

**Minutes of a meeting of the Leicestershire Schools' Forum held at Beaumanor Hall
on Monday 26 November 2018 at 2.00 pm**

Present

Nick Goforth	Secondary Academies Headteacher
Kath Kelly	Secondary Academies Headteacher
Callum Orr	Secondary Academies Headteacher
Chris Parkinson	Secondary Academies Headteacher
Chris Swan	Secondary Academies Governor
Steve McDonald	Secondary Academies Governor
Martin Towers	Secondary Academies Governor
Suzanne Uprichard	PRU Representative
Jane McKay	Primary Academy Headteacher
Jo Blackburn	Primary Academy Headteacher
Jean Lewis	Primary Academy Governor
David Thomas	Primary Academy Governor
Karen Allen	Primary Maintained Headteacher
Martin Turnham	Primary Maintained Headteacher
Ros Hopkins	Special Maintained Headteacher

In attendance

Jane Moore, Director of Children's 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>Apologies and Substitutions</p> <p>Apologies for absence were received from Graham Bett, Dave Hedley (Martin Towers substituting), Clive Wright, Carolyn Lewis and Councillor Ivan Ould.</p> <p>Karen Allen gave an update on the Schools' Forum membership as follows:</p> <ul style="list-style-type: none"> • Edy O'Connor is no longer the CE representative and Carolyn Lewis will attend until a representative is appointed. • Suzanne Uprichard has been reappointed as representative of the Pupil Referral Unit • The three vacancies for maintained governor representatives, the vacancies for secondary maintained and secondary academy 	

	<p>governor representatives are currently going through the appointment process.</p> <ul style="list-style-type: none"> • Awaiting confirmation of the Post-16 representative. 	
<p>2.</p>	<p>Minutes and Matters Arising</p> <p>The minutes of the meeting held on Wednesday 24 September 2018 were agreed.</p>	
<p>3.</p>	<p>School Budget Update</p> <p>Jenny Lawrence introduced the report which sets out for Schools' Forum's information a number of financial issues including the basis for the 2019/20 School Funding Formula.</p> <p>Jenny explained that the basis for the 2019/20 Dedicated Schools Grant (DSG) is unchanged by the Department for Education with the exception of a new methodology for funding local authorities for school growth. Jenny gave an update within the Schools' Block. Jenny stated that schools will fully receive their rent where allowable and rates using funding formula agreed for 2018/19. It was not possible to set out the level of growth funding to be received as not all the census information was available. An update will be provided at the next meeting. In terms of Early Years' settlement this will remain the same which includes funding the Early Years' Service. The Central Block meets the local authority's statutory responsibilities that remain for all schools.</p> <p>Jenny highlighted the changes made by the DfE to the 2019/20 NFF funding rates. The funding guarantees remain on a per pupil basis so schools with a falling number on roll will see a reduction in funding.</p> <p>DSG allocations for the schools, high needs and central schools' service blocks will be updated by the DfE for the October 2018 census and revised allocations will be available in December. Jenny added that there will be no changes to the Leicestershire school funding formula and no transfer from schools to the high needs block; Leicestershire is one of the few authorities not to do so for 2019/20.</p> <p>Jenny reported that paragraphs 8-12 sets out the changes in growth funding. The growth policy will need to be presented to Schools' Forum in order to understand the new formula (paragraph 10) for Leicestershire, the build in the profile for new and expanding schools and future age range change protection.</p> <p>Jenny outlined the teachers' pay award rates set by the DfE for the teachers' pay grant based upon the October 2017 school census. Jenny added that the ESFA have indicated that the teachers' pay grant will continue into 2020/21 but is likely to be absorbed into the funding formula. David Thomas asked how this will tie in with the minimum increase per pupil. Jenny stated that this was only guaranteed for 2018/19 and 2019/20 and in terms of 2020 there was no indication of school funding or any future funding protection levels; the only information available is that it would be a soft formula for 2020/21 with</p>	

	<p>future funding levels dependent upon Comprehensive Spending Review, the date of which and the period it will cover are unknown.</p> <p>In terms of support staff pay it has been necessary to address the issues of the national living wages impacting on the local government pay award and the implications for the Leicestershire County Council pay structure and therefore a new salary structure is being consulted on. The implications will differ between schools and academies that adopt the Leicestershire pay structure but are estimated between 4% and 7% of support staff pay. There were large concerns expressed at the meeting about the support staff pay scales which will in some cases require a restructure.</p> <p>Jenny stated that the Government announced £400m of additional funding in October which suggests will be a one off grant for 2018/19 and is a capital grant. Details of this were awaited.</p> <p>The local authority received a capital grant of £0.2m for maintained schools from the Healthy Pupils Fund which has been allocated across all schools. Jenny stated that schools are asked if the money has been spent using the correct guidelines in December and January they will receive the money.</p> <p>David Thomas asked for clarification regarding the underspend in the 2018/19 school growth budget as outlined in paragraph 11. Jenny explained that £1.3m of growth money was held for 2018/19 with the approval of Schools' Forum with the expectation of it being needed for future revenue costs. This needs to be reassessed in terms of new housing developments, opening of Lubbethorpe new school and extra funding for Fossebrook. David asked how much of the £1.3m had been spent for this year. An underspend of £1.2m against the growth budget is being reported for 2018/19.</p> <p>Chris Parkinson asked if it is also allocated to that fund the high needs overspend. Jenny stated that it is not allocated as moving forward it is a DSG balance. For 2018/19 there will be an underspend on schools' block and an overspend on high needs block.</p> <p>Schools' Forum noted the content of the report and to disseminate the information within it to represented groups.</p>	
4.	<p>High Needs Block Recovery Plan</p> <p>Jane Moore introduced the report which builds upon the presentation from the Schools' Forum meeting on 24 September setting out the position in terms of high needs provision and presents the proposals for the High Needs Recovery Plan.</p> <p>Jane gave explained that nationally there are growing concerns over the high needs block and high needs deficiency across the country. Paragraphs 8 and 9 give the key issues which were founded by the Association of Directors of Children's Services and National Association of Headteachers. There are indications that the DfE are aware of the financial pressures but have yet to provide a solution.</p>	

