

GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 1 October 2020 at 2.00 pm via Microsoft Teams

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 the 9 July 2020
3	Early Years Underspend (Pages 7 - 16) Gillian Dodds, Children Adults and Families and Carole Smith Resources and Digital
4	Early Years funding Autumn Term (Pages 17 - 18) Gillian Dodds, Children Adults and Families and Carole Smith Resources and Digital
5	School Funding Update (Pages 19 - 24) Carole Smith, Resources and Digital
6	Mainstream Schools Funding (Pages 25 - 40) Carole Smith, Resources and Digital
7	Dedicated Schools Grant Q1 (Pages 41 - 42) Claire Reid, Resources and Digital
8	Growth Funding Allocations (Pages 43 - 48) Carole Smith, Resources and Digital
9	Apply to Set a Deficit Budget (Pages 49 - 66) Carole Smith, Resources and Digital
10	Date of Next Meeting 12 November 2020

This page is intentionally left blank

GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 9 July 2020

PRESENT:

Ken Childs (Chair)	Special Schools Governor
Denise Kilner	Nursery Sector Representative
Sarah Diggle	Primary Governors
Julie Goodfellow	Primary Academy Headteachers
Steve Haigh	Secondary Academy Headteachers
Christine Ingle	Diocese Representatives
Peter Largue	Trade Union Representative
Mustafaa Malik	Primary Headteachers
Andrew Ramanandi	Primary Headteachers
Michelle Richards	Special School Headteachers
Councillor Sheila Gallagher	Elected Member
Margaret Rich	Primary Governors
Christina Jones	Pupil Referral Unit
Adele Brown	Pupil Referral Unit

IN ATTENDANCE:

Carole Smith	Gateshead Council
Claire Reid	Gateshead Council
Rosalyn Patterson	Gateshead Council

APOLOGIES:

Matt Waterfield and Alison Hall

1 APOLOGIES

Apologies for absence were received from Matt Waterfield, Alison Hall, Cllr Haley and Steve Horne.

2 MINUTES

The minutes of the meeting held on 14 May 2020 were agreed as a correct record subject to Margaret Rich's apologies being noted.

3 EARLY YEARS SUSTAINABILITY GRANT

A report was presented seeking approval to use Early Years Block element of the DSG reserves to create a sustainability fund to support providers that were open during April and May for children of key workers and vulnerable children.

It was reported that from a total of 201 settings in Gateshead; 18 childminders, 9 day nurseries, 5 pre-schools and 7 schools applied for a sustainability grant.

When all information is received from settings that have been requested to provide additional information a further report will be produced for the Forum on the outcome of the process.

RESOLVED - That Schools Forum;

- (i) Approved the use of Early Years DSG reserves to fund successful applications from early years providers for a sustainability grant based on the maximum values of
 - £2500 for childminders
 - £5000 for pre-schools
 - £7500 for day nurseries and schools
- (ii) Approved the use of Early Years DSG reserves to support providers taking children from closed providers during April and May 2020.

4 SCHOOL BALANCES

The Forum received a report on the year end balances of all maintained schools.

It was reported that maintained school balances decreased by just over £1m.

It was questioned whether these balances would include payback for Covid-19 expenses. It was confirmed that this would be included on the 2021 balances. The point was also made that there are a number of schools who do not fit the criteria to claim for additional Covid-19 expenses. It was clarified that if a school increased its surplus balance during the year it could not claim, however if a school was in deficit and could prove the decrease in deficit was due to its recovery plan the school could claim some Covid-19 expenses. The DfE has also made it clear that schools should not be claiming for staffing costs. It was suggested that this should be highlighted to schools in general.

- RESOLVED** -
- (i) That Schools Forum noted the value of maintained school balances and the in-year decrease of balances by £1.172m to the year-end value of £5.477m.
 - (ii) That the Schools Forum noted the number of schools with a deficit balance at the end of 2019/20.
 - (iii) That the Schools Forum noted the increase in the value of deficit balances at the end of 2019/20.

5

SCHOOL FUNDING UPDATE

A report was presented on the developments in schools funding during the financial year 2019/20. The DfE announced that schools would continue to be funded as normal and that there would be limits on the amount of additional Covid-19 expenditure schools could claim. The report set out the limits on claiming and also what schools are expected to do.

Schools have been advised to continue to spend budgets.

The point was made that some services, such as music services, are being paid through parent contributions, this is not being received during closure however schools cannot make a claim for this because it does not come out of government grants. It was acknowledged that schools have been asked to continue to support such services for this term while the service continues to look at what changes need to be made in order for them to provide a service and to go back into schools next term.

RESOLVED - That Schools Forum noted the guidance and information from the DfE.

6

DEDICATED SCHOOLS GRANT OUTTURN

Forum received the provisional outturn position of DSG for 2019/20.

It was reported that the overspend in the third quarter was not as great as expected. With the final outturn of £101.507m which is an underspend of £0.255m. There was an overspend on the HNB which was off set by a recoupment adjustment for Thomas Hepburn, a reduction in early years spending and an underspend on Premature Retirement Costs.

The balance of DSG reserves stands at £1.212m at end of the financial year.

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

7

PUBLIC PROCUREMENT NOTES 02/20 AND 04/20

The Forum received the guidance on the Procurement Policy Notes. It was noted that schools are not required to pay supplier relief but as schools receive government funding, where applicable they should support their suppliers to ensure services survive and can resume normal trading post Covid-19.

RESOLVED - That Schools Forum noted the content of the report and the information contained in the appendix.

DATE AND TIME OF NEXT MEETING

The next meeting will be held on 1 October 2020 at 2pm.

TITLE OF REPORT: Use of Early Years Underspend

Purpose of the Report

The purpose of this report is to seek approval to use Early Years Block of the Dedicated Schools Grant (DSG) reserves to provide the opportunity for early years providers to give enhanced transitional support to their children following the lockdown period.

Background

The 2019/20 Early Years Block (EYB) of the DSG is calculated by using 5/12 of the number of 2, 3 & 4 year olds on the January 2019 census and 7/12 of the January 2020 census. The initial funding is based on January 2019 census with an adjustment the following year when the January 2020 pupil numbers have been taken into account. This can lead to either a clawback of funding if the estimated hours were too high or additional funding if the estimated hours are too low. Gateshead has had both additional funding and clawback of funding in recent years due to this mechanism.

Providers are funded based on actual attendance throughout the year, and not just at these two points in time. This leads to either an over allocation or under allocation of funding.

It is known that for 2019/20 initial funding was over allocated for Gateshead and clarity has been requested from the Department for Education (DfE) if there will be an update to the EYB DSG in June. The Government has indicated that Local Authorities have flexibility to use DSG funding to support providers.

The DfE issued guidance on 28 April which allowed the LA slightly more flexibility in the use of early years funding.

Building on the DSG outturn report presented at July Schools Forum it was reported that there was an underspend for 2019/20 early years block. Even if the anticipated claw back of funding did occur there would still be sufficient funding to provide a small allocation to settings to help them get children back into the settings and settled in.

The most recent DfE guidance makes the following reference:

“What do settings need to consider with regards to children’s mental health and wellbeing?

Staying at home for a prolonged period and the change of routine may have caused difficulties for some children, such as changes in behaviour or mood.

As more children return to settings, settings should consider the mental health, pastoral or wider wellbeing support children may need, including with bereavement, and how to support them to transition into the setting after a long period of absence.

Settings may want to refer to the following advice as a starting point [guidance for parents and carers on supporting children and young people's mental health and wellbeing during the coronavirus outbreak](#).

Staff may require appropriate instruction and training on identifying and supporting vulnerable children and parents that return to the setting, for example by sign-posting them to appropriate local services such as mental health, domestic abuse or substance abuse services. Providers should contact their local authority to understand what support is available and agencies and providers should work together to actively look for signs of harm where necessary.

It will be necessary to consider how vulnerable children, who are currently attending settings, continue to have their needs met and to be supported as the setting takes on more children.”

Proposal

Due to these issues it is proposed that all settings receive a proportional allocation of £65,000 based on Autumn 2019 attendance for all group providers except childminders. For childminders it is proposed that their proportional allocation is based on estimated Autumn 2020 numbers. Providers that are closed or have no children will not receive any funding. Estimated allocations are in appendix 1. The additional grant will be allocated with the requirement that the funding is spent on additional staffing, training or resources.

