

# GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 6 July 2017 at 2.00 pm in the Cowen Room, Dryden Centre

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From the Chief Executive, Sheena Ramsey

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Item	Business
1	<b>Apologies</b>
2	<b>Minutes</b> (Pages 3 - 8)  The Forum is asked to approve as a correct record the minutes of the last meeting held on 9 March 2017
3	<b>Universal Credit and Free School Meals</b> (Pages 9 - 10)  Helen Paine, Corporate Resources
4	<b>Schools Year End Balances 2016/17</b> (Pages 11 - 14)  Carole Smith, Corporate Resources
5	<b>Schools Surplus Balance Review</b> (Pages 15 - 18)  Carole Smith, Corporate Resources
6	<b>Schools Surplus Balances 2016/17</b> (Pages 19 - 22)  Carole Smith, Corporate Resources
7	<b>Schools Surplus Balance Change Request</b> (Pages 23 - 24)  Carole Smith, Corporate Resources
8	<b>Contingency Fund Applications</b> (Pages 25 - 28)  Carole Smith, Corporate Resources

- 9 High Needs Block Funding Review (Pages 29 - 30)**  
Carole Smith, Corporate Resources
- 10 DSG Out Turn (Pages 31 - 34)**  
Alan Foster, Corporate Resources
- 11 Schools Forum Association (Pages 35 - 38)**  
Carole Smith, Corporate Resources
- 12 Growth Fund Application (Pages 39 - 46)**  
Carole Smith, Corporate Resources
- 13 School Funding Update (Pages 47 - 48)**  
Carole Smith, Corporate Resources
- 14 Analysis of Local Authorities Schools Block Funding Formulae (Pages 49 - 54)**  
Carole Smith, Corporate Resources
- 15 Date and Time of Next Meeting**  
Thursday 28 September at 2.00pm

## GATESHEAD METROPOLITAN BOROUGH COUNCIL

### GATESHEAD SCHOOLS FORUM MEETING

Thursday, 9 March 2017

**PRESENT:**

Ken Childs (Chair)	Special Schools Governor
Councillor Chris McHugh	Elected Member Representative
Sarah Diggle	Primary Governors
Steve Haigh	Secondary Academy Headteachers
Mark Lovatt	GASH Representative
Mustafaa Malik	Primary Headteachers
Ethel Mills	PVI Sector Representative
Andrew Ramanandi	Primary Headteachers
Michelle Richards	Special School Headteachers
Chris Richardson	Secondary Headteachers
Steve Williamson	Pupil Referral Unit Representative
Matthew Younger	Primary Headteachers

**IN ATTENDANCE:**

Carole Smith	Corporate Resources
Alan Foster	Corporate Resources
Rosalyn Patterson	Corporate Services and Governance

#### 1 APOLOGIES

Apologies for absence were received from Peter Largue, Allan Symons, Julie Goodfellow, Denise Henry and Jim Thomson.

#### 2 MINUTES

The minutes of the meeting held on 9 February 2017 were agreed as a correct record.

#### 3 EARLY YEARS FUNDING CONSULTATION RESPONSE AND FUNDING FORMULA 2017/18

The Forum received a report on the outcome of the Early Years Funding consultation. The consultation was sent out on 10 February, the majority of responses agreed with the proposals.

The proposed rates for 2017/18 were confirmed as;

- £3.849 per hour base rate
- Quality supplement - £0.500 per hour (5% of available funding)
- Deprivation supplement - £0.006 per hour (5% of available funding)

- Flat funding rate of £5.20 for two year olds

RESOLVED - That the Schools Forum noted the consultation responses and comments and approved the proposed EYSFF and the new two year old funding rate.

#### **4 EARLY YEARS INCLUSION FUND 2017/18**

Schools Forum received a report on the work undertaken to implement an Early Years Inclusion Fund (EYIF). The DfE has stipulated that local authorities must have an EYIF.

An officer group has been set up to work on what an EYIF should look like for Gateshead. Further information will be brought back to the Forum in due course and all settings will be consulted.

RESOLVED - That the Schools Forum noted the report and the progress made on the creation of an EYIF.

#### **5 MAINSTREAM SCHOOL FUNDING (APT) SUBMISSION**

A report was presented on an updated Authority Proforma Tool (APT). It was reported that the mainstream PFI calculation has been changed to include the post 16 element. After discussions with the DfE, they confirmed there was no way for them to fund the post 16 element of the PFI charge and the DfE advised that, as this is a premises factor, the local authority could change the PFI factor to include the post 16 element.

Three options were outlined;

- No change to the PFI formula and no post 16 PFI funding
- Change formula to include the post 16 element of the PFI charge and that this increase is funded from DSG reserves
- Change formula to include the post 16 element of the PFI charge and all schools per pupil base rates are reduced to provide this additional funding

It was noted that option one would be detrimental to Lord Lawson of Beamish pupils, option two would not impact schools budgets this year as the increased funding would be provided from DSG reserves and option three would impact all schools and in some cases this would be a significant amount due to the application of the Minimum Funding Guarantee .

It was suggested that the local authority should pick up the short fall. The point was made that resources are so tight within the Council that this would not be an option and that senior management are clear that this should not impact on the revenue support grant. It was also noted that there are currently healthy DSG reserves which have been built up over a number of years. It was acknowledged that Council did not receive additional funding from the EFA and the Council is trying to find the best solution.

The point was made that this is not a unique situation and comparisons should be made with other authorities that have been in a similar position. It was noted that this would be difficult to identify because all local authorities have different funding formulas and some authorities may have always funded the post 16 element of the PFI charges. It was confirmed that this is unique within Gateshead as Lord Lawson Academy is the only PFI school with post 16 provision. It was reiterated that the DfE's advice is that this is a premises factor and therefore should be funded from the DSG.

- RESOLVED -
- (i) That the Schools Forum approved the change in the PFI formula to incorporate the post 16 element of the schools PFI charge.
  - (ii) That the Schools Forum approved the one off use of DSG reserves of £227,894 to fund the post 16 element of the schools PFI charge.

## **6 SCHOOLS NATIONAL FUNDING FORMULA - DRAFT RESPONSE**

The Forum received the Council's response to the National Funding Formula consultation, for comment and consideration of the Forum's response.

It was suggested that the response should contain a comment about the funding ratio, in particular under funding of Key Stage 3 and 4, and the need to move to a level playing field. The point was made that further consideration needs to be given to the impact of basic AWPU levels on the problems manifested in Ofsted judgements in secondary schools. It was queried whether the local authority takes a strategic view on that and whether there is any correlation between Ofsted judgments and funding. It was confirmed that this would not be looked at because judgements are inconsistent, however it was acknowledged that this issue does need to be looked at further.

As the Forum was unable to agree on issues around funding ratios it was decided that schools and Forum members should respond on an individual basis.

It was also suggested that a general response be made on behalf of the Forum around the lack of funding and the link to outcomes.

- RESOLVED -
- (i) That the Schools Forum noted the draft consultation document and agreed to individually respond.
  - (ii) That a general statement in relation to underfunding and links to outcomes be made on behalf of the Schools Forum.

## **7 HIGH NEEDS NATIONAL FUNDING FORMULA - DRAFT RESPONSE**

The Forum received the draft local authority response to the High Needs Funding Consultation.

It was suggested that the Schools Forum response should contain comments about the robustness of the link between DLA and SEN in schools.

It was agreed that this was a fair response and it was noted that Special School Headteachers would be responding separately.

**RESOLVED** - That the Schools Forum noted the contents of the report and agreed the draft consultation response to be submitted on behalf of Gateshead Schools Forum.

## **8 DEDICATED SCHOOLS GRANT Q3**

The Forum received the quarter three position of DSG for 2016/17. There is an overspend projected of £445,000 on DSG, with an overspend on the High Needs Budget of £454,000.

It was questioned whether the overspend is likely to continue, this was confirmed, based on current high levels of permanent exclusions and special school placements, but will be offset partially by a number of ARMS provisions being decommissioned next year. It was noted that £80,000 has been received from the DFE to review high needs and potential savings will be looked at in order to increase reserves.

Work is ongoing to understand why there has been an increase in permanent exclusions. It was suggested that factors such as; cuts to social services funding, cutting schools budgets and increased accountability by Ofsted have contributed to the increase in permanent exclusions. The point was made that further understanding is needed as to why Gateshead is such an outlier and that there is a need to ensure Gateshead figures are comparable locally.

