



GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 14 September 2023 at 2.00 pm (Microsoft Teams)

From the Chief Executive, Sheena Ramsey

Item	Business
1	Apologies
2	Minutes (Pages 3 - 4) The Forum is asked to approve as a correct record the minutes of the last meeting held on 6 July 2023.
3	Quarter 1 DSG Monitoring (Pages 5 - 6) Terence Appleby, Resources and Digital
4	Early Years Supplementary Grant (Pages 7 - 18) Carole Smith, Resources and Digital
5	Mainstream School Funding (Pages 19 - 22) Carole Smith, Resources and Digital
6	Date and Time of Next Meeting Tuesday 14 November 2023 at 2:00pm (via Microsoft Teams).

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Agenda Item 2

GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 6 July 2023

PRESENT:	Peter Largue (Chair)	Trade Union Representative
	Alison Hall	Primary Maintained Schools
	Brendan Robson	Secondary Faith Academies
	Councillor Sheila Gallagher	Elected Member
	Denise Kilner	Nursery Sector Representative
	Julie Goodfellow	Primary Academy Headteacher
	Paul Harris	Primary Headteacher
	Steven Haigh	Secondary Academy Headteacher
IN ATTENDANCE:	Carole Smith	Gateshead Council
	Councillor Gary Haley	Elected Member
	Laura Smith	Gateshead Council
	Kate Lowes	Gateshead Council
	Rosalyn Patterson	Gateshead Council

1 **APOLOGIES**

Apologies for absence received from Andrew Fowler, Dominic Volpe, Jacqui Ridley, Michelle Richards, Sarah Diggle, Terence Appleby.

2 **MINUTES**

The minutes of the meeting held on the 18th May 2023 were agreed as a correct record.

3 **MAINTAINED SCHOOLS BALANCES 2022/23**

The forum received a report providing information on the school balances for 2022/23.

It was reported the school closing balances had decreased by £670k from £8,942 to £8,275.

At the end of the financial year the number of schools in deficit increased to 23. Out of those 23 schools, nine of them had converted to an academy, with a small number of transactions going through after the conversion. All finances were accurate as of March 2023.

The team will continue to provide support to the schools that need it to keep the number of schools in deficit and overall value.

It was noted in the meeting to add a % comparison column on for the surplus and shortfall for the schools in the next financial year.

Resolved – The school forum notes:

- The value of maintained school balances and the in-year decrease of balances by £0.67m to the year-end value of £8.27m.
- The number of schools with a deficit balance at the end of 2022/23.
- The increase in the value of deficit balances at the end of 2022/23.

4 DATE AND TIME OF NEXT MEETING

Thursday 14th September at 2.00pm

Chair.....

Item 3

TITLE OF REPORT: Quarter 1 DSG Monitoring

Purpose of the Report

1. To inform Schools Forum of the projected outturn position of Dedicated Schools Grant (DSG) for 2023/24.

Background

2. The DSG is made up of four funding blocks:
 - The **Early Years (EY) block** for 2 and 3 & 4-year-old funding;
 - **Mainstream Schools block** which includes some centrally held and de-delegated funding;
 - **High Needs block (HNB)** which includes special schools, alternative provision and top-ups to maintained schools and academies; and
 - **Central Services Schools block** which includes central functions carried out on behalf of schools, for example, licences, schools' admissions, pension costs.
3. 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. Details are provided in Appendix 1.
4. The Council-lead DSG budget for 2023/24 is £110.580m.
5. The projected outturn for the year is £109.989m, an underspend of £0.591m. The projections are based on expected activity at the time of preparing the report. The main area of underspend relates to the Early Years Block as actual places are less than estimated.
6. The balance of the DSG reserve at 31 March 2023 was £3.965m. Factoring in the in year underspend of £0.591m and the Early Years clawback for 2022/23 of £0.182m would increase the balance to £4.374m at 31 March 2024.

