

**SCHOOLS FORUM****Wednesday 26 February 2020, 2:00pm – 4:00pm****Douglass House****Attendees:**

Julie Bevan – Chair (JB)	PLT representative & Vice Chair
Amanda Paddison (AP)	Education, Participation & Skills – Head of Business & Access
Jo Siney (JS)	Education, Participation & Skills – Head of SEND
Louise Jenkins (LJ)	Education, Participation & Skills – Finance Officer
Helen Slater (HS)	Education, Participation & Skills – Finance
Rebecca Trott (RT)	Education, Participation & Skills – Finance
Sue Smith (SS)	Early Years and Childcare Manager
Karen Lilley (KL)	Early Years representative
Annmarie Allchurch (AA)	CE Diocese representative
Ciara Moran (CM)	PAPH representative
Anita Hemsli (AH)	PLT representative
Heidi Price (HP)	PAPH representative
Stephen Martin (SM)	Maintained Nursery Schools
Lisa Hartley (LH)	CEO PLP
Anne Thorne (AT)	SHAP Governor representative
Matthew Bindon (MB)	Alternative Provision representative
Karen Cook (KC)	RC Diocesan representative
Andrea Hemmens (ASH)	SHAP representative
Amanda White (AJW)	Clerk to Schools Forum

**Apologies:**

Wendy Cording (WC)	Chair
Alison Botham (AB)	Director of Children's Services
Judith Harwood (JAH)	Service Director, Education, Participation & Skills
Matthew Corrigan (MC)	PLT representative
Ben Manning (BM)	Post 16 representative
Justine Mason (JM)	PLT representative
Karen Cook (KC)	RC Diocesan Rep

1. <b>WELCOME &amp; APOLOGIES</b>	<b>Action</b>
As above.	
2. <b>MINUTES FROM PREVIOUS MEETING ON 15 JANUARY 2020</b>	
<p>Minutes agreed.</p> <ul style="list-style-type: none"> <li>▪ Page 7 – correction noted and amended.</li> </ul>	
3. <b>MATTERS ARISING</b>	
<p>Letter of thanks to Pat Gould: Letter sent by AJW on 13/02/2020.</p> <p>Ciara Moran confirmed as Primary Representative and Karen Lilley is confirmed as EY Representative: Welcome/invites to Schools Forum sent by AJW 11/02/2020.</p> <p>Breakdown of proposed 20/21 HNB: Included in this meetings bundle; paper no. 3.</p> <p>Performance analysis and demographics in relation to funding: Ongoing piece of work – this information will be available following the validation of data around September/October 2020.</p>	
4. <b>EARLY YEARS CONSULTATION</b>	
<p>A consultation paper including the proposed hourly rates for 2, 3 and 4 year olds was sent to all providers on Friday 24<sup>th</sup> January 2020 and were invited to respond by Friday 7<sup>th</sup> February 2020.</p> <p>Three consultation responses were received; two from the same maintained nursery unit and one representing three PVI (private voluntary independent) settings.</p> <p>The two responses received from the same maintained nursery unit supported the increase in funding for 2, 3 and 4 year olds as outlined in the consultation document and stated that the increase would make a huge difference to preschools and nurseries in Plymouth.</p> <p>The one response representing three PVIs stated;</p> <p>“This increase will not save nurseries in deprivation where fees cannot be increased as parents do not pay. This small increase does not meet the increase in wage costs. In 13 years our funding rate has increased by 4 %. In that same period our wages have increased by 56 % because of the National Minimum wage. This is without pensions.</p> <p>As a result, parents will have to pay a consumable cost from April 2020 and this will be challenging and high risk.</p> <p>Can the Maintained Nurseries manage the demand in Plymouth?</p> <p>Two nurseries are protected with as much funding as the whole of Plymouth are entitled to for SEN Inclusion. This is a lack of parity as they are not the only nurseries caring for the most deprived children in the city, it asks the question if the money set by separately to protect the funding of two nurseries has a negative impact on children with SEN in the whole city.</p> <p>What happens to any surplus funding from the £471,826 amount in the MNS Fund if they do not reach capacity?</p>	

In December 2018, Plym Bridge nursery had 41 children on role and 38 places? This was not a full setting. The guidelines state this funding can only be given to maintained nurseries. How is any surplus distributed? The future of PVI settings is at great risk, more so in areas of deprivation.”

