

GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 18 July 2019 at 10.00 am in the John Abbott Room, Dryden Centre

From the Chief Executive, Sheena Ramsey

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 7 February 2019

3 Use of Dedicated Schools Grant Reserves (Pages 7 - 8)

Carole Smith, Corporate Resources

4 Schools Balances (Pages 9 - 12)

Carole Smith, Corporate Resources

5 Use of Growth Fund (Pages 13 - 18)

Carole Smith, Corporate Resources

6 DSG Outturn (Pages 19 - 20)

Claire Reid, Corporate Resources

7 Early Years Inclusion Fund (Pages 21 - 22)

Carole Smith, Corporate Resources

8 Directed Revisions to the Scheme for Financing Schools (Pages 23 - 26)

Carole Smith, Corporate Resources

9 New Growth Fund (Pages 27 - 32)

Carole Smith, Corporate Resources

10 Date and Time of Next Meeting

Thursday 26 September 2019 at 2.00pm

Contact: Rosalyn Patterson - email: rosalynpatterson@gateshead.gov.uk,
Tel: 0191 433 2088, Date: Wednesday, 12 July 2019

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 7 February 2019

PRESENT

| | |
|--------------------|-----------------------------------|
| Ken Childs (Chair) | Special Schools Governor |
| Sarah Diggle | Primary Governors |
| Julie Goodfellow | Primary Academy Headteachers |
| Steve Haigh | Secondary Academy Headteachers |
| Peter Lague | Trade Union Representative |
| Mustafaa Malik | Primary Headteachers |
| Andrew Ramanandi | Primary Headteachers |
| Michelle Richards | Special School Headteachers |
| Domenic Volpe | Maintained Secondary Headteachers |
| Allan Symons | Primary Governors |

IN ATTENDANCE: Carole Smith and Councillor Gary Haley

APOLOGIES: Councillor Chris McHugh, Ethel Mills, Elaine Pickering and Clive Wisby

51 APOLOGIES

Apologies for absence were received from Councillor McHugh, Clive Wisby, Elaine Pickering and Ethel Mills.

52 MINUTES

It was noted that Denise Kilner's apologies were not recorded on the last meetings minutes. It was also clarified that as part of the discussion on the DSG Funding Settlement that pupil premium for nursery schools is not set at the same level as primary schools.

RESOLVED:

- (i) The minutes of the last meeting held on 10 January 2019 were agreed as a correct record subject to the above being recorded.

53 MAINSTREAM SCHOOL FUNDING

The Forum received a report to provide information on the proposed amended Authority Proforma Tool (APT) for Gateshead Schools funding factors and values for approval before submission to the DfE to enable to calculation of mainstream school's individual budgets for 2019/20. It was highlighted that information had previously been sent via e-mail for comments.

It was highlighted that at the DfE APT workshop held on 14 January 2019 advice

was sought to manage the funding aspect and pupil movements from Thomas Hepburn and the closure of the school.

It was noted that the advice was that funding for Thomas Hepburn Key Stage 3 pupils on October 2018 census should be held as part of the Growth Fund so that the APT could be completed to timescale and the Local Authority could provide funding for these pupils and manage the funding process locally when pupil movements are finalised. It was also noted that advice suggested that Thomas Hepburn should have a 5/12 budget as it will close 31 August 2019.

It was stated that Thomas Hepburn was then given a 5/12 budget which released £324,567 of funding for distribution to all schools. Additionally, it was noted that as all pupil related factors were at the agreed phased funding level the following amendments were made:

- The lump sums were returned to their phased levels of £112,222 from £110,000 for primary and £123,333 from £120,000 for secondary schools.
- The other element to be changed was the minimum funding guarantee (MFG). In the original model 5 this was a negative 0.89%. MFG was increased to a positive 0.21%. MFG increased from £260,968 to £453,135. All schools will have an increase in funding (excluding business rates).

It was further noted from the report that with the above changes all funding was redistributed apart from £287 which has been added to the Growth Fund. A full breakdown of figures was provided to the Forum in the report appendix.

A discussion took place on the allocation of additional funds to schools; a comment was made highlighting that moneys within the Growth fund are earmarked for pupils moving from Thomas Hepburn Academy in September.

A further comment was made noting that the DfE don't appear to be acknowledging the financial impact that the closure of Thomas Hepburn Academy has had on other secondary schools in Gateshead. Frustration was noted that schools are having to increase their PAN which impacts on health and safety and behaviour.

The Forum requested that an additional report highlighting growth funding pressures be presented at a future meeting.