Proposal

7. That Schools Forum notes the content of the report.

Recommendations

8. That Schools Forum notes the content of the report.
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CONTACT: Terence Appleby x2468

2023/24 DSG Revenue Outturn

DSG Area	Total Approved Budget £'000	Outturn £'000	Variance £'000	Comments/Notes
Maintained Schools Budget Share	74564	74,564	0	
DEDELEGATION				
Contingencies	0	2	2	
Behaviour support services	266	271	5	
Support to UPEG and bilingual learners	205	125	(80)	Change in staffing structure. Recruiting to posts
Staff costs	156	101	(55)	Maternity Credits & TU facilitator costs
HIGH NEEDS BUDGET				
High Needs Budget (including Special Schools, PRU and Additional Support Top-ups)	24,819	24,667	(152)	
EARLY YEARS BUDGET				
2,3 and 4 year-olds funding to PVI's	9,167	8,808	(359)	
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
Contribution to combined budgets	77	78	1	
School admissions	234	227	(7)	
Servicing of schools forums	47	47	0	
Termination of employment costs	313	350	37	Premature Retirement costs
Pupil growth/ Infant class sizes	24	24	0	
Other Items	148	166	0	CLA/ MPA Licences top sliced from DSG for all school licences
Education Welfare service	143	143	0	
Statutory/ Regulatory duties	417	417	0	Includes ESG topslice agreed by Schools Forum
TOTAL DSG	110,580	109,989	(591)	

	£'000	Comments/Notes
Reserves balance at 31 March 2023	(3,965)	
Appropriation from reserve: in year adjustments	182	EY 22/23 clawback
Appropriation (to)/from reserve: in-year (surplus)/deficit	(591)	
Projected reserve balance at 31 March 2024 (surplus) / deficit	(4,374)	

REPORT TO SCHOOLS FORUM

14 September 2023

Item 4

TITLE OF REPORT: Early Years Supplementary Grant

Purpose of the Report

1. To bring to Schools Forum further details on the Department for Education (DfE) announced additional early years supplementary grant (EYSG) and information on Gateshead Councils current consultation with providers of early education and childcare on the allocation of the EYSG. In addition, there is a request to set up an early years funding subgroup of Schools Forum.

Background

2. This report builds on an earlier report brought to Schools Forum in May 2023.
3. The 2023 Spring Budget announced additional funding for the existing early years entitlements for disadvantaged 2-year-old and 3 and 4-year-old children for the 2023 to 2024 and 2024 to 2025 financial years.
4. For the 2023 to 2024 financial year, the DfE will provide additional supplementary funding to local authorities through a new EYSG. This grant will be used to increase the hourly amounts paid to local authorities for early years funding, so that they can increase the amount of funding their early years childcare providers receive for delivering the entitlements for the period **September 2023 to March 2024**.
5. The supplementary funding will provide funding for all existing early years funding streams:
 - 15 hours entitlement for disadvantaged 2-year-olds.
 - 15 hours universal entitlement for 3 and 4-year-olds
 - 15 hours additional entitlement for 3 and 4-year-old children of working parents.
 - maintained nursery schools supplementary funding.
 - early years pupil premium
 - disability access fund

6. For Gateshead this means that funding to the LA will increase from £5.63 per hour to £7.26 per hour for 2-year-olds. This funding rate is for deprived 2-year-olds only.
7. For 3-and-4-year-olds the increase is from £5.00 per hour to £5.20 per hour. The initial funding allocations for the increase in funding will be based on January 2023 early years census data.
8. Early Years, and Early Years Supplementary Grant (EYSG) funding rates

	2023 to 2024 2-year-old funding rate (April to March) (£ per hour)	2023 to 2024 EYSG rate (September to March) (£ per hour)	2023 to 2024 effective combined rate (September to March) (£ per hour)
2-Year-Old Funding	£5.63	£1.63	£7.26
3- & 4-Year- Old Funding	£5.00	£0.20	£5.20
Maintained Nursery Grant	£4.73	£0.27	£5.14
Early Years Pupil Premium	£0.62	£0.04	£0.66
Disability Access Fund	£828.00	£30.92	£858.92

9. Actual funding allocations have not yet been received, but it is understood that LA's will be informed of their allocations early in the Autumn term.
10. From April 2024 eligibility for 15 hours for free entitlement for 2-year-olds will be extended to 2-year-olds of working parents. This will increase to 30 hours from September 2025. Funding for under 2s (term after children reach 9 months) will be implemented from September 2024.
11. There is currently a live Government consultation on the extension of early years entitlements that closes 8.9.2023. The proposals include the extension to the current local funding rules applicable to 3- & 4-year-old funding to the extended 2-year-old funding from April 2024, and under 2 from September 2024.
12. Below is a link to the Government consultation.

[Early years funding - extension of the entitlements - Department for Education - Citizen Space](#)

Proposal

13. That Schools Forum notes:

- The contents of the report, and the copy of the Gateshead Consultation document in appendix 1.
- The outcome of the consultation will be brought to Schools Forum for information.
- An Early Years subgroup of Schools Forum be set up work on a Gateshead 2-year-old and under 2-year-old early years funding formulas to replace the current flat rate paid for deprived 2-year-olds.

