

AGENDA



SCHOOLS FORUM

Date: Thursday 24th September 2020
Time: 4.30pm
Place: Microsoft Teams

Distribution

Members of the Committee

Sarah Lovell (Chair)	Dave Baker (Vice Chair)
Bernice Webber	Louise Leader
Nicky Edwards	Keith Lawrence
Mark Freeman	Pippa Osborne
Kim Garland	Diane Owen
Clare Haughton	Lisa Parker
Steve Moir	Will Roberts
Richard Aquilina	Susie Weaver
Carl Lander	Susan Brobyn
Bernice Webber	Malcolm Strange
Julia Anwar (Sub)	Rhys Buckley
Linda Porter	Karl Hemmings
David Jenkins	Stuart Evans

Appropriate Officers attending:

Mustafa Salih
Hilary Smith
Caroline Warren
Alison Davies

Councillors attending:

Erica Williams
Trevor Jones

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AGENDA

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**South Gloucestershire Schools Forum
Minutes of Meeting held on
Thursday 9th July 2020
Microsoft Teams**

PRESENT:

Sarah Lovell (Chair)	Finance Director, Cabot Learning Federation
Nicky Edwards	Natural Choice Nurseries
Kim Garland	Headteacher, Brimsham Green
Clare Haughton	Paige Park Pre-School
Pippa Osborne	Headteacher Christ Church Junior School
Diane Owen	Chair, King's Oak Academy
Stuart Evans	South Gloucestershire and Stroud College
Richard Aquilina	Governor, Bailey's Court
Malcolm Strange	Diocese Rep
Will Roberts	CEO, Castle School Education Trust (CSET)
Steve Moir	Headteacher Bradley Stoke
David Jenkins	Governor, Crossways Schools
Susie Weaver	Executive Headteacher, Cabot Learning Federation
Bernice Webber	Headteacher, Old Sodbury CE Primary
Carl Lander	Hanham Primary Federation (HPF)
Mark Freeman	St Michael's CE VC Primary
Louise Leader	Headteacher, Pathways Learning Centre
Linda Porter	Governor, Watermore School
Keith Lawrence	Chair of Enable Trust.

Officers:

Mustafa Salih, Head of Financial Management and Business Support
Stuart Thomas, SEND Financial Planning Lead
Hilary Smith, Head of Education, Learning and Skills
Caroline Warren –Finance Business Partner
Erica Williams - South Gloucestershire Councillor (Education Lead)

1. WELCOME AND INTRODUCTIONS

Attendees were welcomed by the Chair.

2. APOLOGIES FOR ABSENCE

Carl Lander, Lisa Parker, Kim Garland, Keith Lawrence, Dave Baker

3. EVACUATION PROCESS

n/a

4. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT

None

5. MINUTES FROM LAST MEETING

Confirmed were an accurate reflection of the previous meeting.

6. REVIEW OF ACTIONS

All actions points were reviewed by Sarah Lovell (SL)

Action – Internal audit feedback from Academies will be carried forward to the Autumn term.

7. OUTTURN REPORT – CAROLINE WARREN (CW)

CW talked briefly through the report:

- Paragraph 4 – confirmed the final position for 2019/20 of the dedicated schools grant (DSG) is a £16.3m cumulative overspend.
- Confirmed that work is now being done with an updated deficit recovery/sustainability plan (*see below*).
- Successful visit from DfE regarding DSG recovery plan.
- Claims for schools in financial difficulty fund (SIFD) have been less than anticipated.
- Early Years income shortfall identified for the academic year 2019/2020 of £575k. The Local Authority has contacted the Education and Skills Funding Agency (ESFA) who are currently looking into a supplementary claim for the shortfall in funding – a future update will be provided on this.

SL highlighted this is a risk if funding is not provided as it impacts the 2020/21 DSG.

Mustafa Salih – ESFA colleagues were given an updated Recovery plan. Propose to bring an updated paper to the September 2020 Schools Forum.

Action:

- Early Years discrepancy of £575k will be looked into; an update will be given at the next Forum meeting.
- Updated deficit recovery plan.

8. CONTINGENCY FUND UPDATE (School in Financial Difficulty) – MUSTAFA SALIH (MS)

MS – The Forum were asked for an update on the allocation made from the contingency fund. A template was sent to all schools that had received contingency funding since the fund began.

Reference was made to the attached reports.

Each school has a template which has a summary of what the money was spent on, what the impact has been and the current impact on schools' budget.

Diane Owen (DO) – Pleased with the reports and shows that we have a robust procedure that schools will be required to give a report back. Lots of positive news in reports, we can see that the money is being put to good use.
The £300k is making a difference, Will the fund be split between the two cut off points?

Louise Leader (LL) – Who is feeding back to those who have written these reports?

MS – Schools did recognise the importance of feeding back, and it's provided more assurance over money allocated in future.

On the allocation, this is more difficult. There are two windows during the year, we don't really have any thoughts about how we allocate all the money or how we should promote it. Happy to take views.

SL – Splitting the fund is not needed this year with the lack of applications. We could suggest reminding schools of this fund in September through a written communication previously provided.

MS – We do a lot of work with maintained schools through our Schools in Financial Difficulty Group (SIFD), adding this as a strand to the SIFD group would be a good approach.

SL – Highlighted the need to contact academies too.

Nicky Edwards (NE) – Documents were useful, we should have better moderation over reporting.

Pippa Osbourne (PO) – Referred to schools that requested contingency funding at the start of the year and were rejected. Should we contact them?

MS – Agreed that these schools could be revisited.

Will Roberts (WR) – I did the report for Marlwood – it was not onerous given that significant funding had been allocated to us.

Do we want to carry over the contingency as it's likely schools will find it easier this year due to higher funding, but the benefit of this will wear off as costs rise into year 2020/21?

MS – The contingency fund has been successful, we want to keep it going forward. Even if it isn't all used, it's worth keeping it going forward. There is £300k less to allocate to all schools, the effect to one school is minor but benefit to a school in difficulty is huge.

Erica Williams (EW) – Great to see positive feedback, good monitoring and transparency. New challenges post COVID in September and how we meet the needs of pupils. Perhaps there may be another way of using this funding post-lockdown.

SL – Noted Chipping Sodbury's financial position has improved significantly which is a particular success story.

9. CONTINGENCY FUND APPLICATION – REPORT WITHDRAWN

MS responding – Staple Hill: we discussed with the school and we both agreed there was more work needed to review the school's position in detail and if there were any other options/solutions. After that more detailed work it could still be that a request comes forward, but we won't know that until that work is done.

10. HIGH NEEDS WORKING GROUP (HNWG) TERMS OF REFERENCE (TOR) – SUSIE WEAVER

SW – The revised TOR are included, they have been in place and have been revised a couple of times. We want to make clear the role of the HNWG going forward. We haven't changed the overall aim of the group. We will continue all the way through to next academic year.

Some changes have been made to the statements around what we want to achieve, we need to strike a balance between just watching and getting involved. The wording has been chosen carefully. Some important points:

- Four times a year we will report to the Schools Forum.
- We have scheduled the meetings for the year 2020/21.
- Re-established who should be in the group.
- Reinforced the parent/carer representative part of the HNWG.

Mark Freeman (MF) – Questioned the Focus and the purpose of the HNWG with the existence of so many other SEN groups – SEN partnership board, Cluster group etc. “The HNWG should principally be around the financial impact. There is quite a lot of overlap, could this be slimmed down with the amount of time we are spending in these groups?”

SW – Acknowledges that there is overlap.

Hilary Smith (HS) – There is a risk of duplication, there are many interdependencies. Until we get things right at SEN support, EHCPs and then exclusions, it is right that the HNWG IS a sub-group of the forum with appropriate challenge.