Recommendations

It is recommended that Schools Forum approves the proposal to provide a small amount of additional funding to support enhanced transitional arrangements for early years children in the Autumn term

For the following reasons:

- To support early years children as they return to their provisions in the Autumn Term

CONTACT: Gillian Dodds Ext:3848 & Carole Smith Ext: 2747

Appendix 1

Proposed Allocation

Provider - Autumn 2019	Available budget	65,000			
	Funded Hours (3&4 Yrs)	Funded Hours(2 Yrs)	Total Funded Hours	Payment (£)	
2nd Home Childcare Ltd@Barley Mow	5,844	1,875	7,719	590	
2nd Home Childcare Ltd@Chowdene	3,375	3,270	6,645	508	
Banana Moon Day Nursery Gateshead	10,254	4,134	14,388	1,100	
Barley Mow Primary School	4,470	-	4,470	342	
Bede Community Primary School	2,340	-	2,340	179	
Beehive Pre-school	4,260	2,700	6,960	532	
Bensham Grove Community Nursery School	9,465	-	9,465	724	
Bill Quay Pre-School	8,115	-	8,115	620	
Birtley East Primary School	4,725	-	4,725	361	
Blaydon Pre-school	2,850	1,500	4,350	333	
Blaydon West Primary School	6,975	-	6,975	533	
Branding Primary School	5,850	-	5,850	447	
Bridges Nursery	10,669	5,173	15,842	1,211	
Bright Sparks Nursery	4,905	225	5,130	392	
Bright Star Nursery	10,798	2,437	13,235	1,012	
Brighton Avenue Primary School	6,585	-	6,585	503	
Busy Bees Day Nursery at Blaydon	4,970	1,797	6,767	517	
Caedmon Primary School	7,305	930	8,235	630	
Care With Cuddles	1,234	749	1,983	152	
Carr Hill Primary School	6,720	-	6,720	514	
Caterpillar Club & Bumble Bees CIC	4,950	1,995	6,945	531	
Chopwell Primary School	9,675	3,375	13,050	998	
Colegate Community Primary School	2,880	300	3,180	243	
Corpus Christi Rc Primary School	3,765	-	3,765	288	
Cromer Pre-School	9,225		9,225	705	

Crookhill Early Years	8,748	3,600	12,348	944
Duckpool Pre-School C.I.C	8,445	-	8,445	646
Dunston Hill Primary School	11,910	-	11,910	911
Emmaville Primary School	11,283	645	11,928	912
Falla Park Primary School	4,725	-	4,725	361
Fell Dyke Primary School	7,605	-	7,605	581
Fellside Primary School	8,550	-	8,550	654
Funky Monkeys	12		12	1
Gateshead Jewish Nursery School	42,012	1,620	43,632	3,336
Glynwood Primary School	9,938	-	9,938	760
Greenside Primary School	5,850	-	5,850	447
Harlow Green Primary School	5,400	-	5,400	413
Hawks Tik-Tok Day Nursery	11,753	10,395	22,148	1,693
High Spen Primary School	5,895	1,260	7,155	547
Highfield Primary School	8,100	-	8,100	619
Holly Hill Private Daycare Nursery	4,435	4,145	8,580	656
Kelvin Grove Primary School	6,570	-	6,570	502
Kibblesworth Academy	5,850	-	5,850	447
Kids 1st @ Low Fell	19,572	-	19,572	1,496
Kids 1st QE	16,083	1,284	17,367	1,328
Larkspur Primary School	3,870	-	3,870	296
Leighs Montessori Nurseries	3,850	2,520	6,370	487
Lingey House Primary School	15,870	-	15,870	1,213
Little Hearts Pre-School	8,667	-	8,667	663
Lobley Hill Primary School	7,065	-	7,065	540
Lyndhurst Early Years @ Cleveland Hall	4,050	1,800	5,850	447
Parkhead Primary School	7,545	-	7,545	577
Riverside Primary Academy	6,525	-	6,525	499
Roman Road Primary School	7,305	-	7,305	559
Rose Villa Day Nursery	12,730	6,960	19,690	1,505

Rowlands Gill Infant School	4,650	-	4,650	356
Rowlands Gill Under 5s	1,620	1,125	2,745	210
Ryton Infant School	7,133	1,830	8,963	685
Shira Daycare	-	6,636	6,636	507
Shoshanim Pre-School	9,036	2,520	11,556	884
South Street Primary School	4,050	-	4,050	310
Spring - Bensham Day Nursery	3,616	5,549	9,165	701
Spring - Highfield Day Nursery	6,267	4,088	10,355	792
Spring - Winlaton Day Nursery	6,810	6,375	13,185	1,008
Spring Deckham Day Nursery	6,180	8,745	14,925	1,141
Spring Leam Lane Day Nursery	7,497	10,950	18,447	1,410
St Agnes Pre-school	7,061	225	7,286	557
St Aidans C Of E Primary School	4,050	-	4,050	310
St Albans Primary School	6,060	-	6,060	463
St Annes Pre-school	7,200	450	7,650	585
St Augustines Rc Primary School	8,691	-	8,691	664
St Chad's Pre-school	-	2,565	2,565	196
St Mary & St Thomas Aquinas Primary School	7,080	-	7,080	541
St Oswald's RC Primary School	4,275	-	4,275	327
St Philip's Pre-School	3,840	2,250	6,090	466
St Wilfrid's Rc Primary School	2,700	-	2,700	206
Stepping Stones Day Nursery	9,370	1,845	11,215	857
Swalwell Primary School	3,600	-	3,600	275
The Drive Primary School	4,368	-	4,368	334
The Gateshead Cheder	19,999	1,464	21,463	1,641
The Grove Pre-school	3,420	-	3,420	261
The New Mulberry Bush	7,606	6,920	14,526	1,111
The Valley Nursery	5,747	2,611	8,358	639
The Village Montessori At Wrekenton	2,925	2,160	5,085	389
The Village Montessori Nursery School	7,245	1,125	8,370	640

Tik Tok at Pelaw Day Nursery	2,316	3,351	5,667	433
Tots And Toddlers Day Nursery	-	1,260	1,260	96
Trinity Corner Private Nursery	8,260	6,599	14,859	1,136
Wardley Primary School	4,155	120	4,275	327
Washingwell Community Primary School	2,295		2,295	175
Watch Us Grow Daycare		360	360	28
Whickham Community Centre Pre-School	225	-	225	17
Whickham Cottage Nursery	9,120	780	9,900	757
Whickham Parochial Pre-school	15,698	-	15,698	1,200
White Mere Community Primary School	5,136	-	5,136	393
Willows Montessori Nursery	8,875	985	9,860	754
Windy Nook Primary School	8,820		8,820	674
Winlaton West Lane Community Primary School	12,690		12,690	970
Funded Childminders (approx 30)	16,758	3,735	20,493	1,567
	698,859	151,312	850,171	65,000

This page is intentionally left blank

TITLE OF REPORT: Early Years Funding Autumn Term 2020

Purpose of the Report

To inform and seek approval from Schools Forum of the proposed approach to the allocation of Early Years Dedicated Schools Grant (DSG) to schools and Private, Voluntary and Independent (PVI) childcare providers in the Autumn Term 2020. The approach has already been approved by Children's Adults and Families group management team (GMT).

Background

The Department for Education (DfE) issued guidance to LAs on 20th July on how they should fund providers in the Autumn Term 2020.

'From the start of the autumn term 2020, local authorities should continue to fund providers which are open at broadly the levels they would have expected to see in the 2020 autumn term had there been no coronavirus (COVID-19) outbreak. They should also continue to fund providers which have been advised to close, or left with no option but to close, due to public health reasons. Local authorities should not fund providers which are closed, without public health reason, from the start of the autumn term.'

The intention is to fund on the basis of 'as if autumn term 2020 were happening normally'. In order to do this, local authorities might, for example, use the numbers of children in places in the previous autumn to inform funding levels this autumn. This means that if a local authority is aware of particular changes in catchment demographics that would have impacted local demand (for example, a big increase in family housing in an area), they should take that into account. Local authorities should be transparent in the approach they take.'

Officers have carried out initial modelling exercises to identify the cost of adhering to this guidance. However, our funding process means that we have the estimated funded hours for the Autumn Term from all PVI providers, but schools are not required to submit this information. We will not receive 'actual' attendance data from both schools and PVIs until October. In some cases providers are forecasting an increase in funded hours from their Autumn Term 2019 figures.

The initial modelling shows that for PVIs, the uplift required for Autumn 2020 funding on the basis of Autumn 2019 funded hours, is £431k. The amount for maintained schools is not known. However, evidence, both locally and nationally, shows there is considerable uncertainty about the amount of parental demand for childcare in September, and beyond. It is therefore difficult to assess how accurate the estimated hours are, and what school nursery numbers will look like.

The DfE have stated that they will fund LAs for the Autumn term using January 20 census figures when they would normally use January 21 census figures. The DfE will keep its

funding guidance under review for the spring term but expect that the funding to LAs and the funding to settings to return to normal.

Proposal

At this stage, it is assumed that funding will be within the overall EY resources available through DSG. However, as it will not be possible to fully assess the cost implications of funding providers on the same basis as Autumn 2019 until actual hours are submitted to the LA in October, it is proposed that the uplift is considered in two stages.

It is therefore proposed that:

- PVI providers estimating fewer hours than in Autumn 2019 receive 50% of the 'uplift' in their initial payment of the term (the LA pays 70% of the term's funding in the first week of term, based on estimated hours)
- PVI providers estimating an increase in funded hours in September 2020 will be paid in the normal way, 70% of estimated hours.
- Once 'actuals' are known, officers will assess the impact on the EY DSG and determine how much additional 'uplift' can be made in the second payment of the term, up to the remaining 50%.
- Schools will be funded on the same basis as PVIs, however the process of transferring the funding to schools is different and takes place at year end.

