

Schools Forum

Date: 14 September 2023

Time: 8:30 a.m.

Venue: TEAMS Meeting

Paper

A

Public

MINUTES OF SCHOOLS FORUM HELD ON 15 JUNE 2023 – HELD VIA MS TEAMS**Present****School forum members**

Bill Dowell (Chair)
Mark Cooper – Academy headteacher
Sian Lines – Diocese of Hereford
Sue Lovecy – Academy headteacher
James Pearson – TMBSS
Michael Revell – Academy governor
Mark Rogers – Primary headteacher
Andrew Smith – Independent Post 16
Shelly Hurdley – Early Years

Members

Kirstie Hurst-Knight

Officers

David Shaw
Jo Jones
Neville Ward
Stephen Waters
Phil Wilson
Sarah Jones

Observers

Roger Evans
John Boken

1. Apologies

Apologies had been received from Stephen Matthews, Gwilym Butler, Carla Whelan, John Hitchings, James Staniforth, Sandra Holloway, Caroline Clode, Marilyn Hunt, Sonia Taylor and Nick Bardsley.

2. Minutes and Matters Arising (not covered by agenda)

Bill Dowell acknowledged that this is the first meeting without Helen Woodbridge as Clerk and thanked Helen publicly for all her hard work and support over the years, she will be greatly missed.

Phil Wilson introduced Sarah Jones who would be clerking this meeting.

Jo Jones went through the protocol for the online Schools Forum meeting.

The letter to the DfE and ESFA has been delayed due to the number of pending announcements. This is still ongoing and will be referred to during the course of the meeting, as we look at the changing landscape around schools funding.

ACTION

There has been some movement on the recruitment of academy representatives for Schools Forum, Sonia Taylor was unable to attend this meeting but is now a member going forward. Brian Thomas is the representative from the special school sector, but due to Brian leaving Severndale at the end of this term with a new colleague and a new Trust Executive lead starting in September, it's deemed appropriate to delay recruitment into that seat until the Autumn term. Shelly Hurdley has agreed to continue as Early Years representative.

High Needs Block Funding – Currently waiting for the statements to be released in July from which we will produce an updated 3 year forecast over the Summer. Will be able to provide a further update at the next meeting in the Autumn term.

3. Updated Dedicated Schools Grant 2023-24 (Jo Jones)

Jo Jones provided an update on the Dedicated Schools Grant (DSG) allocations for 2023/24.

Shropshire's 23/24 DSG allocation was updated in 2023 to include recoupment for academies and deductions for high needs places funded by the Education and Skills Funding Agency (ESFA).

	Provisional DSG £m	Recoupment/Deductions for HN Places £m	Latest DSG £m
Schools Block	200.087	136.500	63.587
EY Block (provisional)	18.280	0	18.280
High Needs Block	39.268	7.038	32.230
Central Schools Services Block (CSSB)	2.378	0	2.378
Total DSG	260.013	143.538	116.475

The Schools Block deduction relates to 63 mainstream academies who receive funding directly from the ESFA. The High Needs Block deduction relates to place funding in the pre and post 16 sector including special academies, mainstream academies, further education and independent learning providers directly funded by the ESFA. Shropshire's allocation for the Schools Mainstream Schools Additional Grant (MSAG) 23/24 is £6.77m, however this is currently separate to the DSG allocation. The Additional High Needs Grant 23/24 of £1.644m is reflected in the High Needs Block of the DSG allocation.



4. **Early Years Funding Update – Spring Budget Announcement (Neville Ward)**

Neville Ward provided an update on the significant changes to Early Funding, following the Governments budget announcement back in March 2023.

Eligible working parents in England will be able to access 30 hours of free childcare per week, for 38 weeks of the year, from when their child is 9 months old through to when they start school. This will be rolled out in stages:

- From April 2024, eligible working parents of 2-year-olds can access 15 hours per week.
- From September 2024, eligible working parents of children 9 months up to 3-year-olds can access 15 hours per week.
- From September 2025, eligible working parents of children aged 9 months up to 3 years old can access 30 hours free childcare per week.
- The Government will also substantially uplift the hourly rate paid to providers to deliver existing free hour offers. This will provide £204m of additional funding this year, increasing to £288m by 2024/25.
- This is in addition to the £4.1bn that the Government will provide by 2027/28 for the expansion of the new free hours.

