

**Minutes of a meeting of the Leicestershire Schools Forum
via Teams on Wednesday 23 February 2022 at 2.00 pm**

Present

Liam Powell	Secondary Academy Headteacher
Kath Kelly	Secondary Academy Headteacher
Julie McBrearty	Secondary Academy Headteacher
Jane Lennie	Secondary Maintained Governor
Jane McKay	Primary Academy Headteacher
Ed Petrie	Primary Academy Headteacher
Karen Allen	Primary Maintained Headteacher
Jane Dawda	Primary Maintained Headteacher
Alison Ruff	Primary Maintained Headteacher
Kelly Dryden	Special Academy Representative
Graham Bett	DNCC Representative

In attendance

Jane Moore, Director of Children and Family Services
David Atterbury, Head of Service, Education Sufficiency
Jenny Lawrence, Finance Business Partner, Corporate Resources
Ted Walker, Senior Education Effectiveness Partner

		Action
1.	Apologies and Substitutions Apologies were received from Martin Towers, Claire Allen, Zoe Wortley and Jason Brooks.	
2.	Minutes and Matters Arising The minutes of the meeting held on 15 November 2021 were agreed.	
3.	2022/23 Schools Budget Jenny Lawrence introduced the report which presents the 2022/23 Dedicated Schools Grant Settlement for Leicestershire and the 2022/23 Schools Budget. Jenny explained that the annual report sets out how all things related to school funding and brings to Schools Forum their particular powers and decisions that it has which are set out in paragraph 15. Jenny added that in paragraph 18 there are some indications that the DfE are developing a revised approach to DSG deficits and it would appear that the DfE are in the process of negotiating new Safety Valve Agreements for 2022/23; the DfE have not spoken to Leicestershire therefore there would not be a Safety Value Agreement for Leicestershire but they are also stating they are increasing their support and challenge to local authorities which was unclear but Schools Forum would be kept	

informed.

Jenny reported that the Dedicated Schools Grant final settlement arrived in December. Jenny highlighted that the supplementary grant for maintained schools which was to help schools meet the cost of the health and social care levy but also for significant cost pressures expected over the coming periods. Jenny said that these costs, however, have not been confirmed or clarified and the supplementary grant was expected to be added to the National Funding Formula (NFF) from 2023/24.

Jenny referred to paragraph 24 which sets out that school funding remains a 'soft' school funding formula for 2022/23 and Leicestershire had set the schools budgets as the NFF. Jenny added that from discussions with colleagues regionally it would appear that Leicestershire was one of the few authorities regionally that had been able to deliver the NFF in full without having to adjust budgets because of increases in areas like FSM and deprivation creating cost pressures as a result of the lag in LA funding.

Jenny added that the retain school growth funding is set out in the paper and to note the Secretary of State did not approve the schools block transfer so again schools' budgets would not be reduced by the transfer. Jenny added that the DfE has yet to confirm that the Leicestershire formula is compliant but have no outstanding queries with them so there may be a timeline issue within their process.

Jenny referred to paragraphs 36-38 on de-delegation for which Jane Moore would take this part of the report. Jane stated that this was a significant development since Schools Forum last met. Jane said that last autumn the DfE went out to consultation on the removal of the School Improvement, Monitoring and Brokerage Grant which had been allocated to the local authority for many years to support its statutory duties around school improvement and deliver those expectations set out on the Schools Causing Concern guidance. Jane stated that the consultation received a large number of responses nationally and Leicestershire County Council, East Midlands and the National Association of Directors of Children's Services all made a response opposing every part of the consultation. Jane said that in January 2022 the consultation outcome was published and the DfE would be going ahead with all the proposal to remove the grant. Jane added that the grant was ring-fenced and funds school improvement activities with maintained schools.