MS – The HNWG is a sub-group of the Schools Forum, we spend money for a reason so we must look at these initiatives, it helps challenge the LA, but it also helps us to challenge the system and the schools. The HNWG looks at the whole picture.

HS – The SEND partnership specifically looks over the governance structure and the arrangements we have in place for improving SEN.

SW – Should we look at things 2 reports on and maybe look at the question of overlap then?

DO – Referred to Page 8 of the TOR, wording needed looking at.

NE – With Rachel absent in Early Years is there a substitute member covering this role within the group?

HS – There is early indication that Early Years (EY) is an important group and that we have a consistent approach in how we use the early years current fund. Will make sure that there is representation from EY.

Richard Aquilina (RA) – If the HNWG is a sub-group of the Schools Forum should the membership be representative of all forum membership areas? e.g. there is not a governor representative.

SW – Happy to take advice.

HS – Would be a good idea.

DO – Did question Governor Representation when the group was formed. However, is conscious of MF's comment on over-duplication of groups.

HS – Having spoken to Parent Carer Forum they feel that they don't really want to be part of a group overseeing the spend of money, they just want good quality SEND provision.

Action – Re-visit Governor representation on the HNWG and the wording on page 8 of TOR.

TOR were approved by Forum with the caveat regarding the review of the wording on page 8.

11. REPORT ON CLUSTER FUND – HILARY SMITH

HS – Update report. A key part is improving SEN support but also financing and reducing demand on the Pathways Learning Centre, exclusions and the number of EHCPs. Detailed plans are now in place showing how each cluster will be targeting its funding.

You would like to see the impact, but it's still too early, lots of these plans will not be ready until September, I will be looking at some key indicators so that we can measure the impact of the clusters. Next report will have detail of what difference it is making in reducing EHCPs and exclusions.

DO – Thank you for the report, next query on measuring impact which has been covered by **HS** in briefing around the report.

Action: Future report on impact in Autumn term

12. VERBAL UPDATE ON EARLY YEARS – NICKY EDWARDS

HS – The early years working group has been looking at the funding over the COVID period, this a sector that has been specifically hit by the pandemic. We would like the

Schools Forum to support the sector in a report to the DfE. Would like to circulate report and would like approval before September's forum in taking this forward.

SL – Conscious of people taking a break over the holidays. When would the report be ready for review?

HS – 31st July for paper to be ready. Aim to send to DfE following week.

SL – Any concerns over timescales? Does not want to put pressure on Forum members reading emails over school holidays.

NE – Will try to get it ready by the end of next week.

SW – How large is the report?

NE – 20 minutes read, with executive summary at the start as a 3-minute read.

PO – Early years are having a raw deal, would trust and would give full support to the report before seeing it.

SL – Agree that the sector needs support. Approved the letter being sent via e-mail to forum for approval in July.

Action: Letter to be circulated to forum members by 31st July for approval outside of the meeting cycle.

13. AMENDMENTS TO SCHEME FOR FINANCING SCHOOLS – CAROLINE WARREN

Mostly slight changes of wording to scheme
Reference made to the following paragraphs:

10.1 – Risk protection (insurance) 1st April 2020 schools can join. This does not apply until 31st March 2021 – 6-month notice period is required from schools.

11.3 – change of wording

13.9 – refers to insurance

13.11 – section has been deleted

No comments made – approved by the Schools Forum members representing LA maintained schools.

14. FORWARD PLAN

Financial implications of COVID – request from today's meeting

Deficit Recovery Plan – request from today's meeting

Internal Audit from Academies – carry over request from previous Forum meeting

Impact of Clusters – request from today's meeting

Sept	24th	1	Schools Budget Consultation	MS
		2	Q1/Quarter update	Caroline W
		3	Integra update - schools/SIFD	Sue Morgan
		4	HNWG verbal update	Susie Weaver
		5	COVID - Financial implications	MS
		6	Deficit recovery plan	
Nov	5th	1	Schools Budget Consultation - options	MS
		2	HNWG - Progress update - written quarter update	Susie Weaver
		3	Q2 update	Caroline W
		4	Internal Audit feedback from Academies	DB
		5	Impact of Cluster groups	HS

15. ANY OTHER BUSINESS

None

South Gloucestershire Council

SCHOOLS FORUM

24 September 2020

(FOR INFORMATION)

Setting the Schools Budget 2021-22

Purpose of Report

1. To update the Forum on the latest information regarding the school funding settlement for 2021-22 including implications for options to consult all schools with to set the 2021-22 Schools Budget.

Policy

2. The Financing of Maintained Schools Regulations 2020 requires local authorities (LAs) to set the Schools Budget each year. The Schools Budget is defined in regulations and broadly represents all the expenditure incurred by local authorities that relate to schools. The source of funding to support the Schools Budget is a ring-fenced grant received by local authorities known as the Dedicated Schools Grant (DSG). Local Authorities must distribute an element of the Schools Budget to their maintained schools using a formula which accords with the regulations made by the Secretary of State for Education and enables the calculation of a budget share for each maintained school. The financial controls within which delegation works are set out in the Scheme for the Financing of Schools.
3. The DSG is allocated to local authorities in 4 blocks as follows:
 - Schools Block: relates mainly to funding for mainstream school budget shares
 - High Needs Block: relates to funding to support children and young people with SEND
 - Early Years Block: relates to funding for supporting nursery education providers and other general early years education responsibilities
 - Central Services Block: relates to funding to support LA statutory responsibilities relating to schools
4. Requirements relating to each of the blocks and the DSG in totality are covered in the regulations previously mentioned.
5. The Schools Forum has a key responsibility to act as a consultative body with the local authority on the strategic financial management of the Schools Budget and the DSG. A key

priority in this area is to take decisions that ensure sound financial management of the Schools Budget.

Background

6. This report sets out the latest information available and proposed options to consider in setting the 2021-22 Schools Budget including setting the formula for calculating school budget shares.
7. From 2018-19 to 2020-21 a new schools National Funding Formula (NFF) was introduced by the Government which resulted in growth in South Gloucestershire's DSG allocation of £16.8m. This was a very welcome development but contrasted to the position regarding the High Needs block which had not seen any significant growth in allocation despite local authorities experiencing significant spending pressures relating to supporting children and young people with SEND.
8. The DfE announced on Monday 20 July 2020 funding arrangements for 2021-22. The announcement sets out the principles of how funding allocations will be made and so are provisional at this stage. Final figures are announced in December/January and are affected by updates in pupil numbers and pupil characteristics data.

The National Funding Formula (NFF) for Schools

9. NFF funding factors will remain the same but with 2 technical adjustments as follows:
 - Teachers pay and employers pension grant will be added to the NFF from 1 April 2021. **For SG that means an extra £7.8m gets added to the Schools Block for 2021-22.**
 - Updated 2019 Income Deprivation Affecting Children Index is being used in 2021-22 so the allocation through the formula will be based on the latest data.
10. Schools funding in 2021-22 is increasing by 4% overall: **for SG this increase equates to around an extra £6.4m for the Schools Block**, which is on top of the £7.8m mentioned above for teachers pay and pensions.
11. Key NFF factors will increase by 3%.
12. Minimum funding for primary pupils will be £4,180 per primary pupil, £5,215 per KS3 pupil and £5,715 per KS4 pupil.
13. LA's will have the discretion to set their Minimum Funding Guarantee between +0.5% and +2.0%; all schools will therefore receive at least a 0.5% increase in their per pupil funding.
14. The 'soft' NFF will be in place for 2021-22 again and the DfE will shortly start a consultation process on moving towards the 'hard' NFF. LAs can transfer up to 0.5% of their schools Block with their Schools Forum approval; more than 0.5% would require Secretary of State approval.

