



North Tyneside Council

North Tyneside Council

SCHOOLS FORUM

Thursday 1 October 2020 - 12:30 – 14:30

The meeting will be held virtually and will be live streamed at the following link: <https://youtu.be/B2SAqfZr17M>

AGENDA

1.	Apologies for Absence	Chair
2.	Attendance Register/ Membership	Chair
3.	Virtual Public Meeting / Observers (*)	Chair
4.	Declaration of Interest	Chair
5.	Minutes of the last meeting	Pages 5-15 Chair
6.	Matters Arising:	Verbal Update
6.1	Finance Update	Reports Circulated
	a) National Funding Formula – Local Funding Formula update.	Pages 17-25
	b) Schools in Financial Difficulty	Pages 27-33
7.	Any Other Business	
8.	Date of Next Meeting – Wednesday, 11 th November 2020	Chair

North Tyneside Council Schools Forum,
Financial Services, Quadrant, The Silverlink North, Cobalt Business Park,
North Tyneside, NE27 0BY. Tel: (0191) 643 5991

North Tyneside Schools Forum Member Roles & Voting								<i>last updated September 2019</i>	
de-delegation Primary	de-delegation Secondary	scheme for financing schools	consultation on funding formula	General Duties	Retained Duties	all other matters			
1	2	3	4	5	6	7			
Voting							Phase	Role	
School Members									
x		x	x	x	x	x	First	Head	
x		x	x	x	x	x	Primary	Head	
	x	x	x	x	x	x	High	Head	
	x	x	x	x	x	x	Middle	Head	
	x	x	x	x	x	x	Secondary	Head	
Other School Members Non Locality Based									
x		x	x	x	x	x	Primary/ First	Governor	
	x	x	x	x	x	x	Secondary/Middle	Governor	
		x	x	x	x	x	Nursery	Head	
		x	x	x	x	x	PRU	Head	
		x	x	x	x	x	Special	Head	
			x		x	x	Academy	Other	
Non Schools Members Non Locality Based									
		x	x			x	16-19 Providers	Other	
			x			x	EY PVI	Other	
						x	C of E Diocese	Other	
						x	RC Diocese	Other	
						x	Trades Union	Other	

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Timetable & Forward Plan 2020/21

Date	Activity	Responsible
8 September	<u>Schools Forum Meeting</u> 1. To include appointment of Chair and Vice Chair 2. Review of the Constitution and supporting documents	Schools Forum
1 October	School Census Day	DFE/ESFA
11 October	Application for submitting disapplication requests	Local Authority
11 November	<u>Schools Forum Meeting</u>	Schools Forum
20 November	Deadline for submitting disapplication requests	Local Authority
28 November	Deadline for submitting disapplication requests if wish to move more than 5% of the Schools block	Local Authority
November	School census database closed. Checks and validation commences	DFE/ESFA
13 January	<u>Schools Forum Meeting</u>	Schools Forum
20 January	Submit final proposals re APT	Local Authority
21 January	Deadline for submissions of final 2021 to 2022 APT to ESFA	Local Authority
1 February	Cabinet Meeting for approval of 21/22 Schools Funding	Local Authority
22 February	Cabinet Meeting	Local Authority
26 February	Deadline for confirmation of Schools budget shares to mainstream maintained schools.	DFE/ESFA
10 March	<u>Schools Forum Meeting</u> 1. Capital Investment Plan (subject to DFE announcement) 2. Scheme for Financing Schools – Annual Update (and review if required)	Schools Forum
6 April	Cabinet Meeting	Local Authority
7 July	<u>Schools Forum Meeting</u> 1. Service Manager Reports/ Updates 2. Responsibilities for Redundancy & Early Retirement Costs – Annual Update	Schools Forum



North Tyneside Council

Minutes

Meeting Schools Forum **Date** Tuesday 8 September 2020

Location Via Microsoft Teams

✓ Present D Deputy A Apologies O Absent
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Present

Name	Organisation	Representing	11.03.20	08.09.20
Andrew James	St Aidan's Primary	Primary	✓	✓
Angi Gibson	Hadrian Park Primary	Primary	A	✓
Candida Mellor / Claire MacLeod	Trade Unions	Trade Unions	Claire MacLeod	Claire MacLeod
David Baldwin	Churchill Community College	Secondary	✓	✓
David Bavaird	Norham High School	Governor - Secondary	✓	✓
David Watson	St Thomas More	RC Schools	✓	✓
Gavin Storey	Cullercoats Primary	Primary	✓	✓
Jill Wraith	Benton Dene Primary	Primary	Judith Driver	✓
Jim Coltman	Diocese	C of E Diocese	✓	A
Joanne Thompson	Holystone Out of School	Early Years PVI	✓	✓
John Croft	Sir James Knott	Nursery	A	✓
John Newport	Marden Bridge Middle School	Middle	✓	✓
Karen Croskery	North Tyneside Student Support Service	PRU	✓	✓
Kelly Holbrook	Longbenton High School	Secondary	N/A	✓
Kerry Lillico	Grasmere Academy	Academy	A	✓
Laura Baggett	Monkhouse Primary	Primary	✓	✓
Marie Flatman / Mo Dixon	Tyne Met	16-19 Provider	Chris Wall	Mo Dixon
Matt Snape	Marden High School	Secondary	✓	✓
Michael Young	Spring Gardens Primary	Primary	✓	✓
Paul Mitchell	Whitley Bay High School	Governor – Secondary	A	✓
Peter Gannon	Silverdale School	Special	✓	✓
Peter Thorp	Redesdale Primary	Governor - Primary	O	✓
Philip Sanderson	Kings Priory	Academy	✓	✓
Sharron Colpitts- Elliott	Rockcliffe First School	Primary	✓	✓
Stephen Baines	Holystone Primary	Primary	✓	✓
Stephen Easton	Marine Park First School	First	✓	✓
Steve Wilson	Whitley Bay High School	High	✓	✓
<u>In Attendance:</u>				
Mark Longstaff	Head of Commissioning & Asset Management	NTC	✓	✓
Claire Emmerson	Senior Manager - Finance Strategy & Planning	NTC	✓	✓
Noel Kay	Senior Business Partner, Finance	NTC	✓	✓
Diane Thompson	Finance	ENGIE	✓	O

Christina Ponting	Senior Manager - Schools HR	ENGIE/NTC	✓	✓
Mary Nergaard	PA to Head of Commissioning & Asset Management	NTC	✓	✓
Diane Buckle	Assistant Director of Education	NTC	✓	N/A
Mark Taylor	Strategic Commissioning Manager	NTC	✓	✓
Kevin Burns	Senior School Improvement Officer (Vulnerable Learners)	NTC	N/A	✓
Mark Mirfin	Senior Manager (SEND)	NTC	N/A	✓

Item		Action
1.	Apologies for Absence	
	See Table above. The Chair welcomed everyone to the Schools Forum.	
2.	Attendance Register / Membership	
	<ul style="list-style-type: none"> No current vacancies Paul Quinn has now retired and will be replaced by Kelly Holbrook. Paul Mitchell is the new Secondary Governor representative Gavin Storey has been re-elected for his locality 	
3.	Public Meeting / Observers	
	The Chair welcomed the public to the meeting	
4.	Declaration of Interest	
	Item 6.3 - Stephen Baines, Kerry Lillico, Jill Wraith	
5.	Minutes of the last meeting of 11 March 2020	
	Minutes agreed as an accurate record of the meeting.	
6.	Matters Arising	
6a.	Page 2, Item 6 – Matters Arising: Outstanding EYSIS Report <ul style="list-style-type: none"> Report circulated 	
6b.	Page 4, Item 6.2 – Special Leave SLA: Update on maternity / union SLA <ul style="list-style-type: none"> Information was sent to Schools separately 83% distributed Shortfall in funding discussed. Slightly lower than expected for this year ACTION: Separate report to be sent to Forum members when August data is available. 	CP
6c.	Page 5, Item 6.3 - Update from Sub-Group - High Needs: Update on ARPs that are not full <ul style="list-style-type: none"> Updated to be provided under Item 6.4 	
6.1	Annual Review of Schools Forum Constitution	
	a) Election of Chair <ul style="list-style-type: none"> Nominations were requested. It was noted that the existing Chair is available to continue until 31 December and is willing to stay on until that date. 	Christina Ponting

