

 Shropshire Council	Schools Forum Date: 15 June 2023 Time: 8.30 am Venue: Via MS Teams	<u>Item/Paper</u> <div style="font-size: 48pt; text-align: center;">A</div> Public
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MINUTES OF SCHOOLS FORUM HELD ON 26 JANUARY 2023 – HELD VIA MS TEAMS

Present

School forum members

Bill Dowell (Chair)
 Caroline Clode – Association secretaries
 Mark Cooper – Academy headteacher
 John Hitchings – Academy governor
 Marilyn Hunt – Primary headteacher
 Sandra Holloway – Primary governor
 Sian Lines – Diocese of Hereford
 Sue Lovecy – Academy headteacher
 Stephen Matthews – Primary headteacher
 James Pearson – TMBSS
 Michael Revell – Academy governor
 Mark Rogers – Primary headteacher
 Andrew Smith – Independent Post 16
 James Staniforth – Post 16
 Brian Thomas – Special academy headteacher
 Reuben Thorley – Secondary headteacher

Members

Kirstie Hurst-Knight

Officers

David Shaw
 Jo Jones
 Karen Levell
 Neville Ward
 Stephen Waters
 Phil Wilson
 Helen Woodbridge

Observers

Roger Evans
 Nick Bardsley
 John Boken

		ACTION
1.	Apologies Apologies had been received from Shelly Hurdley, Alan Parkhurst and Carla Whelan David Shaw had advised that he would need to leave the meeting at 10.00 am.	
2.	Minutes and Matters Arising (not covered by agenda) The minutes were accepted as a true record. <ul style="list-style-type: none"> Caroline Clode provided a verbal update regarding Trades Unions. She explained that when an academy does not contribute financially to facilities time, her office would write to the CEO of the academy/MAT. If they still don't contribute, the office would write again and request a meeting. If still not resolved the matter would be handed over to a national official. The good news is that Shropshire is beginning to buck the trend with many academies paying in for 2022/23. Other academies have made contact and there are two academies that buy in to Telford & Wrekin. 	

Some schools are in area academies (involving different counties) and therefore this is more complicated as there are shared district responsibilities.

- A further consultation with maintained schools had been successfully held regarding the options around de-delegation with Option B being taken forward.
- Communications from f40 had been shared with Schools Forum members.
- A briefing around funding levels is being arranged for the lead member.
- A letter to the DfE and ESFA is being drafted by the chair and Phil Wilson.

PW
Chair/PW

3. School Revenue Funding Settlement and School Arrangements 2023-24

Jo Jones presented her report.

- Increase to the Schools Block of £10.272m from 2022-23 to 2023-24
- Increase of 243 funded pupils
- Increase is £4.471m once taking into account the schools supplementary grant received in 2022-23 which has now been rolled into the NFF for 2023-24
- Increase to the Early Years Block of £1.919m (provisional) from 2022-23 to 2023-24
- Increase in hourly rate to £4.87 for 3 & 4 year olds and £5.63 for 2 year olds.
- Will be updated in July 2023 and July 2024 based on latest census data
- Increase to the High Needs Block of £4.856m from 2022-23 to 2023-24
- Increase of at least 5% per head for the 2 to 18 population compared to 2022-23
- Provisional import/export adjustment is a loss of £0.966m
- Autumn 2022 statement confirms an extra £1.644m on top of the increases announced in July 2022 (already included in DSG figures)
- Decrease to the Central School Services Block of £0.01m in 2023-24
- Shropshire protected from the 20% cut on Prudential Borrowing and Pension Compensation payments meaning historic commitments funding was only reduced by 4.14% instead of the 20%

School Funding Arrangements 2023-24:

- All Shropshire schools have been fully funded in line with the NFF
- No funding available to transfer to the High Needs Block and an unexpected impact on the Growth Fund with only £30k available after fully funding schools. Phil Wilson explained that this was because this year, more funding was being allocated through the formula to FSM6, English as an additional language and lower prior attainment.
- Awaiting clarification from the ESFA on queries raised
- Important to wait for APT approval before school budget shares are sent out. Schools have been advised that budgets will be slightly delayed.

