

**Minutes of a meeting of the Leicestershire Schools Forum via Teams on Monday 28
September 2020 at 2.00 pm**

Present

Chris Parkinson	Secondary Academies Headteacher
Kath Kelly	Secondary Academies Headteacher
Chris Swan	Secondary Academies Governor
Martin Towers	Secondary Academies Governor
Dave Hedley	Secondary Academies Governor
Jane McKay	Primary Academy Headteacher
Ed Petrie	Primary Academy Headteacher
Felicity Clarke	Primary Academy Headteacher
David Thomas	Primary Academy Governor
Karen Allen	Primary Maintained Headteacher
Troy Jenkinson	Primary Maintained Headteacher
Jane Dawda	Primary Maintained Headteacher
Claire Allen	Primary Maintained Governor
Jason Brooks	Special Maintained Headteacher
Carolyn Lewis	CE Representative
Graham Bett	DNCC Representative

In attendance

Jane Moore, Director of Children and Family Services
 Deborah Taylor, Lead Member, Children and Family Services
 Brenda Seaton, Assistant Lead Member, Children and Family Services
 David Atterbury, Head of Service, Education Sufficiency
 Alison Bradley, Head of Service, Education Quality and Inclusion
 Jenny Lawrence, Finance Business Partner, Corporate Resources

		Action
1.	<p>Election of Chair and Vice-Chair</p> <p>Karen Allen was elected Chair of the Schools Forum for the 2020/21 academic year.</p> <p>Chris Parkinson was elected Vice-Chair of the Schools Forum for the 2020/21 academic year.</p>	
2.	<p>Apologies for absence/Substitutions</p> <p>Apologies were received from Mark Mitchley, Julie McBrearty, Zoe Wortley and Suzanne Uprichard.</p>	

	Jane Moore introduced Deborah Taylor to the meeting as the new Lead Member for Children and Families.	
3.	<p>Membership Update</p> <p>In terms of membership the primary headteachers positions have been appointed to apart from the primary academy headteacher substitute position which Karen Allen will arrange to be replaced through LPH.</p> <p>Nominations are awaited from LSH for the academy secondary headteacher vacancies; all Governor vacancies will be run through Governor Development and Support Service and the Early Years nomination is also currently being pursued.</p> <p>The membership will be circulated with the minutes and members are asked to review the document to ensure it is up to date including contacts.</p>	<p>KA</p> <p>KB</p>
4.	<p>Minutes and Matters Arising</p> <p>The minutes of the meeting held on Monday 12 February 2020 were agreed.</p> <p>Matters Arising</p> <p>Jenny reported that at the last meeting discussion took place regarding the DSG deficit reporting and whether a recovery plan was requested. Jenny commented there is an update on this which will be highlighted as part of the High Needs Update paper on the agenda.</p>	
5.	<p>Financial Transparency in Maintained Schools</p> <p>Jenny Lawrence introduced the report and stated that the content only covers maintained schools and academies are not affected by this at all. Jenny referred to the Leicestershire Scheme of Financing which sets out the financial relationship to the local authority and its schools and is what conveys the responsibility for the budget to the governing body. In terms of revisions to that document there are two sets of revisions – those that are Secretary of State directed and local authorities have no option other than to adopt these and there are others where there are changes the local authority seek to reflect the way schools are expected to work with the local authority. There are two sets of changes within this document – one is driven by the document ‘The Financial Transparency of Maintained Schools’ which is a directed revision and the second is a tidy-up of local wording and reflection of current working practices. The version of the Appendix shows ‘tracked changes’ to make it easier to see the changes because of the size of the document.</p> <p>Jenny reported that in July 2019 the DfE launched a consultation on financial transparency for maintained schools because it was felt that the arrangements in place for academies were much more robust than those in place for maintained schools. The results of that consultation took time to come through partially because the DfE wanted to introduce some more stringent audit requirements which would have required local</p>	

