

MEETING: SCHOOLS FORUM  
DATE: 11 MARCH 2019  
TIME: 1.30PM  
VENUE: PROFESSIONAL DEVELOPMENT CENTRE, FORMBY

**Member**

Dorothy Lee Ogden (Chair)  
Rob Rogers  
Ian Raikes  
Julian Ward  
Sue Kerwin  
Niki Craddock  
Anna James  
Jenny Taylor  
Bernie Coxon,  
Malcolm Parry,  
Mary Wall  
Cllr Richard Hands  
Isobel Macdonald Davies  
Cathy Earley  
Alena Elicerova  
Paul Tomlinson  
Matt Symes (Chair of SASH)  
David Jones  
Toni Oxton-Grant  
Brenda Porter  
Nigel Bellamy  
Danny MacAreavy  
Wendy Corless  
Brenda Hayes/Tim Short  
Jon Horrocks  
Nicola Walsh  
Mary Johnson (FS)  
Mike McSorley (HOS)  
Kevin McBlain(FS)

**Representatives**

Academy Governor  
Academy Headteacher  
Academy Headteacher  
Primary Headteacher  
Primary Headteachers  
Primary Headteacher  
Primary Headteacher  
Primary Headteacher  
Primary Governor  
Primary Governor  
Primary Governor  
Primary Governor  
Primary Governor  
Nursery Headteachers  
Nursery Governor  
PVI  
Secondary Headteacher  
Secondary Headteacher  
Special Headteacher  
Special Governors Rep  
HWB (Early Life Group)  
Faith  
PRU  
UNION (Teaching)  
UNION (Non-Teaching Union)  
Virtual Head/LAC  
Local Authority  
Local Authority  
Local Authority

Clerk to Schools Forum  
Telephone:  
E-mail:

Colette Jones  
0151 934 3741  
colette.jones@sefton.gov.uk

**If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.**

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# **A G E N D A**

1. **Apologies for Absence**
2. **Minutes of the Last Meeting** (Pages 5 - 8)
3. **Matters Arising**
4. **School resource management self-assessment tool**
5. **Agenda Item 5 Letter from ESFA disapplication** (Pages 9 - 10)
6. **Agenda Item 6 Proposals to change the Early Years Schools Forum Sub Group** (Pages 11 - 16)
7. **Agenda Item 7 Report on Complimentary Education charging** (Pages 17 - 22)
8. **Agenda Item 8 Scheme for Financing Local Authority Maintained Schools** (Pages 23 - 26)
9. **Agenda Item 9 High Needs Forecasts 2018 19 and 2019 20** (Pages 27 - 34)
10. **Agenda Item 10 LGA High Needs report published 12.12.18** (Pages 35 - 72)
11. **Agenda Item 11 Report on Maintained school balances 2018 to 2021** (Pages 73 - 76)
12. **Teachers Pay Update**
13. **Agenda Item 13 Review of Schools Balances 1718** (Pages 77 - 84)

## Sefton Council

### Sefton Schools Forum Minutes

#### Minutes of Sefton Schools' Forum Meeting Monday 14th January 2019 1.30pm PDC, Formby

**Forum Members present:** - Dorothy Lee Ogden (Chair), Ian Raikes, Isobel Macdonald-Davies, Danny Macareavy, Niki Craddock, Toni Oxton-Grant, Cathy Earley, Julian Ward, Jenny Taylor, Nicky Walsh, Anna James and Sue Kerwin

**In attendance:**

Colette Jones	-	Clerk to Sefton Schools Forum	(CJ)
Mike McSorley	-	Head of Education	(MM)
Nick Carbonaro	-	Corporate Finance	(NC)

#### Actions

**1 Apologies**

Malcolm Parry, Jon Horrocks, Simon Penney, Matt Symes, David Jones, Kevin McBlain

**2 Minutes of the previous meeting**

Forum agreed the minutes from the previous meeting

**3 Matters arising from Minutes**

None recorded

**4 Facility Time**

Funding for facilities time for trade unions representing school based employees at a local/branch level have been primarily funded through the de-delegation of the schools' block funding by mainstreamed schools and by formal buy into the Trade Union Facility Time SLA by some academies. It is proposed that the annual contribution from all settings should be reduced to £2.10 per primary pupil and £4.12 per secondary pupil based on pupil numbers for a 3 year period but with a 6 month opt out clause. Funding will be recovered by de-delegation for maintained schools and an 'invoice' sent to MAT/Trusts for academies. Forum agreed the recommendations for all schools to buy into the continuation of the local authority's union facilities agreements. It was suggested Trade Unions could attend SASH/SAPH to discuss facility time.

**Colette Jones to contact Chairs of SASH/SAPH**

**5 Review of School Balances**

Forum discussed the report and agreed to a School Balances Working Group and agreed to keep the School Balances Working Group in its current form. The School Balances Working Group will meet on Wednesday 16 January 2019 to discuss calling in the 14 schools identified with overspends. It was suggested that sports and pupil premium be separated out of future school balances reports.

**6 Disapplication request to move funding from Schools Block to High Needs Block**

The disapplication request was submitted to the Secretary of State in November 2018 and a response was received on 10 January 2019. Recent information from the DfE is that the SoS is sympathetic to the LA's position and the approach that the LA has taken to try and resolve this with schools. The disapplication request was agreed in principal and as a result the 0.5% school block

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contribution was taken to support High Needs block pressures in 2019/20. The Schools Forum accepted the Secretary of State's decision and were pleased that the DfE would be providing a SEN advisor to discuss Sefton's high needs strategy and offer help with the longer-term planning process.

## **7 DSG Funding Allocations to Schools: Central School Services; High Needs and Early Years Blocks for 2019/20**

The DfE have adopted a new method of allocating Pupil Growth based on data from the October 2018 census. This has seen Sefton's funding increase to a figure of £0.577m in 2019/20

DSG overall has increased by £2m of which £1m is for increased numbers of students in both the primary and secondary sectors. The primary sector increased by an extra +176 pupils and for the first time for a few years secondary sector increased by +70.5 pupils. The other £1m is made up of pupil growth funding and +0.5% uplift agreed by DfE as part of 2-year deal with schools.

The £1m for additional pupils has been allocated out through formula to support the increases in both sectors. £200k of the growth funding will be retained centrally to support growing schools mainly primary and this will increase the existing contingency of £150k up to £350k – which will help support approximately 7 schools each year that will be required to increase class sizes to support LA admission numbers and support infant class sizes.

£345k of the additional headroom has been transferred to high needs budgets in line with SoS letter to allow LA to take up to the maximum 0.5% school Block contribution to High Need.

In 2019/20, the minimum funding per pupil funding value set by DfE will be £3,500 per primary pupil and £4,800 per secondary pupil. In Sefton, we have 3 secondary schools in the central area of the borough who will not meet this minimum level of funding, as they have no, or little, prior attainment or deprivation. As a result, the 3 schools will require £131K of headroom funding to meet the minimum funding levels set by DfE.

The additional headroom has been allocated out using the Ever 6 FSM formula element which will increase by £25 per eligible pupil in both primary and secondary. The only other change to the local elements of the formula will be a reduction of £2.5k from the lump sum, making the revised lump sum allocation £117.5k per school in 2019/20, however this reduction will be protected by the MFG calculation.

A question was raised about Sefton adopting the NFF? Various models have shown that only a handful of Sefton schools will gain funding if we adopted the NFF, these are mainly in areas of significant deprivation and if adopted could see the majority of schools losing £3m in funding in comparison to the local formula. Schools would be protected by MFG but this would end up costing the LA more than £3m. Government has changed its standing on NFF as there will be no hard formula by 2020 and the same will be for 2021.

In November 2018, Schools Forum decided not to fund up to the maximum 0.5% Schools Block allocation as contribution towards High Needs after a consultation, but agreed a £450k contribution similar to 2018/19. Subsequently, a disapplication request was sent to the Secretary of State by the Local Authority to request up to the maximum 0.5% be taken out of the Schools Block and placed in High Needs. In December 2018, the government awarded Local Authorities additional funding of £.562m which was placed in the High Needs Block and

together with the 0.5% (agreed in principal by the DfE) will see the Projected overspend on high needs in 2019/20 reduce to £1.3m. Schools will receive the same budget as last year but with a reduction of £2.5k.

Early Years funding for 2019/20 remains the same as that awarded in 2018/19 and it is recommended that there are no changes made to the providers hourly rates for 2019/20. There have been no announcements made regards any continuing transitional funding for Maintained Nursery Schools. These schools are being supported via a special earmarked subsidy for three years 2017/18-2019/20 to recognise their higher levels of spending as schools. This ends in 2019/20 and unless additional/ongoing subsidy is agreed, these schools may become unviable.