Mainstream Schools Additional Grant:

- 2022 Autumn Statement announced that core schools budget will increase by £2 billion in 2023-24 over and above totals announced in the Spending Review 2021.
- For 2023-24 mainstream schools will be allocated funding through the 'mainstream schools additional grant' (MSAG) 2023-24.
- The indicative allocation for Shropshire is £8 million.

- MSAG will fund the 5-16 year old age range in maintained primary and secondary schools, primary and secondary academies/free schools and all through academies.
- Funding rates consist of 3 elements, based on factors already used in the NFF; a basic per pupil rate, a lump sum and a per pupil rate based on FSM6
- School level allocations will be published in May 2023.
- Funding for maintained schools will be paid to LA - ESFA will pay academies directly.
- LAs will be required to pass on proportionate funding to special schools and AP settings from high needs allocations.
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Mark Rogers was concerned that the timing of confirmation of this funding does not allow much time for governor planning and approval.

Jo Jones was fairly confident that the indicative figure would be fairly accurate and the schools finance team are aware of these figures.

Neville Ward advised that the hourly rate increase for Early Years is around 8.3% meaning it is not in line with actual cost increases.

4. **Shropshire Schools Forum Constitution**

Phil Wilson presented his paper which included the membership of Schools Forum.

- Annual formal assessment of Schools Forum membership, to apply from April 2023
- Only one mainstream academy conversion between October 2021 and October 2022 means that there is no requirement to re-apportion membership
- Membership: 3 primary headteachers, 3 primary governors, 1 secondary headteacher, 12 academy places, 1 special school place and 1 PRU place
- Issues:
 - secondary maintained school place remains on Schools Forum despite pupil numbers being low
 - a number of terms of office need reviewing and extending
 - currently large number of vacancies for academy representatives – views were sought from Schools Forum in general, and academy colleagues in particular, on how to address this.

The chair will be writing to all academies, particularly those who are not represented, to encourage representatives to join. David Shaw offered to pick this up at the academy forum led by Sarah Finch. John Hitchings/Steven Matthews advised that governors no longer had as much financial involvement as they previously had.

John Boken volunteered to spread the message for academy representatives to join.

James Staniforth suggested that it would be good to get CEOs/Deputy CEOs to join.

The chair advised that feedback from the ESFA observer at the last meeting was positive.

Schools Forum approved the proposed membership, to apply from April 2023.

Neville Ward added that he would be seeking a replacement Early Years representative.

Chair, DS

JB

NW

(The clerk subsequently confirmed that Alan Doust had ceased to be a Schools Forum member when the merger of his trust took place)

5. Dedicated School Grant Monitoring 2022-23

Stephen Waters presented his paper which was for information only.

- The 2022-23 forecast outturn position for the DSG is a £0.426m in-year surplus.
- This surplus needs to be added to the £0.717m DSG surplus carried forward from 2021-22 resulting in a forecast cumulative DSG surplus of £1.143m
- The total number of post 16 college placements is forecast to decrease to 247 from 254 and that decrease is on both the lower cost, mainstream college providers and the Post 16 independent specialist settings.

Early Years Block

Overspend of £0.001m forecast on a provisional budget of £17.368m. The final Early Years DSG allocation for 2022-23 is published in July 2023.

High Needs Block

The forecast outturn position for the High Needs Block is an in-year surplus of £0.386m against a centrally controlled High Needs Budget of £27.455m. This budget excludes the place funding element of the High Needs Block totalling £9.218m but does include the transfer of £0.949m funding from the Schools Block.

Top up funding

The underspend on mainstream and special schools was explained.

Post 16 Further Education Colleges

Forecast increase in expenditure of £0.110m compared to 2021-22 outturn position yet there is still a significant forecast underspend of £0.817m being reported because the budgeted level of £2.770m still reflects the significant growth built into the budget in 2021-22 which did not materialise. The total number of post 16 college placements is forecast to decrease to 247 from 254 and that decrease is on both the lower cost, mainstream college providers and the Post 16 independent specialist settings.

Independent Providers

Forecast expenditure of £8.114m reflects a large forecast increase of 22% relative to last year's outturn figure, resulting in a forecast overspend of £0.672m. This is much higher growth than anticipated. More frequent use of independent alternative providers, particularly in relation to post 16 as well as an increase in numbers attending out of county, independent special schools.

