

GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 27 September 2018 at 2.00 pm in the Dryden Centre

From the Chief Executive, Sheena Ramsey

Item	Business
1	Apologies
2	Minutes (Pages 3 - 12) The Forum is asked to approve as a correct record the minutes of the last meeting held on the 5 July 2018.
3	Analysis of Local Authorities Schools Block Funding Formula (Pages 13 - 18) Carole Smith, Corporate Resources
4	School Funding Update (Pages 19 - 22) Carole Smith, Corporate Resources
5	Mainstream School Funding Review (Pages 23 - 26) Carole Smith, Corporate Resources
6	Early Years Inclusion Fund (Pages 27 - 30) Carole Smith, Corporate Resources
7	DSG Update Quarter 1 Claire Reid, Corporate Resources
8	Funding Communication with Schools and Governors - discussion Carole Smith, Corporate Resources
9	Date and Time of Next Meeting

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 5 July 2018

- PRESENT** Ken Childs (Special Schools Governor) (Chair)
- | | |
|-----------------------|-----------------------------------|
| Councillor Gary Haley | |
| Sarah Diggle | Primary Governors |
| Steve Haigh | Secondary Academy Headteachers |
| Peter Largue | Trade Union Representative |
| Mustafaa Malik | Primary Headteachers |
| Ethel Mills | PVI Sector Representative |
| Andrew Ramanandi | Primary Headteachers |
| Michelle Richards | Special School Headteachers |
| Domenic Volpe | Maintained Secondary Headteachers |
| Allan Symons | Primary Governors |
- IN ATTENDANCE:** Alan Foster
Carole Smith
Claire Reid
- APOLOGIES:** Councillor Chris McHugh
Denise Kilner, Julie Goodfellow, Elaine Pickering and Clive Wisby

14 APOLOGIES

Apologies were received from Mrs E Pickering, Denise Kilner, Councillor C McHugh, Julie Goodfellow and Clive Wisby

15 MINUTES

The minutes of the previous meeting held on Thursday 17 May were agreed as a correct record.

16 SCHOOL BALANCES 2017/18

A report was presented to the forum to provide an update on the movement of school balances for the financial year 2017/18, and the number of schools in a deficit position at the end of the financial year.

As at the 31 March 2017 maintained schools held total revenue balances of £5.473m and five schools had a deficit balance amounting to £0.241m.

At the 31 March 2018 maintained school balances reduced by £0.287m to £5.186m

and four schools had a deficit at the end of 2017/18 at the end of 2017/18 totalling £0.496m. It is anticipated that maintained schools will use approximately a further £3m of their balances by 2019/20. It is projected that 5 schools will be in a deficit position at the end of 2018/19 with more in 2019/20.

It was noted that a report on this issue has been taken to Portfolio meeting. It was noted that it is the time to be making noise about this issue. It was noted that full stable schools in affluent areas are those which will struggle.

- RESOLVED - (i) that the value of maintained schools balances and the in-year reduction of balances by £0.287 to the year-end value of £5.186m be noted.
- (ii) that the number of schools with a deficit at the end of 2017/18 be noted.
- (iii) that the increase by £0.255m of the value of deficit balances at the end of 2017/18 be noted.

17 SURPLUS BALANCE LICENCE REVIEW

A report was presented to the Forum to provide an update on the use of the Schools Surplus Balances licences granted in 2016/17 for balances at 31 March 2017 and multi-year licences already held.

In January 2007 Local Authorities (LA's) were directed by the Secretary of State for Education to make certain directed revisions to their Schemes for Financing Schools.

Under the regulations in effect for 2011/12, schools were permitted to have an "unlicensed" carry forward amount that is equal to or less than 8% for Special and Primary Schools and 5% for Secondary Schools of the next financial year's School Budget Share. Under the current regulations LA's could review their clawback mechanism and as per report to Schools Forum in March 2012 limits were raised. For Primary and Special schools, the new thresholds are 16% or £20,000 and 10% for secondary schools.

Following the approval of licensed surpluses for 2016/17, schools were charged with spending and reporting their spend against the granted licence in accordance with the Schools Surplus Balance Procedure. Schools that have been granted a multi-year licence have up to three financial years to use their licensed surplus.

At the end of the 2017/18 financial year the total amount of surplus balances held under the previous year's licences was £30,504 which is a reduction of £132,566 from £163,070.

- RESOLVED - that the Surplus Balance licences have reduced by £132,566 during 2017/18 be noted by the forum.

18

2017/18 SURPLUS BALANCE LICENCE APPLICATIONS

The forum received a report to update on the level of schools surplus balances and the number and amount of licence applications for the use of the 2017/18 surplus balances.

This is the 10th year that schools have had to apply to keep surplus balances. Under the Scheme for Financing Schools, schools are permitted to have an ‘unlicensed’ carry forward amount that is equal to or less than 16% for Special and Primary Schools and 10% for Secondary Schools.

The Schools “Surplus Balance” is calculated using the schools closing balance as at the end of the financial year less any known prior year end commitments, and the calculated “unlicensed” amount.

The total amount of schools balances as at 31 March 2018 was £5.186m, which is a decrease of £0.287 from the 2017 balances of £5.473m.

The total balance amount for 2017/18 included unspent licences of £30,503 that relates to previous years licence surpluses. Only one school has submitted an application for a licence on either a current year or multi-year basis.

It has been suggested that this procedure is not necessary at the moment, however, the procedure can be put back in place if needed.

