

**Somerset Schools Forum**  
**Wednesday 27 November 2019**  
**1.30 pm Victoria Park Community Centre,**  
**Bridgwater**



To: The Members of the Somerset Schools Forum

Issued By Scott Wooldridge, Strategic Manager - Governance and Risk and Monitoring Officer-  
Date Not Specified

For further information about the meeting, please contact Andrew Randell / Mike Bryant -  
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Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution  
under Section 100A (4) of the Local Government Act 1972.

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## **AGENDA**

- Item Somerset Schools Forum - 1.30 pm Wednesday 27 November 2019
- 1 **Notes of Previous Meeting held on 9th October 2019.** (Pages 3 - 16)

Agenda item 2

# SOMERSET SCHOOLS FORUM

Minutes of a Meeting of the Schools Forum held at Long Sutton Golf Club, on Wednesday 9 October 2019 at 10.00am

## PRESENT

### **Primary headteachers &**

#### **Governors:**

Susan Brewer  
Morwenna Dunstan  
Matthew Gardner  
Naomi Philip  
Claire Nurse  
James Lamb  
Helen Hazell  
Alison Crudgington

#### **PRUs:**

Jo Simons  
Claire Brand

#### **Academies:**

Peter Elliott – chair  
Helen Rogerson

#### **Special Academies:**

Mark Ruffett

#### **Non-school members:**

Louise Rowley  
Julie Walker - SENSE

#### **Observers:**

Phil Burner – SAPHTO  
Oliver Bagana - NASWT

#### **Officers:**

Faye Purbrick - Cabinet Member for Education & Council Transformation  
Annette Perrington, Assistant Director Inclusion  
Elizabeth Watkin, Strategic Manager, Chief Accountant  
Sian Kenny, Strategic Manager, Finance and Business Partnering  
Ian Rowswell, Head of Support Services for Education  
Alison Jeffery, Early Years Lead  
Mike Bryant, Democratic Services Team Leader  
Andrew Randell, Senior Democratic Services Officer  
Frances Nicholson – County Councillor (Observer)  
Mark Keating – County Councillor (Observer)  
Jane Lock – County Councillor (Observer)

**Apologies for absence:** Julian Wooster

1 **Welcome, Introduction and Apologies** – agenda item 1

The Chair welcomed everyone to the meeting and reminded the Forum of the workshop taking place following the meeting.

2 **Minutes** – agenda item 2

The minutes of the meetings held on 27 June and 10 July were signed off as a correct record.

3. **Director of Children’s Services Update**- agenda item 3

The Assistant Director Inclusion, Annette Perrington, presented an update on behalf of the Director of Children's Services.

Following the Self-Assessment Process the SEND inspection with the CCG a joint written statement of action would be issued, this would provide a focus and assessment on areas of priorities.

Work of the DSG recovery had featured in the improvement plan.

**Action: Forum members requested for greater clarity on reports being added to the forward plan and improved horizon scanning.**

#### 4 **SSE Update** – agenda item 4

Ian Rowswell presented a number of slides updating the Background and Financial Position to date. The update set out the use of reserves and Governance around SSE.

North Somerset incurred a charge for work undertaken for them. This made a small profit but largely covered the costs of the work. A small sum came from the central budget to SSE. Local Authority Funding

**Action: The Forum welcomed the transparency along with updates being considered at future meetings.**

#### 5 **National Funding Formula** – agenda item 5

The report provided an update on the latest announcements from government on funding, including the Schools Funding, National Funding Formula (NFF) and the recent announcements as part of the Spending Round 2019.

Over the summer there had been little in terms of confirmed updates on Government Funding at a local level however confirmation was expected of some elements of the funding for education in October.

An announcement on schools funding was made on 9 September 2019 (including the elements that were included in the Spending Round 2019 detailed below). This set out the commitment of Government to the National Funding Formula and the factors within that formula. In 2020/21 local authorities continued to have discretion over their schools funding formulae and, in consultation with schools, would determine the allocations. Somerset County Council had no wish to move away from the continued alignment with the NFF. Final schools and high needs allocations would be published for Local Authorities in the usual timeframe of December.