Plymouth City Council are committed to addressing publicly our concerns at the levels of funding available for Early Years settings. We do not believe they are sufficient and are attempting to raise awareness of the fragility caused in the system by inadequate funding. Plymouth will continue to lobby Central Government for an increase in early years funding.

Providers are permitted to charge parents for the following as part of the free entitlement place;

- Meals and snacks
- Consumables such as nappies or sun cream
- Services such as trips and specialist tuition.

These charges must be voluntary for the parent and alternative options should be available where parents are unable or unwilling to pay for meals and consumables. For example, allowing parents to supply their own meals or nappies, or waiving or reducing the cost of meals and snacks. Providers are responsible for setting their own policy on how to respond.

Providers should be completely transparent about any additional charges and should not charge parents “top up” fees (the difference between a provider’s normal charge to parents and the funding they receive from the local authority to delivery free places).

Central Government guidance states ‘Local authorities with MNS continue to receive supplementary funding for the whole of the 2020-21 financial year. This funding is provided in order to enable local authorities to protect their 2016-17 funding rates for the universal 15 hour entitlement for MNS (that is, the rates that existed before the EYNFF) and the government expects it to be used in this way’.

There will be no surplus from the £471,826. The distribution table on page 8 of the consultation document illustrates how the supplementary funding would be apportioned between the 2 maintained nursery schools based on current children numbers. If the number of children change, the weighting between the 2 nursery schools would change but the full funding would still be apportioned.

Final proposals made following consultation to providers:

### **3 and 4 year old funding:**

Plymouth propose paying all providers £4.21 per hour from April 2020.

Plymouth propose making the following deductions from the local authority hourly rate of £4.65:

- £0.16 for central expenditure
- £0.16 for deprivation
- £0.12 for the SEN inclusion fund.

Plymouth propose allocating the full supplementary grant to MNS in 2020/21 based on the current £90k lump sum and additional lump sums based on the number of children attending each setting per term.

<p><b>2 year old funding:</b></p> <p>Plymouth propose to pass on the 2 year old hourly funding rate of £5.28 in full to providers.</p> <p><b>Proposals agreed by Schools Forum.</b></p> <p>HP asked if there were any case studies across the City for sustainable providers and successful business models. SS advised that this was currently being looked at.</p> <p><b>Action:</b> SS to update Forum in June regarding sustainable business models for providers and the matter of additional charges.</p>	<b>SS</b>
<p><b>5. DSG BUDGET MONITORING 2019/20</b></p>	
<p>The Council receives funding for schools through the Dedicated Schools Grant. The grant funds expenditure either directly through the Individual Schools Budget (ISB) or incurred by the Council on behalf of schools. Any over or underspends on the DSG are carried forward. The distribution of the ISB element of the grant is in accordance with the schools funding formula and the overall DSG has to be approved by the Schools Forum.</p> <p>Plymouth have received additional High Needs funding in 2019/20 of £0.550m; this was included in the budget.</p> <p>The 2019/20 DSG allocation has been increased due to the following:</p> <ul style="list-style-type: none"> <li>▪ Additional £0.108m received through High Needs Block due to increase in import/export funding. There was also a small £0.009m adjustment at the beginning of the year relating to a change in deductions compared to the estimate at budget setting</li> <li>▪ Additional £0.426m received through Early Years Block due to increased uptake 2019/20</li> <li>▪ Additional £0.272m received relating to 2018/19 Early Years Block.</li> </ul> <p>The current forecast DSG overspend is £0.991m (previous reported overspend £1.061m)</p> <p>This is made up of the following:</p> <ul style="list-style-type: none"> <li>▪ Schools Block (£0.095m) underspend – relates to growth funding forecast</li> <li>▪ High Needs Block £1.198m overspend – see high needs monitoring report for more details.</li> <li>▪ Early Years Block (£0.112m) underspend – relates to decrease in demand for SEND inclusion funding.</li> </ul> <p>Papers A and B, and the High Needs Monitoring Breakdown (Appendix 5.3) give more detail regarding budget monitoring.</p>	

