

## **Schools' forum minutes – Leicester City Council**

Minutes of the virtual Microsoft Teams meeting held on the 19 June 2024

### **Present**

#### **Schools Members**

	<b>Name</b>
Mainstream Academies	Jane Ridgewell, Mike Hobbs, Rose Angus, Amelia Smith
Special Academies	~
Special School Governors	Lynne Folwell
Special School Heads	Steph Beale (Substitute)
Secondary School Head Representatives	Anna White, Farhan Adam
Secondary School Governor Representatives	Sabera Seedat
Primary School Governors	Glenys Mulvany, Sue Welford, Liam Mahoney
Primary School Head representatives	Karl Stewart, Richard McKenzie
Pupil Referral Unit	Shaun Whittingham

#### **Non-School members**

	<b>Name</b>
Teaching Unions	Jennifer Day
School Support Staff Unions	Samuel Randfield (Chair)
16-19 Providers	~
Early Years (private, voluntary or independent) providers	Matthew Leedham

#### **In Attendance**

	<b>Role</b>
Simon Walton	Principal Accountant, Finance – Leicester City Council
Martin Judson	Head of Finance – Leicester City Council
Sophie Maltby	Director of SEND, Education and Early Help – Leicester City Council
Cllr Elaine Pantling	Lead Member for Education – Leicester City Council

Jane Pierce

Programme Manager (SEND and Education) – Leicester City Council

Robyn Cooper

Clerk to Schools' Forum – Leicester City Council

### **1. Apologies for absence**

Apologies were received and accepted from Matt Potts and Sarah Osborne

### **2. Declarations of interest**

There were no declarations of interest made in the business to be transacted.

### **3. Minutes of the previous meeting (31 January 2024)**

The minutes of the meeting held on 31 January 2024 were accepted as an accurate record.

### **4. Matters arising from the minutes**

The high needs block recovery plan was included on the agenda.

### **5. 2023/24 Dedicated Schools Grant Outturn**

The Dedicated Schools Grant (DSG) outturn report had been shared with Schools' Forum. Martin Judson explained that the report covered overall DSG expenditure for 2023/24 and the DSG deficit reserve position at the year end. He stated that it also outlined individual school revenue balances for schools maintained by the City Council as of year-end and the position on clawback. Martin Judson highlighted that the recommendations for Schools' Forum were to note the report and provide their views on the issue of clawback of excess balances. He stated that the LA was not proposing to clawback excess balances.

Martin Judson explained that the DSG expenditure of £248 million exceeded the 2023/24 allocation by £3.8 million. He stated that the cumulative deficit had increased by £3.7 million from £6 million to £9.7 million. He highlighted that appendix 1 of the report provided a breakdown of expenditure for each DSG block. Martin Judson stated that the main driver for the deficit was the High Needs Block (HNB). He highlighted that HNB spend was £85.1m, £9m more than in the prior year and £6m more than the 2023/24 grant allocation. Martin Judson explained that significant funding increases had been received in previous years which had funded the growth in the following year but not the structural underlying deficit. He stated that in 2024/2025 the significant funding increases had stopped and consequently they would see larger deficits going forward.

Martin Judson took Schools' Forum through the data in the report on numbers of young people supported, the increase and the cost per place. He highlighted that a

breakdown of places was included in Appendix 1. Martin Judson explained that the number of new plans agreed for statutory assessment in 2023/2024 could be significantly lower, even taking into account the impact of the cyber attack on the city council's systems. He stated that this reduction would be welcome, however the current funding levels would not cover the number currently who had support in the system.

Martin Judson highlighted that there was a small underspend in the schools block due to an underspend on union facility time.

Martin Judson reported that there was a £2 million underspend in the early years block, however the allocation would be adjusted by the ESFA, and they would receive the final confirmation in July. He stated that they expected a small clawback. Martin Judson explained that the funding allocation was based on census data and the number of hours claimed for 3- and 4-year-olds were lower. He explained that this was offset in the summer term however overall, the net position was that the funding exceeded the amount claimed by providers. He took Schools' Forum through the data for universal entitlement as outlined in the report.

Martin Judson highlighted that the expenditure for the central block was in line with the allocation. He stated that the primary behaviour support team did overspend by £139k but this was covered by the city council.

*Farhan Adam – Had you looked at forward projections in relation to the potential of a Labour government coming in and the 20% tax on independent school fees and the impact for independent special? Had forward projections looked at this? What percentage of students were in independent provision?*

Martin Judson explained that he had not looked at this yet. He stated that for pre-16 students there were over 100 in independent provision.

*Jennifer Day – You stated that there was an underspend on union facility time? Could we have a breakdown of that? I know there was still a dispute for 23/24 in terms of time allocation for the different unions.*

Martin Judson stated that they could ask HR for a breakdown.