Recommendations

14. It is recommended that Schools Forum:

- Notes the contents of this report, and that a further report on the outcome of the Gateshead consultation will be brought to Schools Forum to note.
- Agrees that an early years subgroup of Schools Forum is set up to take forward work on the required 2-year-old and under 2-year-old funding formulas.

For the following reasons:-

- To inform Schools Forum of the increased entitlements to early education and the increase in funding that will be available from September 2023.
- To enable an early years subgroup of Schools Forum to be set up to take forward the formulation of additional early years funding formulas required from April 2024 for 2-year-olds and under 2-year-olds from September 2024.

CONTACT: Carole Smith Ext.2747

Gateshead Metropolitan Borough Council

**EARLY YEARS FUNDING FROM
September 2023**

To March 2024

CONSULTATION PAPER

Closing Date 22 September 2023

INTRODUCTION

This consultation paper is for all 2, 3- and 4-year-old funded providers of early education.

The 2023 Spring Budget announced additional funding for the existing early years entitlements for disadvantaged 2-year-old and 3 and 4-year-old children for the 2023 to 2024 and 2024 to 2025 financial years.

For the 2023 to 2024 financial year, the Department for Education (DfE) will provide additional supplementary funding to local authorities through a new Early Years Supplementary Grant (EYSG). This grant will be used to increase the hourly amounts paid to local authorities for early years funding, so that they can increase the amount of funding their early years childcare providers receive for delivering the entitlements for the period **September 2023 to March 2024**.

The supplementary funding will provide funding for all existing early years funding streams:

15. 15 hours entitlement for disadvantaged 2-year-olds.
16. 15 hours universal entitlement for 3 and 4-year-olds
17. 15 hours additional entitlement for 3 and 4-year-old children of working parents.
18. maintained nursery schools supplementary funding.
19. early years pupil premium
20. disability access fund

For Gateshead this means that funding to the LA will increase from £5.63 per hour to £7.26 per hour for 2-year-olds. This funding rate is for deprived 2-year-olds only. For 3-and-4-year-olds the increase is from £5.00 per hour to £5.20 per hour. The initial funding allocations for the increase in funding will be based on January 2023 early years census data.

Early Years, and Early Years Supplementary Grant (EYSG) funding rates

	2023 to 2024 2-year-old funding rate (April to March) (£ per hour)	2023 to 2024 EYSG rate (September to March) (£ per hour)	2023 to 2024 effective combined rate (September to March) (£ per hour)
2-Year-Old Funding	£5.63	£1.63	£7.26
3- & 4-Year-Old Funding	£5.00	£0.20	£5.20
Maintained Nursery Grant	£4.73	£0.27	£5.14
Early Years Pupil Premium	£0.62	£0.04	£0.66
Disability Access Fund	£828.00	£30.92	£858.92

Actual funding allocations have not yet been received, but it is understood that LA's will be informed of their allocations early in the Autumn term.

From April 2024 eligibility for 15 hours for free entitlement for 2-year-olds will be extended to 2-year-olds of working parents. This will increase to 30 hours from September 2025.

There is currently a live Government consultation on the extension of early years entitlements that closes 8.9.2023. The proposals include the extension to the current local funding rules applicable to 3- & 4-year-old funding to the extended 2-year-old funding from April 2024.

Below is a link to the Government consultation.

[Early years funding - extension of the entitlements - Department for Education - Citizen Space](#)

2-Year-Old Funding

It is anticipated that from April 2024 there will be a requirement for local authorities to have a funding formula for 2-year-olds that conforms to the current regulations and guidance that applies to 3- & 4-year-old funding.

The current funding arrangements for Gateshead providers receiving 2-year-old funding, is that the LA receives £5.63 per hour which is fully passported to providers at £5.63 per hour as a flat base rate.

Under the proposed new arrangements from April 2024:-

- LA's must have a **pass-through rate** of at least 95%, the up to 5% can be retained centrally for central SEND services and eligibility checking.
- The formula must have a **universal base rate**.
- **Supplements** – deprivation is mandatory and in Gateshead for 3- & 4-year-olds we currently have supplements for deprivation and quality.
- **SEN Inclusion Fund** – for children taking up their free entitlements targeted at children with lower and emerging SEND.
- **Contingency funding** – LAs can set aside contingency funding as part of their local budget to help manage fluctuations in take up. Funding to the LA is based on (for 2023/24 financial year), five-twelfths of the January 2023 PTE census numbers (to cover the April 2023 to August 2023 period), and seven-twelfths of the January 2024 PTE census numbers (to cover the September 2023 to March 2024 period), whereas providers are funded for the actual hours of take up.