	<ul style="list-style-type: none"> • Forum agreed and David Baldwin was re-elected as Chair of Schools Forum until 31 December, at which time a new Chair will be elected. <p>b) Election of Vice Chair Christina Ponting</p> <ul style="list-style-type: none"> • Peter Gannon was re-elected as Vice Chair of Schools Forum <p>c) Declarations of Interest – All Members David Baldwin</p> <ul style="list-style-type: none"> • None <p>d) Members Attendance Christina Ponting</p> <ul style="list-style-type: none"> • As noted in Item 2 <p>e) Notification to all Schools / Governors Membership Christina Ponting</p> <ul style="list-style-type: none"> • Annually and as changes occur a notification will be sent to all Schools including vacancies. <p>f) Action Plan / Self-Assessment Christina Ponting</p> <ul style="list-style-type: none"> • Last action plan was concluded in November • CP recommended that Forum wait for new Schools Forum guidance before reviewing the action plan • Guidance expected before November meeting. 	
6.2	Finance Update	
	<p>a) National Funding Formula Update Claire Emmerson</p> <p>CE talked through the presentation. Main points to note as follows:</p> <ul style="list-style-type: none"> • Changes to Schools Block Funding for 2021/22 discussed. Notional ISB based on Oct 19 census. 2021/22 allocations will be based on October 2020 census • Basic entitlement increased by £180 (primary) and £265 (secondary) • Free School Meal factor increased by 2.2% (inflationary increase only) • Premises costs static • IDACI factor will use 2019 data instead of 2015 • Small rural schools to see an increase in the max allocation for sparsity - £45k (primary) and £70k (secondary) • No change to Area Cost Adjustment • Still no move to a hard NFF so the LA can still set their own funding formula. Although, most LAs are now moving towards the NFF • Min per pupil funding rates shown on screen • Funding floor set at 2%. Only relates to pupil led elements • LFF modelling for consultation discussed. 3 models produced • No figures as yet as want to take this through the finance sub-group • Next steps discussed <p>Discussion followed around:</p> <ul style="list-style-type: none"> • DB asked for clarification on who makes the decision on the funding formula. CE confirmed that it is the LAs decision, however, Schools have always been consulted and Forum provides a recommendation which the LA then considers prior to making its final decision. 	

	<ul style="list-style-type: none"> • CE noted that she would welcome the sub-group's views. Forum agreed that the sub-group should look at the modelling and bring recommendations back to Schools Forum before going out to consultation. • CE proposed a further meeting of Schools Forum in October to review the sub-group recommendations. Forum agreed. • <u>ACTION:</u> CE to look at dates • DB reminded members that they can join the sub-group 	CE
	<p>b) Outturn Balances Claire Emmerson</p> <p>CE talked through the briefing paper. Main points to note as follows:</p> <ul style="list-style-type: none"> • Accounts currently being audited by the external auditor. Hoping to complete by end of October, and Audit Committee meeting mid November. • There is a requirement to report on the position of Dedicated Schools Grant • 2018/19 ended with a £0.747m surplus. 2019/20 ended with a deficit of - £3.262m • High Needs Block – 2018/19 deficit of £0.920m was carried forward to 2019/20 resulting in an overall deficit of £4.545m. DSG funding has increased by £3.006m. Pressures in SEND discussed. • CE confirmed that additional funding has been received for High Needs. As of January, LAs can no longer support the deficit and this has to be done from the Dedicated Schools Grant. The DfE announced that LAs should still have a recovery plan and can work with the DfE where necessary but they won't need to submit that plan to the DfE. Up until the spending review is completed which is expected in late Autumn. • Early years – surplus of £0.882m in 2018/19 • Schools and Central Block <ul style="list-style-type: none"> ○ Falling Roll - Estimated balance of £0.171m of which £0.121m will be transferred to Headroom leaving a balance of £0.050m ○ Schools in Financial Difficulty – Estimated balance of £0.573m. Minus the MASH contribution of £0.020m and Headroom applications of £0.167m (subject to Schools Forum Approval) the final balance is estimated at £0.386m ○ Other Schools and Central Block Items - This balance will be brought forward to address some of the 2019/20 business rates commitments in relation to the new build schools and additional revaluations in 2020/21. ○ Central items totalling £2.343m were applied for their agreed purpose • Schools Balance – overall balances at the end of March 2020 was £0.165m. This represents a reduction of £1.435m and is the fifth year of decreasing balances following a long-term trend of rising balances to 2014/15. The national results of the Consistent Financial Reporting (CFR) exercise will be available in the autumn and will allow the Authority to see if North Tyneside Schools' balances remain lower than the national average. • Chart 1 shows the movement in balances over the last 20 years. It is likely that balances will move into deficit in 2020/21. • Table 3 shows an analysis of school balances at March 2020 by phase. Nursery, first primary and middle all ended in positive with secondary in deficit. 	

- Schools have completed the budget planning process and submitted their plans. A summary of planned school balances over the next three years by phase was shown in table 4. Whilst the planned school balances look bleak, past experience shows that this will improve.
- DB asked for clarification that schools will find it harder to stay out of deficit. CE confirmed that there is still a downward trend, past experience shows that the final position will be better than predictions show.
- SW noted that we can't assume that the improvements made in previous years will be achievable this year following the impact of Covid
- CE agreed that it is difficult to quantify the impact of Covid
- DB noted that Forum members need to look at their own situation and make contact with government on behalf of their constituents
- **ACTION: DB to work with CE to put out a statement to Government on behalf of Forum.**
- DBa requested that all schools receive a copy of the letter and suggested that the letter is copied to local political leaders including the North of Tyne Combined Authority
- DB reminded all Forum members that they also need to act individually
- PM noted that they have written to the Secretary of State setting out estimated figures including estimates of costs incurred as a result of Covid-19.
- School requesting deficit approvals were discussed as follows:
 - 3 schools now out of deficit. DB issued praise to the schools and governors for the work they have done and thanked the LA for their support
 - 6 schools in deficit
 - 3 new schools now in deficit, relatively small at this point in time
 - 2 schools in structural deficit. Work is ongoing with these schools.
- PM noted that a large proportion of the deficit is linked to 3 schools. CE noted that we have a Scheme for Financing Schools and a Support and Challenge Framework. Schools previously had up to 5 years to come back into a cumulative financial balance however a revised scheme which was introduced in April 2019 reduced this to a maximum of 3 years. For those schools that are new to deficit, this shows that this scheme is working well. The LA is working closely with the 3 schools in the largest deficit which have a different set of circumstances linked to things like pupil numbers.
- PM asked the role of schools forum in monitoring this information. CE noted that this information is reported in many forums but it is the responsibility of the school and their governing body to manage the budgets. Schools are not answerable to Schools forum in that way.
- JW noted that the LA is both challenging and supportive of schools in deficit and that they are very fortunate to have this support. Thanks was issued to the team
- AJ noted that the system works really well when the school is not in a structural deficit.
- In year monitoring has now commenced
- Schools balances are expected to be heavily impacted by cost of Covid-19. Schools completing Covid-19 tracker identified an estimated £0.800m+ impact.
- Schools were given the opportunity to apply for grant funding to cover costs. To date claims from thirteen schools in the Borough have been paid

