

GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 8 March 2018 at 2.00 pm in the Cowen Room, Dryden Centre

From the Chief Executive, Sheena Ramsey

Item Business

1 Apologies

2 Minutes (Pages 3 - 8)

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

3 Early Years Funding (Pages 9 - 10)

Carole Smith, Corporate Resources.

4 Proposed Increase in LGPS Superannuation Rates (Pages 11 - 18)

Carole Smith, Corporate Resources

5 Growth Funding (Pages 19 - 24)

Carole Smith, Corporate Resources

6 Use of DSG Reserves (Pages 25 - 26)

Carole Smith, Corporate Resources

7 DSG Quarter 3 Monitoring (Pages 27 - 28)

Alan Foster, Corporate Resources

8 Date and Time of Next Meeting

Thursday 17 May 2018 at 2pm

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 8 February 2018

PRESENT: Councillor Ken Childs (Chair)
Councillor(s): C McHugh, Sarah Diggle, Julie Goodfellow, Steve Haigh, Andrew Ramanandi, Michelle Richards, Allan Symons, Steve Williamson and Clive Wisby

IN ATTENDANCE: Councillor(s):

APOLOGIES: Councillor(s): Peter Largue, Elaine Pickering, Domenic Volpe and Matthew Younger

1 **APOLOGIES**

Apologies for absence were received from Peter Largue, Matt Younger, Domenic Volpe and Elaine Pickering.

2 **MINUTES**

The minutes of the meeting held on 11 January 2018 were agreed as a correct record.

3 **ELECTIVE HOME EDUCATION**

Schools Forum received a report outlining a proposal around funding for Electively Home Educated (EHE) pupils as the number of pupils EHE is increasing. It was requested that consideration be given to using a similar system as is currently used for permanently excluded pupils and fair access pupils.

It was noted that currently the system does not allow discussion to be held around if parents are capable of home educating, therefore a multi-agency panel has been set up to look at this. The point was made that there are families who do not have the capability to home educate and therefore this enables support to be provided to those families.

It was proposed therefore that when a pupil comes of roll to be EHE the funding will be removed from the school and given to the local authority to hold the money, a proportion will then be given back to the school if the pupil returns, or alternatively it will be used to support the child being home educated.

The Forum agreed that a scheme was essential as this is often dealing with the most vulnerable children.

The point was made that removal of funding will penalise schools if a child leaves

before the November census as the school will never have received that funding. It was also noted that Academies could refuse to agree to the scheme. It was confirmed that currently when funding is calculated for a permanently excluded pupil checks are done to ensure the pupil is on the census before funding is removed.

It was questioned where the funding goes once it is removed from the school. It was confirmed that the funding will sit with the local authority and will be used to provide additional funding if they return to school or will be used to support alternative education. The Fair Access Panel would oversee the funding by default.

It was queried why the local authority do not fund these pupils. It was confirmed however that the local authority fund staff who manage and oversee EHE pupils and this is not a statutory function of the Council. It was noted that once a child is removed from school there is no funding attached to that child, therefore this only relates to funding for a portion of the one year because thereafter there would be no funding. Thus the incentive is to get pupils back on roll before the census so that funding can be applied.

It was questioned whether support would be provided if pupils were taken in from out of the Borough. It was acknowledged that there would be money in the pot to support pupils from out of the area as funding would be available from those pupils who did not return to education.

It was confirmed that the funding would be monitored through regular budget meetings and by the Fair Access Panel, cross referenced by Carole Smith, therefore a number of checks and balances are already in place. It was also agreed that future reports can be brought to the Forum to identify how much money has been recouped through the EHE scheme.

As the Forum was unable to agree to the proposal on behalf of individual Academies it was agreed that the report be taken to GASH and Primary Academies. It was requested that information be provided to show numbers of EHE pupils, which can be provided to GASH.