At the moment HMRC are defining eligible working families as any family where both parents are working in excess of 16 hours per week, or in a one parent family is working in excess of 16 hours per week. We're still waiting on confirmation that this eligibility criteria will be the same in respect of the new entitlements, but the expectation is that it will be.

The announcements were made on the back of the Governments Economic Policy around supporting people getting back into work and to reduce the cost of childcare enabling them to that. Since the announcements the DfE have suggested that in future there may be more emphasis on the educational benefits of children starting earlier in a good quality early years provision and how it will support preparing school readiness, as well as supporting parents getting back into work.

The Government are trying to make childcare more affordable and by doing so they're going to:

- Increase the range of free entitlements.
- Support and encourage the further provision of wrap around care within our schools and school communities.

Change staff ratios for 2-year-old provision – The current ratios will change from 1:4 to 1:5 from September 2023 for children aged 2.



- Make grants available for potential people who are looking at childminding as a career, either £600 or £1,200 for new childminders. We have seen a significant reduction in the overall level of childminding provision over the last 3-4 years. The Government are certainly seeing childminders as being an important thread of this new development.
- Changing Universal Credit to enable parents to access more of their Universal Credit up front to help pay for childcare provision when they return to work.

All disadvantaged 2-year-olds and all 2-year-olds from eligible working families will get the same entitlements from April 2024 of 15 hours per week, for 38 weeks of the year, which unfortunately does mean that there will be a small but significant group of families that fall outside of both eligibility criteria's, which is disappointing. We are, along with many other local authorities pressing the DfE and HMRC on whether we could make the 2-year-old entitlement universal from April 24, so that there are no family's falling through the gap.

From September 2024, the 15 hour a week entitlement will extend to children from the age of 9 months. This will enable parents returning to work at the end of their maternity/parental leave, to access free childcare from that point.

One year later from September 2025, the 2-year-old and 9-month-old entitlement for working families will increase to 30 hours a week, to match what is currently available for 3 and 4 year olds. Eligible working parents will be able to access 30 hours a week for any children aged from 9 months upwards. The Government have promised uplifts to the funding rates to recognise the significant impact that this will have. We are awaiting a proposed increase in the hourly rates from this September, ahead of the new entitlements coming into place and then a further uplift from April 2024. At the moment the hourly rate increase will predominantly be in respect of the 2-year-old entitlement, we're not expecting a significant increase to the 3 and 4 year old entitlement.

The Government is also supporting parents of primary school aged children with wrap around care provision. Up to £290m is being invested over the next two academic years, to try to ensure that there is wrap around provision for all parents of primary school children between 8am and 6pm. This will present us with some significant challenges in Shropshire, a number of schools are already/have tried to offer this provision but haven't been able to make it sustainable. We have to be realistic in Shropshire that it's going to be extremely challenging to meet the individual needs of every single parent when it comes to wrap around provision.

The DfE have launched a pilot programme and we have asked to be involved in the pilot and should hear by the end of this week whether we will be. We think it's important to get rural, local authority representation as part of the pilot to try to



ensure that the DfE understand the challenges that the wrap around care initiative presents to large rural authorities like Shropshire.

In terms of flexibility, staff ratios are proposed to change from September 2023 from 1:4 to 1:5 for 2-year-olds. There's a consultation on the Early Years Foundation Stage changes, which is open now and we're encouraging all of our providers to respond to that consultation.

Significant changes and significant challenges ahead, certainly in respect of ensuring that there is sufficient provision to meet demand. One of the first challenges will be to try to gauge how much of this is likely to be new demand and how much is likely to be parents switching from existing paid for childcare to free childcare. Providers are obviously keen to understand what the new rates of funding will be and how they compare to what they are charging parents at the moment. More level of detail is expected between now and the end of term.

In terms of our providers, big challenges still remain in terms of recruitment and retention and one of the biggest challenges will be ensuring that there's enough staff to allow providers to meet demands for new parents coming forward. We're working together with colleagues at Telford College and Shrewsbury College, looking at apprenticeship programmes. Shelly Hurdley has been involved in attending school leavers events to promote childcare as a career. Apprenticeships are seen as being one of the most successful and is one of the roots into childcare that we're looking to promote and encourage at the moment.