Key factors of the formula for 2020/21 were:

- Minimum per pupil funding levels will be set at £3,750 for primary and £5,000 for secondary schools.
- The following year (2021/22) primary minimum level will rise to £4,000
- The Funding floor will be set at 1.8% per pupil. Increases will however be based on the individual schools NFF allocation in 2019/20
- There will be no gains cap (unlike the previous 2 years)
- Growth funding will be based on the same methodology as this year

Restrictions will continue, as set out below:-

Minimum funding guarantee will continue to be set by the Local Authority, which for 2020/21 must be between +0.5% and +1.84%

Local authorities could only transfer up to 0.5% of their School Block to other DSG blocks, with Schools Forum approval. More than this, or any amount without Schools Forum approval, would require a request to the Department for Education.

The High Needs NFF would continue to have the same factors as present.

The teachers' pay grant and teachers' pension employer contributions grant would both continue to be paid separately from the NFF in 2020/21.

A Spending Round (SR2019) was presented to parliament by the Chancellor of the Exchequer on 4 September 2019 detailing commitments from the government in advance of the Provisional Funding settlement expected late autumn (beginning of December).

The SR2019 stated the national position and announcements were made in terms of increased funding elements, however it was not clear about any areas of funding that may be reduced or whether there were additional responsibilities due to be transferred alongside the additional funding. As such it is not possible to inform Somerset Schools Forum of the financial impact either across Somerset or for individual schools at this stage. More information will be available when the Provisional Settlement is announced.

The main areas of the SR2019 were specific to education and were set out:

- Commitment to a £7.1 billion increase in funding for schools by 2022/23 compared to 2019/20 funding levels
- Minimum per pupil funding for all schools for 2020/21 set as £3,750 for Primary Schools and £5,000 for secondary, rising to £4,000 for primary schools in 2021/22
- Over £700 million more in 2020/21 to support children and young people with special educational needs (SEN)

A full multi-year spending review was committed to be conducted during 2020 for capital and resource budgets beyond 2020/21. Consultations were expected over the up coming months to feed into the allocation basis for the additional funding announced for 2020/21 and also to lead into the spending review. Future reports will contain details of these consultations as they are opened.

Consultation details – opened on 10 September and closes on 22 October 2019

Views are being sought on how local authorities should implement the national funding formula's mandatory minimum per pupil funding levels in local funding formulae and covers:

- The methodology used to calculate the minimum per pupil levels in the local funding formulae;
- The circumstances in which local authorities can request to disapply the use of the minimum per pupil levels;
- Any other considerations for delivering this change at a local level;
- With regard to the public sector equality duty, the impact of the proposals on different groups of pupils, particularly those with protected characteristics.

#### Debate

- It was acknowledged that there still remained a level of uncertainty over the minimum finding levels for both primary and secondary pupils.
- There could be gains in the funding settlement but this was difficult to estimate in advance of the settlement which was anticipated in the first week of December.
- More information would be provided at the next meeting detailing the funding formula for next year, more specific information would be needed in relation to funding gaps. Concerns were expressed that few would benefit in Somerset.
- There would be more visibility on other announcements and how this would impact the formula, with consideration of the context of a general election.
- The Forum were encouraged to respond to the central government consultation.

The Forum noted the contents of the report and current uncertain impact for Somerset Schools as a result of the funding announcements.

#### 6 **Early Years Sub-Group Update** – agenda item 6

The position regarding the Early Years Entitlement funding for 3 and 4 year olds 2019/20 was first reported to Schools Forum on 6th March.

The Local Authority was not in a position before the end of the Summer to report accurately on the 2 year olds and 3 and 4-year-old early years entitlements because the final January 2019 census figures had not been confirmed by the DfE. The DfE have now confirmed the final 2018/19 DSG allocations and revised 2019/20 DSG allocations based on the January 2019 census.

