

**Minutes of a meeting of the Leicestershire Schools Forum  
via Teams on Thursday 17 June 2021 at 1.00 pm**

**Present**

Chris Parkinson	Secondary Academies Headteacher
Kath Kelly	Secondary Academies Headteacher
Martin Towers	Secondary Academies Governor
Jane McKay	Primary Academy Headteacher
Ed Petrie	Primary Academy Headteacher
David Thomas	Primary Academy Governor
Karen Allen	Primary Maintained Headteacher
Jane Dawda	Primary Maintained Headteacher
Jason Brooks	Special Maintained Headteacher
Claire Allen	Primary Maintained Governor
Carolyn Lewis	CE Representative
Suzanne Uprichard	PRU Representative
Graham Bett	DNCC Representative

**In attendance**

Jane Moore, Director of Children and Family Services  
Deborah Taylor, 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

		<b>Action</b>
<b>1.</b>	<p><b>Apologies and Substitutions</b></p> <p>Apologies were received from Liam Powell, Julie McBrearty, Chris Swan, Troy Jenkinson, Zoe Wortley and Lisa Craddock. There were no substitutions.</p>	
<b>2.</b>	<p><b>Minutes and Matters Arising</b></p> <p>The minutes of the meeting held on Monday 8 February 2021 were agreed.</p> <p><b>Matters Arising – Trade Union Facilities</b> Jenny Lawrence stated that a discussion had taken place today at DNCC regarding trade union facilities. A consultation will take place in the autumn term with maintained schools alongside other school funding issues to get a view on whether maintained schools wish to support de-delegation which would inform what any scheme may look like.</p>	

### 3. 2020/21 Schools Budget Outturn

Jenny introduced the report which presents the 2020/21 Schools Budget outturn position and confirms the Dedicated Schools Grant (DSG) Reserve.

Jenny referred to paragraph 4 in the report which outlines a challenging year with significant high needs overspend and the local authority block overspend. These are two consistent issues one of which is high needs and the other in relation to social care both of which have significant transformation projects looking at their current working format. Jenny added that of the DSG deficit of £17.5m high needs accounts for £17.5m of the deficit which is offset against a surplus from the schools block which is mainstream school growth funding allocated to the local authority that will be needed as new schools open in future years. Jenny stated that schools block cannot be used for high needs therefore the commissioning of new places in terms of specialist provision contributes to the deficit.

Jenny referred to paragraphs 11-15 which will be discussed on the next agenda item. Paragraph 14 refers to the Dedicated Schools Grant 'Safety Valve' Agreements and further information has become available from the ESFA about how they are working which Jenny reported to the meeting.

Jane Dawda referred to the tables in paragraph 4/5 and queried the early years block which was £-109 but also asked if there was a reason for the difference in the high needs block which was £10,387 in paragraph 4 but 10,634 in paragraph 5 and the schools block as it is £-3,139 in paragraph 4 but in paragraph 5 it is as £2,923. Jenny stated that paragraph 4 is the overall financial position and paragraph 5 highlights the significant overspends in the service areas that sit behind them so there will be other minor areas of service that affect the numbers.

Jane Dawda queried paragraph 14 in terms of the Dedicated Schools Grant 'Safety Valve' Agreement as it mentions those Local Authorities who have received the funding as their deficits were in excess of 10% and asked if Leicestershire would be considered for any extra funding. Jenny stated that these are local authorities where their overall dedicated schools grant was higher than 10% and it is 1.8% in Leicestershire so would not be considered currently by the DfE. Jenny added that there is no public information about the criteria on why those 5 authorities gained that funding and no national information on DSG balances for local authorities. It was suggested to the DfE making some benchmarking information available but confirmation of this has not been received. There may be information available when the 2022/23 funding arrangements are released in July but that is yet to be seen.

Carolyn Lewis commented on how useful the report was and raised a query on paragraph 7 and asked if there was a picture of maintained schools in terms of school balances. Jenny said that paragraph 6 states that indications are that maintained school balances have risen by £1.7m and if that position is replicated across academies that is suggesting an increase in balances of around £8m across the board. Jenny said that

interestingly colleagues in other local authorities are also reporting that position despite the challenges of last year and therefore may ultimately give some schools issues around the Covid emergency fund in terms of it being clawed back.

Kath Kelly asked in terms of academies and whether or not that picture is replicated is it not possible to draw down the financial position from the financial reports. Jenny said that this is difficult as it can only be found in published Statements of Accounts for individual Trusts that may only become publicly available in January. Kath stated that a lot of secondary schools report they are struggling financially and looking at potentially restructuring and over the last 12 months schools have been in a better position than in non-covid times even without the additional government support due to closure and saving on utilities but is not sustainable looking at one year in terms of long-term decisions. Jenny commented it was difficult to draw any conclusions from the level of school balances as it is a snapshot in any particular point in time. Jenny informed the meeting that additional resources had been invested in to work with schools to try and understand how schools are planning their budgets and Jenny outlined some of the factors that have been identified.