A query was raised in relation to the relative cost of Schools Forum to other comparative local authority areas, it was agreed that service costs for the Forum would be compared to other local authorities.

The question was asked as to the high termination of employment costs in comparison to other authorities. It was confirmed that this is based around historic school closures and amalgamations, and they are recurrent costs.

**RESOLVED** -

- (i) That the Schools Forum noted the contents of the report.
- (ii) That the Schools Forum approved the use of DSG reserves to cover the overspend in 2016/17.

**9 VERBAL UPDATE FROM NATIONAL FAIR FUNDING CONFERENCE**

Item deferred.

**10 DATE AND TIME OF NEXT MEETING**

The date and time of the next meeting is Thursday 18 May 2017 at 2.00pm.

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**TITLE OF REPORT: Universal Credit and Free School Meals**

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**Purpose of the Report**

1. To inform Schools Forum of the roll out of Universal Credit in Gateshead from mid October 2017 and the possible impact on free school meals (FSM) and claiming families.

**Background**

2. Universal Credit is a national benefit which will replace Income Support, Income related Jobseekers Allowance, Income related Employment and Support Allowance, Housing benefit, Working Tax Credit and Child Tax Credit. People in Gateshead may currently claim Universal Credit, but generally only if they are a single person.
3. From mid October 2017, the roll out of Universal Credit in Gateshead will be expanded to include anyone making a new claim to any of the benefits referred to above. This includes families with children and lone parents.
4. Anyone applying will need to sign a claimant commitment. For those not working, or only working part time, they may be expected to spend up to 35 hours a week doing "work requirements" i.e. looking for work/training. If a person does not fulfil these commitments they will be subject to a sanction.
5. Universal Credit is paid monthly in arrears and directly to the majority of claimants. In general, there is a delay of between 6 and 8 weeks before someone will receive a payment, although there is the ability to apply for an advance payment (a partial payment).
6. In areas where everyone is already claiming Universal Credit, they are generally reporting overall increases in rent arrears and issues with families budgeting.
7. At present, anyone in receipt of Universal Credit is entitled to FSM. This includes people who would formally have only applied for Working Tax Credit, or both Child and Working Tax Credit and who are not presently eligible for FSM. Since 1st April 2017, we have been made aware of 76 new awards of these benefits though numbers could be higher. Therefore there is likely to be an increase in the number of pupils who may be eligible for FSM.
8. Department for Education (DfE) have advised that anyone who has applied for a benefit but not yet been awarded it, is NOT eligible for FSM. This applies to Universal Credit claimants even where they may be waiting for 6 to 8 weeks for their entitlement to be confirmed.

9. We are intending from October to start advising schools where we have received an application for FSM, and the parent has applied for a qualifying benefit, but entitlement has not been confirmed. In these cases, we cannot confirm entitlement to FSM.
10. It would be for the school to decide whether they allow the child to have a FSM, or they decide to waive payment for the time being. If the school decides to do this, then for this, until entitlement is confirmed, they cannot treat the child as having been awarded FSM and they cannot be recorded on the census as being entitled to a FSM for this period.
11. Full service Universal Credit is presently live in Newcastle, but the Free School Meals team in Newcastle have not seen a significant increase in take up of FSM. They are not sure if this is because parents are not aware of their eligibility or for other reasons.
12. The DfE have committed to looking at how eligibility for FSM will be assessed going forward with the further roll out of Universal Credit nationally. This will involve a consultation, but it is yet unclear when this will happen. It seems likely that they will look to reduce numbers eligible for FSM from some point in the future.

### **Proposal**

13. It is proposed that Schools Forum notes the content of the report and the possible increase in FSM numbers together with the possible increased hardship on new claimant families due to the time it takes to assess and pay new claimants.

### **Recommendation**

14. It is recommended that Schools Forum notes the contents of the report, the possible increase in children eligible for FSM and the possible impact on new claimant families.

### **For the following reason(s):**

- To ensure that Schools Forum is aware of the implications of the roll out of Universal Credit.

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**CONTACT: Helen Paine ext. 3654**

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**TITLE OF REPORT: Schools Balances 2016/17**

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**Purpose of the Report**

1. To update the Schools Forum on the movement of school balances for the financial year 2016/17, and the number of schools in a deficit position at the end of the financial year.

**Background**

2. As part of the Council's responsibilities for the management and the good financial practice of maintained schools, the balances held by each individual school, the movement, (increase or decrease in balances) and the number of schools with a deficit balance for the financial year will be brought to the attention of Schools Forum for them to note.
3. This information is also reported to the Strategic Director, Corporate Resources and the Service Director, Learning and Schools.

**Balances**

4. At the 31 March 2016 maintained schools held total revenue balances of £7.045m and five schools had a deficit balance amounting to £0.227m.
5. At the 31 March 2017 maintained school balances reduced by £1.542m to £5.503m, and six schools had a deficit at the end of 2016/17 totalling £0.242m.
6. These balances consist of all revenue funding streams including schools individual budgets, government grants and any income received by the school.
7. The detail of the individual balances and the in-year movement is contained in appendix 1.

**Proposal**

8. That Schools Forum notes:
  - Schools balances have reduced from £7.045m at 31 March 2016 to £5.503m at 31 March 2017, a reduction of £1.542m.
  - The number of schools with a deficit balance has increased by one to six.
  - There has been an increase in the value of the total deficits held by schools by £0.015m to £0.242m.

## **Recommendation**

9. It is recommended that Schools Forum notes: -

- The value of maintained school balances and the in-year reduction of balances by £1.542 to the year-end value of £5.503m.
- The number of schools with a deficit balance at the end of 2016/17.
- The increase by £0.015m of the value of deficit balances at the end of 2016/17.

### **For the following reason(s):**

- To ensure that the year-end financial position is brought to the attention of Schools Forum.

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**CONTACT: Carole Smith ext 2747**

## Appendix 1

	£	£	£	£
	Appropriations			
Account (t)	Agresso Balance April 2016	To (Credits - increase in reserve)	From (Debits - reduction in reserve)	Reserve March 2017
Bensham Grove Nursery School	(93,131.22)	0.00	20,809.06	(72,322.16)
Barley Mow Primary	(63,181.63)	(28,777.52)	0.00	(91,959.15)
Bede Primary	(18,525.86)	0.00	6,522.29	(12,003.57)
Bill Quay Primary	(65,512.30)	0.00	30,946.21	(34,566.09)
Birtley East Primary	(124,675.48)	(14,360.48)	0.00	(139,035.96)
St Joseph's Catholic Inf Birtley	(111,607.48)	0.00	32,956.59	(78,650.89)
St Joseph's Catholic Jnr Birtley	(76,005.58)	0.00	15,661.27	(60,344.31)
St Joseph's RCP Blaydon	(131,701.81)	0.00	18,768.20	(112,933.61)
Blaydon West Primary	(29,239.07)	(46,910.32)	0.00	(76,149.39)
Brandling Primary	(168,219.55)	(14,546.97)	0.00	(182,766.52)
Brighton Avenue Primary	(144,039.23)	0.00	32,584.00	(111,455.23)
Caedmon Primary	(110,559.42)	0.00	47,692.43	(62,866.99)
Carr Hill Primary	(324,362.88)	0.00	72,199.93	(252,162.95)
Chopwell Primary	(138,801.71)	0.00	22,980.07	(115,821.64)
Clover Hill School	(58,376.38)	(15,252.96)	0.00	(73,629.34)
Colegate School	(58,408.62)	(174.76)	0.00	(58,583.38)
Corpus Christi RCP	(235,411.23)	0.00	20,981.12	(214,430.11)
St Agnes RCP	(136,385.30)	0.00	55,057.87	(81,327.43)
Crookhill School	(49,876.25)	0.00	27,788.32	(22,087.93)
Dryden School	(83,768.22)	0.00	20,946.56	(62,821.66)
Dunston Hill School	(62,637.46)	0.00	42,051.70	(20,585.76)
St Philip Neri RCP	(27,885.26)	(19,093.78)	0.00	(46,979.04)
Emmaville Primary	(60,709.12)	(657.98)	0.00	(61,367.10)
Eslington School	(82,942.74)	0.00	20,105.99	(62,836.75)
Falla Park School	(30,462.33)	(45,601.79)	0.00	(76,064.12)
Fell Dyke School	(214,691.11)	0.00	28,559.11	(186,132.00)
Fellside School	(84,853.23)	0.00	51,103.24	(33,749.99)
Furrowfield School	(125,471.99)	0.00	55,337.67	(70,134.32)
St Anne's RCP	(13,693.68)	(17,031.88)	0.00	(30,725.56)
St Joseph's RCP Gateshead	(213,402.51)	0.00	22,922.17	(190,480.34)
St Oswald's RCP	(245,236.10)	0.00	146,868.97	(98,367.13)
St Peters RCP	(79,070.20)	(17,599.98)	0.00	(96,670.18)
St. Wilfrid's RCP	(58,304.50)	0.00	8,654.18	(49,650.32)
Gibside School	(228,318.15)	0.00	29,888.75	(198,429.40)
Glynwood School	(117,288.54)	0.00	8,878.62	(108,409.92)
Greenside Primary	(34,344.20)	(25,620.11)	0.00	(59,964.31)
Heworth Grange School	55,090.65	0.00	43,814.24	98,904.89
High Spen Primary	(174,121.22)	0.00	28,208.68	(145,912.54)
Highfield Com Primary School	(93,898.58)		46,393.98	(47,504.60)