RESOLVED - That the schools forum note the surplus balance amount.

19

EARLY YEARS INCLUSION FUND

The forum received a report to provide an update on the implementation of the Early Years Inclusion Fund from September 2017 and to outline a number of proposed updates to the Early Years Inclusion Fund and to enable Schools Forum to comment and have input into the proposed Early Years Inclusion Fund consultation document.

Department for Education (DFE) Operational Guidance requires all Local Authorities (LAs) to establish and Inclusion Fund in their local funding systems for 3 and 4 year olds with Special Educational Needs and Disability (SEND) taking the free entitlement. The purpose of the fund is to support LAs to work with providers to address the needs of individual children with low levels or emerging SEN.

Children with more complex needs and those in receipt of an Education Health and Care Plan (EHCP) continue to be eligible to receive funding from the High Needs Block of the Dedicated Schools Grant (DSG).

To ensure that the maximum amount of funding was passed to settings (nursery schools, nursery classes, private, voluntary and independent providers or early years education), 95% of the Early Years Block (EYB) funding was allocated to the new funding formula. The remaining 5% is being used to fund the administration of

early year's grants and to fund the inclusion fund.

It is proposed that Early Years Settings are consulted on some changes to the Fund and Application Process, in order to increase the maximum award per single child to £500 and to increase the maximum award for a group of children to £1000. It is proposed that the Schools Forum agree to the proposed changes of value, use, eligibility, application and payment processes as outlined in the report and consultation document.

It is proposed that all settings are consulted on the proposed changes to the Inclusion Fund.

- RESOLVED -
- (i) that the forum has reviewed and agreed the proposed value, use, eligibility, application and payment processes as outlined in the report
 - (ii) that any further comments on the consultation document be forwarded to Carole Smith by end of term
 - (iii) That retrospective approval be granted to proceed with the changes following consultation responses.

20

DEDICATED SCHOOLS GRANT REVENUE OUT TURN

The Forum received a report to advise on the outturn position of Dedicated Schools Grant (DSG) for 2017/18.

The DSG is made up of three main funding blocks:

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

The final outturn report for 2017/18 is included in an appendix to the report, this shows an outturn of £101.763m against the budget of £99.802m, resulting in an overspend of £1.961m.

The overspend of £1.961m is also adjusted in year by £0.049m Early Years settlement recoupment (based on updated census information) for 2016/17 recouped in 2017/18, to give a total of £2.010m to be appropriated from the DSG reserve as agreed by Schools Forum in December 2017.

This £2.010m is deducted from the current balance brought forward from 2016/17 of £3.167m, to give a balance to be carried forward to 2018/19 of £1.157m.

The forum expressed concern that there could come a point when the reserves doesn't meet the overspend. It was suggested that some lobbying needs to be done for more money. It was noted that currently 17 schools in Gateshead have 188

notices out and it is likely that this will be mainly support staff. If the number of TAs reduce it creates an increased workload for teachers. It was suggested that something be put on the Governing Bodies agendas for the Autumn term.

RESOLVED - That the information contained within the report be noted.

21 GROWTH FUND APPLICATION

The forum were presented with a report which was to inform them of a successful application for Growth Funding. The application has satisfied all of the growth fund criteria previously approved by the Schools Forum.

In December 2014 Schools Forum approved the creation and the criteria of a Growth Fund for mainstream schools. 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 the Schools and Early Years Finance Regulations 2018 and the Education and Skills Funding Agency Schools Revenue Funding 2018-19 Operational Guide.

Ravensworth Terrace School made an application to the Growth Fund for funding for pupil growth from September 2018.

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

School Admissions Team have confirmed that 60 children will be admitted in September 2018 and the schools meets all of the Growth Fund criteria. The Schools Budget Team have supported the school in applying for funding and the Services Director, Learning and Schools has approved the allocation of funding. Based on Growth Funding criteria the amount calculated is £49,915.77 this amount is over the maximum allocation permitted for primary schools and therefore the maximum amount of £35,000 and this will be allocated to Ravensworth Terrace Primary School.

RESOLVED - That it be noted that growth funding has been awarded to Ravensworth Terrace Primary for growth in pupil numbers.

22 CONTINGENCY FUNDING REVIEW

The forum were presented with an update from the subgroup of the Schools Forum on the requested review of the school's contingency criteria.

Schools Forum requested a review of the current contingency criteria due to the diminishing centrally held Dedicated Schools Grant (DSG) reserves and the increasing financial pressure on schools.

The subgroup met on 20 June to review the current contingency criteria and it was

the view of the subgroup that all of the current contingency criteria should be removed apart from the current criteria 2 and an additional criteria be added for schools to apply to Schools Forum for contingency funding for truly exceptional circumstances that are outside the control of the school and governing body. The second criteria would be a three stage process, officer review of the application form, debate at Schools Forum for approval, sign off by a senior officer.

The subgroup have also proposed that the current model of reasonableness and contingency application form be reviewed to provide an updated application form to support the application for exceptional circumstances contingency funding.

Any agreed contingency criteria will need to be reviewed once the National Funding Formula is fully implemented and local authorities and Schools Forum's no longer have any input into the formula for funding mainstream schools, as there may be no mechanism to fund contingency requests.

- RESOLVED -
- (i) that the proposed changes to the current contingency criteria be approved
 - (ii) that further work be undertaken on the current application form and model of reasonableness and brought back to the forum for approval
 - (iii) that work is undertaken on suggestions for contingency to be funded in the future if there are no centrally held DSG reserves to call on.