The Schools Forum **noted** the following recommendations:

- Note the overall DSG funding for 2019/20 and the allocation assigned to each of the 4 funding blocks including any adjustments to be made.
- Note the Local Authority recommendations in support of Schools funding 2019/20 after consultation with Schools and via SAPH and SASH on 10 January 2019.
- Note the decisions taken at the previous Schools Forum meetings on 24 September and 19 November 2018 respectively, to support the transfer of £0.450m of Schools Block funding to High Needs in 2019/20, to help with budget pressures; but to disagree on any further contribution up to the maximum DfE guidance level of 0.5% of the total Schools Funding Block
- Note the decision of the Local Authority to make a disapplication request in November 2018 to the Secretary of State, requesting an increase to this contribution up to the maximum guidance level of 0.5% of the 2019/20 total Schools Block allocation.
- Note the Secretary of State's response to the disapplication request and subsequent application of the additional contribution from School's budget shares up to £0.795m in 2019/20 as requested.

Forum **agreed** the following items

- To agree, by a vote of Individual Maintained School Sector phase, as appropriate, the basis for, and, de-delegation of, specific central services as shown in para 7.5 of the report, to be pooled centrally by the local authority to provide a service to all 'maintained' schools.  
**Maintained Schools Primary 5 and Secondary (2) voted and agreed the recommendation**
- To agree by a vote, to the central contingency allocation of £0.350m in support of significant pre-16 pupil growth in 2018/19 and in compliance with KS1 infant class size legislation and as described in Para 7.6 of the report.  
**All present (10) and eligible to vote agreed**
- To agree by a vote to support the Central Schools Services Block funding allocation (totalling £1.271m in 2019/20) with associated services as shown in Para 7.7 of the report.  
**All present (10) and eligible to vote agreed**

Forum **noted and agreed** the recommendation

- In accordance with the decisions made by Schools Forum which are noted; and those agreed by vote at this meeting, that Schools Forum noted the intention of the Local Authority to submit the final APT for the 2019/20 schools' formula funding to the DfE, by the deadline of 21st January 2019. This will

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include any decisions made around transfer of funding between funding blocks; de-delegated amounts and centrally retained budgets.

Nick Carbonaro asked Forum for their decision on whether Sefton should consider a move towards NFF as Sefton uses the local formula. Government has changed its language and the introduction of the NFF will probably be 2021/22. Forum was concerned over the impact this would have on the majority of schools in Sefton but stated they would wish to look at further models later in the year in support of 2020/21

Schools Forum thanked Nick Carbonaro and Kevin McBlain for the report.

**8 Consultation on the implementation of new arrangements for reporting deficits of the dedicated schools grant**

The DfE are introducing new ways of reporting DSG deficits which they perceive as a local authority problem and not a government one. The new model will require a report from all local authorities that have an overall cumulative DSG deficit of 1% or more at the end of the 2018/19 financial year outlining their recovery plans. The local authorities will be expected to reduce their deficit and balance their DSG account within a 3-year period. For Sefton and most LA's High Needs budget is the issue and the closure of schools with deficits as the deficit remains with the LA. Notices of concern are issued to schools showing deficits.

**9 Early Years Outcome Funds**

Paper for information only. Localities Teams will be taking this forward

**Cathy Earley to  
contact Linda  
McQueen**

**10 Guidance on sponsorship in schools**

For guidance to schools on the key principles of sponsorship including a 'do' and 'do not' check list.

**11 Early Years Report 2018/19**

Early Years report will be discussed at the Early Years Sub Group as a more detailed report is needed.

**Kevin McBlain to  
provide a detailed  
report for the  
Early Years Sub  
Group**

## **Date of Next Meeting**

**Monday 11<sup>th</sup> March 2019, 1.30pm-3.30pm, PDC, Formby**



# Agenda Item 5



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
Earlsdon Park  
53-55 Butts Road  
Coventry  
CV1 3BH

Tel: 0370 000 2288

[www.education.gov.uk/efa-enquiry-form](http://www.education.gov.uk/efa-enquiry-form)

26 February 2019

By email: [nick.carbonaro@sefton.gov.uk](mailto:nick.carbonaro@sefton.gov.uk); [kevin.mcblain@sefton.gov.uk](mailto:kevin.mcblain@sefton.gov.uk);  
[mike.mcsorley@sefton.gov.uk](mailto:mike.mcsorley@sefton.gov.uk)

Dear Colleagues,

## **Request to disapply the dedicated schools grant, conditions of grant.**

Thank you for your disapplication request to move 0.50% from your schools block to high needs block.

After consideration of your application and supporting evidence, the Secretary of State has approved your request.

It is evident from the documents submitted that you have acted quickly as a response to moving into deficit. A SEND advisor will be in contact with you to discuss your high needs strategy so that your plans deliver the anticipated benefits.

If you, or other interested parties in your area, require further information or clarification on this decision, please contact us at

[LA.Disapplications@education.gov.uk](mailto:LA.Disapplications@education.gov.uk).

Yours sincerely

A handwritten signature in black ink that reads "Keith Howkins".

**Keith Howkins**  
**Head of the Funding Policy Implementation Unit**

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## Sefton Schools Forum Report

Date of Meeting:	11 March 2019
<b>Title of Report:</b>	<b>Proposals to change the Early Years sub group of Schools Forum</b>
Presenting Officer:	Kevin McBlain
Reason for Submission to Forum:	(2) ITEM FOR CONSULTATION
Executive Summary:	To provide members with a proposal to change the way the Early Years Sector is represented through its links with Providers and with Schools Forum going forward.
Budget/Risk Implications:	None
Recommendations:	<ol style="list-style-type: none"> <li>1. Forum is asked to note the report</li> <li>2. To accept the need for changing the model of future representation for Early Years and its links with Schools Forum</li> <li>3. Note the intention to make changes through the Local Authority, to the representation of the Early Years sector, via a wider meeting of providers and a revised reporting mechanism back to Schools Forum on Early Years issues.</li> <li>4. This to include the disbanding of the Early Years Schools Forum Sub Group and setting up of a new Early Years group, with Terms of Reference to be determined.</li> <li>5. The new group to be established and operational from the new Academic Year (Sept 2019)</li> <li>6. Report back to a future Forum on progress.</li> </ol>
Appendices <small>(to be attached)</small>	
Background Papers <small>(available on request)</small>	
Report Originator and Contact Details	Name: Kevin McBlain Tele: 01519344049 E-mail: Kevin.mcblain@sefton.gov.uk

**SCHOOLS' FORUM POWERS & RESPONSIBILITIES**

- 1 ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
- 2 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
- 3 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)

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4	ITEMS FOR INFORMATION (No formal view of the Forum is sought)
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## **1. Background**

- 1.1 For many years, the Early Years sector has been represented on Schools Forum by representatives from Nursery Schools; Nursery classes and by Private Voluntary and Independent Nurseries. General debate has been through the Schools Forum Sub Group which has nominated individuals who also attend Forum. This is a relatively small group of nominees including reps from each sector plus Finance and Early Years Schools readiness, who support Nurseries across the Borough.
- 1.2 Meetings of the Early Years sub group have been chaired by the Head teacher from Greenacre Community Nursery School, Cathy Earley, for many years, as a nominated representative. Meetings of the group have generally been termly, but have not always been convened before Schools Forum meetings, due to time constraints or difficulties getting everyone together.
- 1.3 The group also had admin support up until 12 months ago which stopped with the introduction of the locality model and changes in people's roles.
- 1.4 Attendance at these meetings has sometimes been sketchy and representation from all sectors has not always been maintained due to various reasons. This has reduced the effectiveness of the sub group to debate a variety of common issues or to share common problems and to iron these out.
- 1.5 Similarly, those officers who previously attended the sub group from the Early Years teams within the Local Authority, have undergone change over the last 12 months, and are now subsumed into the Council's overall Early Help Localities service model, operating from a number of locality hubs across the Borough. This new service model has been effective from last October 2018. These changes now mean the operational support and outreach to Nursery providers has also changed and some personnel have changed to reflect the new service delivery.

## **2. Making changes**

- 2.1 Over the last two years, there have been many changes across Early Years including changes to the funding from Government and the move towards paying providers a universal hourly rate; transitional funding for Maintained Nursery Schools, which now expires in August 2020 (following a recent announcement by the DfE); and the addition of the extra 15 hours childcare for 3-4 year olds based on parents working.