This approach will support PVI providers' cashflow at the start of term, enabling them to meet essential costs at a time of financial uncertainty. It also enables the LA to ensure that sufficient funds are available to meet the cost as per the DfE guidance.

If Schools Forum do not agree this approach the funding allocation can be amended in the second payment to PVI providers and for the year end process for maintained schools.

PVI providers were informed in August of the proposed approach in order to enable them to make informed decisions about staffing levels and other essential costs prior to the start of term.

Further modelling will be undertaken in the Autumn term when there is more certainty around the actual number of children attending settings

Recommendations

It is recommended that Schools Forum approve the proposed approach to funding childcare providers in the Autumn Term 2020. A further report can be brought to Schools Forum outlining the financial implications of making further payment 'uplifts' later in the term when there is more certainty around the number of children and funding

For the following reasons:

- To provide early years providers with the funding in line with DfE guidance and enable all providers to plan their settings with some certainty.

CONTACT: Gillian Dodds and Carole Smith

TITLE OF REPORT: School Funding Update

Purpose of the Report

To update Schools Forum on the funding announcements released by the Department for Education (DfE) 20 July 2020

Background

The main funding announcements are listed below

- School funding overall will increase by 4%
- Limited changes to funding arrangements
- The below have been removed from the regulations
 - Any deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at the time the budget is set, using the latest estimated outturn position).
 - Any brought forward deficit on de-delegated services which is to be met by the overall school's budget.
- Later this year there will be a consultation on the move towards a hard NFF
- Local Authorities will continue to have the flexibility to transfer 0.5% of their schools block to other blocks
- Schools Forums can meet remotely until 31 March 2021

Mainstream Schools

- At a national level all schools will receive at least a 2% increase.
- MFG can be set between 0.5% and 2%
- National Funding Formula (NFF) factors will increase by 3%
- Funding for teachers pay grant and teachers pension employer contribution grant including the supplementary fund has been added to the Dedicated Schools Grant (DSG) for 2020/21. The calculations have been checked and for mainstream schools the equivalent amount of funding has been transferred into the DSG.
 - Primary levels for Gateshead will be £47.02 for pay and £132.86 for pension grants per pupil
 - Secondary levels for Gateshead will be £69.21 for pay and £195.57 for pension grants per pupil
- Minimum per pupil factors have increased to £4,180 for primary and £5,415 for secondary schools and includes the above amounts for teachers pay and pension grants.
- The DfE have updated the Income Deprivation Affecting Children Index from the 2015 data to the 2019 data and have also changed the funding brackets which are now assigned on rank.
- The free school meal factor will increase by 2%

- Premises factors will be funded at the actual spent in 2020/21 with the PFI factor increasing by PRI 1.56%

Provisional Allocation for Gateshead

- DfE calculate 4.8% increase in Gateshead's baseline total cash
- DfE calculate 3.33% increase in per pupil funding
- Primary unit of funding increased by £319.55 to £4,584
- Secondary unit of funding increased by £481.30 to £5415
- Premises factors decreased by £74,489 to £4,179,364
- Provisional allocation increased by £13,892,968 to £123,746,581, but this does include £5,062,431 for the teachers pay and pension grants

High Needs Block

- At least 8% increase in funding for 2-18 year olds,
- A cap on increases of 12% for 2-18 year olds
- Increase of proxy factors
- Increase of £660 to the basic entitlement factor to £4,660 for special schools but includes the teachers pay and pension grant allocations.
- Additional factor in the formula to enable LA's to receive funding for the teachers pay and pension grants
- Updated from 2015 to the 2019 data set for IDACI
- MFG for special schools must be 0% or higher on a per pupil basis

Provisional allocation for Gateshead

- Based on 2020/21 HNB after import/export adjustment and based on the same pupil numbers as 2020/21 the HNB will increase by £2,692,890 from £25,324,602 to £28,035,492 which the DfE have calculated a 10.07% increase

Central Schools Services Block

- Ongoing responsibilities will increase by 4%
- Funding for historic commitments will decrease by 20%
- The maximum per pupil year on year reduction for ongoing responsibilities is 2.5% with a year on year gains cap of 6.5%
- Additional pension funding that local authorities (LA) have claimed for either LA employed teachers or additional amounts for special schools will be rolled into their ongoing responsibilities and will be added to the per pupil rate. Adjustments for this will be made later in the year.

Provisional Allocation for Gateshead

- Unit of funding increased from £32.68 to £33.67, an increase of £0.99
- Historic commitments reduced by £152,480 from £762,400 to 609,920
- Overall reduction in CSSB £128,806 from £1,543,109 to £1,414,303

Covid-19 Catch up Premium

- For all mainstream schools special schools and alternative provision schools

- Funding will be £80 per pupil for mainstream schools for the full academic year 2020/21 for years reception to 11
- Special and AP schools £240 per place
- Payments will be made in 3 tranches
 - The initial part payment will be autumn 2020 based on the latest available data on pupils in mainstream schools and commissioned places in special and AP schools
 - The second grant payment will be made early 2021 based on updated pupil and place data, for mainstream schools it will be the October 20 census. For maintained AP and special schools, LA published data on numbers 19/20 numbers. For academies published place numbers for 2020/21
- Schools will have the flexibility to spend their funding in the best way for their cohort and circumstances. Examples of effective use are:-
 - Small group or one to one tuition (particularly through the national tutoring programme)
 - Summer programmes to help re-engage pupils or extra teaching capacity from September
- Schools must be able to account for how this funding has been used to get back on track and teaching a normal curriculum as quickly as possible
- Governors and trustees should scrutinise the schools approaches to catch up from September

National Tutoring Programme

- To provide additional targeted support of those pupils who need the most help.
- There will be at least 2 parts to the programme
- Tuition partners
 - High quality tuition available to 5 to 16 year olds
 - A post 16 fund for 16 to 19 year olds for small group tutoring for disadvantaged pupils
- Academic mentors
 - Schools in disadvantaged areas will be supported to employ in-house academic mentors to provide small group tuition to their pupils.
 - Some will start work from October half term, the remainder will start in the spring term 2021
 - The government will subsidise their salaries

Exceptional Costs Associated with Covid 19

This funding was launched by the DfE to help schools cover additional costs associated with the Covid 19 outbreak. The funding was for very specific items and could only be claimed by schools not expecting to add to their in year balances, or those who had a plan in place to reduce their deficit which would be effected if they did not claim this funding.

Schools who made a claim for additional costs due to Covid 19 by the deadline of 21 July and only made a claim in the specified areas of additional premises costs, additional cleaning cost and support for free school meals have had their claims met.

Schools that added additional cost in the “other” column have not had their claims met yet as these are subject to further review.

The guidance states that there will be another opportunity to claim additional Covid 19 costs and details will be published later in the year.

Early Years

Update of the “Use of free early education entitlement funding during Covid-19”, but there has been no announcements on the early years funding rates for 2021/22. There has been a questionnaire on the pass through of the maintained nursery grant, other financial questions around nurseries including if their rates are funded. There is also no current solution on how teachers pay and pension grants will be paid to nurseries

Funding for LA's

LA's would under normal circumstances be funded for the 7/12 (September to March) of the 2020/21 financial year based on the January 21 census data. The DfE have recognised that the number of children attending settings may not have returned to normal by January 21 when the census is due. Therefore, final funding for Autumn 20 will be based on January 20 census.

The DfE will use the January 21 census to fund the spring 21 term, and the DfE expect LA's to fund on a normal basis using actual hours for the spring term, but this will be kept under review.

Funding for Settings

- LA's for the autumn term should continue to fund settings who are open at broadly the levels they would have expected to see in a “normal” 2020 autumn term.
- Settings that have been advised to close or have had no option to close due to public health issues should continue to be funded.
- LA's should not fund providers that are closed without public health reasons from the start of the autumn term.
- Possible funding methods could be
 - Use of Autumn 19 funded hours
 - Changes in demographics or known catchment changes should be taken into account
- It is expected that the demand for childcare to increase in the autumn, and therefore it will be increasingly important for LA's to ensure that there is enough childcare and delivery of the entitlements for all children
- The DfE will change its advice for the Autumn term and LA's should not fund providers that are closed for any other reason than for a public health reason
- LA's may need to use funding not spent on closed settings to address local sufficiency gaps
- There maybe also some unavoidable double funding costs where a child is only attending one setting instead of 2

Proposal

It is proposed that Schools Forum notes the information in the report and that further information will be brought to Schools Forum when issued by the DfE.

Recommendation

It is recommended that Schools Forum note the information in the report.

For the following reasons:

- To ensure Schools Forum is aware of the current school funding information.

CONTACT: Carole Smith

This page is intentionally left blank

1 October 2020

TITLE OF REPORT: Mainstream School Funding Review

Purpose of the Report

To inform Schools Forum of the first meeting of the Mainstream School Funding Sub-Group to review Gateshead's mainstream school funding formula for 2021/22.