Jane said that the grant would be reduced by 50% in 2022/23 and removed totally from 2023/24. The DfE, as part of the consultation, would allow local authorities to de-delegate funding from maintained schools to the local authority in order to continue to fund school improvement in maintained schools. Jane said that the DfE's rationale for this was that it provided consistency with how Multi Academy Trusts fund school improvement through the top-slice applied to schools' budgets. Jane stated that the proposal was to meet with Schools Forum, as indicated in paragraph 39, to seek permission to de-delegate before 31 March. Jane added that if Schools Forum do not agree the DfE has reserved the ability for the local authority to seek approval from the

Secretary of State. Jane commented that she wished to share with Forum the direction of travel and like other authorities across the country Leicestershire are going to seek de-delegation.

Jenny referred to paragraph 41 which sets out that in line with the additional funding that would come through to all schools in terms of the supplementary grant, additional funding had been allocated to the High Needs Block. Jenny added that in line with the NFF per pupil increases the banding rates payable to special schools are to be increased by 2.6% which was the first increase to those rates since 2013.

Jenny referred to paragraph 46 which sets out the updated position on High Needs DSG and confirmation that there would be future increases in the grant from the DfE which had improved the position a little but remains a concern with the number of EHCPs coming through.

Leicestershire are working with consultants on the possible issues and opportunities within the system to reduce costs and this would be reported back to Schools Forum in the future.

Jenny referred to paragraph 68 that pupil premium rates have increased and as with the supplementary grant there are no allocations published only the rates per pupil. Jenny said that schools in their planning process would need to look at the background data to be able to do this and Finance are in the process of setting up finance briefings for schools on the 2022/23 budget proposals and other thing to be looking at in terms of schools' budget setting.

Jenny referred to paragraph 71 and outlined the financial position of the County Council in terms of next year and beyond and work going on in the background on how the budget gap would be settled. Jenny added that through Council networks and other colleagues the situation in Leicestershire is similar to other local authorities and future years are looking difficult.

Jenny asked if there were any questions.

Jane Dawda referred to the de-delegation element and assumed it was a case of one receiving the money and then the local authority take it back again and the school would not see a difference. Jenny explained that de-delegation would mean a per pupil contribution from the school budget and effectively paying for the school improvement function. Jane added that the DfE are removing the money and if de-delegation went ahead, it would come direct from the school's budget and therefore schools would see a reduction in budget. The DfE's point that if a school was in a MAT, they think it would put schools on an equitable status.

Jane Lennie commented that there was a growth in population and therefore not enough money particularly from developers to ensure that schools have enough provision. Jane commented that there was an issue with the funding stream from the DfE.

Jenny responded that firstly in terms of S106 contributions from the developments of new houses that was generated by a yield rate that expects a certain number of pupils per type of housing, but that funding can only be used for capital spending on the provision of additional school places. Jenny continued that if the money was not used for additional places, or the development does not go ahead, then the

money would not come into the local authority, so Section 106 is only for building new places as a result of housing developments above a certain size. Jenny added that in terms of capital funding for the local authority again, as a local authority, funding was received for the need for additional school places so if schools needed to expand because there was a shortfall of places and in assessing the shortfall of places the DfE look at school capacity and expected pupil numbers but that grant is only to develop new school places so as a local authority little funding was received in terms of maintenance but no funding for significant developments. Jenny said that revenue funding coming into school was down to the NFF and the funding for the following financial year reflects the characteristics that are recorded on the school census in October so there was lagging funding but that comes into the local authority, out to the school and reflected those changes in pupil population and pupil growth seen in individual schools. Jenny stated that there was a whole range of issues the local authority had to manage with the constraints about the national system and there are things where there was no ability to change.

Jane Lennie asked if there would be any mileage in addressing the issues of shortfall of places with her local Councillor or MP. Jane Moore stated that there was clearly not enough money in the system and was a matter for Jane if she wished to raise it with politicians. Jane said, however, these letters tend to come to her but would be helpful to raise these issues in order for them to understand the complexity of the system.

