

**SCHOOLS FORUM
22 OCTOBER 2020
4.30 - 5.40 PM**



Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)

Schools' Members

Jane Coley, Academy School Representative (Headteacher)

Neil Davies, Primary School Representative (Headteacher)

Peter Floyd, Special School Representative (Governor)

Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)

Roger Prew, Primary School Representative (Governor)

Phil Sherwood, Primary School Representative (Headteacher)

Debbie Smith, Secondary School Representative (Headteacher)

Richard Stok, Primary School Representative (Governor)

Greg Wilton, Teacher Union Representative

Observer:

Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning (Observer)

Apologies for absence were received from:

Liz Cole, Primary School Representative (Headteacher)

148. Declarations of Interest

Richard Stok declared an affected interest in respect of Item 5 (Update on the High Needs Block Budget for 2020-21 and 2021-22) as Meadow Vale was a provider of specialist High Needs services.

149. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the Forum held on 16 July 2020 be approved as a correct record.

The actions from the last meeting of the Forum were to be reported in Item 4 (High Needs Block Sub-Group Minutes) and Item 5 (Update on the High Needs Block Budget for 2020-21 and 2021-22).

The meeting which was due to be held on 17 September 2020 had been cancelled as there was no useful information to be shared by that date.

There were no other matters arising not covered by the agenda.

150. High Needs Block Sub-Group Minutes

The Forum received and considered the minutes of the High Needs Block Sub-Group held on 8 September 2020 and 8 October 2020.

151. **Update on the High Needs Block Budget for 2020-21 and 2021-22**

The Forum considered a report which updated on the increasing budget difficulties being experienced on the 2020-21 High Needs Block (HNB) element of the Schools Budget, the significant medium term budget deficit now being forecast and the monitoring and intervention arrangements being put in place by the Department for Education (DfE).

Rachel Morgan had prepared a PowerPoint presentation to update on the HNB Budget. This had been shared with the Corporate Management Team (CMT) at Bracknell Forest Council (BFC) and was also due to be shared with Members. Nationally, there were significant cost pressures arising from increasing numbers of EHCP's. At the beginning of September, the Children's Minister said there would be a national review looking at funding for SEND.

Locally the deficit was getting larger. The Covid-19 pandemic had not helped but there had also been an increase in demand and in unit costs. In the two years up to March 2019 the number of EHCPs was up by 17.7%, which was higher than the national increase. Prices of out-of-borough placements were increasing. Rachel Morgan reported that there were 45 children within BFC who couldn't be placed in August. There were lots of providers who said they didn't want to take more children due to Covid-19.

When the 2020-21 budget was set, the 3-year financial forecast predicted an £11.5 m overspend with no interventions. This had now been revised to £15.8m with no interventions. Even with interventions, there was a predicted cumulative deficit of £12m.

There had been limited capacity to take forward the agreed measures identified in the savings project plan. There was a lack of opportunity to collaborate with key partners including Health. There was also an urgent need to look at the post-16 cohort of SEND. Linked to Covid-19, commissioners needed to be re-directed away from working on SEND as they were deployed to Adult Social Care, which had a significant impact on a number of measures. Rachel Morgan shared the progress made against the savings project plan and noted that most of the targets that had not been achieved were linked to the commissioning issues.

The SEND commissioning action plan 2020-22 was devised to address these issues and the DfE had agreed that the Council had identified the right areas to focus on. The priorities were to ensure appropriate resources across the continuum of support, work with commissioning to improve provision, identify and progress the next steps for SEMH provision, improve control of numbers of EHCPs, and improve governance of SEND processes and procedures.

One of the ways to improve the control of numbers of EHCPs was to look at the post-16 cohort. Rachel Morgan explained that there were many children in education who may have been better off in training or apprenticeships; work was needed to ensure these possibilities were explored as part of EHCP reviews.

CMT had agreed that more resources needed to be directed towards SEND arrangements and had agreed that SEND would be part of the Council's transformation programme which meant that the team would have dedicated project management support as well as a full-time commissioner and more specialist staff support. This was expected to lead to increased capacity to deliver these commitments.

Rachel Morgan had been in dialogue with colleagues from the Sub-Group and agreed to pause the meeting of the Sub-Group until January 2021 when they could revisit the Terms of Reference (TOR) and appoint a Chair, either from within the Sub-Group or someone independent. There was a need for the Sub-Group to refocus on meeting the objectives by set timescales and reporting on the budget.

The Chair asked what the mechanism was for the funding overspend. Rachel Morgan replied that she was not aware of any Local Authorities (LAs) that did not have a deficit. The DfE had intervened in other areas, and the expectation was that the DfE would work with LAs to come up with a plan and monitor progress on that. BFC had been proactive in creating a plan. Rachel Morgan hoped that the national review would help to address some of these issues.