All
DB/CE

	<p>out, with a total of £0.082m being allocated. Grant conditions discussed. Eligibility criteria was less favourable</p> <ul style="list-style-type: none"> • DB noted there is a potential impact on this year as well as future years • High Needs current forecast for High Needs spend is an in-year pressure of £2.470m, with a cumulative pressure of £7.015m when combined with the balance brought forward of £4.545m. It has been confirmed that we don't need to submit a recovery plan but we do need to start looking towards one. • Early Years Forecast – predicting to remain on budget • Growth Policy – The DfE established a separate Growth Fund in 2019/20. This fund wasn't used for Growth and was therefore added to the remaining balances to be redistributed to Schools. When setting the 2020/21 allocation, Forum agreed to retain £0.250m of the £0.750m Growth Fund on the understanding that a Growth Fund Policy was developed • Draft Policy circulated as appendix A of this report. This draft policy is to be reviewed by the finance sub-group they can work with officers to review, update and present a final draft for forum's approval at the next forum meeting. • CE asked Forum for any comments to be considered by Finance Sub Group <p>Discussion followed around:</p> <p>Recommendations Schools Forum is asked to:</p> <ol style="list-style-type: none"> 1. acknowledge the 2019/20 outturn position on all DSG balance; Noted 2. acknowledge the school budget plans overall summary position and the Deficit Schools positions for both 2019/20 and 2020/2; Noted 3. acknowledge the forecasts for DSG positions in 2020/21 and the likely impact of Covid-19 on school balances; and Noted 4. Agree the approach to approve the growth policy which can then be used in 2020/21 to allocate funding to schools impacted by basic need growth in year. Agreed 	
	<p>c) Growth Fund Claire Emmerson</p> <p>CE talked through the draft policy under item 6.2b. Any comments to be forwarded to CE</p>	
6.3	<p>Falling Roll & Headroom Sub-Group Proposal Christina Ponting</p>	
	<p>CP and CE talked through the briefing paper that has been drafted on behalf of Sub-Group. Main points to note as follows:</p> <ul style="list-style-type: none"> • Reminder of the action delegated to the sub-group and the background was provided • Lengthy and robust debate was carried out by sub-group 	

- The Sub-Group met virtually on 8 July 2020 and agreed Falling Roll would be considered first and only then would Support for Schools in Financial Difficulty / Deficit applications be considered.
- Where members of the Sub-Group also represented a School who was eligible for either Falling Roll or Support for Schools in Financial Difficulty / Deficit a declaration of interest was noted, and those members were excluded / removed from discussions / decisions.
- Sub-Group were asked if they wished to review the application criteria for Support for Schools in Financial Difficulty / Deficit and decided that the criteria would remain as previously agreed for the recommendations they were currently making but they would make a further recommendation to Schools Forum which is noted later in the report.
- Falling Roll
 - 5 falling roll applications were submitted by the LA. Breakdown of the funding allocation for these 5 schools was shown in Table 1
- Schools in financial difficulty
 - All deficit Schools were asked to submit a Support for Schools in Financial Difficulty / Deficit application, including those who fell outside of the existing criteria.
 - Possible changes to criteria were discussed but Sub-Group agreed to work towards existing criteria
 - Approx. 11 schools applied. Sub-Group agreed that only 3 schools were eligible.
 - Each Head Teacher was asked to come in to discuss their application and the recommendations of the sub-group were shown in Table 2
- Remaining balances were discussed as noted in Appendix B
- To allocate funds outside of the criteria or for another purpose would result in the Sub-Group operating outside of the remit it had been set. Although the group expressed that a reviewing of the criteria, particularly to support those Schools who had gone into deficit in-year and who if they received funds via the Schools in Financial Difficulty / Deficit would no longer be a deficit school.

Discussion followed around:

- Falling Roll Criteria – CE noted that falling rolls can only be allocated once. Whilst they may experience issues in the following year, they can't apply again
- Schools in financial difficulty – PG noted that 3 other schools didn't fit the schools in financial difficulty criteria and we were carrying money forward that could help those schools which is why a review of the criteria has been brought to the Forum
- MASH post – Historically agreed to fund this post. Decision to be reached at the November meeting if this is to continue
- Estimates for Special leave – CP noted that this is difficult to predict. Overall both the number of claims and the value of claims are slightly less but not significantly less. Increased the value to 6% and agreed that the value will also have an inflationary increase in future years. Estimate that the shortfall should reduce. It was noted that it seems to go in 3 years cycle based on trend analysis. Awaiting data for this year on claims and pay award. Grants previously used to offset this will not be used going forward.

Reached 83% this time round. Estimates are around the same figure at the minimum. Separate report to be circulated as noted earlier

Recommendations

Schools Forum having read this report, clearly understand the information provided and having asked sufficient questions to ensure clarity:

1. Note the contents of this report including the funding overview provided within the report and in summary at Appendix B.

Noted

For Falling Roll and Support for Schools in Financial Difficulty / Deficit as noted in the Proposals section of this report, Schools Forum are asked to:

2. Ratify the recommendation of their Sub-Group to:

- a. allocate both Falling Roll and Support for Schools in Financial Difficulty / Deficit funding as noted to those qualifying Schools.

Agreed

- b. require Schools allocated funds via Support for Schools in Financial Difficulty / Deficit to operate within conditions requiring School to:
 - i. continue to operate within their approved deficit and reduce in-year deficit (before any funding allocation) by a set % per annum, e.g. 25%;
 - ii. have a clear plan of continued deficit reduction resulting in the school being out of in-year deficit within no more than three (3) years following allocation of Support for Schools in Financial Difficulty / Deficit funds; and exclusion from making any further application to Support for Schools in Financial Difficulty / Deficit whilst the school remain in deficit;
 - iii. not return to / seek deficit approval once out of in-year deficit for a further 3 year period thereafter.
- c) carry forward remaining Falling Roll funds from 2019/20 – minus the Academy refund and the £50,000 retention into 2020/21 Support for Schools in Financial Difficulty / Deficit budget.

Agreed

3. Confirm Schools Forum require their Sub-Group (pending confirmation of deficit schools at financial year end 2020/21):

- a. to allocate funds within the parameters / practice agreed by Schools Forum to those schools who qualify to apply within the financial year ending 31 March 2021,

Agreed

- b. require Head teachers making an application for Support for Schools in Financial Difficulty / Deficit funding to present to the Sub-Group using a standard report template, and

Agreed

- c. continue to require:
 - i. all new schools making an application for Support for Schools in Financial Difficulty / Deficit to show an improved in-year deficit position/ plan to return to in-year balance within a 3 year period;
 - ii. those schools in deficit prior to 31 March 2018 to show an improved in-year deficit position / plan to return to in-year

balance within a period agreed with the Local Authority on an individual school basis.

Agreed

4. Schools Forum to receive a report in July 2021 from their Sub-Group to confirm:
 - a. a review of the Falling Roll eligibility has taken place;
 - b. where no School is eligible for Falling Roll to refund Academies; and if funds remain
 - c. transfer remaining funds from Support for Schools in Financial Difficulty/Deficit (ensuring a carried forward £50,000 balance remains) into Falling Roll;
 - d. Sub-Group has received applications for Support for Schools in Financial Difficulty / Deficit and for those Schools meeting the criteria recommend allocations;
 - e. remaining funds from Support for Schools in Financial Difficulty/Deficit for 2020/21 be carried forward to 2021/22 (if the Sub-Group recommended this) and for Sub-Group to note their recommendations for this;
 - f. the request of Sub-Group to Schools Forum for ratification of their decision.

Agreed

For the wider use of funds currently allocated to Support for Schools in Financial Difficulty/ Deficit as noted in the Further Considerations section of this report, Schools Forum are asked to:

5. Determine if they wish their Sub-Group to review the current eligibility criteria for Support for Schools in Financial Difficulty / Deficit to see if the current criteria can be broadened / updated to provide support for schools who are new to deficit including those who become a deficit school in year, or those schools who are predicting a deficit longer than year 3 timeframe, but who are able to demonstrate a return to in-year balance within a reasonable time frame, or those schools who have already been in receipt of funds from the Support for Schools in Financial Difficulty / Deficit budget in previous years.

Agreed

6. Look to ensure that funds are allocated in year and where this is not possible due to schools eligibility a residual balance is held which could be risk assessed to address future need for schools based on data / trend analysis.

Deferred

Only following the actions noted in 5 and 6 above, would allocating funds to schools that were not a School in Financial Difficulty / Deficit be considered, for example:

7. Annual allocation of Funds to the MASH post within the LA for all maintained Schools (excluding Nursery, PRU and Special) at £20,000 (index/ RPI linked) be considered and this would be allocated out of the retained balance.