St Joseph's RCP Highfield	(55,545.59)	0.00	10,799.25	(44,746.34)
Hill Top School	(80,356.29)	0.00	65,216.26	(15,140.03)
Kells Lane Primary	(58,176.29)	0.00	65,117.87	6,941.58
Kelvin Grove School	(39,415.13)	(5,648.86)	0.00	(45,063.99)
Kingsmeadow School	(240,232.58)	0.00	55,312.11	(184,920.47)
Larkspur School	(163,594.86)	0.00	24,011.39	(139,583.47)
Lingey House Primary	(93,049.09)	0.00	94,322.24	1,273.15
Lobley Hill Primary	(61,456.66)	0.00	40,265.12	(21,191.54)
Oakfield Infant School	(32,103.20)	0.00	10,050.44	(22,052.76)
Oakfield Junior School	(78,859.44)	0.00	10,633.10	(68,226.34)
Parkhead School	(43,349.72)	0.00	20,282.72	(23,067.00)
Portobello Primary	(39,890.94)	0.00	16,008.34	(23,882.60)
Ravensworth Terrace Primary	112,384.94	0.00	7,167.84	119,552.78
Roman Road Primary	(54,294.96)	0.00	43,658.69	(10,636.27)
Ryton Community Infant School	36,798.12	(27,197.08)	0.00	9,601.04
Ryton Community Junior School	21,397.99	(35,237.43)	0.00	(13,839.44)
South Street School	(19,270.92)	(30,387.67)	0.00	(49,658.59)
St Aidan's Primary	(77,723.13)	0.00	21,372.04	(56,351.09)
St Albans RCP	(67,759.33)	0.00	22,982.57	(44,776.76)
St Augustine's RCP	(110,312.74)	(25,883.93)	0.00	(136,196.67)
St Mary and St Thomas RCP	(48,372.11)	0.00	34,592.95	(13,779.16)
Swalwell Primary	(165,663.04)	0.00	48,783.77	(116,879.27)
The Drive School	(41,969.40)	0.00	38,345.16	(3,624.24)
Wardley Primary	(185,948.99)	0.00	52,928.50	(133,020.49)
Washingwell Primary	(78,619.46)	0.00	35,122.10	(43,497.36)
Front Street School	(158,026.71)	0.00	143,445.44	(14,581.27)
Whickham Parochial	(25,439.16)	0.00	31,487.94	6,048.78
St Marys RCP	(106,581.55)	0.00	7,388.50	(99,193.05)
White Mere School	(43,802.55)	0.00	28,095.37	(15,707.18)
Windy Nook Primary	(113,153.89)	(55,485.59)	0.00	(168,639.48)
Winlaton West Lane Primary	1,812.58	(80,263.42)	0.00	(78,450.84)
Harlow Green Primary School	(402,581.78)	0.00	97,969.90	(304,611.88)
Rowlands Gill Primary School	(133,421.52)	0.00	31,841.97	(101,579.55)
Pupil Referral Unit	(285,045.71)	0.00	32,403.88	(252,641.83)
	(7,045,668.47)	(505,732.51)	2,048,302.55	(5,503,098.43)
			<b>Movement</b>	<b>1,542,570.04</b>

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**TITLE OF REPORT: Schools Surplus Balances Review of 2016/17 Licences**

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**Purpose of the Report**

1. To update Schools Forum on the use of Schools Surplus Balances licences granted in 2015/16 for balances as at 31 March 2016 and multi-year licences already held.

**Background**

2. In January 2007 Local Authorities (LA's) were directed by the Secretary of State for Education to make certain directed revisions to their Schemes for Financing Schools.
3. Under the directed revisions a local authority scheme was required to include a mechanism to control school surplus balances. These revisions should have come into effect from 1 April 2007, but were only implemented for Gateshead Schools from April 2008.
4. Under the regulations in effect for 2011/12, Schools were permitted to have an "unlicensed" carry forward amount that is equal to or less than 8% for Special and Primary Schools, and 5% for Secondary Schools of the next financial year's School Budget Share. Under the current regulations LA's could review their clawback mechanism and, as per report to Schools Forum in March 2012, limits were raised. For Primary and Special Schools the new thresholds are 16% or £20,000 and 10% for secondary schools.
5. The Schools "Surplus Balance" is calculated using the schools closing balance as at the end of the financial year less; additional grants, pupil premium, any known prior year commitments, and the calculated "unlicensed" amount.
6. In order to comply with these requirements schools were issued with the following information: -
  - An application form for a licensed Surplus balance
  - The list of permissible exemptions
  - Control of Surplus Balances Procedure
7. Following the approval of licensed surpluses for 2015/16, schools were charged with spending and reporting their spend against the granted licence in accordance with the Schools Surplus Balance Procedure.
8. Schools that have been granted a multi-year licence have up to three financial years to use their licensed surplus. Appendix 1 provides a summary of the surplus balances held by the schools as at 31 March 2017.

## **Surplus Balance Licences**

9. At the end of the 2016/17 financial year the total amount of surplus balances held under previous year's licences was £33,760 which is a reduction of £420,559 from £454,319.

## **Proposal**

10. That Schools Forum notes that Schools surplus balances have reduced by £420,559, and all schools will continue to have their licences monitored.

## **Recommendation**

11. It is recommended that Schools Forum Notes: -

- Surplus Balance licences have reduced by £420,559 during 2016/17

## **For the following reason(s):**

- To ensure that the Control of Surplus Balances Procedure is adhered to in a clear, fair and transparent manner.

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**CONTACT: Carole Smith ext. 2747**



## Appendix 1

Costc(T)	Account	Approved Budget	Virements	TOTAL BUDGET	Amount	VARIANCE
Bensham Grove Nursery School		0.00	0.00	0.00	0.00	0.00
Washingwell Primary		0.00	0.00	0.00	0.00	0.00
Corpus Christi RCP		12,954.00	0.00	12,954.00	12,954.00	0.00
Dryden School		0.00	0.00	0.00	0.00	0.00
<b>2014/15 Surplus Bal In Year Licence</b>	<b>S0037</b>	<b>12,954.00</b>	<b>0.00</b>	<b>12,954.00</b>	<b>12,954.00</b>	<b>0.00</b>
High Spen Primary		29,294.00	0.00	29,294.00	23,655.99	-5,638.01
Washingwell Primary		15,000.00	0.00	15,000.00	15,000.00	0.00
St Josephs RCP Gateshead		38,404.00	0.00	38,404.00	38,404.00	0.00
St Oswalds RCP		89,071.00	0.00	89,071.00	89,071.00	0.00
Furrowfield School		0.00	0.00	0.00	0.00	0.00
<b>2014/15 Surplus Bal Multi Year Licence</b>	<b>S0038</b>	<b>171,769.00</b>	<b>0.00</b>	<b>171,769.00</b>	<b>166,130.99</b>	<b>-5,638.01</b>
Bensham Grove Nursery School		40,052.00	0.00	40,052.00	40,052.29	0.29
Harlow Green Primary School		80,346.00	0.00	80,346.00	80,346.41	0.41
Corpus Christi RCP		78,870.00	0.00	78,870.00	57,781.65	-21,088.35
St Josephs RCP Gateshead		37,540.00	0.00	37,540.00	37,540.00	0.00
St Josephs Catholic Inf Birtley		24,501.00	0.00	24,501.00	17,467.60	-7,033.40
St Agnes RCP		8,287.00	0.00	8,287.00	8,286.55	-0.45
<b>2015/16 Surplus Bal Multi Year Licence</b>	<b>S0041</b>	<b>269,596.00</b>	<b>0.00</b>	<b>269,596.00</b>	<b>241,474.50</b>	<b>-28,121.50</b>
<b>Total</b>		<b>£454,319.00</b>			<b>£420,559.49</b>	<b>-£33,759.51</b>

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**TITLE OF REPORT: Schools Surplus Balances 2016/17 Licence Applications**

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**Purpose of the Report**

1. To update Schools Forum on the level of schools surplus balances and the number and amount of licence applications for the use of 2016/17 surplus balances.