23

DIRECTED REVISIONS TO THE SCHEME FOR FINANCING SCHOOLS - CONSULTATION RESPONSES

A report was presented to the forum to request approval of the directed revisions and general updates to Gateshead's Scheme for Financing Schools following the consultation with all Gateshead maintained schools.

The report follows up on a report brought to Schools Forum in May 2018. On 22 March 2018 the Department for Education (DfE) published new statutory guidance for local authorities on the Scheme for Financing Schools.

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

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

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

The forum has been asked to note that all maintained schools have been consulted and that no queries or comments have been received.

RESOLVED - That the proposed changes made to Gateshead's Scheme for Financing Schools be noted and approved.

24 APPLYING TO SET A DEFICIT BUDGET

At its meeting in May the forum requested a copy of the procedure for schools which need to set a deficit budget. A copy of the procedure was attached to the report which was last updated in January 2018 following Internal Audit recommendations.

RESOLVED - That the forum noted the contents of the report and procedure.

25 SCHOOLS FUNDING UPDATE

The forum were provided with an update on what is currently known to be the direction of travel of the reforms to the Schools Block (SB), the High Needs Block (HNB) and the Central Services to Schools Block (CSSB) of the Dedicated Schools Grant (DSG).

As part of the Department for Education (DfE) continuing to work on the National Funding Formulas (NFF) for SB and HNB, Local Authorities (LAs) were invited to attend an information session on the 2019-20 NFF. The purpose of this was to provide an update on policy development ahead of the publication of 2019-20 NFF policy documents and operational guidance due to be published in July 2018.

Maintained Schools

It appears that changes to primary and secondary units of funding (PUFs and SUFs) will be published in July 2018, however it was not clear if the premises related elements and those based on historic spend will be released at the same time.

The 0.5% increase in funding will be based on 2017/18 baselines and not 2018/19 and will only be for the pupil related factors.

The DfE are implementing a formula approach to growth. The DfE are going to use population growth as a Middle Super Output Area (MSOA) and not on an individual school basis as this funding is meant to reflect pupil growth (basic need) within an LA and not the growth in school numbers due to popularity. LA's that have some pupil growth and some pupil decline at the MOSA will only have the growing areas counted.

Growth funding will be lagged for 2019/20 it will be based on the difference between

October 2017 and 2018 data.

New schools (not merged or schools with new names) will receive a lump sum of £65,000 linked to growth.

2018/19 growth funding will be protected and LA's are still able to top-slice the schools block for growth funding.

It will still be up to LAs on how to allocate growth funding they can still use current approved growth funding procedures.

The growth funding is a "soft" formula solution and not "hard" NFF. The DfE did not say when the hard NFF will be implemented, but it is understood this will be announced in July.

Premises factors e.g. rates and Private Finance Initiative (PFI) will be based on 2018/19 with Retail Price Index (RPI) increase for PFI. The DfE were asked for clarification on which RPI they used, projected for February each year or another month earlier in the year, the speaker did not know the answer but would seek clarification.

The DfE have a new approach for mobility funding but this will not be implemented for 2019/20. Funding for 2019/20 will be "rolled forward and updated" based on 2018/19 allocations. A concern for Gateshead is that this could mean less funding for 2019/20 and therefore could impact on 0.5% increase on pupil related factors for all schools, as the funding not allocated to mobility was applied to other formula factors. It is unclear if any issues will be apparent from July or the impact will only be known when the settlement is received in December.

There will be more detail on the hard formula in the information released in July Local formula arrangements will continue for 2019/20 with some additional features in the Authority Proforma Tool (APT).

There will be a new optional factor to enable LA's to allocate 1% per pupil increase using 2017/18 data. This will work in a similar way to the Minimum Funding Guarantee, (MFG) but uses 2017/18 data not the updated 2018/19 data.

All schools must be consulted on any formula changes including any movement between the blocks.

No update on any additional funding for schools was provided as it was stated that additional funding will be linked to the next spending review.

High Needs Block

Some minor changes to the prior attainment formula factor following the new implementation of the new GCSE's, the rational will be published in July

The High Needs NFF will be reviewed during the next spending review

There will be some changes to the place change process to include special free schools, and special free schools will be included in the import export adjustment Special School Post 16 funding will be brought into the DSG –currently element one and two directly funded by the Education and Skills Funding Agency, the changes should be net neutral.

There will be a consultation on hospital education provision in the autumn, concerns were raised that this will be an extremely tight timescale for implementation for 2019/20 allocations which will be provisionally provided in December 2019.

The DfE mentioned that they were interested in more flexible arrangements around

high needs element 2 funding (£6K) no detail was provided, but more information may be available once the operational guidance and technical notes are published in July.

Central Services Schools Block

There will be a maximum reduction of -2.5% per pupil, however this is above the anticipated maximum MFG reduction of -1.5% per pupil for schools

There will be a maximum gain of 2.14% per pupil. This is cap is due to DfE budget constraints.

The DfE expect that historic commitments will continue to unwind themselves, if reductions do not materialise then the DfE will impose a set % reduction. No timescale for the implementation of this process was provided and comments were made that timescales for some of the historic commitments are not within the control of the LAs.