Additional High Needs Targeted Funding for Maintained Schools and Academies

Additional high needs funding targeted at schools with a disproportionate number of high needs pupils. Similar forecast position for 2022-23 as 2021-22 with an underspend of £0.172m anticipated.

SEN Support Services

There is a forecast overspend of £0.219m against this budget totalling £1.693m in 2022-23. The majority of the overspends in 2022-23 relate to one-off staffing overspends.

Central Schools Services Block

An in-year overspend of £0.011m is forecast in relation to one-off budget monitoring pressures reported under Ongoing Duties as per line 1.5. in the Appendix. This covers 'Asset Management' and contributions to 'Central Support Services'.

De-Delegated Items

£0.032m forecast overspend on de-delegated items overall with £0.028m relating to maternity pay for schools where forecast expenditure is £0.242m but the de-delegated value from schools based on is £270,000.

Schools Growth Fund

Expenditure of £0.346m in 2022-23 against the Growth fund of £0.366m resulting in a £0.020m underspend. This value is to be earmarked for the Schools Growth Fund in 2023-24 alongside £0.202m carried forward from 2021-22. This is to meet the Council's Schools Growth fund expenditure requirements in 2023-24.

Summary

- The Council's DSG financial position is relatively healthy in forecasting a cumulative surplus of £1.143m as at the end of the 2022-23 financial year
- The High Needs Block DSG 3-year forecasting exercise demonstrates that future expenditure growth is likely to outstrip future growth in High Needs Block DSG allocations, specifically from 2024-25 and beyond.
- It is also important to note that a small proportion of high-cost, low incident cases can disproportionately impact the High Needs Block DSG financial position. We know that many young people have been adversely impacted over the past 2 years. The long-term impact of the pandemic on the High Needs Block DSG is not yet known.

Mark Rogers clarified the position and asked if there any suggestion that the NFF values will have to be revisited. Phil Wilson advised that there is no intention to adjust the NFF values. However, he advised that the growth fund had been impacted this time.

Stephen Waters clarified that of the £1.143m surplus, £220k was from the 2022/23 growth fund so this will be ear-marked to top up the growth fund in 2023/24.

John Hitchings commented that every authority is experiencing an increase in out of county costs – we need to look at whether we are all getting value for money as this is a recurring theme.

David Shaw clarified that in Shropshire many of the placements are not out of county but specialist independent schools in Shropshire.

Reuben Thorley spoke of the need to increase the funding going into the schools block if at all possible as the budget situation is extremely tight.

6. High Needs Block 3 Year Forecasting

David Shaw set the context and Stephen Waters presented the paper.

- The report provides an update to Schools Forum members in relation to the forecasted High Needs Block DSG financial position over the 3-year period - 2023-24 to 2025-26
- The current High Needs Block DSG financial position in 2022-23 as a baseline for future year's expenditure – a set of assumptions have been applied to each budget area
- Assumptions have also been used to determine future High Needs Block DSG allocations in 2024-25 and 2025-26.
- As set out in 'Paper D – Dedicated Schools Grant monitoring', the forecasted cumulative DSG surplus at the end of 2022-23 is £1.143m, an increase from £0.717m as at the end of 2021-22.
- Within this figure, the forecasted position on the High Needs Block DSG is a surplus or underspend of £0.386m against a centrally controlled High Needs Budget of £27.455m
- This budget includes the transfer of £0.949m funding from the Schools Block to the High Needs Block as approved by Schools Forum. This is important to note, as without this transfer from the Schools Block, the High Needs Block would be reporting an in-year deficit position of £0.563m.