**Background**

2. This report builds on the Agenda item 4 and reports on the 9th year that schools have had to apply to keep surplus balances.
3. Under the Scheme for Financing Schools, Schools are permitted to have an “unlicensed” carry forward amount that is equal to or less than 16% for Special and Primary Schools, and 10% for Secondary Schools of the next financial year’s School Budget Share.
4. The Schools “Surplus Balance” is calculated using the schools closing balance as at the end of the financial year less any known prior year commitments, and the calculated “unlicensed” amount.
5. All schools were notified of their expected surplus balance amount prior to the deadline, but schools should have been planning for any possible surplus balances during the financial year as part of their budget monitoring and good financial management practices.

**Current Position**

6. The total amount of schools balances as at 31 March 2017 was £5.503m which is a decrease of £1.542m from the 2016 balance of £7.045m.
7. The total balance amount for 2016/17 included unspent licences of £33,760 that relates to previous years licence surpluses.
8. The total amount of surplus balances calculated as directed by the Secretary of State for Education for all schools maintained totalled £129,312 with the split of surplus balances being: -

- Nursery Sector       £ 20,554
- Primary Sector       £ 108,758
- Secondary Sector   £ 0
- Special Sector       £ 0

9. A total of 5 schools applied for licences on either a current year or multi-year basis, (time scale cannot be greater than 3 years). Some schools applied for licences totalling more than their surplus balance amount, either to take account of the total cost of the expenditure for which the surplus balance is to be used, (i.e. whole piece of equipment), or where they are applying for a number of licences and the full cost details were not known, (i.e. estimated costs or future capital projects).
10. All schools that applied for a licence will have a licence granted for the use of their surplus balances, subject to outstanding supporting documentation. Appendix 1 shows details of surplus balances.

### **Proposal**

11. Schools Forum notes the details of the surplus balance amounts at Appendix 1.

### **Recommendation**

- Schools Forum notes the details at Appendix 1 detailing surplus balance amounts.

### **For the following reason(s):**

- To ensure that the Control of Surplus Balances Procedure is adhered to in a clear, fair and transparent manner.

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**CONTACT: Carole Smith ext. 2747**

## Appendix 1

<b>New Licences Required</b>	
<b>School Name</b>	<b>Surplus Licence required</b>
Bensham Grove Nursery School	£ 20,554
High Spen Primary School	£ 10,108
Corpus Christi Catholic School	£ 51,277
St Joseph's R C Primary School	£ 45,229
Birtley St. Joseph's Catholic Infant School	£ 2,143
Primary Total	£ 108,758
<b>Total</b>	<b>£129,312</b>

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**TITLE OF REPORT: Schools Surplus Balances Licences Amendment**

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**Purpose of the Report**

1. To update Schools Forum on the outcome of a school requesting to alter their Surplus Balance Licence.

**Background**

2. This report builds on the previous reports on Schools surplus balances.
3. Under the Scheme for Financing Schools, schools are permitted to have an “unlicensed” carry forward amount that is equal to or less than 8% for Special and Primary Schools, and 5% for Secondary Schools of the next financial years School Budget Share, for balances prior to 31 March 2012. Surplus balances after 31 March 2012 were increased to 16% for Special and Primary Schools, and 10% for Secondary Schools.
4. The Schools “Surplus Balance” is calculated using the schools closing balance as at the end of the financial year less; unspent additional grants, pupil premium, and any known prior year commitments, and the calculated “unlicensed” amount.

**Change of Licence Application**

**St. Josephs Infants Birtley**

5. The school originally requested to use their surplus balance for a number of projects:-
  - Refurbishment of Classrooms
  - Teacher’s laptops
  - Teaching assistant for special educational needs interventions
6. Following the completion of these projects there was a balance of £7,033 at 31 March 2017.
7. The school requested that they change the use of this surplus balance licence and together with their small surplus for 2016/17 that it can be used for SEN interventions for the academic year 2017/18.
8. The change of licence is in accordance with the Schools Surplus Balance Procedure and therefore the change of use has been granted.

## **Proposal**

9. It is proposed that Schools Forum notes the change of surplus balance for St Joseph's Infants Birtley.

## **Recommendation**

10. It is recommended that Schools Forum notes the above change in surplus balance licence.

For the following reason:

- To ensure that the Control of Surplus Balances Procedure is adhered to in a clear, fair and transparent manner.

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**CONTACT: Carole Smith ext. 2747**



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**TITLE OF REPORT: Contingency Funding Application**

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**Purpose of the Report**

1. The purpose of this report is to inform Schools Forum of the decision to provide contingency funding to a school.

**Background**

**Bede Primary School**

2. The school applied for contingency funding under criteria 1 as detailed below. The full list of Updated Contingency Funding Criteria is shown in appendix1.
3. “Cost pressures specifically identified and caused by a relatively large numerical change in pupil numbers, especially if it relates to a single age-group, where the change is outside the control of the governing body and where the timing of the change in circumstances prevents no opportunity to the school to plan accordingly (e.g. housing demolition or compulsory purchase orders, or reorganisation)”
4. The school has a very mobile population with some children moving in and out of the school and never being captured on the October census. In the school’s catchment area there is a refuge and a traveller site. Of the current year 6 group of children, only 6 for the 25 that joined in reception are still at the school, 19 children left and 12 children joined the class. This picture is repeated throughout the school. During the academic year to May 2017 the school had admitted 13 children from the refuge.
5. In addition to having the second highest proportion of mobile pupils, in comparison to all other Gateshead Primary Schools Bede Primary school has:
  - highest proportion of Free School Meal (FSM) and FSM ever6 children (children that have been entitled to a FSM in the previous 6 years)
  - the joint second highest proportion of children in Income Deprivation Affecting Children Index (IDACI) band A (the most deprived banding)
  - the 5th highest proportion of English as an Additional Language (EAL) children
  - the highest proportion of Looked After Children (LAC) children
  - the 2nd highest proportion of low prior attainment for the new Early Years Foundation Stage Profile (EYFSP)
  - the highest proportion of the old 73 and 78 EYFSP scores (children not attaining the expected level of progress) for prior low attainment.
  - 1 in 8 of Bede’s children are either currently on, or have been on, a child protection plan.

6. The school requested a proportion of funding for pupils who have joined during the year but were not captured on the October census, and therefore they have not been funded (this does not include nursery age children).
7. The school requested a pro rata calculation based on Age Weighted Pupil Unit for 17 children and a proportion of FSM funding for 8 children totalling £36,530. The school had a carry forward of £12,004 from 2016/17 which was a reduction of £6,522 from the previous year and was unable to set a balanced budget without this funding.

### **Process**

8. Colleagues in Education Gateshead had input into the review process of the contingency application, and fully support the application.

### **Proposal**

9. It is proposed that Schools Forum notes that £36,530 funding was provided to Bede Primary School.

### **Recommendations**

10. It is recommended that School Forum notes the funding provided to the school.

### **For the following reasons:**

- To provide funding to Bede Primary School for pupils who started on a non-standard date and are not recorded on the October Census and therefore not funded.