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- 2.2 The need for an effective platform for all providers to discuss their common issues and to raise their concerns on a variety of issues, including finance has never been more important.
- 2.3 In advance of the start of the extra 15 hours (Sept 2017), the LA set up a 30 hours steering group. From an open invite, this group attracted many attendees from across the sector in the lead up to the change, and was considered a very useful forum to discuss and raise a host of issues affecting all childcare Providers. This group has now been disbanded since the successful implementation of the roll out of the extra 15 hours.
- 2.4 As a useful group for debate, it is proposed that a similar group be set up in replacement of the Schools Forum sub group with a wider footprint and platform across the sector. This wider group might consider whether to have thematic working groups that, for example, specialise looking at finance or training issues etc This would be determined at the inception of the new Group within its Terms of Reference and modus operandi. Key financial or other operational issues would be referred to Schools Forum for final decision.
- 2.5 Recommendation would be that such a group would be chaired independently, through the auspices of the Local Authority and with a deputy. This role should ideally be someone with a background in Early Years, and experience of the sector. That individual would provide and maintain a link between the Providers and the Local Authority, and would manage the agenda and meetings across a range of relevant Early Years issues on a voluntary basis. The group would be accountable to Schools Forum through the Chairperson and have its own terms of reference. Issues within its remit could include operational; funding issues; training issues; advice on Early Years; links through the Council's localities model and strategy, to name a few. Having a wider platform would be key to success, along with having a varied interesting agenda relevant to Providers.
- 2.6 Work would be required in advance, to determine the ideal make up and representation on the new Group, and this could be reported back to next Schools Forum. It is not envisaged that this would include any proposals to change the current representation of Early Years practitioners on Schools Forum. However, there maybe the addition of the Chair from the new Group to provide feedback as appropriate to Forum and bring recommendations etc.

## 3. Recommendations

1. Forum is asked to note the report
2. To accept the need for changing the model of future representation for Early Years and its links with Schools Forum
3. Note the intention to make changes through the Local Authority, to the representation of the Early Years sector, via a wider meeting of providers

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and a revised reporting mechanism back to Schools Forum on Early Years issues.

4.This to include the disbanding of the Early Years Schools Forum Sub Group and setting up of a new Early Years group, with Terms of Reference to be determined.

5.The new group to be established and operational from the new Academic Year (Sept 2019)

6.Report back to a future Forum on progress.

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## Sefton Schools Forum Report

Date of Meeting:	11 March 2019
<b>Title of Report:</b>	<b>Review of charges for Complementary Education</b>
Presenting Officer:	Kevin McBlain
Reason for Submission to Forum:	(2) ITEM FOR CONSULTATION
Executive Summary:	To provide members with a review of charges for Complementary Education.
Budget/Risk Implications:	None
Recommendations:	<ol style="list-style-type: none"> <li>1. Forum is asked to note the report</li> <li>2. Note the proposed level of charges for 2019/20 taking effect from 1 April 2019: and</li> <li>3. Note the intention to bring a further report in 12 months' time with a further review of the service and charge levels.</li> </ol>
Appendices <small>(to be attached)</small>	
Background Papers <small>(available on request)</small>	
Report Originator and Contact Details	Name: Kevin McBlain Tele: 01519344049 E-mail: Kevin.mcblain@sefton.gov.uk

<b>SCHOOLS' FORUM POWERS &amp; RESPONSIBILITIES</b>	
1	ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
2	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
3	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)
4	ITEMS FOR INFORMATION (No formal view of the Forum is sought)

## 1. Background

- 1.1 In March 2018, a report was brought to Schools Forum, out of a growing concern for the increasing numbers and cost, of young people being referred by schools, to the Complementary Education (Comp Ed) service at Pinefields. The budgets for this service lie within the DSG High Needs.
- 1.2 Comp Ed provides education for children and young people who are unable to attend school for a period of time, usually for up to two Terms, due to significant illness, or due to a range of mental health issues. Pupils are usually referred to the service by schools; and teaching is provided through a combination of home tuition (up to 4.5 hours p week), or in a classroom, at the Pinefield Centre (up to 10.5 hrs p week), with teaching staff drawn either directly through the service, or through Agency support teachers being employed as necessary. Transport is also provided, where required, to bring children to and from the teaching Centre.
- 1.3 By the year end 2017/18, due to high numbers of referrals (in excess of 100 pupils where average numbers pa had been around 50-60 pa), the Comp Ed service ended the year with an overspend of £0.206m. This in turn contributed to the overall High Needs overspending of £1.8m.

## 2. Changes made to address the issue

- 2.1 In order to address this issue and to try to balance the budget back to a break-even position, the Local Authority decided to impose charges on schools who were using the service, to recover the extra costs of provision from April 2018. This was made with a promise to review the costs and charges within 9 months. This report seeks to review where the service is now, and whether these charges should continue, and in fact, if there is need to increase them.
- 2.2 In March 2017, the service was managing 102 pupils and potential overspending was running at £0.206k. Normal pupil levels through the service averaged around 50-60 pa prior to 2017, so this was at a considerable increase in cost. To accommodate the increased numbers, the service had no option at that time, but to employ up to 10 Agency Support teachers and spend increasing amounts on transport.
- 2.3 To address this, the LA recommended that an hourly charge be made to recover the excess costs of provision, at least for as long as numbers of referrals remained high.

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- 2.4 The level of charge was based on an analysis of the extra costs of tuition and transport divided up by the number of hours of tutor provision required to accommodate the larger cohort of pupils. A rate of £9.68 per hour was calculated in recovery of Home and Classroom tutoring; and for those receiving transport to the classroom a further £4.58 p hour was added, taking the combined rate with transport to £14.26 p hour. These rates started to be charged to schools from 1 April 2018.
- 2.5 During the year, the Service Manager has sought to reduce costs by employing fixed term contract staff to replace supply teachers, and during the year, has deployed 3 Higher Level Teaching Assistants to support Home tuition. This has reduced Agency costs, but not completely, and teaching supply, whilst not as high as it was in March 2018, is still required to cover the number of planned teaching sessions. Efforts are being made similarly, to drive down the costs of transport, through the issue of travel passes to those students who can travel independently to the Pinefields centre. Reductions to transport costs are tempered however, by the rising costs of provision, acquired through the use of a local taxi provider.
- 2.6 Numbers of pupils referred to the Service have remained relatively high during the last 12 months, and seem largely unaffected by the charges being levied. Current numbers on roll are around 89 pupils and are expected to rise over the coming weeks and into the Summer term with growing exam pressures and raised anxieties of some students.
- 2.7 Currently, the Service is showing a forecast overspending of around £0.040m but this includes an estimate for charges from January to March 2019, which may be lower than anticipated. This is clear evidence that charging schools is helping recover the service to a break-even position; and helping reduce the rising cost pressures across High Needs budgets overall. To remove this charge would therefore be to the detriment of High Needs, and therefore its continuation into 2019/20 is felt necessary.
- 2.8 During the year, the Service Manager would also report that concern has been expressed by Headteachers who use the service, over the ability of the service to provide timely attendance records, thereby ensuring the safeguarding of the pupils who attend the classroom facilities. This is an issue OFSTED are increasingly focusing upon within the revised schools' inspection framework.
- 2.9 Pupils who are referred, are dual registered, remaining on the books of their substantive school and with Comp Ed during their stay with the service, and it is essential that their attendance at Comp Ed, away from their normal school environment, is registered and fully maintained to the satisfaction of the Headteachers.
- 2.10 The Service Manager has considered this issue and would like to strengthen the service to enable it to provide more regular attendance data and help with a growing

need for support within the service, through the creation of an Administrative post at a relatively low grade. This would cost £23,450 pa including overheads and it is proposed this should be recovered through the charges to schools as additional cost to provide the data they need.

### **3. Proposed charges for 2019/20 Financial Year**

- 3.1 Having considered the additional costs of provision and steady numbers of students, and after taking account of the addition of an administrative officer post to support schools with attendance data and supply much needed support for the service as it grows with the numbers of referrals, the charges proposed for 2019/20 are as follows:

Home Tuition £9.87 per hour

Classroom tuition £9.87 per hour (excluding transport costs)

Classroom tuition £13.03 per hour (including transport costs if required)

- 3.2 This represents a small increase on tuition charges of 1.8% compared with the 2018 charges and a decrease in Transport charges of 31% from 4.58 p hour to £3.16 p hour due to the Service Manager being able to reduce reliance on transport over the year, and through slightly smaller numbers of pupils requiring transport. Every effort will be made to continue to seek cost reductions, wherever possible, but these charges represent the level needed to recover the estimated 2019/20 additional costs.

### **4. Recommendations**

- 4.1 That Forum is asked to note the report; and
- 4.2 Note the revised level of charges for 2019/20 which would take effect from 1 April 2019.
- 4.3 Note the intention to bring a further report in 12 months' time with a further review of the service and charge levels.