Any funding released from CSSB will be allocated to increase funding in the HNB

- RESOLVED -
- (i) That the Schools Forum note the contents of the report
 - (ii) that future reports will be brought to the attention of the schools forum as further information or announcements relating to schools funding are made
 - (iii) That the sub group of the schools forum take on any required funding review for mainstream schools for 2019/20

26

DIVERSITY IN SCHOOLS DATA COLLECTION

A report was presented to the forum with information on diversity in schools data collection and the impact this can have on English as an Additional Language (EAL) funding in mainstream schools.

A report produced by Gateshead's Ethnic Minority and Traveller Achievement Service (EMTAS), which highlights the data collection variable between Gateshead schools in recording the diversity of ethnic origins and languages spoken.

The report links the data collection variables to the possible impact on mainstream school funding. Whilst the main language and ethnicity data collection is via the January school census, it is the October school census that drives the funding.

Funding levels for EAL children increased significantly from 2017/18 to 2018/19 with primary funding increasing from £260 to £515 per eligible EAL child, and secondary school funding increasing from £260 to £1385 per eligible child and therefore it has become increasingly important to collect this information correctly.

The report also highlights the different data collection formats that Gateshead schools use to collect statutory and non-statutory data from parents, carers and

children.

A small officer group has met to discuss the above issues and it was proposed that a standard form for data collection be developed for optional adoption by Gateshead Schools.

A number of benefits include GDPR compliance, ease of use for parents, carers and children and different data collection point, ease of data input into data collection systems for schools census and other data returns.

It is proposed that officers continue to work on the development of the production of a standard form which Gateshead schools can choose to adopt.

RESOLVED - (i) That the Schools Forum noted the contents of the report.
(ii) That officers continue to update the forum as and when necessary given that the process could involve funding.

27 DATE AND TIME OF NEXT MEETING

27 September 2018 at 2.00 pm

27 September 2018

Item 3

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

Purpose of the Report

The purpose of this report is to bring to Schools Forum information produced by the Department for Education (DfE) on the values and funding factors used by all other local authorities (LAs) in England, and a summary of work carried out on benchmarking Gateshead's mainstream school's formula against national data and regional and statistical neighbours for 2018/19 and the national funding formula (NFF).

Background

In July 2018 the DfE published a report which provided an overview of the 2018/19 funding factors and values used by all LAs to fund mainstream schools. They also published the factor values and percentages of total funding for all LAs.

Below is the link to the documents.

<https://www.gov.uk/government/publications/schools-block-funding-formulae-2018-to-2019>

Benchmarking of funding factors

There are 152 Local Education Authorities (LEAs) in England, and therefore 152 different mainstream funding formulas. For regional neighbours there are a total of 13 LAs and there are 11 LAs in the statistical neighbour group.

Not all factors are mandatory and not all LAs have used all factors. Where this differs to the above LAs the number in the group will be stated.

Basic per pupil entitlement

The primary basic entitlement for Gateshead is £2,852. This is in the most commonly used bracket of £2,750 to £3,000 and ranked 60 nationally, 5 against our regional neighbours and 4 against our statistical neighbours. Gateshead's current rate is higher than the current rate of the NFF of £2,747.

The Key Stage 3 (KS3) basic entitlement for Gateshead is £3,830. This again is in the most commonly used bracket of £3,750 to £4,000 and ranked 136 nationally,

joint 6 against of our regional neighbours and 10 against our statistical neighbours. Gateshead's current rate is lower than the current rate of the NFF of £3,863.

The KS4 basic entitlement for Gateshead is £4,386. This again this is in the most commonly used bracket of £4,250 to £4,500 and ranked 131 nationally, joint 6 against our regional neighbours and 7 against our statistical neighbours. Gateshead's current rate is at the current NFF rate.

Gateshead allocated 71.9% of the total funding to the basic entitlement. Most LAs were in the bracket of 75% to 80% with the average being 74.9%. The amount allocated under the NFF was 73.1%.

Summary

The primary basic entitlement is mid-table nationally; however against regional and statistical neighbours it is higher than both averages, and higher than the current NFF factor value.

KS3 basic entitlement is in the lower quartile of all three comparison groups and is lower than the average amount for regional and statistical neighbours, and lower than that proposed in the NFF.

KS4 basic entitlement is in the lower half of national funding values and is lower than the average amount for regional and statistical neighbour values, but it is than the same as the current NFF factor value.

Deprivation

Current Free School Meals

128 LA's use primary current free school meals (FSM) as a factor. Gateshead is ranked joint 61 with 37 other LA's using the NFF factor value of £440.

126 LA's use secondary current FSM as a factor. Gateshead ranked joint 60 with 41 other LA's using the NFF factor value of £440.

Ever6FSM

125 LA's used the primary ever6FSM factor value with Gateshead ranked 14 nationally with a factor value above the NFF of £540. Gateshead's factor value of £747 is the highest factor value compared to regional neighbours and second highest against statistical neighbours.

129 LA's used secondary ever6FSM factor value with Gateshead ranked 9 nationally with a factor value above the NFF of £ 785. Gateshead's factor value of £1,195 is the highest factor value compared to regional neighbours and second highest against statistical neighbours.

Income Deprivation Affecting Children Indices (IDACI)

146 LA's used IDACI as a deprivation measure and all regional and statistical neighbours used IDACI to allocate deprivation funding.

The total amount of deprivation Gateshead allocated is 12.02 % of total funding, regional neighbours averaged 11.40% and statistical neighbours 10.66%. The amount of funding under the NFF is 9%.