Deferred

	<p>8. Consider the allocation of funds that would benefit / support schools that were not in Financial Difficulty / Deficit, e.g. refund of special leave shortfall for eligible schools only – this would exclude this Schools who had not contributed to the Special Leave SLA or who were a Nursery, Academy, PRU or a Special School.</p> <p>Deferred</p>	
6.4	SEND Inclusion Strategy	Mark Mirfin / Kevin Burns
	<p>MM talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> • Introductions carried out • Impact of Covid has impacted on timescales so now looking at Jan 21 launch • Passion. Purpose and pledges shared on screen • Multi Agency policy • Principles and Practice Standards shown on screen • Impact of Covid 19 discussed • Extended provision at Beacon Hill, Silverdale and Moorbridge • Redesigning Southlands • Developing a suite of performance indicators • Multi agency pilot group has developed resources focused on mental health as a response to Covid-19 • Reviewed the SEND Support Service • Key priorities shown on screen as follows <ul style="list-style-type: none"> ○ Right support at the right time ○ Needs are changing – plan for this ○ Access is simple ○ Develop a shared offer ○ Be ready for next stage of education/employment and everyday life • 1800 children with EHCPs • Finalised more plans than any other LA in England • Timeliness has improved from 31% to 67% • ARPS: <ul style="list-style-type: none"> ○ Historically had in-filled places ○ Looking at how ARPS can be used. Flexibility in some schools resulted in increasing the numbers of children in their care, reducing demands on specialist provision ○ Increasing numbers of children with needs related to SEMH and ASD • Next steps for ARPs: <ul style="list-style-type: none"> ○ Need to reduce the number of funded unfilled places from sept 2021 ○ Need to develop enhanced mainstream provision • Consultation to be launched. Unable to consult in the usual ways due to Covid. Overview of the issues to be covered during the consultation discussed • Overview of timeline provided • SEND Governance Structure was revised in Sept 2019. Overview shown on screen • Would like to invite reps from Primary and Secondary on to the SEND Strategic Board and for the delivery board <p>Discussion followed around:</p>	

	<ul style="list-style-type: none"> DB thanked MM for the presentation and urged that we stick to the timeline and allow Schools Forum to support them in doing that. DB requested a role description to assist in identifying potential members of the relevant groups <u>ACTION:</u> MM to send to MN for circulation SB confirmed that he is happy to join the SEND Strategic Board. MM to liaise with SB 	MM
6.5	Meeting Dates for 2020/21	
	<ul style="list-style-type: none"> Proposed dates circulated. Additional meeting to be scheduled in October 	
6.6	Forward Plan – review for 20/21 Academic Year	
	<ul style="list-style-type: none"> Forward plan attached on page 3 of the agenda with updated dates. Any comments to be forwarded to CP DBa queried where the changes at QA would be discussed. ML confirmed that ML and Diane Buckle are liaising with TyneCoast and our Cabinet Member to look at what the post 16 provision will look like and that this is likely to be discussed at the November meeting of Schools Forum 	
7.	Any Other Business	
7.1	De-delegated / Centrally Retained Services – Proposed October meeting	
	<ul style="list-style-type: none"> CE noted that the outline settlement for Central Schools Services Block and the De-Delegated Items also need to be reviewed as part of the budget setting process Timeline discussed DB proposed that this be added to the agenda for the November meeting 	
	Other Items	
	<ul style="list-style-type: none"> DBa noted that SF works very closely with NTC and in past years we have had training on budgets and requested CE update Schools Forum on the overall budget. CE noted that the LA is facing challenging times ahead. The Authority does monthly returns to government on Covid-19 pressures. The current gap is estimated at £12.5m. Nothing concrete that can be shared at this point in time. There is a lot of uncertainty as to what the gap could potentially look like. Report going to Cabinet in November. <u>ACTION:</u> CE to bring an update back to Forum after that. DB thanked all for the work carried out during difficult times 	CE
8.	Annual Update – Redundancy Costs (Schools) - CONFIDENTIAL	
	CP talked through the confidential briefing paper. Main points to note as follows: <ul style="list-style-type: none"> All recommendations shown in the report were agreed by Schools Forum 	
9.	Date of next meeting	
	Additional meeting - Thursday 1 October 2020 at 12:30pm	
	Next regular meeting - Wednesday 11 November 2020 at 12:30pm	

2021/22 NATIONAL FUNDING FORMULA MODELLING

Appendix A

MODEL	DESCRIPTION	MFG	CAPPING	RATIO
MODEL 1	Full NFF/Lump Sum 50%	0.50%	3.50%	1:1.29
MODEL 2	Full NFF	0.50%	4.25%	1:1.30
MODEL 3	As 20/21 LFF (inflated)	1.15%	-	1:1.33
MODEL 4	75% transition to NFF	0.50%	-	1:1.32

PHASE/AREA	VARIANCE FROM 21/22 BUDGET PLAN			
	MODEL 1	MODEL 2	MODEL 3	MODEL 4
FIRST	23,925	13,193	8,650	5,064
PRIMARY	-589,811	-596,021	-946,537	-615,178
North East	0	0	0	0
North West	68,739	-26,827	-125,078	-122,966
South East	-316,934	-293,134	-419,028	-251,485
South West	-341,617	-276,061	-402,431	-240,727
MIDDLE	127,590	138,172	161,300	164,396
SECONDARY	-22,003	-20,715	249,258	-21,264
North East	5,007	5,293	59,796	5,171
North West	3,485	3,772	70,771	3,650
South East	18,353	18,782	94,362	18,599
South West	-48,848	-48,562	24,329	-48,684

FACTOR COMPARISON

FACTOR
Basic entitlement
Primary (Years R-6)
Key Stage 3 (Years 7-9)
Key Stage 4 (Years 10-11)
Deprivation
FSM
FSM6
IDACI Band F
IDACI Band E
IDACI Band D
IDACI Band C
IDACI Band B
IDACI Band A
LAC
EAL
Mobility
Prior Attainment
Lump Sum
Sparsity
Rates
PFI
MPPF
MFG
Capping
Falling Rolls
Total Schools Block Funding allocated
Funding available
Under(-)/over-allocated
Check to Proforma

CURRENT MODELLING			
2021/22 MODELLING - 2021/22 APT			
MODEL 1	MODEL 2	MODEL 3	MODEL 4
Full NFF Lump Sum 50% MFG +0.5% Capping 3.5%	Full NFF MFG +0.5% Capping 4.25%	AS 20/21 LFF inflated (50%) MFG +1.15% No Capping	75% NFF MFG +0.5% No Capping
50,936,130	50,936,130	50,903,510	50,854,580
28,903,452	28,903,452	29,454,744	29,231,602
20,030,668	20,030,668	21,685,428	20,874,192
99,870,250	99,870,250	102,043,682	100,960,374
2,174,420	2,174,420	1,087,210	1,629,633
4,714,872	4,714,872	4,793,946	4,757,259
366,863	366,863	183,431	274,827
1,324,632	1,324,632	1,221,088	1,271,433
1,023,944	1,023,944	922,228	971,525
1,246,762	1,246,762	1,202,678	1,226,112
1,001,228	1,001,228	1,019,586	1,010,334
612,765	612,765	579,116	595,505
12,465,486	12,465,486	11,009,284	11,736,629
0	0	0	0
249,206	249,206	467,268	358,543
108,572	108,572	68,334	88,467
8,793,112	8,793,112	5,803,796	7,301,407
9,809,317	8,363,800	9,809,317	8,945,000
0	0	0	0
1,118,553	1,118,553	1,118,553	1,118,553
887,420	887,420	887,420	887,420
2,433,561	2,856,813	2,920,892	2,930,435
1,258,259	1,569,617	1,538,082	1,329,633
-1,317,182	-621,613	0	0
250,000	250,000	250,000	250,000
135,926,555	135,911,217	135,916,629	135,906,460
135,905,679	135,905,679	135,905,679	135,905,679
20,876	5,538	10,950	782
20,876	5,538	10,950	782
0	0	0	0

