



GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 9 November 2023 at 2.00 pm (Microsoft Teams)

From the Chief Executive, Sheena Ramsey

Item Business

1 Apologies

2 Minutes (Pages 3 - 6)

The Forum is asked to approve as a correct record the minutes of the last meeting held on 14th September 2023.

3 Dedicated School Grant Monitoring - Quarter 2 (Pages 7 - 8)

Terence Appleby, Resources and Digital

4 Early Years Supplementary Grant Consultation Outcome (Pages 9 - 16)

Carole Smith, Resources and Digital

5 Mainstream School Funding (Pages 17 - 18)

Carole Smith, Resources and Digital

6 Date and Time of Next Meeting

Thursday 7th December 2023 at 2pm via Microsoft Teams

Contact: Kate Lowes, Tel: 0191 433 4244,

Email: democraticservicesteam@gateshead.gov.uk, Date: Thursday, 2 November 2023

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 14 September 2023

PRESENT:	Sarah Diggle (Vice Chair)	Secondary Maintained Governors
	Alison Hall	Primary Maintained Schools
	Councillor Sheila Gallagher	Elected Member
	Julie Goodfellow	Primary Academy Headteacher
	Steven Haigh	Secondary Academy Headteacher
	Christina Jones	Pupil Referral Unit
	Denise Kilner	Maintained Nursery Representative
	Mustafaa Malik	Primary Maintained Schools
	Ethel Mills	PVI Sector Representative
	Michelle Richards	Special Schools Rep
	Jacqui Ridley	Maintained Primary Governors
	Brendan Robson	Secondary Faith Academies
Dominic Volpe	Maintained Secondary Headteachers	
IN ATTENDANCE:	Terence Appleby	Gateshead Council
	Suzanne Dunn	Gateshead Council
	Barry Greenfell	Gateshead Council
	Councillor Gary Haley	Elected Member
	Kate Lowes	Gateshead Council
	Carole Smith	Gateshead Council

12 APOLOGIES

Apologies for absence received from Peter Largue.

13 MINUTES

The minutes of the meeting held on the 6th July 2023 were agreed as a correct record.

14 QUARTER 1 DSG MONITORING

The Forum received a report on Quarter 1's Dedicated Schools Grant (DSG) projected outturn position for 2023/24.

The Council's budget for 2023/24 is £110.580m, with a projected outturn for the year of £109.989m with an underspend of £0.591m. The main underspend is due to the Early Years block.

The reserves balance is £3.965m as of 31st March 2023, factoring in the current year underspend and Early Years clawback, the balance at the end of 31st March

2024 is projected to be £4.374m.

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

15 EARLY YEARS SUPPLEMENTARY GRANT

A report was brought to the Schools Forum with further details on the Early Years Supplementary Grant.

The 2023 Spring budget announced there will be additional funding for the existing early years entitlements for disadvantaged 2-year-olds, 3- and 4-year-old children.

The Local Authority will receive an increased rate of £7.26 per hour to from £5.63 per hour for 2- year-olds. The rate will increase from £5.00 per hour to £5.20 per hour for 3- and 4- year-olds. The rates will be based on the January 2023 early years census data.

The funding has not yet been received yet.

The Local Authority has consulted with all providers on the proposals for the distribution of the additional funding, and although due to time constraints school forum did not have to be consulted, the responses to the consultation will be brought to the School Forum.

It was discussed that a sub-group will be needed to work on the new Early Years Formula from April 2023 and volunteers were requested.

RESOLVED - i) That Schools Forum noted the report.

- ii) It was agreed the sub-group to be set up to work on the Early Years formula, with 3 volunteers from Schools Forum putting their names forward.

16 SCHOOL FUNDING

A report was presented to the School Forum on the update of Funding by the Department of Education (DfE) in July 2023.

For the Schools Block, the DfE have stated they have increased the funding by 2.4% this excludes the mainstreaming of the mainstream school's additional grant (MSGGA) into 2024/25 schools block funding. It has also been stated;

- 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%

The DfE provisional allocation for Gateshead is:

- 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.

High needs block has been increased by 5% from £33,336,546 to £36,203,373. Central Schools Service block has decreased by 20%. The per pupil year on year reduction is 2.5%, with a year-on-year gain of 5.5%.