Graham Bett asked if the £8m can be transferred into a percentage. Jenny confirmed it was 1.9%. Graham asked what the total reserves as a percentage would be. Jenny said that she would need to confirm this as concentration was on the movement between one year and the next and are in the process of the gathering of the Consistent Financial Reporting returns from maintained schools that will split that balance between capital and revenue and then would be able to confirm what the overall percentage for those maintained schools would be. Graham commented on how the 1.9% was insignificant without the background information. Jenny agreed as it was just a position in a point in time and it was not clear how much of the 1.9% schools planned to use in later years because of specific projects coming up or staffing issues that needed resolving. Graham expressed concern that it would be seen that schools have had an increase in their school balances and therefore the interpretation of the narrative would be that schools have additional money.

Jane Moore stated that Graham's point was important and Kath's point about the translation of it is important. Jane clarified that this sharing of information is as a point of information as this is the end position of maintained schools. The point around the narrative is crucial because it does not necessarily depict that there is a system with lots of money and indeed would be wrong of the local authority to translate that across the whole system as the points Kath made about academies so the point is around the narrative but also the wider narrative on what that actually means for the schools. Jane said it was a valid point to make and that it was important to ensure this is translated into what it means for Leicestershire.

Karen Allen commented that every school is in a unique position and has unique challenges and situations so therefore an overall figure of £1.7m is quite meaningless because some schools will carry a large carry forward for a number of valid reasons and other schools will be

	<p>struggling. Karen added it was important not to try and make assumptions in any one sector and in terms of the over cautious planning this was a symptom of a long time of working within a really challenging landscape of underfunding.</p> <p>Jenny commented that when the initial research was carried out for the school financial capacity work there were conversations with academies as there was only a small sample size from primary schools. Jenny said she was happy to repeat this exercise to have a more informed position across the academies. Kath Kelly was happy to support this.</p> <p><b>Schools Forum noted the content of this report.</b></p>	
<p><b>4.</b></p>	<p><b>2022/2023 Schools Block Transfer</b></p> <p>Jane introduced the report which confirms the local authority intention to develop a methodology for a potential transfer of 0.5% of the Schools Block to the High Needs Block of the Dedicated Schools Block for consultation with Schools in September for decision by Schools Forum in November.</p> <p>Jane explained that Schools Forum had received regular updates on the financial position of the High Needs Block and the programme worked on which was developed in 2017. Jane explained that the High Needs element of the Dedicated Schools Grant was the only source of funding to the local authority to meet the needs of children and young people's special educational need and as a result of conversations locally and nationally the level of funding that is being given to all local authorities is insufficient to meet not just the growing needs but the range of responsibilities that were given to local authorities and schools and other organisations as a result of SEND Reform back in 2014. There are significant concerns for all authorities and the associated deficits that are held by the local authority as a result of them having to manage that external grant. The local authority has been projecting a high needs deficit since 2017 and revise the projection on an annual basis based on a number of factors.</p> <p>The projection has been revised to include the most recent data on demand and costs and the cumulative deficit has now increased by £13.8m in 2024/25 since November with the deficit over a four year period of £43m despite the delivery of £24m in revenue savings. Jane said the local authority has to hold that deficit so have to set aside other revenue offset against the deficit and the increase will require further savings in the Council's budget of £13m and is the most significant financial challenge the Council is facing.</p> <p>Jane highlighted that the financial plan has included a proposed transfer of 0.5% of the schools block into the high needs for 2022/23. The local authority's intention is to seek a transfer was confirmed at the Schools Forum meeting on 8 February 2021. The recommendation in the report was to seek representation from school groups to form a working group to deliver those proposals for the proposed transfer but following the meeting letters were received from LPH and LSH which stated that they did not consider engagement in a working group would be appropriate or</p>	

productive. Jane said that the working groups did not and will not take place, but the local authority have continued to work through what the transfer could look like.

A report will be presented to Cabinet on 22 June 2021 which gives an update on the high needs development plan including the update on the current projected deficit and also sets out the proposal for the 0.5% schools block transfer and the consultation in the autumn term with schools. Cabinet are asked to consider if an application should be made to the Secretary of State should the Schools Forum refuse the request.

Jane said that in November 2019 Cabinet was presented with a report to determine whether to pursue a funding transfer of 0.5% and at that meeting it was proposed that a transfer was not pursued and part of that agreement was to work collectively to develop some additional proposals to bridge the funding gap but did not rule out a future transfer request if necessary. Cabinet agreed not to progress with that transfer and work was carried out to co-produce further work to impact on savings.