RESOLVED:

- (i) The Schools Forum approved the changes outlined within the report.

54

HIGH NEEDS COMMISSIONED PLACES

The Forum received a report to provide an update on the proposed commissioning arrangements for High Need Places for 2019/20.

From the report it was noted that the Schools and Early Years Finance Regulations (England) 2019 require Schools Forum to be consulted on the commissioning arrangements for high needs places. This includes all places for special education

needs (SEN) and alternative provision places commissioned by the local authority (LA), and the arrangements for top up funding.

It was highlighted that not all places are currently agreed and the numbers within the report could change.

The Forum were provided with an overview of the commissioning process for 2019/20 and a breakdown of the proposed commissioned places for 2019/20 within the local authority.

It was asked why the Pru is not comparative through special schools; it was noted that the Pru used to be part of the local authority then had to become a school. It was further noted that the budget is allocated based on the number of pupils.

RESOLVED:

- (i) The Schools forum noted the contents of the report.

55 FORMER EDUCATION SERVICES GRANT

The Forum received the report requesting approval to centrally retain the former retained duties element of the Education Services Grant (ESG) which was mainstreamed into the Dedicated Schools Grant (DSG) from April 2017.

The report provided a summary of duties covered by the retained duties funding related to the following areas:

- Director of children's services and personal staff for director
- Planning for the education service as a whole
- Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education
- Authorisation and monitoring of expenditure not met from schools' budget shares
- Formulation and review of local authority schools funding formula
- Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools
- Consultation costs relating to non-staffing issues
- Plans involving collaboration with other LA services or public or voluntary bodies
- Standing Advisory Committees for Religious Education (SACREs)
- Provision of information to or at the request of the Crown other than relating specifically

to maintained schools

It was highlighted from the report that the DSG allocation received in December 2018 was based on 23,718 pupils and the retained duties element is calculated £15 * 23,718 = £355,770.

RESOLVED:

(i) The Schools Forum approved the central retention of the allocation for retained duties.

56 USE OF DSG RESERVES

RESOLVED:

(i) This item was deferred.

57 DATE AND TIME OF NEXT MEETING

14 March 2019, 2pm, Dryden Centre.

Item 3

TITLE OF REPORT: Use of Dedicated School Grant Reserves

Purpose of the Report

The purpose of this report is to request Schools Forum approval for the use of Dedicated Schools Grant (DSG) reserves.

Background

The Department for Education (DfE) issued guidance in March 2015 on the treatment of balances when a maintained school becomes an academy.

If the conversion is due to the school being issued with an academy order by the Secretary of State (SoS) and is a school eligible for intervention and the school is joining another academy trust, then the balance either positive or negative remains with the closed school. The DfE however recommend that positive balances should transfer to the new academy.

However, with the approval of Schools Forum deficits can be funded from contingency.

Gateshead Pupil Referral Unit

On the 1 January 2018 Gateshead's Pupil Referral Unit (PRU) became a sponsored academy and joined a multi academy trust (MAT) River Tees Multi Academy Trust. As the school became a sponsored academy which had been issued with an academy order by the SoS and was eligible for intervention, the deficit balance could not be transferred to the new school.

This left a deficit with the old school of £190,444.19.

Heworth Grange School

Heworth Grange school converted to a sponsored academy on 1 February 2018, and joined a MAT Concilium Multi Academy Trust. As the school became a sponsored academy which had been issued with an academy order by the SoS and was eligible for intervention, the deficit balance could not be transferred to the new school.

This left a deficit with the old school of £194,709.95.

The total for both closed schools is £385,154.14

There is £816K currently in DSG reserves

Proposal

It is proposed that Schools Forum approves the use of DSG reserves to enable the deficit balances to be funded from contingency.

Recommendations

It is recommended that School Forum approves the write off of the two deficit balances to contingency.

For the following reasons:

- To enable the school balances to be written off
- To enable the schools balance sheet codes to be closed.

CONTACT: Carole Smith Ext 2747

Item 4

TITLE OF REPORT: Schools Balances 2018/19

Purpose of the Report

To update the Schools Forum on the movement of school balances for the financial year 2018/19, and the number of schools in a deficit position at the end of the financial year.

Background

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 to note.

This information is also reported to the Strategic Director, Corporate Resources and the Service Director, Learning and Schools.

Balances

At the 31 March 2018 maintained schools held total revenue balances of £5.525m and six schools had a deficit balance amounting to £0.456m.