**DSG Balance:**

The table below shows the year end forecast DSG balance.

<b>DSG Balance Reconciliation (£m)</b>	
Balance b/f from 2018/19 (surplus)	(0.589)
Forecast overspend 2019/20	0.991
Under allocation	(0.334)
Final EHWPB payment	0.151
<b>Forecast year end DSG deficit balance</b>	<b>0.219</b>

The previous reported balance forecast was a deficit of £0.349m

**Maintained Schools Health Check:**

The financial stability of maintained schools is monitored using the budget monitoring returns and is RAG rated to highlight those schools whose financial position is cause for concern. There are currently 3 schools rated 'red' (concerned) and 14 schools with some concerns. Of the 3 schools rated 'red', 1 is being monitored under a licensed deficit agreement and the remaining 2 are being closely monitored. Where schools are recorded as showing some concerns this is mainly due to future budget forecasts showing a possible deficit.

**Short Term and Medium Term Risks and Issues:**

Rating	Detail	Mitigation/Further Actions
<b>Red</b>	<p><b>High Needs</b></p> <p>Continuing and growing pressures on the high needs block. Large overspend in 2019/20 and growing pressures.</p>	<p>Continuing the good governance initiated in 2017/18 and 2018/19 for the High Needs budget.</p> <p>Implementing recommendations from BMG, further BMG work.</p> <p>Funding due to be received in 2020/21 should have a positive impact.</p>

HP explained that many people did not understand how to access the SEND inclusion funding and asked that there be clearer information for schools on how to access the funding.

**Action:** Information to be sent to schools regarding the accessing the SEND inclusion funding. Please see the attached document.

**AJW**

**6. DSG BUDGET SETTING 2020/21**

2020/21 DSG has been notified to all Local Authorities, the allocation to Plymouth is detailed below:

	£m
<b>DSG Allocation – December 2019 Notification</b>	<b>219.143</b>
Made up of:	
Schools Block	164.443
Central Services Block	3.210
High Needs Block	34.164
Early Years Block	17.326

	£m
<b>DSG Allocation</b>	<b>219.143</b>
<b>Deductions and additional income:</b>	
High Needs deductions	(5.953)
Retained ESG (allocation to LA)	(0.601)
Retained ESG shortfall (allocation to LA)	(0.142)
<b>Allocated 2020/21</b>	<b>212.447</b>

**A draft budget for 2020/21 has been costed and totals £212.447m; this is a balanced budget.**

A detailed breakdown of the DSG Budget is shown in Papers A2 and B2.

The Central Services allocation of £3.210m includes £0.849m for the ceased historical commitment for the Excellence Cluster. Forum had agreed that this should be allocated to schools, with the exception of £0.142m to fund the ESG retained duties shortfall. The remaining £0.707m will be distributed to schools through the High Needs Block, in the same manner as in 2019/20, as previously notified to Forum.

**Action:** HS to remind schools of the return of unallocated funds through the HNB.

**HS**

The Central Services allocation also includes £0.601m funding for retained ESG duties, which forum has approved to allocate to the LA, along with the £0.142m mentioned above. The statutory retained duties are:

- Leadership function and support within Local Authority
- Finance
- Education Welfare Service
- Asset Management.

The breakdown which was provided as part of the School Consultation is included at Appendix 6.5.