**21/22 SCHOOLS BLOCK FUNDING MODELLING -
COMPARISON OF 20/21 LFF AND PROVISIONAL 21/22 ALLOCATIONS**

Appendix C

Phase / Area	NOR 20/21	MODEL 1 Full NFF/Lump Sum 50% MFG +0.5% Capping 3.5%		MODEL 2 Full NFF MFG +0.5% Capping 4.25%		MODEL 3 (50%) MFG +1.15% No Capping		MODEL 4 75% NFF MFG +0.5% No Capping	
		Movement from 20/21 LFF (£)	Movement from 20/21 LFF (%)	Movement from 20/21 LFF (£)	Movement from 20/21 LFF (%)	Movement from 20/21 LFF (£)	Movement from 20/21 LFF (%)	Movement from 20/21 LFF (£)	Movement from 20/21 LFF (%)
TOTAL FIRST SCHOOLS	2,228	485,514	5.22%	474,781	5.11%	470,238	5.06%	466,652	5.02%
TOTAL NORTH EAST PRIMARY SCHOOL	378	94,500	6.36%	94,500	6.36%	94,500	6.36%	94,500	6.36%
TOTAL NORTH WEST PRIMARY SCHOOLS	4,529	833,900	4.33%	738,333	3.83%	640,082	3.32%	642,194	3.34%
TOTAL SOUTH EAST PRIMARY SCHOOLS	3,830	644,853	3.79%	668,653	3.92%	542,759	3.19%	710,302	4.17%
TOTAL SOUTH WEST PRIMARY SCHOOLS	3,666	574,345	3.61%	639,901	4.02%	513,530	3.23%	675,235	4.24%
TOTAL PRIMARY SCHOOLS	12,403	2,147,597	4.00%	2,141,387	3.99%	1,790,871	3.34%	2,122,230	3.95%
TOTAL MIDDLE SCHOOLS	1,922	319,742	3.58%	330,324	3.69%	353,451	3.95%	356,547	3.99%
TOTAL NORTH EAST SECONDARY SCHOOLS	1,492	64,862	0.74%	65,149	0.74%	119,652	1.36%	65,027	0.74%
TOTAL NORTH WEST SECONDARY SCHOOLS	1,847	88,282	0.83%	88,568	0.83%	155,567	1.46%	88,446	0.83%
TOTAL SOUTH EAST SECONDARY SCHOOLS	2,018	121,836	1.00%	122,266	1.01%	197,845	1.63%	122,083	1.00%
TOTAL SOUTH WEST SECONDARY SCHOOLS	1,819	84,623	0.73%	84,910	0.73%	157,801	1.36%	84,788	0.73%
TOTAL SECONDARY SCHOOLS	7,176	359,604	0.83%	360,892	0.84%	630,865	1.46%	360,343	0.83%
TOTAL ACADEMIES	3,180	327,946	1.94%	317,680	1.88%	385,050	2.28%	314,535	1.86%
TOTAL ALL SCHOOLS	26,909	3,640,401	2.76%	3,625,064	2.75%	3,630,476	2.75%	3,620,307	2.74%

**2021/22 SCHOOLS BLOCK FUNDING MODELLING -
COMPARISON OF 2021/22 BUDGET PLAN AND PROVISIONAL 2021/22 ALLOCATIONS**

Phase / Area	NOR 20/21	21/22 Budget Plan (Yr2) Pupil Nos.	Pupil Nos Movement not reflected	MODEL 1 Full NFF/Lump Sum 50% MFG +0.5% Capping 3.5%				MODEL 2 Full NFF MFG +0.5% Capping 4.25%				MODEL 3 AS 20/21 LFF inflated (50%) MFG +1.15% No Capping				MODEL 4 75% NFF MFG +0.5% No Capping			
				Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	% Change from Budget Plan	Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	% Change from Budget Plan	Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	% Change from Budget Plan	Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	% Change from Budget Plan
TOTAL FIRST SCHOOLS	2,228	2,213	-15	891,082	23,925	915,007	0.25%	891,082	13,193	904,275	0.14%	891,082	8,650	899,731	0.09%	891,082	5,064	896,145	0.05%
TOTAL NORTH EAST PRIMARY SCHOOL	378	371	-7	96,905	0	96,905	0.00%	96,905	0	96,905	0.00%	96,905	0	96,905	0.00%	96,905	0	96,905	0.00%
TOTAL NORTH WEST PRIMARY SCHOOLS	4,529	4,559	30	429,375	68,739	498,114	0.34%	429,375	(26,827)	402,548	-0.13%	429,375	(125,078)	304,297	-0.62%	429,375	(122,966)	306,408	-0.61%
TOTAL SOUTH EAST PRIMARY SCHOOLS	3,830	3,394	-436	592,205	(316,934)	275,271	-1.95%	592,205	(293,134)	299,071	-1.80%	592,205	(419,028)	173,177	-2.57%	592,205	(251,485)	340,720	-1.55%
TOTAL SOUTH WEST PRIMARY SCHOOLS	3,666	3,664	-2	953,800	(341,617)	612,183	-2.03%	953,800	(276,061)	677,740	-1.64%	953,800	(402,431)	551,369	-2.39%	953,800	(240,727)	713,074	-1.43%
TOTAL PRIMARY SCHOOLS	12,403	11,988	-415	2,072,285	(589,811)	1,482,473	-1.08%	2,072,285	(596,021)	1,476,263	-1.09%	2,072,285	(946,537)	1,125,748	-1.73%	2,072,285	(615,178)	1,457,107	-1.12%
TOTAL MIDDLE SCHOOLS	1,922	1,965	43	331,201	127,590	458,791	1.40%	331,201	138,172	469,373	1.51%	331,201	161,300	492,501	1.77%	331,201	164,396	495,597	1.80%
TOTAL NORTH EAST SECONDARY SCHOOLS	1,492	1,505	13	(5,596,425)	5,007	(5,591,418)	0.06%	(5,596,425)	5,293	(5,591,132)	0.06%	(5,596,425)	59,796	(5,536,629)	0.68%	(5,596,425)	5,171	(5,591,254)	0.06%
TOTAL NORTH WEST SECONDARY SCHOOLS	1,847	1,883	36	(2,489,952)	3,485	(2,486,467)	0.03%	(2,489,952)	3,772	(2,486,181)	0.04%	(2,489,952)	70,771	(2,419,181)	0.66%	(2,489,952)	3,650	(2,486,303)	0.03%
TOTAL SOUTH EAST SECONDARY SCHOOLS	2,018	2,113	95	(4,217,671)	18,353	(4,199,318)	0.15%	(4,217,671)	18,782	(4,198,889)	0.15%	(4,217,671)	94,362	(4,123,309)	0.77%	(4,217,671)	18,599	(4,199,072)	0.15%
TOTAL SOUTH WEST SECONDARY SCHOOLS	1,819	1,881	62	339,255	(48,848)	290,406	-0.42%	339,255	(48,562)	290,693	-0.41%	339,255	24,329	363,584	0.21%	339,255	(48,684)	290,571	-0.42%
TOTAL SECONDARY SCHOOLS	7,176	7,382	206	(11,964,793)	(22,003)	(11,986,797)	-0.05%	(11,964,793)	(20,715)	(11,985,509)	-0.05%	(11,964,793)	249,258	(11,715,535)	0.57%	(11,964,793)	(21,264)	(11,986,058)	-0.05%
TOTAL ALL SCHOOLS (Excluding academies)	23,729	23,548	-181	(8,670,226)	(460,299)	(9,130,525)		(8,670,226)	(465,371)	(9,135,597)		(8,670,226)	(527,330)	(9,197,556)		(8,670,226)	(466,983)	(9,137,209)	

**21/22 SCHOOLS BLOCK FUNDING MODELLING - DEFICIT/AMBER 1 STATUS
COMPARISON OF 21/22 BUDGET PLAN AND PROVISIONAL 21/22 ALLOCATIONS**