- RESOLVED -
- (i) That the views of all Academies be sought on the transfer of funds out of a school once a pupil leaves to be home educated and the process of recoument and redistribution on the same basis as permanent exclusions and managed moves.
 - (ii) That a further report be brought back to the Forum for agreement following consultation with Academies.

4 EARLY YEARS PAYMENTS

The Forum received a report on the consultation held with Early Years providers regarding the frequency of payments to providers.

It was reported that initial consultation showed no clear preference, with childminders preferring monthly payments and group providers preferring to stay

with current arrangements of two payments per year.

Three options were identified;

- 1.) Pay all providers on a monthly basis – in line with Government guidance but goes against the preference of the group providers.
- 2.) Pay each provider in accordance with their stated preference – concerns from Early Years staff about running the two payment systems concurrently.
- 3.) Pay all childminders on a monthly basis and pay all group providers on the current system – meets the preference of the vast majority of providers and early years staff can implement monthly payments on a small, manageable scale.

Option three was therefore proposed as this allows the majority of preferences to be met, although this will mean an increase in the bank charge bill 2 year old and 3-4 year old payments will be made together, thus alleviating the increased charges.

RESOLVED - That the Schools Forum approved option three and that, following implementation, further information be brought to Schools Forum for consideration.

5 MAINSTREAM SCHOOLS FUNDING

Schools Forum received a report requesting retrospective approval of the Authority Proforma Tool (APT), this was following a DfE error in the FSM data. Thanks were given to the sub-group who reviewed the re-worked APT and model.

It was reported that the reduction in FSM gave a total £96,589 to be redistributed. This resulted in funding being allocated to bring EAL up to the NFF level and Band D of the primary IDACI was taken back to phase 2, primary IDACI band F was selected to be funded at the NFF level. The small amount left was then used to increase KS3 phase 2 funding by £5.44.

The sub-group agreed to the changes on 17th January and the APT was submitted on 19th January in order to meet the deadlines.

The Forum noted Carole Smith's hard work in ensuring relevant changes were made and submitted on time.

RESOLVED - That the Schools Forum retrospectively approves:-

- (i) The removal of the funding cap from schools gaining under the proposed formula
- (ii) Additional funding for EAL to move to the NFF value
- (iii) Additional funding for IDACI primary band F and Secondary band B to move further towards the NFF value
- (iv) A small amount of additional funding for KS3 AWPU
- (v) The proposed APT

6 SPECIAL SCHOOLS FORMULA REVIEW UPDATE

A report was presented on the work that the Special Schools Funding Review (SSFR) group have undertaken. It was noted that this is a fundamental review due to the cohort changing and therefore the descriptors needed to be looked at.

Special Headteachers developed new detailed descriptors but further work is required around establishing staffing levels for each descriptor. The SSFR group agreed to reduce the number of specialisms from five to three, leaving; Social, Emotional and Mental Health (SEMH), Cognition and Learning (C&L) and Autistic Spectrum Disorder (ASD). It was felt that all special schools pupils could be accommodated within these specialisms. Therefore the funding formula will need to be changed to move into these three categories.

The Chair thanked the Special Schools Headteachers for their work on the SSFR group.

RESOLVED - That the Schools Forum approved the elimination of Sensory Physical and Medical and Communication and Learning, and noted the work undertaken by the group.

7 COMMISSIONED HIGH NEEDS PLACES 2018/19

The Forum received a report on the proposed commissioning arrangements for High Needs Places for 2018/19. Under finance regulations it is a requirement to consult the Schools Forum on high needs places.

It was noted that funding arrangements will stay the same at £10,000 per commissioned place. Mainstream school funding will be funded using the mainstream funding formula with an additional commissioned place funding of £6,000 per occupied place.

The commissioned places for 2018/19 were identified, although it was noted that this is not the total number of places and only represents commissioned numbers.

The point was made that this is not a sustainable model for some schools, however it was noted that this decision is not within the remit of the Forum.

RESOLVED - That the Schools Forum noted the report.