Summary

IDACI is too complex to fully analyse easily. The overall deprivation funding percentage that Gateshead allocates is higher than the national average and higher than average for regional and statistical neighbours and that allocated via the NFF.

Looked After Children (LAC)

Only 0.01% of funding is allocated via this factor and only 19 LAs out of 152 chose to use this factor. The most commonly used funding bracket is £1,000 to £1,250 with Gateshead's factor value is £1,000. The NFF does not use a LAC factor.

None of Gateshead's regional and statistical neighbours retained the LAC factor from 2017/18.

Prior Attainment

149 LAs used the primary low prior attainment factor. The most commonly used funding bracket is £500 to £750. Gateshead's value is £563. The NFF value is £1050 and will reduce to £1,022 for 2019/20.

For secondary low prior attainment 150 LAs used this factor. The most commonly used bracket is £1,500 to £1,750. Gateshead's value is £828.33. The NFF value is £1,385 which will increase to £1,550.

72% of LA's allocated between 5% and 10% of funding. The average was 6.2% 4.3% with Gateshead allocating 3.2%.

Compared to regional and statistical neighbours, Gateshead's low prior attainment factors are below average, however there has been significant movement towards the NFF factor nationally, by comparators and by Gateshead.

Summary

Prior attainment funding is relatively low compared to all groups, with primary sector being particularly low, however amounts have increased towards the values set in the NFF.

English as an additional language (EAL)

148 LA's used the EAL factor. For primary the most commonly used funding bracket for primary EAL is £500 to £750 Gateshead allocates the NFF value of £515.

For secondary schools the most commonly used bracket is £1,500 to £1,750. There has been significant movement towards the NNF with Gateshead increasing the allocation from £260 to £828.33 and the NFF is £1,385.

Summary

Gateshead funding for EAL children is now at the NFF level for primary and has made a significant movement towards the NFF for secondary.

Mobility

Only 63 out of 152 LAs use the mobility factor. For primary the funding range was from £0 to £2,981 and above. For secondary the range was £14 to £18,826. The most commonly used bracket for primary and secondary mobility funding was £500 to £750. In Gateshead the allocation is £2,000.

Summary

Gateshead has a high mobility factor compared to all groups. Less than half of all LAs in all groups used this factor, and the DfE will fund the amount allocated via the 2018/19 planned spend. The DfE are looking at different options to allocate mobility funding after 2019/20.

Overall Pupil-Led Factors

It is the requirement of all LAs to channel at least 80% of mainstream school funding via pupil-led factors. The average for all LAs is 90.6% the highest % of LAs are in the bracket 90% to 92%. Gateshead allocated 87.97% of funding to pupil-led factors.

Lump Sum

All LAs chose to have a Primary lump sum in their formula, 2 LA's did not have a secondary lump sum. The range for both primary and secondary schools was £85,000 to the maximum amount of £175,000.

The most commonly used range for primary lump sum is £100,000 to £110,000 in line with the NFF value.

Gateshead has differentiated lump sums for 2018/19 of £113,333 for primary schools and £130,000 for secondary schools and is moving towards the NNF value of £110,000.

Gateshead allocated 8.07% of funding to the lump sum compared to the national average of 7.3%.

Primary: Secondary Ratio

The DfE did not publish a national primary: secondary ratio for 2018/19. Gateshead's ratio is 1:1.29 for 2018/19. The calculation is undertaken before the application of the minimum funding guarantee (MFG) calculation (all schools can gain 0.5% of funding

on a per pupil basis before capping and scaling (mechanisms to cap gains to schools that gain with formula changes and the 5 scale the cap applies to).

The average for regional and statistical neighbours ratio is 1:1.29 and 1:31 respectively.

Funding

Gateshead's Primary Unit of Funding (PUF) ranked 9 against regional neighbours and 7th against statistical neighbours. Gateshead's PUF is lower than the regional averages and slightly higher than the statistical neighbours.

Gateshead's Secondary Unit of Funding (SUF) ranked 12 against regional neighbours and 10 against statistical neighbours. Gateshead's SUF is lower than both regional averages and statistical neighbours.

Proposal

It is proposed that Schools Forum notes the contents of the report and the comparisons of Gateshead's funding against the national, regional and statistical neighbours and NFF.

Recommendations

It is recommended that School Forum notes the contents of the report.

For the following reasons:

- To provide information to Schools Forum on the comparison of Gateshead's mainstream Schools Fair Funding Formula, regional and statistical neighbours and the NFF.

CONTACT: Carole Smith ext. 2747

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REPORT TO SCHOOLS FORUM

27 September 2018

Item 4

TITLE OF REPORT: School Funding Update

Purpose of the Report

The purpose of this report is to update Schools Forum on the information the Department for Education (DfE) published in July and September 2018 providing details on the Schools Block (SB), Central Schools Services Block (CSSB) and High Needs Block (HNB) of the Dedicated Schools Grant (DSG). The DfE have also published the Teachers pay grant methodology. School level allocations will be published later in the autumn.

