

# Minutes

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| Name of meeting | <b>SCHOOLS' FORUM</b>                                                                                                                                                                                                                                                                                            |
| Date and time   | <b>Thursday, 13 July 2023</b>                                                                                                                                                                                                                                                                                    |
| Venue           | <b>Webinar – Virtual Meeting</b>                                                                                                                                                                                                                                                                                 |
| Present         | Beverley Gilbert – Brading CE Primary (Chair)<br>Steve Fairclough – Brighstone CE Primary<br>Carl Wake – St Helens Primary<br>Simon Richards – Haylands Primary<br>Rachel Richards – Cowes Enterprise College (Academy)<br>Mandy Airey – Northwood Primary Academy<br>Sue Bowen – CE Diocese                     |
| Officers        | Natalie Smith – Assistant Director, Education and Inclusion<br>Irina Rowan - Senior Finance Business Partner<br>Debra Evans – Senior Accountant<br>Cllr Debbie Andre – Lead Councillor for Children’s Services and Education<br>Vicki Bone – Pre-16 Funding Policy Implementation - DfE<br>Diane Hiscock – Clerk |
| Apologies       | Julie Beadsworth – Medina House School<br>Andrew Montrose – Christ the King College<br>Vicky Reader – Oakfield CE Primary<br>Mike Hayward – IW Education Federation                                                                                                                                              |

1. WELCOME AND INTRODUCTION

MA was welcomed to the meeting as new Academy Representative, replacing Sarah Hussey. VB was welcomed and attended as observer from DfE.

DE was also welcomed and will continue attending as finance officer.

Apologies noted (this would be JB's final meeting) along resignation/retirement of Jackie Boxx as PRU rep.

**Action – Chair to send a note of thanks to J Beadsworth and J Boxx for their service to Schools Forum**

2. DECLARATIONS OF INTEREST

No declarations for this meeting.

3. PUBLIC QUESTION TIME

No questions received

4. MINUTES

RESOLVED

That the minutes of the meeting held on [23 March 2023](#) be confirmed.

## 5. MATTERS ARISING

None outstanding

## 6. BUDGET MONITORING AND FUNDING [Paper C](#)

6.1 IR gave an overview of the outturn DSG position for 2022/23 and reported on early budget monitoring for 2023/24.

6.2 The final outturn for 2022/23 shows a £2.338m underspend. This includes additional DfE Safety Valve funding of £5.08m, without which there would have been a £2.742m deficit. A breakdown of elements within each funding block is shown at Appendix A of the report.

### 6.3 EARLY YEARS BLOCK

An overspend of £39,000 is reported, due to pressure in 2 yr-old entitlement for funded places and Pupil Premium, offset slightly by a minor underspend in 3/4 yr-old entitlement. The final outturn also takes account of an expected reduction in funding of £128,000 following final confirmation of the January 2023 Census.

### 6.4 SCHOOLS BLOCK

No changes to the school budget allocations. It was previously agreed that a Growth Fund would be unaffordable, although noted that pressure in secondary schools may arise over time. A slight underspend is shown in de-delegated services and subscription to trade unions facilities time.

### 6.5 HIGH NEEDS BLOCK

The £5.08m received from DfE for 2022/23 was allocated to the High Needs budget, resulting in an underspend of £2.308m. Without this Safety Valve payment, there would be a deficit of £2.774m. The main pressure in this area is the shortfall of £1.123m identified through the budget-setting process.

6.6 Direct Payments and Managed Educational Packages continue to rise, including a significant increase in demand for children Educated Other Than At School (EOTAS). The table at para 12 shows increasing pressure since 2018.

6.7 An overspend of £213,000 in top-up funding is shown and pressure will continue with the rising number of Education Health and Care Plans (EHCPs), also as existing EHCPs transfer to the Banding system.

6.8 Discretionary payments cater for children with more complex needs and is showing an overspend of £467,000.

6.9 Special School Top-Up Spending is also overspent by £161,000 due to more complex needs leading to higher banding.

6.10 Places in Independent Non-Maintained Special Schools (INMSS) have reduced slightly, particularly in off-island placements, resulting in an underspend of £307,000.