authorities to increase their internal audits of schools significantly which has not been implemented. There are some changes that mainly relate to reporting but will challenge the way the local authority work with schools moving forward. Firstly, there are a set of annual returns to the DfE the local authority carries out and the DfE will start publishing the names of authorities that do not meet those deadlines. There are also two of those returns that as a local authority are reliant on maintained schools giving the information to be able to respond to DfE deadlines and that is in relation to the School Financial Value Standard and the consistent financial reporting returns. Jenny was currently working on information to go out to schools. The DfE is also requesting the number of maintained schools that either have suspended budgets or operating under a notice of financial concern. In addition, they will collect information on amounts recovered following action undertaken from fraud investigations and make it mandatory for maintained schools to submit 3-year budget plans which in Leicestershire 5 years of data is currently collected. Schools will have some additional reporting requirements in terms of third-party related transactions. The DfE also want to collect information on the number of deficit recovery plans the local authority are working with.

Jenny stated that the local authority's statement of accounts publish a number of individuals earning a particular banding rate; this is something individual maintained schools are going to have to publish on their website with a link to the school financial benchmarking information by the DfE. These changes are being looked at in terms of guidance for schools and will apply to the 2021 financial year. As a result, two direct revisions have been made to the Scheme For Financing Schools which is set out in paragraph 10 – the first is for maintained schools to submit 3-year budget plans and requirement for maintained schools to submit recovery plans.

Jane Dawda asked about whether schools will be working on 3-year budget or a 5-year budget. Jenny commented that this is something being looked at as there is concern how reliable a 5-year plan is as they are far too speculative to mean a great amount but are working through the detail at the moment.

Graham Bett referred to paragraph 6 of the report which states that schools need to submit a recovery plan to the local authority when their deficit rises above 5% - presumably the local authority know which schools this refers to. Jenny commented that the local authority currently works with schools to 'licence' a deficit because a school cannot operate a deficit without a 'licence' so the recovery plan is part of that licencing process. Graham referred to the paragraph that states the local authority will also seek deficit recovery plans lower than this threshold. Jenny stated that the local authority may because the financial threshold is not always the important thing and there are things in there that schools should be on top of and the challenge comes in on where to focus resources on. Graham asked how many schools there are with their deficit above 5%.

Carolyn Lewis referred to the comment about the related party transactions and asked what the local authority's plans are to support

maintained schools in that regard and if there was anything the Diocese could do in relation to Related Party Transactions between Diocese and Church Maintained Schools. Jenny said that guidance was being looked at for these areas. Guidance will be issued to set out to all maintained schools the interpretation of all these things and for the RPT area the local authority will be taking the advice of Internal Audit.

Schools Forum noted the new reporting requirements for both local authorities and maintained schools.

Schools Forum (maintained schools only) approved the revised Scheme for Financing Schools and its retrospective application from 24 August 2020.

6. 2021/22 School Funding

Jenny introduced the report which gives Schools Forum an update on the July announcement about 2021/22 and High Needs Funding.

Jenny reminded the meeting that 2020/21 is the first of the three-year settlement from the DfE but although a 3-year settlement the detail has only been given of the annual settlement every year. The DfE published in July the national funding formula tables for all schools across England. Jenny said it was important to note those are indicative allocations and are not the budgets the schools will receive in 2021/22. Jenny added that the published figures are based on the October 2019 school census and the final settlement will be made on the October 2020 settlement. Jenny explained that whilst the allocations will change for schools the amounts that they fix for the local authority will not change. These tables do not include the premises funding that is allocated on the top of the national funding formula as this is done at local authority level. Jenny reported that there has been no change to structure of the NFF but two technical changes have been implemented in terms of mainstreaming the funding for the teachers' pay and pension grants in 2021/22 and to do that in terms of maintained schools that has been enacted from a further increase in the minimum per pupil funding level and thought needs to be given to what this means in terms of special schools because there is not an automatic route to feed that through the formula. Secondly, the Income Deprivation Affecting Children Index (IDACI) data has been updated for 2019 which is a slight concern as there has been some turbulence in school budgets from those changes in the past but are currently awaiting the detailed data at school level from the DfE to assess this. Jenny added that any impact from this will be mitigated by the minimum per pupil funding level. The DfE has confirmed their intention to work towards a hard NFF and that is where schools' allocations will be calculated by the DfE and not local authorities – a consultation is awaited on this and how the premises funding that is currently outside the NFF will work through this.

