

TITLE OF REPORT: River Tyne Fixed Costs Review

Purpose of the Report

1. To bring to Schools Forum attention, the need for a Fixed Cost Formula review for River Tyne Academy (RTA) fixed costs following their reduction in size from 3 sites to 2.

Background

2. The current fixed costs for RTA have been in existence since 2013/14 when the Pupil Referral Unit became a school and was no longer part of EducationGateshead. The school had two sites Millway and Heworth Hall. The fixed costs were then updated when the third site of Ravensworth Terrace was handed over to the school. The fixed costs were based on a contribution toward the running costs, leadership, caretakers and admin costs. RTA now no longer uses the Heworth Hall site, the fixed costs therefore need to be reduced to reflect the use of just 2 sites. The Council does not have any up to date actual spend figures and the old fixed costs for Millway and Heworth Hall were not desegregated.
3. RTA have provided some updated figures for the 3 sites and staffing costs.

Proposal

4. That a Schools Forum sub-group is formed to look at a fair and transparent fixed cost allocation/formula for RTA as soon as possible in order to start a review. Due to the timing, it is also proposed that an interim arrangement be put in place for the payment of fixed costs to enable the trust to forecast their budget and understand their cashflow and for any agreed new formula to be implemented retrospectively.

Recommendations

5. That Schools Forum agrees to the forming of a Schools Forum sub-group to undertake a formula review of RTA's fixed costs and that interim arrangements can be put in place until the new fixed costs are agreed and approved by Schools Forum.

For the following reasons: -

- To enable RTA fixed costs to be reviewed
- To enable RTA to have stability of funding