8 CONTINGENCY FUNDING

The Forum received a report confirming the decision to provide contingency funding to River Tyne Academy.

It was reported that from 1 January 2018 the school will operate from three sites, with the most recent site being in Birtley, the old Ravensworth Terrace primary school site.

The fixed costs for the site were taken from the last year of occupation at the Birtley

site, including estimated costs of running the site, for example utilities and other services. As this was not in the PRU's budget for this year it was agreed to provide contingency funding of £20,904 for January to March 2018.

RESOLVED - That the Schools Forum noted the funding provided to the school.

9 DATE AND TIME OF NEXT MEETING

The date and time of the next meeting is Thursday 8 March 2018 at 2.00pm.

Chair.....

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Item 3

TITLE OF REPORT: Early Years Funding 2018/19

Purpose of the Report

The purpose of this report is to bring to Schools Forum the results of the Early Years Funding modelling for 2018/19.

Background

The basis for the 3 and 4 year old funding formula for 2018/19 has not changed from 2017/18 and uses the same allocation of funding for the three elements as 2017/18: -

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

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

For 2017/18 the rates were: -

- Quality Supplement £0.496 – per quality weighted hour
- Deprivation Supplement £0.0053 –per deprivation weighted hour

The new rates are: -

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

The flat funding rate for 2 year olds is £5.20 per child attendance hour and with not change from 201718.

Following the requirements to pass through at least 95% of funding to providers, 5% of the estimated funding has been top sliced and will be used to fund the Early Years team (who calculate and distribute funding) leaving an estimated £90,232 for the Early Years Inclusion Fund.

The increase in the estimated value of the inclusion fund is due to the estimated increase in funding following the implementation of the extended hours.

Proposal

It is proposed that Schools Forum approves the new funding rates for the Early Years Single Funding Formula (EYSFF) and note that there is no change to the funding rate for deprived two-year olds.

Recommendations

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

For the following reasons:

- To comply with the Early Years National Funding Formula Operational Guidance
- To comply with DfE timescales
- To comply with Schools and Early Years (England) Regulations 2018
- To enable early years budgets to be set for 2018/19

Contact: Carole Smith Ext. 2747

Item 4

TITLE OF REPORT: Proposed Increase in the LGPS Superannuation Rates

Purpose of the Report

To provide Schools Forum with the latest information regarding the proposed increase in the Local Government Pension Scheme (LGPS) Superannuation rates from 2018/19.

Background

The Council is a Scheduled Body member of the LGPS which is administered in Tyne and Wear by South Tyneside Council.

Every three years the Council's (including maintained school members) superannuation contributions to the LGPS undergo a triennial review.

Outcome of the Review

The latest triennial review set the deficiency payment at £9.51m for Gateshead in 2017/18. This amount will increase by 3.5% in 2018/19 to £9.842m and will increase a further 3.5% to £10.186m in 2019/20.

As a result there will be an increase in employer's contributions from 29.5% to 30.15% effective from 1 April 2018. This requires an increased contribution from maintained schools of approximately £0.109m in 2018/19. A more detailed report is included at appendix 1.

A breakdown of the 2018/19 charges to individual schools is attached at appendix 2 for information.

Proposal

The Schools Forum note the decision to increase Superannuation Rates from 1 April 2018, and the estimated impact on schools budgets for 2018/19 is £0.109m.

Recommendations

Schools Forum:-

- Note the increase in superannuation rates from 1 April 2018

For the following reason(s):

- To enable schools to set budgets for 2018/19 using the updated rate
-

CONTACT: Carole Smith Ext. 2747

Appendix 1

Pensions and Accounting for Superannuation

Introduction

1. The purpose of this note is to explain the impact of the latest triennial review on the superannuation contributions made by the Council. The accounting treatment of these contributions has been agreed previously, this note sets out the financial implications for 2018/19 and the potential impact for the following year.
2. The cost of pensions is a key issue for the Council and, given the financial scale, needs to be carefully considered in the context of medium term financial planning and carefully monitored throughout the year.