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## Sefton Schools Forum Report

Date of Meeting:	11 March 2019
<b>Title of Report:</b>	<b>Scheme for Financing Local Authority Maintained Schools</b>
Presenting Officer:	Kevin McBlain
Reason for Submission to Forum:	(4) ITEMS FOR INFORMATION
Executive Summary:	To inform Members of Schools Forum about an update to the Local Authority Scheme for Financing Maintained Schools.
Budget/Risk Implications:	None
Recommendations:	Schools Forum are asked to; 1.Note the report and 2.Note the intention to bring a further report to Schools Forum following consultation with maintained schools, for formal approval of the scheme with the updated information.
Appendices (to be attached)	
Background Papers (available on request)	Revised guidance on Local Authority Scheme of Financing Maintained Schools – Issued 5 February 2019.
Report Originator and Contact Details	Name: Kevin McBlain Tele: 01519344049 E-mail: Kevin.mcblain@sefton.gov.uk

SCHOOLS' FORUM POWERS & RESPONSIBILITIES	
1	ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
2	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
3	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)
4	ITEMS FOR INFORMATION (No formal view of the Forum is sought)

## 1. **Background**

- 1.1 Every Local Authority is required by statute to keep and publish its own Scheme for Financing its maintained schools. This document has to be made available for reference on the Council's intranet and is modelled around DfE guidance.

## 2. **Updating the Scheme**

- 2.1 In February 2019, the DfE have issued revisions to the Scheme, which Local Authorities are requested to adopt locally, and to consult with their Maintained Schools and subsequently to get Schools Forum approval.

- 2.2 The Scheme focuses on the financial relationship between the Local Authority and its Maintained schools. Included in the scheme is guidance on a host of finance related issues including but not exhaustive:

- Financial controls in schools
- Banking arrangements
- The treatment of surplus balances and deficits
- Licenced deficits
- Income
- Taxation
- Insurance
- Responsibility for repairs and maintenance
- Provision of services and facilities by the Authority
- The school funding framework
- Responsibility over redundancy and early retirement costs
- Various governance issues and responsibilities

Sefton is currently updating its Scheme in light of the latest updates from the DfE; and will be consulting with schools around the document as well as seeking Schools Forum approval of the updated document.

The DfE have made several changes around:

- Duties in respect seeking efficiencies and value for money
- Changes being made to the Schools Financial Values Standard (SFVS)
- Controls around fraud and safeguarding the use of resources and assets
- Registration of business interests across schools governing bodies
- School Borrowing permissions
- Loan schemes for capital items and loans against deficits.

- . The Scheme is quite comprehensive in its guidance and once updated, the Local



Authority will consult with the maintained schools and report to Schools Forum in due course to get it formally approved.

### **3. Recommendations**

- 3.1 That Schools Forum note this report and note the intention of the Local Authority to update its Scheme of Financing Maintained Schools; to consult with the schools concerned and bring a further report back to Schools Forum to obtain formal approval of the updated document.

# Agenda Item 8

Schools Forum 11 March 2019  
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## Sefton Schools Forum Report

Date of Meeting:	11 March 2019
<b>Title of Report:</b>	<b>High Needs budget forecasts 2018/19 and 2019/20</b>
Presenting Officer:	Kevin McBlain
Reason for Submission to Forum:	(4) ITEMS FOR INFORMATION
Executive Summary:	To provide members with an update on the High Needs forecast budget position for 2018/29 and to consider the position for 2019/20.
Budget/Risk Implications:	None
Recommendations:	Schools Forum are asked to; 1.Note the report and the financial forecast for High Needs in 2018/19 and 2019/20 and 2.Note the intention to bring regular reports on the High Needs to Schools Forum throughout 2019/20.
Appendices (to be attached)	Summary of the High Needs budget forecast for 2018/19
Background Papers (available on request)	
Report Originator and Contact Details	Name:Kevin McBlain Tele: 01519344049 E-mail: Kevin.mcblain@sefton.gov.uk

SCHOOLS' FORUM POWERS & RESPONSIBILITIES	
1	ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
2	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
3	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)
4	ITEMS FOR INFORMATION (No formal view of the Forum is sought)

## 1. **Background**

- 1.1 Members of Schools Forum last received a High Needs budget forecast report in September 2018, and as we near the Financial year end this report is to update the position and to consider further, the prospects for 2019/20 on High Needs spending and resources.

## 2. **The High Needs forecasts 2018/19**

- 2.1 In September 2018, the forecast position for High Needs (as at August) suggested an overspend of £2.3m in 2018/19. This has since grown, over the last 5 months, to an overspend of £2.5m after taking into account the High Needs panel deliberations on schools' requests for top ups for existing SEND children from September 2018. This position could worsen towards the year end, pending any further panel decisions taken before the end of March.

- 2.2 However, in December 2018, following significant pressure nationally, to increase funding for High Needs, the Secretary of State announced a national funding allocation of £1.3bn to Local Authorities, across two years, in support of their High Needs budget pressures. This is to be split evenly between this Financial year, and 2019/20. Sefton will receive £0.562m additional funding this year and next, to help alleviate High Needs overspending. This extra funding in 2018/19, will help bring our forecast deficit position down to £1.9m. This is inclusive of the contributions from Schools (£0.450m) and Early Years (£0.200m) in 2018/19. Whilst this additional funding announcement is welcome, it fails to fully address our significant overspending position. Without the additional funding however, and without the contribution from Schools and Early Years, the underlying position would be a deficit on High Needs of around £3.1m.

- 2.3 Continuing budget pressures exist across a few key areas, namely:

Schools Top Up funding £1.3m  
Day Placements at non-maintained special schools £1m  
Post 16 top ups £0.500m

These are offset, in part, by underspending across the High Needs support services through having vacant posts c. £-0.300m.

These vacant posts are likely to reduce during the 2019/20 year, to help meet the requirements of the High Needs review in strengthening in-house support and the High Needs offer. In particular, around casework on EHCPs.

## 3. **A look at prospects for the year ahead - 2019/20**

- 3.1 Our current High Needs spending is around £29.7m and given a continuation of the budget pressure areas, a reduction in staff vacancies, offset by ongoing changes to process and an ability to restrain out of Borough placements we might anticipate spending levels similar to this year going into 2019/20. Even allowing for a marginal increase of say £0.200m including pay awards etc to £29.9m there would still be a deficit spending position against 2019/20 funding of around £1.5m. This position would of course be dependent upon any actions taken to address the overspending during the year.
- 3.2 Our High Needs funding for 2019/20, including the £0.562m growth announced in December; plus Schools contribution up to the Maximum level of 0.5% of Schools Block allocation (£0.795m); and Early Years contribution (£0.200m) and including Post 16 funding for our own Maintained Special schools (£0.216m for 5 months) brings our total High Needs funding to £28.4m in 2019/20. (A potential deficit of £1.5m = £28.4m - £29.9m).
- 3.3 In respect of non-schools DSG balances, the High Needs balances were completely exhausted in 2017/18, and in 2018/29, only a contribution from use of Early Years balances will keep the DSG deficit down overall, to a level below the DfE's 1% excess deficit target, based on the whole of DSG spending, which would now trigger an immediate report of action to Schools Forum and the DfE from this year onwards. The Local Authority has no General Fund balances available to bail out any deficit on the DSG, and so has little option but to use any underspending it can find, to help balance the books, and this includes Early years, the only area where there is likely to be an underspending in 2018/19. However, using this may be considered a risk, given that Early Years funding may be reduced in 2019/20 due to a fall in 2-year-old numbers entering childcare per the latest headcount census.
- 3.4 However, given that Early Years is forecasting an underspend of £0.600m in this year, and assuming this is taken towards reducing the overall DSG deficit caused by High Needs overspending, this would potentially leave an overall deficit balance of around £1.3m to be carried forward on High Needs into 2019/20. Such a position needs to be addressed with a clear plan, to try to bring it down over the next 12-18 months.
- 3.5 Assuming a level of deficit on High Needs in 2019/20 of £1.5m, as indicated above, and unless actions are taken to alleviate the situation in the year, this could lead to a deficit carry forward of around £2.8m by the end of 2019/20.

#### **4. High Needs Review observations**

- 4.1 The High Needs review has now been concluded by the consultant, Michael Watmough, and the findings reported, and it contains over 100 recommendations to improve the service.
- 4.2 Although costs of High Needs provision were examined as part of the review, only suggestions have been made, as to how the Authority may reduce High Needs

spending. These are more around process and collaboration, rather than direct actions to drastically reduce costs. The consultant believes that direct and swift actions to reduce expenditure across the service, may not achieve the outcomes expected and lead to its rapid deterioration, with inclusive schools perhaps failing to manage, leading to unacceptable falls in service delivery. The consultant suggests that getting process right and working in partnership with all concerned across High Needs, should lead to a shared understanding and ownership of spending; and a to greater transparency in service delivery, and therefore to a more efficient allocation of scarce resources. This will take time and careful consideration, and include consultation and collaboration of all concerned. It may also require possible culture changes both operationally and through a lowering of expectations in the future. Strengthening In-house provision is also seen as key to reducing costs, by deflecting parents away from demanding expensive day placements, and being able to offer at least equivalent or better levels of service locally.

