



## North Tyneside Council

# Agenda

**Meeting:** North Tyneside Schools Forum

**Date:** Wednesday 17 January 2024  
12:30 – 14:30

**Location:** The meeting will be held virtually and will be live streamed at the following link:  
<https://www.youtube.com/watch?v=S5yIUwrnxms>

### Agenda

Ref.	Item	Lead
1	Welcome and Apologies	Chair
2	Attendance Register / Membership a) Membership Review / Academisation <i>Circulated – Pages 5-10</i>	CP
3	Minutes of the last meeting <i>Circulated – Pages 11-32</i>	Chair
4	Matters Arising (not on the agenda) <i>Verbal Update</i>	Chair
5	Declarations of Interest	Chair
6	Council Financial Position – Update <i>Presentation</i>	JR/DM
7	Finance update (to include:) <i>Circulated – Pages 33-46</i> a) National Funding Formula <ul style="list-style-type: none"><li>Local Funding Formula (Schools Block)</li><li>High Needs</li><li>Early Years</li><li>Central Schools Services Block</li></ul> b) De-Delegation including Centrally Retained c) Budget Monitoring & School Deficits	JC
8	Consideration of Special Leave for 24/25 Financial Year <i>Circulated – Pages 47-51</i>	CP
9	Scheme for Financing Schools <i>Circulated – Pages 53-107</i>	AB/JC
10	Safety Valve Programme <i>Presentation</i>	MM
	Any Other Business	All
	Date and Time of Next Meeting: Wednesday 20 March 2024 at 12:30 via Microsoft Teams	

North Tyneside Schools Forum Member Roles & Voting								
de-delegation Primary	de-delegation Secondary	scheme for financing schools	consultation on funding formula	General Duties	Retained Duties	all other matters	<i>last updated September 2019</i>	
1	2	3	4	5	6	7		
Voting							<b>Phase</b>	<b>Role</b>
<b>School Members</b>								
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
<b>Other School Members Non Locality Based</b>								
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
<b>Non Schools Members Non Locality Based</b>								
		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

**Timetable & Forward Plan 2023/24**

<b>Date</b>	<b>Activity</b>	<b>Responsible</b>
21 September 2023	<u>Schools Forum Meeting</u> 1. To include appointment of Chair and Vice Chair 2. Review of the Constitution and supporting documents 3. Schools Finance Update 4. Reports from Services for 24/25 Financial Year Proposal	Schools Forum
5 October 2023	School Census Day	DFE/ESFA
9 October 2023	Application for submitting disapplication requests	Local Authority
8 November 2023	<u>Schools Forum Meeting</u> 1. Schools Finance Update 2. National Funding Formula and Outcome of Consultation 3. School Forum Constitution and Action Plan Review 4. Consideration of Special Leave for 23/24 Financial Year	Schools Forum
17 November 2023	Deadline for submitting disapplication requests	Local Authority
17 November 2023	Deadline for submitting disapplication requests if wish to move more than 0.5% of the Schools block	Local Authority
1 November 2023	School census database closed. Checks and validation commences	DFE/ESFA
17 January 2024	<u>Schools Forum Meeting</u> 1. Schools Finance Update 2. Consideration of Special Leave for 23/24 Financial Year 3. Scheme for Financing Schools Update 4. Safety Valve Update	Schools Forum
TBC	Submit final proposals re APT	Local Authority
20 January 2024	Deadline for submissions of final 2023 to 2024 APT to ESFA	Local Authority
5 February 2024	Cabinet Meeting for approval of 23/24 Schools Funding	Local Authority
19 February 2024	Cabinet Meeting	Local Authority
26 February 2024	Deadline for confirmation of Schools budget shares to mainstream maintained schools.	DFE/ESFA
20 March 2024	<u>Schools Forum Meeting</u> 1. Schools Finance Update 2. Schools In Financial Difficulty	Schools Forum
25 March 2024	Cabinet Meeting	Local Authority
10 July 2024	<u>Schools Forum Meeting</u> 1. Reports from Services for 25/26 Financial Year Proposal 2. Schools Finance Update 3. Responsibilities for Redundancy & Early Retirement Costs – Annual Update	Schools Forum