At the 31 March 2019 maintained school balances increased by £1.0m to £6.527m. These balances exclude the closing deficit balances of Heworth Grange and the Pru totalling £0.385m. Schools balances are in a more positive position due to the receipt of two grants in December 2018.

Six schools were in a deficit position at the end of 2018/19 totalling £456k, with the high probability of more schools in deficit by the end of this financial year.

It is anticipated that maintained schools will use approximately a further £3m of their balances by the end of 2019/20.

These balances consist of all revenue funding streams including schools individual budgets, government grants and any income received by the school.

The detail of the individual balances and the in-year movement is contained in appendix 1.

Proposal

That Schools Forum notes:

- Schools balances have increased from £5.186 m at 31 March 2018 to £6.527m at 31 March 2019, an increase of £1m.
- The number of schools with a deficit balance has increased by two to six.
- There has been a decrease in the value of the total deficits held by schools by £0.004m to £0.496m, however this does not include the deficit balances of the closed schools totalling £0.385m

Recommendation

It is recommended that Schools Forum notes: -

- The value of maintained school balances and the in-year increase of balances by £1m to the year-end value of £6.527m.
- The number of schools with a deficit balance at the end of 2018/19.
- The decrease in the value of deficit balances at the end of 2018/19.

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

| Balance Sheet Account (t) | Opening Balance | Appropriations | Closing Balance |
|-------------------------------|-----------------|----------------|-----------------|
| Bensham Grove Nursery School | (27,896.88) | 10,419.51 | (17,477.37) |
| Carr Hill Primary | (148,488.57) | (104,707.61) | (253,196.18) |
| Kelvin Grove School | (66,206.76) | 2,285.91 | (63,920.85) |
| South Street School | (41,213.02) | 35,224.06 | (5,988.96) |
| Bede Primary | (85,309.84) | (97,717.81) | (183,027.65) |
| Oakfield Junior School | (81,479.51) | 2,282.97 | (79,196.54) |
| Larkspur School | (115,456.28) | (8,390.01) | (123,846.29) |
| Oakfield Infant School | (54,799.19) | (3,678.03) | (58,477.22) |
| Ravensworth Terrace Primary | 133,715.40 | 4,839.24 | 138,554.64 |
| Portobello Primary | (17,903.87) | (24,593.26) | (42,497.13) |
| Birtley East Primary | (171,924.40) | 36,822.92 | (135,101.48) |
| Dunston Hill School | (11,413.13) | (73,794.09) | (85,207.22) |
| Emmaville Primary | (109,294.43) | 19,106.30 | (90,188.13) |
| High Spen Primary | (89,710.05) | 2,670.00 | (87,040.05) |
| Swalwell Primary | (98,225.03) | 1,059.19 | (97,165.84) |
| Winlaton West Lane Primary | (104,235.84) | (73,993.99) | (178,229.83) |
| Greenside Primary | (69,349.06) | 12,565.03 | (56,784.03) |
| Blaydon West Primary | (119,773.99) | (10,498.12) | (130,272.11) |
| Front Street School | (62,243.31) | (75,139.71) | (137,383.02) |
| Highfield Com Primary School | (27,652.98) | 3,188.72 | (24,464.26) |
| Ryton Community Infant School | (32,781.34) | (30,019.33) | (62,800.67) |
| Ryton Community Junior School | (46,905.85) | 5,727.22 | (41,178.63) |
| Washingwell Primary | (18,444.91) | (16,523.70) | (34,968.61) |
| Bill Quay Primary | 22,718.82 | 9,640.98 | 32,359.80 |
| Falla Park School | (96,231.86) | (29,465.79) | (125,697.65) |
| Brandling Primary | (224,810.20) | (54,191.53) | (279,001.73) |
| Lingey House Primary | (100,787.81) | (99,539.56) | (200,327.37) |
| The Drive School | (35,116.86) | (18,664.63) | (53,781.49) |
| White Mere School | (8,653.06) | 119,113.80 | 110,460.74 |
| Clover Hill School | (110,686.70) | 6,029.50 | (104,657.20) |
| Crookhill School | (30,510.17) | 17,461.25 | (13,048.92) |
| Brighton Avenue Primary | (75,949.77) | 15,092.62 | (60,857.15) |
| Lobley Hill Primary | (21,867.76) | (7,139.50) | (29,007.26) |
| Wardley Primary | (151,841.34) | (17,680.53) | (169,521.87) |
| Glynwood School | (180,650.88) | (376.94) | (181,027.82) |
| Barley Mow Primary | (60,323.97) | 66,735.76 | 6,411.79 |
| Windy Nook Primary | (77,978.85) | (59,040.36) | (137,019.21) |
| Colegate School | (42,261.73) | 22,100.66 | (20,161.07) |
| Roman Road Primary | (99,474.90) | (17,667.33) | (117,142.23) |
| Fellside School | (34,124.44) | 8,633.35 | (25,491.09) |
| Fell Dyke School | (176,174.20) | (49,128.17) | (225,302.37) |
| Caedmon Primary | (129,502.12) | (9,483.05) | (138,985.17) |
| Kells Lane Primary | (2,176.79) | 16,690.68 | (18,867.47) |

