for the 2-year-old rate and under 2-year-old rate, and not use any additional funding supplements, including deprivation.
- that the contingency budget be no more than 1% of the Early Years budget. Any underspend on the contingency budget would be returned to providers the following year.

Philip Siddell welcomed the results of the consultation stating that the process was a worthwhile exercise. He raised that the Private, Voluntary and Independent EY providers felt that the outcome was as good as could be expected and the right outcome had been achieved. He noted there were a significant number of 'unsure' responses received but felt that this highlighted the complexity of the decisions relating to the subject.

Steve Barr highlighted that numerous reports had been published nationally suggesting that not all parents would be able to access the 30 hours of funded childcare, not least because of capacity pressures on the sector. He queried whether this was an issue experienced in Staffordshire at this time, in response it was explained that, from the information available to the LA, there was not an issue with accessing places at this point across the County.

Sadie Jones noted that it was positive to see that deprivation wasn't being taken off the 2-year-old funding. Sadie noted that it was a concern that so many providers had answered 'unsure' to some responses, especially when they were entering into a period of increased administration in relation to the new provision. Sadie highlighted that her nursery setting was already full in the baby unit until June 2025, and suggested that access to provision was becoming harder for parents and would continue to be more difficult with the implementation of the new funded places.

In response to a question from Vicki Lewis relating to the availability of capital funding to support the possible expansion of settings to meet demand, Steve Barr provided information relating to a government announcement made in November 2023, in relation to capital expansion grants. Staffordshire had benefitted from c£1.644m which would be used to support projects that would help to ensure there would be sufficient places available to meet the reforms. SCC confirmed that it was working towards developing a capacity plan, delivery plan and steering group as part of the Governance to help oversee the management of the grant funding. It was noted that there would need to be a significant level of expansion to meet the demand, and it was suggested that the capital funding would not be able to support the large number of EY providers within Staffordshire.

Philip Siddell stated that private providers made up 70% of the EY provision within Staffordshire and felt that the market didn't have the capacity to provide enough places. Philip also highlighted the additional risk associated with an inadequate Ofsted judgement which would result in the immediate closure of a setting due to a loss of funding. Philip provided an example of the alternative way this situation was managed by Lancashire County Council.

Councillor Mark Sutton stated that, up until this stage, there hadn't been a

particular issue with finding places in EY settings but acknowledged that this information was provided before the changes in 2-year-old and under funding. He stated that he would ask for additional information to be provided at the March 2024 Schools Forum meeting in the item relating to wraparound childcare.

**Resolved:** a. That the results of the Staffordshire consultation process from early years providers and maintained nurseries summarised in Appendix A be noted.  
b. That the proposals on the early years funding formula for the new entitlements be noted.  
c. That the Schools Forum comments on the proposals for the 2024-25 Early Years funding formula for 2-year-olds and under 2-year-olds be noted.  
d. That an update relating to the wraparound childcare provision, and the management of the capital fund grant be added to the work programme, with an update being provided at the Schools Forum meeting taking place in March 2024.

### **34. Work programme and dates of next meetings**

It was requested by the Chair that the update relating to the Accelerated Progress Plan and Strategy for Special Provision (including information relating to the Special School work and SEDIS model) be included on the agenda of the March Schools Forum meeting.

It was noted that the agenda item relating to the Wraparound childcare update included on the forward plan for the March 2024 Schools Forum meeting, suggested that the item would be discussed 'if required'. It was noted that minute 16 of the 9 November 2023 Schools Forum meeting stated that, "wraparound childcare process would be added to the work programme and an update would be provided at the Schools Forum meeting taking place in March 2024". It was requested that this item be included on the agenda of the March meeting as agreed.

It was also requested that a High Needs Block Deficit Management Group meeting be scheduled to take place in either the Spring or Summer term.

#### **Dates of next meetings**

- Thursday, 21 March 2024, 2:00pm – via Teams.
- Thursday, 11 July 2024, 2:00pm – via Teams.
- Thursday, 17 October 2024, 2:00pm – in person meeting to be held at the County Buildings, Stafford.

- Resolved:** That:
- a. the dates and locations of the next meetings be noted.
  - b. an update relating to the Accelerated Progress Plan and Strategy for Special Provision (including information relating to the Special School work and SEDIS model) be included on the agenda of the March Schools Forum meeting.
  - c. an update relating to the wraparound childcare provision, and the management of the capital fund grant be added to the work programme, with an update being provided at the Schools Forum meeting taking place in March 2024.
  - d. a High Needs Block Deficit Management Group meeting be scheduled to take place in either the Spring or Summer term.

**Chair**