The forecast figure for deductions from the high needs block is £5.953m based on updated place funding data submitted to the ESFA.

Plymouth has received an increase of approximately £3.998m through the High Needs Block in the 2020/21 allocation. Special schools have been subject to the following:

- No increase to top-up funding rates for several years (last change 2013/14, no significant increases)
- No increase to special school base funding for several years.
- No increases under NFF
- Increase in costs for all schools (est. 8.7% between 16/17 & 19/20 alone).

Through agreement with Schools Forum, a 10% increase to top-up funding banding rates for individual pupils has been applied to Mainstream, Support Centre, Special School and Alternative Provision.

This has been included in the relevant budget lines per the High Needs Budget breakdown, along with increases for expected demand. The remaining funding is being held as a contingency budget against the special school budget line, although it is not earmarked for this purpose yet.

Forum will determine the usage of this contingency budget through BMG recommendations; a progress report will come to the next Forum.

The High Needs Block calculation includes an import/export adjustment, which provides additional funding for LA's who have a high number of pupils from other areas. This will be updated in March 2020, and could result in a change to the total High Needs Formula.

The reimbursement for lost Support Centre place funding under the new arrangements has been included in the high needs block budget at £0.018m. This relates to the change where Support Centre place funding was previously funded fully from High Needs Block. Now that funding is partly through Schools Block, some schools drop below the £10,000 they used to get, Forum continues to uplift funding for these schools to bring back to the £10,000. This relates to Goosewell (£3k), Egguckland Vale (£8k) and Thornbury (£7k).

In 2019/20 Exceptional Cohort funding was issued based on requests which gathered some valuable data on the use of the funding. In 2020/21, subject to Forum approval, the funding will be automatically issued, based on the longstanding formula used in all previous years.

#### **Recommendations agreed by Schools Forum:**

1. To approve the 2020/21 budget, as per appendix '6.2 Paper B2 - Extended DSG budget report 2021/21'. Forum should recognise that future adjustments may change the total DSG allocated.
2. To approve that the current forecast 2019/20 year end deficit DSG balance of £0.219m is carried forward to 2020/21. There may be some changes to the final brought forward balance by the end of the financial year.
3. To approve that exceptional cohort funding is issued automatically, rather than by request, using the same formula used in all previous years.

<b>7.</b>	<b>AOB</b>	
	<p>Schools Forum Communication Plan:</p> <p>It is recommended that the following additional steps are taken in order to be able to raise the profile and increase visibility of Schools Forum in order that there is confidence in the accountability of this work.</p> <ol style="list-style-type: none"> <li>1. To include an addition section on the webpage explaining the reporting arrangements for Budget Modelling Groups.</li> <li>2. To provide Bulletin Updates to all CEOs, Headteachers and Chairs of the Associations as follows: <ul style="list-style-type: none"> <li>▪ Notification of Schools Forum agenda and papers being published.</li> <li>▪ Brief summary following Schools Forum regarding areas considered and decisions made pending minutes being published.</li> </ul> </li> </ol> <p><b>Recommendations agreed by Schools Forum.</b></p> <p><b>Action:</b> AP to forward summary to LH to include in PLP newsletters.</p> <p>Some discussion regarding the maintained schools 'buy back' service for RPA Insurance; the costings and comparable services available.</p> <p><b>Action:</b> AP to discuss RPA 'buy back' service for maintained schools at the next maintained schools meeting on 4 March.</p>	<p><b>AP</b></p> <p><b>AP</b></p>
<b>8.</b>	<b>DATES OF FUTURE MEETINGS</b>	
	<ul style="list-style-type: none"> <li>▪ 10 June 2020 – 2pm-4pm at Douglass House</li> <li>▪ 11 November 2020 – 2pm-4pm at Douglass House</li> <li>▪ 9 December 2020 – 2pm-4pm at Douglass House</li> </ul>	