Paul Clark added that the DfE had updated the Dedicated Schools Grant (DSG) grant conditions to confirm that and debt on HNB spending must remain in the Schools Budget and was not a financial responsibility on LAs. Monitoring and intervention arrangements of local authorities in deficit had also been strengthened which would impact on the Bracknell Forest Schools Budget. The DfE had provided a template deficit recovery plan for authorities in deficit to complete and Paul Clark would present the outline plan in the meeting of the Forum in November.

Action: Paul Clark

The Chair asked what the implications were of the debt coming out of the DSG. Paul Clark explained that the money received in the DSG each year should be financing what is spent. There was limited ability to move money between blocks. However, there was some recognition nationally that spending could not be met from the current system and debt recovery would be a medium to long term requirement for some LAs.

The Chair enquired whether the 45 children who were unable to be placed in August remained unplaced. Rachel Morgan responded that BFC had never been in that position before. The number had gone down to 8 children and they were receiving alternative provision and tuition.

The Forum reflected that pausing the Sub-Group for two months carried certain risks; firstly, that the next budget cycle would have been missed, and secondly, that delays in decision-making would have led to the overspend getting even bigger. Rachel Morgan explained that, from feedback from colleagues, it was clear that the Sub-Group needed review. However, the issues were not being ignored and CMT were monitoring this process. It was felt that the Sub-Group needed to be more involved in "doing". This would be aided by the transformation project which would identify tasks and present clear data.

The Forum asked whether BFC had been successful in keeping a higher proportion of students in in-house provisions. Kashif Nawaz replied that there had been a marginal increase in out-of-borough placements this year.

The Forum reflected that EHCPs were a useful tool to help parents to get the best provision for their children. Whilst the Forum understood that EHCPs were quite expensive, the Forum queried whether the plan was to limit EHCPs based on numbers as opposed to need. Kashif Nawaz replied that preparing for adulthood was a key priority and post-16 plans needed to reflect that. The Forum enquired whether the plan was for EHCPs to continue on assessed needs, or whether there was an effort to reduce numbers of EHCPs based on expense. Kashif Nawaz responded that, regarding assessed need, more work was needed to be done in terms of the

scale of need in the pre-assessment stage. In terms of reducing spend, BFC was aware that there was a cohort of post-16 who were in a better position to independently manage their needs without accessing resources. There was a need for better management of annual reviews to cease plans when appropriate.

Councillor Barnard noted that having a full-time commissioner would be beneficial. There was a need to understand the needs of the children, to identify what existing spaces could be converted to deliver what we want to do, and to consider how to fund that. Councillor Barnard felt that BFC needed to aspire to place as many children in the Borough as possible. The Forum asked whether BFC could use classes freed up by those schools who had reduced the PAN. Councillor Barnard affirmed that. Any updates prior to the Sub-Group re-forming would be presented to the Forum.

The Forum asked whether the number of children who did not have places in August included children who were not in suitable provision. Rachel Morgan replied that the number just related to children who were not in any provision and did not include the number of children in mainstream settings who needed new placements.

The Forum queried whether the debt would come out of school budgets. Paul Clark clarified that it was an issue for the HNB and would be contained within the HNB. There was no expectation that money would be taken out of schools.

The Chair highlighted that the report referred to staffing issues within the BFC SEN team and the Educational Psychology Service. Rachel Morgan advised that the SEN team was now fully staffed in terms of officers but still required a team lead. The staffing issues were not helpful in dealing with the increase in demand. Regarding the Educational Psychology Service, BFC was struggling to recruit Educational Psychologists and both the ones that were employed by BFC had become Locums. BFC were looking at recruiting newly qualified Educational Psychologists.

Rachel Morgan would present the TOR for the Sub-Group and a timeline for the commissioning plan at the next meeting of the Forum.

Action: Rachel Morgan

The Chair thanked Rachel Morgan for her honest and straightforward information and expressed that the Forum wished to support to BFC in any way possible.

RESOLVED to NOTE:

1. the current update on the HNB Budget and its medium-term financial plan which now projects a £12.686m deficit at 31 March 2023;
2. the expectation that the DfE will require completion of their HNB Deficit Recovery Plan template, which will be shared with the Forum in advance of submission; and
3. the additional resources being applied to the delivery of the key elements of the SEND Commissioning Plan.

152. 2021-22 Budget Preparations for the Schools Block Budget and Other Finance Matters

The Forum considered a report which updated in respect of information currently available regarding the 2021-22 Schools Budget for mainstream schools together with other relevant finance related matters. This would assist the finalisation of the budget by the statutory deadline of 21 January 2021.

The key aim of the report was for the Forum to agree the approach to be taken in setting the 2021/22 budget for schools in order for effective work to continue over the autumn term as more budget information emerged.

