

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.

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DATE AND TIME OF NEXT MEETING

27 September 2018 at 2.00 pm