Jane said that in the absence of the working group the local authority will continue to consultation in September and potentially a submission for a decision to the Secretary of State on a transfer.

Jane explained that the issues were a continued increase in EHCPs which is not in the control of the local authority or schools. The rate of growth in EHCPs continues to significantly exceed the population growth.

Jane said that the High Needs Development has been successful, is delivering some service transformation, delivering an increasing number of specialist school places and some of the financial savings or targets have been challenging. In terms of demand for specialist places this has increased far in excess of what was estimated in 2018 and are forecasting it to rise further. Jane said that some of the savings set out in the plan have not been possible as families do not want to move children, or the new provision has been filled up with new demand.

Jane stated that there are significant cost increases in the cost of independent school places as well as an overall cost in our own special school places and a significant increase in the cost keeping children in mainstream schools.

Jane highlighted the timescales for transfer as set out in the report. The NFF does include a whole range of restrictions on local authorities which Jane outlined from the report. Consultation with schools will be early Autumn and should Schools Forum not approve the transfer when presented then the Secretary of State will be asked to agree for the transfer to happen.

At this point Jane asked if there were any questions.

Martin Towers asked if there was any reason why the local authority do not take the money given and look at how the most need can be met in the county using the money available. Jane said that an allocation of funding is given for the High Needs Block but on top of that are the

statutory obligations that must be met.

Martin commented that from the paper it does not cover the plan to manage the controls to reduce the unplanned increases moving forward, is this something that will be incorporated moving forward. Jane stated that this is the only budget she has full responsibility for but no control over. Jane added that the high needs development plan has built more places but they have filled with new demand rather than enabling moving children from costly independent placements. The local authority is taking £24m worth of actions but also looking at reducing demand and work to support children without needing to put in additional funding and when additional provision is needed to make sure the provision is not hugely costly. Jane stated that as Director she had very little control over either of these mechanisms. Jane added that even with the £24m worth of savings we are still moving to a £42m deficit and the root of this was the reforms back in 2014 which shifted the responsibility of the system significantly.

Martin asked if a disapplication of statutory duties to meet the funding need was an option. Jane talked about an option in another county regarding disapplying responsibility of a statutory obligation but stated currently there is simply insufficient funding to carry out statutory duties, hence the deficit. In response to a comment from Martin Jane stated it was right to challenge her and all options were being considered.

Jane Dawda referred to the paragraph 12 and asked if the 0.5% transfer was in that one year or year on year. Jane Moore stated that the current proposal was a one-year transfer.

Jane Dawda asked for it to be made clear to schools in terms of how this will affect them in monetary terms when schools are consulted in the Autumn term. Karen Allen said that previously there was a spreadsheet showing the impact on schools and for some it did not impact but for some it did massively. Jenny commented that as part of the consultation process the local authority has to demonstrate to each what the proposals mean to them.

Jane Dawda asked if the transfer affected maintained schools and academies. Jane Moore stated it was across all schools but referred back to Karen Allen's comment around the issue of it impacting significantly disproportionate on some schools and no impact on the others.

Kath stated that she appreciated the work carried out and actions were beginning to impact in other ways however financially it was not quite showing. Kath added that schools do budget carefully as Jenny stated earlier to avoid problems and going into deficit. Kath said that the high needs budget was presented each year and discussions take place around possible deficits and commented that the £13.9m was large and asked with the number of EHCPs rising how much of that was generally unforeseeable. Jane briefed the meeting on how the budget was projected in terms of demand and impact of the new initiatives. However, Jane said that growth was bigger than projected and growth is greater than other local authorities but the growth projected was not enough and

the growth was bigger. Jane also said that the projection was part of the development plan and some of the savings were part of that ongoing projection but have not been successful in doing that. Jane added that the unit cost of children has exceeded what was projected.

Kath asked if the range of assumptions on which the future planning is built and the rationale for these could be shared. Jane agreed that it would be helpful to share the high needs development plan and what the assumptions are whether at this group or another forum.

Chris Parkinson stated that he was disappointed that the working party did not happen but felt he was voting for a working party to construct a solution as opposed to it being presented as an assumption that the 0.5% transfer was taking place. Chris added that this was why the letters were sent. Chris said that taking the 0.5% is not solving the problem and was a small part of the issue.

Jane acknowledged that the letters received set out that secondary and primary school leaders did not wish to engage should have been responded to in terms of the ambition to have a wider conversation.

Karen Allen agreed with Chris' comment.

Jane stated that the working group was to look at how the 0.5% transfer would be taken and referred to Chris' additional point about how as a group could collectively work together to solve the bigger issue. Jane acknowledged that school leaders did not want to be involved in the original working group. Jane stated that she had to demonstrate she was doing everything to manage this problem which would be presented to Members and unless every avenue was explored and every opportunity taken she would not be able to fully demonstrate to the DfE that this system was not working.