Phase / Area	Status (Deficit/Amber 1)	NOR 20/21	21/22 Budget Plan (Yr2) Pupil Nos.	Pupil Nos Moveme nt not reflected	MODEL 1 Full NFF/Lump Sum 50% MFG +0.5% Capping 3.5%			MODEL 2 Full NFF MFG +0.5% Capping 4.25%			MODEL 3 AS 20/21 LFF inflated (50%) MFG +1.15% No Capping			MODEL 4 75% NFF MFG +0.5% No Capping		
					Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)	Yr 2 Budget Plan Cumulative Surplus/ (Deficit)	Movement Yr 2 Budget adjusted -v- 21/22 Provisional Allocation	Adjusted 21/22 Cumulative Surplus/ (Deficit)
First NE	Amber 1	150	151	1	(50,986)	17,392	(33,594)	(50,986)	10,886	(40,099)	(50,986)	14,436	(36,549)	(50,986)	10,850	(40,135)
Middle-deemed Secondary NE	Amber 1	274	278	4	(67,093)	(51,845)	(118,937)	(67,093)	(41,380)	(108,473)	(67,093)	(27,462)	(94,555)	(67,093)	(15,108)	(82,201)
Primary NW	Amber 1	154	161	7	(72,795)	12,825	(59,969)	(72,795)	(5,123)	(77,917)	(72,795)	(2,596)	(75,391)	(72,795)	(6,806)	(79,601)
Primary NW	Amber 1	151	145	-6	(19,307)	(6,663)	(25,971)	(19,307)	(7,126)	(26,433)	(19,307)	(20,519)	(39,827)	(19,307)	(18,087)	(37,395)
Primary NW	Amber 1	200	200	0	(12,313)	9,594	(2,719)	(12,313)	(6,394)	(18,706)	(12,313)	(7,200)	(19,513)	(12,313)	(11,790)	(24,102)
Primary SE	Amber 1	365	366	1	(43,944)	(31,162)	(75,106)	(43,944)	(19,694)	(63,638)	(43,944)	(59,127)	(103,071)	(43,944)	(32,666)	(76,610)
Primary SW	Amber 1	311	297	-14	(12,466)	0	(12,466)	(12,466)	0	(12,466)	(12,466)	0	(12,466)	(12,466)	0	(12,466)
Secondary SW	Amber 1	925	946	21	(139,894)	(37,329)	(177,223)	(139,894)	(37,186)	(177,080)	(139,894)	1,221	(138,673)	(139,894)	(37,247)	(177,141)
Middle-deemed Secondary NE	Approved Deficit	563	599	36	14,909	60,429	75,338	14,909	60,429	75,338	14,909	60,429	75,338	14,909	60,429	75,338
Primary NW	Approved Deficit	419	424	5	82,279	14,596	96,875	82,279	14,596	96,875	82,279	14,596	96,875	82,279	14,596	96,875
Primary NW	Approved Deficit	164	164	0	(61,118)	14,344	(46,774)	(61,118)	4,400	(56,717)	(61,118)	220	(60,898)	(61,118)	(3,631)	(64,749)
Primary NW	Approved Deficit	272	255	-17	(129,350)	(293)	(129,643)	(129,350)	(11,509)	(140,859)	(129,350)	(23,799)	(153,149)	(129,350)	(28,629)	(157,979)
Primary NW	Approved Deficit	119	144	25	(333,695)	33,326	(300,369)	(333,695)	21,728	(311,966)	(333,695)	22,311	(311,384)	(333,695)	19,320	(314,375)
Primary SW	Approved Deficit	198	202	4	35,702	(14,922)	20,780	35,702	(8,459)	27,243	35,702	(24,845)	10,856	35,702	(14,884)	20,818
Secondary NW	Approved Deficit	749	777	28	(2,834,193)	19,730	(2,814,463)	(2,834,193)	19,873	(2,814,320)	(2,834,193)	47,746	(2,786,446)	(2,834,193)	19,812	(2,814,381)
Secondary SE	Approved Deficit	847	899	52	(322,051)	(2,634)	(324,685)	(322,051)	(2,491)	(324,542)	(322,051)	26,575	(295,477)	(322,051)	(2,552)	(324,603)
Secondary NE	Structural Deficit	378	393	15	(5,983,806)	20,673	(5,963,132)	(5,983,806)	20,816	(5,962,989)	(5,983,806)	35,461	(5,948,344)	(5,983,806)	20,755	(5,963,050)
Secondary SE	Structural Deficit	315	336	21	(4,100,193)	28,223	(4,071,970)	(4,100,193)	28,366	(4,071,827)	(4,100,193)	41,921	(4,058,272)	(4,100,193)	28,305	(4,071,888)
Primary SE	Unapproved Deficit	206	206	0	(100,214)	0	(100,214)	(100,214)	0	(100,214)	(100,214)	0	(100,214)	(100,214)	0	(100,214)
TOTAL DEFICITS/AMBER 1		6,760	6,943	183	(14,150,527)	86,284	(14,064,243)	(14,150,527)	41,735	(14,108,792)	(14,150,527)	99,368	(14,051,159)	(14,150,527)	2,668	(14,147,859)



Briefing note

To: Schools Forum **Author:** Claire Emmerson

Date: 1 October 2020

Purpose of the Paper:

Information	√
Consultation	√
Decision	√

Title of Briefing: National Funding Formula Update

1 Background

- 1.1 In September 2017 the Department for Education (DfE) laid out plans to move to a separate National Funding Formula (NFF), covering Schools, High Needs and Central School Services. The DfE initially proposed a two-year transition period to implement the NFF where local authorities would continue to set a local formula to distribute funding to individual schools. However, in July 2019, the Government confirmed that, as many local authorities had already made significant progress towards implementing the NFF in the first year, and to continue to support a smooth transition, local authorities would continue to determine local formulae in 2020/21.
- 1.2 In July 2020 considering the need to focus efforts on meeting the challenges of COVID-19, the DfE confirmed that it was not changing local authorities' flexibility over the distribution of school funding in 2021/22. The DfE advised that the government will shortly put forward proposals to move to a 'hard' NFF in future, which will determine schools' budgets directly, rather than through local formulae set independently by each local authority.
- 1.3 North Tyneside Council will need to set a plan to move to the NFF by April 2022 which is when the Authority anticipate that the Government will move to a 'hard' NFF following consultation during 2021/22. As in previous years, the Authority will need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2021/22. The formula will apply directly to maintained schools for the financial year, and for academies it will form the basis for their funding, distributed by the ESFA, for the year starting 1 September 2021. The local formula must comply with

statutory guidance, but within these confines the final decision on the formula rests with the Authority after consultation with schools and the Schools Forum.

- 1.4 For the financial years 2018/19 and 2019/20, in consultation with Schools Forum and the Authority's maintained schools, the Authority made the decision to maintain the existing Local Funding Formula (LFF) in full. This was, in the main, to afford Secondary schools in North Tyneside sufficient time to plan for any reduction in funding and to give those schools added stability for a further 2 years until the NFF was anticipated to be implemented. The ratio of funding for 2018/19 and 2019/20 was 1:1.42 in favour of Secondary schools.
- 1.5 In 2020/21, in consultation with Schools Forum and the Authority's maintained schools, the Authority made the decision to move the LFF 50% towards the NFF. This altered the ratio of funding per pupil to 1:1.35 and represented a large movement for Secondary schools. Forum will recall at the 13 November 2019 meeting that the DfE had restricted the range of a Minimum Funding Guarantee (MFG) between +0.5% and +1.84%. To minimise the impact of the change on Secondary schools the Authority set the 2020/21 rate at the maximum MFG of 1.84%. In addition to the use of MFG to minimise impact of the change, the Authority set a capping rate at 5.84%. This rate represented the 4% increase the DfE applied to the NFF factors, plus the 1.84% MFG rate.
- 1.6 The Authority now needs to set a plan to move further towards the NFF. In considering this decision the Authority are seeking the views of Schools Forum on the approach for funding schools in both 2021/22 and 2022/23. The Authority will then take this view into account when finalising the LFF through the Authority's budget setting process. Cabinet will be asked to approve the approach in the November Cabinet report outlining the initial budget proposals across the Council.

2 Formula Review 2021/22

- 2.1 At its meeting on 8 September 2020 Schools Forum agreed that as in previous years the Finance Sub-group of Forum should work with the Authority and review the planned options for the Local Funding Formula (LFF) for 2021/22 and 2022/23. The Finance Sub-group met with Officers on 23 September 2020 and four LFF models were presented. See Table 1 below which describes each of the models.