Alison Ruff asked about the figure being taken from school budgets in order to cover the school improvement activities and what would schools be provided with in return. Jane Moore explained that this was still being worked on in terms of the local authority delivering those statutory functions around school improvement to maintained schools. Jenny added that the figure was being worked on and would be available in the next few days but working on the basis of filling the gap by the removal of the funding it was looking at £9 per pupil. Jenny clarified de-delegation only affects maintained schools and not academies in any way.

Karen Allen commented that as previously this was just about maintained schools but the relationship was for all schools and asked if there was any of that budget that would be de-delegated for maintained schools being used to cover activities that are applicable for all schools e.g moderation and checking of the assessments.

Jane Moore said de-delegation would only be used to fund school improvement in maintained schools. Jane added that as a local authority additional funding is put into the Education Effectiveness Team to fund some of that wider support across Leicestershire and part of the work around the de-delegation consideration was putting together the local authority's future offer, how it would continue to look like of which some would be funded through the de-delegation.

Karen Allen asked if de-delegation comes through the formula and therefore back in the same situation if schools are on the floor of the NFF as some schools pay a greater share than others. Jenny commented that de-delegation works in a different way; the process for it was that a schools formula budget was allocated which was not moderated in any shape or form and effectively de-delegation was a charge on that budget rather than any change to the formula.

Liam Powell asked in light of the Secretary of State's decision not to

approve the Schools Block Transfer and its impact on the high needs deficit what are the plans in terms of the management of that going forward.

Jane said that the DfE had now written to Leicestershire because the deficit was of concern to them, and a meeting had been arranged for next month to ask what the local authority's plans are to reduce to deficit.

Jane added that Leicestershire was now in the DfE process and part of that offering support in terms reducing the deficit. Jane commented that the position in the High Needs Block was getting worse so are currently reviewing the high needs programme as it was not making the progress it needed to make. Jane said that there would not be any specific moves as a result of not getting the transfer as considering the deficit as a whole. Jane said that the local authority would not be looking at anything for the £2m as part of the £63m issue that needs to be worked on and would be working with schools as previously.

Graham Bett referred to paragraph 17 and asked if it was a reference to the same thing which is about the deficit and Leicestershire's version of that management plan is the high needs development plan. Jane confirmed it was, but the DfE would want to speak to her about the robustness of that plan and whether they consider the plan to be effective. Jane added that the other part of it sets out that if the DfE intervened their expectation would be that there was a management plan to deal with the deficit within local authorities which Leicestershire already had in place.

Graham stated that the paper refers to the management plan being regularly updated and presented to Forum which they have been but questioned whether a further update was due. Jane commented that an update was given as part of the process for the consultation on the Schools Block Transfer and updates had been given on the position a number of times but agreed Schools Forum are probably due another update. Jenny stated that from some of the conversations held with the DfE there was still that question mark under a NFF what the role of Schools Forum would be and there are often comments made from the DfE that they expect Schools Forum to be more actively involved in contributing to that management plan but there has not been anything specific around that.

Graham referred to the pupil premium rates increase and asked how long it had been since it was increased. Jenny said she would have to check and confirm but thought it was about 3 years ago. Discussion took place on the low percentage increase over the last 3 years and Jenny stated that in most of the funding consultations since the pupil premium was introduced the local authority have argued why that should be a separate funding stream because if added into the formula the rates would increase as the funding within the formula increased.

Schools Forum approved the retention of the budget to fund future school growth (paragraph 15, item 2). 8 agreed, 0 disagreed and 1 abstention.

Schools Forum approved the retention of budgets to meet the prescribed statutory duties of the local authority and to meet historic costs (Paragraph 15, item 3). 10 agreed, 0 disagreed and no abstentions.