Background

3. Both employees' and employers' contribution rates are paid to the LGPS and these are invested by the Tyne and Wear fund. The fund is valued on a triennial basis and contributions rates are then set by the Actuary for all employers who are members of the fund, (which includes schools non-teaching staff).
4. The fund has been reviewed for the year commencing 1st April 2018 with the outcome impacting on budgets for 2018/19.
5. Employee rates are a cost to the individual (by payroll deduction) and do not represent a cost to the employer.
6. Employers' contribution rates vary according to the performance of the fund and actuarial assumptions and have a direct impact on the budgets. In the broadest sense, the prime determinants of employer contribution rates are the financial and demographic experience of the Fund. The Fund's assets and liabilities move relative to one another as investment returns fluctuate, economic conditions vary and the membership profile changes.
7. There are three elements to the employers' contributions to the fund:
 - employers' standards contribution rate (Future Service Rate)
 - unfunded pensions
 - pension deficiency.

Employers' Contributions

8. The first element is the employers' standard contribution rate which represents the amount which the employer must pay to the pension fund for every employee who is a member of the scheme. This is known as the Future Service Rate. This increased from 15.7% to 18.2% and will remain at this level during 2018/19 and 2019/20.
9. Unfunded pensions are charged as a lump sum where, in the past, employees received discretionary benefits. These discretionary payments are not the same as Strain on the Fund costs which represent the cost to the fund of an employee retiring early in terms of lost contribution and interest received. The current annual cost of unfunded pensions is approximately £2.0m, a slight decrease since the last review.
10. The third element of employers' contributions is the annual deficiency contribution. This is a lump sum which needs to be paid across to the pension fund on an annual basis to try to address the shortfall of pension assets against liabilities i.e. the shortfall on the fund. The deficiency payment is historic. A measure of the financial health of the fund is its "funding level" which is the ratio between its assets and liabilities. A pension fund that holds sufficient assets to meet all its projected liabilities would have a funding level of 100%. A funding level of below 100% is described as being in deficit. The Tyne and Wear Pension Fund has been in deficit since 1992. Further information can be found in the Full Annual Reports and Accounts 2016/17 and in the Funding Strategy Statement at www.twpf.info.
11. The latest triennial review set the deficiency payment at £9.51m for Gateshead in 2017/18. This was a reduction from the 2016/17 deficiency payment of £11.77m. This was in part due to good performance of the fund but also the Council's decision to make an upfront annual payment in April 2017 rather than monthly instalments. The £9.51m will increase by 3.5% in 2018/19 to £9.842m and will increase a further 3.5% to £10.186m in 2019/20.
12. The total contribution rate in 2017/18 was held at 29.5% because it was expected that the reduction in the deficiency payment would be offset by the increased future service rate.

Budgeting and Accounting for Employers' Contributions

Methodology since 2012/13

13. Since 2012, the employers' contribution rate for every employee in the Tyne and Wear Pension Fund has been based on recovering all three elements of the employers' contribution to the fund. This means that all elements of pension payments are recovered from all parties responsible for employees who are members of the fund.
14. This methodology is in accordance with CIPFA's definition of 'total cost', it is more transparent to recover the full cost of local government pensions including the deficiency element thus reflecting more accurately the true cost of employing staff.
15. When preparing salary budgets, school budget for employers' superannuation costs are increased to recover the unfunded pensions and the budgeted lump sum. This was set at 29.5% in 2016/17 and 2017/18, the basis of which is set out in paragraph 17.

16. This higher rate is then applied in the payroll system to ensure that employers' contributions are deducted at the higher rate. This means that the unfunded pensions and lump sum payment are effectively spread across all eligible employees.