- 4.3 Greater consideration of funding High Needs top ups to schools, is also seen as a key to changing expectations and perceptions on how much funding is provided and how it is used to best effect for the good of many children, rather than on a case by case basis, where resources may not be as maximised as they could be. Linking funding to outcomes is also considered a valuable tool, to ensure best value for money; coupled with regular reviews of funding, to ensure it is adjusted according to a child's needs.
- 4.4 Since September last year, the High Needs assessment team has introduced a triage service helping schools manage their high needs funding better, and helping reduce the need for significant top up increases. This is having some effect on the level of increased costs previously experienced. Further work is required to help the panel assess how resources are being allocated to schools, what alternative options for funding there are, if any, and to ensure resource allocations are maximised to best effect in achieving given outcomes.
- 4.5 Commissioning of places for pre-and post 16 is also seen as a key area for change, to secure the best deals and outcomes for children. Negotiating placement costs more rigorously and how top up funding is used to best effect, would ensure best value is maintained, linked carefully to expected outcomes.
- 4.6 There is much work to do if costs are to be reduced, and it is probably unlikely that the levels of deficit mentioned here can be reduced significantly in the short term, given the recommendations of the consultant. There is however, no time to lose in starting consideration of some of the changes required. High Needs costs, in the meantime, will need to be tightly managed and funding more closely tied to need and outcomes, whilst a broader strategy is developed to improve the service, with all parties working and communicating more closely together, so that change is shared going forward.
- 4.7 It is hoped that any cost reductions will help alleviate the need to seek funding contributions from Schools and Early years in the future, and to move the service towards a self-sustaining balanced budget position. However, this will be dependent on the actions taken in the coming year(s) to address spending issues.

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4.8 Financial services will continue to carefully monitor the High Needs budgets and to report back to Schools Forum on the budget position throughout 2019/20.

## 5. **Recommendations**

5.1 Schools Forum are recommended to note this report and the financial forecast for High Needs in 2018/19 and 2019/20; and to note the intention to bring regular budget reports on High Needs throughout 2019/20.

# Agenda Item 9

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Service Area	Full Year Budget 2018/19	Actual Expenditure to Date (Agresso)	Forecast to Year End	Forecast Out-turn	Variance to Budget	Comments on changes this month	Previous Month's Forecast Outturn	Increase / (Decrease)
		£	£		£			
Early Years	711,050	186,068	509,525	695,593	-15,457	Additional vacancy savings in the <u>Portage Service</u> -£4k. Forecast for <u>payments for high needs support in nursery schools &amp; PVI settings</u> reduced by -£8k & further saving on <u>resourced nursery places</u> -£2k.	709,339	-13,746
Primary	3,501,000	84,224	4,297,571	4,381,795	880,795	Additional top up funding and extension of funding agreements : £15k mainstream pupils & £9k resourced unit pupils.	4,358,082	23,713
Secondary	1,178,800	978,606	538,107	1,516,713	337,913	A new direct payment agreement has increased the forecast expenditure on <u>bought in professional services</u> by £5k	1,511,594	5,119
Special	13,049,900	3,470,387	10,505,944	13,976,331	926,431	The forecast for bought in professional services (specialist teaching / therapy services / TA support / translation costs) has increased by £28k. This has been partially offset by an adjustment of -£6k to the estimated expenditure on <u>non-maintained day &amp; residential school fees</u> .	13,954,550	21,781
Support Services including Referral Units	5,026,600	4,058,691	842,759	4,901,450	-125,150	A reduction to the forecast for income from charges to schools has increased the deficit on the <u>Complementary Education Service</u> budget by £7k. This has been offset by additional vacancy/supplies & services savings in the <u>Complex &amp; Sensory Needs Service</u> -£30k and the <u>Inclusion Service</u> -£18k.	4,942,038	-40,588
Post 16 provision (16-18)	2,311,400	919,665	1,952,965	2,872,630	561,230	Additional top up funding agreements for Thornton College students £28k and fee increases at 2 FE colleges £13k.	2,832,044	40,586
Post 16 provision (19-24)	671,400	206,373	401,512	607,885	-63,515	Reduction in top up charges for 3 Thornton College pupils -£17k.	624,521	-16,636
Contribution to LEA budgets: Learning & Support	735,250	0	735,250	735,250	0		735,250	0
Additional SEND funding 2018/19 - announced by Education Secretary on 16th December 2018	562,102	0	0	0	-562,102		0	0
<b>TOTAL</b>	<b>27,747,502</b>	<b>9,904,013</b>	<b>19,783,634</b>	<b>29,687,647</b>	<b>1,940,145</b>	<b>Forecast Deficit</b>	29,667,418	20,229

27,107,400 Original allocation  
 27,185,400 Revised budget allocation - additional £78k - allocated between Inclusion (legal post £35k) and Day Sch EH31 R4152 (£43k)  
 562,102 Additional funding for 2018/19  
 27,747,502 Budget 2018/19  
 29,687,647 Forecast outturn  
 -1,940,145

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## Sefton Schools Forum Report

Date of Meeting:	11 March 2019
<b>Title of Report:</b>	<b>Report on the state of Maintained Schools balances</b>
Presenting Officer:	Kevin McBlain
Reason for Submission to Forum:	(4) ITEM FOR INFORMATION
Executive Summary:	To provide members with a summary of schools where balance levels are giving cause for concern over the next 12 to 24 months; and schools which are already in a licenced deficit position.
Budget/Risk Implications:	None
Recommendations:	1. Forum is asked to note the report
Appendices (to be attached)	
Background Papers (available on request)	Quarter 2 Cabinet Member report on the state of maintained schools balances.
Report Originator and Contact Details	Name: Kevin McBlain Tele: 01519344049 E-mail: Kevin.mcblain@sefton.gov.uk

### SCHOOLS' FORUM POWERS & RESPONSIBILITIES

- 1 ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
- 2 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
- 3 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)
- 4 ITEMS FOR INFORMATION (No formal view of the Forum is sought)

## 1. **Background**

- 1.1 Since last Financial year, Cabinet Member for Schools and Families has received a quarterly report on the state of the maintained schools' balances with a forecast for the next two years. This was requested to raise awareness of schools causing concern over their financial viability, and to ensure that all necessary actions are being taken by these schools to plan for cost reductions or efficiencies to maintain at least a break-even position or remain in balance to avoid going into a licenced deficit.
- 1.2 With little funding growth in real terms over the last 10 years of austerity, many schools have found it tough to manage increasing cost pressures, whilst maintaining standards. Remaining financially viable is particularly difficult when pupil numbers are falling and costs are rising. If a school fails to act and plan in advance to address its financial situation it is always very difficult to avoid the ratcheting effect of getting into a deficit position.
- 1.3 Managing cost reduction often requires finding staff cost savings leading to staff awareness and restructuring, which can undermine morale and cause much turbulence that's difficult to come out of. The earliest sight of financial difficulty or warning of falling balances needs further investigation and actions put in place through clear governance to avoid going into a licensed deficit. The Schools finance team will always advise and discuss with Headteachers and bursars where there are financial issues. It is for headteachers and governors to take the necessary action to control their school spending.

## 2. **Synopsis of the key Quarter 2 forecasts causing concern**

- 2.1 To protect confidentiality, the information below is anonymised and given in a summary form. Those schools in a licensed deficit position with the Authority's permission, do have plans in place and are constantly monitored to ensure actions are being implemented and all efforts are made to come out of deficit over a three-year period. This is the standard period allowed for a school to recover its financial viability. Where this is not possible higher-level discussions over future actions need to be considered with the governing bodies of those schools.
- 2.2 As at quarter 2 2018/19 there are 6 Schools who are operating under a Notice of Concern as they are projected to be in a deficit balance situation in 2018/19 or have an agreed licensed deficit agreement with the Council. These include 2 Nursery schools, one of which is due to close in August 2019; 1 Primary school and 3 Secondary schools. Most of these deficits are due to falling pupil numbers, whether through parental choice, or because they are in areas where there are more school places available than pupils. The size of the deficits vary, with the lowest under £10k and the highest in 18/19 at £709k. Plans are in place to reduce these deficits over time.

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- 2.3 There are 8 Primary schools currently with surplus balances but look forecast to go into deficit in 2019/20. These are under risk but their position may change by the year end. Then there are 4 schools (1 Secondary and 3 Primary schools) where over 50% of their balances are likely to be used up in the next 12 months, which could be planned, or is giving them time to reduce expenditure and get to a balanced position.
- 2.4 There are 28 schools including: 2 Nursery schools; 7 Special / AP schools; and 19 Primary schools where balances are forecast to reduce significantly over the next two years, and in some instances, fall into deficit by 2020/21 based on current spending levels. These require further attention and understanding as to why balances are reducing so rapidly and what actions can be taken to avoid a deficit position. These forecasts can change over time, either through revised funding as a result of changes to pupil numbers, or other circumstances and where decisions are taken in good time to bring spending under control.
- 2.5 This is a synopsis of the position of maintained schools as at the end of September 2018. Schools are monitored throughout the year and issues are flagged up at the earliest opportunity.
- 2.6 Maintained schools are reminded of the fact that there should be a request to the Head of Finance in order to go into a licensed deficit position and they must agree a defined plan of action to come out of it as soon as possible in conjunction with the Local Authority.