Table 1: Funding Formula Models

MODEL 1 RATIO 1:1.29	MODEL 2 RATIO 1:1.30	MODEL 3 RATIO 1:1.33	MODEL 4 RATIO 1:1.32
Model 1 Full NFF/Lump Sum 50% MFG - +0.5% Capping 3.5%	Model 2 Full NFF MFG - +0.5% Capping 4.25%	50% NFF MFG - +1.15% No Capping	Model 4 75% NFF MFG - +0.5% No Capping

- 2.2 At this meeting Officers presented each of the scenarios with a review of the proposed LFF funding and a number of summaries showing the impact on schools of each scenario at a phase / geographical grouping. The Sub-group immediately discounted Model 3 when reviewing Appendix A and D due to the estimated significant negative

impact on Primary schools year 2 budget plans. In addition, to this the Sub-group recognised the need to continue to move to the NFF and remaining with the current LFF would not fulfil this objective. The Sub-group then went on to consider the impact of the remaining three models.

- 2.3 In all cases the options were based on pupil numbers from the October 2019 census, applied to the Dedicated School Grant (DSG) notional funding value for 2021/22 as applied via the Authority's revised Authority Proforma Tool (APT). The Authority has included a scenario based on the current National Funding Formula allocations (Model 2).
- 2.4 In reviewing the impact of the three final models, the intended impact of the DfE's NFF has to be considered. The NFF was intended to bring the ratio of funding between Primary and Secondary schools closer. It also made more funding provision available for deprivation and low prior attainment within the formula factors. Appendix B shows the overall factor comparison for each model and highlights the funding distribution for deprivation and low prior attainment. Of the remaining three Models, 1 & 2 distribute a larger proportion of the funding through the deprivation factors and prior attainment with Model 4 distributing £0.729m less for deprivation and £1.492m less for prior attainment.
- 2.5 The Sub-group also considered the overall movement from the 2020/21 LFF to the provisional allocations for 2021/22 across phase / geographical grouping, the full details are included in Appendix C. Table 2 below summarises the main movements across Models 1, 2 & 4.

Table 2: Comparison of 2020/21 LFF and Provisional 2021/22 Allocations

Phase / Area	Model 1 Full NFF/Lump Sum 50% MFG - +0.5% Capping 3.5%	Model 2 Full NFF MFG - +0.5% Capping 4.25%	Model 4 75% NFF MFG - +0.5% No Capping
Total First Schools	5.22%	5.11%	5.02%
North East Primary	6.36%	6.36%	6.36%
North West Primary	4.33%	3.83%	3.34%
South East Primary	3.79%	3.92%	4.17%
South West Primary	3.61%	4.02%	4.24%
Total Primary Schools	4.00%	3.99%	3.95%
Total Middle Schools	3.58%	3.69%	3.99%
North East Secondary	0.74%	0.74%	0.74%
North West Secondary	0.83%	0.83%	0.83%
South East Secondary	1.00%	1.01%	1.00%
South West Secondary	0.73%	0.73%	0.73%
Total Secondary	0.83%	0.84%	0.83%
Total Academies	1.94%	1.88%	1.86%
	2.76%	2.75%	2.74%

- 2.6 In the above analysis both Models 1 & 2 distribute a higher proportion of funding to First and Primary schools with Academies also attracting a higher proportion of funding under

Model 1. The distribution of funding is similar across all models for Secondary's. With Middle schools attracting a higher proportion of funding under Model 4.

- 2.7 The comparison of 2021/22 budget plans against the provisional 2021/22 allocations is shown in Appendix D. This shows the impact of the provisional allocations against schools' cumulative budget plans for 2021/22. The analysis shows that the impact on Secondary schools is static at (-)0.05% for Model 1, 2 & 4. The impact on First and Primary schools is more favourable in Models 1 & 2. However, it also shows that Model 1 would be less favourable for South East Primary schools while schools in the North West would see an improved position overall by applying Model 1. Model 2 smooths the impact on Primary schools whilst also achieving a more balanced position for Primary Schools in the South East and South West. Model 4 would see a positive impact for Middle schools at (+)1.8% whilst Model 1 would see a less favourable impact at (+)1.4%. Model 2 provides a slight improvement for Middle schools when compared with Model 1 increasing to (+)1.51%.
- 2.8 The Sub-group also considered the impact of each model on schools in deficit and schools who are currently identified as Amber 1 schools, which are those schools whose year 2 budget plan shows that they are anticipating being in a deficit position. The analysis has been included in Appendix E and shows that Model 1 and Model 2 have a positive impact on those schools who are currently in deficit or are forecasting a deficit for 2021/22.
- 2.9 As noted earlier in this briefing the Authority will need to set a plan to move to the NFF by April 2022 which is when the Authority anticipate that the Government will move to a 'hard' NFF following consultation during 2021/22. All of the remaining models move the LFF further towards the NFF in 2021/22. Schools Forum must be aware that for 2022/23 it is likely that a 'hard' NFF will be introduced and as such budget setting for the Schools Block for that financial year should be on the basis of introducing the NFF in full.
- 2.10 In order to review the impact of all options and iterations Appendices A to E show the summary impacts by phase / geographical area and were used by the Sub-group as described above. The MFG rate remains under local agreement even after a full move to NFF so this can be revised at a future date. When reviewing this information, it is important to note that this has been produced using historical pupil data from the October 2019 census and the notional funding announced for 2021/22, therefore this is only indicative as this stage.

3 Recommendations

- 3.1 Schools Forum is asked to consider the following:
- note the impact of moving to the preferred options based on the summary information provided for 2021/22, Appendices A-E;
 - provide feedback on the proposed funding options and agree the options which will form part of the consultation with all schools; and
 - note that for 2021/22 the Authority will maintain a Local Funding Formula. It is likely that the 'hard' NFF will be implemented for 2022/23.



North Tyneside Council

Briefing note

To: Schools Forum **Author:** Claire Emmerson on behalf of the Schools Forum Finance Sub-group

Date: 1 October 2020

Purpose of the Paper:

Information	√
Consultation	√
Decision	√

Title of Briefing: Schools in Financial Difficulty – Criteria Review September 2020

1 Background

1.1 At its meeting on 8 September 2020 Schools Forum received its annual report detailing the application of funding in relation to Schools in Financial Difficulty. In addition to the allocation of funding the report also asked Schools Forum to determine whether they wished the Sub-group to review the current eligibility criteria for Support for Schools in Financial Difficulty.

The review of eligibility was to see if the current criteria could be broadened / updated to allow for the following:-

- provide support for schools who are new to deficit including those who become a deficit school in year;
- provide support for those schools who are predicting a deficit longer than year 3 timeframe, but who are able to demonstrate a return to in-year balance within a reasonable time frame; and
- provide support for those schools who have already been in receipt of funding from the Schools in Financial Difficulty budget in previous years.

1.2 Schools Forum agreed that the Sub-group should undertake a review of the current criteria to understand the potential changes that could be made which would broaden the scope of schools' eligibility for funding. It was agreed that any potential changes would need to continue to safeguard the funding that had been set aside for this specific purpose. Schools Forum agreed that the Sub-group would report back to the next Forum meeting on 1 October 2020, outlining potential changes for consideration.

This briefing note summarises the considerations of the Sub-group and outlines the criteria changes which the Sub-group are recommending Schools Forum.

2 Schools in Financial Difficulty Criteria Review

- 2.1 The Sub-group of Schools Forum met with officers from the Authority on 24 September 2020 to undertake the review of the current criteria which is applied when considering schools' applications for Schools in Financial Difficulty funding.

The main areas considered by the Sub-group have been highlighted in section 1.1 of this briefing note. Appendix A to this report shows the current Schools in Financial Difficulty Criteria as at July 2019. Table 1 below shows the current criteria and where appropriate the revised criteria for Schools Forum to consider.

Table 1 – Criteria review, recommendations and suggested revised criteria

Criteria for review	Recommendation	Suggested revision
Schools who have a structural deficit cannot apply	Criteria remains	
Schools must operate within their approved licenced deficit agreement and reduce their in-year deficit (before any funding allocation) by a set % per annum, e.g. 25%;	Criteria remains	
Schools must have a clear plan of continued deficit reduction resulting in the school being out of in-year deficit within no more than three (3) years following allocation of funding, and are excluded from making any further application for this funding whilst the school remain in deficit;	Revise criteria - no longer in line with the Scheme for Financing Schools	All schools new to deficit from 1 st April 2019 must have a clear plan of continued deficit reduction resulting in the school reaching at least a zero cumulative balance within 3 years following an approved allocation of funding. Further applications for funding can be made during this period. Applications will be reviewed on a case by case basis.
Schools must not return to seek deficit approval once out of in-year deficit for a further 3-year period thereafter.	Revise criteria – the current criteria does not allow for flexibility and individual circumstances of	Schools that return to seek deficit approval once out of deficit and have previously received an approved allocation of funding may submit further applications for funding. However, these applications will be reviewed on a

	schools to be considered.	case by case basis and will only be considered where the school has been able to demonstrate that sufficient mitigating actions have been put in place and that an allocation of funding would result in the school returning to financial balance with no anticipated return to deficit for the duration of the 3 year budget plan.
Funding is only available to existing schools in deficit and those schools who are new to deficit in-year cannot apply.	Revise criteria – the current criteria does not allow for flexibility and individual circumstances of schools to be considered.	Schools that are new to deficit in the current financial year may make an application for funding which will be considered on a case by case basis.