17. The calculation for 2016/17 was as follows:

Description	£'000	Notes
Assumed salary base	100,378	Estimated Salary base for employees in the LGPS adjusted for assumed workforce changes
Future Service Rate 15.7%	15,759	Notified by actuary
Unfunded Pensions	2,092	Estimate based on current years payments
Deficiency Payment	11,767	Notified by actuary
Total Amount to be recovered	29,618	
Required recovery rate	29.50%	Budget guidance 2016/17

18. The 2019/18 budget has been calculated using the revised rate of 30.15%. This takes into account all three elements of the contributions to the fund made by employers and assumes a decrease to the salary base as employees leave the organisation for varying reasons.

The calculation for 2018/19 is as follows:

Description	£'000	Notes
Assumed salary base	96,366	Estimated Salary base for employees in the LGPS adjusted for assumed workforce changes
Future Service Rate 18.2%	17,539	Notified by actuary
Unfunded Pensions	2,043	Estimate based on current years payments
Deficiency Payment	9,462	Notified by actuary
Total Amount to be recovered	29,044	
Required recovery rate	30.15%	Budget guidance 2018/19

Appendix 2

School	Increase
Barley Mow Primary	1,181
Bede Primary	1,863
Bensham Grove Nursery School	830
Bill Quay Primary	1,117
Birtley East Primary	1,746
Blaydon West Primary	989
Brandling Primary	1,180
Brighton Avenue Primary	2,554
Caedmon Primary	1,551
Carr Hill Primary	2,524
Chopwell Primary	1,694
Clover Hill School	778
Colegate School	1,050
Corpus Christi RCP	937
Crookhill School	1,062
Dryden School	2,694
Dunston Hill School	2,230
Emmaville Primary	2,089
Eslington School	2,762
Falla Park School	1,832
Fell Dyke School	2,044
Fellside School	912
Front Street School	2,088
Furrowfield School	3,848
Gateshead 3-7 SCITT	410
Gibside School	7,078
Glynwood School	2,659
Greenside Primary	1,321
Harlow Green Primary School	1,759
High Spen Primary	1,247
Highfield Com Primary School	771
Hill Top School	2,783
Kells Lane Primary	1,443
Kelvin Grove School	2,162
Kingsmeadow School	3,057
Larkspur School	1,360
Lingey House Primary	2,233
Lobley Hill Primary	1,974
Oakfield Infant School	798
Oakfield Junior School	874
Parkhead School	2,017
Portobello Primary	1,082
Ravensworth Terrace Primary	1,150
Roman Road Primary	1,105

Rowlands Gill Primary School	1,455
Ryton Community Infant School	626
Ryton Community Junior School	777
South Street School	1,991
St Agnes RCP	678
St Aidans Primary	1,504
St Albans RCP	1,096
St Annes RCP	268
St Augustines RCP	1,382
St Josephs Catholic Inf Birtley	707
St Josephs Catholic Jnr Birtley	746
St Josephs RCP Blaydon	1,092
St Josephs RCP Gateshead	1,359
St Josephs RCP Highfield	540
St Mary and St Thomas RCP	990
St Marys RCP	983
St Oswalds RCP	1,355
St Peters RCP	909
St Philip Neri RCP	1,127
St. Wilfrids RCP	834
Swalwell Primary	1,433
The Drive School	1,186
Wardley Primary	1,244
Washingwell Primary	742
Whickham Parochial	783
White Mere School	662
Windy Nook Primary	1,508
Winlaton West Lane Primary	2,039
Total	108,854

Item 5

TITLE OF REPORT: Growth Fund Allocation

Purpose of the Report

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

Background

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

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

Emmaville Primary School

Emmaville Primary School made an application to the Growth Fund for funding for pupil growth from September 2017.

The school is in the process of being extended as a 2 form entry school due to basic need in the Crawcrook area, and as such the schools Planned Admissions Number (PAN) has been increased from 45 to 60 from September 2016.

The October 17 census had an additional 33 children more than October 2016 (which is used for funding financial year 2017/18) and the school meets all of the Growth Fund criteria.