6.11 Increased demand (13 additional places) at the Pupil Referral Unit (PRU) led to an overspend of £277,000.

6.12 Demand on Early Years (EY) SEN funding increased by 13%, with an overspend of £60,000. 8 places are commissioned by the LA at the new SEN Unit at Clever Cloggs Nursery in Newport.

6.13 The £51,000 overspend in Post-16 Top-Up Spend was mostly due to an increase of students with high needs at the Island VI Form.

- 6.14 Hospital Education is showing an overspend of £28,000. This budget area covers intermittent and periodic requirements.
- 6.15 SEN Central Teams shows an underspend of £185,000 due to savings on premises costs through the re-location of the SEN team from Thompson House and only one of two SEN improvement projects being activated in 2022/23.
- 6.16 CENTRAL SERVICES BLOCK  
Non-SEN placements are generally low in number so, minor changes impact the budget – underspent by £53,000.
- 6.17 OTHER GRANTS  
No variances are shown as these grants are passed directly to schools.
- 6.18 CUMULATIVE DEFICIT AND CARRY FORWARD  
As noted in para 6.2, without the Safety Valve payment, the overall deficit would have been £2.742m. This is £523,000 worse than expected when the agreement was made. Strategies are being developed to address the implications and are included in [Paper E](#).
- 6.19 It was estimated at budget-setting that the in-year deficit for 2023/24 would be £569,000 (including a further Safety Valve payment of £1.52m). The cumulative deficit at year end would be £4.576m.
- 6.20 QUESTIONS AND COMMENTS  
[The recent public meeting on pupil places emphasised the impact of falling rolls on school budgets – how many schools are likely to be in deficit in the next few years?](#)  
Information on predicted school deficits is included in [Paper D](#)  
[Is the reduced EY funding mainly an impact of decreased population?](#)  
Confirmed.  
[Will the underspend in De-delegated Services go back into school budgets?](#)  
The underspend forms part of the overall DSG outturn for 22/23 financial years and reduces the cumulative DSG overspend position.
7. BUDGET OVERALL FORECAST POSITION 2023/24  
IR noted that the following information should be treated with caution as the budget will be subject to a range of variances as the year progresses, including changing cohorts and implementation of savings strategies. At 31 May, an overspend of £805,000 is estimated (including Safety Valve payment of £1.52m).
- 7.1 EARLY YEARS BLOCK  
No variances are forecast, but this may be subject to change when actual activity information is submitted by providers.
- 7.2 Government reforms will bring more funded childcare places and increased funding. As a result, funding rates for the IOW will increase by £1.91 hour for 2 yr-olds and by £0.49 for 3-4 yr-olds from September 2023. In financial year 2023-24, before this increase, the IOW received the minimum rate of funding for 3-4 yr-olds, however as a result of additional funding the IOW is closer to being funded on it's characteristics. The EY team will work on passporing funding to providers.
- 7.3 SCHOOLS BLOCK  
No variances indicated. Further guidance on Growth Fund is expected for 2024/25

#### 7.4 HIGH NEEDS BLOCK

The forecast overspend of £805,000 noted in para 7 is due to the continuing increase in EHCPs. The IOW is in the top 3 nationally with 6% of children of children having EHCPs.

7.5 The budget gap of £569,000 identified at budget-setting and noted in para 6.18 is included under 'high needs contingency' in Appendix A of the report.

7.6 An expected £333,000 overspend is due to the implementation of the Primary Behaviour Service (PBS) in September 2023 (originally planned for April 2024), as the bid for capital funding was unsuccessful. It is anticipated that this will lead to an underspend of £226,000 in the PRU, as primary pupils transition from the Island Learning Centre to mainstream education, supported through PBS.

7.7 Mainstream School Top-Up funding is anticipated to overspend by £87,000 as the number of EHCPs continues on a rising trend.

7.8 The table at para 39 shows an 11% increase in higher banding to meet complex needs, leading to a projected overspend of £40,000.

