

**ROTHERHAM SCHOOLS' FORUM
FRIDAY, 21ST JUNE, 2019**

In Attendance:-

Deborah Ball Treeton Primary (Academy) (in the Chair).

Lianne Camaish – Aspire

John Coleman – Nexus Director (Special Academy)

Pepe Diiasio - Assistant Director - Education

Dean Fenton, Head of Service, Admissions, School Organisation and Appeals

Neil Hardwick - Head of Finance - Children and Young People's Services

Christina Hill – GMB Representative

Jenny Lingrell – Assistant Director, Commissioning, Performance and Inclusion

David Naisbitt – Oakwood High School (Academy)

Vera Njelic - Principal Finance Officer - Children and Young People's Services

Lynn Pepper – Herringthorpe Infant School (Maintained)

Adam Rashid – Unison Representative (Substitute)

Steve Rhodes – Winterhill School (Academy)

Alan Richards – Secondary Governors

Steve Scott – Happy Kids (PVI)

Paul Silvester – Newman Special School (Maintained)

Helen Simpson – Ferham Primary School (Maintained)

Jon Stonehouse - Strategic Director of Children and Young People's Services

Jon Taylor – Wath Academy (Academy)

Apologies for Absence:-

Peter Gerrard – Rawmarsh Nursery and Arnold Centre (Maintained)

Chris Harris – Wickersley Partnership Trust (Academy)

Kirsty Peart – Sitwell Infant (Maintained)

Andy Krabbendam – Kiveton Park Infant and Harthill Primary (Academy)

Sultan Mahmood – Unison Representative

Nevine Towers – Diocese of Sheffield

1. DECLARATIONS OF INTERESTS

There were no Declarations of Interest from the agenda to report.

2. MINUTES OF THE PREVIOUS MEETING HELD OF 5TH APRIL, 2019

Agreed:- that the minutes of the last meeting held on 5th April, 2019 be approved as a true and accurate record.

3. MATTERS ARISING FROM PREVIOUS MINUTES

There were no matters arising.

4. CONSTITUTION UPDATE

Consideration was given to the current constitution of the Rotherham Schools' Forum, which was representative across the borough.

However, a number of vacancies still did exist and every effort would be made for these to be filled.

Agreed:- That the current membership and the number of vacancies be noted.

5. 2018/19 DSG OUTTURN

Vera Njegic, Schools' Finance, introduced the report which detailed the 2018/19 outturn position of the dedicated schools grant (DSG).

A summary was provided of the surplus/deficit balances of the maintained schools within Rotherham and information in respect of pupil-led funding recovered as a result of permanent exclusions.

From the information it was noted that the Council's expenditure on schools was funded primarily by grant monies provided by the Education and Skills Funding Agency, the dedicated Schools Grant (DSG). DSG was ring fenced and could only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2018. The Schools Budget included elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which was divided into a budget share for each maintained School.

With regards to individual school budgets it was pointed out that within the Rotherham Scheme for financing schools, individual schools were permitted to carry forward balances to be spent or replenished in subsequent financial years. In total, the carry forward on individual school budgets was an overall combined surplus of £3.490 m.

It was also noted that the 2018/19 accounts also included the 2017/18 early years adjustment from the January, 2018 census of £336k which authorities were notified of in Summer, 2018 (after the 2017/18 statement of accounts had been compiled), but the DSG note to the accounts, however, was updated to include this.

Of the total 2018/19 surplus balances, eleven schools held balances above the thresholds set out in the Scheme for Financing Schools. The Scheme for Financing Schools set out the financial arrangement between the local authority and the maintained schools and stated that if a school's balance exceeded the allowable surplus (8% of school budget share for nursery, primary and special, 5% for secondary) and allowing for commitments and any amounts assigned for a specific purpose, then the Local Authority may deduct an amount equal to the excess balance.

Of the ten schools that were previously identified to be in deficit, three have now entered a surplus balance position, two now have academy status with a cumulative deficit balance of £218k and five schools remain in deficit.

Two schools that were previously in surplus have now entered a deficit position and meetings were taking place between the school, Finance, HR and School Improvement Service colleagues to determine the appropriate way forwards.

For all schools that were in a deficit position, individual three year budget recovery plans were in the process of being compiled. These would then be subject to formal review throughout the year.

The Forum considered the detail and noted that the excess surplus balances process had not been applied recently.

It was suggested that Academies could present their year end balances at the School Forum meeting in November.