- 2.2 In reviewing the criteria the Sub-group were keen to ensure that sufficient scrutiny would be in place for all applications submitted. Whilst the Sub-group recognised that there was a need to revise the criteria there was concern amongst members of the group that any relaxation of the criteria could encourage schools to apply for an allocation of funding instead of really addressing the underlying issues which were causing the financial pressure.

Officers from the Authority suggested that revising the current application documentation and introducing a framework which would support schools to make an application would go some way to providing assurance in relation to the submissions by schools. The Schools Finance team would be available to support schools in making an application (as they do currently) and would be able to support the Sub-group when considering applications from schools. This was to be put forward as a recommendation to Schools Forum for consideration.

3 Wider considerations

- 3.1 The Schools in Financial Difficulty report received by Schools Forum on 8 September 2020 identified a number of wider considerations which do not specifically fall within the criteria review. These are:-
- balances currently held for the purpose of supporting schools in financial difficulty;
 - fundamental purpose of the funding; and
 - the use of residual funding to support other areas.
- 3.2 The Sub-group recognised that a high level of balances was being carried forward year on year and that by relaxing the criteria more schools would be eligible to apply for funding. Therefore, the funding, which was set aside for this specific purpose, could be used to benefit more schools. All members of the group agreed with this principle.

- 3.3 During the meeting the Sub-group discussed the process for allocating any residual funding which was available once all applications had been received and approved by Schools Forum. The group agreed in principle that in the first instance the funding should be used for its intended purpose and a level of balances should be retained to support future applications from schools in financial difficulty. Only once all of the applications for funding had been reviewed, recommendations made and approved by Schools Forum, would any residual funding above the agreed retained balances level be used to support other areas for eg Special Leave.
- 3.4 The Sub-group agreed that this would be put forward as a recommendation to Schools Forum. Any decision in relation to supporting other areas for eg Special Leave is to be put on hold pending decisions taken at Schools Forum in relation to this report and a review of the Schools in Financial Difficulty balances should further allocations of funding be approved by Schools Forum.
- 3.5 A revised draft Schools in Financial Difficulty framework has been included as Appendix B which incorporates the recommendations throughout this briefing.

4 Recommendations

- 4.1 Schools Forum is asked to consider the following:
1. agree the recommendations for the review of criteria as per Table 1 and the revised draft framework as per Appendix B;
 2. agree that should the recommendation 1 be agreed, Schools Forum will then require the Sub-group to retrospectively apply the revised criteria to for those schools who had previously made an application for funding in July 2020 and where appropriate review the applications and make further recommendations for approval (November 2020);
 3. agree that Finance will continue to work with the Sub-group of Schools Forum to provide assurance that robust applications are submitted and provide advice when applications are considered;
 4. agree that the documentation for applications will be revised for the 2021/22 application framework;
 5. agree that in the first instance the funding should be used for its intended purpose;
 6. agree that a level of balances should be retained to support future applications from schools in financial difficulty, the balance to be determined;
 7. agree that only once all of the applications for funding had been reviewed, recommendations made and approved by Schools Forum, would any residual funding above the agreed retained balances level be used to support other areas for eg Special Leave; and
 8. the decision in relation to supporting other areas for eg Special Leave is put on hold pending decisions taken at Schools Forum.

Current Schools in Financial Difficulty Criteria as at July 2019:

No school which is deemed as a being in a structure deficit can apply for Schools in Financial Difficulty funding. Section 4.9 of the Scheme for Financing Schools describes a School as being in a Structural Deficit in the following circumstances:

A School is deemed to have a structural deficit if it is unable to produce suitable and robust financial plans for future years, which clearly demonstrate the ability to repay the full cumulative deficit balance in the three-year time period. Individual arrangements will be made with each school with a structural deficit however, the Authority will expect all schools with a structural deficit to have a recovery plan to achieve in year financial balance within a three year period or earlier with a view to begin to repay the cumulative deficit by year 4.

Schools who are in receipt of Schools in Financial Difficulty funding are required to:

- i. operate within their approved licenced deficit agreement and reduce their in-year deficit (before any funding allocation) by a set % per annum, e.g. 25%;
- ii. have a clear plan of continued deficit reduction resulting in the school being out of in-year deficit within no more than three (3) years following allocation of funding, and are excluded from making any further application for this funding whilst the school remain in deficit; and
- iii. not return to/seek deficit approval once out of in-year deficit for a further 3-year period thereafter.

Further requirements to administer the funding:

1. to allocate funds within the parameters / practice agreed by Schools Forum to those schools who qualify to apply within the financial year ending 31st March,
2. require Head teachers making an application for Headroom funding to present to the Sub-group using a standard report template; and
3. continue to require:
 - a. all new schools making an application for Headroom to show an improved in-year deficit position / plan to return to in-year balance within a 3-year period; and
 - b. those schools in deficit prior to 31st March 2018 to show an improved in-year deficit position / plan to return to in-year balance within a period agreed with the Authority on an individual school basis.

Revised draft Schools in Financial Difficulty Criteria as at September 2020:

No school which is deemed as a being in a structure deficit can apply for Schools in Financial Difficulty funding. Section 4.9 of the Scheme for Financing Schools describes a School as being in a Structural Deficit in the following circumstances:

A School is deemed to have a structural deficit if it is unable to produce suitable and robust financial plans for future years, which clearly demonstrate the ability to repay the full cumulative deficit balance in the three-year time period. Individual arrangements will be made with each school with a structural deficit however, the Authority will expect all schools with a structural deficit to have a recovery plan to achieve in year financial balance within a three year period or earlier with a view to begin to repay the cumulative deficit by year 4.

Schools who are in receipt of Schools in Financial Difficulty funding are required to:

- i. operate within their approved licenced deficit agreement and reduce their in-year deficit (before any funding allocation) by a set % per annum, e.g. 25%;
- ii. have a clear plan of continued deficit reduction resulting in the school reaching at least a zero cumulative balance within 3 years following an approved allocation of funding, this will apply to all schools new to deficit from 1st April 2019. Further applications for funding can be made during this period. Applications will be reviewed on a case by case basis.; and
- iii. Schools that return to seek deficit approval once out of deficit and have previously received an approved allocation of funding may submit further applications for funding. However, these applications will be reviewed on a case by case basis and will only be considered where the school has been able to demonstrate that sufficient mitigating actions have been put in place and that an allocation of funding would result in the school returning to financial balance with no anticipated return to deficit for the duration of the 3-year budget plan.

Further requirements to administer the funding:

1. to allocate funds within the parameters / practice agreed by Schools Forum to those schools who qualify to apply within the financial year ending 31st March;
2. Schools that are new to deficit in the current financial year may make an application for funding which will be considered on a case by case basis;
3. Head teachers are required to make an application for Schools in Financial Difficulty funding using a standard report template and will be required to present their application to the Sub-group and Authority officers; and
4. continue to require:
 - a. all new schools making an application for Headroom to show an improved in-year deficit position / plan to return to a zero cumulative balance within a 3-year period; and
 - b. those schools in deficit prior to 31st March 2018 to show an improved in-year deficit position / plan to return to in-year balance within a period agreed with the Authority on an individual school basis.
5. In the first instance the funding should be used for its intended purpose and a level of balances should be retained to support future applications from schools in financial difficulty. Only once all of the applications for funding had been reviewed,

recommendations made and approved by Schools Forum, would any residual funding above the agreed retained balances level be used to support other areas