#### 7.9 CENTRAL SERVICES BLOCK

Early predictions are in line with budget-setting, although variances may arise through any changes in the small number non-SEN placements.

#### 7.10 OTHER GRANTS

No pressure noted, as grants are passed directly to schools. PE and Sports Premium will continue through 2024/25. The Mainstream Schools Additional Grant was set for 2023/24 and will form part of the National funding Formula (NFF) thereafter.

#### 7.11 2024/25 AND BEYOND – SCHOOL FUNDING

Updated Operational Guidance and indicative allocations are expected during July/August 2023. NFF will be implemented by 2027/28 to include further requirements on use of Growth Funding and a national factor for split sites (currently covered through [Schools Forum policies](#)). This will enable informed planning and decisions for 2024/25 budget-setting.

#### 7.12 QUESTIONS AND COMMENTS

[How will the increasing high number EHCPs and ongoing deficits impact on the Safety Valve agreement and future funding?](#)

Expectations are that arrangements in the Safety Valve agreement will resolve budgetary gaps. Work is ongoing to deploy additional resources to mitigate variances and achieve an in-year balanced budget for 2026/27.

#### RESOLVED

1. That the outturn position on the 2022/23 schools' budget be noted.
2. That the May 2023 forecast 2023/24 position be noted.

#### 8. MAINTAINED SCHOOL BALANCES 2022/3 [Paper D](#)

IR reported on school balances at 31 March 2023 and budget planning for 2023/24.

#### 8.1 SCHOOLS 2022/23 OUTTURNS

The overall balance brought forward was £3.1m, which was an increase on the 2021/22 balance of £2.1m and better than was anticipated in May 2023.

- 8.2 All but one of the 41 maintained schools were able to submit their budget plans on time. The number of schools in deficit reduced from 6 to 5 with 3 schools moving out of a deficit position and 2 schools moving into new deficit budgets. More than 50% of schools operated with in-year deficits. The main reasons being communicated are pay, energy and inflation.
- 8.3 An extension to the required budget submission date was given to the PRU, due to considerable changes that would affect the budget.
- 8.4 SCHOOLS FINANCIAL VALUE STANDARD (SFVS) 2022/23  
SFVS self-assessment returns were submitted on time, which enabled the Chief Finance Officer to submit the 'reasonable assurance' statement to DfE.
- 8.5 SCHOOL BUDGET PLANS 2023  
Pay, energy, school catering and other areas continue to cause pressure on school budgets. 3-Year budget plans indicate that the number of schools who will be in deficit at 31 March 2023 may rise from 5 to 7. One school is likely to come out of deficit, whilst 3 others are likely to fall into deficit. Discussions are taking place with 2 schools and School Management Resource advice has been agreed for 1 school.
- 8.6 More schools are indicating a deficit at Year 2 and are being closely monitored. In Year 3, 66% of schools are showing anticipated deficits, although there will be ongoing changes, including pay, budget revisions and agreed actions that will impact budget plans, so this is not an unusual position – shown in the table at para 14 in [Paper D](#).
- 8.7 All 3-year plans must be refreshed in November and any schools with approved deficits must have a plan to recover over the next 3 years. In exceptional cases, a 5-year recovery plan may be approved. No school can be allowed to remain in deficit for more than 5 years without a Notice of Concern being issued, or removal of the delegated budget.
- 8.8 CHALLENGE AND SUPPORT  
The financial health of each school is risk-assessed through a RAG-rated system. 83% of schools are currently assessed as being at low risk. For those at high risk a range of approaches can be deployed. These are listed in para 17 of the report.
- 8.9 The Director of Children's Services carries out an annual review of budget plans and this will result in individual communications with the 7 schools in deficit. The LA continues to monitor and provide appropriate support and challenge through meetings with School Business Manager and Headteacher Forums, cross-department reviews and use of DfE benchmarking tools.
- 8.10 The IOW is unlikely to meet the threshold for DfE action, where more than 10% of schools have a deficit that exceeds 7% of their income.
- 8.11 Academy data on closing balances at 31 August 2022 is available through the DfE benchmarking web pages and information is shown at para 21 of the report.