The Early Yards block funding has yet to be announced for 2024/25, however, the DfE have stated there will be an increase in funding, but this has not been officially announced for 3 & 4year-olds and only indicative funding for 2-year-olds allocations, which are subject to change.

RESOLVED – The School Forum notes the report.

17 DATE AND TIME OF NEXT MEETING

Tuesday 9th November 2023 at 2:00pm via Microsoft Teams.

Chair.....

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Item 3

TITLE OF REPORT: Quarter 2 DSG Monitoring

Purpose of the Report

1. To inform Schools Forum of the projected outturn position, as at the end of quarter 2, 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 £110.997m, an overspend of £0.417m. The projections are based on expected activity at the time of preparing the report. The main areas of variance are:
 - +£907k top ups for maintained and academy schools
 - +£310k SEN Support Services
 - -£157k alternative provision
 - -£173k Support for Inclusion
 - -£360k 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 overspend of £0.417m and the Early Years clawback for 2022/23 of £0.182m would decrease the balance to £3.366m 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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2023/24 DSG Revenue Outturn as at quarter 2

DSG Area	Total Approved Budget £'000	Outturn £'000	Variance £'000	Comments/Notes
Maintained Schools Budget Share	74,564	74,564	0	
DEDELEGATION				
Contingencies	0	2	2	
Behaviour support services	266	280	14	
Support to UPEG and bilingual learners	205	127	(78)	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	25,671	852	
EARLY YEARS BUDGET				
2,3 and 4 year-olds funding to PVI's	9,167	8,807	(360)	
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
Contribution to combined budgets	77	78	1	
School admissions	234	225	(9)	
Servicing of schools forums	47	47	0	
Termination of employment costs	313	345	32	Premature Retirement costs
Pupil growth/ Infant class sizes	24	24	0	
Other Items	148	166	18	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	110,997	417	

	£'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	417	
Projected reserve balance at 31 March 2024 (surplus) / deficit	(3,366)	

REPORT TO SCHOOLS FORUM

9 November 2023

Item 4

TITLE OF REPORT: Early Years Supplementary Funding September 2023 to March 2024.

Purpose of the Report

To bring to Schools Forum the outcome of the Early Years consultation on the allocation of the Early Years Supplementary Grant (EYSG).

Background

This report builds on earlier reports brought to Schools Forum in May and September 2023.

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 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 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

The consultation proposed the following funding allocations:-

- 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
- 3-&-4 year old base rate top up of £0.1672
- ACORN/deprivation funding (weighted hour) £0.0003
- Quality 1 (weighted hour) £0.024
- Quality 2 £0.0106
- Maintained Nursery Grant (MNG) increase of £0.27 per hour

The consultation was sent out to all settings 18 August 2022 with a response date of 22 September 2023. In total 24 responses were received with the vast majority of responses being supportive of the proposals. The detail of the responses are in appendix 1 and any comments received by settings are in appendix 2.

The funding allocation for the ETSG of £578,164 has been received from the DfE.

Proposal

It is proposed that Schools Forum notes the contents of the report, and that the proposals for the allocation of the EYSG was approved by Children's Social Care and Life Long Learning, Group Management Team on 12 October 2023 for payment to settings.

Recommendations

Schools Forum notes the report.

For the following reasons:-

- To inform Schools Forum of the increased funding for early years education and the increase in funding that will be allocated from September 2023 to March 2024.