Background

The group met for the first time 22 September 2020 to discuss proposals for the 2021/22 mainstream funding formula. Initial funding allocations for modelling purposes is based on October 2019 data and pupil numbers. The only change in the data is the updated income deprivation affecting children indices (IDACI) which has been updated from the 2015 to the 2019 data set. The growth funding tool was also released by the Department for Education (DfE) so an estimate of the growth funding has been calculated based on estimated pupil numbers.

The minimum funding levels are now mandatory and cannot be amended. There are a number of areas that could cause funding pressures, and these are:

- Primary and Secondary units of funding are based on October 2019 data and will not have been updated for the change in IDACI data
- If there are increasing proportions of children that attract additional funding factors this will impact on the affordability of the model e.g. deprivation and increased free school meals.

The group were sent a number of documents including draft Item 5 of this agenda.

Funding Principles

The group discussed the funding principles and agreed to propose them to Schools Forum as per below which are the same as previous years.

- An affordable equitable and transparent mainstream school funding formula
- A formula that will focus only on mainstream school age range – not taking other age ranges into account (e.g. post 16 or 2, 3 & 4 year olds)
- A formula where possible prepares schools for the National Funding Formula (NFF) and moves Gateshead's formula in the direction of travel towards the NFF

Funding Aims

The funding aims were discussed, and the following are proposed, and further modelling will be undertaken.

- Gateshead funding for secondary FSMe6 is £82 more per pupil than the NFF rates for 2021/22. The group proposes a phased approach and try to fund £41 of the difference.
- Gateshead's primary schools also receive mobility funding for pupils that join the school on a nonstandard day. The difference between the NFF and Gateshead's rate is £600. It is proposed that further modelling is undertaken to ascertain the impact on schools if the NFF rate was used.
- Using the current data and the NFF with MFG at plus 2% the model was not affordable, therefore different levels of MFG will also be modelled.

Growth Funding

The DfE has released their Growth Funding Model to help local authorities estimate how much growth funding they may receive. Only increases in children at the lower super output level are counted and not decreases in numbers. This has been estimated for Gateshead: -

Primary growth of 102 pupils giving an estimated £148,410 growth funding, Secondary growth of 315 pupils giving an estimated £684,038, and a total estimated growth funding of £832,448. The pattern of growth was also discussed, and the current Growth Funding Procedure does not seem to meet the needs of secondary schools, and therefore the group suggested that this be reviewed.

The agenda is in appendix 1, the minutes appendix 2, the data appendix 3 and the current Growth Funding Procedure appendix 4.

Supply Costs

During the meeting the issue of supply costs in schools was raised, and how this could have a severe, adverse effect on school budgets going forwards, now the majority of children are back in school and the autumn term progresses. The DfE has stated that there will be another window later in the year to claim additional costs, but the initial guidance when schools were just open for vulnerable or key worker children stated that they should use their supply budget, rotas or time off in lieu. The group requested that this issue be raised at Schools Forum and that work be carried out to try and ascertain the possible magnitude of the issue in Gateshead.

Proposal

It is proposed that Schools Forum approves the funding principles, funding aims, areas for further modelling and a review of the Growth Funding Procedure; and notes that the minimum per pupil funding amounts are mandatory, the areas of possible funding pressures and the information in the appendices.

It is also proposed that Schools Forum considers the issue of increased supply costs from the autumn term and what information they would want to consider taking this issue forwards.

Recommendations

Schools Forum approves: -

- The funding principles

- The funding aims
- Additional modelling and
- Review of the Growth Fund

Schools Forum notes: -

- The mandatory minimum per pupil amounts
- The areas of possible funding pressures
- Information in the appendices

Schools Forum considers the issue of additional supply costs for the autumn term.

For the following reasons: -

- To provide Gateshead schools with the fairest and most transparent mainstream funding arrangements within the existing parameters.
-

CONTACT: Carole Smith ext. 2747

Mainstream Schools Funding Review Agenda 22 September 2020

1. Funding Announcements

2. Principles

- An affordable equitable and transparent mainstream school funding formula
- A formula that will focus only on mainstream school age range – not taking other age ranges into account (e.g. post 16 or 2, 3 & 4 year olds)
- A formula where possible prepares schools for the National Funding Formula (NFF) and moves Gateshead's formula in the direction of travel towards the NFF

3. Funding Aims

4. IDACI

5. FSMe6

6. Growth funding

GATESHEAD SCHOOLS FORUM

Mainstream School Funding Review Sub-group

Minutes of meeting held on 22nd September 2020 by Teams virtual conference

Present: Ken Childs (chair), Steve Horne, Carole Smith, Claire Reid, Steve Haigh, Andy Ramanandi, Mustafaa Malik, Sarah Diggle

Apologies: Dominik Volpe

1. Funding announcements

CS said that on the basis of what is known so far, funding for 2021/22 will be tight. She will be reporting to Schools Forum.

The DfE is consulting this year on the final version of the National Funding Formula (NFF).

2. Funding principles for Gateshead

The existing principles were agreed again.

3. Funding aims for Gateshead

CS proposed two main aims: to recognise the ongoing transition to NFF and to maximise the Minimum Funding Guarantee (MFG). She suggested the group looks at the data and then agrees the funding aims.

CS had circulated a spreadsheet with initial analysis of some funding factors.

Deprivation

Funding will be adversely affected particularly for some schools by the DfE's change to IDACI bands, which means that more children will not count for deprivation funding. 62% of Gateshead's population are now in the least funded band, from 50% before this change. These losses cannot be reduced. The change to the demographic characteristics of school populations could mean funding changing again. In addition, **PUFs and SUFs**

Primary and Secondary units of funding are not as high as they should be due to funding pressures. Boroughs with a preponderance of poor white children, as in Gateshead, are the worst hit

MM asked whether schools could get birth rate data again; CS will speak to Ian Stewart about this.

Discretionary factors: FSM and mobility

The funding factors over which Gateshead has some discretion are FSM and mobility. There is a difference between Gateshead's funding for free school meals and the NFF; this will impact particularly on secondary schools (£82 per student).

SHa proposed moving to NFF as soon as possible to aid planning.

KC proposed a continuation of Gateshead's stepped approach towards NFF, to avoid 'falling off a cliff'. This was supported by the group.

CS said there is little room for manoeuvre in relation to the mobility factor. MM pointed out that some schools, notably Kelvin Grove and similar inner-Gateshead primary schools, are particularly badly affected by mobility. CS will do some modelling on this, using last year's funding and the implications of a stepped approach to NFF.

4. IDACI

See above

5. FSMe6

See above

6. Growth funding

CS said that this is more than expected and is adequate for primary schools. For secondary schools, which are affected by the bulge in the number of pupils and by the shortage of places caused by the closure of Thomas Hepburn School, the funding is not adequate. SHo said that the DfE is not making capital funding available; the new free school on the Thomas Hepburn site will be a very small school.

Most Gateshead secondary schools have taken more than their PAN for Year 7. Thorpe has taken an additional 127 students into Year 7 but is working up to its PAN. The growth funding criteria as currently agreed do not fit the current situation. Sha said that the current process would cap Thorpe and changes would be welcomed by secondary schools.

7. Overall and action

CS said that this year's top slice for the growth fund is £150K; if we move to NFF Gateshead is over budget by £108K. It is a balancing act. A worse position is anticipated for next year. She said an aim should be to put schools in the best position when NFF is fully implemented. She will look at the MFG again (it is currently at the top of the range, at 2%); this may release some funding.

CS will update the criteria for secondary growth, mobility and MFG. She will consider the criteria for secondary growth funding, to recognise the pressure at Year 7 while not rewarding 'ordinary' growth. Using PAN is not always helpful; some schools have taken over PAN for a number of years. She will ask regional colleagues about their approach to this issue.

CS will:

Look at funding aims, to report to next week's Schools Forum

Update the growth fund process in particular for secondary schools

Model the mobility factor

SHa offered to canvas secondary heads for their views, including on EHE (see below).

8. Additional discussions

An increased number of parents are choosing to home educate (EHE) their children. This will have an impact on school rolls and therefore on funding. The number may fall. Vicki McLeod and team are talking to parents about the considerable implications of EHE, especially at secondary level. SHo will talk to this team again about the length of time pupils can be kept on a school roll.

The extra supply cover costs being incurred as a result of Covid-19 cases and isolation requirements may be too much for schools to cover within their budgets. CS will add this to Schools Forum agenda for next week. SHo proposed a sub-group to discuss this issue.

The next meeting of the Funding Sub-group will be arranged after Schools Forum.

Schools Forum: 1.10.20 at 2pm.