The DSG allocation for 2019/20 will be revised again following the January 2020 census. In order to forecast, as accurately as possible, on future spend the finance team have analysed the previous 3 years of spend. This had been further analysed on a month by month basis. It is likely that the total number of universal hours claimed in 2019/20 would continue to be less than in 2018/19 which could result in the DSG allocation for 2019/20 being reduced next July.

The Early Years census was carried out for one week in January. There were no opportunities to revise the data to consider additional children claiming the entitlement later in the year. The Summer period was the time that sees the most children claiming the entitlement but the DSG was based on January figures and did not reflect the increase in children.

The return was made to the Department for Education in March, but the Local Authority did not receive confirmation of figures until late July.

The January 2019 census numbers were used to calculate funding for 2019/20 for the period April to August. The funding for September to March would be based on the January 2020 census once the figures were known.

Members of the Early Years Sub Group expressed concern that the number of universal hours being claimed appeared to be falling. The reason for this drop could have been a slight drop in the birth rate, there was more choice available and families were not fully understanding their entitlement.

It was agreed at the Early Years Sub Group to look at the quality supplement of the single funding formula with the aim of changing this for 2020/21.

Provider representatives had previously expressed concerns about the disparity in the quality supplement, and a report was submitted to Early Years Sub group in September with 4 options outlined.

The Provider Representatives voted to include all 4 options in the consultation to all members of the early years sector. This consultation would start in October 2019 and would last for 6 weeks. The results of this consultation would be brought back to the school's forum on the 27th November for a final decision.

The four options were:

1. No quality supplement for any provider

2. Quality supplement for childminders only
3. Equal quality supplement for all eligible providers
4. Reduced quality supplements for all eligible providers

#### Debate

- The four options for providers were set out along with the quality supplement for early years funding formula.
- The results of the consultation would be considered at a future meeting of the Schools Forum.
- Concerns were expressed over the impact of the funding rate of schools with nursery's. A request was made for further consideration to be given to this at the next Schools Forum.
- Following analysis it had been determined that there was no significant impact on using qualified teachers for Early Years Education.
- Further information was requested in relation to section 4 and the reduction in Universal Funding.
- The Forum agreed in absence of any further information to ringfence for early years purposes.

The Forum noted:-

1. The large reduction in the number of universal early years entitlement hours for 3- and 4-year olds being claimed in 19/20 compared to the same period last year.
2. The proposals for future consulting with stakeholders regarding the possible changes to the Quality Supplement of the Early Years Single Funded Formula from April 2020.

#### 7 **High Needs Sub-Group Update** – agenda item 7

Position against month 5 is reported below and formed part of month 5 budget monitoring

High needs continued to show pressures against allocated budget of £1,046,295. Pressure continued to be linked to demand for Pre 16 and Post 16 placements in independent and non-maintained Special schools and colleges. This was in line with reported pressures as part of the DSG recovery.

Overall placement spend across pre and post 16 remained volatile with overspend related to as little as 2 residential placements or 3-5 day placements. Figures would be considered with some caution given expected pressures over the next 3- 6 months, pending lodged Tribunals, as yet unheard. Subject to further budgetary analysis there were some early signs that the strategic approach to personalised and jointly commissioned Post 19 placements would be achieved in this financial year however this would not be confirmed until Month 7.



The Local Authority in partnership with schools submitted a DSG recovery plan to the DfE in June 2019. The plan set out the pressures and savings to address the projected overspend across the DSG over 3 years 2019-2022.

DfE confirmed that they were not progressing comments on LA plans currently given the recent spending review with an announcement expected mid -October for impact on DSG. Recent publications suggested that spending reviews would offer between 8-17% increases. Individual allocations were expected to be issued shortly. The impact of any additional funding would be considered upon planned activity in the DSG recovery plan.