| | | | |
|---------------------------------|----------------|----------------|----------------|
| Chopwell Primary | (164,212.80) | (57,982.46) | (222,195.26) |
| Parkhead School | (48,724.88) | (50,616.12) | (99,341.00) |
| St Aidans Primary | (99,660.08) | 3,341.21 | (96,318.87) |
| Harlow Green Primary School | (248,273.95) | (63,660.23) | (311,934.18) |
| Rowlands Gill Primary School | (4,936.99) | 142,839.96 | 137,902.97 |
| Whickham Parochial | (12,105.19) | (13,307.84) | (25,413.03) |
| Corpus Christi RCP | (205,531.90) | (11,246.77) | (216,778.67) |
| St Josephs RCP Gateshead | (187,594.48) | 48,352.21 | (139,242.27) |
| St Oswalds RCP | (115,202.32) | (19,745.28) | (134,947.60) |
| St Peters RCP | (52,492.91) | 13,092.16 | (39,400.75) |
| St Annes RCP | (54,139.14) | (18,640.73) | (72,779.87) |
| St Josephs Catholic Jnr Birtley | (67,642.53) | (26,666.89) | (94,309.42) |
| St Josephs Catholic Inf Birtley | (88,003.54) | (15,259.91) | (103,263.45) |
| St Agnes RCP | (89,305.51) | 38,708.16 | (50,597.35) |
| St Josephs RCP Highfield | (76,289.42) | 4,501.41 | (71,788.01) |
| St Mary and StThomas RCP | (44,280.53) | 2,670.79 | (41,609.74) |
| St Philip Neri RCP | (19,776.90) | (41,673.99) | (61,450.89) |
| St Josephs RCP Blaydon | (79,510.71) | 12,692.59 | (66,818.12) |
| St Marys RCP | (59,152.82) | 16,571.28 | (42,581.54) |
| St Albans RCP | (39,255.61) | 7,300.68 | (31,954.93) |
| St Augustines RCP | (79,920.57) | (39,791.07) | (119,711.64) |
| St. Wilfrids RCP | (50,681.33) | 23,457.09 | (27,224.24) |
| Kingsmeadow School | (78,484.41) | (100,197.85) | (178,682.26) |
| Furrowfield School | (27,428.98) | (57,800.69) | (85,229.67) |
| Gibside School | (304,132.09) | (373,637.65) | (677,769.74) |
| Hill Top School | (0.03) | (48,517.66) | (48,517.69) |
| Dryden School | (33,070.27) | 63,587.37 | 30,517.10 |
| Eslington School | (92,731.74) | 57,543.08 | (35,188.66) |
| | | | |
| | (5,525,939.06) | (1,001,211.89) | (6,527,150.95) |

Item 5

TITLE OF REPORT: Growth Fund Allocation

Purpose of the Report

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

Background

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 2019 and the Education and Skills Funding Agency Schools Revenue Funding 2019 - 20 Operational Guide. For 2019 – 20 the growth fund is £779,732.

The current criteria for the Growth Fund has been checked and passed for compliance by the Department for Education.

Ravensworth Terrace Primary School

Ravensworth Terrace School made an application to the Growth Fund for funding for pupil growth from September 2019.

The school was rebuilt on a new site as a 2-form entry school due to basic need (pupil population growth) in the Birtley area, and as such the schools Planned Admissions Number (PAN) was increased from 30 to 60 from September 2016.

School Admissions team have confirmed that 60 children will be admitted in September 2018 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.

In accordance with the Growth Funding criteria, the allocation is calculated as Age Weighted Pupil Unit * pupil numbers * 7/12

$£2,817.22 * 28 \text{ pupils} * 7/12 = £46,014.59$

This amount is over the maximum allocation permitted for primary schools and therefore the maximum amount of £35,000 will be allocated to Ravensworth Terrace Primary School.