15. In 2021-22, the total schools block available for such transfers must exclude the additional funding local authorities have been allocated for the teachers' pay and pension grant, thereby guaranteeing that all of this funding remains with schools. So, in the case of SG any transfer effectively has to come out of the extra £6.4m and cannot be transferred from the additional £7.8m for teachers pay and pensions.

High Needs Block

16. High needs funding is increasing nationally by a further £730m, or 10%, in 2021-22 – that follows the £780m increase this year and brings the total high needs budget to over £8bn. The high needs NFF will ensure that every local authority receives an increase of at least 8% per head of population, with some authorities receiving up to 12% (the limit on gain) more than this year. **SG will see an increase of 8% or around £3m. This extra is around £4.5m short of what is needed to meet in year annual pressures and so even with this extra funding spending continues to outstrip High Needs Funding before one even considers previous years' shortfalls in funding.**
17. For 2021-22, the teachers' pay grant and the teachers' pension employer contribution grant amounts will be added into the formula by increasing the basic entitlement factor value to £4,660 for special schools, and through an additional factor in the formula that will enable local authorities to receive funding equivalent to the teachers' pay and pension grant they will receive in 2020-21 for AP settings.
18. The DfE will require local authorities to allocate to special schools (maintained and academies), pupil referral units and AP academies additional high needs funding for 2021-22, on a similar basis as their allocations of the separate teachers' pay and pensions grants in 2020-21, using similar conditions of grant that will instead apply to authorities' allocations of DSG. We will provide more guidance on this in the high needs operational guide to be published in September 2020.
19. Unfortunately, the SEND Review planned by the DfE hasn't taken place to provide some hard evidence on the true level of funding needed. This percentage change will help with the national increase in pupils with EHCPs between January 2019 and January 2020 (+36,100 nationally or a +10%). It probably isn't sufficient though to cover the related growing cost, as the biggest rise has been in independent schools, +14.7%, which is the highest cost type of provision.
20. There still remains a lot of catching up to do before the cumulative High Needs deficits can be recovered.
21. There will be more funding announcements to update the High Needs Block data and funding compared to the schools block. The updates will be announced in December 2020 to reflect January 2020 AP rolls and October 2020 for special school place numbers, and in 2021 adjustments for import/export, new/growing special free schools and hospital education. As SG is below the funding floor formula changes such as these will have a minimal impact.

Central Schools Services Block

22. Central schools services funding in 2021-22 will increase by 4% for the ongoing responsibilities that local authorities continue to have for all schools. In line with the process introduced for 2020-21 to withdraw funding over time based on the commitments local authorities entered into before 2013-14, funding for historic commitments will decrease by 20%, for those local authorities in receipt of this funding; this is likely to negatively impact on SG to the value of around £1m.
23. When the DSG system was first introduced, LAs had much greater flexibility to allocate the overall DSG across all the areas of school related expenditure according to local circumstances, pressures and priorities. The DSG was initially allocated as a single amount to each LA and LA's decided (in consultation) with the Schools Forum the priorities for allocating the DSG. A subsequent development was to recast each LA's DSG into the four blocks set out in paragraph 3 above with flexibility to allocate funding according to local priorities and pressures. A LA's chosen allocation could vary considerably to the Block Allocations. The latest development has been a further change to seek to effectively fix spending in line with the block allocations. This reduction in flexibility has in general not been welcomed by LAs as demonstrated in consultation exercises undertaken by the DfE. The movement towards fixing spend in line with the Blocks means that the flexibility to shift overall DSG funding in line with local pressures and priorities has significantly been curtailed and establishes an unhelpful point of conflict between mainstream spending and SEND funding.
24. Added to this challenge has been the fact that there has been very little growth to LA's High Needs Block allocations despite the majority of LA's experiencing growing spending pressures in this area. Over the same period the Schools Block for South Gloucestershire has increased due to increasing pupil numbers and more significantly from additional funding to recognise the historic low funding for South Gloucestershire schools.

Options for Setting the Schools Budget for 2020/21

25. At a local level the Council sees great benefit from continuing its approach to do what it can to change our SEND system to improve outcomes for children and young people while improving value for money and trying to have the greatest impact from every pound we spend and it was very welcome that the DfE had started a national review along the same lines (unfortunately this has now been delayed by the impact of covid). A good example of this "System Change" approach is the SEND Support Cluster funding pilots which are starting to show positive signs of delivering positive interventions in schools as a better alternative to escalating needs and hence escalating costs later on in the system.
26. One option that would enhance this approach and help support the level of change needed is to look at the latest tranche of extra schools Block funding of £6.4m in 2021/22 and look to prioritise an element of it to support schools while helping create that system wide change needed. The approach here would be to invest £2.5m of the extra £6.4m and invest it in the

following ways that would ensure the funding flows directly back to schools/providers but ensures it is controlled and targeted by schools to support system wide change in the SEND system through the following initiatives:

- £1m to continue the Cluster Funding and continue to develop its impact
- £1m to meet costs of out of authority placements until more progress can be made to increase in authority provision
- £0.2m to support SEND pupils in the Early Years sector, which also provides additional support to the sector which is under great financial pressure
- £0.3m to provide an uplift to Special School and Resource Base rates

27. On a cumulative basis this £2.5m investment is effectively funded from growth in Schools Block funding of £26.3m over the last 5 years.

28. In terms of movements in DSG funding and block transfers this option can be presented as follows:

Movement in Blocks Relating to Growth

	2018/19	2019/20	2020/21	2021/22	Cumulative
	£000	£000	£000	£000	£000
Schools Block	4,100	3,800	8,900	6,400	23,200
Transfer to HNB	-2,900	-2,900	-2,200	-2,500	-2,500
Net Schools Block	1,200	900	6,700	3,900	20,700
High Needs Block	0	0	2,700	2,900	5,600
Transfer from Schools Block	2,900	2,900	2,200	2,500	2,500
Net HNB	2,900	2,900	4,900	5,400	8,100

29. Initial calculations using the 2020/21 APT Tool and data show that for 2021/22 after meeting the new minimum per pupil amounts and ensuring all schools receive at least a 0.5% per pupil increase, headroom of around £3m would remain from which the transfer of £2.5m could be funded.

30. As in previous years the impact of any transfer has a number of challenges to overcome. Firstly, any transfer has to be approved by the Secretary of State for Education, which will depend to a significant extent on support from schools and the Schools Forum. Secondly, it impacts on the announced per pupil minimum amounts and this in itself will require Secretary of State approval. Nevertheless, with the approach focused on supporting schools and helping

to create system wide change (which is now being championed by the DfE) the Council's view is that such a request to the Secretary of State is worth making.

Timetable

31. The Council will be working to very tight timelines that are very much dictated by statutory requirements, whilst ensuring a robust consultation process which allows adequate time for analysis of feedback prior to recommending the way forward to members. The following table sets out the timetable:

Timeframe for Schools Budget 2021/22 Consultation

Action	Dates
Schools Forum Meeting - review options for consultation	24 September 2020
APT with 20/21 baselines for modelling to be released	Autumn
Corp Finance to carry out modelling options for consultation as discussed at SF 24/09/20 when modelling APT released.	Autumn
Modelling options to be sent out to Schools Forum	TBC
LA deadline for submitting Disapplication Requests (first deadline) e.g. MFG exclusions	11 October 2020
Schools Forum Meeting - Agree consultation (including school by school modelling)	20 October 2020
Schools Consultation	22/10/2020- 16/11/2020
Attend Governors & Heads meetings	02/11/2020-13/11/2020
Deadline to return consultation	16 November 2020
Collation of consultation responses from schools	16/11/20-19/11/20
Schools Forum Meeting - Approval & application to SoS	19 November 2020
LA deadline for submitting Disapplication Request for movement between blocks >0.5% & second window for MFG exclusions	20 November 2020
ESFA - 2021/22 APT & DSG released	December 2020
Deadline for APT to be submitted to ESFA	21 January 2021
Schools Forum Meeting	21 January 2021
Final ratification of schools funding will be submitted to full council	TBC
Schools notified of funding	28 February 2021

Financial Implications

32. The School Finance Regulations set out the arrangements which Local Authorities must follow when allocating the DSG funding to schools.
33. As the support for schools and other pupil related services expenditure is funded by the DSG there is no charge to the Council Budget. Hence there is no charge to the Council Tax payer.