**ACTION – Martin Judson to ask HR for a breakdown of union facility time.**

*Jennifer Day - Where does the underspent money go?*

Martin Judson explained that it was absorbed into the overall position, which would offset the HNB.

Martin Judson took Schools' Forum through the section of the report on maintained school revenue balances. He highlighted that maintained primaries saw a decrease in their cumulative carry forwards, secondary schools saw an increase and special

schools saw a small increase. He highlighted that the total revenue balances across all maintained schools was £20.5 million.

Martin Judson explained that some of the figures were slightly distorted due to £2.4 million being transferred back to schools, which had been previously held by the council to pay for capital projects. He stated that this was as a result of DfE guidance.

Martin Judson highlighted the table (3.15) which summarised the surplus and deficit position of the schools. He took Schools' Forum through the numbers of schools currently in deficit. He highlighted that the data showed a deteriorating position for the number of primary schools in deficit (2 in 22/23 and 6 in 23/24).

Martin Judson explained that the Scheme for Financing Schools included a mechanism to clawback excessive uncommitted balances (higher than 10% of delegated budget). He explained that other factors were taken into account and schools were asked to classify committed balances into the 4 categories (outlined in the report). Martin Judson explained that they asked schools for evidence and the level of detail and quality was similar to the previous year. He stated that items included under exceptional costs were still containing business as usual items. He highlighted the examples were included in the report. Martin Judson explained that there were also a significant number of items included under category 2 (capital projects) without evidence provided. He highlighted that there was £11.5 million uncommitted of the £20.5 million held by maintained schools. He stated that of that, £4.5 million would exceed the 10% (outlined in appendix 4). Martin Judson explained that they did not audit and take the figures as read. He stated that 25 schools exceeded the 10% and 22 were primary schools. Martin Judson explained that they had sought advice from the DfE. He stated that clawing back the £4.5 million would offset the £9.7 million cumulative deficit. Martin Judson explained that the use of the funds would be restricted and there would need to be extensive work to ascertain more detail on the uncommitted balances. He stated that as a result of this the LA was not proposing to clawback excess balances this year.

*Liam Mahoney – Re Appendix 2 – Should we be taking that as early warning sign for next year? Were there any generic themes as to why more primary schools were in this position? What can be done to help?*

Martin Judson highlighted that the arrows in the report were the historic position. He stated that they had received budget intention forms from the majority of schools. Martin Judson explained that former city Headteacher, Kevin Lacey was going into schools who were in a cumulative deficit position or were heading that way. He would discuss the school's financial position and support them to put in place a plan to minimise the deficit.

*Liam Mahoney – Would you be collating some of the reasons as part of that?*

Martin Judson stated that they would. He explained that he had only been in a couple of schools so far.

## **6. Update on High Needs Block recovery plan**

Sophie Maltby explained that they had written a recovery plan and a report which was due to go to Lead Member's Briefing next week and then the City Mayor briefing in July. She explained that once this was signed off it could come to Schools' Forum. Sophie Maltby stated that they were due to have a follow up meeting with the ESFA at end of July.

*Karl Stewart – This is a national problem? The shortfall for SEND and high needs block.*

Sophie Maltby explained that it was and there were 20 Local Authorities in the country that did not have a deficit. She explained that the statutory override would end in 18 months' time. She explained that the government had 2 national programmes – the Safety Valve for significant deficits and Delivering Better Value for deficits that were not quite as large. Sophie Maltby explained that some Local Authorities had up to £100 million deficit. She stated that Leicester City Council were not in either programme. She explained that they had informed the ESFA that they had a deficit and that was why they were required to submit a plan to them. Sophie Maltby explained that they were in a good place in the city in that they had been working on it for quite a long time and undertaken pieces of work – banding model, reviewing Element 3 and DSPs – to try and reduce the overspend.

Karl Stewart – Were there any implications if there were a change of government? Sophie Maltby suggested that it would likely be a middle to low impact. She stated that Leicester were 75<sup>th</sup> nationally in terms of the deficit and so were at the lower end. She stated that there had not been anything released regarding a change on the statutory override. She stated that it would have a significant impact on LAs as it was allowing them to exclude the DSG deficits from the main budget and so would have a big impact on councils nationally.

*Sue Welford – How much of the plan have you been able to shape and how much was the ESFA saying what the council need to do in terms of delivery? How do you feel in terms of the meetings, were they satisfied with the plan?*

Martin Judson explained that they had only had one meeting with them and they had felt that council were doing everything they could. He explained that they had asked them to submit 2 financial plans, 1 which outlined if nothing was done, and current provision/spending continued and a second where various projects and strategies were implemented. He stated that even when they implemented things, costs kept rising and the number needing support were coming in at a higher rate than those leaving. Martin Judson explained that the strategies outlined in the Delivering Better Value programme were all things that they were doing. Sophie Maltby highlighted

that the council were also part of the Change programme, which was looking at improvements around managing the deficit. She stated that the biggest challenge was that the system was needs led and they could not deny a child a plan if they need one.

