

# GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 17 May 2018 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 Apologies**

**2 Minutes** (Pages 3 - 6)

The Forum is asked to approve as a correct record the minutes of the last meeting held on 8 March 2018

**3 Scheme for Financing Schools** (Pages 7 - 10)

Carole Smith, Corporate Resources

**4 Applications for Contingency Funding** (Pages 11 - 14)

Carole Smith, Corporate Resources

**5 Date and Time of Next Meeting**

Thursday 5 July at 2.00pm.

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## GATESHEAD METROPOLITAN BOROUGH COUNCIL

### GATESHEAD SCHOOLS FORUM MEETING

Thursday, 8 March 2018

#### PRESENT:

Ken Childs (Chair)	Special Schools Governors
Denise Kilner	Nursery Sector Representative
Sarah Diggle	Primary Governors
Julie Goodfellow	Primary Academy Headteachers
Steve Haigh	Secondary Academy Headteachers
Peter Largue	Trade Union Representative
Mustafaa Malik	Primary Headteachers
Andrew Ramanandi	Primary Headteachers
Steve Williamson	Pupil Referral Unit Representative
Louise Levy	Secondary Academies

#### IN ATTENDANCE:

Carole Smith	Corporate Resources
Alan Foster	Corporate Resources
Steve Horne	Care Wellbeing and Learning
Rosalyn Patterson	Corporate Services and Governance

#### 1 APOLOGIES

Apologies for absence were received from Clive Wisby, Allan Symons, Christine Ingle, Elaine Pickering, Michelle Richards, Dominic Volpe and Cllr Chris McHugh.

#### 2 MINUTES

The minutes of the meeting held on 8 February 2018 were agreed as a correct record.

#### Matters Arising

In terms of Elective Home Education, the meeting of GASH was postponed and no responses have yet been received from the primary sector. The item will be carried forward to the next meeting.

#### 3 EARLY YEARS FUNDING

Forum received a report on the results of the Early Years Funding modelling for 2018/19. It was confirmed that the proportion has remained the same although the supplement factor values have changed due to data and more pupils in the PVI sector.

It was noted that the ACORN data is based on January's census, however last year

for new settings, the average ACORN score was used. Now the settings are established and data is known the both the deprivation and quality funding rates have slightly increased.

RESOLVED - That Schools Forum noted the EYSFF factors values and noted the two-year-old funding rate.

#### **4 PROPOSED INCREASE IN LGPS SUPERANNUATION RATES**

A report was presented regarding the proposed increase in the Local Government Pension Scheme (LGPS) Superannuation rates from 2018/19. It was reported that the LGPS rate will increase by 3.5% in 2018/19, therefore increasing the deficit to £9.842m. Employer contributions will increase to 30.15% with effect from 1 April 2018. This requires an increased contribution from maintained schools of approximately £109,000. The Forum was provided with the calculation used and the estimated impact on schools.

The point was made that maintained school staffing level has been stable whereas local authority staff have been reduced, therefore maintained schools are paying for more staff. It was confirmed that liability is factored into the calculation.

RESOLVED - That Schools Forum noted the increase in superannuation rates from 1 April 2018.

#### **5 GROWTH FUNDING**

The Forum received a report to advise about a successful application for Growth Funding from Emmaville Primary School.

It was reported that a late application was made as the school did not realise it could apply. The circumstances of the school met all of the criteria; it is a growing school, extension work is being invested on the site and there has been above 10% pupil growth.

The calculation applied was AWPU rate x 33 pupils which equalled just over £55,000. However, the maximum allocation permitted for primary schools is £35,000 therefore that sum has been allocated to Emmaville Primary School.

It was questioned whether there is a plan around the overall growth in the area. It was confirmed that under the Core Strategy two years ago this was always the plan, the next element will be the impact on High Spennings area, and there are some schools in the area which are currently half form entry. Discussions have been held with Headteachers in the area and the Core Strategy has been followed through. It was noted that housing continues to be built in the area and increased demand is eventually which will impact on other schools in the area. It was confirmed that growth of the school is not due to parental preference as the school is increasing numbers from reception upwards and it is not about children moving schools in the

higher year groups.

RESOLVED - That Schools Forum noted that funding has been awarded to Emmaville Primary School for growth in pupil numbers.

## **6 USE OF DSG RESERVES**

A report was presented advising the Forum that, following agreement in November 2017 to provide £5,000 for security at the old Ravensworth School site, the site has now been handed over. A review of the use of this funding was carried out and total charges for security were £580, leaving £4,420 to be transferred back to DSG reserves.

RESOLVED - That the Schools Forum noted the funding provided for interim security at the old Ravensworth Terrace site.

## **7 DSG QUARTER 3 MONITORING**

The Schools Forum received the quarter three position of DSG for 2017/18. It was noted that previously there was a £1.6m overspend, however current projections show this has reduced to £1.348m. It was acknowledged that although this is not the best position there has still been a decrease by a significant amount.