For Leicestershire, the High Needs Block Dedicated Schools Grant budget for 2017/18 was £61m and overspent by £1.1m. At the end of Period 6 for this financial year the projected overspend on the high needs block was £3.6m. The DSG reserve is £2.2m resulting in an overall deficit of £1.4m. As outlined in the report, Jane highlighted the factors that the overspend relates to and the system wide issues in how the funding is determined. This increase in overspend sits alongside a backdrop of a number of key issues which are outlined in the report. Jane stated that the projected increase in provision demand over the next 5 years is 22% and based on a number of factors, the expected financial position to 2022/23 is a £44m cumulative deficit if no actions are taken which is financially unsustainable and therefore not an option.

Jane stated that through expansion of current provision and the development of new provision it is possible to reduce the high needs overspend and in time, estimated to be 2023/24, result in expenditure being brought into line with the grant.

The table in paragraph 16.3 sets out the deficit plan in order to reduce the overspend by 2022/23. Jane acknowledged the huge financial risks associated with the recovery plan which is outlined in paragraph 16.4. Leicestershire is one of the few local authorities that have not implemented a transfer of funding from the schools to the high needs block for 2018/19 or considering doing so for 2019/20. Jane stated that most other local authorities high needs recovery plans are not being delivered through Invest to Save schemes but are cutting services and moving funding from other blocks.

Jane referred to paragraph 17 which outlined the focussed activities for the recovery plan, the third one being the area where most of the costs will be. Jane outlined the provisional plan that has been developed to significantly grow Leicestershire SEN provision. The closing date for expressions of interest from schools to develop specialist provision is Friday 30 November 2018.

In order to manage the deficit approval will be sought from the Schools' Forum annually to carry forward the deficit in line with the requirements of the terms and conditions of grant. The local authority is also required to report annually to the DfE to bring DSG expenditure in line with the grant. A report is to be presented to Cabinet in December to seek approval to conduct a formal consultation process.

Chris Parkinson asked if the cumulative surplus would fund the high needs overspend and asked what the future need was. Jenny said that we are dependent on being able to predict the rate of housing growth.

Jenny Lawrence added that these are two issues that need to be managed alongside each other; it is not acceptable for local authorities to have a high needs deficit funded by school growth, the local authority plans to 'bank' unallocated school growth allocations as the need is a future one and allocations are uncertain. The local authority has a statutory duty to meet the cost of school growth and this DSG allocation is outside the NFF.

	<p>Jean Lewis asked how the EHCP's will be controlled. Jenny stated that the control of EHCPs is not a recovery plan action. If support is put in earlier on and not be reliant on an EHCP, and be better at localised conversations around pupil needs and inclusion is effective it should slow down the number of EHCP's. Chris Swan asked about the strategy to look at the need to reduce EHCPs. Jane stated that the use of EHCP's in schools should not be relied upon for money. There is a significant growth bid in the SENA Service to deal with the EHCP's; the idea is not to stop EHCP's but to consider how schools may assess appropriate levels of funding without the need for a plan.</p> <p>Schools' Forum expressed concern that health funding for EHCP's remains an issue. Jane commented that conversations have been taking place with health colleagues for a long period of time and may need to obtain a legal view on what health should be funding. A comment was made that health are advising schools to make staff redundant to fund the health intervention.</p> <p>Chris Parkinson commended the Director of Children's Services and colleagues for taking this approach. Chris stated that this is a national issue but there must be opportunity for the local authority to drive costs down from independent drivers and to work with the private sector. Jane stated that the private sector have a powerful stand in the market as they know these children have to be placed and local authorities have little choice, as a result the bargaining power rests with the private sector .</p> <p>Schools' Forum noted and supported the proposals set out for the High Needs Recovery Plan.</p> <p>Schools' Forum noted the financial model within the High Needs Recovery Plan.</p> <p>Schools' Forum noted and supported the arrangements for the management of the Dedicated Schools Grant deficit.</p> <p>Schools' Forum approved the carry forward of the estimated 2018/19 Dedicated Schools Grant deficit to 2019/20. (14 in favour with one abstention).</p>	
5.	<p>Any Other Business</p> <p>There was no further business.</p>	
6.	<p>Date of Next Meeting</p> <p>Tuesday 12 February 2019 Monday 10 June 2019</p> <p>Both 2.00 – 4.00 pm at Beaumanor Hall.</p>	

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