Kirsty Hurst-Knight thanked Neville for being so proactive as soon as the Government announcements were made and for all the work that's been done behind the scenes to get to this point.

Mark Rogers raised the issue of wrap around childcare and how this will work in rural areas – For a group of small schools where it wouldn't be sustainable for them to have their own wrap around provision, would the sensible answer be to have a reasonably central location for the children to go to, but there would be an awful lot of work and financial risk with this if the provision is only half full. Heads and Governors will want to support this, but it will be a lot of work for the schools to co-ordinate. Neville confirmed that these were the exact points that are being raised at the moment and that the model of a group of schools working together to provide provision would work really well during school holiday periods, but not during term time.

Shelly Hurdley provided an insight from a childcare provider point of view and reiterated that the main difficulties they face are around recruitment. Trying to be proactive by visiting secondary schools to promote childcare, but the main issue is that people can't afford to live off minimum wage. Settings are full to capacity,



so having to turn people away which is really sad. Should we be using different language when we refer to free entitlement, as it's not free? Currently have a deputy job vacancy but have had nobody apply at all so far. Also, the volume of children with high level needs along with the extra pressure around staffing is a problem, as would love to cater for more!

Media Coverage – Reluctant to do this until we know more detail. Once the announcements come up between now and the end of term, we will put something together to roll out at the start of the Autumn term in terms of making sure that parents are fully aware of what their entitlements will be, but to also reassure them that the quality of our provision across the County is very good and not dissuade them from accessing childcare. The DfE have promised that there will be a national recruitment campaign, which has unfortunately been put back until January 2024 now.

Bill Dowell thanked Neville for the level of detail in his report.

5. School Balances as at March 2023 (Jo Jones)

Jo Jones presented a paper on school balances as at March 2023. The report informed of actual school balances for the maintained sector only and is compared to the previous year's position.

Overall, the level of school balances held by maintained schools in Shropshire has increased over the last financial year by 12%, to a total balance of £6.958m.

There were no academy conversions during the financial year 22/23.

Primary school surplus balances increased by 13%, there are no secondary school surplus balances and special school surplus balances have increased by 17% over the year.

Deficit balances – Overall deficit balances have increased by 24%, deficit balances have increased in the primary sector and decreased in the secondary sector. Appropriate support and challenge are being taken with schools to ensure the unlicensed deficit positions are full addressed in 23/24 and deficit recovery plans put in place.

Jo Jones asked the group if it was necessary for this paper to be presented at future Forum meetings due to the fact that it's only reflecting the maintained sector and is not the whole picture. School balances are reported through Council accounts so producing this report for future Forum meetings may not be necessary.



Mark Rogers asked what the consequence would be if a maintained primary school accrued a large unauthorised deficit and then received an inadequate inspection result, what would happen to that deficit balance? Jo Jones advised that the deficit would sit against the DSG balance. When schools are in deficit, regular meetings are held between the LA and the school and we also keep an eye on schools that have inadequate inspection results to make sure that their budgets are balancing and not in deficit.

6. Growth Fund Criteria & Allocations 2022-23 and 2023-24 (Phil Wilson)

Phil Wilson reported on the Growth Fund which forms part of the DSG Schools Block.

2022/23 Growth Fund - A total of £246,000 was distributed to 6 schools and a further £37,053 has been drawn down for pre-opening costs by the academy trust operating the new Bowbrook Primary School, opening in September 2023. An allocation of £366,068 was set aside for distribution to schools requiring growth to meet basic need – not all of this was used - accumulated Growth Fund balances carried forward total £285,202.

2023/24 Growth Fund – Significant changes in the formula characteristics for 23/24 has seen a reduction in the ‘headroom’ in the Schools Block to support Growth Fund requirements – only £17,844 available. Current commitments total £423,088 to be distributed to 8 primary and secondary schools for basic need, plus further re-opening costs for Bowbrook Primary School to the end of August 2023. The brought forward Growth Fund and the funding available in 23/24 totals £303,046. The shortfall of £120,042 in 23/24 will be met from DSG balances.