#### QUESTIONS AND COMMENTS

##### [At what point would a Notice of Concern be issued?](#)

LA officers work hard to engage schools in discussions and agree actions to avoid high level intervention. This may include deployment of School Resource Management Advice.

## RESOLVED

That the school balances position for the Isle of Wight local authority maintained schools be noted.

### 9. SAFETY VALVE UPDATE [Paper E](#)

IR reported on progress with the Safety Valve programme, following agreement with DfE in March 2023 and submission of the first monitoring report. The intervention programme is aimed at LAs with the highest DSG deficits, to support achievement of a balanced and sustainable high needs budget by 2026/27.

#### 9.1 SAFETY VALVE AGREEMENT

Ongoing work through 2022/23 led to the production of a deficit management plan with cost-saving strategies. Without support of the Safety Valve agreement the overall deficit would be likely to rise to £18.6m in 2026/27. Total estimated savings are planned to be £5.974m by 2026/27. Strategies are listed at para 7 of the report.

9.2 The table at para 10 in [Paper E](#) shows annual payments to be made by DfE, subject to satisfactory compliance with conditions laid out in the agreement, which are listed at para 11.

9.3 The LA must report to DfE Funding Policy Unit 3 times a year on progress.

#### 9.4 CAPITAL BIDS

Bids were made for the following –

- New Special Free School
- Creation of a Primary Behaviour Service
- Creation of 1-2 employability hubs
- Development of independence hub for Post-16

The bid for a new special free school was successful, all others were unsuccessful.

#### 9.5 SAFETY VALVE MONITORING REPORT

The first report was submitted on 16 June 2023, showing progress against 5 of the 7 conditions. Two conditions were noted as not being on track due to unsuccessful bids for the Primary Behaviour Service and the Post-16 independence hub.

9.6 As a result, the LA has identified limited capital funding to initiate the Primary Behaviour Service and has reduced the scope of the Post-16 offer.

9.7 The monitoring dashboard is shown at Appendix A of [Paper E](#) and changes to the plan are listed in para 19 of the report. These include increased EHCPs and lower than expected final DSG outturn – due to pressure in High Needs and EOTAS, rising cost of EHCPS and Discretionary Spend.

9.8 LA Officers are working on other options to reduce High Needs spending, including early therapies to avoid the need for an EHCP and the introduction of a SENCo helpline and toolkit from September 2023.

#### 9.9 QUESTIONS AND COMMENTS

[Further information on progress was requested for the next meeting and for HT Forum.](#)

**Action – More indepth breakdown to be provided at the next meeting in November 2023 and at the next HT Forum.**

9.10 [Would proposed therapies reduce number of children who are not being educated at school.](#)

EOTAS applies only when there is no suitable place for a child. All children should be able to have a school place. The aim is to restore a positive culture of trust in schools and ensure education for all children. Early input to address the needs of children will provide support so that a child may not need an EHCP in the longer term.

The new special school will and the Primary Behaviour Service will provide more supported places. A re-calculation of school places over the longer term (beyond 2027) will feed into the sufficiency strategy.

9.11 NS noted thanks for schools who have been involved in pilots, surveys etc for their participation in trialling the new systems. New workstreams are underway to improve opportunities for children that will also lead to savings in the longer term.

[It was noted that IW funding contributed to reducing off-island provision](#)

Commissioning 'Inpower' - an organisation who works with the public sector on transformation and change, was the biggest expenditure. They have been instrumental in the development of the Safety Valve Programme.

**Action – Clerk to add update to agenda for next meeting.**

RESOLVED

That the update on the Safety Valve Programme be noted.

DATE OF NEXT MEETING – All meetings will be virtual through Teams.

Thursday, 17 November 2023, from 8.30am

DATES OF FUTURE MEETINGS All at 8.30am

17 November 2023

18 January 2024 (may be subject to change)

21 March 2024