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# Briefing Notes

<b>To:</b>	Schools Forum	<b>Author:</b>	Christina Ponting / Diane Thompson	
<b>Date:</b>	17 January 2024	<b>Purpose of the Paper:</b>	Information	✓
			Consultation	✓
			Decision	✓

## Title of Briefing: Review of Schools Forum Membership

### 1. Background:

- 1.1. Schools Forum in September 2023, noted that due to a proposed status change of a number of Schools (from a Voluntary Aided/ Maintained School to Academy) in November 2023 and January 2024, Schools Forum needed to review its membership to determine if membership changes were required.
- 1.2. Schools Forum last reviewed its membership, in November 2021 when a number of Roman Catholic Faith Schools converted to Academy status; this review resulted in an additional Academy representative being added to Schools Forum. Table 1 below notes the information that was presented to Schools Forum at that time:

Table 1 – 2021 Review

<b>As November 2021</b>			
<b>Sector</b>	<b>Pupils</b>	<b>% of Pupils</b>	<b>Members from Nov 21</b>
Nursery/Primary/First (including Nursery)	12,393	45%	11
Middle/Secondary	9,221	33%	7
Special (including PRU)	759	3%	2
Academy	5,370	19%	4
<b>Total</b>	<b>27,743</b>	<b>100%</b>	<b>24</b>

The Current membership of Schools Forum is noted in Appendix B.

## 2. Current Position:

- 2.1. As Schools Forum members are aware, whilst there are a number of different 'categories' of member within Schools Forum the individual 'post holder' is not in the role to represent their individual school or organisation. Each post holder is required to represent their sector or locality.
- 2.2. The change of the status of a number of Primary Schools to convert to academy status from 1<sup>st</sup> January 2024 (Denbigh, Hadrian Park & Battle Hill Primary (1131 pupils); Whitehouse Primary (185 pupils)) and 1<sup>st</sup> November 2023 (John Spence (848 pupils)) has resulted in 2164 pupils now being educated in an Academy School. There is also one Academy conversion remains planned for March 2024 which will see just under 400 pupils move from a financially maintained school to an Academy.
- 2.3. There were 13 Academy Schools within North Tyneside at the beginning of the 2023/24 Academic year, 5 schools have since converted resulting in there now being 17 Academy schools at 1<sup>st</sup> January 2024. (Please note, with the exception of the pending/in-line for 1<sup>st</sup> March 2024 Academy conversion as noted above this report does not factor in any further planned Academy conversions for the remainder of the 2023/24 Academic year).
- 2.4. It is proposed, due to the movement of pupil numbers from the maintained to the Academy sector School Forum increases its overall membership numbers by allocating additional Schools Forum representative roles to 'Other School Members – Non Locality Based' and thereby increasing the Academy representative roles from 4 to 6.
- 2.5. Table 2 presents information on the pupil numbers on the same basis as data presented/ considered in 2018 and 2021 review by Schools Forum.

Table 2 – Proposed 2021/22 Review

<b>2024 Review</b>			
	Option 1		
<b>Sector</b>	<b>Pupils</b>	<b>% of Pupils</b>	<b>Members from Jan 24</b>
Nursery/Primary/First (including Nursery)	12,319	40%	11
Middle/Secondary	9,584	31%	7
Special	783	3%	2
Academy	8,118	26%	6
<b>Total</b>	<b>30,804</b>	<b>100%</b>	<b>26</b>

- 2.6. The proposed changes to the current membership of Schools Forum to accommodate 2 additional 'Other School Members – Non Locality Based' are noted/ highlighted in Appendix C.