There is more pressure on the Growth Fund than we’ve ever had. The primary driver for that is the particularly large transfer group from Year 6 to Year 7. The secondary 2023 transfer group is the largest group we have experienced.

Within the consultation on the direct NFF, one of the areas that they consulted on was the Growth Fund. Consistency is needed in the way people are dealing with issues around Growth Fund. There will be requirements and expectations in terms of how we manage the funding, i.e. it won’t be used to expand schools because they are popular, or where academies elect to take above their published admission number, the funding won’t be used for that.

The growth rate is a national issue and not just unique to Shropshire. It’s a national spike in the birth rate for secondary age pupils, but it does fall away and return to expected levels. Phil will be pushing some information out to schools about School Place Planning review. Going forward, the numbers will go down, we’re expecting in the next five years without housing, primary school numbers



will drop by 8%. Bringing housing into it they will drop by 2%, but we're expecting a decline in pupil numbers in primary over the next 5 years, which will then feed through to secondary schools as well.

Changes are proposed for Growth Funding – more details promised for July.

Bill Dowell thanked Phil for his detailed report and for all his hard work in taking this development forward.

7. **Implementing the Direct National Funding Formula – Government Consultation Response (Jo Jones)**

Jo Jones reported on the consultation response on 'Implementing the Direct National Funding Formula (NFF)'. The consultation was held between 7th June 2022 and 9th September 2022, with the consultation response published on 26th April 2023. The consultation was around several elements of the move to a direct NFF.

- **Continuing to have some flexibility within the funding system to move funding to the High Needs Block (HNB)** - Shropshire over the past few years, bar 23/24, has always been able to transfer over to the High Needs Block up to half a percent, which we've been able to do with just Schools Forum agreement. What the Government is suggesting now is that we will have the flexibility to transfer high needs budgets, but this will now be done via an application to the Secretary of State. This change looks like it's coming in for 24/25. LA's will consult on a proposed transfer in the Autumn after the publication of the NFF values in July – the application to the Secretary of State will need to be done in Autumn, with decisions made early in the New Year.
- **The determination of indicative notional SEND budgets for mainstream schools** - This is around identifying for each school an indicative SEND budget to reinforce the message that schools core budgets are expected to provide support for these pupils and provide assurance that the level of SEND in the school's pupil population is reflected in their funding allocation. LA's should review the calculation of SEND budget through local funding formula factors. The Government will look at whether to strengthen the guidance issued for 24/25 so that there is more consistency in the calculation adopted by LA's.
- **How the DfE should fund schools experiencing significant growth or falling rolls under the NFF** – The new requirements will apply in all circumstances where a school has agreed with the LA to host an additional class to meet basic need. LA's will not be required to provide funding where growth results from parental choice or an academy has admitted above their PAN by their own choice. Minimum requirements will be placed on funding



levels, final guidance will be published in the Schools Operational Guide in July 2023 and changes will be made to how growth funding is recorded in the annual proforma tool (APT).

- **Allocation of split site and exceptional circumstances funding, to move away from historic data and allocate funding on school led elements through the NFF** – Allocate split sites funding nationally based on a formula factor made up of a ‘basic eligibility’ element and a ‘distance eligibility’ element from 2024-25. This will replace the current LA approach. Basic eligibility criteria would require additional sites to be separated from the school’s main site by a public road or railway, to be used primarily for the education of 5-16-year-olds, to share a unique reference number (URN), to have a building on a site that is maintained by the school. Distance of 500 metres between sites is the right threshold to bring consistency to the system whilst not causing undue turbulence to schools. This will include a distance taper as a part of the formula, starting at 100 metres. Allocating two-thirds of the available funding through the basic element and one-third of the available funding through the distance element. The funding will be around 60% of the 2024-25 NFF lump sum amount (this is higher than we do locally). The value for 2024-25 split site factor will be published alongside the July 2023 NFF announcement.
- **How the minimum funding guarantee (MFG) will operate in the direct NFF** – A move to a simplified pupil-led funding protection under the direct NFF. This will simplify the funding floor significantly, which will help improve the transparency of the funding system and make it easier for schools to understand how their funding levels are calculated. Future funding rates will depend on several factors, including the outcome of future spending reviews. In every year, the MFG levels are set with the aim of striking a balance between fairness and stability.
- **The timescales for the collection of data to calculate allocations and confirm these allocations with schools and trusts to support their budget planning** – Develop a calculator tool for schools to estimate future funding. Continue to provide early information regarding the design of the subsequent year’s formula in July each year. No plans to change payment process for maintained schools, this will come via the LA and the LA will deduct the de-delegation amounts and pass funding to schools.