Funding Rates

- Current funding rate £5.63 per hour
- The deprived funding rate for September 2023 to March 2024 is £7.26 per hour.
- The combined rate from April 2024 to March 2025 is £7.58 for deprived children and children with working parents.

Proposal

For the time period September 2023 to March 2024, given the very short timescale between the announcement of the EYSG rates and the start of the eligible funding period, and that the funding for this period is only for deprived 2-year-olds, it is thought that there would not be sufficient reason or enough time to adequately consult with all settings on a possible formula approach for the allocation of the EYSG.

Therefore, it is proposed that the 2-year-old EYSG be paid as a flat rate top up per hour of £1.63 to all settings in receipt of 2-year-old funding from September 2023 to March 2024.

A 2-year-old formula review will be started in the Autumn Term for implementation from April 2024, and it should be noted that following the implementation of formula for 2-year-old funding the resultant universal base rate plus supplements could be less than the current funding plus the EYSG funding.

3 & 4-Year-Old Funding

The current funding rate to the LA is £5.00 per hour and this will increase to £5.20 per hour including the EYSG. Current funding rates to providers ranges from £4.23 per hour for settings that attract lower value supplements (deprivation and quality) to £5.16 per hour for settings that attract the higher value supplements.

If the EYSG together with current funding was allocated via the current for September 2023 to March 2024 it could result in the below possible increases.

Formula Factors	Current Funding Rates	Possible Increase September 2023 to March 2024 only	Possible Increase
Base Rate (per hour)	£4.18	£4.35	£0.1672
ACORN/ Deprivation funding (weighted hour)	£0.01	£0.01	£0.0003
Quality 1 Qualification level (weighted hour)	£0.60	£0.62	£0.0240
Quality 2 Teachers pay and Pension (per hour)	£0.26	£0.28	£0.0106

This would translate to increased in funding to settings (excluding early years pupil premium, disability access fund and maintained nursery school grant) of £0.169 for settings attracting the lower value of supplements and £0.206 for those settings attracting the higher value supplements.

Proposal

Given the very short timescale between the announcement of the EYSG rates and the start of the eligible funding period, it is thought that there would not be enough time to adequately consult with all settings on a new formula approach.

Therefore, it is proposed that the 3 & 4-year-old EYSG be paid as a top up per hour of between £0.169 to £0.206 per hour to all settings in receipt of 3 & 4-year-old funding from September 2023 to March 2024.

Once funding has been received from the DfE, funding rates to settings may vary slightly depending on the allocation received from the DfE for the EYSG.

Maintained Nursery Grant (MNG)

The EYSG will also include an uplift in the MNG. This will be an hourly rate uplift of £0.27 per hour from £4.73 to £5.14.

Proposal

As this funding only applies to Gateshead's one nursery school it is proposed that this funding is paid as a lump sum to the school as per allocation provided from the DfE.

Early Years Pupil Premium

The 2023 to 2024 rate for EYPP is £0.62 pence per hour per eligible child. Through the EYSG, the DfE will provide an additional £0.04 pence per hour per eligible child to be paid based on EYPP eligibility. This will result in a combined hourly funding rate (September 2023 to March 2024) for EYPP of 66 pence per eligible child.

Proposal

It is proposed that payments of EYPP be increased by £0.04 per hour to £0.66 per hour for eligible children for the universal element of 3 & 4-year-old funding.

Disability Access Funding (DAF)

The current 2023 to 2024 rate for DAF is £828 per eligible child per annum. The DfE will increase the full year equivalent of this to £881, which is an increase of £53. Through the EYSG, the DfE will provide an additional funding of £30.92 per eligible child (equivalent to £53 multiplied by seven twelfths) which will equate to £858.92 for the full financial year.

Proposal

It is proposed that all children that have had a DAF payment for 2023/24 will received an additional amount of £30.92. Newly eligible children will receive £858.92 for the full 2023/24 financial year.

Consultation Response Form

Early Years Supplementary Grant Funding September 2023 to March 2024

The below section must be completed, and only one consultation response will be accepted from each setting.