### **3. Next Steps:**

- 3.1. If Schools Forum members agree with the recommendation contained within this report, the updated membership would replace the current membership and new Academy members would be expected to join School Forum with immediate effect and attend from the next available meeting (20th March 2024).
- 3.2. Academy schools as a collective determine who their representatives are. New members will be offered support in their role with an Induction/Update session (in line with support offered to all Schools Forum members) which ideally can take place before the next meeting in March 2024
- 3.3. The membership of Schools Forum will be kept under review; so that roles on Schools Forum remain representative of the categories/ types of School operating within the North Tyneside Council area and in accordance with the ESFA Good Practice Guidance for Schools Forums

### **4. Recommendations:**

- 4.1. Having read this report and clearly understanding the information provided, Schools Forum is asked to:
1. Note the content of this report;
  2. Consider the proposal noted and to reach agreement on the recommendation of increasing the 'Other School Members – Not locality based' by 2 to accommodate the addition of new Academy representative roles onto Schools Forum;
  3. Nominate an Academies Schools Forum member to take the lead on selecting the new members and to confirm once they have been appointed.
- 4.2. Members are reminded of who is eligible to vote and the voting table is noted at Appendix A for Reference.

## Appendix A – Voting Table

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



## Appendix B – Current Membership

Membership as at January 1st 2024											
North West						North East					
Phase	Role	Name	School	Term Ends	Number	Phase	Role	Name	School	Term Ends	Number
Primary	Head	Stephen Baines	Holystone Primary	Jan-26	1	Primary	Head	Finn Wilcock	Southridge First	Oct-24	1
Primary	Head	Claire Withers	Fordley Primary	May-24	1	First	Head	Colleen Ward	Coquet Park First	Oct-24	1
Secondary	Head	Kelly Holbrook	Longbenton	Sep-24	1	Secondary	Head	Steve Wilson	Whitley Bay High	Jul-24	1
						Middle	Head	John Newport	Marden Bridge	May-25	1
TOTAL					3	TOTAL					4
South West						South East					
Phase	Role	Name	School	Term Ends	Number	Phase	Role	Name	School	Term Ends	Number
Primary	Head	Rob Harker	Carville	May-24	1	Primary	Head	Gavin Storey	Cullercoats	Jul-26	1
Primary	Head		vacant	Sep-25	1	Primary	Head	Laura Baggett	Monkhouse	May-24	1
Secondary	Head	Paul Johnson	Churchill	Oct-24	1	Secondary	Head	Matt Snape	Marden High	Oct-24	1
TOTAL					3	TOTAL					3
Other School members - Not locality based											
Phase	Role	Name	School	Term Ends	Number						
Primary/First	Governor	John Ord	Greenfields	Nov-26	1						
Primary/First	Governor	Gillian Tawes	Backworth Park Primary & Shiremoor Primary Schools	Dec-26	1						
Secondary/Middle	Governor	Lesley Griffin	Wellfield Middle	Apr-25	1						
Secondary/Middle	Governor	Jane Lowe	Monkseaton Middle	Nov-26	1						
Nursery	Head	John Croft	Sir James Knott	Jan-25	1						
PRU	Head	Karen Croskery	Moorbridge	Feb-25	1						
Special	Head	Peter Gannon	Silverdale	Feb-25	1						
Academy	Other	Kerry Lilico	Grasmere	Feb-25	1						
Academy	Other	David Watson	St Thomas More RC High	Feb-25	1						
Academy	Other	Colette Bland	St Mary's RC Primary (NS)	Feb-25	1						
Academy	Other	Philip Sanderson	Kings Priory	May-24	1						
TOTAL					11						
Non School members											
Phase	Role	Name	School	Term Ends	Number						
16-19 providers	Other	Diane Turner	Tyne Metropolitan College	Dec-25	1						
EYP VI	Other	Joanne Thompson	Holystone Out of School	Dec-24	1						
C of E Diocese	Other	Louise Bradford	Christ Church C of E Primary	Nov-24	1						
RC Diocese	Other	Anthony Gollings	St Thomas More RC Academy	Feb-25	1						
Trades Union	Other	Phil Kemp	Trade Union	May-24	1						
TOTAL					5						
Overall					29						
						Membership Summary					
						Number	% Overall	First/Primary	8		
						School	13	46%	Middle/Secondary	5	
						School-Non Locality	11	32%	Academy	4	
						Non-School	5	21%		17	
						Total	29	100%			
						Quorate	40%		12		