Background

On 25 July and 5 September 2018 the Department for Education (DfE) issued a number of documents:-

National Funding Formula for Schools and High Needs – Policy Document
<https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

National Funding Formula for Schools and High Needs – Operational Guidance
https://assets.publishing.service.gov.uk/.../Operational_guide_2019_to_2020.docx

National Funding Formula Technical Notes and summary illustrative allocation tables
<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020>

Teachers pay grant methodology
<https://www.gov.uk/government/publications/teachers-pay-grant-methodology>

Summary of the main DSG Announcements

- Local Authorities (LA's) will still have a role in setting local formulas in 2020/21
- Most of the funding factors will remain the same as 2018/19
- The primary low prior attainment factor has been slightly reduced from £1,050 to £1,022 to retain the overall proportion of funding allocated due to the changes in the Early Years Foundation Stage Profile (EYFSP).
- The secondary low prior attainment factor will have specific weighting applied for year's 7, 8 and 9 due to the new Key Stage 2 standards
- The minimum per pupil levels of funding have been increased from £3,300 to £3,500 for primary schools and from £4,600 to £4,800 for secondary schools

- The gains cap on funding to local authorities will remain at 3%
- LA's will continue to manage their own growth funding locally using a DfE approved process. It is not yet known how much growth funding each LA will receive. It will be at least the amount shown on the 2018/19 authority proforma tool (APT) (£35,000) and could be more based on pupil growth based on middle super output areas. Each additional primary pupil will attract £1,370, secondary pupil £2,050 and each new basic need school will attract £65,000. The actual allocations will be based on the October census and will be provided as part of the DSG announcements in December 2019
- Premises factors (rates and Private Finance Initiative (PFI) will use 2018/19 values in the APT, with the PFI factor uplifted by Retail Price Index (RPI) excluding mortgage interest payments (RPIX))
- Mobility factor will be funded using LA spend via the APT for 2018/19

Illustrative Gateshead Funding

The DfE issued indicative illustrative allocations for 2019/20 for the Schools Block, High Needs Block and the Central Schools Services Block.

Below is a high level comparison of the updated units of funding and the illustrative amounts in the three blocks.

Schools Block Units of Funding	2018/19	2019/20	Difference	Percentage Change
Primary	£4,036.39	£4,073.76	£37.37	0.93%
Secondary	£5,023.26	£5,066.09	£42.83	0.85%

2018 -19 DSG allocations by block		Indicative Allocations 2019/20	Difference	Percentage Change
Schools Block	£108,908,779	£109,939,179	£1,030,400	0.95%
Central Schools Services Block	£1,730,788	£1,729,347	-£1,441	-0.08%
High needs block	£22,146,180	£22,334,671	£188,492	0.85%

Not all details or calculations have been released and the information above is based on 2017/18 data apart from updated premises and growth factors using 2018/19 APT. The actual allocations for the SB and CSSB will not be known until December 2019, and there will be further updates to the early years block (EYB) and HNB issued in December during spring/summer 2019.

The above table details the total amounts and percentage funding that will be allocated under the national funding formula (NFF), together with values and cash allocations for Gateshead for mobility, premises factors and growth funding.

Indicative individual school allocations can be found on the above link. The amounts on the table are indicative, are based on the NFF without any local formula review and will change with the final allocation of funding in December.

Teachers Pay Grant

Details of the DfE's methodology for the grant were published 14 September 2018.

The DfE will allocate funding to schools based on an amount per pupil weighted for the different sectors. Pupil numbers will include pupils aged 2 to 19 in schools, but it is not clear which pupil count the funding will be based on. All mainstream schools will be funded as if they had at least 100 pupils, and special and alternative provision schools as if they had at least 40 pupils. The rates are listed below and the DfE will issue school and authority level allocations and make payments later this term.

Rates for primary schools		
Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	19.51	33.65
Outer London	18.05	31.13
London fringe	16.9	29.14
Rest of England	16.4	28.29
Rates for secondary schools (with same rate for all 11-19 year olds)		
Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	31.57	54.2
Outer London	29.2	50.15
London fringe	27.34	46.94
Rest of England	26.54	45.56
Rates for special and alternative provision schools		
Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	78.1	134.97
Outer London	72.25	124.87
London fringe	67.64	116.89
Rest of England	65.65	113.46

Proposal

That Schools Forum notes the contents of this report and the information that can be reached from the above links. The DSG information will be used by the Mainstream School Funding Subgroup (MSFS) to inform discussions and modelling of the local formula which will be reviewed and agreed by Schools Forum prior to consultation with all mainstream schools.

Recommendations

It is recommended that Schools Forum notes the contents of the report and that work will be undertaken by the MSFS on Gateshead's transition to the NFF.

For the following reasons:

- To maintain funding stability for Gateshead's mainstream schools
- To comply with the Schools Revenue Funding Operational Guidance
- To comply with DfE timescales
- To Comply with Schools and Early Years (England) Regulations 2018 when they are published

Contact Carole Smith Ext. 2747



REPORT TO SCHOOLS FORUM

27 September 2018

Item 5

TITLE OF REPORT: Mainstream School Funding Review

Purpose of the Report

To update Schools Forum on the first meeting of the Mainstream School Funding Review Group, sub group of Schools Forum for 2019/20 mainstream school budgets.

Background

Information in reports 3 and 4 were taken into consideration at the first meeting of the sub group 19 September 2018.

The group considered the information in the reports 3 and 4 and the noted the longer timeframe now available until the national funding formula (NFF) is implemented. Local authorities will still have a role in setting local mainstream funding formula to 2020/21 which is an additional year from the original 2019/20.

The group reviewed the previously agreed principles, set out below, and funding aims to ensure they were still fit for purpose and the group agreed to propose the amendment to extend the time for the phasing for an additional year to 2020/21 in principle.