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**CONTACT: Carole Smith ext. 2747**

## Appendix 1

### Updated Contingency Funding Criteria

The LEA will retain centrally contingency funding that **could** provide in-year support to schools for:

1. Cost pressures specifically identified and caused by a relatively large numerical change in pupil numbers, especially if it relates to a single age-group, where the change is outside the control of the governing body and where the timing of the change in circumstances prevents no opportunity to the school to plan accordingly (eg housing demolition or compulsory purchase orders, or reorganisation)
2. The correction of significant errors in the data or in the application of the resource allocation formula.
3. Emergency costs arising from incidents outside the control of the governing body of the school (eg flood or fire damage). The money allocated for these purposes will be earmarked for specific use.
4. The provision of additional resources or other special support, temporarily, in response to a school found to be in need of Special Measures within the meaning of Part V of the Education Act 1993 and in accordance with DFE Circular 17/93.
5. For in-year allocations to schools in respect of pupils with new or revised statements of SEN, or for statemented pupils transferring between schools within the LEA.
6. For in-year allocations to schools in respect of the admission of pupils permanently excluded by other schools. Such allocations will be determined in accordance with Regulations made by the Secretary of State under Section 47 of the 1998 Act.
7. Schools that are in financial difficulty, and can demonstrate that they have taken all reasonable measures to address financial issues, and that the current financial difficulties are not as a result of financial mismanagement. Schools must apply the LEA's "Model of Reasonableness" before making an application to demonstrate that they meet the criteria.

If contingency is given and a school ends the same financial year with a surplus balance in excess of 16% for Primary and Special Schools or 10% for Secondary Schools the contingency payment, or a proportion of it, will be clawed back.

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**TITLE OF REPORT: High Needs Block Strategic Review**

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**Purpose of the Report**

1. To inform Schools Forum of the strategic review of the High Needs Block of the Dedicated Schools Grant (DSG).

**Background**

2. In December 2016 the Department for Education provided all Local Authorities with a High Needs Strategic Planning Fund to enable them to undertake a strategic review of the use of high needs funding. This review should incorporate the planning of special provision and the fund can be used to help implement the outcomes of the reviews.
3. A core officer group has been formed to undertake the review with the possibility of other officers and stakeholders being invited to join as appropriate.
4. All areas of spend from the high needs block will be reviewed, starting with the highest area of spend which includes special schools, the Behaviour Support Service and high needs top up funding.
5. Initial discussions have already started with special schools around post 16 provision and the number of hours that will be commissioned in the future.
6. Regular updates from the review will be brought to Schools Forum together with proposals and consultation information.

**Proposal**

7. It is proposed that Schools Forum notes that an officer group has been formed to undertake a strategic review of the high needs block and that regular updates, proposals and consultation information will be the subject of future reports to Schools Forum.

**Recommendation**

8. It is recommended that Schools Forum notes that a strategic review of the high needs block has commenced and information, proposals and any consultation information will be the subject of future reports to Schools Forum.

**For the following reason(s):**

- To ensure that Schools Forum is informed of the progress and proposals of the strategic review of the high needs block of the DSG.

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**TITLE OF REPORT: Dedicated Schools Grant Revenue Outturn 2016/17**

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**Purpose of the Report**

1. To bring to Schools Forum attention information on the outturn position of Dedicated Schools Grant (DSG) for 2016/17.

**Background**

2. The DSG is made up of three main funding blocks:
  1. The **Early Years** block - for 2 and 3 & 4 year old funding
  2. **Mainstream Schools** block - which includes some centrally held and de-delegated funding
  3. **High Needs** Block - which includes special schools and PRU funding
3. Schools Forum receives details of DSG revenue monitoring throughout the financial year, with the format presented based on the expenditure headings of section 251.
4. The final outturn report for 2016/17 is included at appendix 1. This shows an outturn of £97.260m against the budget of £96.953m, resulting in an over spend of £0.306m.
5. The over spend of £0.306m is offset by £0.117m additional Early Years settlement (based on updated census information) for 2015/16 received in 2016/17, to give a total of £0.190m to be appropriated from the DSG reserve, as agreed by Schools Forum in March 2017.
6. This £0.190m is deducted from the current balance brought forward from 2015/16 of £3.357m to give a balance to be carried forward to 2017/18 of £3.167m. A summary of the movement in reserves is included in appendix 2.

**Proposal**

7. That Schools Forum notes the content of the report.

**Recommendations**

That Schools Forum:-

- Note the contents of the report

**CONTACT: Alan Foster ext. 2677**

## Appendix 1

<b>2016/17 DSG Outturn Qtr 4</b>				
<b>DSG Area</b>	<b>Total Approved Budget</b>	<b>Outturn</b>	<b>Variance</b>	<b>Comments/Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Maintained Schools Budget Share	75,035	74,613	-422	Early Years Actual Provision
<b>DEDELEGATION</b>				
Contingencies	0	0	0	
Behaviour support services	169	166	-3	
Support to UPEG and bilingual learners	208	208	0	
Free school meals eligibility	0	0	0	
Insurance	0	0	0	
Museum and Library services	0	0	0	
Licences/subscriptions	0	0	0	
Staff costs – supply cover	188	187	-1	
<b>HIGH NEEDS BUDGET</b> (inc Special Schools, PRU and Additional Support Top-ups)	14,773	15,225	452	Top-ups/ placements (PRU +£0.3m, Special Schools/ ARMS £+0.3m and Mainstream +£0.2m), Staff Slippage -£0.3m
<b>EARLY YEARS BUDGET</b>				
2,3 and 4 year old funding to PVI's	5,133	5,551	418	+£183k 3/4 year old, +£243k 2 year old, offset by schools underspend above
<b>CENTRAL PROVISION WITHIN SCHOOLS BUDGET</b>				
Contribution to combined budgets	440	439	-0	
School admissions	122	122	0	
Servicing of schools forums	105	105	0	
Termination of employment costs	527	481	-46	Schools Redundancy and Retirement Costs
Falling Rolls Fund	0	0	0	
Capital expenditure from revenue (CERA)	0	0	0	
Prudential borrowing costs	0	0	0	
Fees to independent schools without SEN	0	0	0	
Equal pay - back pay	0	0	0	
Pupil growth/ Infant class sizes	100	35	-65	carried forward to 17/18
SEN transport	0	0	0	
Exceptions agreed by Secretary of State	0	0	0	
Other Items	154	128	-26	CLA/ MPA Licences top sliced from DSG for all school licences
<b>TOTAL DSG</b>	<b>96,953</b>	<b>97,260</b>	<b>306</b>	



## Appendix 2

### Movement in DSG reserves 2016/17

	<b>£m</b>
Reserves brought forward from 2015/16	-3.357
Appropriation from reserves 2016/17	+0.190
<b>Reserves carried forward to 2017/18</b>	<b>-3.167</b>

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**TITLE OF REPORT: Schools Forum Association**

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**Purpose of the Report**

1. To inform Schools Forum of an invitation to join “The Schools Forum Association” and the results of the completion of a short survey.

**Background**

2. Contact was made with the Chair of Gateshead’s Schools Forum with a request to complete a short survey to ask if Gateshead’s Schools Forum, its members, schools, nurseries or colleges that Schools Forum represent would like to join the Schools Forum Association.

3. The below is a quote of the information provided about the Schools Forum Association.

“All 152 schools forums have been invited to join The Schools Forum Association. The association will be independent and apolitical and could provide those involved with school funding:

- Help and advice
- A forum to share best practice
- Feedback on DfE consultations and proposals
- A quarterly “Funding Matters” newsletter
- Help with policy campaigns

Coming together as a grass roots community, a national association will collectively have a more powerful voice in education debates than we would each have alone. This is particularly important at the moment, when providing feedback to the DfE on funding, and in the future, forum consultation proposals.”

4. The deadline for responding to the survey was 24 May, and the Chair of Schools Forum completed the survey as detailed in appendix 1.
5. Below is the link to the association’s website.

<http://www.schoolsforumassociation.co.uk/>

To date there has been no feedback on the results of the survey and no further contact has been received from the association.

## **Proposal**

6. It is proposed that Schools Forum notes the information in the report and the responses made by the Chair of Schools Forum in appendix 1. If there is any further contact received this will be brought back to Schools Forum for consideration.