The Schools Budget Team have supported the school in applying for funding, School Admissions and Council Housing, Design and Technical Services had input and confirmed the schools eligibility for funding. The Service Director, Learning and Schools has approved the allocation of funding.

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

$£2,905 * 33 \text{ pupils} * 7/12 = £55,921.25$

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

Proposal

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

Recommendations

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

For the following reason:-

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

CONTACT: Carole Smith ext. 2747

Appendix 1

GROWTH FUND PROCEDURE

INTRODUCTION

GROWTH FUND INTRODUCTION

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

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

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

GATESHEAD CRITERIA FOR ACCESSING GROWTH FUNDING 2014-15

A growing school is defined as:-

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

PREDICTED OR ACTUAL GROWTH

Where the predicted numbers for a Primary School (excluding nursery classes) for the following September show an increase of more than 16 pupils or 10% of their total roll, due to basic need, that requires the running of an additional class, schools may be able to access additional funding.

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

FUNDING FOR GROWTH

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

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

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

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

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

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

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

ADDITIONAL CLASSES AND/OR FORMS OF ENTRY

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

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

Primary £48,000
Secondary £85,000

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

OTHER CONSIDERATIONS

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

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

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

AMENDMENTS

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

Appendix A – Examples

Primary School A - Growth Funding Example

October Census 2014 195 pupils

Predicted September 2015 Numbers (Based on Admissions data and Demographic Forecasts) 216 pupils

Increase 21 pupils

Increase % 10.8%

Growth Funding Allocation per Pupil £2,905

Estimated Additional Funding (7/12ths- Sept 14 to Mar 15)

£35,586, therefore would be funded at £35,000

Primary Academy B - Growth Funding Example

October Census 2014 225 pupils

September 2015 Numbers (Based on Admissions data and Demographic Forecasts) 251 pupils

Increase 26 pupils

Increase % 11.5%

Growth Funding Allocation per Pupil

£2,905

Additional Funding (Full academic year) £75,530, therefore will fund at £70,000.

Primary School C - Growth Funding Example – Additional Reception Class

School is requested to operate an additional Reception class from September 2015.

School would be guaranteed funding of £48,000 for a full academic year, for 7/12ths September 15 to March 16 = £28,000*

Maintained Schools funding from April 16 would be based on October 15 census so no additional growth funding will be allocated for this period.

*An academy in the same situation would be guaranteed funding for the full academic year = £48,000.

Secondary Academy D - Growth Funding Example

October Census 2014 1,374 pupils

October 2014 Numbers (Based on Admissions data and Demographer's Forecasts)

1,415 pupils

Increase 41 pupils

Increase % 3%

Increase in KS3 31

Increase in KS 4 10

Growth Funding Allocation per KS3 Pupil £3,610 = £111,910

Growth Funding Allocation per KS4 Pupil £4,360 = £43,600

Additional Funding (Full academic year)

£155,510

Capped to overall limit

£120,000

Secondary Academy E - Growth Funding Example – Additional FE

School is requested to operate an additional Year 7 FE from September 2015.

School would be guaranteed funding of £85,000 for the academic year September 2015 to August 2016.

Item 6

TITLE OF REPORT: Use of DSG Reserves

Purpose of the Report

The purpose of this report is to update Schools Forum of the use of Dedicated Schools Grant (DSG) Reserves to provide funding for security at the old Ravensworth School site whilst works are undertaken. This report builds on the report brought to Schools Forum in November 2017.

Background

Ravensworth Terrace Primary School moved into their new school at the beginning of the autumn term. In September 2017 Gateshead Cabinet approved an alternative use for the old Ravensworth Terrace primary school site for educational purposes. Some works were required to be carried before the site could be handed over to the River Tyne Academy.

It was difficult to calculate costs of the security and an amount of £5,000 was allocated from DSG reserves for the site during this interim period.