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 that 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

- Phase the changes required over the next 2 funding periods (2019/20 and 2020/21)
- 1:129 primary secondary ratios
- 3% funding gains cap
- Positive MFG if possible
- Minimise the value of MFG

The group were taken through phasing options to the NFF. The current formula and original phase 2 formula are shown in appendix 1. Appendix 2 shows the current formula and proposed extended phasing over 2019/20 and 2020/21.

Proposal

It is proposed that Schools Forum approves the funding aims and principles to be used for the calculation of 2019/20 mainstream school budgets with the extended timeframe to 2020/21 and the use of the new phase 2 funding factors in appendix 2 as a starting point for the calculation of mainstream school budgets for 2019/20.

Recommendations

It is recommended that Schools Forum approves the funding aims and principles to be used for the calculation of 2019/20 mainstream school budgets with the extended timeframe to 2020/21 and the use of the new phase 2 funding factors in appendix 2 as a starting point for the calculation of mainstream school budgets for 2019/20.

For the following reasons: -

- To provide a clear direction of travel for the calculation of mainstream school funding for 2019/20 and to provide as smooth a transition as possible to the NFF for Gateshead mainstream schools.

CONTACT: Carole Smith ext. 2747

Appendix 1

Original Phase 2 Funding Factors

		2018/19		NFF				Phase 2 from 2018/19	
								2019/20	
								Phase 2	
1) Basic Entitlement	Description	Amount per pupil	Amount per pupil	Amount per pupil NFF		Difference	Difference		
Age	Primary (Years R-6)	2,852.33		2,746.99		-105.34		£2,799.66	
Weighte	Key Stage 3 (Years 7-9)	3,830.43		3,862.65		32.22		£3,862.65	over P2
	Key Stage 4 (Years 10-11)	4,385.81		4,385.81		0.00		£4,385.81	
	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil
2) Deprivation	Current FSM	440.00	440.00	440.00	440.00	0.00	0.00	£440.00	£440.00
	FSM6 % Primary	746.67		540.00		-206.67		£643.33	
	FSM6 % Secondary		1,195.00		785.00	0.00	-410.00		£990.00
	IDACI Band F	200.00	193.33	200.00	290.00	0.00	96.67	£200.00	£193.33
	IDACI Band E	160.00	260.00	240.00	390.00	80.00	130.00	£160.00	£260.00
	IDACI Band D	355.92	482.08	360.00	515.00	4.08	32.92	£355.92	£482.08
	IDACI Band C	397.50	533.43	390.00	560.00	-7.50	26.57	£393.75	£533.43
	IDACI Band B	461.00	600.00	420.00	600.00	-41.00	0.00	£440.50	£600.00
	IDACI Band A	726.67	910.37	575.00	810.00	-151.67	-100.37	£650.83	£860.18
3) Looked After Children (LAC)	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil		
4) English as an	LAC X March 16	1,000.00		0.00		-1,000.00	-1,500.00	£500.00	£500.00
	EAL 3 Primary	515.00		515.00		0.00		£515.00	
5) Mobility	EAL 3 Secondary		1,385.00		1,385.00		0.00		£1,010.00
	Pupils starting school outside of normal entry dates	2,000.00	2,000.00		Cash Lump Sum £193,00 Historic Funding	0.00	0.00	£2,000.00	£2,000.00
6) Prior attainment	Description	Weighting	Amount per pupil	Weighting	Amount per pupil		Weighting	Amount per pupil	
	Low Attainment % new EFSP	0.70	563.33	1.00	1,022.00	1,050.00	0.30	458.67	£806.67
	Low Attainment % old FSP 73								
	Secondary low attainment (year 7)	0.48	828.33	0.48	1,550.00	1,385.00	0.00		£1,106.67
	Secondary low attainment (years 8 to 11)						721.67		
Other Factors									
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	
7) Lump Sum		113,333.33	130,000.00	110,000.00	110,000.00		-3,333.33	-20,000.00	£111,666.67 £120,000.00
		At NFF							
		At Phase							
		Reduction from current formula							
		Increase from current formula							