## **Recommendation**

7. It is recommended that Schools Forum notes:-
  - the contents of the report
  - the information contained in appendix 1
  - that any further information or contact will be brought back to Schools Forum for consideration.

## **For the following reason(s):**

- To ensure that Schools Forum is aware of any contact or further information received from The Schools Forum Association.
- 

**CONTACT: Carole Smith**

## Appendix 1

Q1 Are you interested in joining the Schools Forum Association?

Schools Forum                      Yes  
Individual Forum member    Maybe

Q2 Things you would like it to offer (scale of 1 – 10 with 10 strongly agree)

E-mail help	8
Articles on funding	8
Advice on completing DfE consultations	6
Feedback on DfE consultations	8
Sharing of best practice	8
Quarterly newsletter	8
Funding research	8
Help with policy campaigns	5
Conference on funding	5
Training for forum members	7
Induction for forum members	7

Q3 Other services you would like from the association?

No answer given

Q4 Interested in joining a steering group?              Maybe

Q5 What interests could you share as part of the steering committee?

Funding issues and chairing forum meetings

Q6 Comments

This response has been completed by the Chair of Gateshead Schools Forum as, due to the survey deadline, there was no opportunity to consult with Gateshead Schools Forum.

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**TITLE OF REPORT: Growth Fund Allocation**

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**Purpose of the Report**

1. To inform Schools Forum that there has been a successful application for Growth Funding which has satisfied all of the growth fund criteria previously approved by Schools Forum.

**Background**

2. In December 2014 Schools Forum approved the creation and the criteria of a Growth Fund for mainstream schools (appendix 1). Schools Forum agreed to centrally hold £100,000 of the Dedicated Schools Grant for a Growth Fund as a permitted centrally retained service in accordance with Schools and Early Years Finance Regulations 2017 and the Education Funding Agency Schools Revenue Funding 2017 -18 Operational Guide.
3. The criteria for the Growth Fund have been checked and passed for compliance by the Department for Education.

**Ravensthorpe Primary School**

4. Ravensthorpe Primary School made an application to the Growth Fund for funding for pupil growth from September 2017.
5. The school is in the process of being re-built on a new site as a 2 form entry school due to basic need in the Birtley area, and as such the schools Planned Admissions Number (PAN) has been increased from 30 to 60 from September 2016.
6. School Admissions team have confirmed that 55 children will be admitted in September 2017 and the school meets all of the Growth Fund criteria. The Schools Budget Team have supported the school in applying for funding and the Service Director, Learning and Schools has approved the allocation of funding.
7. In accordance with the Growth Funding criteria, the allocation is calculated as Age Weighted Pupil Unit \* pupil numbers \* 7/12  
$$£2,905 * 25 \text{ pupils} * 7/12 = £42,364.58$$
8. This amount is over the maximum allocation permitted for primary schools and therefore the maximum amount of £35,000 will be allocated to Ravensthorpe Primary School.

## **Proposal**

9. That Schools Forum notes the application for Growth Funding by Ravensworth Terrace Primary School and the allocation of £35,000 for additional pupils from September 2017.

## **Recommendations**

10. That Schools Forum notes that funding has been awarded to Ravensworth Terrace Primary School for growth in pupil numbers.

## **For the following reasons:-**

- To provide funding for increased pupil numbers from September 2017
- 

**CONTACT: Carole Smith ext. 2747**



## Appendix 1

# GROWTH FUND PROCEDURE

## INTRODUCTION

### GROWTH FUND INTRODUCTION

Local authorities may top-slice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening and reorganisation costs. The growth fund may not be used to support schools in financial difficulty. As the growth fund is a top slice of the schools block it is only available for pupils aged 5-15 in mainstream schools. It cannot be used to support growth for under-5 or post-16 pupils.

The growth fund will be ring-fenced so that it is only used for the purposes of supporting growth in pupil numbers to meet basic need for the benefit of both mainstream maintained schools and Academies. Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and academies through the local formula.

**Any growth or expansion due to parental preference will not be eligible to be funded from the growth fund, i.e. if pupils could be accommodated in another primary school within a 2 mile radius of the growing primary school, secondary schools to be reviewed on a case by case basis.**

### GATESHEAD CRITERIA FOR ACCESSING GROWTH FUNDING 2014-15

A growing school is defined as:-

- A school where there is a planned increase in Planned Admission Number (PAN), and which has not had the full set of admission in-take. For example, an increase in PAN in September 2010 may still be having an impact in 2015/16.
- A school where the capacity has been increased, with planned expenditure on buildings, which has been agreed by the Local Authority.
- A school where an increase in pupil numbers has been agreed with, and specified by, the Local Authority as a consequence of a delay in the opening of a new school or implementation of a capital programme that would have increased the size of a neighbouring school.
- A school/academy carries out a formal consultation at either the request of the Local Authority or supported by the Local Authority

### PREDICTED OR ACTUAL GROWTH

Where the predicted numbers for a Primary School (excluding nursery classes) for the following September show an increase of more than 16 pupils or 10% of their total roll, due

to basic need, that requires the running of an additional class, schools may be able to access additional funding.

Where the predicted numbers for a Secondary School for the following September show an increase of more than 40 pupils or 8% of their total roll (excluding Post-16), due to basic need, that requires the running of additional class, they may be able to access additional funding.

## FUNDING FOR GROWTH

When applying for growth funding, schools will be required to provide evidence that an additional class or tutor group would be required to meet increasing numbers. (Views will also be sought from appropriate Education Gateshead officers)

Allocations will be calculated per additional pupil using the applicable AWPU rates for Primary, Secondary KS3 and Secondary KS4 pupils.

Amounts payable to maintained schools will be pro-rata for the 7/12th period September to March. Amounts payable to academies will be for the full academic year as academy budgets run from September to August.

An upper threshold will also be applied so no primary school can receive more than £35,000 and no Secondary schools more than £70,000 for the 7/12th period September to March and no Primary academy can receive more than £60,000 and no Secondary academy more than £120,000 for the full academic year.

Initial growth funding allocations would be based on admissions data and demographic forecasts to aid schools with budget setting (May/June). Where there is uncertainty or disagreement around the predicted pupil numbers, funding will not be allocated until receipt of the actual October census data.

The LA will undertake a mid-year review, based on the October Census, but no additional funding would be allocated to schools where funding had already been agreed unless actual growth was at such a level that significant additional costs had been incurred. In instances where schools had not qualified for additional funding based on the original estimates, additional funding would only be allocated if the school could demonstrate additional costs had been incurred to support the additional pupils.

In instances where actual growth was at lower levels than original estimates schools will not be subject to claw-back on any funding already allocated.

## ADDITIONAL CLASSES AND/OR FORMS OF ENTRY

In instances where the LA has specifically requested a school to expand to take an additional class to create capacity, but the numbers do not meet the thresholds above schools may be able to claim additional funding. The funding will only be payable if the school is unable to reorganise its class teaching structure to meet this request. In Primary schools this may result in mixed year teaching, where numbers dictate and this is seen as the most prudent option for the organisation of the school as a whole.

These instances will be reviewed on a case-by-case basis, and funding for additional classes or forms of entry will be funded at the following rates:

Primary £48,000  
Secondary £85,000

Amounts payable to maintained schools will be pro-rata for the 7/12th period September to March (£28,000 and £49,583 respectively). Amounts payable to academies will be for the full academic year, as academy budgets run from September to August. Once agreed these amounts are guaranteed irrespective of actual pupil numbers to allow schools to staff appropriately.

#### OTHER CONSIDERATIONS

Any school with a revenue balance deemed as excessive would not be permitted to claim the full value of the additional growth funding, (currently defined as 16% (of ISB) or £20,000 for Primary and 10% (of ISB) for Secondary.) These instances will be reviewed on a case by case basis.

Given that the revised funding formula will allocate an equal lump sum to all schools regardless of size, no further additional funding will be provided to support any changes in leadership structure.

All mainstream schools funding is only guaranteed for the financial year to which it relates, future years funding will be assessed on an annual basis.

#### AMENDMENTS

It is possible to amend the criteria for allocating growth funding during the year where this becomes necessary, however the revised criteria must be submitted to the EFA for compliance checking and must also be approved by Schools Forum before the revised criteria can be implemented.