The report also outlined that £93,051 had been recovered from individual schools and academies who permanently excluded pupils during 2018/19 financial year. Due to the increasing number of permanent exclusions, this was a 6% increase from 2017/18. This funding was utilised to reduce the amount of high needs block DSG funding required to fund the pupil referral units.

There were a couple of schools who had outstanding invoices, recovery action was being progressed. Some schools were under the impression if pupils were not included on the October census then they did not have to pay. It was clarified that this was not the case and all schools that excluded pupils would be charged.

Agreed:- (1) That the information particularly in relation to the reserve balances increasing to £15.1m (centrally retained) be noted.

(2) That the deficit balance, subject to change as a result of the early years adjustment for the Spring 2019 census count with an anticipated clawback of £26k, be noted.

6. HIGH NEEDS BLOCK OUTTURN AND 2019/20 BUDGET PLAN

Neil Hardwick, Head of CYPS Finance, introduced the report which sought to inform the Forum as to the 2018/19 outturn position of the High Needs Block and information in respect of the High Needs Budget Plan for 2019/20.

The Forum noted that Rotherham faced considerable pressure in continuing to meet the needs of pupils with Special Educational Needs and Disabilities (SEND) as there were increasing numbers of pupils with

an Education, Health and Care Plan (EHCP) and in-borough special school provision was currently over-subscribed.

It was also noted that wherever possible children and young people should have their needs met in their chosen mainstream setting, educated alongside their peers within their local community. However, for children with more complex needs specialist settings were sometimes more appropriate. Whether they were educated in mainstream schools or through specialist provision, these children and young people have a right to have their educational needs delivered. Funding for specialist education provision was provided from the High Needs Budget – part of the Dedicated Schools Grant (DSG).

Rotherham was a relatively low funded authority and had seen significant pressures on the High Needs Block for many years. The High Needs Budget allocation had increased year on year, but, partly due to Rotherham's low funding baseline compared to neighbouring boroughs and nationally, the budget uplifts have not been sufficient to match the acceleration in demand and increase in the cost of provision.

During recent years Rotherham had faced growing pressure on the High Needs Budget which had resulted in year on year deficits. In 2015/16 the High Needs in-year deficit were £1.004m; in 2016/17 it was £4.632m and in 2017/18 it was £5.098m which has contributed to a net deficit in the DSG Central Reserve of £9.7m.

The High Needs Block allocation (HNB) 2018/19 was £31.167m and had been under significant pressure for a number of years due to rising numbers of children supported in specialist provision and the rising costs of Education Health Care plans.

The addition of 125 places agreed through Phase 1 of the SEN Strategy agreed by Cabinet in February, 2018 were now coming on stream with 65 places now open with the aim of the provisions reducing demand for external placements and also meeting growth in the number of EHC plans.

Discussion ensued on the increasing figures and the costs linked to plans and the increase in sufficiency places which aimed to reduce high cost out of area spending moving forward.

Agreed:- That the information contained within this report be noted particularly in that the reserve balances have increased to £15.1m, with a £5.1m HNB deficit in 2018/19 and the plan to operate within the HNB funding in 2019/20.

(THE CHAIR AUTHORISED CONSIDERATION OF THE FOLLOWING ITEM AT THIS POINT IN ORDER TO KEEP THE FORUM ABREAST OF INFORMATION)

7. SUB-GROUP FEEDBACK

Paul Silvester, Head Teacher of Newman School, provided a synopsis of discussions that had taken place at the High Needs Sub-Group and the plans moving forward.

The Group wanted to have the opportunity to unpick and drill down into some of the financial information and feed this back to the Forum in due course.

Volunteers to assist the Group were welcomed.

Agreed:- (1) That feedback be provided back to the Rotherham Schools' Forum in due course.

(2) That John Coleman, Nexus MAT Director, join the Group to consider the High Needs Block detail.

8. DFE CALL FOR EVIDENCE CONSULTATION

Neil Hardwick, Head of CYPS Finance, and Jenny Lingrell, Assistant Director, Commissioning, Performance and Inclusion, outlined the document from the Department for Education which called for Local Authorities to consider aspects of the financial system for special educational needs (SEN) and high needs funding in England that may be adversely influencing local authorities, mainstream schools, colleges and other education providers in their support for children and young people with SEN, those who were disabled, those who required alternative provision (AP) and those at risk of exclusion from school.

It appeared that the overall amount of funding available was the most pressing concern for many and the total funding available for high needs would be carefully considered in the forthcoming spending review.

The call for evidence was, therefore, intended to focus on a related issue of how the current available funding was distributed, and what improvements might be made in future.

Views were, therefore, welcomed on specific areas of concern as well as on other aspects of the funding and financial arrangements.