SD.22.9.20

Funding

LA name	Pupil numbers (2020-21 DSG schools block figures)*	Provisional 2021-22 NFF funding through the NFF pupil-led factors, NFF school-led factors and the funding floor, but excluding growth factor* (2021-22 PUFs and SUFs * 2020-21 DSG figures)	Actual 2021-22 funding through the premises factors	Provisional funding in 2021-22 (excluding growth factor)* (total cash)	Provisional funding in 2021-22 (excluding growth factor)* (£ per pupil)
Gateshead	23,890	£119,567,217	£4,179,364	£123,746,581	£5,180
			Proforma (NFF)	£123,855,079	
			Difference	-£108,498	

Illustrative growth allocation

LA name	Eligible primary growth [c] = sum of positive primary growth for all MSOAs in the LA (Table C [i])	Eligible secondary growth [d] = sum of positive secondary growth for all MSOAs in the LA (Table C [j])	Allocation for primary growth [f] = [c] * [e] * £1,455	Allocation for secondary growth [g] = [d] * [e] * £2,175	Total growth allocation before the application of transitional protection [k] = [f] + [g] + [j]	Received transitional protection in 2020-21 therefore eligible for protection again [n]	Illustrative total growth allocation 2021-22, following transitional protection [p] = [l] - Floor rate * [m] if [n] = Yes and [o] < Floor rate, [k] otherwise.
Gateshead	102	315	£148,410	£684,038	£832,448	No	£832,448

Factor unit values

Basic per pupil Funding	New NFF	2020/21	Difference from 2020/12
Primary AWPU	£3,123	£2,857	£266
KS3 AWPU	£4,404	£4,018	£386
KS4 AWPU	£4,963	£4,561	£402
Primary Minimum Per Pupil funding	£4,180	£3,750	£430
Secondary Minimum Per Pupil funding	£5,415	£5,000	£415
Primary FSM	£460	£450	£10
Secondary FSM	£460	£450	£10
Primary FSM6	£575	£597	-£22
Secondary FSM6	£840	£922	-£82
Primary IDACI A	£620	£600	£20
Primary IDACI B	£475	£435	£40
Primary IDACI C	£445	£405	£40
Primary IDACI D	£410	£375	£35
Primary IDACI E	£260	£250	£10
Primary IDACI F	£215	£210	£5
Secondary IDACI A	£865	£840	£25
Secondary IDACI B	£680	£625	£55
Secondary IDACI C	£630	£580	£50
Secondary IDACI D	£580	£535	£45
Secondary IDACI E	£415	£405	£10
Secondary IDACI F	£310	£300	£10
Low Prior Attainment			
Primary LPA	£1,095	£1,065	£30
Secondary LPA	£1,660	£1,610	£50
English as an Additional Language			
Primary EAL	£550	£535	£15
Secondary EAL	£1,485	£1,440	£45
Primary Mobility	£900	£1,500	-£600
Secondary Mobility	£1,290	£1,500	-£210
Primary lump sum	£117,800	£114,400	£3,400
Secondary lump sum	£117,800	£114,400	£3,400

Free School Meals ever 6

	2020/21	NFF 2021/22	Difference from 2020/21
Kingsmeadow Community Comprehensive School	£365,517.78	£333,009.69	-£32,508
Thorp Academy	£226,839.60	£206,665.15	-£20,174
Heworth Grange School	£443,851.52	£404,376.65	-£39,475
Grace College	£509,915.96	£464,565.52	-£45,350
Lord Lawson of Beamish Academy	£340,847.95	£310,533.92	-£30,314
Whickham School	£294,979.43	£268,744.81	-£26,235
Cardinal Hume Catholic School	£288,961.49	£263,262.09	-£25,699
St Thomas More Catholic School	£191,343.46	£174,325.93	-£17,018
FSMe6 (Secondary)	£2,662,257	£2,425,484	-£236,773
FSMe6 (Primary)	£2,556,694	£2,462,478	-£94,217

Income deprivation affecting children indices (IDACI) Secondary Schools

	New IDACI 2019	2020/21	Difference	2019 & NFF rates	Difference
Kingsmeadow Community Comprehensive School	£257,809	£251,557	£6,253	£272,968	£21,412
Thorp Academy	£163,116	£129,482	£33,634	£171,121	£41,639
Heworth Grange School	£437,490	£379,395	£58,095	£459,030	£79,635
Grace College	£441,864	£427,226	£14,638	£466,392	£39,165
Lord Lawson of Beamish Academy	£304,705	£280,045	£24,660	£322,065	£42,020
Whickham School	£214,491	£240,855	-£26,364	£225,803	-£15,053
Cardinal Hume Catholic School	£377,481	£338,876	£38,605	£396,577	£57,700
St Thomas More Catholic School	£207,589	£203,245	£4,344	£219,518	£16,273
IDACI (Secondary)	£2,404,545	£2,250,682	£153,863	£2,533,474	£282,792

Income deprivation affecting children indices (IDACI)

	New IDACI 2019	2020/21	Difference	2019 & NFF Rates	Difference
Total	£2,837,531	£2,710,215	£127,316	£3,010,626	£300,411
Carr Hill Community Primary School	£115,109	£103,409	£11,700	£124,526	£21,117
Kelvin Grove Community Primary School	£80,710	£95,125	-£14,415	£85,570	-£9,555
South Street Community Primary School	£79,680	£77,645	£2,035	£85,265	£7,620
Bede Community Primary School	£81,595	£80,995	£600	£85,320	£4,325
Oakfield Junior School	£11,669	£10,886	£783	£12,382	£1,496
Larkspur Community Primary School	£46,205	£39,175	£7,030	£47,895	£8,720
Oakfield Infant School	£8,420	£7,515	£905	£8,915	£1,400
Ravensworth Terrace Primary School	£58,405	£47,320	£11,085	£61,065	£13,745
Portobello Primary School	£12,235	£11,565	£670	£13,110	£1,545
Birtley East Community Primary School	£54,155	£56,335	-£2,180	£58,590	£2,255
Dunston Hill Community Primary School	£43,765	£41,090	£2,675	£46,790	£5,700

Appendix 3

Emmaville Primary School	£31,335	£6,480	£24,855	£32,335	£25,855
High Spen Primary School	£23,048	£24,678	-£1,630	£24,663	-£15
Swalwell Primary School	£29,245	£30,300	-£1,055	£30,420	£120
Winlaton West Lane Community Primary School	£49,782	£54,580	-£4,798	£53,061	-£1,519
Greenside Primary School	£5,415	£4,459	£956	£5,790	£1,331
Blaydon West Primary School	£18,695	£26,160	-£7,465	£20,040	-£6,120
Front Street Community Primary School	£39,901	£45,811	-£5,910	£41,640	-£4,171
Highfield Community Primary School	£29,870	£36,375	-£6,505	£31,950	-£4,425
Ryton Community Infant School	£10,045	£4,380	£5,665	£10,415	£6,035
Ryton Junior School	£16,874	£7,050	£9,823	£17,407	£10,357
Washingwell Community Primary School	£3,135	£13,355	-£10,220	£3,300	-£10,055
Bill Quay Primary School	£25,170	£19,045	£6,125	£26,465	£7,420
Falla Park Community Primary School	£83,200	£74,225	£8,975	£89,570	£15,345
Brandling Primary School	£81,660	£78,030	£3,630	£85,255	£7,225
Lingey House Primary School	£97,665	£84,590	£13,075	£103,455	£18,865
The Drive Community Primary School	£66,080	£56,050	£10,030	£70,070	£14,020
White Mere Community Primary School	£12,760	£11,500	£1,260	£13,325	£1,825
Clover Hill Community Primary School	£1,420	£14,640	-£13,220	£1,510	-£13,130
Crookhill Community Primary School	£16,310	£13,520	£2,790	£17,000	£3,480
Brighton Avenue Primary School	£87,239	£91,759	-£4,520	£93,340	£1,580
Lobley Hill Primary School	£49,265	£48,965	£300	£53,645	£4,680
Wardley Primary School	£48,945	£26,920	£22,025	£50,875	£23,955
Glynwood Community Primary School	£98,170	£88,205	£9,965	£103,255	£15,050
Barley Mow Primary School	£48,575	£45,085	£3,490	£52,870	£7,785
Windy Nook Primary School	£63,900	£52,605	£11,295	£67,665	£15,060
Colegate Community Primary School	£40,680	£37,180	£3,500	£43,160	£5,980
Roman Road Primary School	£57,620	£62,530	-£4,910	£61,105	-£1,425
Fellside Community Primary School	£2,750	£5,495	-£2,745	£2,940	-£2,555
Fell Dyke Community Primary School	£106,117	£109,633	-£3,516	£111,260	£1,627
Caedmon Community Primary School	£52,415	£51,425	£990	£55,260	£3,835
Kells Lane Primary School	£7,980	£8,765	-£785	£8,505	-£260
Chopwell Primary School	£53,495	£45,060	£8,435	£57,265	£12,205
Parkhead Community Primary School	£65,086	£61,102	£3,983	£69,751	£8,649
St Aidan's Church of England Primary School	£63,780	£67,665	-£3,885	£68,665	£1,000
Harlow Green Community Primary School	£77,438	£71,249	£6,189	£83,314	£12,066
Rowlands Gill Community Primary School	£31,935	£33,585	-£1,650	£34,430	£845
Whickham Parochial Church of England Primary School	£2,809	£6,969	-£4,160	£2,934	-£4,034
Corpus Christi Catholic Primary School	£52,815	£56,490	-£3,675	£56,015	-£475
St Joseph's Roman Catholic Voluntary Aided Primary School, Gateshead	£47,360	£46,620	£740	£50,205	£3,585
St Oswald's Roman Catholic Voluntary Aided Primary School	£65,575	£64,145	£1,430	£69,085	£4,940
St Peter's Roman Catholic Voluntary Aided Primary School	£10,355	£10,070	£285	£11,025	£955
St Joseph's Catholic Junior School, Birtley	£24,370	£22,500	£1,870	£26,065	£3,565