	<p>Schools Forum approved the centrally retained early years funding (Paragraph 15, item 5). 10 agreed, 0 disagreed and no abstentions.</p> <p>Schools Forum noted the number and average cost of commissioned places for children and young people with High Needs (Paragraph 45).</p> <p>Schools Forum approved the action to be taken in respect of schools where the Special Educational Needs (SEN) notional budget is insufficient to meet the aggregated value of High Needs Funding Element 2 (Paragraphs 61-64). 10 agreed, 0 disagreed and no abstentions.</p> <p>Schools Forum noted the average per pupil funding to be taken into account for recoupment for excluded pupils and other purposes (Paragraph 65)</p> <p>Schools Forum noted the payment rates for the Early Years Funding formula (Paragraph 70)</p>	
4.	<p>Maintained School Deficits and Academy Conversion</p> <p>Liam Powell explained that he had been approached by a Multi Academy Trust in the north-west of the county who wish to welcome in a school from the north of the county. Liam said that the MAT board wished to proceed but the school would introduce a deficit to the Trust. Liam added that the ESFA need to be satisfied that the Trust was not exposing itself to financial risk and the school could manage its budget.</p> <p>Liam said that the Trust was prepared to ask the local authority to support financially, and it was important to demonstrate to the ESFA that all options had been explored by the MAT regardless of the answer. Liam said that the historic deficit was not helped by age range change for the school that wants to join the Trust and this was being managed and the issue of the two buildings involved on the campus which had now been sorted. Liam said that the school had presented different models for progressing this finance and if the lump sum for both schools separately before they joined could have been continued then there would have been no deficit but one of them was closed down. Liam said that alternatively the school could have grown and this could have been another way to manage the deficit and there had been delays in completing the organisation of the campus which had been picked up by the school as well. Liam stated that the local authority had provided everything it could financially so there was no question about that but feel that there had been a historical injustice and the deficit needs to be resolved.</p> <p>Liam explained that the if the deficit cannot be resolved the next step could be to approach the Secretary of State for either the money to be given to clear the deficit or approval given for it to be paid afterwards under a managed plan. Liam stated that the Trust and school asked for him as the representative for LSH to raise with Schools Forum. Liam and Jenny had spoken and went through the history of the case and there are</p>	

	<p>other things that the school could have done historically as well to address this but the deficit goes with the school and there was no other money in the local authority to support with the deficit and was asked to raise this which he had.</p> <p>As Chair of this meeting, Karen Allen said that Schools Forum do not have role in this decision and the local authority's policy had been clear for some time that any deficits are only taken on by the local authority when the school is sponsored and not in any other situations. Karen added that Schools Forum do not have a role for looking at solutions to a deficit and there was not a fund, to consider this would be inequitable to other schools in this situation who have had to carry deficits with them on conversion previously and the comment that the MAT needs to protect itself would open the door to putting the local authority into a very difficult position because they too do not have funds to resolve and if they did this for one school they would have do the same for other schools that were in that position in the future.</p> <p>Karen thanked Liam for bringing it to Schools Forum but reiterated there was no role for the Schools Forum in this discussion and hopefully services the purpose of what Liam had been asked to do and noted that a discussion had taken place.</p> <p>Jane Lennie commented that in 2016 this was presented to the Secretary of State, but the Government changed and had not been referred to again.</p>	
5.	<p>Any Other Business</p> <p>De-delegation/Next Meeting Jenny raised that there would be an additional Schools Forum meeting in March for the de-delegation item to fulfil the requirements of that process and the meeting would be on Wednesday 23 March at 2.00 pm. This meeting is only a vote for maintained schools but requires a Leicestershire Schools Forum meeting. Jenny added that if non-maintained school members chose not to attend that meeting this would not be an issue and unfortunately timescales did not allow for the item to be on the agenda today.</p> <p>Graham Bett asked why the January meeting was cancelled. Jenny responded that the January meeting was an additional meeting put in diaries in case Schools Forum needed to take decisions on the consultation on the Schools Block Transfer and was not needed.</p> <p>Future meetings: Monday 6 June 2022, 2.00 pm Thursday 29 September 2022, 2.00 pm</p>	

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