CONTACT: Carole Smith Ext.274

Appendix 1

Summary of Provider responses

	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?			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?			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?			Q4. Do you accept the payment of the MNG as a lump sum to Gateshead's nursery school once the allocation is known?			Q5. Do you accept the increased payment of £0.04 per hour for EYPP?			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	Don't Know	No	Yes	Don't Know	No	Yes	Don't Know	No	Yes	Don't Know	No	Yes	Don't Know	No	Yes	Don't Know	No
Setting 1	X			X			X			X			X			X		
Setting 2	X			X			X			X			X			X		
Setting 3		X			X		X				X		X			X		
Setting 4	X				X			X			X			X			X	
Setting 5	X			X			X			X						X		
Setting 6	X			X			X			X			X			X		
Setting 7	X			X			X			X			X			X		
Setting 8	X			X						X			X			X		
Setting 9	X			X			X			X			X			X		
Setting 10	X			X			X				X		X			X		
Setting 11	X			X			X			X			X			X		
Setting 12	X			X			X			X			X			X		
Setting 13	X			X			X			X			X			X		
Setting 14	X			X			X			X			X			X		
Setting 15	X			X			X			X			X			X		
Setting 16	X			X			X			X			X			X		
Setting 17		X				X	X				X		X			X		
Setting 18	X			X				X		X			X			X		
Setting 19	X			X			X			X			X			X		
Setting 20	X				X											X		
Setting 21	X			X			X			X			X			X		
Setting 22			X			X			X		X				X		X	
Setting 23	X			X			X			X			X			X		
Setting 24	X			X			X						X			X		
Totals	21	2	0	19	3	2	19	2	1	17	5	0	20	1	1	22	2	0
Percentage	87.50%	8.33%	0.00%	79.17%	12.50%	8.33%	79.17%	8.33%	4.17%	70.83%	20.83%	0.00%	83.33%	4.17%	4.17%	91.67%	8.33%	0.00%

Appendix 2

Summary of Provider Comments

Setting	Question	Comment
Setting 1	Any other comments feedback	Given the short notice and timescales, I believe that the council is attempting to implement a sensible approach to support children across the settings.
Setting 3	Q1	Don't really understand the question We support an increase in the funding amount allocated for 2 year olds
	Q2	Not sure of the question We support the increase in funding amount suggested
	Q4	I do not think the MNG applies to our setting
Setting 4	Any other comments feedback	We only have a small setting with two year olds. We don't have 3yrs+ children nor do we claim any other funding so I can only comment on 2 year olds.
Setting 6	Any other comments feedback	All the boxes are ticked yes
Setting 7	Any other comments feedback	Thanks for all the information
Setting 20	Q1	I feel the flat rate for all is fair. It seems that this rate is paid across different LA's. All PVI's providing full day care provide a level of care that is deemed by Ofsted to be at least good in order to get funding and are constrained by the same ratios etc
	Q2	I feel the funding formula overlooks experience. In effect by employing a teacher at a higher rate of pay even with no experience I would receive a higher funding rate. I would also need less staff in the room so in effect the children may receive in the formula's opinion a higher qualification of team member leading the room they would physically receive less attention due to a higher ratio being adopted. This also takes no account of experience, in my experience a newly qualified staff member for all maybe holding a degree does not have the wealth of knowledge that working with children provides over the years.
	Q3	As above I feel that the gap between the lowest level of funding and highest is disgusting. We all provide nursery education and I feel that the level of education we provide

		is as good if not exceeds some setting with more qualified staff.
	Q6	DAF funding benefits the access to provision for all children with needs.
	Any other comments feedback	<p>I feel the quality portion of the formula needs urgent review! I feel that the 12% for all the LA according to guidance can take this and I almost agree with 5% is terrible and I feel that this extra 7% that is not being passed through to some setting needs to be quantified as to where this extra spend is going as it's not to settings. The administration side of the grant from our end takes so much time and if this is to be rolled out for the majority of children needs addressing with a matter of urgency. I feel that we have had NO information from Gateshead re the proposals and parents are requesting clarification which we cannot give. I think consideration re the grant needs to be given as to how payments will be made as for some nurseries the impact this will have on cash flow is substantial. I would also advocate using the word 'funded' rather than 'free' as this is confusing for parents especially as the hours are term time only. I think if funding is to be delivered at the current rates we currently make a loss of just under £10 per child per day due to our funding being around £43 and our charge out rate being £53. This is massive. If the same type of loss is applied to all of our children this is not sustainable and will ultimately mean in some nurseries closing and the demand for childcare outstripping supply. We are dictated by Ofsted to how many staff we need for the amount of children we have, we are then dictated to by the government in relation to how much we have to pay the team we are not going to be further restricted by the government by how much the LA will pass over of the funding as you keep between 5% and 12% depending on your quality supplement and the postcode of the children attending the setting. Are all children not entitled to quality education and all nurseries who are Ofsted good entitled to a fair funding rate? The formula used and the factors applied is the LA's decision and if you still want plenty nurseries to oversee this needs to be considered wisely as some may not survive which will have a detrimental effect on the children of Gateshead.</p>