Overall, there is a 2% minimum increase per pupil and it is important to note that it is per pupil and may not necessarily feed its way through to 2% cash increase in schools budgets and the values within the formula factors have increased by 3% - the funding values are included in Appendix 1 that come with the NFF for the next financial year.

Jenny referred to the table in paragraph 8 sets out the information where all schools sit within the bands of that increase. The concern is the number of schools sitting on that minimum per pupil increase of 2%. Jenny stated this was an issue for those schools because had there been no guaranteed minimum increase of 2% per pupil 95 schools across Leicestershire would not have seen an increase in their budgets for 2021/22. The DfE are mentioning a change in the way they recognise sparsity – this may come out in the consultation. Jenny explained that the sparsity element of the formula is stated by the DfE as recognising the additional costs that small schools have – in Leicestershire however only 16 primaries and 1 secondary school have the sparsity element within their funding with most small rural schools not eligible for funding from this factor.

The minimum per pupil funding levels are set out in paragraph 10 and these rates are fixed nationally. There remains no guarantee that funding coming into the local authority will be enough to fund the NFF. As a result, the DfE maintain that local authorities can adjust the minimum funding guarantee to ensure that school funding sits within the envelope of funding allocated to the authority.

Discussion is already taking place with schools about what the settlement means for 2021/22 financial planning and training has been made available to governors. Discussion with primary and secondaries headteachers will need to take place to convey this information.

In terms of high needs, funding has increased nationally by 10% and a minimum increase of 8% and a maximum increase of 12%. Leicestershire receives the smallest increase. Jenny explained that funding for Teachers' Pay and Pension grants will transfer in terms of special schools; the settlement confirms there is protection on both place led and top-up funding.

Whilst the increase in DSG makes the overall high needs position better it is not significant enough to reduce the deficit. There is no automatic mechanism to feed the NFF increase in pay grants to special schools but will be discussing with special schools about the best way of doing this.

There have been lots of conversations about whether the local authority will seek a transfer from the schools' block to the high needs block; 0.5% can be moved with permission from the Schools Forum after consultation with schools with anything over that requiring Secretary of State permission. Jenny added that there is no intention at this time to seek a transfer in 2021/22. As discussed previously the schools that get the highest financial impact from any transfer are those schools with the highest rates of deprivation. The local authority has written to the Schools Minister regarding a few issues around high needs funding and asked for an early indication as to whether the Secretary of State would allow a variation to the minimum per pupil funding levels which would allow a transfer to have a more equitable impact across all schools. . Schools will be fully engaged within any discussions regarding a transfer and options to effect it in advance of 2022/23.

JL

	<p>In terms of the Central services block this has increased but the DfE are reducing the funding for the historic commitments within that settlement. The most significant of those is the pension contributions the local authority are still making in respect of retired and redundant teachers which goes back a long way – this something that is being discussed with the DfE. The other area for discussion is the £250,000 in terms of SIP funding.</p> <p>Graham Bett referred to paragraph 8 which was also raised at DNCC and said that it would be helpful to know within those bands which schools were within them that could be supplied to members. Jenny looked at the analysis and grouped into a number of schools into individual schools as it stands at the minute. Jenny agreed to circulate with the minutes. In order to look at this in detail the data from the DfE was required and understanding the changes within schools.</p> <p>Graham referred to paragraph 20 and asked if the letter sent to the Schools Minister could be shared with Forum Members. Jane Moore agreed to confirm whether this can be shared.</p> <p>Schools Forum noted the contents of this report and highlighted its content to the groups represented by Members.</p>	
7.	<p>High Needs Update</p> <p>Jane Moore introduced the report which sets out the current position regarding the High Needs Development Plan and the current financial forecast. The report sets out the systematic issues within the SEND environment and the growing recognition and the financial position being a symptom of that rather than a pure financial management issue.</p> <p>Jane explained that paragraph 4 and onwards outlines the national concerns there are around the high needs spend and SEND system. Jane stated that there is no single reason for the high need's deficit which an issue nationally and local authorities across the region are having difficulties with their high needs budget. The problem is wider than just a financial issue as there are some systematic issues that are also contributing towards the deficit and funding pressures.</p> <p>Jane referred to paragraph 8 and in terms of the high needs section of the Dedicated Schools Block the NFF for the high needs formula was introduced in 2013 and the way in which the settlement has been set up is detailed in paragraph 8 with the distribution figures for the 2021/22 settlement. For 2020/21 expenditure is 14% in excess of the grant. The formulaic allocation that is undertaken around the high needs block reflects the expected incidence of SEND rather than the numbers of pupils supported and their individual needs. The DfE Benchmarking data compares expenditure and DSG allocations, it shows Leicestershire is below its statistical neighbours in terms of need but higher on both expenditure and the number of Education Health and Care Plans. Jane added that this is currently being looked at why this is the case. Some of the position is due to relying on independent provision which has been discussed previously and the high needs plan is partly trying to address this.</p>	