34. The DSG is forecast to overspend in 2020/21. Any overspend will need to be recovered from future year DSG funding.

Legal Implications

35. There is a legal requirement for the local authority to:

- submit the final school pro-formas and underlying data to the Education & Skills Funding Agency by the 21 January 2021.
- confirm with schools their budget allocations for 2021/22 by 28 February 2021.

36. The Chief Financial Officer, after the end of the financial year, must confirm to the DfE that the grant conditions have been met.

RECOMMENDATIONS

- a. The Schools Forum is asked to consider and express its views regarding the update on school funding for 2021/22 and in particular proposals to consult all schools on a transfer of £2.5m as explained in paragraph 25 to 30 above.

Author

Mustafa Salih, Head of Financial Management and Business Support
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SOUTH GLOUCESTERSHIRE COUNCIL

SCHOOLS FORUM

24 September 2020

(For Information)

Integra Update – Outcomes of working with Maintained Schools on Budget Planning and with Financial Challenges in 2019/20 and planned activity for 2020/21.

Purpose of Report

The purpose of the report is:

To highlight the work of Integra Schools Finance (SF) with schools regarding budget planning and ones identified as requiring more intensive support regarding potential financial difficulties (Schools in Financial Difficulty (SiFD)).

1. Background

- 1.1 The LA is responsible for setting and monitoring the financial framework for maintained schools, this is set out in the Scheme for the Financing of Schools.
- 1.2 The Local Authority (LA) appreciates that some schools are facing increasing financial pressures and a robust framework for supporting and challenging schools is required and has been developed over the past two to three years. This includes an early warning system and a financial management framework that is capable of alerting the LA, School Leaders and Governing Bodies to emerging financial issues requiring action.
- 1.3 This framework of challenge and support has been put in place to provide a co-ordinated approach between Corporate Finance (CF), Officers from Integra Schools Finance (SFO), Education Learning and Skills (ELS) and School Leaders. The intention of this process is to identify financial concerns at an early stage and provide timely support and challenge to enable schools to manage their finances. The process of identifying schools is undertaken by a Schools in Financial Difficulty (SiFD) project board. The work of Integra Schools Finance is set out in a service level agreement (SLA).

2.2 SiFD extract from SLA:

Identification of Schools in Financial Difficulty (SiFD), taking action to support and challenge those schools to ensure robust recovery plans are in place and monitoring to ensure they are being actioned on direction of Corporate Finance.

2. Criteria for selection of 2019/20 SiFD schools

2.1 The following criteria was used in 2019/20 to identify schools considered in financial difficulty.

Category 1	Deficit budget submitted in 2019/20, 2020/21 and 2021/22 (not SiFD in 18/19)
Category 2	SiFD in 2018/19
Category 3	Surplus budget submission in 2019/20 of <£10k with deficit submissions for 2020/21 and 2021/22

2.2 Some schools met more than one criteria resulting in 24 schools being identified as SiFD in 2019/20.

2.3 Each school received a letter in early September 2019 setting out the support that would be provided by Integra Schools Finance, centrally funded by the LA and what actions the school were required to take, and by when:

- Category 1 schools (who had not submitted a recovery plan with their budget submission) were required to submit a recovery plan by 16 November 2019.
- Category 2 schools were required to review their recovery plan to ensure that it was still viable and realistic. If not on track to achieve their planned recovery, they were required to submit an amended or new recovery plan by the 16 November 2019.
- Category 3 schools were requested to revisit their budget plan for years 2 and 3 and where applicable submit a recovery plan or outline of the measures being taken to address the projected deficits by the 8 November 2019.

2.4 All SiFD Category 1 and 2 schools were required to submit an updated budget plan using the HCSS budgeting system with accompanying narrative setting out the actions taking place to address their financial position.

All maintained schools have access to HCSS, which provides a comprehensive budget planning and monitoring tool. HCSS enables schools to plan different scenarios quickly and easily, producing reports which identify the impact of options both for the current year and future years.

Appendix 1 provides an example of a HCSS scenario.

3. Outcomes of 2019/20 SiFD support and challenge

3.1 **Positive outcomes resulting from SiFD work:**

- Category 1 SiFD schools: 4 of the 6 achieved a 2019/20 year end surplus, 1 remained in deficit but made in year savings.
- Category 2 SiFD schools: 6 of the 10 achieved in year savings. 3 of these ended 2019/20 with surplus balances. Two other schools, whilst not achieving in year savings in 2019/20 have submitted 3 year balanced budgets from 2020/21 onwards.

- Category 3 SiFD schools: 5 of the 7 achieved significant in year savings and increased their 2019/20 collective carry forward by over £200k.
- The total projected outturn of all SiFD schools' (excluding one with a large historic deficit) budget submissions for 2019/20 was **-£478,460**, the actual outturn was much improved to **-£49,459**, an overall improvement of £429k, testament to the work of the schools and School Finance Officers. The school referred to above with the large historic deficit has made significant reductions to its cumulative deficit year-on-year over the last 3 years and is well on track to eliminate its deficit over the next 2 to 3 years.

3.2 Ongoing SiFD concerns:

- Small schools continue to be a main area for financial challenges, but with the introduction of the Small Schools Strategy (positively received at the last Forum meeting) the LA is working with each one to develop a sustainable longer term plan. In some instances, a longer recovery period is being considered.
- 5 Category 2 schools did not achieve in year savings and increased their deficits. Further focused support and challenge is planned over the short to medium term. This includes a number of small schools
- 2 Category 3 schools overspent in year however have submitted balanced 3 year budgets in 2020/21.

5.0 2020/21 multi-year budget submissions for 2019/20 SiFD schools (Cat:1,2 &3).

5.1 Of the 24 SiFD schools, 11 have submitted three year cumulative balanced budgets. Therefore, they no longer meet SiFD criteria.

- One school has submitted a cumulative balanced budget for 2020/21 & 2021/22.
- Four schools have submitted a balanced budget for 2020/21 but not subsequent years.
- Two schools are projecting bringing their budgets back into balance in 2022/23.

5.2 Letters were sent to all schools removed from SiFD scheme of support and challenge in July 2020, thanking them for their hard work in achieving their current financial position.

7.0 SiFD Criteria and Schools 2020/21

7.1 The SiFD group met on the 6 July 2020 to consider all schools multi-year budget submissions and to agree the SiFD criteria for 2020/21.