## Appendix C – Proposed Changes to Membership

Membership as at						January 2024					
North West						North East					
Phase	Role	Name	School	Term Ends	Number	Phase	Role	Name	School	Term Ends	Number
Primary	Head	Stephen Baines	Holystone Primary	Jan-26	1	Primary	Head	Finn Wilcock	Southridge First	Oct-24	1
Primary	Head	Claire Withers	Fordley Primary	May-24	1	First	Head	Colleen Ward	Coquet Park First	Oct-24	1
Secondary	Head	Kelly Holbrook	Longbenton	Sep-24	1	Secondary	Head	Steve Wilson	Whitley Bay High	Jul-24	1
						Middle	Head	John Newport	Marden Bridge	May-25	1
TOTAL					3	TOTAL					4
South West						South East					
Phase	Role	Name	School	Term Ends	Number	Phase	Role	Name	School	Term Ends	Number
Primary	Head	Rob Harker	Carville	May-24	1	Primary	Head	Gavin Storey	Cullercoats	Jul-26	1
Primary	Head			Sep-25	1	Primary	Head	Laura Baggett	Monkhouse	May-24	1
Secondary	Head	Paul Johnson	Churchill	Oct-24	1	Secondary	Head	Matt Snape	Marden High	Oct-24	1
TOTAL					3	TOTAL					3
Other School members - Not locality based											
Phase	Role	Name	School	Term Ends	Number						
Primary/First	Governor	John Ord	Greenfields	Nov-26	1						
Primary/First	Governor	Gillian Tawes	Backworth Park Primary & Shiremoor Primary Schools	Dec-26	1						
Secondary/Middle	Governor	Lesley Griffin	Wellfield Middle	Apr-25	1						
Secondary/Middle	Governor	Jane Lowe	Monkseaton Middle	Nov-26	1						
Nursery	Head	John Croft	Sir James Knott	Jan-25	1						
PRU	Head	Karen Croskery	Moorbridge	Feb-25	1						
Special	Head	Peter Gannon	Silverdale	Feb-25	1						
Academy			vacant	Mar-27	1						
Academy				Mar-27	1						
Academy	Other	Kerry Lilico	Grasmere	Feb-25	1						
Academy	Other	David Watson	St Thomas More RC High	Feb-25	1						
Academy	Other	Colette Bland	St Mary's RC Primary (NS)	Feb-25	1						
Academy	Other	Philip Sanderson	Kings Priory	May-24	1						
TOTAL					13						
Non School members											
Phase	Role	Name	School	Term Ends	Number						
16-19 providers	Other	Diane Turner	Tyne Metropolitan College	Dec-25	1						
EYPVI	Other	Joanne Thompson	Holystone Out of School	Dec-24	1						
C of E Diocese	Other	Louise Bradford	Christ Church C of E Primary	Nov-24	1						
RC Diocese	Other	Anthony Gollings	St Thomas More RC Academy	Feb-25	1						
Trades Union	Other	Phil Kemp	Trade Union	May-24	1						
TOTAL					5						
Overall					31						

Membership Summary				
	Number	% Overall		
School	13	46%	First/Primary	8
School-Non Locality	13	32%	Middle/Secondary	5
Non-School	5	21%	Academy	6
Total	31	100%		19

Quorate 40% 12



# North Tyneside Council

Quadrant, The Silverlink North, Cobalt Business Park,  
North Tyneside, NE27 0BY  
Tel: 0345 2000 101