Paragraph 11's chart compares the SEND revenue expenditure to the performance against other County Councils. In terms of performance Leicestershire is currently rated second but in terms of expenditure Leicestershire is 18. In relation to demand for EHCP's it is continuing to grow nationally and locally. The SEN2 data identifies a significant growth in 2015/16 until SEND reform – there is a sharp uplift in 2016 and towards 2015 around the number of the EHCP's in the system. This pattern is seen nationally as well as locally in Leicestershire and are similar to those increases particularly in 2019 where regional colleagues were seeing a decrease. In January 2020 Leicestershire's EHCP's had risen to 4,751 and this has increased to about 5,000 – about an annual growth rate of 12.5% and in terms of growth for the previous year it was a 19.5% increase. This is higher than the regional and national and are therefore looking at why this is the case for Leicestershire.

In terms of provision, as a result of capital investment of £30m the placement mix is beginning to change so the number of pupils with higher cost placements is no longer growing and pupils are having their needs met within mainstream schools or units attached to mainstream schools. It is forecast that the number of pupils in independent provision will continue to fall as new local provision is being built.

Jane explained that parental expectations have a significant impact on the type of placement specified within the EHCP and parents have the right to express a preference. Parents are continuing to go to Tribunal and the outcomes may result in the local authority being overruled.

In terms of the 2020/21 provision Jane explained how the DSG ring-fenced grant worked. At the end of 2019/20 there was an overall deficit of £7m deficit on high needs and 2020/21 the overspend being projected by £11m leaving a £18m deficit at the end of this financial year. Placements costs account for 90% of the high need's expenditure.

In terms of the medium-term financial strategy the DfE did announce the provisional Schools Budget settlement for 2020/21 as discussed earlier but included an increase of £730m nationally for all authorities which equates to an increase of £7.8m for Leicestershire.

Paragraph 22 sets out the financial forecast for the high needs funding. Jane went through the costs and outlined the cumulative funding gap which rises up to £22m and starts to fall in 2022/23 and up again in 2023/24; part of that is the plans around building and new provision.

Jane stated that the Schools Forum discussed the proposed Schools Block Transfer for 2020/21 at its meeting in September 2019 which was taken to Cabinet and they agreed not to pursue it for that financial year. This has been looked at again for this financial year but the introduction of the minimum per pupil funding means it is not possible for all schools to take an equal impact of that transfer. As previously discussed, the local authority has written to the Schools Minister around the ability for this to be carried out fairly. A potential transfer has been included in 2022/23 and this will be presented to Schools Forum earlier than previously but equally awaiting a response from the Ministers.

Jane referred to the demand savings set out in the table in paragraph 33 which outlines the actions to try and reduce the rate or influence the rate of growth in terms of numbers of pupils. Paragraph 34 outlines the cost reduction savings actions where there is the ability to influence the average unit cost around the type of placement and included is the development of local provision which has a lower unit provision cost than independent provision.

Jane outlined the high needs development plan in Paragraph 35 which is looking across the SEND system at best practice and analysing existing service data to look at further opportunities and the activities currently happening to help with this process. In addition to this a sufficiency plan is in place to develop further SEND places; the plan so far comprises 35 separate projects which are outlined in paragraph 39 and by the end of the Autumn term the plan will have provided an extra 459 places with a further 75 to be delivered between 2021 and 2023. The 2020/21 capital programme commits £17.78m to the programme and work is now in progress to develop a second phase of the plan. The additional places have been largely taken up by new demand which has limited the ability for places to be taken by pupils moving from higher cost provision.