Appendix 3

St Joseph's Catholic Infant School, Birtley	£15,756	£12,669	£3,087	£16,744	£4,076
St Agnes' Catholic Primary School	£11,155	£4,960	£6,195	£11,555	£6,595
St Joseph's Roman Catholic Voluntary Aided Primary School, Highfield	£17,330	£18,840	-£1,510	£18,725	-£115
St Mary and St Thomas Aquinas Catholic Primary School	£11,423	£10,913	£510	£11,968	£1,055
St Philip Neri Roman Catholic Primary School	£39,045	£38,870	£175	£41,825	£2,955
St Joseph's Catholic Primary School, Blaydon	£22,565	£26,105	-£3,540	£24,075	-£2,030
St Mary's Roman Catholic Primary School	£8,765	£16,469	-£7,705	£9,252	-£7,218
St Alban's Catholic Primary School	£37,030	£17,105	£19,925	£38,680	£21,575
St Augustine's Catholic Primary School	£77,857	£73,388	£4,469	£82,617	£9,229
St Wilfrid's Roman Catholic Voluntary Aided Primary School	£46,380	£46,190	£190	£48,400	£2,210
Kibblesworth Academy	£32,580	£32,215	£365	£33,665	£1,450
Riverside Primary Academy	£68,560	£64,495	£4,065	£72,910	£8,415
St Anne's Catholic Primary School	£38,580	£36,025	£2,555	£41,195	£5,170
Sacred Heart Catholic Primary School	£18,275	£21,660	-£3,385	£19,280	-£2,380

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.

This page is intentionally left blank



TITLE OF REPORT: Dedicated Schools Grant Revenue Outturn 2020/21

Purpose of the Report

To inform Schools Forum of the quarter 1 (June 2020) projected outturn position of Dedicated Schools Grant (DSG) for 2020/21.

Background

The DSG is made up of four funding blocks:

1. The **Early Years (EY) 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.

At its meeting of 12 March 2020, Schools Forum agreed the allocation of budget for Council-led DSG spending, based on a funding allocation of £106.137m. Since then, the DSG allocation has been updated to reflect:

- adjustments in relation to special school commissioned places (-£0.266m);
- the HNB import/export adjustment relating to cross-border movement of children with SEN (+£0.147m); and
- the EY adjustment based on updated census information (-£0.344m).

The budget has been amended accordingly. At quarter 1, the projected year-end outturn for 2020/21 was £104.931m compared to the revised budget of £105.674m, an underspend of £0.743m. The projections are based on expected activity at the time of preparing the report. Details are provided in Appendix 1.

The balance of the DSG reserve at 31 March 2020 was £1.212m. It is forecast that the balance will increase to £1.757m at 31 March 2021. The movement of £0.545m accounts for the current projected underspend offset by a clawback of £0.198m in relation to the 2019/20 EY adjustment, as set out in Appendix 1.

Proposal

That Schools Forum notes the content of the report.

Recommendations

That Schools Forum notes the content of the report.

CONTACT: Claire Reid ext 3613

2020/21 DSG Revenue Monitoring Quarter 1

DSG Area	Total Approved Budget	Outturn	Variance	Comments/Notes
	£'000			
Maintained Schools Budget Share	75,874	75,874	0	
DELEGATION				
Contingencies	0	1	1	
Behaviour support services	211	211	0	
Support to UPEG and bilingual learners	268	258	(10)	
Staff costs	180	160	(20)	Maternity Credits & TU facilitator costs
HIGH NEEDS BUDGET				
High Needs Budget (including Special Schools, PRU and Additional Support Top-ups)	18,297	17,902	(395)	Maintained & Academy top-ups -£64k Special Schools -£148k (out of borough recoupment); Staffing vacancies -£225k
EARLY YEARS BUDGET				
2,3- and 4-year-olds funding to PVI's	9,152	8,833	(319)	-£204k 3/4-year-olds, -£169k 2 year-olds, -£79k staffing, -£31k DAF, +£100k sustainability grant, +£65k use of reserve to support transition
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
Contribution to combined budgets	488	488	0	
School admissions	127	132	5	
Servicing of Schools Forum	116	111	(5)	
Termination of employment costs	313	313	0	Premature Retirement costs
Pupil growth/ Infant class sizes	150	150	0	
Other Items	140	140	0	CLA/ MPA Licences top sliced from DSG for all school licences
Statutory/ Regulatory duties	358	358	0	ESG topslice agreed by Schools Forum
TOTAL DSG	105,674	104,931	(743)	Appropriated to DSG reserve

	£'000	Comments/Notes
Reserves balance at 31 March 2020	(1,212)	
Appropriation to reserve: in year adjustments	198	EY 19/20 clawback
Appropriation (to)/from reserve: in-year (surplus)/deficit	(743)	
Projected reserve balance at 31 March 2021 (surplus) / deficit	(1,757)	

1 October 2020

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 £150,000 of the Dedicated Schools Grant for a Growth Fund as a permitted centrally retained service in accordance with Schools and Early Years Finance Regulations 2020.

The current criteria for the Growth Fund have 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 2020.

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 45 children will be admitted in September 2020 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

$$\text{£2,857} * 15 \text{ pupils} * 7/12 = \text{£24,998.75}$$

Proposal

That Schools Forum notes the application for Growth Funding by Ravensworth Terrace Primary School and the allocation of £24,998.75 for additional pupils from September 2020.

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 2020
-

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.



1 October 2020

TITLE OF REPORT: Apply to Set a Deficit Budget

Purpose of the Report

To bring to Schools Forum the updated procedure for Schools to Apply to Set a Deficit Budget.

Background

Gateshead has had a procedure to apply for a deficit budget for a number of years. The procedure was in need of updating but the response to the September 2019 Department for Education (DfE) consultation on more transparency in maintained schools was awaited to ensure that the new procedure was consistent with any new guidance. The DfE issued their new guidance in the directed revisions to local authorities (LA) Schemes for Financing Schools at the beginning of August 2020. These revisions included updates to the scheme on how LA must deal with schools that have a deficit budget.

Following this publication Gateshead's deficit recovery procedure has been amended and updated and is attached in appendix 1. The new procedure has added additional guidance for schools on areas for review and has also made the distinction between structural (past) deficits and in year deficits with the aim to help schools set a balanced in year budget.

As this procedure will be part of Gateshead's Scheme for Financing Schools, which all schools and Schools Forum will be consulted on in due course.

Proposal

To start the process on the consultation on the whole Scheme for Financing Schools and to start to use the new procedure in draft form Schools Forum is requested to approve the attached procedure.

Recommendations

That the attached draft Apply for a Deficit Budget Procedure is approved by Schools Forum.

For the following reasons: -

To comply with new DfE guidance on schools that have a deficit budget.

CONTACT: Carole Smith ext. 2747

Appendix 1

APPLYING TO SET A DEFICIT BUDGET

July 2020

APPLYING TO SET A DEFICIT BUDGET

Introduction

The Department for Education (DfE) have issued a mandatory amendment for all Schemes for Financing Schools to ensure all schemes have a deficit recovery process for all schools that have a deficit of 5% or more. The updated Scheme does not give a definition of how the 5% deficit should be calculated therefore in Gateshead this will be 5% of all revenue income of the previous year.

The Gateshead Scheme for Financing Schools (GSFFS) sets out the financial relationship between the authority and the maintained schools which it funds and puts in place requirements relating to financial management and associated issues which are binding on both the authority and on schools.

Section 4.5 of the GSFFS prohibits schools from setting a deficit budget, except in extenuating circumstances and with the prior permission of the Council.

A deficit budget is defined as when a school's planned expenditure is greater than its planned income inclusive of all reserve funding in any financial year.

A hyperlink to the GSFFS is set out below:

<http://www.gateshead.gov.uk/DocumentLibrary/Education/Strategies/Scheme-for-financing-schools.pdf>

To ensure that all schools comply with this requirement the GSFFS requires:

- Schools to return a governor approved annual budget to the Council by the 31st May each year – in exceptional circumstances this can be extended.
- Schools unable to set a balanced budget must make an application to the Council to apply for a deficit budget.

Schools should only apply for a deficit budget where they cannot set a balanced budget (i.e. where planned expenditure is less than planned income inclusive of all reserve funds) without seriously impacting on the educational provision at the school.

A deficit budget in excess of either £20,000 or 5% of the schools annual budget (including expected additional income) must be approved by the Service Director, Financial Management and the Director of Education, Schools and Inclusion.

A deficit budget below either £20,000 or 5% of the schools/PRUs annual budget (including expected additional income) can be approved by the Business Partner (Schools).

The application for a deficit budget allows the Council to provide the support needed to prepare a deficit recovery plan that sets out the action the school will take to achieve a sustainable balanced budget position over an agreed period. The Council has no power to write off the deficit balance of any school.