The formation of the DSG recovery plan was in collaboration with Schools forum and collective agreement was reached to progress a whole system approach to the DSG. This approach set out activity which achieved financial stability and aligned with strategic improvement set out in Somerset's Children and Young Peoples Plan 2019-22 and SEND strategy 2016-2019. Summary of the pressures, savings and projected savings were set out in 2.3, 2.4 and 2.5 of the report

The DSG recovery plan supports the needs of children with additional learning needs, including those who are excluded or not able to attend mainstream school and for those with SEND. Transformational activity is required at all levels of activity: universal, targeted, specialist and complex/ acute and the details of activity are as yet to be formed.

Through the submission of the DSG recovery plan Schools Forum have given agreement in principle to focus improvement activity on an emerging approach which follows best inclusive practice and is broadly known as the Local First approach. This reflects shared principles and collective responsibility across the education sector for vulnerable CYP including those with SEND and facilitates collaboration amongst Schools, LA and wider partners.

In summary this included:

- building capacity and expertise at SEND support in the early years, school and FE colleges through facilitating the development of sector led improvement
- introduces joint commissioning
- reduces reliance on expensive independent schools or colleges by providing local special schools, resource base places and use of Alternative provision
- Promotes personalised and flexible use of resources

The plan proposed three distinct phases of activity; short, medium and long term, with identified savings in each year across the full period and beyond. Transformational activity was required at all levels; universal, targeted, specialist and complex/ acute and across each phase.

Developing the details of the DSG recovery would form the next part of the DSG recovery plan for Schools forum with the LA. These were summarised as;

Intervening early and managing demand

- Ongoing aligning and integrating of teams across the LA and seeking opportunities with partners to target SEND services to support best inclusive practice
- Connecting partners across the system and utilising all national and regional school to school initiatives to build capacity, skills and confidence across all phases
- Sharing the cost of services which intervene early, including outreach and flexible use of alternative provision to reduce escalation and supporting education settings to maintain CYP in mainstream settings.

Redressing the balance of CYP attending independent schools and reducing Somerset's reliance on the independent sector through children and young people currently placed in independent schools who, with the right support, could access mainstream, mainstream resource bases or special schools local to home (returners) and allocating places in new special schools responsibly as the capital build came on line (new)

- Personalised commissioning and flexible use of funding to support transition and where individual arrangements would benefit CYP and their families.
- developing personal budgets (flexible)
- Jointly commissioning with Adult Social Care, health and in collaboration with local FE colleges for post 19 – 25 with Complex and acute needs

Building capacity in Local special schools and using the Local First Approach

Ongoing investment into Local special schools and resource based with planned capital investment of £54m resulting in an additional 436 specialist placements being available from 20/21 and completed by 2022/23. As a result of this capital investment a 40% reduction was projected in independent placements in by 2023/24.

#### Debate

- It was determined that the overspend was similar to previous years, it was acknowledged that there was still volatility in this area with the number of residential placements changing in a single month.
- The forum had been sighted on issues and were provided with a summary of the DSG recovery plan and its recommendations.
- The capital investment provided to fund Selworthy Special School was commended.
- Young people who required high needs funding continued to receive funding, although funding would be extended from the high needs Block to Education and healthcare plans.
- The number of statutory assessment requests were still increasing each week. As a result an extension to the casework team of £283k per year had been requested. Due to demand outstripping capacity and a difficulty in recruiting for SEN staffing capacity there was no other choice in resolving the issue. There was a recognised national shortage in Educational Psychologists.
- The Forum requested that this extension be kept under review on an annual basis.

- It was felt that issues had been experienced by schools in supporting vulnerable children, it was felt that this solution would enable the capacity of EHCP requests going forward.
- The forum were reassured that productivity had increased with more plans issued than in the previous period although it was acknowledged that pace and demand had been greater than anticipated.
- It had been recognised that the staff structure needed to evolve with the additional resource implemented. As a partnership, there would be greater focus in making placements and specialist provision in the inclusive ability.
- More support was required in special schools provision with further focus in relation to supporting parents and mainstream inclusive practice. There was a greater emphasis in providing support in mainstream settings and using school places responsibly to remove overspends and reduce deficit.