Following the handover of the site the use of these funds was reviewed. Total charges of £580 were charged against these funds leaving £4,420 to be transferred back to DSG reserves.

Proposal

It is proposed that Schools Forum notes the use of £580 of DSG reserves for interim security at the old Ravensworth Terrace site, and that £4,420 has been transferred back into DSG reserves.

Recommendations

It is recommended that School Forum notes the funding provided for interim security at the old Ravensworth Terrace site.

For the following reason:

- To update Schools Forum on the use of DSG reserves
-

CONTACT: Carole Smith ext. 2747

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REPORT TO SCHOOLS FORUM

8th March 2018

Item 7

TITLE OF REPORT: Dedicated Schools Grant Revenue Monitoring Qtr 3 2017/18

Purpose of the Report

To bring to Schools Forum attention information on the quarter 3 position of Dedicated Schools Grant (DSG) for 2017/18.

Background

The DSG is made up of three main funding blocks:

1. The **Early Years** block - for 2 and 3 & 4 year old funding
2. **Mainstream Schools** block - which includes some centrally held and de-delegated funding
3. **High Needs** Block - which includes special schools and PRU funding

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

The quarter 3 report for 2017/18 is included at appendix 1. This shows a projected outturn of £102.494m against the budget of £101.147m, resulting in an over spend of £1.348m.

The over spend of £1.348m is currently being action planned to reduce it as much as possible to year end, and has reduced by £0.254m since the last report at quarter 2. However it is expected that DSG reserves will be required to be meet the final overspend, and this was approved by Schools Forum at the December 2017 meeting.

DSG reserves currently total £3.167m, therefore if the overspend for 2017/18 remains at the current level and reserves are used, the reserve balance would be reduced to £1.819m to carry forward into 2018/19. A review has commenced to look at all areas of high needs spending to identify areas of saving to bring expenditure back within budget, and the result will be brought to Schools Forum later in 2018.

Proposal

That Schools Forum notes the content of the report..

Recommendations

That Schools Forum:-

- Note the contents of the report

CONTACT: Alan Foster ext 2677

Appendix 1

2017/18 DSG Revenue Monitoring Qtr 3				
DSG Area	Total Approved Budget	Projected Outturn	Variance	Comments/Notes
	£'000	£'000	£'000	
Maintained Schools Budget Share	76,436	76,436	0	
DEDELEGATION				
Contingencies	0	0	0	
Behaviour support services	171	171	0	
Support to UPEG and bilingual learners	191	191	0	
Free school meals eligibility	0	0	0	
Insurance	0	0	0	
Museum and Library services	0	0	0	
Licences/subscriptions	0	0	0	
Staff costs – supply cover	191	154	-37	
HIGH NEEDS BUDGET (inc Special Schools, PRU and Additional Support Top-ups)	14,743	16,148	1,405	Top-ups/ placements (AP/ PRU +£0.075m, Special Schools/ ARMS +£1m and Mainstream +£0.3m, Independent +£0.2m), Staff Slippage -£0.1m
EARLY YEARS BUDGET				
2,3 and 4 year old funding to PVI's	7,311	7,435	124	+£124k 3/4 year old
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
Contribution to combined budgets	750	750	0	
School admissions	137	137	0	
Servicing of schools forums	116	103	-13	
Termination of employment costs	528	396	-132	PRC
Falling Rolls Fund	0	0	0	
Capital expenditure from revenue (CERA)	0	0	0	
Prudential borrowing costs	0	0	0	
Fees to independent schools without SEN	0	0	0	
Equal pay - back pay	0	0	0	
Pupil growth/ Infant class sizes	35	35	0	
SEN transport	0	0	0	
Exceptions agreed by Secretary of State	0	0	0	
Other Items	155	155	0	CLA/ MPA Licences top sliced from DSG for all school licences
Statutory/ Regulatory duties	383	383	0	
TOTAL DSG	101,147	102,494	1,348	To be appropriated to DSG reserve