Forecasting Assumptions

- **Top-Up Funding**
- Mainstream Schools –5% growth in pupils in 2023-24 and beyond. No assumed growth in top-up funding banding values
- Special Schools - This assumes a full year effect of Keystones' top-up funding in 2023-24 whilst applying the 5% increase in EHC Plans for growth purposes
- Pupil Referral Unit - No growth has been applied to 2023-24 to 2025-26 in line with the assumption that the number of commissioned places will remain at 156
- **Post 16 FE Colleges**
- Assumed 10% Growth in pupils in 2023-24 applied to Q3 forecast + 5% increase in placement fees (inflation growth) = 15% Growth. Assumed 12% growth in 2024-25 and 10% in 2025-26
- **Independent Providers**
- Assumed 5% Growth in pupils 2023-24 and beyond applied to Q3 forecast + 5% increase in placement fees (inflation growth). Assumed 7.5% growth from 2024-25 and 5% in 2025-26
- **Other**
- Assumed a level of £0.300m contingency for "Additional High Needs/Threshold" funding for mainstream schools
- 5% growth applied for SEN Support Services, Hospital Education, other AP and Support for Inclusion where appropriate

Summary of 3 year position

- Given the anticipated growth for 2023-24, there is forecasted to be a £0.111m in year surplus on the High Needs Block DSG allocation for 2023-24.
- In 2024-25, 3% growth in High Needs Block DSG allocation. This means an increase in income of £1.178m to £40.446m. The corresponding increase in required expenditure is 7.7% or £3.013m. A forecasted in year deficit of £1.724m in the 2024-25 financial year. This would result in a

cumulative High Needs Block deficit of £0.692m as at the end of the 2024-25 financial year.

- In 2025-26, using a 3% growth in High Needs Block DSG allocation. This means an increase in income by £1.213m to £41.659m. The corresponding increase in required expenditure is 5.2% or £2.170m. There is a forecasted deficit of £2.681m in this year. This would result in a cumulative High Needs Block deficit of £3.373m as at the end of the 2025-26.
- Although the High Needs Block DSG financial position looks healthy in 2022-23 with a forecast in-year surplus of £0.386m, the financial position will start to worsen from 2024-25 onwards if current growth assumptions are correct.
- To plan for this, Schools Forum members and officers will need to consider a range of strategies to manage the future increase in demand so that it is sustainable within future years' High Needs Block DSG allocations.

Brian Thomas asked about assumed 5% growth in EHCPs and asked for clarification around where this figure had come from.

David Shaw explained that this had been based on forecasting methods he had used previously. He added that in Shropshire there has been turbulence and although nationally the growth is 9.2%, Shropshire is nearer 5%. He will continue to monitor the requests and through place planning, monitor the movement between types of schools. He added that Shropshire had only moved out of a deficit position due to increased funding, not because of any changes made. There are historic challenges in the system which are starting to be improved. He asked Schools Forum members if anything has been missed and added that Schools Forum will continue to contribute towards the decision making – the chair encouraged colleagues to contact David Shaw directly. David Shaw reiterated the concerns regarding the use of independent provision.

**Schools
Forum
members**

Andrew Smith welcomed the data which had been needed for some time and spoke of the need for collaboration.

Neville Ward advised that in early years there had been an increase in children with speech, language and behavioural issues. The early years block has been used to invest significantly in support for those children eg TalkBoost and there have been beneficial preventative impacts.

Stephen Matthews observed that there will be a systemic lag as children move from GSPs to EHCPs.

The chair recognised that this had been a vital piece of work which will feature heavily over the next twelve months.

DS

David Shaw undertook to share further information on a range of materials which will provide a wider context.

Mark Rogers felt that this may overlap with the issue re academy representation and it may be worth encouraging representation from those with an inclusion background. The chair agreed to pick this up with David Shaw and Phil Wilson.

**Chair, DS,
PW**

7. Schools Forum Work Programme 2023-24

Phil Wilson reminded Schools Forum colleagues of the programme.

The timetable for the standard reporting that Forum members will be familiar with Scope for adding topical issues and/or reports commissioned by Schools Forum Areas where reports are expected in 2023-24 include:

- the formal response to the second phase of the National Funding Formula consultation is due, and the continued progress towards the introduction of a direct NFF
- continued focus on High Needs Block
- any further in-year funding announcements from the Department

Schools Forum members are invited to suggest any other areas of work they would like to commission from officers over the programme period.

8. Communications

LA/ESFA work continues on funding issues

All members were encouraged to spread the word about the need for more academy representatives to join School Forum.

9. Future meeting dates:

Thursday 16 March 2023 (subsequently cancelled)

Thursday 15 June 2023

**Schools
Forum
members**

The meeting closed at 10.00