## Item 5 Minutes

**Meeting** Schools Forum **Date** Thursday 9 November  
**Location** Via Microsoft Teams  
**Present**

✓ Present  
D Deputy  
A Apologies  
O Absent

Name	Organisation	Representing	21.09.23	09.11.23
Angi Gibson	Hadrian Park Primary School	Primary	D (Wayne Myers)	✓
Anthony Gollings	St Thomas More	RC Diocese	O	O
Claire Withers	Fordley Primary School	Primary	✓	✓
Colette Bland	St Mary's RC Primary School (NS)	Academy	N/A	✓
Colleen Ward	Coquet Park First School	Primary	✓	✓
David Watson	St Thomas More	Academy	✓	✓
Diane Turner	Tyne Coast	16-19 Provider	O	O
Finn Wilcock	Southridge First School	Primary	✓	✓
Gavin Storey	Cullercoats Primary School	Primary	✓	✓
Jane Lowe	Monkseaton Middle School	Governor - Secondary	N/A	✓
Joanne Thompson	Holystone Out of School	Early Years PVI	✓	✓
John Croft	Sir James Knott	Nursery	✓	✓
John Newport	Marden Bridge Middle School	Middle	✓	✓
John Ord	Greenfields Primary School	Governor - Primary	N/A	✓
Karen Croskery	North Tyneside Student Support Service	PRU	✓	O
Kelly Holbrook	Longbenton High School	Secondary	✓	✓
Kerry Lillico	Grasmere Academy	Academy	O	A
Laura Baggett	Monkhouse Primary School	Primary	A	D (Kate Byrne)
Lesley Griffin	Wellfield Middle School	Governor - Primary	✓	✓
Louise Bradford	C of E Diocese	C of E Diocese	✓	✓
Matt Snape	Marden High School	Secondary	✓	✓
Paul Johnson	Churchill Community College	Secondary	✓	✓
Peter Gannon	Silverdale School	Special	A	✓
Phil Kemp	Trade Unions	Trade Unions	D (Candida Mellor)	D (Candida Mellor)
Philip Sanderson	Kings Priory	Academy	✓	✓
Rob Harker	Carville Primary Diocese	Primary	✓	✓
Stephen Baines	Holystone Primary Diocese	Primary	✓	✓
Steve Wilson	Whitley Bay High School	High	✓	✓
<b>In Attendance:</b>				
Mark Longstaff	Director of Commissioning & Asset	NTC	✓	✓

	Management			
Jon Ritchie	Director of Resources	NTC	✓	✓
Andrew Brown	Principle Accountant, Finance	NTC	✓	A
Christina Ponting	Senior Manager – Schools HR	NTC	✓	✓
Claire Emmerson	Former Head of Finance – Deputy S151 Officer	NTC	✓	N/A
David Mason	Head of Finance – Deputy S151 Officer	NTC	N/A	✓
Diane Thompson	Senior Accountant – Schools Finance	NTC	✓	✓
Jane Cross	Senior Business Partner, Finance	NTC	✓	✓
Julie Firth	Director of Children’s Services	NTC	A	✓
Mary Nergaard	PA to Director of Commissioning & Asset Management	NTC	✓	✓
Ian Wilkinson	Strategic Lead, Education and Inclusion Review	NTC	✓	A
Lisa Cook	Assistant Director, Education and Inclusion	NTC	✓	✓
Mark Mirfin	Assistant Director, SEND Transformation	NTC	✓	✓

## Minutes of Meeting

Ref	Item	Action
<b>1.</b>	<b>Welcome / Apologies for Absence</b>	
	<p>The Chair welcomed everyone to the meeting and issued a reminder that the meeting is live streamed to the public on the Authority’s YouTube Channel.</p> <p>The Chair noted that Mark Longstaff who has been involved in Schools Forum for approximately 20 years and that this will be his last meeting. The Chair issued thanks on behalf of Schools Forum for all of Mark’s hard work over that time.</p> <p>See table above for apologies.</p>	
<b>2.</b>	<b>Attendance Register / Membership / Roles and Responsibilities</b>	
	<p><b>Roles &amp; Responsibilities</b></p> <ul style="list-style-type: none"> <li>Reminder of roles and responsibilities for Forum Members was provided.</li> </ul> <p><b>Attendance:</b></p> <ul style="list-style-type: none"> <li>See table above.</li> </ul> <p><b>Membership:</b></p> <ul style="list-style-type: none"> <li>CP noted that we have 2 new governor members, Jane Lowe and John Ord</li> <li>Also have a returning member with Collette Band rejoining Forum as a representative for the RC Diocese.</li> </ul>	