*Amelia Smith – That is helpful to hear. The concern in schools was that more and more children were coming in with high needs and the impact for schools' budgets. Some schools had also been impacted by the minimum funding guarantee. Where was the schools time to plan in terms of budget?*

Sophie Maltby stated that if a child needed Element 3 funding or an EHCP they would be funded in the way they are now. She stated that they were not proposing to reduce the amount of funding and the system was needs led. She stated that it was unpredictable as they did not know how many pupils were coming in, but they had worked with schools to look at solutions – DSPs etc. She stated that they were looking at the option of giving Element 3 funding for longer blocks of time due to the challenge of re-applying and not being able to forward plan.

*Jane Ridgewell – Thank you for the clarification around not putting ceilings on EHCP and Element 3. Where were the savings coming from?*

Sophie Maltby explained that they were looking at a range of things including BERA in schools and schools following a graduated response. She stated that they would also look at how they run systems internally including the requests for statutory assessment. She stated that the only way to do it was through marginal gains. Sophie Maltby explained that they had already made some of the big changes. She stated that it was not always a solution to build extra special school places. Jane Ridgewell highlighted the challenge for schools when faced with in-year deficits, actual deficits and falling budgets and that schools were having to limit staff. Sophie Maltby stated that the DfE recognised that it was a broken system and a national issue, but they had to be trying to do things at a local level. Amelia Smith highlighted that the needs of some of the children in school was higher than it was previously and the funding went nowhere near to cover the provision needed. She stated that in a special school the child would get more funding than receiving in mainstream. She stated that she wanted to acknowledge the good work done so far but it was very difficult for schools and there were pressures on staff in terms of what they were having to manage.

## **7. Early years entitlement and wrap around care (Jane Pierce)**

Jane Pierce provided a presentation on the childcare reforms and what it meant locally. She stated that they were pulling together a fact sheet with common questions and concerns, which would be shared with all schools and PVIs. She took Schools' Forum through the communication and briefings undertaken so far with schools and the PVI sector. Jane Pierce took Schools' Forum through the presentation including entitlements, current provision in the city, timeline and funding.

*Steph Beale – You mentioned special schools, was this a statutory requirement for special school as it was for mainstream?*

Jane Pierce stated that she would get more information on this. She stated that she was attending a CLASS meeting in the autumn term and would be able to provide more information there.

*Jennifer Day – In terms of recruitment and retention, does the DfE say anything about levels of payment and qualifications and if this was included in the funding?*

Jane Pierce stated that this had not been specified but could ask the question. She stated that there were qualifications outlined in the overall childcare reforms.

*Samuel Randfield – In respect of maintained schools, if they elect to establish their own provision, what would the employment situation be for the staff? Were you thinking that the LA would need to devise new a job description or do the roles under single status cover it?*

Sophie Maltby explained that it would depend on what option a school went for. She stated that they would have to look at it moving forward once they knew which model schools were looking at. She stated that if there were implications, they would let unions know.

*Samuel Randfield – You mentioned the DfE insistence on 8am-6pm, had you fed back to them that schools had different opening hours and this did not make sense?*

Jane Pierce explained that the DfE were encouraging 8am-6pm, except in cases where parents say that they did not need it or wanted different hours. She stated that it was about evidence gathering and understanding what the local community wanted.

*Amelia Smith – Was the funding available only if a school delivered the full time allocation or would funding be available if a school was delivering what parents wanted following a survey?*

Jane Pierce stated that if there was a preference from parents and evidence showing that these hours were most appropriate, then funding should be available. She stated that they had raised it in the delivery plan and with the DfE.

*Jane Ridgewell – It goes beyond those members of staff looking after the children, schools had to consider other staff costs (e.g., site managers and cleaners).*

Jane Pierce agreed, and they had talked to the DfE about that.

*Jane Ridgewell – Schools would have the funding to start with, however there would be issues in the long term when provision had to operate on full cost recovery. She stated that parents would be encouraged into work with wraparound being offered at a specific amount and this would not be sustainable. She stated that schools were already seeing the pinch at breakfast club level.*

Sophie Maltby stated that the LA agreed and understood that many schools would be proactive and if it was needed they would be delivering it. She stated that they had to see it as a test and learn. She stated that the DfE had listened. Jane Pierce highlighted that there was resistance nationally. Cllr Elaine Pantling stated that they were sceptical but they were trying to make the best of what they were given. She stated that they had to look at how to make it work to the city's advantage and for the children in the city and parents. She stated that she appreciated the comments.

## **8. Any other business**

### 2024/25 Dates

- Wednesday 2 October 2024 1-3pm
- Wednesday 20 November 2024 1-3pm
- Wednesday 29 January 2025 1-3pm
- Wednesday 18 June 2025 1-3pm