## **Appendix A – Examples**

### **Primary School A - Growth Funding Example**

October Census 2014 195 pupils  
Predicted September 2015 Numbers (Based on Admissions data and Demographic Forecasts) 216 pupils  
Increase 21 pupils  
Increase % 10.8%  
Growth Funding Allocation per Pupil £2,905  
Estimated Additional Funding (7/12ths- Sept 14 to Mar 15)  
£35,586, therefore would be funded at £35,000

### **Primary Academy B - Growth Funding Example**

October Census 2014 225 pupils  
September 2015 Numbers (Based on Admissions data and Demographic Forecasts)  
251 pupils  
Increase 26 pupils  
Increase % 11.5%  
Growth Funding Allocation per Pupil  
£2,905  
Additional Funding (Full academic year) £75,530, therefore will fund at £70,000.

### **Primary School C - Growth Funding Example – Additional Reception Class**

School is requested to operate an additional Reception class from September 2015. School would be guaranteed funding of £48,000 for a full academic year, for 7/12ths September 15 to March 16 = £28,000\*  
Maintained Schools funding from April 16 would be based on October 15 census so no additional growth funding will be allocated for this period.  
\*An academy in the same situation would be guaranteed funding for the full academic year = £48,000.

### **Secondary Academy D - Growth Funding Example**

October Census 2014 1,374 pupils

October 2014 Numbers (Based on Admissions data and Demographer's Forecasts)  
1,415 pupils  
Increase 41 pupils  
Increase % 3%  
Increase in KS3 31  
Increase in KS 4 10  
Growth Funding Allocation per KS3 Pupil £3,610 = £111,910  
Growth Funding Allocation per KS4 Pupil £4,360 = £43,600  
Additional Funding (Full academic year)  
£155,510  
Capped to overall limit  
£120,000

## **Secondary Academy E - Growth Funding Example – Additional FE**

School is requested to operate an additional Year 7 FE from September 2015.  
School would be guaranteed funding of £85,000 for the academic year September 2015 to August 2016.

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**TITLE OF REPORT: School Funding Update**

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**Purpose of the Report**

1. To update Schools Forum on what is currently known on the direction of travel of the reforms to the Schools Block (SB), Central Schools Block (CSB) and High Needs Block (HNB) of the Dedicated Schools Grant (DSG).

**Background**

2. Following the general election, the Queen's Speech confirmed that the Government intends to go ahead with the National Funding Formula (NFF), but with a change to the original proposals to ensure "no school loses out". There was no detail provided on any funding changes or proposals and no timescales provided for the implementation of any changes.
3. The move to a "hard" NFF where the Department for Education (DfE) funds all mainstream schools directly will not be implemented in 2019/20 as proposed in the stage 2 consultation, as this would need primary legislation and no such Bill has been proposed for the 2 year period covered by the Queen's Speech.
4. There are also several areas that are difficult to allocate funding on a national level; Private Finance Initiative (PFI), rates, split sites, growth, and exceptional circumstances. It was proposed in the stage 2 consultation that these factors would be funded at historic levels.
5. There is the possibility of a "soft" NFF with allocations of the SB of the DSG being funded to local authorities (LAs) using a NFF, and LAs continuing to calculate individual mainstream school budgets. The allocation could be a net figure after applying national protections and capping at a school level. This could make it more difficult to balance the formula at a local level, and meet any cost pressures due to changes in rates and the indexation of PFI costs.
6. The Government could use the Schools and Early Years Finance (England) Regulations (which are usually updated annually) and Operation Guidance to impose additional restrictions on the use of DSG and the range of factors and their values.
7. Until the DfE starts publishing information including their response to the stage 2 consultations and their school funding proposals the uncertainty around school funding will continue.

## **Proposal**

8. It is proposed that Schools Forum notes the contents of the report and that any information or announcements relating to school funding will be the subject of future reports.

## **Recommendations**

9. It is recommended that Schools Forum notes the contents of the report and that any information or announcements relating to school funding will be the subject of future reports.

## **For the following reasons:-**

- To ensure that Schools Forum receives information and updates on school funding arrangements and proposals.

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**CONTACT: Carole Smith ext. 2747**



**TITLE OF REPORT: Analysis of Local Authorities Schools Block Funding Formula**

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**Purpose of the Report**

1. The purpose of this report is to bring to Schools Forum analysis produced by the Department for Education (DfE) on the values and funding factors used by all other local authorities (LAs) in England, and a summary of work carried out on benchmarking Gateshead's mainstream schools formula against national data and regional and statistical neighbours and the proposed national funding formula (NFF).

**Background**

2. In April 2017 the DfE published a report which provided an overview of the 2017/18 funding factors and values used by all LAs to fund mainstream schools. They also published the factor values and percentages of total funding for all LAs.

Below is the link to the documents.

<https://www.gov.uk/guidance/schools-block-funding-formulae-2017-to-2018>

**Benchmarking of funding factors**

3. There are 152 Local Education Authorities (LEAs) in England, and therefore 152 different mainstream funding formulas. For regional neighbours there are a total of 13 LAs and there are 11 LAs in the statistical neighbour group.
4. Not all factors are mandatory and not all LAs have used all factors. Where this differs to the above LAs the number in the group will be stated.

**Basic per pupil entitlement**

5. The primary basic entitlement for Gateshead is £2,905. This is in the most commonly used bracket of £2,750 to £3,000 and ranked 80th nationally, 5th against our regional neighbours and 4th against our statistical neighbours. Gateshead's current rate is higher than the current proposed rate of the NFF of £2,712.
6. The Key Stage 3 (KS3) basic entitlement for Gateshead is £3,750. This again is in the most commonly used bracket of £3,750 to £4,000 and ranked 124th nationally, 10th against of our regional neighbours and 9th against our statistical neighbours. Gateshead's current rate is lower than the current proposed rate of the NFF of £3,797.

7. The KS4 basic entitlement for Gateshead is £4,360. This again this is in the most commonly used bracket of £4,250 to £4,500 and ranked 107th nationally, 12th against our regional neighbours and 8th against our statistical neighbours. Gateshead's current rate is higher than the current proposed rate of the NFFNFF of £4,312.
8. Gateshead allocated 73.97% of the total funding to the basic entitlement. Most LAs were in the bracket of 75% to 80% with the average being 76.9%. The percentage range for regional neighbours was 69.9% to 86.23% with an average of 74.35%. For statistical neighbours the range was 69.25% to 82.50% with an average of 74.85%. Under the proposals for the NFF the percentage is 72.50%.

### **Summary**

9. The primary basic entitlement is mid-table nationally; however against regional and statistical neighbours it is higher than both averages, and higher than the proposed amount in the NFF.
10. KS3 basic entitlement is in the lower quartile of all three comparison groups, and is lower than the average amount for regional and statistical neighbours, and lower than that proposed in the NFF.
11. KS4 basic entitlement is in the lower half of national funding values, and is lower than the average amount for regional and statistical neighbour values, but it is higher than that proposed in the NFF.

### **Deprivation**

12. 139 LA's used free school meals (FSM) as a primary factor and Gateshead ranked 73<sup>rd</sup>, the average funding value nationally was £1,502,
13. 118 LA's used Income Deprivation Affecting Children Index (IDACI) as a deprivation measure, comparing only IDACI band A, Gateshead is 43rd for primary and 47th for secondary schools. Against regional neighbours 4 out of 9 for primary schools and 2 out of 9 for secondary schools, for statistical neighbours for primary schools 3 out of 11 and secondary schools 2 out of 11. Proposed NFF amounts for primary and secondary schools are both lower than Gateshead's current values.
14. The DfE calculated the total amount of deprivation funding allocated per F SM child. Funding ranged from 0% to 19% of total funding with the average being 7.7%.
15. Gateshead distributed 10.86% of total deprivation funding in total, regional neighbours averaged 10.13% and statistical neighbours 10.19%. The amount of funding proposed under the NFF is 9.3%.
16. 8 regional LAs used primary ever6FSM (children who have been entitled to a FSM in the past 6 years), Gateshead ranked 5 out of the 8 with average funding of £940, Gateshead's rate is £850 for primary schools. For statistical LAs Gateshead ranked 2nd out of 8 with the average funding of £738. The proposed value for the NFF for primary schools is £540 for current FSM children and £980 for ever6 FSM children. There has previously not been the option to use both current FSM and ever6 FSM.