Proposal

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 2019.

Recommendations

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 2019

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.

Item 6

TITLE OF REPORT: Dedicated Schools Grant Revenue Outturn 2018/19

Purpose of the Report

To inform Schools Forum of the outturn position of Dedicated Schools Grant (DSG) for 2018/19.

Background

The DSG is made up of four 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** (HNB) which includes special schools, alternative provision and top-ups to maintained schools and academies; and
4. **Central Services Schools block** which includes central functions carried out on behalf of schools, for example, licences, schools' admissions, pension costs.

Schools Forum receives details of DSG revenue monitoring throughout the financial year, with the format presented based on the expenditure headings of the Section 251 statement.

The final outturn report for 2018/19 is included at Appendix 1. This shows an outturn of £100.405m against the budget of £99.421m, resulting in an over spend of £0.984m. The budget was increased during the year to reflect the additional £0.420m HNB grant received.

The over spend of £0.984m is adjusted in year by £0.644m Early Years settlement update for 2017/18 (based on updated census information) recouped in 2018/19, to give a total of £0.340m to be appropriated from the DSG reserve, as agreed by Schools Forum in December 2018.

This £0.340m is deducted from the balance at 31 March 2018 of £1.156m, to give a balance to be carried forward at 31 March 2019 of £0.816m. A summary of the movement in reserves is included also in Appendix 1.

Proposal

That Schools Forum notes the content of the report.

Recommendations

That Schools Forum: -

- Note the contents of the report

CONTACT: Claire Reid ext. 3613

2018/19 DSG Revenue Monitoring Quarter 4

| DSG Area | Total Approved Budget £'000 | Outturn £'000 | Variance £'000 | Comments/Notes |
|-----------------------------------------------------------------------------------|--------------------------------|------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------|
| Maintained Schools Budget Share | 72,233 | 72,014 | -219 | Nursery places & academy conversion |
| DEDELEGATION | | | | |
| Contingencies | 0 | 12 | 12 | |
| Behaviour support services | 216 | 224 | 8 | |
| Support to UPEG and bilingual learners | 226 | 226 | 0 | |
| Staff costs | 180 | 212 | 32 | Maternity Credits & TU facilitator costs |
| HIGH NEEDS BUDGET | | | | |
| High Needs Budget (including Special Schools, PRU and Additional Support Top-ups) | 15,423 | 17,216 | 1,793 | Special schools, maintained schools & academies top-ups £1m, independent sector +£0.49m, staffing & other provision £0.3m |
| EARLY YEARS BUDGET | | | | |
| 2,3 and 4-year-old funding to PVI's | 9,411 | 8,970 | -441 | -£0.394m 3/4-year-olds: £0.033m 2-year-olds; -£0.08m other (staffing, DAF, IF) |
| CENTRAL PROVISION WITHIN SCHOOLS BUDGET | | | | |
| Contribution to combined budgets | 413 | 410 | -3 | |
| School admissions | 137 | 137 | 0 | |
| Servicing of Schools Forums | 116 | 116 | 0 | |
| Termination of employment costs | 528 | 308 | -220 | PRC |
| Pupil growth / Infant class sizes | 0 | 70 | 70 | Ravensworth Terrace / Emmaville |
| Other Items | 155 | 107 | -48 | CLA/ MPA Licences |
| Statutory/ Regulatory duties | 383 | 383 | 0 | |
| TOTAL DSG | 99,421 | 100,405 | 984 | Appropriated from DSG reserve |

Movement in DSG reserves 2018/19

| | | |
|-----------------------------------------------------------|--------|---------------|
| Reserves balance at 31 March 2018 | £m | £m |
| Appropriation to reserves: Early Years adjustment 2017/18 | -0.644 | -1.156 |
| Appropriation from reserves: in year deficit 2018/19 | +0.984 | |
| Net appropriation | | +0.340 |
| Reserves balance carried forward at 31 March 2019 | | -0.816 |

Item 7

TITLE OF REPORT: Early Years Single Funding 2019/20

Purpose of the Report

The purpose of this report is to bring to Schools Forum the results of the Early Years Funding modelling for 2019/20.

Background

The basis for the 3 and 4 year old funding formula for 2019/20 has not changed from 2018/19 and uses the same allocation of funding for the three elements as 2018/19: -

- 90% of available funding allocated via the universal base rate
- 5% of available funding allocated via the quality supplement
- 5% of available funding allocated via deprivation supplement

There is no change to the universal base rate of £3.849. However, due to data changes for quality and deprivation, in order to allocate 5% of funding to these areas there is a slight amendment to these rates.