<b>3.</b>	<b>Virtual Public Meeting / Observers</b>	
	The Chair welcomed the public/observers to the meeting.	
<b>4.</b>	<b>Declaration of Interest</b>	
	Item 7a – Declarations were declared by Stephen Baines and Kelly Holbrook.	
<b>5.</b>	<b>Minutes of the last meeting</b>	
	Minutes agreed as an accurate record of the meeting.	
<b>6.</b>	<b>Matters Arising</b>	
	<p><b>Page 3, Item 2 – Membership:</b></p> <ul style="list-style-type: none"> <li>• See item 2 above.</li> </ul> <p><b>Page 3, Item 7 – Annual Review of the Schools Forum Constitution:</b></p> <ul style="list-style-type: none"> <li>• <u>Election of the Vice Chair:</u> Nominations were requested for the Vice Chair.</li> <li>• CP noted that David Watson has offered to stand as Vice Chair. Forum agreed. DW was duly elected as Vice Chair of Schools Forum.</li> <li>• <u>Action Plan / Self-Assessment and Constitution:</u> See Item 8 below.</li> </ul> <p><b>Page 8, Item 8 – Schools Finance Update:</b></p> <ul style="list-style-type: none"> <li>• Details of the drop-in sessions were emailed to schools.</li> <li>• Revised report to include the additional recommendation was circulated 08/11/2023 and updated on the website.</li> </ul> <p><b>Page 11, Item 8 – Schools Finance Update:</b></p> <ul style="list-style-type: none"> <li>• Slides were circulated with the papers of this meeting.</li> </ul> <p><b>Page 11, Item 9 – Reports from Services:</b></p> <ul style="list-style-type: none"> <li>• On the agenda under Item 10.</li> </ul>	
<b>7.</b>	<b>Schools Finance Update</b>	<b>Jane Cross</b>
<b>7a</b>	<b>Funding Distribution and Finance Update</b>	
	<p>Jane Cross, Senior Business Partner and David Mason, the new Head of Finance were welcomed to the meeting. JC talked through the presentation on screen. An overview of what was going to be covered was provided. Main points to note as follows:</p> <p><b>2024/25 Funding Allocations</b></p> <ul style="list-style-type: none"> <li>• A reminder of the key aspects of the funding formula for 2024/25 was provided as follows:</li> </ul>	

	<ul style="list-style-type: none"> <li>○ The minimum per pupil funding levels will be set at Primary £4,610, Key Stage 3 £5,771 and Key Stage 4 £6,331.</li> <li>○ Introducing a new approach to split sites replacing locally determined factors.</li> <li>○ Rolling the 2023 to 2024 mainstream schools additional grant (MSAG) into the NFF. Overview was provided on how that has been allocated.</li> <li>○ Introducing, for the first time, a methodology for calculating and allocating funding for falling rolls.</li> <li>• It was noted that the Department for Education (DfE) have not yet moved to a hard NFF, however, North Tyneside is already following the NFF Factors as agreed by Schools Forum.</li> <li>• Other increased to the NFF factor values are as follows: <ul style="list-style-type: none"> <li>○ 1.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum</li> <li>○ 1.4% to the minimum per pupil levels (MPPL)</li> <li>○ Both of the above were previously announced at 2.4%, however, following an update from the DfE regarding an error to the funding formula which lead to a reduction of £1.300m in the funding available to schools in North Tyneside, which meant the 2 factors had to be reduced to 1.4%</li> <li>○ 1.6% to the free school meals (FSM) factor value</li> <li>○ 0.5% to the funding floor</li> <li>○ 0% on the premises factors, except for: (i) Private Finance Initiative (PFI)</li> </ul> </li> <li>• Continue to set a Minimum Funding Guarantee in the local formula, which in 2024/25 must be between +0.0% and +0.5%.</li> <li>• Local authorities can transfer up to 0.5% of their Schools block to other blocks of the DSG, with their schools' forum approval.</li> <li>• To transfer more than this, or any amount without their schools' forum approval, the Authority will have to make a disapplication request to the Department for Education.</li> <li>• <b>Dedicated Schools Grant (DSG) Allocations:</b> The indicative DSG Values for 2024/25 were shown on screen (Table 1 of the report).</li> <li>• Increase to schools of approximately 5.2%</li> <li>• Reduction in CSSB in line with previous years.</li> </ul>	
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- Increase in the High Needs Block
- Information not yet available in relation to Early Years so this is currently set at the 2023/24 levels until further information is received.
- It was also noted that within the High Needs Block there is the DSG Management Plan / Safety Valve Agreement and the assumption of the £0.751m funding transfer on top of the indicative figures shown.
- **CSSB:** The Indicative Central Schools Block Funding was shown on screen (Table 5 of the report).
- Indicative reduction in CSSB of £0.067m in line with the expected 20% reduction on historic commitments that we have seen in previous years, which results in a 4.13% reduction overall.
- A report will come back to Schools Forum in January 2024 with proposed changes to the CSSB funding allocations to services.
- **Early Years:** It was announced that the free childcare offer will be expanded so that eligible working parents can access 30 hours of free childcare from the term after their child turns 9 months to when they start school. Overview of the phased approach being taken to the changes was shown on screen with full implementation by September 2025. Outcome of consultation results have not yet been published by the DfE, but the Authority will continue to model on that basis. Work will continue on this with the Early Years Sub-Group.