Appendix 2

Proposed Phase 2 and 3 Funding Factors

		2018/19		NFF		Difference		2019/20		2020/21	
1) Basic Entitlement	Description	Amount per pupil	Amount per pupil	Amount per pupil NFF		AWPU		New Phase 2		Phase 3	
ent	Primary (Years R-6)	2,852.33		2,746.99		-105.34		£2,817.22		£2,782.10	
Age	Key Stage 3 (Years 7-9)	3,830.43		3,862.65		32.22		£3,841.17	over P2	£3,851.91	over P3
Weighte	Key Stage 4 (Years 10-11)	4,385.81		4,385.81		0.00		£4,385.81		£4,385.81	
	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil
2) Deprivati on	Current FSM	440.00	440.00	440.00	440.00	0.00	0.00	£440.00	£440.00	£440.00	£440.00
	FSM6 % Primary	746.67		540.00		-206.67		£677.78		£608.89	
	FSM6 % Secondary		1,195.00		785.00	0.00	-410.00		£1,058.33		£921.67
	IDACI Band F	200.00	193.33	200.00	290.00	0.00	96.67	£200.00	£225.55	£200.00	£257.78
	IDACI Band E	160.00	260.00	240.00	390.00	80.00	130.00	£186.67	£303.33	£213.33	£346.67
	IDACI Band D	355.92	482.08	360.00	515.00	4.08	32.92	£357.28	£493.05	£358.64	£504.03
	IDACI Band C	397.50	533.43	390.00	560.00	-7.50	26.57	£395.00	£542.29	£392.50	£551.14
	IDACI Band B	461.00	600.00	420.00	600.00	-41.00	0.00	£447.33	£600.00	£433.67	£600.00
	IDACI Band A	726.67	910.37	575.00	810.00	-151.67	-100.37	£676.11	£876.91	£625.56	£843.46
3) Looked After Children (LAC)	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil				
4) English as an	LAC X March 16	1,000.00		0.00		-1,000.00	-1,500.00	£666.67	£666.67	£333.33	£333.33
	EAL 3 Primary	515.00		515.00		0.00		£515.00		£515.00	
5) Mobility	EAL 3 Secondary		1,385.00		1,385.00		0.00		£1,385.00		£1,385.00
	Pupils starting school outside of normal entry dates	2,000.00	2,000.00	Cash Lump Sum £193,00 Historic Funding		0.00	0.00	£2,000.00	£2,000.00	£2,000.00	£2,000.00
6) Prior attainment	Description	Weighting	Amount per pupil	Weighting	Amount per pupil	Weighting	Amount per pupil				
	Low Attainment % new EFSP	0.70	563.33	1.00	1,022.00	1,050.00	0.30		£716.22		£869.11
	Low Attainment % old FSP 73						458.67				
	Secondary low attainment (year 7)	0.48	828.33	0.48	1,550.00	1,385.00	0.00		£1,068.89		£1,309.44
	Secondary low attainment (years 8 to 11)						721.67				
Other Factors											
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)				
7) Lump Sum		113,333.33	130,000.00	110,000.00	110,000.00	-3,333.33	-20,000.00	112222.2	123333.33	£111,111.11	£116,666.67
	At NFF										
	At Phase										
	Reduction from current formula										
	Increase from current formula										

27 September 2018

Item 6

TITLE OF REPORT: Early Years Inclusion Fund Consultation Outcome

Purpose of the Report

To update Schools Forum on the outcome of the Early Years Inclusion Fund consultation.

Background

This report builds on reports to Schools Forum in December 2016, February 2017, September 2017, November 2017 and July 2018.

Department for Education (DfE) Operational Guidance requires all Local Authorities (LAs) to establish an Inclusion Fund in their local funding systems for 3 and 4 year olds with Special Educational Needs and Disability (SEND) taking the free entitlement. The purpose of the fund is to support LAs to work with providers to address the needs of individual children with low levels or emerging SEN.

Children with more complex needs and those in receipt of an Education Health and Care Plan (EHCP) continue to be eligible to receive funding from the High Needs Block of the Dedicated Schools Grant (DSG).

Gateshead's previous inclusion fund provided funding for eligible 3 and 4 year olds with the value limited to £200 for an individual child, or £500 for a group of children. The application process was not clear on what costing information needed to be provided sometimes resulting the need to request additional information and therefore delaying the allocation of funding.

Changes

The proposed changes that were consulted on are listed below.

- Extended the inclusion fund entitlement to all 2 year olds accessing provision
- Increase the maximum award per single child from £200 to £500
- Increase the maximum award for a group of children from £500 to £1,000
- The application form must be fully costed with evidence of costs e.g. the cost of a course or piece of equipment.

Consultation

The consultation ran from 5 to 20 July 2018 and was sent to all early years providers in the borough and asked the 3 questions below.

Q1 Do you accept that the entitlement be extended to 2 year old (term after their 2 birthday)?

Q2 Do you accept the Inclusion Fund change in application limit from £200 to £500 or for groups of children from £500 to £1,000?

Q3 Do you accept that all applications must to be fully costed with evidence of the proposed costs?

Only 17 responses were received and were very supportive of the proposals (as per below table).

	Total	Yes		No		Don't Know		Not Applicable	
	No.	No.	%	No.	%	No.	%	No.	%
Q1	17	13	76%	0	0%	2	12%	2	12%
Q2	17	16	94%	0	0%	1	5%	0	0%
Q3	17	15	88%	1	5%	1	5%	0	0%

Several comments were also received, and these are detailed in appendix 1.

At the July meeting Schools Forum agreed that if the outcome of the consultation was positive that the changes could be implemented from the beginning of the autumn term.

Proposal

It is proposed that Schools Forum notes the very positive outcome of the consultation to the suggested changes, and that due to this result changes to the Inclusion Fund have been implemented and included in the new Provider Agreement sent out to all settings in time for the autumn term (as agreed in July's Schools Forum).

Recommendations

That Schools Forum: -

- Notes the response to the Inclusion Fund Consultation
- Notes the positive outcome of the consultation
- Requests retrospective approval for the changes to the Inclusion Fund
- Notes that all settings in Gateshead have been sent the updated Inclusion Fund as part of the new Provider Agreement

For the following reasons: -

- To update Schools Forum on the outcome of the Inclusion Fund Consultation
- To request retrospective approval of the changes to the Inclusion Fund for implementation for autumn term 2018.

CONTACT: Carole Smith ext. 2747

Appendix 1

Comments received from settings

Q1.

- We do accept that the entitlement be extended to 2 year olds the term after their 2nd Birthday
- Not relevant for our pre school

Q2.

- We do accept that the inclusion fund change in application limit from £200 to £500 for groups of children from £500 to £1,000

Q3.

- We do accept that all applications be fully costed with evidence of the proposed costs
- No, it should be sufficient to tick off areas of cost that are included, as much probably goes to staff costs and doing so would just add to the time staff need to do the paperwork