- 7.2 The group acknowledged that schools and School Finance Officers had to adapt their working arrangements for budget setting following the closure of schools in March 2020.
- 7.3 Some schools adapted well and were able to fully participate in virtual budget setting meetings. Others were more fragmented, experiencing remote accessibility issues with FWeb and/or school systems. Generally, everyone worked well together and were accepting of the situation. With the exception of 3 schools, all budgets were submitted to Corporate Finance by the 31 May 2020 deadline.
- 7.4 As a result of COVID a number of schools stated that they were unable to dedicate sufficient time to submit sufficiently thorough multi- year budget forecast beyond the current year, 2020/21.
- 7.5 The SiFD board agreed the following criteria to identify 2020/21 SiFD schools:

Category 1	Deficit budget submitted in 2020/21 and 2021/22
Category 2	2020/21 balanced budget of less than £10k and deficit in 2021/22

- 7.6 Main change to 2020/21 criteria:
- Focus on two year budget submission not three;
 - No longer using % of balance brought forward used to balance budget;
 - Introduction of a category 3 (not SiFD in 2020/21) but requiring action by the school before 2021/22. See bullet point 9 below for further details.

8.0 Schools in SiFD category 2020/21

- 8.1 Category 1 Schools: as a result 11 schools have been identified as SiFD category 1 schools for 2020/21.
- 8.2 Category 2 Schools: a further 6 schools have been identified as SiFD category 2

schools for 20221.

9.0 Multi-year budget projections

- 9.1 The project board considered feedback from some schools in respect of the unknown future financial impact of COVID and their inability to dedicate the normal time and resource to multi-year budgets. As a result the project board decided to write to a number of schools setting out the risks of not having a realistic, sustainable and flexible multi-year financial strategy in place, which would allow sufficient time to make adjustments.
- 9.2 These 16 schools are not categorised as SiFD but received a letter recommending

that they revisit their budget forecast for years two and three, modelling a range of scenarios which they can use to develop a financial strategy. Schools have not been requested to submit a revised forecast but they have been strongly recommended to present the financial strategy to the Finance Committee or equivalent. 9.3 Schools recommended to review their multi-year budget submissions

10. Integra Schools Finance activity

- 10.1 Category 1 and 2 schools have received a letter setting out the action required of them. Each letter was unique for the following reasons:
- Some schools have a licensed deficit where they are still within the agreed 3 year time frame for recovery;
 - A small number of schools have applied and been granted an extension to their recovery period;
 - Very few schools (new to SiFD) who submitted a deficit budget for first time in 2020/21 included a recovery plan with their submission as required by the Scheme for Financing of Schools.
- 10.2 Schools requesting a licenced deficit for the first time in 2020/21 – the School Finance Officer (SFO) will contact each school in early September and arrange to support them to review historic financial variances, benchmarking and efficiency data and the costing of scenarios in HCSS.
- Once the school has submitted the recovery plan and supportive narrative to Corporate Finance, the SFO will examine all documentation for accuracy and challenge the rational, reasonableness and the viability of the recovery plan.
- 10.3 Schools who were previously SiFD and remain SiFD in 2020/21 the SFO's will establish:
- If the projected outturn as set out in the recovery plan was achieved;
Are they on track to achieve the 2020/21 outturn, if not, why not; and
Support with preparation with a new recovery plan if required.

Appendix 1

School A – 5yr submitted budget 2020/21

In Year Surp/(Def):	(27,000)	(6,200)	(4,500)	(15,000)	(33,500)
Surp/(Def) B/Fwds:	66,000	39,000	32,799	28,299	13,299
Cumulative C/Fwds:	39,000	32,799	28,299	13,299	(20,201)

Scenario

All changes to take place from 01/09/2020:

- Increased 1 Lunchbreak supervisor 6.5 hrs per week term time only;
- Increased 1 Teaching Assistant 5 hrs per week term time only;
- Reduced October 2020 pupil numbers by 2 (impacts on 2021/22 onwards) this could be reception intake or pupil mobility.

Impact on changes each year from 31/08/2020

In Year Surp/(Def):	(31,704)	(20,817)	(19,218)	(29,820)	(48,404)
Surp/(Def) B/Fwds:	66,000	34,296	13,478	(5,740)	(35,561)
Cumulative C/Fwds:	34,296	13,478	(5,740)	(35,561)	(83,965)

HIGH NEEDS WORKING GROUP – VERBAL UPDATE

(FOR INFORMATION)



Department for Children, Adults and Health

COVID 19 Financial impact on schools updated September 2020

Introduction:

The COVID19 global pandemic brought education into lockdown during March 2020. The difference phases of lockdown thereafter have brought about various financial challenges at both a Local Authority and school level. We are now in the full reopening phase of September 2020 and there is more clarity on the financial position across the education sector. The aim of this briefing paper is to set out the context of the financial implications of COVID to date, the emerging financial issues surrounding the September return and also for us to look ahead in terms of the development of strategy moving forwards. This is the second iteration of this paper and to make it more accessible to the audience, the immediate financial implications that schools are facing currently is referenced first, before a summary of the issues that arose in the period of March through to the end of August 2020, which formed part of a previous briefing update.

Current financial implications: Autumn Term 2020

South Gloucestershire Council has seen an excellent return of all our children and young people across South Gloucestershire, from EYFS settings, to schools and colleges, mainstream and special, maintained and academies. The level of return is a credit to the level of planning, risk management measures and commitment of our system leaders and their staff.

The return has though raised significant questions around the additional costs that are required to achieve a successful level of sustained reopening long term and the loss of revenue from what were previously reliable income streams. There is a serious emerging issue that across our maintained schools, academies, colleges and settings that costs are not sustainable without additional resource from central government. This is not a statement to be made lightly but what has become clear is that associated costs for the next 6 months significantly outweigh any costs incurred during the summer term. The position in July 2020 was challenging, what has emerged since has put a greater level of financial strain on what was already a system that was struggling.

The cost implications that are a concern for both the Local Authority and our schools cover a number of areas of which are listed below:

- The cost of PPE, cleaning equipment and enhanced cleaning across all sectors, particularly at special and secondary schools due to the number and/or needs of students, the nature of teaching and additional safety measures that are needed for areas such as science, PE and food technology for example
- The additional costs associated where staff are over 28 weeks pregnant and where the risk assessment determines that classroom deployment may not be appropriate; this can then result in additional costs in providing teaching cover
- The costs associated with the current issues schools are experiencing around the lack of testing availability. The additional costs relate to covering teaching and non-teaching staff as they wait for an available testing slot/or delivery of a test. Equally the same applies in the wait for the test result, which has been much longer in terms of processing since the start of September

- On-going implications around lost revenue associated with wraparound care provided by schools that have traditionally provided a service but have been impacted by take up
- Lost revenue from lettings and other associated income streams that are normally available to a school and/or Multi Academy Trust
- The wider impact of lost income generation from school events such as Christmas Fairs and other school based activities that provide low level streams of income generation but support financial viability.

The following is given as an example of the type of cost that is incurred by a Secondary School, Special school and Primary school to ensure safe and effective operation **per month** through the Autumn Term, this is purely costings related to the basic additional cleaning and associated costs that come with increased level of sanitation as aligned with a risk assessment. Costs therefore relate to:

- Disinfectant and anti-bacterial wipes
- Hand sanitiser
- Face masks (secondary and special)
- Disposable gloves
- Additional cleaning
- Visors (secondary and special)

It should be noted that the same costs and the same implications exist for Early Years providers, childminders and colleges, with some of these providers also impacted by a significant loss of revenue in terms of wraparound care. Again, our Early Years providers and childminders provide a critical early educational and childcare offer, they too are adversely impacted and do not have financial streams from which to draw from. The very size of our post 16 providers and the nature of their delivery should also not be underestimated in the context of finance.

Per month

Secondary School	Special School	Primary School
£10500	£6500	£1250

Over the course of a 6 month period, irrespective of any of the other associated costs as listed above the financial implications across the school system are considerable.