### **3. Recommendations**

- 3.1 Schools Forum are asked to note the report.

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## Sefton Council

# Sefton Schools Forum Report

Date of Meeting:	11 <sup>th</sup> March 2019
<b>Title of Report:</b>	<b>Review of School Balances 2017/18 - Update</b>
Presenting Officer:	Mary Johnson, Senior Finance Officer – Schools Finance
Reason for Submission to Forum:	ITEM FOR INFORMATION
Executive Summary:	The Fair Funding: Scheme for Financing Schools requires schools holding balances over the Sefton permitted levels to report to the Local Authority on the intended use of surplus balances. Schools must demonstrate that these balances are properly assigned for the specific purposes permitted by the Local Authority.
Budget/Risk Implications:	None
Recommendations:	<p>Forum is asked to :</p> <ul style="list-style-type: none"> <li>• Note the level of school balances for 2017/18</li> <li>• Note the outcomes of the Balances Control working group meetings</li> <li>• Note the comments made by the Head of Service on the DfE guidance around the control of surplus balances and the clawback mechanism</li> </ul>
Appendices (to be attached)	Appendix 1 – School Balances Analysis 2017/18
Background Papers (available on request)	<p>Fair Funding: Scheme for Financing Schools  School Forum Report ‘Review of School Balances’ 2006/07 and the introduction of a surplus balances clawback scheme from April 2008  DCSF Briefing Paper: School and Early Years Funding Arrangements 2008-11  Schools Forum Meeting 21<sup>st</sup> April 2008 – Agenda Item No.7  Schools Forum Meeting 13<sup>th</sup> June 2011 – Agenda Item No.9  Schools Forum Meeting 12<sup>th</sup> December 2011 – Agenda Item No.8  DfE briefing paper: LA Schemes for Financing Schools - Revised Scheme Guidance 2011-12  Schools Forum Meeting 31<sup>st</sup> March 2014 – Agenda Item No.8  Schools Forum meeting 29<sup>th</sup> September 2014 – AOB  Schools Forum Meeting 29<sup>th</sup> June 2015 – Agenda Item 4  Schools Forum Meeting 7<sup>th</sup> December 2015 – Agenda Item 6</p>
Report Originator and Contact Details	Name: Mary Johnson Tele: 0151 934 3324 E-mail: mary.johnson@sefton.gov.uk

## SCHOOLS' FORUM POWERS & RESPONSIBILITIES

- 1 ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
- 2 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
- 3 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)
- 4 ITEMS FOR INFORMATION (No formal view of the Forum is sought)

### 1. Background

- 1.1 Surplus balances held by schools are permitted under the DfE Fair Funding: Scheme for Financing Schools, subject to any balance control mechanism in place.
- 1.2 Schools can only carry forward balances over and above the permitted levels under specific categories agreed by the Schools Forum and the Local Authority.
- 1.3 Schools with balances over the permitted limits are asked to give a detailed breakdown of how their excess balances are to be spent against the categories set down by the Local Authority.
- 1.4 In December 2010 the DfE published new guidance on Local Authority Schemes for Financing Schools, effective from 1<sup>st</sup> April 2011, including recommendations on changes to the operation of a school balances control mechanism.
- 1.5 At the Schools Forum meeting on 13<sup>th</sup> June 2011, members agreed to continue with the current school balances control mechanism in 2011/12, but on the understanding that officers of the Local Authority consult all schools on whether there should be a change to the school balances control mechanism effective from 1<sup>st</sup> April 2012.
- 1.6 The outcome of the consultation exercise was tabled at the School Forum meeting on 12<sup>th</sup> December 2011. Schools Forum agreed to continue to have a school balance control mechanism from 2012/13. The members voted to increase the limit for permitted balances to 12% for Nursery, Primary & Special Schools and 8% for Secondary Schools or £20,000.00 (where that is greater than either % threshold).
- 1.7 At Schools Forum on 31<sup>st</sup> March 2014, members were asked to note the document entitled, 'Policy for the challenge of schools and pupil referral units with surplus balances'. It sets out the criteria for carrying forward committed balances assigned for specific purposes permitted by the Local Authority. Where the specific purposes quoted do not meet the Local Authority's criteria or where there is insufficient evidence available, then the Schools Forum Balances Control Group may implement the clawback mechanism.
- 1.8 At Schools Forum on 29<sup>th</sup> September 2014 a consultation was opened with SAPH and SASH regarding a review of the process for analysing schools' surplus balances.
- 1.9 At Schools Forum on 26<sup>th</sup> June 2015 members agreed to formally consult with all schools on the future of the school balances control mechanism from 1 April 2016.



The Local Authority wrote out to all maintained schools on 14<sup>th</sup> July 2015 to ask for their views.

1.10 The outcome of the consultation was reported at Schools Forum on 7<sup>th</sup> December 2015. Members noted the outcome of the consultation and approved the decision to retain the current School Balances Control Mechanism in the Sefton Fair Funding Scheme for Financing Schools from 1 April 2016. To retain the limits for permitted balances of 12% for Nursery, Primary and Special Schools and PRU's; and 8% for Secondary Schools or £20,000.00 (where that is greater than either % threshold).

## 2. Review of Individual School Balances

2.1 The balances held by Sefton maintained schools at 31<sup>st</sup> March 2018 exceeded £14.15m (breakdown by school attached as Appendix 1).

2.2 School Balances for Sefton maintained schools totalled £14,150,247 at 31/3/18 (excluding the balances of converting academy schools). 40 primary schools, 2 secondary schools, 3 special schools, 2 nursery schools and 1 PRU closed with balances above the permitted levels. A total of 48 schools.

2.3 As part of the budget setting process for 2018/19 each school had until the 30 June 2018 to complete a balances proforma and return it to the Local Authority identifying how the excessive balances will be used. All schools affected were compliant.

2.4 The Schools Forum Balances Control working group met on 3 December 2018 to review the proformas for those schools with balances over 12% for Nursery / Primary / Special Schools and PRU's and over 8% for Secondary Schools. Where the group feels the information submitted is insufficient, those schools may be called to an individual meeting to provide further supporting evidence.

2.5 During this process, the Balances Control group has the power to top-slice excessive balances where these are not justified satisfactorily, and recycle the funding through the Schools Formula.

2.6 For 2018/19, the group has considered the financial pressures all schools are facing; underfunding; shortfall in high needs funding; National Funding Formula; Teachers Pay Award; National Insurance and Pension cost increases; when considering any potential clawback of balances.

2.7 At the meeting on 3 December the working group agreed to take no further action for 21 primary schools, 2 high schools, 2 nursery schools and 1 PRU. It was agreed to write to 5 primary schools and 1 special school for further information. A further 12 primary schools and 2 special schools were also written to, with the option to provide further information in the first instance. Failure to provide additional information would result in the school being called in to an individual meeting.

2.8 Following the submission of additional information by these 14 schools, it was agreed to call-in 7 schools. These schools were Our Lady of Compassion Catholic PS,

Presfield, Newfield, All Saints Catholic PS, St John's CE (Waterloo) PS, Lydiate PS, and Springwell Park PS.

- 2.9 Meetings were held on 30 January 2019 with 5 schools. St John's CE (Waterloo) PS were unable to attend the meeting, but provided additional information which was accepted by the group. All Saints Catholic PS did not attend the meeting or provide additional information. All 5 schools that attended the meetings provided satisfactory evidence of planned use of balances. The group was impressed with the standard of information and level of detail provided at the meetings. The group recommended exemption from clawback for 6 schools, apart from All Saints Catholic PS.

### **3. DfE Guidance on schools' balances and comments of the Head of Education**

- 3.1 The DfE have recently offered guidance to Local Authorities in respect of reviewing schools balances, and Forum members may wish to consider this going forward and whether there is a need to continue with any clawback mechanism (see below)
- 3.2 This guidance revision for school balances for maintained Schools will be included in the updates to Sefton's Scheme for Financing Schools, which will be sent out for consultation with Schools and Forum shortly.

#### **6.2 Controls on surplus balances**

*The scheme may contain a mechanism to claw back excess surplus balances.*

*Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy.*

*The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances or where some level of redistribution would support improved provision across a local area.*

- 3.2 The Local Authority will consult all schools for views on maintaining a balances review mechanism, and whether given the current financial climate, this is still worth continuing. This will be reported back to Forum, along with other updates to the Scheme for Financing schools. Schools' balances stood at £13m at the end of 2017/18 and are expected to fall to around £11m by the end of this financial year. This is partly indicative of the reliance on schools to see them through difficult times financially, dipping into them as necessary, and partly from ongoing academisation.
- 3.3 There are other complications with respect to the review of year-end balances, since many school balances may include unspent elements of Pupil Premium grant. The allocation of Pupil Premium funding is awarded on an Academic Year basis and so schools will plan to spend PP funding across two financial years. In the case of All Saints Catholic Primary School, highlighted above, if we took out the pro-rata amount

of PP funding from their year-end balances relating to the 2017/18 academic year, their surplus balances would fall just below the 12% criteria for review.