Rotherham would respond to the Call for Evidence and provide evidence how it would operate going forward. but urged other partners and schools to submit their responses.

The response deadline was 31st July, 2019 and it was anticipated Rotherham's would be finalised by the 19th July, 2019.

Agreed:- That any information be welcomed to support the Rotherham Call for Evidence submission.

9. DSG DEFICIT RECOVERY PLAN

Neil Hardwick, Head of CYPS Finance, and Jenny Lingrell, Assistant Director, Commissioning, Performance and Inclusion, circulated a copy of the report and pointed out that nationally there were growing concerns about the level of funding within the High Needs Block.

The Association of Directors of Children's Services had undertaken a survey of financial pressures and reported that of eighty-five local authorities in 2016/17 only seventeen reported their spend was in line with the grant and that the remaining sixty-eight authorities had an aggregated overspend of £139.5 m.

Overspends were, therefore, being reported at most Councils and reporting current and estimated future high needs overspends and an expectation of reserves being fully utilised within the 2018/19 financial year.

The National Association of Head Teachers were also reporting a shift of 5% of pupils from mainstream to specialist provision between 2010 and 2017, posing a significant challenge to pupils with SEND.

In addition, an increase of 17% in SEND pupils attending independent schools between 2010 and 2017 and an increase of 46% in the number of pupils educated in alternative provision between 2013 and 2017.

The Forum noted that over the last four years there had been a rise in the number of Education Health and Care Plans.

Rotherham's Recovery Plan would aim to show how, within a three year period, in-year budget would be balanced.

Activity would be split into short term, medium term and long term behaviour change actions.

In the short term there would be:-

- Utilisation of all existing placements in the borough.
- Sufficiency for children with complex needs within Special Schools-Phase 1 of Project (2018/19).
- Review Inclusion Services offer and staffing to better meet the strategic priorities around sufficiency and inclusion.
- Review other LA placements.
- Review of external placements.
- Review Top Up arrangements.
- Review funding arrangement for additional places.

In the medium term:-

- Children who were within the mainstream ability range, but who have an EHCP and need higher levels of support were integrated within mainstream learning settings able to differentiate for specific subjects and there is a developed offer of a range of Inclusion Units- Phase 2/3 of Project (2018/20).
- Specific outreach teams with specialisms in Autism and SEMH at both primary and secondary level were developed to support schools and develop the graduated response- Phase 4 of Project (2019/21).
- A range of high quality post-16 options with increased capacity for supported internships and work placements.- Phase 5 of Project (2019/21).

In the long term:-

- Strengthen parent and carer knowledge the offer from available and suitable Rotherham provision in the early stages of the Education, Health and Care Plan process to minimise out of authority parental preference.
- To continue to work with schools to maintain pupils in mainstream settings wherever possible.

Continue to look at efficiencies and to assess the cost of placements on a place by place basis. It was emphasised this was not about looking to bring young people back into Rotherham, but to look forward to what Rotherham could offer with new opportunities.

Discussion ensued on the differing messages and the need to review arrangements and address any discrepancies.

In Rotherham the schools budget, which included the High Needs Block, was set at zero as it was set at the level of grant received. The High Needs Block had been under financial pressure in recent years and moved from an overspend of £1 m in 2013/14 to an overspend of £5.1 min 2018/19.

An overview of the current provision was provided highlighting that Rotherham currently had a range of high quality provision for children with SEND.

In terms of revenue budget projections modelling showed that through the expansion of provision and development of new provision it was possible to reduce the High Needs overspend and in time reduce expenditure to be more in line with the grant.

The Forum discussed the inherited formula for spend and noted how Post 19 provision had transferred to the High Needs Block.

Specific information was provided on the High Needs Block recovery plan and its focused activities along with development of expanding local provision through capital investment linked to Rotherham's Send sufficiency plans.

A headline copy of the response relating to the recovery plan would be circulated with the minutes.

Agreed:- (1) That the proposals set out for the High Needs Recovery Plan were supported by Schools Forum.

(2) That the financial model within the High Needs Recovery Plan be noted.

(3) That the arrangements for the management of the Dedicated Schools Grant deficit be noted.

10. SEND SUFFICIENCY EOI (VERBAL UPDATE)

Jenny Lingrell, Assistant Director, Commissioning, Performance and Inclusion, gave an update on the expressions of interest as part of the SEND Sufficiency that had been received and which were currently being looked at.

Whilst the expressions were positive it was not possible to provide any detail of their content, but more work was required. A clearer picture would be available for the next meeting of the Forum.