Six month period

Secondary School	Special School	Primary School
£52500	£32500	£6250

If you then factor in other associated Covid costs then the implications for a school are significant, especially in the context of the current challenges around funding within South Gloucestershire. If there is to be a second wave of the pandemic then further additional costs may be incurred particularly in relation to income generation and wraparound care.

Financial implications prior to September 2020:

The summary below was written in July 2020 as an overview in terms of Local Authority concerns around financial reimbursement. As of September 2020, although a number of our schools made a claim against the government's 'Exceptional Costs Grant' in July, for many this has not yet been received. Currently there is no evidence that central government are going to provide any more additional funding for this academic year. The government's 'Exceptional Costs' advice suggests that schools should look to their core funding to cover these type of additional costs in the future; for South Gloucestershire schools this will be particularly challenging.

Report from July 2020

The financial implications of COVID 19 on schools fall into different categories and reflect different iterations of government guidance that had been issued. We are aware that South Gloucestershire schools are particularly impacted because of low per pupil funding which is an ongoing area of concern for us; we remain the lowest funded nationally.

The first area of financial impact related specifically to the following guidance: 'School funding: exceptional costs associated with coronavirus (COVID-19) for the period from March to July 2020' that was updated on the 10th July by the Department for Education. The issues around this were discussed at our Local School Standards Board that convenes termly and have been raised formally by our Lead Member for Education and Skills with the Secretary of State for Education.

The limitations of the reimbursement scheme are set out below and apply to many of our schools. One of the primary issues is that the government document as of the 10th July provided more detail that should have been made in the initial iteration of the guidance; but wasn't. The limitations have had varying financial impact, which vary from school to school.

Firstly, the exceptional costs do not appear to cover schools that have employed either external providers or their own staff to cover the holiday period for both key workers and vulnerable pupils. The average costs per school of providing this type of cover was in the region of £2000 and not insignificant in the context of a school budget; especially for small schools. If all our schools had contacted the RSC as advised in the government guidance document – this would not have been sustainable, given the number of schools that operate in the South West. For the majority of schools, to be able to coordinate and provide an offer over the holiday period, this included costs around staffing as a resource that had a clear financial impact. Some schools were able to use existing staff on a rota basis but many (the majority) were not able to do this. We have advised that schools still try and claim a reimbursement as we perceive staffing as a resource and will collate feedback in the Autumn Term as to whether this has been successful or not; although looking at the guidance, this appears unlikely.

Secondly, as a Local Authority, we did work proactively to put a Free School Meals voucher system in place locally to support our families. This worked effectively prior to the DfE implementing their own national voucher system. In line with the guidance we then asked our schools to move to the national voucher system. However in what is now well documented, schools had tremendous problems with this system, with many leaders spending hours on the phone trying to resolve issues with the provider - Edenred; which itself had a financial costs in terms of telecoms charges. In order that our children and young people did not go without a meal, many schools continued with our own voucher scheme or purchased vouchers from local supermarkets. They are now in a position, due to the limitations as set within the government guidance that they may not be able to claim this money back. We have again advised that schools still try and claim a reimbursement as we perceive that the challenges with the National Voucher system were systemic and schools needed to provide for the most vulnerable. We will await school feedback in the Autumn Term as to whether they have been successful in being reimbursed in this area also.

The government guidance states: 'We want the claims process to be as simple and as user friendly as possible, recognising the additional work schools are already facing.' As a Local Authority we continue to make representation to the Regional Schools Commissioner specifically in relation to the reimbursement guidance. We feel strongly that our local context should be taken into account. The South West as a region had the highest success rate of pupil return on both the 1st and 15th June and excellent provision for both key workers and vulnerable pupils during the Easter and May Half-Term holiday period; we will continue to lobby for fair reimbursement with both the DfE and RSC.

The second area of financial impact relates to those schools that operate their own before and after school wraparound care. Throughout the lockdown period, such clubs were forced to close and the majority remained closed during the period of partial re-opening. Unlike private providers, schools have, in most cases, been unable to furlough their breakfast and after-school club staff because many hold other posts within the school e.g. teaching assistants, lunchtime supervisor or administration.

Schools have therefore found themselves in a position of retaining liability for the costs of the provision without receiving the parental income that would offset this. What had been for some, limited income generation pre-COVID, was also lost because of the lack of this regular income stream. A survey was conducted through the Primary Heads group, looking at the impact on maintained Primary schools alone. Across these schools, in total, around 52k of money has been lost per month, on what is a valuable service to parents and/carers. If you factor in Special Schools, Secondary and all academies, the financial loss would be considerably higher and is an area that we will continue to monitor in the Autumn Term. We will need to see whether there is a renewed uptake from parents of wraparound or whether COVID has had a longer term impact on these services.

Linked with the point above are lettings, which also provide an income stream for many schools, clearly these will have stopped during the height of COVID and depending on the nature of the letting, may still not be able to take place in the Autumn Term. This isn't an area explored or covered in government guidance and by mentioning this it is a way of highlighting the wider impact of the pandemic on school based income streams.

The impact on Early Years settings and childminders should also be considered in the context of schools. The sector was hit particularly hard by COVID and although they, like the schools, responded brilliantly to the pandemic; the impact on them should not be underestimated financially. School leaders should be mindful of this in the Autumn Term, both in terms of supporting the current links they have in place but in reviewing how best they can work more closely with this sector to mutual benefit; which includes elements such as finance.

The challenges that schools face are replicated across service providers that have been traditionally accessed by our schools; the concern is that COVID could have a longer term impact on their ability to provide a pre-COVID service or a service at all. In this, we would include sports providers, alongside the Music Service where there is significant pressure and risk, with schools reluctant to sign up to service level agreements because of the pandemic. The risk is that such services could be significantly reduced or lost and that this would then impact on the ability of schools to deliver the wider broad and balanced curriculum. This is an area that will need to be discussed with schools in terms of a way forward; particularly in relation to those that have been historically delivered by the Council.

Finally, COVID may also have provided an opportunity for schools to reassess their financial modelling and planning.

As a starting point, the question of wraparound care is an interesting one and the extent to which it needs to operate in the same way that it did prior to COVID. In addition, the nature of training and meetings may also look different, with possible savings in terms of services by looking at more digital formats if appropriate. Also the level of collaboration has been interesting and from the LA perspective a real strength during the last 6 months. We know of successful models of working from both MATs and Alliance Hubs during COVID that if built upon, could continue to support better financial ways of working. The engagement from across the whole sector in the #southglosconnect (Recovery Curriculum) has meant schools are accessing locally developed free resources and training from both maintained schools and academies, which ultimately provides better value for money and builds on local expertise. These are bi-products of the pandemic but could provide

useful points in terms of learning and show perhaps a different way of working between schools themselves and also between the school sector and Local Authority. It is also prudent for school leaders and governors to digest the documents such as the Small and Rural School Strategy. This document is timely given the context of COVID, the challenges financially and what is a climate that is very supportive of collaboration. COVID has made both the LA and schools more locally solution focused – so this is a time of opportunity to see the strategy implemented to full affect.

When considering the limitations of the reimbursement scheme as stated in the text of the report from July 2020 coupled with the additional costs that are emerging for the Autumn Term, there are implications for even our most prudent and financially astute schools in managing what are considerable costs moving forward. There is an acceptance that government finances targeted at the most vulnerable pupils through the 'Catch-up Premium' are important, but this level of financial investment is rightly protected for those that need it and cannot be used cover other costs that are incurred.

We have both MAT and maintained leaders that are innovators and strategic planners so there is still opportunity here, this opportunity should be balanced with what are clear financial pressures that need our urgent attention.