David Thomas stated that he asked at the last meeting as to whether the decision had already been taken about transferring the 0.5% and it was minuted that the work was being done but the decision would be brought back subsequently. He felt it was important to note that no decision had been taken and the working group would report back. David added that one of the main discussions at Forum has always been high needs and it was clear the system was not working because of insufficient funds in the system to meet the needs of those children. David said this was a national problem, not just a Leicestershire one and asked what was the local authority Members, local MPs and teaching representatives doing to address this national issue.

Jane said that the outcome of the SEND Reform review was awaited but expected that it would not acknowledge there was not enough money in the budget but how the system could be managed better and how schools can be more inclusive. Jane said that in terms of responses Members are briefed on this matter than any other matter. Jane said she was part of a national group of directors that regularly meet with the DfE and most recently with Minister Ford so are therefore lobbying heavily around the position. Mrs Taylor added that all Leicestershire MP's and Ministers are aware of the issue. Mrs Taylor felt that system reform was

needed but on the contrary schools are being asked to be inclusive yet money was being taken away. Mrs Taylor stated that the working group to look at options to address this demand was the current point in time.

Graham acknowledged the work carried out by the profession, Jane and her colleagues locally. Graham said that that it was clear in this paper what the working group was proposing. Graham stated that the meeting was seemingly agreeing that the system, set up in 2014, no longer works and therefore it was the Government's problem and not for schools to solve. Graham added that it was a pointless exercise to take 0.5% from schools in a single year and only raising £2m when the problem was a larger amount. Graham said that the County Council suggesting that this should happen would set a precedence to take the £40m over a period of years and schools ought to be concerned. Graham stated that a lobbying exercise needed to be carried out as the Government was the one to target rather than the schools and the children they serve.

Mrs Taylor felt the system was not working and that it required tweaking which the local authority was lobbying the government with these changes. Mrs Taylor said that if the transfer does not go ahead there would never be a way into Ministers as they would question why a transfer has not been carried out. Mrs Taylor said this was difficult but would support the approach.

Graham stated that the problem should be put back to the Secretary of State to solve. Jane said that the only challenge to get the Secretary of State to do that was by carrying out the process. Jane said that she expected that Forum will not vote for the transfer in September and that a Secretary of State decision would be requested.

Carolyn Lewis commented from a different perspective in terms of supporting the local authority for doing this and also commented on the language used regarding taking money from children as it was redistributing money to meet children's needs in Leicestershire. Carolyn said that there are structural issues that needed to be discussed and explored which Jane and Mrs Taylor have given a clear rationale on about the action at this time. Carolyn said that the Church of England would very much like to support the local authority in these conversations with the government as children should have access to the right level of support for them to be included fully and their needs met. Carolyn added that the local authority's strategic work in trying to deal with this issue with capital projects has been positive under Jane's leadership drive to look at SEND provision. Jane appreciated the comment and felt supported by the entire whole school community.

Karen Allen said she was interested Mrs Taylor's perception that some of this was about parents asserting their rights to have their child assessed when perhaps they do not need to and agreed with that to a certain degree. However, Karen wanted to make it clear that, as a head and from other heads, for whatever reason that in a relatively short time the number of children that are coming into school with really complex special needs has increased. Mrs Taylor acknowledged Karen's point.

Karen commented there was not a financial incentive for schools to apply

	<p>for EHCPs as schools have to fund the first £10k of a child's needs, schools have to be inclusive and want to meet children's needs.</p> <p>Karen asked for it to noted that schools put in a huge amount of work in making children feel inclusive by supporting the wide range of children's needs and where there is no funding as they are not on a plan. Karen said that schools do this because the children are in their schools and therefore want to do it. Karen felt this important to note as it needed to be captured of what is going on in all schools.</p> <p><b>Schools Forum noted the worsening financial position of the High Needs Block.</b></p> <p><b>Schools Forum noted the intention to consult on a Schools to High Needs Block transfer of 0.5%.</b></p>	
<p><b>5.</b></p>	<p><b>Any Other business</b></p> <p>Discussion took place on convening a working party or perhaps a workshop to share the high needs development plan and to understand the local authority's projections and assumptions.</p> <p>It was noted that this meeting was David Thomas' last meeting as academy governor representative. Karen Allen thanked David for his hard work and commitment over the years and wished him well for the future.</p>	
<p><b>6.</b></p>	<p><b>Date of Next Meeting</b></p> <p>Monday 6 September 2021, 2.00 pm via Teams  Monday 15 November 2021, 1.00 pm via Teams  Wednesday 19 January 2022, 2.00 pm via Teams  Wednesday 22 February 2022, 2.00 pm via Teams</p>	