The Forum welcomed the update and engagement to date on seeking local solutions for local people.

Agreed:- That the information be noted.

11. RECOUPMENT OF FUNDING FOR EXCLUSIONS AND OFFSITE PROVISION

Neil Hardwick, Head of CYPS Finance, introduced the report which highlighted changes to the calculation of the adjustments made to the school budget shares in respect of permanently excluded pupils and pupils who remained on school roll, but were educated elsewhere.

The reports set out and outlined the changes to the funding adjustments for these pupils to enable us to comply with DfE legislative requirements.

Recent DfE guidance made clear that the local authority must deduct from the excluding school's budget in-year the amount within the funding formula relating not just to the age, but also the personal circumstances of the excluded pupil, pro rata to the number of weeks remaining in the financial year from the sixth school day following the date of permanent exclusion. Therefore, the deduction needed to cover not just the basic entitlement of per pupil funding (AWPU) but also the relevant amounts for other pupil-led factors, such as free school meals

or English as an additional language, where the pupil would attract funding through those criteria.

In order to comply with the DfE's guidance, the Authority will amend the deductions for permanently excluded pupils in 2019-20 in order to include the additional needs funding relevant to the pupil. The appendix outlined the pupil-led funding factors that would be deducted under these arrangements and the maximum deduction of budget share funding possible, in the every unlikely event that a pupil attracted all the funding factors listed.

In line with the DfE requirements, Pupil Premium would continue to be deducted where applicable – in addition to the budget share formula factors discussed.

The mechanism outlined also applied to pupils who left mainstream schools and academies for reasons other than permanent exclusion, and were receiving education funded by the Local Authority other than at school. The deduction rate would be applied on a pro-rata basis i.e. the charge would reflect the number of days the pupil was educated off-site by the Local Authority.

Forum Members suggested this information be circulated to all Head Teachers to avoid the detail being missed and for this to be included on the agenda for the next Head Teachers' meeting.

Advice and support would be available if problems were encountered.

Agreed:- That the changes outlined in the report for calculating the amount to be recovered from a school or academy which had permanently excluded a pupil or where the pupil was educated elsewhere.

12. UPDATE TO PUPIL GROWTH POLICY

Neil Hardwick, Head of CYPS Finance, introduced the report which provided an update on growth funding which enabled Local Authorities to support schools with significant in-year pupil growth. The growth fund could also be used to:-

- Support growth in pre-16 pupil numbers to meet basic need.
- Support additional classes needed to meet the infant class size regulation.
- Meet the costs of new schools.

At the November 2018 meeting, Schools Forum approved a 2019-20 contingency for a pupil growth fund for those schools the Local Authority had asked to increase their pupil admission number (PAN).

An outline was provided on the transitional *funding (7/12 funding for maintained Schools and 12/12 funding for Academies)* required to support the additional staffing requirements for expanding schools in the Borough until school census funding generated the income for the additional pupils.

It was also noted the pre start up allocation required in relation to Waverley Junior Academy was agreed by Schools Forum as part of the pre start up and diseconomies in the first year of operation funding formula for new schools.

The Forum were advised that where schools were expanded, it was necessary to provide interim financial support to bridge the gap (between 1st September and 31st March for maintained Schools and 1st September to 31st August for Academies) due to funding arrangements. Funding was allocated to schools each year based upon numbers on roll on Census day in October of the preceding year. Additional pupils commencing at the start of a new academic year would not be on roll at that time in order to generate sufficient funding to meet additional staffing and other agreed expenditure.

Clarity was also provided on the current (2019/20 financial year) and future arrangements and that future payments would be made on actual expansions and recruitment of teachers and teaching assistants and not in advance.

It was agreed by School Forum to defer implementation of the revised policy until the 2020/21 financial year.

The Local Authority were proposing a number of amendments to the policy, namely:-

- If a class was created between September and April, the amount would be reduced by 1/7th (1/12th for academies) for each whole month that the class was not needed.
- When a class was created the Local Authority would require evidence of staff appointments in order to release funding.
- When a school took additional pupils, but had no requirement for an additional class they would only receive the resources amount of £252 per pupil capped at 15 pupils.
- Agreed allocations would be paid during the autumn term.

Agreed:- That the amendments to the Pupil Growth Policy detailed above be approved.

13. ANY OTHER BUSINESS

There was no other business to consider.

14. DATE OF NEXT MEETING

Agreed:- That the next meetings of the Rotherham Schools' Forum take place on Friday, 27th September and 8th November, 2019 respectively at Rockingham Development Centre.