Paul Clark explained that the DfE had only made a small number of changes to the national process to allocate funds to local authorities. Firstly, the DfE had made some changes in their data, mainstreaming the pay and pensions grant. Secondly, the data around deprivation measures had been updated and they have changed the way this money is targeted so that more money would go to the highest deprived areas. Thirdly, the 2019 pupil test scores would be used to allocate funds to schools for low prior attainment as there were no assessments in 2020 due to the Covid-19 pandemic.

The DfE had inflated most of their funding units by 3%. The primary rate for minimum per pupil funding levels (MPPFL) had gone up to £4,000 per pupil (an increase of 6.7% from the previous year) and the secondary school rate had gone up to £5,150 per pupil (an increase of 3%).

Table 3 of the report summarised the initial budget proposals for 2021-22 based on provisional budgetary data. In accordance with the agreed budget strategy, this attempted to replicate the DfE formula. It was expected that there would be changes to the data from the October census which Paul Clark would update at the next meeting of the Forum.

Action: Paul Clark

In terms of school financial responsibilities, the Secretary of State had placed 2 further conditions on schools which were detailed in the report. Paul Clark highlighted that, from the next financial year, schools were required to submit to the LA a 3-year budget forecast each year. BFC was looking to produce guidance as to what schools needed to provide by the end of the year.

Action: Paul Clark

Another change was that schools had to submit a recovery plan to the LA when their revenue deficit rose above 5%. Paul Clark did not envisage that this would have a significant impact in Bracknell Forest as this was already in place where required; it just made it a more formal process.

Regarding the Covid-19 pandemic, Paul Clark ran a workshop with schools which helped to ensure that the final data returns which had been settled were accurate. For schools which had not made exceptional cost claims, the DfE had completed payments and the average receipt was 31% of the maximum amount available compared to the 23% expected before the workshop. It was unfortunate that schools could not claim any more than that, which was due to the very narrow conditions set on claims by the DfE. Therefore, there was a large gap between what could be claimed and what schools were spending. Paul Clark would continue to collect data and planned to send out information to schools confirming the data for the summer term. This would provide certainty around the financial impact of Covid-19.

Action: Paul Clark

The Forum commented that in order to produce 3 year budget plans, schools would benefit from receiving updated pupil forecasts. Paul Clark advised that an update would be provided based on the template that was circulated in February.

Action: Chris Taylor / Paul Clark

The Forum expressed that the planned monthly data collections would help and asked whether the data would be used to any effect before the end of financial year. Paul Clark explained that the intention was to present clear figures to the DfE re the financial burden linked to Covid-19. How effective it would be was not something Paul Clark could answer but the data was needed so a strong case could be presented. The Forum asked whether schools would be advised to present their budgets as conservatively as possible. Schools may have had surpluses which could weaken our position, but the Forum felt strongly that schools should not be trying to cover the deficits. Paul Clark advised that next year's budget would be looked at in the context of Covid-19 and felt that the Forum had made a good point. Councillor Barnard agreed that schools were in an unsustainable position and needed to be clear that they had spent money wisely. Councillor Barnard was committed to doing everything he could to present as much information to Central Government.

RESOLVED

1. to AGREE that subject to consideration of school responses to the annual financial consultation and general affordability, the approach to setting the 2021-22 budget should be as set out in the report, and in particular:
 - i. that there should be no change to the current budget strategy of:
 - a. replicating the NFF at individual BF school level;
 - b. setting minimum per pupil increases between financial years at the highest amount permitted by the DfE; and
 - c. meeting the diseconomy costs at new and expanding schools in a measured way from a combination of council reserves, Schools Budget reserves, and funding allocated for the relevant year from the DfE;
 - ii. that a centrally managed Growth Fund should be maintained for in-year allocation to qualifying schools (Table 2 of the report); and
 - iii. on-going central retention by the Council of the existing Central School Services Block items (Annex 1 of the report); and
2. to NOTE:
 - i. the latest update on the School and Education Spending review and the impact anticipated for BF at this time;
 - ii. the areas where schools are being asked to comment on through the annual financial consultation, to inform later decision making;
 - iii. the 3.7% average increase in per pupil funding that would be received by BF schools if the NFF is 100% implemented compared to the national average of 3.1%;
 - iv. the new financial requirements of schools;
 - v. the current estimated funding gaps at Table 3 of the report of:
 - a. £0.429m on school budgets, meaning 99.5% of NNF rates can be financed; and
 - b. £0.080m for the CSSB where options are being considered by the council; and
 - vi. that an update on the estimated financial impact from the coronavirus pandemic will be presented to the Forum when sufficient new information is available.

153. Dates of Future Meetings

The next meeting of the Forum was due to be held on 19 November 2020 commencing at 4.30pm.

CHAIRMAN