For 2018/19 the rates were: -

- Quality Supplement £0.5538 – per quality weighted hour
- Deprivation Supplement £0.0056 –per deprivation weighted hour

The new rates are: -

- Quality Supplement £0.56216 – per quality weighted hour
- Deprivation Supplement £0.00547 –per deprivation weighted hour

The flat funding rate for 2-year olds is £5.20 per child attendance hour and with no change since 2017/18.

Following the Schools and Early Years Finance (England) Regulations 2018 (no.2) requirements to pass through at least 95% of funding to providers, 5% of the estimated funding has been top sliced and will be used to fund the Early Years team (who calculate and distribute funding) leaving an estimated £66,991 for the Early Years Inclusion Fund.

The decrease in the estimated value of the inclusion fund is due to the increase in funding required for the Early Years team due to the pay award.

Proposal

It is proposed that Schools Forum notes the new funding rates for the Early Years Single Funding Formula (EYSFF) as the methodology of the formula has not changed and notes that there is no change to the funding rate for deprived two-year olds.

Recommendations

It is recommended that Schools Forum the notes the updated EYSFF factor values and note the two-year-old funding rate.

For the following reasons:

- To comply with the Early Years National Funding Formula Operational Guidance
- To comply with Schools and Early Years (England) Regulations 2018 (No.2)

Contact: Carole Smith Ext. 2747

Item 8

TITLE OF REPORT: Schools and Early Years Finance (England) Regulations 2018 (No. 2)

Purpose of the Report

The purpose of this report is to make Schools Forum aware of the changes the Department for Education (DfE) have made to the Schools and Early Years Finance (England) Regulations 2018 (No. 2) and the implications of the changes.

Background

The 2018 regulations were updated and the new regulations (No. 2) came into force on 7th December 2018, and the old regulations were revoked from 1 April 2019.

Part 3, Chapter 2, section 27 of the regulations has been updated. This section deals with the funding calculation to be recouped from mainstream schools that permanently exclude pupils. The update now includes children leaving a mainstream school and is receiving education funded by a local authority other than at a mainstream school in the local authority.

The calculation for the recoupment of funding is on the same basis as if the pupil had been permanently excluded i.e. all pupil related factors in the local funding formula and pupil premium where applicable. A copy of section 27 is in appendix 1 for information.

Proposal

It is proposed that any child leaving a mainstream school and accessing alternative provision funded by the local authority will have funding recouped from their school budget in accordance with the regulations, with the exception that calculations are undertaken on an academic year basis to better fit with the school funding cycle.

Recommendations

It is recommended that Schools Forum notes the changes to the Schools and Early Years Finance (England) 2018 (No. 2) Regulations, and that mainstream schools will have funding recouped for all children leaving a mainstream school and then attending alternative provision which is paid for by the local authority from April 2019.

It is recommended that Schools Forum notes the recoupment calculation to be carried out on an academic year basis to better align with the school funding cycle.

For the following reasons:

- To comply with Schools and Early Years (England) Regulations 2018 (No.2)

CHAPTER 2

Adjustments, Correction of Errors, and Alternative Arrangements Authorised by the Secretary of State

Pupils permanently excluded from, or leaving, maintained schools

27.(1) Where a pupil is permanently excluded from a school maintained by a local authority (other than a special school, a pupil referral unit, or a place which the authority has reserved for children with special educational needs) (“the excluding school”) the authority must redetermine the excluding school’s budget share in accordance with paragraph (2).

(2) The excluding school’s budget share must be reduced by $A \times (B / 52) + C$ where—

(a) *A* is the amount determined by the authority in accordance with this Part that would be attributable to a pupil of the same age and personal circumstances as the pupil in question at primary or secondary schools maintained by the authority for the full funding period;

(b) *B* is either—

(i) the number of complete weeks remaining in the funding period calculated from the relevant date; or

(ii) where the permanent exclusion takes effect on or after 1st April in a school year at the end of which pupils of the same age, or age group, as the pupil in question normally leave that school before being admitted to another school with a different pupil age range, the number of complete weeks remaining in that school year calculated from the relevant date; and

(c) *C* is the amount of the adjustment made to the school’s budget share under a financial adjustment order.

(3) Where a pupil has been permanently excluded from the excluding school and is admitted to another school maintained by a local authority (other than a special school, a pupil referral unit, or to a place which the authority has reserved for children with special educational needs) (“the admitting school”) in the funding period, the authority must redetermine the admitting school’s budget share in accordance with paragraphs (4) and (5).