A deficit recovery plan will usually cover a three-year period however in exceptional circumstances where a school cannot deliver a recovery plan over three years without seriously affecting its educational provision, a deficit recovery plan can be extended to five

years. If this is still not feasible then these schools will be reviewed on an individual basis and a suitable action plan put in place.

Schools with large deficits should in the first year aim to set a balanced in year budget, to ensure that the deficit does not increase, before the historic or structural deficit is tackled.

Financial Resource Management (FRM), Educationgateshead and other Council Officers will work with any school entering a deficit budget to ensure that the school have taken all reasonable steps to formulate an achievable deficit recovery plan and to ensure that the school is no longer in a deficit budget position at the end of agreed deficit recovery plan period.

A deficit budget will only be approved in circumstances, where the school cannot balance its budget in year without a significant impact on the provision of education.

If schools persistently fail to implement the actions agreed under their deficit recovery plan and fail in reducing their deficit, the council will challenge the school and ultimately may lead to further intervention by the Council.

The following range of support is available to schools applying to set a deficit budget:

- Recovery planning workshop/meeting
- Possible peer mentoring
- Advice from Human Resources and Educationgateshead
- Financial management advice – strategic financial planning, financial systems and controls, multiyear budget projections from Financial Advice & Support team

Applying to Set a Deficit Budget

Step 1: Submit Application for Deficit Budget

If a school is in a deficit budget position, they must submit an application for a deficit budget and a deficit recovery action plan by the 31st of May. In exceptional cases this can be extended.

The Deficit Recovery action plan must demonstrate how the school intends to balance their budget over the agreed period. This may be through a combination of increased pupil numbers income generation, or a reduction in expenditure.

The deficit recovery action plan must be supported by a multi-year budget showing the cumulative effects of the proposed action.

Appendix 1 shows an example deficit budget application.

Appendix 2 shows an example of the deficit recovery action plan

Appendix 3 provides examples of areas that should be reviewed

Where schools are unable to complete a deficit recovery action plan, the Council will determine the appropriate type support required by the school to enable it to complete a plan based on:

- Significance of the deficit both in year and structural
- Length of time the school has been in deficit
- Level of financial competency based on audit and compliance checks
- Governor involvement

- Benchmarking data
- Contextual data
- Curriculum Audit

Financial advice and information will be available to support schools in recovering from a deficit financial position by Council officers.

- Telephone support providing advice and guidance
- Recovery planning workshop/meeting – these sessions will be aimed at those schools that with some additional financial advice are able to effectively control and manage their future financial position. Schools may find that by working with colleagues in other schools were applicable, (peer mentoring), they are able to share ideas and best practice which result in reducing the financial deficit of the school.
- Consultancy Support – this support will be provided to those schools where the magnitude of the deficit makes it difficult for them to resolve the position without professional advice and some intervention by the Council.

Step 2: Deficit Budget Application and Action Plan Checked and Validated

Following the submission of the deficit budget application and a deficit recovery action plan several validation checks will be completed by the Council to ensure that the plan is reasonable.

These checks include:

- Comparing the current year's income and expenditure budgets with previous years' actual income and expenditure to identify any significant differences and verify that the budgets are reasonable and accurate.
- Checking that the correct balances have been accounted for in the current year and all funding delegated by the Council has been considered.
- Ensuring actions included in the recovery plan are realistic and that by implementing them the required level of savings can be achieved.
- Any areas that are unclear or considered unachievable will be queried with the school and clarification sought.

Where the plans are deemed to be suitable, they will be passed to the Strategic Director, Resources and Digital and the Director of Education, Schools and Inclusion for approval (where the deficit being recovered is more than either £10,000 or 2% of the schools annual budget or if they are below this limit to Finance Business Partner (Schools)).

Where the plans are not deemed to be suitable the school will be requested to review their budget and recovery plan and submit a revised version for review and approval.

Step 3: Deficit Application and Deficit Recovery Action Plan Approved

Written confirmation from the Council will be sent to the school once the deficit recovery plan has been approved.

Step 4: School Deficit Recovery Monitoring

The school must have robust internal budget monitoring arrangements in place to ensure that the deficit recovery action plan is being achieved. The progress of the deficit recovery action plan should be communicated to the governors and the Finance Business Partner (Schools) on a termly basis. A governor, usually the chair or vice chair, must be appointed to overview the deficit recovery plan. Review of the deficit recover plan must be minuted in the termly full governing body meeting.

Where it is a multiyear action plan this should be updated on an annual basis to show what has and has not been achieved against the original action plan. Updated future projections using the latest information and funding allocations, are to be used to update the action plan, add additional items to be included or remove items that no longer need to be undertaken.

Where a school's financial position worsens they will be referred to Finance Business Partner (Schools) and Educationgateshead for more intensive support.

Additional Council Monitoring and Intervention

Further Council monitoring and intervention will be required where:

- The school is persistently in breach of the Scheme for Financing Schools
- The school will not set a balanced budget
- The school will not engage in the deficit budget process
- The deficit is worsening, and no action is being taken by the school
- There is evidence of financial mismanagement by the school

Intervention will escalate to three levels but could also include a request to internal audit to undertake a review of the school.

1. Financial Review Meeting
2. Notice of Concern
3. Suspension of delegated financial powers

1 - Financial Review Meeting

Schools that do not return a balanced budget or apply for a deficit budget may be required to attend a Financial Review Meeting with the Council.

A similar requirement will apply to schools with a worsening deficit and for those schools who persistently breach the Scheme for Financing Schools.

The review meeting will include Senior Officers from Resources and Digital, Educationgateshead, Human Resources Advice, the Headteacher and Chair of Governors or representative Governor.

The meeting will:

- Review the financial position of the school

- Seek an explanation from the school about the action being taken to safeguard the school's financial position
- Assess what support and challenge the school may require
- Agree an updated action plan
- Account for interest to be charged on the deficit to recognise the seriousness of the situation for the school.

2 - Notice of Concern

A school that continues to refuse to take the necessary action will be required to attend a meeting with senior officers. Following this meeting they will be given a formal notice of the action the Council recommends they should take to bring the budget back in to balance including the possible charging of interest on the deficit. The school will be given a month to respond.

3 - Suspension of Delegation

Where a school still refuses to take the action identified by the Council the ultimate sanction will be to suspend delegation following a meeting with the Director of Learning and Children and the Strategic Director, Resources and Digital. Under the suspension of delegation, the Council would take control of the budget and take the necessary action before returning control to the Governing Body. During the suspension school staff would be responsible to the Council for the day-to-day financial administration in the school.

Step 5: Reporting and Review

The Council will consider the financial position of schools with a deficit budget each term. Any significant detrimental variances from the deficit recovery action plan will be raised with the school who will be asked to provide an explanation and details of the management action they are taking.

The deficit recovery action plan must be refreshed as part of the annual budget setting process.

A summary report will be provided to the Schools Forum on an annual basis. The Council will report to portfolio holders where it is felt that intervention is required.

Appendix 1

Gateshead Metropolitan Borough Council

Application for Deficit Budget

Please complete the following information:

1. Name of school: *ABC School*
2. Value of deficit: *£100k*
 - a. Projected in year deficit to recover: *£25,000*
 - b. Structural deficit to recover: *£75,000*
3. Deficit recovery period: *3 years*
4. Reasons for deficit: *Falling pupil numbers and resultant funding over the past 2 years has resulted in current staffing structure being too high and which is financially unsustainable.*
5. Summary of actions taken to eliminate deficit and financial impact of each action (savings made or additional income generated to reduce deficit):
Staff Restructure – Saving £100k – see 3 year plan and Deficit Recovery Action Plan for details
6. Date of Governing Body resolution requesting the deficit: *19/02/20*

We understand that we will:

- Consult with Resources and Digital prior to advertising any new posts.
- Not commit the school to any further expenditure other than that included in our recovery plan without Resources and Digital approval.
- Implement the savings within the timescale agreed.
- Notify Resources and Digital of any deviation from the recovery plan (once completed) for example long term sickness, disputes.
- Provide any other information as and when required by the Council
- Be liable for interest charges on the deficit
- Chair or Vice Chair of Governors to have overview and monitor the deficit recovery progress
- Arrange for our Chair of Governors/ Management Committee to attend a Council Deficit Recovery training session

Name: _____ Name: _____

Signed: _____ Signed: _____

Position: Chair of Governors Position: Head Teacher

Date: _____ Date: _____

Please also provide the following information:

1. Minutes of Governing Body meeting where deficit budget request was agreed
2. A three-year budget plan forecast demonstrating the changes in income and expenditure anticipated by the school together with the financial impact of the management action to clear the deficit.
3. An up to date budget forecast position

Appendix 2

DEFICIT RECOVERY ACTION PLAN (Confidential)

		School Name:							
		Period covered by Deficit Recovery Plan:							
Action	Detail	Amount of saving (£)	Year of saving	Date of action	Cumulative Saving	Date of effect (if different)	Responsible	Achieved or Unachieved	
reduce by one temp TA		TA contract ends Sept 20 £5,543 £12,303 £12,303	20-21 21-22 (22-23)	give notice May	£30,149	Sept	HT	Achieved	
Reduce teaching staff by 1FTE		Temp contract ended Sept 20 M1 £19,224 £32,956 £32,956	20-21 21-22 22/23		£85,136	Sept 20	HT	Part achieved as needed to retain 0.5 M1	

Page 59

I confirm that the actions listed above will be implemented to recover the deficit position of the school and that any changes to the plan will be advised to the Finance Business Partner - Schools.