The Forum noted:-

1. the outturn position Month 5
2. the strategic approach to the Dedicated Schools Grant recovery plan requirements for high needs
3. Item 4.1

## 8 **Academy Balances** – agenda item 8

The information was taken from academies' published accounts for 2017/18. Accounts varied in the level of detail disclosed so the analysis of balances into the different headings may not be entirely consistent but total balances will be correct. Fixed assets and pension deficits are excluded from these figures. The unrestricted fund balances exclude any fixed assets shown under Unrestricted Funds in the accounts. The accounts for MATs do not disclose a full breakdown of revenue balances by school. The total revenue balances for each school within a MAT can be seen on the Data tab. Several Somerset academies are now within MATs based outside the county - we have therefore only shown the revenue balances for Somerset schools within these MATs, not the total figures for the MAT.

The Forum noted the update of Academy Balances.

## 9 **Themed Audit Schools Expenditure** – agenda item 9

The audit sought to verify the degree to which schools complied with local and regulatory requirements, there is a clear understanding of the requirements and whether arrangements are effective. It was also decided to include two specific outcomes from the 2018/19 audit of Combatting Tax Evasion, in which it was found that:-

- the majority of Construction Industry Scheme related invoices received by SCC were in respect of maintained schools, which required school staff to have a reasonable

understanding of the Scheme in order to ensure the correct treatment;

- a high proportion of the invoices for wage payments to workers or contractors who should be subject to tax and National Insurance deductions as per IR35 legislation were in respect of services engaged by maintained schools.

It was therefore agreed to test a sample of payments to suppliers and providers that fell under these two areas of legislation.

Details of the Schools Expenditure 2019-20 audit were provided

Individual school visits were carried out in eight schools - seven primary and one junior.

Visits were carried out during June and July 2019.

Each school received an individual report and the results of these were consolidated into a report for the Local Authority and Schools Forum providing an opinion of "Reasonable Assurance".

The evaluation was based on evidence collected during visits, together with the key documents and records requested prior to the audit visit.

The areas assessed were:

- Finance Policy and documented procedures covering all major purchasing requirements
- Purchase orders, invoices, authorisation, quotations and tenders, separation of duties
- Contracts
- Procurement Cards/Imprest Accounts (where held)
- Compliance with the Construction Industry Tax Scheme, payments made to individuals and IR35, and VAT requirements.

As a result of the Schools Expenditure audit some good practice was identified:

- Procurement Cards and Imprest Funds were all found to be securely held;
- Authorisation of invoice payment batch headers was complete and timely and amounts to be paid were agreed;
- VAT was found to be accurately accounted for across all purchases tested.

In addition to the one Priority 2 finding, there were five Priority 3 findings ("Finding that required attention") assessed as low corporate risk.

Details of these were set out in the copy of the final Audit report issued by SWAP to the Local Authority in appendix B

It was recommended that the Local Authority took the following actions:

- A report is presented to Schools Forum highlighting the issues, findings and recommendations for actions to be taken.

- A themed audit summary is uploaded to iPost after half term following the Schools Forum meeting, for all schools to access.
- The themed audit summary is brought to the attention of Business Managers and Finance Officers at the subsequent ADL Meetings.

SSE – Governance Services Manager would share the themed audit summary with:

- Governance boards at the next chairs' meetings and on the service website.
- Clerks, for minuting purposes, and half termly bulletin. □ The Model Finance Policy will be reviewed and enhanced in April 2020 highlighting the areas of concern:
- Governors to request purchase reports to check that transactions have been approved at the correct level and/or that 3 quotes have been obtained when appropriate.
- Governors' approval of purchases – appropriate levels of approval to be set for the size of the school, excluding invoices which are already part of a signed contract or have already been specifically included within the schools' approved budget plan.
- Telephone orders – though still discouraged, if these are used an order should be placed retrospectively if over £100.
- Governors to check contracts register annually to ensure it is complete. o Clerks to ensure that the Business Interest register has been completed by all staff having a financial responsibility.
- Links to be provided to the Gov.uk website regarding Construction Industry Scheme (CIS).
- Provision of a summary of the CIS that schools can more easily understand and which can be included in the Model Finance Policy.