(4) The admitting school’s budget share must be increased by an amount which is not less than $D \times (E / F)$ where—

(a) *D* is the amount by which the authority reduced the budget share of the excluding school, or would have reduced the budget share if that school had been maintained by the authority, except that any reduction in the excluding school’s budget share made under a financial adjustment order must not be taken into account for these purposes;

(b) *E* is the number of complete weeks remaining in the funding period during which the pupil is a pupil at the admitting school; and

(c) F is the number of complete weeks remaining in the funding period calculated from the relevant date.

(5) In redetermining the admitting school's budget share, the authority may increase it by any amount up to the amount of the adjustment made to the excluding school's budget share under a financial adjustment order.

(6) Where a permanently excluded pupil is subsequently reinstated by the governing body of the school, the school's budget share must be increased by an amount which is no less than $G \times (H / I)$ where—

(a) G is the amount by which the authority reduced the school's budget share under paragraph (2);

(b) H is the number of complete weeks remaining in the funding period during which the pupil is reinstated; and

(c) I is the number of complete weeks remaining in the funding period calculated from the relevant date.

(7) Paragraphs (1) and (2) also apply where a pupil leaves a maintained school (other than a special school, a pupil referral unit, or a place which the authority has reserved for children with special educational needs) for reasons other than permanent exclusion and is receiving education funded by a local authority other than at a school which is maintained by that authority.

(8) For the purposes of paragraph (2)(a), the amount attributable to a pupil is the sum of the amounts determined in accordance with the authority's formula, by reference to pupil numbers rather than by reference to any other factor or criterion not dependent on pupil numbers (except that where a sixth form grant is payable in respect of the pupil in question, the amount attributable to that pupil is £4,000 for the funding period).

(9) Where a pupil in respect of whom a pupil premium is payable has been permanently excluded from a school maintained by a local authority ("the excluding school"), the local authority must redetermine the excluding school's budget share in accordance with paragraph (10).

(10) The excluding school's budget share must be reduced by $J \times (K / 52)$ where—

(a) J is the amount of the pupil premium allocated to the excluding school for the funding period in respect of that child; and

(b) K is either—

(i) the number of complete weeks remaining in the funding period calculated from the relevant date; or

(ii) where the permanent exclusion takes effect on or after 1st April in a school year at the end of which pupils of the same age, or age group, as the pupil in question normally leave that school before being admitted to another school with a different pupil age range, the number of complete weeks remaining in that school year calculated from the relevant date.

(11) Where a pupil in respect of whom a pupil premium is payable has been permanently

excluded from a school maintained by a local authority and admitted to another school maintained by a local authority (“the admitting school”) in the funding period, the authority must redetermine the budget share of the admitting school in accordance with paragraph (12).

(12) The admitting school’s budget share must be increased by an amount which is not less than $L \times (M / N)$ where—

(a) L is the amount by which the authority reduced the budget share of the excluding school or would have reduced the budget share had that school been maintained by the authority;

(b) M is the number of complete weeks remaining in the funding period during which the pupil is a pupil at the admitting school; and

(c) N is the number of complete weeks remaining in the funding period calculated from the relevant date.

(13) Where a permanently excluded pupil in respect of whom a pupil premium is payable is subsequently reinstated by the governing body of the school, the school’s budget share must be increased by an amount which is no less than $O \times (P / Q)$ where—

(a) O is the amount by which the authority reduced the school’s budget share under paragraph (10);

(b) P is the number of complete weeks remaining in the funding period during which the pupil is reinstated; and

(c) Q is the number of complete weeks remaining in the funding period calculated from the relevant date.

(14) Paragraphs (9) and (10) also apply where a pupil in respect of whom a pupil premium is payable leaves a maintained school for reasons other than permanent exclusion and is receiving education funded by a local authority other than at a school which is maintained by that authority.

(15) For the purposes of this regulation—

(a) “the relevant date” is the sixth school day following the date on which the pupil has been permanently excluded; and

(b) “a financial adjustment order” means an order for the adjustment of a school’s budget share made under regulation 25(5)(b) of the School Discipline (Pupil Exclusions and Reviews) (England) Regulations 2012(a) in respect of the exclusion of the pupil from the excluding school.

Item 9

TITLE OF REPORT: New Growth Funding Procedure

Purpose of the Report

The purpose of this report is to bring to Schools Forum the draft updated Growth Fund Procedure.