17. 8 regional LA's used secondary ever6FSM, and Gateshead ranked 3rd with a value of £1,400, the average being £1,034. There are also 8 statistical neighbours that used ever6FSM and Gateshead ranked 2nd and the average fund is £1,040. The proposed value for the NFF for secondary schools is £785 for current FSM children and £1,255 for ever6FSM children; both rates are lower than Gateshead's current funding rates. There has previously not been the option to use both current FSM and ever6FSM.

### **Summary**

18. IDACI is too complex to fully analyse easily. The overall deprivation funding percentage that Gateshead allocates is higher than the national average and midrange against regional and statistical neighbours and higher than that proposed by the NFF.

### **Looked After Children (LAC)**

19. Only a small proportion of funding is allocated via this factor and only 88 LAs out of 152 chose to use this factor. The most commonly used funding bracket is £1,000 to £1,500 and 75% of LA's funded under £1,250. Gateshead's factor value is £1,500.

20. 9 of the regional and 7 of Gateshead's statistical neighbours used the LAC factor. Gateshead's factor was the highest regional amount and the second highest as compared to statistical neighbours. Average funding amounts are £859 and £1,046 respectively. There is no LAC factor in the proposed NFF.

### **Summary**

21. Gateshead's LAC factor value is relatively high compared to all 3 groups.

### **Prior Attainment**

22. 144 LAs used the primary low prior attainment factor. The most commonly used funding bracket is £500 to £750. Gateshead's value is £320.

23. For secondary low prior attainment 149 LAs used this factor. The most commonly used bracket is £750 to £1,000. Gateshead's value is £550.

24. 71% of LA's allocated between 2% and 6% of funding. The average was 4.3% with Gateshead allocating 2%.

25. Compared to regional and statistical neighbours, Gateshead's low prior attainment factors are well below average. Gateshead's value is £320 for primary and ranked 12<sup>th</sup> against regional neighbours and 10<sup>th</sup> against statistical neighbours with average funding amounts of £731 and £574 respectively.

26. Secondary low prior attainment funding is not quite as low, with Gateshead's allocating £550, which ranked 9<sup>th</sup> regionally and 8<sup>th</sup> against statistical neighbours with average funding values of £724 and £651 respectively.

27. The proposed factor value in the NFF is £1,050 for primary and £1,550 for secondary pupils. This is significantly higher than Gateshead's values.

### **Summary**

28. Prior attainment funding is relatively low compared to all groups, with primary sector being particularly low.

### **English as an additional language (EAL)**

29. 139 LA's used this factor for 2017/18 funding. The most commonly used funding bracket for primary EAL is £250 to £500 (50% of LA's). Gateshead allocates £260 and the proposed NFF value for this factor is £515.

30. For secondary schools the most commonly used bracket is £500 to £750 but there is a much wider spread of funding in the secondary sector, with 5 brackets ranging from £0 to £1,500 ranging from 15% to 25% of LA's using these brackets. Gateshead allocates £260 and the proposed value under the proposed NFF is £1,385.

31. The average amount of funding allocated via this factor is 0.9%; Gateshead allocates 0.2% which is in the most commonly used allocation range of 0% to 1%.

32. Gateshead's used the same funding amount for both primary and secondary EAL allocating £260. For primary this ranked 9th out of the 11 regional LAs that used this factor and 9th out of 9 for statistical neighbours. The average allocations are £959 and £865 respectively, and the proposed NFF rate is £515.

33. For secondary schools Gateshead ranked 8th out of 11 for regional neighbours and 8th out of 9 for statistical neighbours, with average funding amounts being £959 and £865 respectively, and the proposed NFF rate is £1,385.

### **Summary**

34. Gateshead funding for EAL children against all comparators is low, especially in the primary sector.

### **Mobility**

35. Only 67 out of 152 LAs use the mobility factor. For primary the funding range was from £0 to £3,000 and above. For secondary the range was £0 to £3,000 and above. The most commonly used bracket for primary and secondary mobility funding was £500 to £750. In Gateshead the allocation is £2,000.

36. 5 regional LAs and only one statistical neighbour used this factor. Gateshead ranked 1<sup>st</sup> for both regional and statistical neighbours groups, with average funding regionally being £995 for primary and £915 for secondary schools. For the statistical neighbour using this factor, the funding value was £250 for both primary and secondary schools. In 2017/18 no Gateshead secondary schools qualified for mobility funding. Under the proposed NFF there is funding allocated, but no factor value or methodology on allocating this funding has been published.

## Summary

37. Gateshead has a high mobility factor compared to all groups. Less than half of all LAs in all groups used this factor.

## Overall Pupil-Led Factors

38. It is the requirement of all LAs to channel at least 80% of mainstream school funding via pupil-led factors. The average for all LAs is 89.84% the highest % of LAs are in the bracket 90% to 92%. Gateshead allocated 87.82% of funding to pupil-led factors.
39. Gateshead ranked 10th against regional neighbours with a range of funding from 83.29% to 93.55% and 9th against statistical neighbours with a range of 83.29% to 92.42%.

## Lump Sum

40. All LAs chose to have a Primary lump sum in their formula, 2 LA's did not have a secondary lump sum. The range for both primary and secondary schools was £48,480 to the maximum amount of £175,000.
41. The most commonly used range for primary lump sum is £140,000 to £150,000. The most commonly used range for secondary lump sum is £170,000 to £175,000. Overall the average percentage of funding allocated is 8.1%; Gateshead allocated 8.66% which is in the second highest distribution band of 8% to 10%. The most commonly used banding rate is 6% to 8%.
42. Gateshead has differentiated lump sums for 2017/18 of £115,000 for primary schools and £140,000 for secondary schools. Gateshead ranked 9th regionally for the primary lump sum and 8th for statistical neighbours with the average funding being £137,454 and £130,616 respectively. For the secondary lump sum, Gateshead ranked 11th for secondary schools regionally and 7th against statistical neighbours, with average funding being £153,416 and £136,824 respectively.
43. Gateshead allocated 8.54% of funding to the lump sum compared to the average for regional neighbours 9.54% and statistical neighbours 8.67%.
44. The proposed lump sum for the NFF is £110,000 for both primary and secondary schools.

## Primary: Secondary Ratio

45. The national primary: secondary ratio for 2017/18 is 1:1.29 the same as 2016/17. Gateshead's ratio is 1:1.27 for 2017/18 the same as 2016/17. The calculation is undertaken before the application of the minimum funding guarantee (MFG) calculation (no school can lose more than 1.5% of funding on a per pupil basis and capping and scaling (mechanisms to cap gains to schools that gain with formula changes).
46. The average for regional and statistical neighbours ratio is 1:31, and Gateshead rank 9th and 7th respectively.

## **Funding**

47. Gateshead's Schools Block Unit of Funding ranked 9th against regional neighbours and 7th against statistical neighbours.

## **Proposal**

48. It is proposed that Schools Forum notes the contents of the report and the comparisons of Gateshead's funding against the national, regional, statistical neighbours and where available the proposed NFF. It is proposed that a sub-group of Schools Forum is formed to enable a more timely response to any school funding announcements and to review data, agree the areas to review and model potential outcomes.

49. The possible areas for review are:-

- KS3 basic entitlement
- KS4 basic entitlement
- IDACI following the banding changes
- Primary and secondary FSM6 funding
- Low Prior Attainment
- EAL
- Mobility

50. Schools Forum to agree the areas to be reviewed from area's proposed by the sub-group. Outcomes from the sub-groups work will be reported to Schools Forum, however it must be noted there will be changes to the factor values once final allocations and the most up to date data set are released by the DfE in December 2017.

## **Recommendations**

51. It is recommended that School Forum notes the contents of the report and considers the suggested areas to be reviewed for Gateshead's mainstream Schools Fair Funding Formula for the financial year 2018/19, dependant on any funding announcements by the DfE.

## **For the following reasons:**

52. To provide Schools Forum with information to inform the debate and consider the suggested areas for review of Gateshead's mainstream Schools Fair Funding Formula.

53. To set up a sub-group of Schools Forum to undertake a review of Gateshead's mainstream schools fair funding formula.

54. To review and model implications from school funding announcements from the DfE.

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