Final points containing next steps:

In terms of moving forward the following bullet points set out some of the steps that the LA and schools will need to take and the challenges/opportunities that may be there moving forward, they also raise some additional points of consideration:

- The LA will continue to make representation to the RSC, who is our line to the DfE in relation to the emerging costs for schools as stated in this document alongside the reimbursement scheme which we still consider to be an issue
- School leaders will be advised to log the ongoing Covid related costs that the school/Trust are experiencing so that as a system we have a clear view of the financial implications and when making representation on behalf of schools, have accurate and evidence based information in order to make a case.
- School leaders will need to undertake some financial modelling on the impact of either a local outbreak or a significant second wave in areas such as wraparound care and lettings.
- School leaders to look at opportunities to cement and establish, where appropriate, even stronger links with the Early Years sector and through the hub/cluster structure that exists, particularly where economies of scale can be achieved.
- The LA and school leaders will need to work jointly to establish what the longer term impact of COVID is on school finances, looking at both negative impact and opportunity. This may involve new ways of working and a localised response to areas such as wraparound care, which may have a different level of need moving forwards
- Implementation of the Small and Rural School Strategy in the context of COVID. The pandemic has highlighted the need for governors and school leaders to consider the long term structures of schools and plan for this proactively.

Andrew Best June 2020



August 12, 2020

Impact of Covid-19 on school and education funding

Dear Mr Goldman

I hope you are well and managing to navigate your way around the Covid-19 pandemic. I'm sure it has been, and continues to be, a major challenge for the Department for Education.

These are unprecedented times and you have our continued support as you try to work through all of the issues and return schools to some sort of normality.

The f40 group thought it would be beneficial to share with you some of the concerns and feedback we have received during recent weeks, from both local authorities and schools, relating to extra costs and funding pressures during the pandemic.

We appreciate that you are likely to be updating guidance for schools on claiming additional expenses in the coming weeks and thought our insight might be useful.

While the original guidance produced by the DfE was very helpful in the early stages, things have moved on significantly. We have found a number of areas where more clarity is required and where one set of rules cannot apply to all.

Our insight is as follows:

1. Existing issues are exacerbated

f40 is made up of 42 local authorities who are among the lowest funded for education in England.

Our members have expressed concern that existing pressures within the school system, such as lack of funding, insufficient resources for special needs, the need for early intervention, and the impact of MPPFL on rural and small schools and those supporting pupils with greater levels of additional need in low funded areas, have been further challenged by the coronavirus.

Covid-19 has focused a sharp lens on issues that already existed. This is particularly the case with High Needs funding.

In many ways, our members are less able to cope with the additional demands of the pandemic than better-funded schools, further highlighting the need for fairer distribution of budgets.

Similarly, with Early Years, while the inflationary 8p increase in funding this year was welcomed, this was the first increase in funding for a number of years. The sector is under immense strain. The loss of private income to Early Years providers has left the future of many in doubt, which could result in a severe lack of places for children.

While some Early Years providers have been able to apply for grants, others have not been eligible. Without financial help, they may close.

Suggestion: f40 believes short and long-term funding and support measures need to be in place to support schools, the High Needs Block and Early Years.

Clarity as to the department's view on the future of the maintained nursery school sector would also be useful.

2. Clarity of guidance

There was confusion around which additional costs schools and local authorities could reclaim during the pandemic.

For example, it is unclear whether Maintained Nursery Schools were eligible to claim for extra expenses as there was no mention of them in the guidance.

Requests for clarification, either directly with the EFSA or through conversations with Regional Schools Commissioners have thrown up similar contradictions, such as whether extra staffing costs can be reclaimed and how they are recorded and recouped.

Suggestion: We believe schools and local authorities need more clarity on the process for reclaiming expenses in any future claim window, and more recognition of the breadth of extra costs they are facing. One size does not fit all.

3. Breadth of additional costs

The current guidelines have been in place since the beginning of lockdown and, while helpful at the time, they have been superseded by changes to guidance and the length of school closures. We now have the benefit of hindsight and can better understand widespread extra costs, as well as extraordinary costs that may only be relevant to some.

f40 believes that schools should be as flexible as possible in their approach to extra expenditure and should be maximising on areas where they can make savings.

However, there are extra costs that all schools are facing, which we believe they should receive financial support with, such as:

- Additional deep, preventative cleaning
- Extra water usage for hand washing
- Providing hand sanitiser
- Displaying floor stickers and signage
- Using large quantities of PPE in special schools
- Subscription to E-learning platforms

There have also been many exceptional costs, such as:

- Posting of homework to pupils for one school amounted to £7,500
- A small school with only one set of toilets had to hire portable toilets to aid social distancing
- Providing mobile phones to teachers to enable them to carry out wellbeing/safeguarding calls with pupils – especially vulnerable pupils.

Schools and local authorities have experienced a number of funding pressures in recent weeks, but everyone is agreed that these issues will be magnified when schools return in September. The true financial cost of the pandemic to schools may not become clear until next year.

Suggestion: f40 believes schools should not be worse off due to the coronavirus and should receive financial support with extra costs that are common to all.

Suggestion: We believe allowance should be given for schools to recoup extraordinary expenses that may be specific to their situation. At the end of the financial year(s), it should become clearer whether there is a need for any schools to pay back funds.

4. Additional teaching costs

A number of schools have incurred additional teaching costs as a result of the pandemic. The current guidelines do not stipulate whether extra teaching costs will be met.

While many schools have been able to operate a rota system, either internally or with neighbouring schools, to provide on-going teaching to vulnerable children and children of key workers, we know of several instances where this has not been possible.

There are a number of instances where teachers had to work through their Easter and half-term holidays and have been unable to take time off later in the term to compensate, as suggested by the Department for Education.

Special schools, for example, provide specialist care and have not been able to rotate with others for two reasons:

- 1) They were open during the Easter holidays and half-term. Some staff were unable to take holidays and were unable to take time off in lieu during term time as they were required to support the number of small bubbles of children.
- 2) In some cases, pupils with special needs required support from staff they knew well.

Most schools have had reduced numbers of teaching staff, either because of sickness or because some teachers have been shielding, which has put more strain on those teachers available to work.

As a result, the rota system, has not always been a practical option. In some cases, schools have had to rely heavily on the use of supply teachers. The use of supply teachers has added pressure to the budgets of some of the lowest funded schools, with some reporting that their annual budget for supply costs have been spent within the first term.

For low funded schools, many of the staffing flexibilities have been removed in recent years to ensure schools remain viable. The use of teaching assistants in some cases is limited to support named children through an EHCP. Some schools do not even have a supply budget, with the headteacher often having to provide cover (on top of what may already be a regular class commitment).

Many teachers have worked additional hours to set up E-learning platforms for pupils, while continuing to provide homework and ongoing support. This requirement has increased with year groups returning, as in many cases a full teaching establishment has been necessary to cover the returning year groups.

Many support staff required to work in the holidays are on term-time only contracts. They have not been budgeted for or paid during the holidays – but were still needed when the schools were open (e.g. admin/finance/reception and teaching assistants for pupils with EHCPs who were counted as vulnerable.)

All of this has led to additional staffing costs for many schools, which they are now struggling to meet.

Suggestion: f40 believes schools should be able to recoup extra staffing costs where they can show exceptional circumstances, where a rota system could not be utilised, and where staff could not be compensated with time off.

5. Loss of income

The greatest financial concern for many schools has been the loss of income caused by the pandemic. As schools closed, so did many of their private income streams.

Many schools within f40's member authorities struggle financially and rely heavily on private income, such as from breakfast and after school clubs and the hiring out of facilities, to help fund core education delivery.

The DfE has actively encouraged schools to create private income initiatives like these, but those schools that have are now among the hardest hit.