- 3.4 If a school balance control mechanism is to continue to be used then any residual PP Grant funding should be deducted from balances in advance of any review meetings.
- 3.5, The Head of Education is considering requesting that schools use excess balances first towards any requests they may wish to make for SEND top up funding, before applying to panel to consider further funding.
- 3.6 The current mechanism for clawback funding, is generally, that unless there is good reason for retaining balances above the level set by Forum, this can be top-sliced and retained in a DSG reserve, subject to recirculation across all schools via the APT formula model. To be effective, this process must be started as soon as possible after the end of the last financial year, and before consideration of formula setting for the next financial year.
- 3.7 Any funding would be recirculated to all maintained schools and Academy schools, who are included in the Formula but who retain separate balances to those held by Maintained schools and are outside of scope for the school balance control mechanism. Also, a disapplication request would need to be made to the Secretary of State, to re allocate any balances through the funding formula mechanism. Generally, such requests need to be made by the end of November.

#### 4. Recommendations

##### 4.1 Members are recommended to:

- To note the level of school balances for 2017/18
- To note the outcomes of the Balances Control working group meetings
- Note the comments made by the Head of Service on the DfE guidance around the control of surplus balances and the clawback mechanism

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School Balances 2017/18

PRIMARY

Code	DFE	School	Funding 2017/18 £	School Expenditure 2017/18	Variance £	2016/17 (U/Spends) O/Spends	2017/18 (U/Spends) O/Spends	Cumulative (Underspend) O/Spends To March 2018	
EP38	2008	Linacre	941,095	908,183	(32,911)	(29,822)	(32,911)	(62,733)	6.67%
EP44	2013	Netherton Moss	1,037,722	1,089,979	52,257	(217,472)	52,257	(165,214)	15.92%
EP25	2023	The Grange	2,098,450	2,013,850	(84,601)	(284,627)	(84,601)	(369,228)	17.60%
EP14	2030	Birkdale	1,717,558	1,686,604	(30,955)	(38,798)	(30,955)	(69,752)	4.06%
EP17	2032	Churchtown	3,438,607	3,420,315	(18,292)	(343,302)	(18,292)	(361,594)	10.52%
EP21	2034	Farnborough Road Jnrs	1,908,487	1,868,638	(39,848)	(137,230)	(39,848)	(177,078)	9.28%
EP20	2035	Farnborough Road Infs	1,699,200	1,592,118	(107,082)	(107,771)	(107,082)	(214,853)	12.64%
EP39	2036	Linaker	2,215,038	2,090,343	(124,695)	(195,148)	(124,695)	(319,843)	14.44%
EP46	2038	Norwood	1,801,010	1,848,877	47,867	(58,635)	47,867	(10,768)	0.60%
EP42	2047	Marshside	820,187	767,230	(52,957)	(75,669)	(52,957)	(128,626)	15.68%
EP34	2048	Kew Woods	1,754,841	1,750,328	(4,513)	(63,140)	(4,513)	(67,653)	3.86%
EP18	2050	Davenhill	1,706,059	1,660,039	(46,020)	(245,790)	(46,020)	(291,810)	17.10%
EP33	2053	Hudson	1,053,688	1,013,548	(40,140)	(4,158)	(40,140)	(44,297)	4.20%
EP84	2054	Waterloo	2,184,786	2,210,238	25,453	(76,815)	25,453	(51,362)	2.35%
EP23	2056	Forefield Juniors	1,472,506	1,447,815	(24,691)	(300,752)	(24,691)	(325,443)	22.10%
EP22	2057	Forefield Infants	1,223,267	1,210,738	(12,529)	(144,473)	(12,529)	(157,002)	12.83%
EP36	2060	Lander Road	1,175,907	1,177,625	1,719	(166,201)	1,719	(164,482)	13.99%
EP40	2063	Litherland Moss	1,004,732	970,521	(34,210)	(181,018)	(34,210)	(215,228)	21.42%
EP28	2066	Hatton Hill	1,828,296	1,775,460	(52,836)	(254,660)	(52,836)	(307,496)	16.82%
EP45	2067	Northway	1,268,940	1,251,212	(17,728)	(197,618)	(17,728)	(215,346)	16.97%
EP85	2075	Woodlands	1,234,043	1,229,093	(4,950)	(153,565)	(4,950)	(158,515)	12.85%
EP79	2076	Summerhill	858,394	878,639	20,245	(133,129)	20,245	(112,885)	13.15%
EP24	2078	Freshfield	1,182,651	1,168,031	(14,620)	(115,036)	(14,620)	(129,656)	10.96%
EP27	2080	Green Park	934,987	929,603	(5,383)	(49,854)	(5,383)	(55,237)	5.91%
EP52	2086	Redgate	726,703	730,950	4,247	(71,863)	4,247	(67,616)	9.30%
EP35	2087	Kings Meadow	1,057,779	989,592	(68,187)	(152,554)	(68,187)	(220,741)	20.87%
EP37	2088	Larkfield	1,214,233	1,228,490	14,257	(106,509)	14,257	(92,252)	7.60%
EP54	2089	Shoreside	871,196	845,374	(25,821)	(102,946)	(25,821)	(128,768)	14.78%
EP43	2090	Melling	832,617	820,126	(12,491)	(101,331)	(12,491)	(113,823)	13.67%
EP83	2091	Valewood	917,466	900,970	(16,496)	(104,024)	(16,496)	(120,520)	13.14%
EP41	2092	Lydiate	1,255,695	1,186,705	(68,990)	(168,446)	(68,990)	(237,437)	18.91%
EP13	2093	Bedford	2,108,382	2,013,533	(94,848)	(259,833)	(94,848)	(354,681)	16.82%
EP16	3000	Christ Church	1,806,109	1,760,773	(45,337)	(156,106)	(45,337)	(201,442)	11.15%
EP64	3010	St John's, Crossens	724,473	795,346	70,872	(119,610)	70,872	(48,738)	6.73%
EP56	3020	St Andrew's	1,249,847	1,256,253	6,407	(51,291)	6,407	(44,884)	3.59%
EP66	3024	St Luke's, Formby	1,610,273	1,557,454	(52,819)	(115,484)	(52,819)	(168,303)	10.45%
EP73	3025	St Philip's, Litherland	852,351	830,201	(22,150)	(95,457)	(22,150)	(117,607)	13.80%
EP71	3303	St Oswald's	1,063,942	1,066,286	2,344	(96,842)	2,344	(94,499)	8.88%
EP32	3304	Holy Trinity	866,505	836,915	(29,590)	(80,759)	(29,590)	(110,349)	
EP74	3305	St Philip's, Southport	878,637	844,443	(34,193)	(40,429)	(34,193)	(74,623)	8.49%
EP11	3307	Ainsdale	914,577	877,667	(36,911)	(102,003)	(36,911)	(138,914)	15.19%
EP69	3313	St Monica's	1,890,370	1,809,791	(80,579)	(270,802)	(80,579)	(351,381)	18.59%
EP75	3316	St Robert Bellarmine	1,002,265	978,340	(23,925)	(117,421)	(23,925)	(141,346)	14.10%
EP31	3322	Holy Spirit	1,116,568	1,150,021	33,453	(67,671)	33,453	(34,219)	3.06%
EP29	3336	Holy Family	912,628	916,977	4,349	(186,225)	4,349	(181,876)	19.93%
EP48	3337	Our Lady of Lourdes	2,568,300	2,544,087	(24,213)	(303,653)	(24,213)	(327,867)	12.77%
EP76	3338	St Teresa's	504,614	466,487	(38,126)	(72,548)	(38,126)	(110,675)	21.93%
EP72	3339	St Patrick's	1,382,943	1,394,047	11,104	(39,788)	11,104	(28,684)	2.07%
EP77	3341	St Thomas'	485,088	536,015	50,927	(50,907)	50,927	20	
EP65	3342	St John's, Waterloo	826,780	795,132	(31,648)	(112,526)	(31,648)	(144,174)	17.44%
EP67	3343	St Luke's Halsall	991,710	969,420	(22,290)	(88,004)	(22,290)	(110,294)	11.12%
EP70	3345	St Nicholas'	874,516	867,673	(6,843)	(123,937)	(6,843)	(130,780)	14.95%
EP60	3351	St George's	861,249	787,358	(73,891)	(2,270)	(73,891)	(76,161)	8.84%
EP26	3353	Great Crosby	2,533,520	2,389,241	(144,278)	(170,090)	(144,278)	(314,368)	12.41%
EP68	3354	St Mary's	485,526	462,387	(23,139)	(62,987)	(23,139)	(86,126)	17.74%
EP58	3355	St Edmunds & St Thom	1,340,773	1,316,051	(24,722)	(118,366)	(24,722)	(143,088)	10.67%
EP51	3357	Our Lady Star of the S	1,098,286	1,057,513	(40,773)	(52,131)	(40,773)	(92,905)	8.46%
EP47	3359	Our Lady of Comp	1,012,906	986,554	(26,352)	(197,319)	(26,352)	(223,671)	22.08%
EP19	3361	English Martyrs	1,830,269	1,807,396	(22,873)	(231,182)	(22,873)	(254,055)	13.88%
EP59	3362	St Elizabeth's	1,879,607	1,815,706	(63,901)	(167,607)	(63,901)	(231,508)	12.32%
EP78	3364	St William of York	1,078,014	1,051,008	(27,006)	(81,326)	(27,006)	(108,331)	10.05%
EP50	3366	Our Lady Queen of P	713,019	717,302	4,283	(173,637)	4,283	(169,353)	23.75%
EP61	3367	St Gregory's	923,166	944,816	21,650	(208,614)	21,650	(186,964)	20.25%
EP82	3368	Ursuline	1,635,512	1,653,072	17,560	(185,824)	17,560	(168,264)	10.29%
EP62	3369	St Jerome's	839,153	848,767	9,614	(18,619)	9,614	(9,005)	1.07%
EP30	3374	Holy Rosary	1,700,051	1,713,292	13,241	(304,285)	13,241	(291,043)	17.12%
EP63	3375	St John Bosco	799,103	780,640	(18,463)	(92,026)	(18,463)	(110,489)	13.83%
EP15	3376	Bishop David Sheppard	1,207,422	1,141,180	(66,242)	(22,356)	(66,242)	(88,598)	7.34%
EP55	3378	Springwell Park	2,085,526	1,966,901	(118,624)	(275,560)	(118,624)	(394,184)	18.90%
EP80	3379	Thomas Gray	1,237,537	1,250,227	12,690	(15,109)	12,690	(2,419)	0.20%
EP81	3380	Trinity St Peters	948,758	920,276	(28,482)	(80,547)	(28,482)	(109,029)	11.49%
EP57	3382	St Benedict's	1,049,709	1,016,506	(33,203)	(34,561)	(33,203)	(67,763)	6.46%
EP49	3383	Our Lady of Wals	1,086,838	1,047,716	(39,122)	(67,359)	(39,122)	(106,481)	9.80%
EP12	3384	All Saints	1,570,037	1,607,074	37,037	(266,904)	37,037	(229,868)	14.64%
EP53	3385	Rimrose Hope	1,621,258	1,642,104	20,847	(190,629)	20,847	(169,783)	10.47%
		<b>TOTAL PRIMARY</b>	<b>97,604,256</b>	<b>95,851,186</b>	<b>(1,753,071)</b>	<b>(9,952,958)</b>	<b>(1,753,071)</b>	<b>(11,706,029)</b>	