Karen Allen asked for clarification on paragraph 9 and 11 as they seem to contradict each other. Jane explained that paragraph 11 sets out where the local authority sits in terms of performance based on a set of measures that are used to define what they mean by high performing and then the net expenditure puts the local authority at the lowest which means high performing but spend the least money as receive the least money. Paragraph 9 is different from the performance measure in terms of need as Leicestershire is below its statistical neighbours in terms of need but are higher in terms of expenditure on the number of EHCP's so essentially Leicestershire is spending more than should do on individual EHCP's based on levels of demographic need and part of that is that Leicestershire's spend is higher because of its use of independent provisions.

Karen Allen commented that it felt sometimes like schools are having to compromise their standards and performance in order to make the system affordable. Karen added that schools struggle with this as they understand children's needs as individual cases, and should schools be compromising children's needs.

Jane commented that as a local authority we would not say the quality was being compromised and the services within the County Council seek to see children as children and therefore deliver plans according to need and totally agree Leicestershire is underfunded as a local authority and not just SEND but including school budgets

Troy Jenkinson congratulated the local authority on managing to get reasonable resources on very little funding but to echo Karen Allen's point that schools do their absolute best to support children with very minimum funding and that need to take on board when EHCP funding is received for children within mainstream school that does not cover half what is put in in terms of staffing, resources, supporting and

Leicestershire has traditionally been known for supporting those children that are SEN on very minimal funding and the lack of funding needs to be shared with the Government.

Jane agreed and stated that schools funding and the impact of low school funding is having a significant impact on SEND funding so one of the strong points Jane has made to a number of forums over the years with the DfE is that whilst it is important to get the SEND funding right if the schools funding is not right the impact throughout the system is massive. Jane stated that importantly one of the changes over the last year or two is that there has been an increase in the number of children supported in mainstream schools so are clear that schools know what they are doing to support children and have been clear from the start of this high needs development plan that as a local authority cannot do this on its own. The schools have been supporting those children to be in school for us by being more innovative and flexible about how funding is used to enable schools to keep children in mainstream school and meet their needs. The product presented to you now is a joint product and a partnership working and the role of schools is recognised by the local authority and it has articulated this very strongly to the DfE together with the school's role in enabling these children to be successful.

Martin Towers asked if other authorities are looking to top slice 0.5%. Jane stated that some authorities have done this; there are some authorities who do this year on year and have done for a number of years and there are a number of neighbouring that applied to do this last year and were not successful.

Jason Brooks said in terms of the provisions he fully supported everything Jane and the local authority have done in trying to bring provision back in house and the quality put in place has been excellent. Jason commented on the scrutiny of these independent schools and outcomes and acknowledged that funding is an issue but in terms of what the local authority are trying to achieve Jason expressed his thanks.

Jane stated that quality is what we want for our children and the high needs plan will develop provision managed locally by local experts and the feedback received around the provision and the new provision being run by Leicestershire schools is really positive.

Deborah Taylor echoed what Jane said that all children in mainstream schools should be supported to the level they need to be and acknowledged that schools are underfunded as well as the local authority. The aim is to get to a place where schools are adequately funded, that they can support SEND children within their schools without being escalated to the local authority having to put them in independent provision that is not the place for them to be. Deborah acknowledged that schools are doing a great job on limited funding and is definitely a joint solution towards this.

Graham Bett said that he agreed with comments made but the potential possible transfer from schools' block is giving the Government the wrong message as the local authority needs proper funding from Government so the local approach can work. Jane stated that one of the things the

	<p>local authority will have to consider is that every method is being looked at to balance the high needs so from the local authority's point of view the consideration of a transfer is still on the table but if considered again it will be presented to Schools Forum in much better time to properly consult.</p> <p>Schools Forum noted the current position with regard to the High Needs Development Plan and the current financial forecast.</p>	
<p>4.</p>	<p>Any Other Business</p> <p>There was no further business.</p>	
<p>5.</p>	<p>Date of Next Meeting</p> <p>Thursday 3 December, 2.00 – 4.00 pm via Teams</p>	