Background

The Growth Fund is a portion of the Dedicated Schools Grant (DSG) Schools Block which enables local authorities (LAs) to support schools with significant in-year pupil growth which is not otherwise immediately recognised by the lagged funding system.

Prior to the National Funding Formula (NFF) the DfE did not provide discrete growth fund allocations to LAs; Coventry therefore set aside a portion of the overall Schools Block funding settlement to meet the calculated requirement for growth. This has meant that the Growth Fund was able to increase/decrease to meet the required demand - subject to the overall affordability of the Schools Block. Since the NFF (17/18 and 18/19) the DfE have provided growth allocations equal to LA's spend in the previous year.

For 2019/20 the DfE has provided Growth Fund allocations on a formulaic basis for the first time. This means that the level of growth funding Gateshead receives will be directly linked to the increasing number of pupils one year to the next on a middle super output area.

It is a requirement of Department for Education (DfE), that if a local authority wants to hold a central growth fund then they must have a DfE approved growth fund procedure. The current Growth Fund procedure was approved by Schools Forum in September 2015. Since that time the fund has been utilised by two growing primary schools.

With the closure of Thomas Hepburn and the holding of funding removed from Thomas Hepburn's budget for the displaced pupils in Growth Fund, the criteria and process need to be updated to reflect this situation.

There also could be additional demands on the Growth fund as most secondary schools in Gateshead may admit additional year 7 pupils.

Proposal

It is proposed that Schools Forum members review the updated draft Growth Fund procedure (appendix 1) and recommend any changes to be made. If Schools Forum members consider the updated procedure fit for purpose, they may wish to approve the updated Growth Fund procedure to enable the procedure to be sent to the DfE for approval.

Recommendations

It is recommended that Schools Forum

- Reviews the attached draft updated Growth Fund procedure
- Recommends any changes to be made
- If the draft procedure is fit for purpose Schools Forum should approve the procedure and this will enable the procedure to be sent to the DfE for compliance checking.

For the following reasons:

- To comply with Schools and Early Years (England) Regulations 2018 (No.2)
- To ensure the updated procedure is fit for purpose

Contact: Carole Smith Ext. 2747

GROWTH FUND PROCEDURE

INTRODUCTION

GROWTH FUND INTRODUCTION

From 2019/20 the Dedicated Schools Grant contains a formula for growth funding in schools by comparing October 2017 pupil numbers and October 2018 pupil numbers at middle supper output level to calculate the growth in pupil numbers. Local authorities are able to either use some or all of this growth funding or add additional funding from the schools block to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority. This can include pre-opening and reorganisation costs. The growth fund may not be used to support schools in financial difficulty. As the growth fund is within 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 can be rolled forward into the following year's growth fund.

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

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 2019 may still be having an impact in 2025/26.
- 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 or supported by the Local Authority
- A school that admits pupils above their PAN to accommodate pupil numbers within the Local Authority at the request or supported by the Local Authority
- Schools that admit pupils in year groups other than reception or year 7 because of a closing school at the request of 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 an additional class, they may be able to access additional funding.

Where a school takes pupils not in reception or year 7 due to a closing school at the request of or supported by the Local Authority there will be no lower limit on this number.

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.

For school receiving funding for taking pupils from closing schools not in reception or year 7 funding will be based on the average per pupil funding of that school. Maintained schools will receive 7/12th funding and academies 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.

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 2018 195 pupils
Predicted September 2019 Numbers (Based on Admissions data and Demographic Forecasts) 216 pupils
Increase 21 pupils
Increase % 10.8%
Growth Funding Allocation per Pupil £2,817.22
Estimated Additional Funding (7/12ths- Sept 19 to Mar 20)
£34,5101.95, therefore would be funded at £35,000

Primary Academy B - Growth Funding Example

October Census 2018 225 pupils
September 2019 Numbers (Based on Admissions data and Demographic Forecasts)
251 pupils
Increase 26 pupils
Increase % 11.5%
Growth Funding Allocation per Pupil
£2,817.22
Additional Funding (Full academic year) £73,247.72, 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 2019.
School would be guaranteed funding of £48,000 for a full academic year, for 7/12ths September 19 to March 20 = £28,000*

Maintained Schools funding from April 20 would be based on October 19 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 2018 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 £3,841.81 = £119,096.11

Growth Funding Allocation per KS4 Pupil £4,385.81 = £43,858.10

Additional Funding (Full academic year)

£162,954.21

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 2019.

School would be guaranteed funding of £85,000 for the academic year September 2019 to August 2020.