The audit opinion of Reasonable Assurance on the adequacy of the internal control framework and its effectiveness of operation would be reported to the Audit Committee and would also form part of the information used to compile the Council's 'Corporate Governance Statement' published with the annual accounts.

The Forum noted the update of Themed Audit Schools Expenditure

## 10 **Schools Financial Values Standard** – agenda item 10

All Local Authority (LA) maintained schools and Pupil Referral Units (PRUs) were required to submit a completed SFVS, signed by the Chair of Governors, to the LA annually by 31 March. This was the seventh year for completion of SFVS returns. This paper provided an update on the SFVS following receipt of the 31 March 2019 returns.

The SFVS was launched by the Department for Education (DfE) in July 2011. The questions had been designed to assist schools in managing their finances and were divided into four sections:

- A. The Governing Body and School Staff
- B. Setting the Budget
- C. Value for Money
- D. Protecting Public Money

Formal responsibility within schools lied with governing bodies, and the SFVS is in the first place aimed at Governors. It was expected that school governing bodies would discuss the questions throughout the year with their Headteacher and other senior staff, prior to undertaking the self-assessment against the standard towards the end of the financial year.

165 schools in Somerset, including 4 PRUs, were eligible for completion of the SFVS by 31 March 2019 and returns were received from 165 schools. The Chief Finance Officer (CFO) was required to sign an SFVS CFO Assurance Statement, stating how many SFVS reports had been received from schools for self-assessments carried out by 31 March 2019. This statement was returned to the DfE before their 31 May deadline confirming 100% return. The CFO also certified that there was a system of audit in place which provided adequate assurance over schools standards of financial management and the regularity and propriety of their spending.

Each of the 25 questions in the 2018/19 SFVS required an answer of 'Yes', 'In Part', or 'No' depending on the extent to which the Governing Body felt that it complied with the criteria.

In previous years the LA has carried out a moderation programme which assessed the school's responses and considered if the evidence provided was appropriate and comprehensive. Due to a change in the format of the SFVS for 2019-20, as detailed below, it was decided to not conduct an audit of the 2018-19 returns but to instead request an audit of Schools Expenditure.

The DfE has implemented a new electronic SFVS return for the year 2019-20.

The Standard for 2019-20 now consisted of a checklist of 29 questions and a dashboard of financial data.

The checklist requested questions of governing bodies covering 6 areas of resource management:

- A. Governance
- B. School Strategy
- C. Setting the Annual Budget
- D. Staffing
- E. Value for Money

## F. Protecting Public Money

The dashboard evidenced how a school's data compared to thresholds on a range of statistics identified by the DfE as indicators of good resource management and outcomes.

The action plan was an important part of the SFVS. This summarised the intended remedial actions required by the school when they had answered 'No' or 'In Part' to a question. The actions identified in the 2018-19 SFVS returns would be compared with the actions listed in the new 2019-20 return.

The DfE's expectation for the 2019/20 SFVS return was that all action points from 2018-19 would have been cleared before March 2020.

Governors were expected to lead on the completion of the SFVS for 2019-20. It was to be considered a working document which would be updated and reviewed throughout the year, with discussions and comprehensive responses being recorded and evidence held to support these and any actions required/implemented.

Schools were advised of the new electronic SFVS in May 2019 to enable them to start updating information required on their dashboards and Governors to consider the findings. In September 2019 the DfE announced that the return had been enhanced and an updated version available for use. Schools were advised and would ensure they are using the correct version when completing and submitting their return for 2019-20.

Details around accessing DfE Schools Financial Value Standard Information on the SFVS were provided.

The Forum noted the Schools Financial Values Standard.

### 11 **Any other business** – agenda item 8

There was no other business.

The meeting ended at 11.21

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