Head Teacher

Name _____
Signature _____
Date _____

Chair of Governors

Appendix 3

Areas for review for recovering from a deficit situation

Overall

Schools should consider accessing the school resource management self-assessment tool, which will show how the schools own data compares against a range of performance measures that are indicators of good resource management. It should assist in identifying “hotspots” where remedial action can then be considered.

Salaries

Salaries form the main portion of expenditure, so any deficit recovery plan that does not start with consideration of salary costs is not a serious one. Governors must challenge the assumption that salary costs are fixed. Even when there is no pressing need to shed staff, there should still be opportunities for economies. Options for identifying long-term savings in respect of staffing include:

- reduce staffing budgets via natural wastage and a moratorium on recruitment wherever operationally possible
- review pupil teacher and pupil adult ratio to see if they can be reduced
- consider mixing classes if numbers permit it
- internal promotion of lower paid staff rather than recruiting more expensive teachers (assuming parity in operational effectiveness)
- review use of any surplus staffing including non-contact times in excess of statutory PPA allowances
- review TLR allowances. Are they truly being used to recognise additional responsibilities or to address retention? Have some been in place for some time and which reflect legacy issues rather than current ones? Schools should develop middle leaders, but if scrutiny of the staffing structure indicates that the majority of MPS teachers are “leaders”, how realistic is this?
- look at redeployment in areas with potential surplus staff (classroom support could be reviewed enabling redistribution of duties and hours)
- review any fixed term contracts. Can the school operate without these posts?
Consider non-renewal at earliest opportunity

Schools will know that they have taken serious steps to control their staff costs once the budget shows that staff costs fall within reasonable parameters. An ideal level (as a rough guide) would be between:

- 70% and 75% to grant revenue income
- 65% to 70% of total income
- 60% to 75% total expenditure

Performance related pay

Performance related pay for teachers is highly regulated and inevitably represents an ongoing upward pressure on costs. This is to be kept under review.

Controlling staff supply costs

Schools taking steps to recover deficits commonly see reducing supply costs as a way to close the gap. Budgeted supply costs may look high, but often there is a gap between ambition and reality, with the result that a recovery plan hinging on a cut in supply costs may be simply a paper exercise with no real buy-in from the SLT. Both cultural and organisational steps must be taken to make the ambition a reality. Supply is a legitimate response to an unforeseen staffing shortfall through sickness, but some schools routinely buy-in teaching supply to cover PPA. PPA sessions are planned and

predictable, so alternatives may exist. For instance, the hourly rate of a HLTA or sports or dance coach is likely to be less than that of a supply teacher. Could PPA sessions be clustered to allow for scheduled cover using non-teachers? Is there a member of the SLT, such as an AHT or DHT that could step in for half a day a week to provide backfill for PPA? In the case of longer-term absences, if it is necessary to use supply cover then a reduced day rate should be negotiated, reflecting the extended period. However, schools should look to their own resources and see if there is a way to re-assign existing teaching staff, with appropriate backfill. If a MPS teacher can cover for a UPS teacher, then a NQT may be able to cover for that MPS teacher in turn, and a sports coach or HLTA may be able to cover for that NQT for some of the time. Such considerations highlight the extent to which financial recovery needs the active involvement of the schools teaching leadership. Cluster schools may want to look into shared arrangements for supply to negotiate better day rates.

Goods and services

Schools must review all goods and services contracts to identify potential savings. Are these services still needed? Could they be undertaken in-house at reduced cost? For example:

- subscriptions and licences: these should all be reviewed. Has the school signed up to a “free trial” that has rolled over? Has a subscription been taken out for a product or service that is no longer relevant? Are you paying a licence for software that you no longer use?
- printing and newsletters: could the school reduce its copier and printing costs by moving to an on-line newsletter? Might a school app with plush notifications be more effective than newsletters and letters home? Consider not just the direct costs involved but also the “opportunity cost” of in office staff time
- training: does the school still routinely send staff off-site for classroom style training for things like first aid or fire risk refresher training? There may be options available for accredited training to be provided on-line on a self-service basis at a much cheaper cost and with less disruption to school life
- Paying invoices promptly to ensure any early settlement discounts are taken

Is planned expenditure capital or revenue?

There may be items on the margins of revenue and capital where, previously, the revenue budget would have paid for it such as painting or replacement of lights. Can these costs be capitalised? Schools will need to speak to finance about this as they may not agree. Schools should halt or defer, wherever possible, any planned site development until the budget can sustain it, though if some discretionary grant or matched funding might be lost because its availability is time-limited this should be discussed with finance.

Furniture and equipment

Except for action to address health and safety risks, when possible Schools should defer plans for refurbishment of classroom furniture until the budget allows. A prioritised list of areas requiring furniture and equipment renewal should be made so that when funds become available the appropriate areas can be addressed. If old or redundant furniture or equipment needs to be disposed of then residual value should be realised, either on auction sites or even just scrap payments (though caution should be taken with IT hardware where there is risk of data loss).

Joint projects and external service providers

Schools should review all joint projects and subscriptions. Do they provide value for money? What is their impact on the learning outcomes of pupils? Are they still relevant?

Can savings be made by not renewing? Does the school have clear agreements for any outcomes of consultancy services procured?

Pupil premium funding

Pupil premium funding must be spent on the identified pupils. These funds may be used to offset some salary costs, but only if the staff are working directly with the identified pupils and with a clear remit in respect of improving attainment. Many schools work hard to ensure that they receive all the pupil premium funding due to them, but this requires constant attention. Since the advent of universal infant free school meals (UIFSM), the number of children registered for means-tested free school meals has fallen. Schools should focus on reception children, and also those transitioning into KS2. Some schools have found that take-up (and, so, funding) increases if parents better understand that the additional funding will directly improve the experience of their own children.

Debt recovery

It is easy to lose track of parental debt especially in relation to school lunches. The daily focus will be on understanding the numbers of pupils in attendance and ensuring that kitchen staff are notified quickly. Even when cashless payment systems have been adopted, it is easy to allow sizeable debt to accumulate. Parents can make mistakes, some choosing to pay in advance, others in arrears and others on a pay-as-you-go basis. All uncollected monies are a strain on the budget, and even a weekly shortfall of a few pounds by a number of parents can, over time, build up into individual debts of hundreds of pounds, and thousands for the school as a whole, perhaps making the difference between a budget that breaks even and one that is marginally in deficit. Cashless systems may signal to both parent and finance staff the balance owing at any one time, but schools must instigate regular reconciliations and reporting of debt through to the head teacher and governing body. Decisive action may be difficult where the staff need and want to maintain a healthy relationship with families that could be facing challenges in addition to their ability to pay for school lunches. But, in cases where it is evidently a case of unwillingness rather than inability to pay, the result of mounting debt that produces increasing financial strain affecting all pupils, schools need a clear-sighted approach that parents understand.

Nursery Class

Ensure that your nursery class is at least covering its direct cost, e.g. staff that work in the nursery class and resources. Nurseries are a good way to secure children into the rest of the school but not at the cost of the whole school. It might be worth considering and early years foundation stage unit depending on overall numbers in nursery and reception.

Post 16

As with nursery classes, post 16 provision can also be a drain on resources due to the more specialist nature of the courses and the smaller class size. Again in secondary schools post 16 provision can be a draw for students in the main body of the school, however schools should keep the courses provided under review and ensure that they at least cover their direct costs e.g. staffing and resources.

Wraparound care

Many schools provide wraparound care to provide families with stability and less transition for children. Parents, however, may not appreciate that the major cost of

running a breakfast club is not simply the cost of cereal and juice. Adequate staffing cover must be provided and, whether the club is attended by 10 pupils or 30, this is effectively a fixed cost. Care should be taken when calculating the charge of all types of wraparound care to take into account all direct costs incurred: food, supervisory staff, additional cleaning, administration, etc. schools may decide that this non-statutory provision is something where it would not be appropriate to charge pupils from deprived backgrounds, but if each aspect of wraparound care is treated as a “profit center”, then the notional contribution from pupil premium or the general school budget will be visible. Schools should charge the “going rate” for those who can pay. If the school checks its charges with those of other local providers, it will be able to see if it is out of step. Generally, parents prefer their children at school so that wraparound at both ends of the day is seamless. Schools should consider implementing a system where parents book sessions on at least a weekly or half term basis and with the agreement that all of these sessions will be paid for even if they have not been taken. If it is not viable for the school to provide wrap, then they should consider allowing a private provider to use school facilities at cost to provide this service to parents.

This page is intentionally left blank