DSG reserves currently total £3.167m, with the overspend forecast this would mean £1.819m to carry forward into 2018/19. A review is underway to look at high needs spending to identify areas of saving, the result of the review will be brought back to the Forum at a later date. It was acknowledged that the work of the High Needs Review Group needs to gather pace and a report will be brought back when there are proposals to be considered.

It was also clarified that all 4 blocks of the DSG are subject to Schools Forum review.

RESOLVED - That the Schools Forum noted the contents of the report.

## **8 DATE AND TIME OF NEXT MEETING**

The date and time of the next meeting is Thursday 17 May at 2pm.

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## REPORT TO SCHOOLS FORUM

17 May 2018

### Item 3

#### **TITLE OF REPORT: Directed Revisions to the Scheme for Financing Schools**

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#### **Purpose of the Report**

This report brings to Schools Forums attention the directed revisions to Gateshead's Scheme for Financing Schools and some additional amendments due to changes in procedures and school status for review before all maintained schools are consulted on the amendments to the Scheme.

#### **Background**

On 22 March 2018 the Department for Education (DfE) published new statutory guidance for local authorities on the Scheme for Financing Schools. The full guidance is available on the below link.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/692786/Schemes\\_for\\_financing\\_schools.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692786/Schemes_for_financing_schools.pdf)

Under sections 48 of the School Standards and Framework Act 1998 and schedule 14 to the Act, each local authority must publish a Scheme for Financing Schools. The Scheme sets out the financial relationship between the Authority and the maintained schools which it funds, it contains requirements relating to financial management and associated issues, binding on both the Authority and schools.

The directed revisions state that all maintained schools must be consulted on any updates to the Scheme, and receive approval of the members of Schools Forum representing maintained schools. The revised amendments must be published on a website accessible to the public.

The Scheme covers all Community, Voluntary Aided and Foundation schools and covers all sectors- Nursery, Primary, Secondary, PRU's and Special Schools. Academies and Free Schools are not covered by the Scheme.

The updates have been made to the guidance, to mirror changes in the Schools and Early Years Finance (England) Regulations 2018.

A copy of the draft Scheme is electronically available for review.

## **Directed Revisions to the Scheme**

The main changes are summarised below:

### **Mandatory inclusions in the Scheme of:**

4.9 Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceeded its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4) (d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.

### **Updates to the Guidance**

4.7 Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

Annex B: Responsibility for redundancy and early retirement costs has been updated to reflect changes under Schedule 2 part 7, of the Finance Regulations. This details how a local authority can retain a central budget within the school's budget to fund the cost of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

2.3.1 Removal of wording as regulations no longer allow local authorities to issue budget shares for a multi-year period. This is not required for Gateshead's Scheme.

2.7 Removal of references to the Audit Commission as this organisation has been abolished, and update form Audit and Accounts Regulations 2015 to the Local Audit and Accountability Act 2014.



6.2.15 Statement of SEN has been replaced with Education Health and Care Plan (EHCP).

6.2.20 Costs incurred by the authority in administering admissions appeals, where the authority and the funding for admissions appeals has been delegated to all schools as part of their formula allocation.

## **Other Revisions**

1.1 Updates to the funding framework sections to aid clarity

2.9 Audit of Voluntary or Private Funds – the addition of private funds to the text.

2.15 Capital Spending from Budget Shares – wording update to clarify the responsibilities of voluntary aided schools.

3. Instalments of the Budget Share, Banking arrangements – updated to state that the authority has fully adopted the CIPFA code of Practice for Treasury Management 2017.

3.1 Frequency of Instalments – wording updated to aid clarity

3.4 Budget Shares for Closing Schools – inserted section as per standard text.

3.7.1 School Payment Cards has been amended to the Gateshead Purchasing Card

5.1 Income from Lettings – updated wording to clarify letting arrangements for PFI/PPP schools

5.4 Income from the Sale of Assets – Updated wording to add clarity

6.2.20 Inserted wording as per standard text

The following Schools have been deleted from Appendix A of the Scheme following conversion to Academy Status:

- Pupil Referral Unit (Pru)
- Heworth Grange
- Other Schools that convert will be deleted from the Scheme as they transfer.

- The Scheme and the dates of any amendments will be amended and will be published on Gateshead Councils Website.

### **Proposal**

That Schools Forum reviews the draft Scheme prior to all maintained schools being consulted on the revised Scheme.

### **Recommendations**

Schools Forum is asked to review the changes to the Scheme for Financing Schools prior to the Scheme being sent out to all maintained schools.

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

- To provide Schools Forum with an opportunity to comment on the Scheme prior to consultation with all maintained schools.
- To ensure compliance with the Schools standards and Framework Act 1998 and schedule 14 to the Act.