Return deadline 22 September 2023

Name	
Organisation	
Role	

Q1. Do you accept the proposal to allocate 2-year-old EYSG funding on a flat rate of £1.63 hour from September 2023 to March 2024?	
Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>
Comments	

Q2. Do you accept the proposal to allocate the 3 & 4-year-old EYSG funding on the same formula basis (but just using the EYSG allocation) as the current 3 & 4-year-old formula?	
Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>
Comments	

Q3. Do you accept the payment of 3 & 4-year -old EYSG funding as a separate top up rate to the current 3 & 4-year-old funding allocations?	
Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>
Comments	

Q4. Do you accept the payment of the MNG as a lump sum to Gateshead's nursery school once the allocation is known?	
Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>
Comments	

Q5. Do you accept the increased payment of £0.04 per hour for EYPP?	
Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>
Comments	

Q6. Do you accept the payment of an additional amount of DAF funding of £30.92 for the period September 2023 to March 2024?	
Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>
Comments	

Any Other Comments/Feedback/Suggestions

Please return to
 Carole Smith **by email:** carolesmith@gateshead.gov.uk

By Friday 22 September 2023

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Item 5

TITLE OF REPORT: School Funding Update

Purpose of the Report

1. To update Schools Forum on the funding announcements updated by the Department for Education (DfE) in July 2023.

Background

2. The funding announcements by the DfE July 2023 provide the direction of travel for Gateshead's dedicated schools grant (DSG) funding for the financial year 2024/25. This is indicative funding and the actual allocations for the schools block and the central school services block will be confirmed December 2023, together with an update on the high needs block and the early years block which will both be subject to further adjustments.

Mainstream Schools

3. The DfE are rolling in the mainstream school additional grant (MSAG) that schools received for 2023/24 into the mainstream NFF. The exact amount of funding into the different funding factors has not been provided, however from a review of the increase in factor values, the MSAG funding has been added to the basic entitlements, deprivation based on free school meal ever 6 (FSM6) numbers and the lump sum. Excluding the MSAG, the DfE have stated that they have also increased core funding factors by 2.4%.

- The PFI factor will increase in line with RPIX measure of inflation approx. 10.4%.
- The funding floor is set at 0.5%
- MFG for mainstream schools will be between 0.0% and +0.5%

4. Provisional Allocation for Gateshead:

- Primary unit of funding increased from £4,950 to £5,279.
- Secondary unit of funding increased from £6,249 to £6,680.
- Premises factors increased from £4,561,314 to £5,239,254.
- Provisional allocation increased from £135,116,226 to £144,568,580 excluding growth and falling rolls funding but including the mainstreamed MSGA funding. This funding will not include the new grant for teachers pay.
- All formula factors will have to be used by local authorities and Gateshead's current formula "mirrors" the NFF and as such will not need to be substantially changed.

Growth and Falling Rolls Funding

5. The DfE have issued the Growth and Falling Roles Funding Estimate spreadsheet to help LA's to estimate the additional funding they will receive in the December 2023 DSG settlement. This is the first time that Falling Rolls funding has been part of the schools block funding. To use this tool, the September 2023 admission numbers are requested for reception and year 7 for all Gateshead mainstream schools under the LA's funding arrangements. These were added to the October 2022 school census information, year 6 and year 11 data were removed.
6. This work will be undertaken once the admissions information is known.

High Needs Block

7. Headlines to note:
 - A 5% increase in funding for Gateshead
 - The basic entitlement factor to £4,660 for special schools is the same as 2023/24
8. Provisional allocation for Gateshead:
 - Based on 2024/25 HNB after import/export adjustment the HNB will increase from £33,336,546 to £ 36,203,373 which the DfE have calculated as a 5% increase.

Central Schools Services Block

9. Funding for historic commitments will decrease again by 20% but LA's with costs above their allocation can provide evidence for consideration to the DfE. To reflect any additional funding in the December DSG allocation, evidence is requested by Friday 27 October 2023; and to reflect this in the March DSG publication, evidence is requested by Friday 2 February 2024. No evidence can be submitted after this date.
10. The maximum per pupil year on year reduction for ongoing responsibilities is 2.5% with a year-on-year gains cap of 5.5%.
11. Provisional Allocation for Gateshead
 - The provisional unit of funding is £39.30.
 - Historic commitments reduced by £78,073 from £390,349 to £312,279.
 - Overall reduction in CSSB of £44,016 from £1,294,874 to £1,250,858.

Early Years

12. The Early Years block has not been fully announced for 2024/25. The DfE have stated that there will be an increase in early years funding for 2024/25, however 3- & 4-year-old funding values have not been announced, and only indicative 2 year old funding allocations have been published, which could be subject to change following the current DfE consultation on early years funding which was subject to an earlier report.

Proposal

13. 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

14. 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 Ext. 2747

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