8. Dedicated School Grant Monitoring 2022-23 (Stephen Waters/Karen Level)

Stephen Waters reported on the DSG outturn position as at the end of the 22/23 financial year.

The 2022-23 outturn position for the DSG is a £1.979m in year surplus. The surplus needs to be added to the £0.717m DSG surplus carried forward from



2021-22 resulting in a cumulative DSG surplus of £2.695m to be carried forward into 2023-24.

The 2022-23 outturn by block shows that the High Needs Block accounts for the majority of the in-year surplus, with a £1.409m underspend on the centrally controlled or retained High Needs Block and a £0.429m underspend on the Additional High Needs Funding. There are also small underspends across a number of other blocks, i.e. the Early Years Block = £0.036m; the De-Delegated items from Schools Block = £0.042m and the Schools Growth Fund from Schools Block = £0.083m.

- **Early Years Block** – Underspend of £0.036m on a provisional budget of £17.368m. The final Early years DSG allocation for 2022-23 is published later in the year. The main reason for this is an underspend of £0.144m identified in relation to the Early Years allocations for 3- & 4-year-old nursery entitlement. This is due to a decreased level of take up of free entitlement places from eligible parents. £0.141m overspend on SEN Support. The demand experienced on this budget has grown in recent years, and particularly sharply in 2022-23. £0.0161m overspend on deprivation payments and sustainability payments. Sustainability funding is used to ‘top-up’ the amount of per pupil funding paid to providers in more rural areas to ensure that they have enough overall income to operate. The overspend can be attributed to pandemic recovery with a few settings taking time to get numbers back up to sustainable levels. Early Years budget position is provisional. It is anticipated that the small underspend could change to an overspend for 2022-23 once the final Early years DSG allocation is published.
- **High Needs Block** – An in-year surplus of £1.408m on centrally controlled High Needs Block budget of £26.359m. This budget excludes the Place funding element of the High Needs Block which totals £8.992m but does include the transfer of £0.949m from the Schools Block. Looking at the key areas within the High Needs Budget, the ‘**Top-up Mainstream Schools**’ has an underspend of £0.362m, the reason being that the budget was increased to £5.395m in anticipation of a higher level of growth than we have experienced. One of the larger underspends within the High Needs Block is on ‘**Recoupment**’ which has a £0.808m underspend, the main reason for this being that there were a couple of invoices raised in 22/23 that related to the 21/22 financial year. For ‘**Top-up Special Schools**’ the underspend is £0.118m, expenditure increased significantly compared to 21/22 when the total expenditure was £4.988m, important to recognise that a proportion of this increase represents top-up funding for the new special school, Keystone. There was also an overspend of £0.293m reported against the SEN Support budget, which offsets some of the underspends discussed. The overspend in this particular area relates to one-off staffing overspends where additional staff have been employed, sometimes as agency workers to support the wider



increase in demand in the SEN system. Items relating to **'Post 16 FE College Placements'** has resulted in a £1.108m underspend. This is due to a decrease in expenditure of £0.182m compared to 21/22. The budgeted level of £2.770m still reflects the significant growth built into the budget in 21/22 which didn't materialise. The number of EHC Plans is approximately 10% year on year so you would expect large expenditure growth in the budget area. Instead, we believe there is a higher proportion of post 16 pupils attending independent Special Schools or independent alternative providers. In the **'Independent Providers'** budget area we're reporting a £0.779m overspend. This has been an area of significant growth in 22/23. Expenditure reflects a large increase of 27% relative to last year's outturn figure, which is higher growth than expected. The overspend relates to the independent Special Schools budget which shows an overspend of £0.839m and this relates to 'Education' led placements rather than the contributions to complex, joint funded placements with social care and health. More frequent use of the independent alternative providers, particularly in relation to post 16 as well as an increase in numbers attending out of County, independent special schools.