Setting 22	Q1	An increase of 1.63 represents a 29% rise, which falls slightly below the current average increase of 33% seen in other local authorities. This discrepancy makes the task of supporting some of the most deprived children within the UK more challenging, primarily due to the lower funding rate. Consequently, it would necessitate parents contributing towards consumables in order to provide a satisfactory service for families. However, attempting to implement such cost-sharing measures in an economically disadvantaged area would render the business unsustainable.
	Q2	At 5.20 per hour, the funding rate is the lowest across England. As mentioned previously, this would necessitate passing on additional costs to parents in order to maintain high-quality childcare services in the area. However, as noted before, implementing such cost increases in an economically disadvantaged area renders the business financially unsustainable. Consequently, providers are compelled to explore other regions with more favourable funding rates.
	Q3	Gateshead's delayed response, in contrast to other local authorities, regarding the funding rate has posed significant challenges in terms of business planning. Consequently, financial planning for the sites has been a complex task, requiring them to reserve spaces while awaiting the new funding rate to ensure the continued viability of the business.
	Q4	We are not affected by MNG.
	Q5	A mere addition of 4p per hour to aid deprived children falls significantly short of what is needed. This increase represents only a 6.45% rise, which is lower than the inflation rate of 7.3% as of June 2023. Consequently, it remains challenging to support families in deprived areas without imposing additional costs on them, ultimately rendering the nurseries unaffordable and, as a result, financially unsustainable.
	Q6	DAF impacts a relatively small number of children, so the increase has a limited effect on nurseries. A 30.92 increase translates to just an additional 2.57 per month for the fiscal year 23/22. However, given the 7.3% rise in inflation, this modest 3.73% increase does not adequately compensate for the growing shortfall.

	Any other comments feedback	<p>Assessing the viability of nursery sites in Gateshead has proven challenging due to the lack of information regarding funding. Consequently, determining the future of these sites in the Gateshead area has been problematic. When compared to other local authorities, proposed rates would render the businesses unsustainable without passing on additional costs to parents, which, given the area's deprivation status, becomes a burdensome challenge, rendering the businesses unfeasible. Ensuring quality education for all children in the region while supporting local families has become an challenging task with the current funding levels. Gateshead lags behind the national average, with a mere 29% increase in rates for 2-year-olds, falling short by 4% when compared to the national average increase of 33%. Furthermore, considering that other areas of funding are also failing to keep up with the inflation rate, the future of our Gateshead service is now at risk.</p>
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REPORT TO SCHOOLS FORUM

7 November 2023

Item 5

TITLE OF REPORT: School Funding Update October 2023

Purpose of the Report

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

Background

2. The Department first published the 2024-25 national funding formula (NFF) initial allocations in July 2023. Following the discovery of a technical error made by DfE officials during the initial calculations, an update was made to the schools NFF in October 2023.
3. The technical error was due to incorrect processing of pupil numbers in the initial calculations. This error meant that the overall cost of the schools NFF was underestimated, and incorrect factor values were published in July. The DfE update contains the new, corrected, factor values.
4. No other changes have been made to the structure of the NFF, or the rules governing the local formulae, since July. The total amount of funding in the core schools budget (which includes funding through the schools NFF, high needs NFF, and CSSB) will remain the same as initially announced for 2024-25, and the high needs NFF and central school services block (CSSB) are unaffected by the update.

Mainstream Schools

5. The DfE stated that they intended to increase core funding factors by 2.4%, this has now decreased in total 1.9%, and some areas have only increased by 1.4%.
6. Allocations for Gateshead:

Mainstream Funding	July Announcement	October Announcement	Difference in funding
Primary Unit of Funding (per pupil)	£5,279	£5,231	-£48
Secondary Unity of Funding (per pupil)	£6,680	£6,617	-£63
Premises Factors	£5,239,254	£5,239,254	£0
Provisional Allocation	£144,568,580	£143,297,152	-£1,271,428

Proposal

7. 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

8. 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