**SECONDARY**

Code	DFE	School	Funding 2017/18 £	School Expenditure 2017/18	Variance £	2016/17 (U/Spends) O/Spends	2017/18 (U/Spends) O/Spends	Cumulative (Underspend) O/Spends To March 2018	
ES21	4003	Stanley High	1,543,337	1,936,316	392,979	(391,292)	392,979	1,688	
ES16	4110	Meols Cop High	4,715,579	4,886,264	170,684	(885,118)	170,684	(714,433)	15.15%
ES18	4611	Savio High	3,129,139	3,365,878	236,739	94,579	236,739	331,318	-10.59%
ES15	4621	Maricourt High	7,012,198	6,900,292	(111,906)	(543,981)	(111,906)	(655,886)	9.35%
ES17	4623	Sacred Heart High	6,377,624	6,491,085	113,461	(428,486)	113,461	(315,025)	4.94%
ES13	4624	Holy Family High	4,523,057	4,478,784	(44,273)	612,387	(44,273)	568,114	-12.56%
ES11	4800	Christ The King High	5,925,673	6,023,954	98,281	(324,786)	98,281	(226,505)	3.82%
ES19	4804	South Sefton SFC	1,192,527	1,654,901	462,374	280,054	462,374	742,429	-62.26%
		<b>TOTAL SECONDARY</b>	<b>34,419,134</b>	<b>35,737,474</b>	<b>1,318,340</b>	<b>(1,586,642)</b>	<b>1,318,340</b>	<b>(268,302)</b>	

**SPECIAL**

Code	DFE	School	Funding 2017/18 £	School Expenditure 2017/18	Variance £	2016/17 (U/Spends) O/Spends	2017/18 (U/Spends) O/Spends	Cumulative (Underspend) O/Spends To March 2018	
EH94	7004	Presfield	2,053,583	1,902,371	(151,212)	(515,275)	(151,212)	(666,488)	32.45%
EH92	7006	Merefield	2,346,138	2,272,911	(73,227)	(207,273)	(73,227)	(280,500)	11.96%
EH91	7009	Crosby High	2,152,938	2,015,120	(137,817)	(198,953)	(137,817)	(336,770)	15.64%
EH93	7011	Newfield	1,660,739	1,600,372	(60,367)	(290,820)	(60,367)	(351,186)	21.15%
EH95	7013	Rowan Park	3,655,176	3,697,400	42,224	(252,308)	42,224	(210,084)	5.75%
		<b>TOTAL SPECIAL</b>	<b>11,868,574</b>	<b>11,488,175</b>	<b>(380,399)</b>	<b>(1,464,629)</b>	<b>(380,399)</b>	<b>(1,845,028)</b>	

**NURSERY**

Code	DFE	School	Funding 2017/18 £	School Expenditure 2017/18	Variance £	2016/17 (U/Spends) O/Spends	2017/18 (U/Spends) O/Spends	Cumulative (Underspend) O/Spends To March 2018	
EN12	1002	Crossens	318,298	337,417	19,119	(126,092)	19,119	(106,973)	33.61%
EN14	1003	Sand Dunes	239,341	403,508	164,167	(27,660)	164,167	136,507	-57.03%
EN11	1004	Cambridge	348,775	302,513	(46,263)	(155,585)	(46,263)	(201,848)	57.87%
EN13	1005	Greenacre	296,649	308,471	11,822	(31,783)	11,822	(19,960)	6.73%
		<b>TOTAL NURSERY</b>	<b>1,203,063</b>	<b>1,351,909</b>	<b>148,846</b>	<b>(341,120)</b>	<b>148,846</b>	<b>(192,273)</b>	

**PRU'S**

Code	DFE	School	Funding 2017/18 £	School Expenditure 2017/18	Variance £	2016/17 (U/Spends) O/Spends	2017/18 (U/Spends) O/Spends	Cumulative (Underspend) O/Spends To March 2018	
EH97	1100	Impact Secondary Pru	2,286,190	2,193,788	(92,402)	(47,229)	(92,402)	(139,631)	6.11%
EH96	1101	Jigsaw Primary Pru	449,520	427,234	(22,286)	(85,339)	(22,286)	(107,625)	23.94%
		<b>TOTAL PRU'S</b>	<b>2,735,710</b>	<b>2,621,022</b>	<b>(114,688)</b>	<b>(132,568)</b>	<b>(114,688)</b>	<b>(247,256)</b>	

**Summary**

	Funding 2017/18 £	School Expenditure 2017/18	Variance £	2016/17 (U/Spends) O/Spends	2017/18 (U/Spends) O/Spends	Cumulative (Underspend) O/Spends To March 2018
<b>Total Primary</b>	<b>97,604,256</b>	<b>95,851,186</b>	<b>(1,753,071)</b>	<b>(9,952,958)</b>	<b>(1,753,071)</b>	<b>(11,706,029)</b>
<b>Total Secondary</b>	<b>34,419,134</b>	<b>35,737,474</b>	<b>1,318,340</b>	<b>(1,586,642)</b>	<b>1,318,340</b>	<b>(268,302)</b>
<b>Total Academy</b>	<b>45,362,596</b>	<b>45,362,596</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Special</b>	<b>11,868,574</b>	<b>11,488,175</b>	<b>(380,399)</b>	<b>(1,464,629)</b>	<b>(380,399)</b>	<b>(1,845,028)</b>
<b>Total Nursery</b>	<b>1,203,063</b>	<b>1,351,909</b>	<b>148,846</b>	<b>(341,120)</b>	<b>148,846</b>	<b>(192,273)</b>
<b>Total Pru</b>	<b>2,735,710</b>	<b>2,621,022</b>	<b>(114,688)</b>	<b>(132,568)</b>	<b>(114,688)</b>	<b>(247,256)</b>
<b>Total All Schools</b>	<b>193,193,333</b>	<b>192,412,362</b>	<b>(780,971)</b>	<b>(13,477,916)</b>	<b>(780,971)</b>	<b>(14,258,887)</b>