In many cases, while their private income has stopped, some costs have continued. For example, staff who run the breakfast club may have a second contract within the school, so may not be eligible for furlough, and the school must continue to pay their salaries.

And despite school astro-turf pitches and sports facilities being unavailable for hire, some schools may have to continue paying for their leases. This has placed a greater burden on budgets.

Suggestion: f40 believes the DfE should support schools who have lost income by agreeing to subsidise a percentage of it – for example, funding 75% of lost income. This would be in line with the approach taken with local authorities.

6. Catch-up grant

f40 welcomes the Government's £1bn Coronavirus catch-up grant – with £650m going directly to schools and £350m for a tutoring programme.

However, we believe more information and clarity is needed on how the grant will be distributed and how it is to be used in the months ahead.

Concerns have been raised about the long-term loss of funding through the Year 7 catch up, with any gains received through the National Funding Formula being eroded in meeting this loss in revenue. Special schools have raised particular concerns as, depending on need type, this could represent a substantial loss.

f40 believes SEND pupils will remain vulnerable unless a needs-based funding formula is introduced at the earliest opportunity.

Suggestion: The introduction of a needs-led funding formula for High Needs that protects the funding made available through the year 7 catch up grant.

Suggestion: Additional High Needs funding provided to schools to assist with additional pupil need (eg emotional support) as a result of the pandemic. This is especially important for pupils in special schools with higher needs which have been exacerbated by the pandemic.

7. September return

a. Allowing a phased return

Many local authorities and school leaders believe that when children return to school in September, a number of issues will arise that may require additional support and discretion.

For example, while it is desirable to have all children back in school at the earliest opportunity, there are going to be instances where it is not practical or safe, such as with special schools.

Suggestion: Schools should be encouraged to bring all of their pupils back to school in September at the earliest opportunity but understanding and discretion should be used where particular challenges arise. Schools should be permitted to use phased returns if they can demonstrate the benefits to both staff and pupils.

b. Reassurance to parents

Some parents are understandably concerned about their children returning to school and f40 believes schools, local authorities and the DfE should provide reassurance to encourage all children to attend – rather than threats of prosecution.

c. Early intervention

Many local authorities and school leaders believe there will be a spike in special educational needs and exclusions when schools return in September. The pandemic and school closure will have had an adverse impact on many children, who may require short-term funding and support to assist them.

While some local authorities are expecting the number of EHCP applications to rise, we do not believe this is necessarily the answer to the expected increase in short-term issues. Rather than increasing the number of EHCPs, we believe early intervention programmes should be available to restore emotional well-being and provide additional support where needed.

Local authorities can play a key role in this bringing together large numbers of schools along with other key associated services such as social care. The importance of the role local authorities play has been highlighted during this current crisis and has demonstrated the impact they can have working closely with their local schools and families.

Suggestion: Early intervention funding, over and above the £1bn catch-up grant, should be provided, where needed, to ensure additional emotional and learning support can be accessed – reducing the likelihood of children needing EHCPs and to help children progress.

d. School transport

Many concerns have been raised by local authorities about how school transport will be managed when schools return in September.

Keeping children socially distanced on buses will be near impossible. It will also be extremely difficult for local authorities to timetable the additional school transport required.

While local transport authorities welcome the £40 million funding package dedicated for transport during the autumn term, it is still unclear how children will be able to arrive at school by public transport on time, due to the double running of routes and additional transport arrangements required to cover multiple destinations.

Suggestion: f40 believes local authorities should be given more guidance and clarity on how the £40 million funding package will ensure children are able to travel to school while social distancing measures remain in place.

Conclusion

Thank you for taking the time to read the insight we have gathered during recent weeks. We hope you find it useful and would be only too happy to discuss it in more detail if you wish.

Don't hesitate to contact either myself or Karen Westcott, Secretary of the f40 group, if you feel a call would be beneficial.

Kind regards

James McInnes
Chairman
F40
07961 275814

cc. Karen Westcott
07545 210067

Dear Mr Williamson,

I am writing to you as deputy leader of Devon County Council, the authority's Cabinet member for children's services and as the national chair of f40.

You will be familiar with the continuing national funding difficulties of services for children with special educational needs and disabilities. I realise the Covid 19 emergency has created a massive demand for extra funding and this is not just another plea for more money, although the aspirations of both central and local government for better care for some of our most vulnerable children does require improved funding. However I would like to suggest a number of actions to you which would help to contain the soaring costs of SEND for local authorities whilst not in any way diminishing the care we provide. The changes introduced in the 2014 Children and Families Act were ambitious and designed to reshape support for children with SEND but were not funded at an appropriate level to allow us to meet the increased demand. For example, your own data show the number of children and young people with EHCPs increased by 35 per cent nationally in the five years to 2017/18. In Devon the number of ECHP plans maintained has almost doubled from 3,284 in 2014 to 6,474 in 2019. Currently we have 7,000 children with plans. This has obviously come at a huge cost to us and to my local authority colleagues across the country.

Over two years the funding gap we face in Devon between the government grants we receive and the cost of meeting the needs of the children and young people we support has been £19.7million in 2019/20 and £23.1 million in 2020/21, thus giving a cumulative deficit of £43 million. The extra funding we have received from 2019/20 to 2020/21 within the High Needs Block amounts to £6 million after recoupment. Clearly this is not sustainable. Devon, in common with other local authorities, has taken your Government's advice and identified this deficit as a negative reserve but this will never be a long-term solution and will not provide financial stability.

We have developed a recovery plan that includes making significant investment in creating special school places. Compared to three years ago we have around 300 more children being educated in state-funded settings rather than independent schools and, although this will require considerable corporate investment on our part at time of intense pressure on our finances, we are planning to deliver another 300 places by 2023. However the current legislation and the SEND code of practice create additional challenges that could in fact be amended to provide better value for the public purse.

One of the most costly areas of provision is the independent sector. The code of practice states that independent providers on list 41 must be given equal consideration to state funded special schools. However these settings often include provision which is not stipulated in the child's education, health and care plan but which make the school understandably appealing to parents albeit at significant additional cost.

You will be well aware parents have a right to appeal at tribunal. The strong emphasis placed on parental preference at appeal means local authorities find it very hard to defend a decision to place in state-funded provision when the independent provision looks more appealing.

Tribunals often dismiss cost as not being significant. However the average difference in cost between a state-funded school and an independent school is £24,000 per child with some costing up to £100,000 a year. We have also seen considerable volatility in the independent sector with some special schools facing problems with both quality and finance. Nationally some 85 per cent of high needs block expenditure is tied to individual pupils and placements. A change in guidance to allow local authorities to secure state-funded provision with less challenge or with a cap on the fees charged by independent schools coupled with a requirement to align the fees with the provision specified in the plan could help to contain escalating costs. We are also now faced with many more legal challenges and local authorities are facing judicial review for not following SEND legislation when in fact we are following the guidance contained in the national code of practice.

Even before cases reach this stage, local authorities are spending significant time and resources on managing solicitors and pre-action letters because of the raised awareness of SEND issues within the legal community. We therefore request an urgent review of the underlying regulations and the code of practice to ensure it removes any ambiguity in expectation which would allow local authorities to ensure best value for the public purse while continuing to meet pupils' needs.

Yours sincerely,

James McInnes

FORWARD PLAN (*provisional*)

20 Oct	1	Schools Budget Consultation - options	MS
	2	HNWG - Progress update - written quarter update	SW
	3	Q2/Quarter update	CW
	4	Review of Membership	AD

All future meetings will be held on Microsoft Teams until further notification from the Forum Chair.

FUTURE DATES**2020**

24 September

20 October (Tuesday)

19 November

2021

21 January

25 March

13 May

8 July

ANY OTHER BUSINESS