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CONTACT: Carole Smith

### Item 4

#### **TITLE OF REPORT: Contingency Funding Applications**

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#### **Purpose of the Report**

The purpose of this report is to inform Schools Forum of the decision to provide contingency funding to three schools.

#### **Background**

##### **White Mere Primary School**

White Mere Primary School has undergone significant management changes since 2015/16 when interim leadership arrangements were put in place due to the substantive head teachers sick leave. This was then followed by a period of soft federation with Carr Hill and the sharing of leadership costs, and further leadership absences. From September 2017 a new substantive full-time head teacher has been appointed, and the leadership structure has undergone a review.

During this turbulent time the school has incurred costs that were beyond the schools control and pushed the school into financial difficulties. At the start of 2017/18 the school set a deficit budget of £107k with little or no options to cut budgets. Essential expenditure was incurred in meeting health and safety needs and educational resources.

At the end of 2017/18 the school had a deficit on its budget of £101,358. This deficit was as a result of a number of costs outside the schools control: -

- Additional staffing and leadership costs £60,887 (supply insurance of £30,400 was not able to be claimed due to existing medical conditions)
- The loss of 7 year 3 and 4 pupils loss of income of £28,457
- Additional essential resources and health and safety repairs £12,591

#### **Process**

White Mere, with the assistance of the School Budget Support Service, have provided evidence to support their application for contingency funding. The contingency application was assessed against the contingency criteria (appendix 1). It was found that the school was in financial difficulty due to circumstances outside of their control. The application process was only concluded following the closure of 2017/18 accounting period to prevent any additional work in either an additional contingency payment or clawback of funding if the school had a closing school budget balance above zero.

Colleagues from EducationGateshead, HR Support and School Budget Support had input into the review process of the contingency application and fully support the application.

### **Hill Top Special School**

The special school post 16 funding formula for 2016/17 was brought in line with pre 16 funding formula. This had an unintentional consequence of Hill Top losing £120,000 in funding from 2015/16 to 2016/17. It was envisaged that the school would require a contingency payment during 2016/17. Due to unexpected income the school closed 2016/17 with a small surplus. This was due to:-

- Income from supply insurance £87,928
- Over paid water rates from previous years £25,354

At the start of 2017/18 the school had a forecast budget deficit of £194,753. Throughout the year the school has worked hard to reduce costs including £92,575 on teaching assistants and £27,846 on teaching salaries. Some of these savings have been offset by overspends on supply teachers and supply insurance.

The outturn for 2017/18 resulted in an £95,220 deficit, however Hill Top School continues to make savings in order to work towards setting a balanced budget.

### **Process**

Hill Top, with the assistance of School Budget Support Service have provided evidence to support their application for contingency funding. The contingency application was assessed against the contingency criteria (appendix 1). It was found that the school was in financial difficulty due to circumstances outside of their control. The application process was only concluded following the closure of 2017/18 accounting period to prevent any additional work in either an additional contingency payment or clawback of funding if the school had a closing school budget balance above zero.

Colleagues from EducationGateshead, HR Support and School Budget Support had input into the review process of the contingency application and fully support the application.

### **Rowlands Gill Primary School**

Rowlands Gill Primary School substantive head teacher went on sick leave in May 2017, and an interim head has been in post from this time. The payment of two head teacher salaries has put a substantial strain on the schools budget. The school outturn for 2017/18 is £53,836 which is less than the expenditure on either the substantive or the interim head teacher.

### **Process**

Rowlands Gill with the assistance of School Budget Support Service have provided evidence to support their application for contingency funding. The contingency application was assessed against the contingency criteria (appendix 1). It was found that the school was in financial difficulty due to circumstances outside of their control. The application process was only concluded following the closure of

2017/18 accounting period to prevent any additional work in either an additional contingency payment or clawback of funding if the school had a closing school budget balance above zero.

Colleagues from EducationGateshead, HR Support and School Budget Support had input into the review process of the contingency application and fully support the application.

## **Proposal**

It is proposed that Schools Forum notes the allocation of funding to the following schools:-

- White Mere Primary School      £101,358
- Hill Top Special School      £95,220
- Rowlands Gill Primary School      £53,836

## **Recommendations**

It is recommended that School Forum notes the funding provided to the above schools.

## **For the following reasons:**

- To provide contingency funding to White Mere, Hill Top and Rowlands Gill schools for financial difficulty due to circumstances outside of their control.

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**CONTACT: Carole Smith ext. 2747**

## Appendix 1

### Contingency Funding Criteria Agreed October 2016

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 (e.g. 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 (e.g. 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 as described in the DfE guidance "Schools Causing Concern" issued March 2016, and in accordance with Section 44 of the Education Act 2005, sections 60, 61 and 62 of the Education and Inspections Act 2006.
5. For in-year allocations to schools in respect of pupils with new or revised statements of SEN /Education Health and Care Plan, or for these pupils transferring between schools within the LEA.
6. 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 the contingency payment, or a proportion of it, will be clawed back.