- **Additional High Needs Funding** – Additional high needs allocation of £1.342m to be targeted towards Shropshire Special Schools, Pupil Referral Units and Alternative Provision settings. As at the end of 22/23, the Council had spent £0.913m of the allocation leaving an underspend of £0.429m which forms part of the £1.979m in-year surplus carried forward into 23/24. It's important to note that the Council is currently reviewing top-up funding levels to Special Schools. David Shaw commented on how the surplus balances to be carried forward are only 4% of the total High Needs Block allocation. Given what we're seeing this year around growth and demand, it's predicted that we will see a different picture by the time we get to the Autumn term Forum. Comparing back to the entire 2021 period, there were 261 requests for assessment across the entire year and in 2022 we had 487, with a really significant increase in the latter part of the year and we're already half-way up to that figure now. David shared a link to the SEND Accelerated Progress Plan (APP) [SEND Accelerated Progress Plan \(APP\) | Shropshire Council](#) which is the action plan following the SEND inspection last year and identifies a range of activity and investments that we need to do around rebalancing, refocusing, reprioritising and redesigning the census in Shropshire. Mark Rogers raised serious concerns over the number of children with complex needs coming into mainstream school. Concerns around the volume of children in Early Years who have been identified and many more that haven't. Staffing is a real issue as unable to recruit enough staff to meet the needs of the children. Frustration over the time it takes for EHCP's to be issued. Mark Cooper commented that he's not seeing this trend at secondary school level, with a very low percentage of children with EHCP's in school.
- **Central School Services Block** – An in-year overspend was incurred of £0.020m. £0.013m of this overspend relates to the Schools Admissions Team.



- **Schools Growth Fund** – Expenditure of £0.183m in 22/23 against the allocated Growth Fund of £0.366m resulting in a £0.083m in-year underspend. This underspend is effectively carried forward into 23/24 as part of the overall DSG surplus carried forward. The call on the Growth Fund in 23/24 requires that both the £0.083m underspend carried forward from 22/23 plus the 21/22 Growth Fund underspend of £0.282m are required to support anticipated Growth Fund expenditure in 23/24. It's therefore important to note that £0.285m of the overall DSG surplus of £2.695m is earmarked for this purpose in 23/24.
- **Overall position** – The Council's DSG financial position is healthy in reporting a cumulative surplus of £2.695m as at the end of the 22/23 financial year. £0.285m of this £2.695m surplus relates to the 21/22 and 22/23 surplus carried forward on the Schools Growth Fund. This value is earmarked for the Schools Growth Fund in 23/24 where the Council's Schools Growth Fund needs 'topping-up' to meet 23/24 expenditure requirements. The High Needs Block DSG 3 year forecasting exercise undertaken earlier in the year demonstrates that future expenditure growth is likely to outstrip future growth in High Needs Block DSG allocations, specifically from 24/25 and beyond, so although the position looks healthy now, this level of carry forward may well be required to support future year's spending as the increase in High Needs Block DSG funding nationally diminishes. It's also important to note that a small proportion of high-cost, low incident cases can disproportionately impact the High Needs Block DSG financial position. We know that many young people have been adversely impacted over the past 3 years and this is no different for SEND children and may well be even more pronounced. The impact over this period has the potential to see the number of vulnerable children and young people presenting with complex mental health.

Recommendation – Schools Forum members were asked to note the DSG monitoring report and approve that the £1.979m in-year surplus/underspend is added to last year's surplus carry forward of £0.716m, with the remaining balance of £2.695m to be carried forward into the 23/24 financial year. The recommendation was endorsed by Schools Forum members following a showing of hands.

Communications

9.

There was no update for this agenda item.

10. **Future meeting dates:**

Thursday 14 September 2023
Thursday 26 October 2023



Thursday 30 November 2023
Thursday 11 January 2024 (Provisional)
Thursday 25 January 2024
Thursday 14 March 2024
Thursday 13 June 2024

The meeting closed at 10:28am