### **Finance Update**

- **High Needs Block**
- In-year pressure of £2.832m is slightly higher than anticipated, however, due to the balance from 2022/23 being better than anticipated we are still in-line with the DSG Management Plan with a cumulative deficit position of £10.474m. A breakdown of the in-year pressure was shown on screen (Table 2 of the report).
- **Early Years**
- 2022/23 surplus of £0.337m.
- There is a New Early Years Supplementary Grant for 2023/24 which will be introduced from September 2023.
- **School's Budget Monitoring**
- 2022/23 deficit of £0.382m which was a decrease in balances of £3.700m.

- 14 Schools identified with planned deficits in 2023/24
- Budget monitoring is progressing well and a report will follow in January.
- Deficit clinics are ongoing and the offer to have a Schools Resource Management Advisors (SRMA) continues to be available from the Education and Skills Funding Agency (ESFA).
- **Schools in Financial Difficulty Funding (SIFD)**
- 2023/24 opening balance £0.578m.
- Schools Forum Finance Sub-group met 16th October 2023 to receive applications for funding.
- £0.419m funding allocation recommended by the sub-group. Overview of the proposed allocations was shown on screen as outlined in Table 3 of the report.
- Additional DfE Support for SIFD was announced with £20m funding allocated nationally. Of which, £1.868m has been allocated to North Tyneside based on school outturn balances for 2022/23. This was the largest allocation nationally.
- Proposal to allocate funding on a straight-line basis based on school deficit balances as at 31st March 2023, taking into account the funding via the SIFD Funding to ensure that schools are not double funded. Overview shown on screen as outlined in Table 4 of the report.
- **2023/24 CSSB Funding Allocations**
- A reminder of the decreases in the 2023/24 allocations was provided.
- Overview of the remaining 2023/24 CSSB funding allocations was shown as outlined in Table 5 of the report.
- As noted above, the 2024/25 indicative reduction will need to be taken from the remaining functions funded by CSSB on behalf of schools and proposals will come back to Forum in January.

Discussion followed around:

- SW noted that as a member of the Finance Sub-Group, when the recommendations relating to the Schools in Financial Difficulty funding applications were made, the Sub-Group was not aware of the additional funding being made available from the DfE and queried if the Local Authority had taken this into consideration when allocating the additional funding, noting that some of the funding being allocated via



	<p>SIFD Funding may not have been as much had they known about the additional allocation at the time.</p> <ul style="list-style-type: none"> <li>• KH noted that schools applying for the fund were also not aware of the additional funding.</li> <li>• JC noted that the additional funding was not known at the time of the SIFD funding meeting as the DfE had not announced the allocations. When Officers looked at the proposals for the additional funding, in line with the DfE guidance, the allocations via SIFD Funding was taken into consideration so that no school is funded twice. Where schools appear on both lists, this is because the deficit was in excess of the funding that was being requested via SIFD Funding.</li> <li>• GS noted the criteria that we have to follow when allocating SIFD Funding and queried why the recommendation in relation to the additional funding was “to note the proposals” and not a request “to approve”. GS also queried what is meant by a straight-line basis and queried if the proposals should have been presented to Finance Sub-Group for agreement first.</li> <li>• An overview of what was meant by a straight-line basis was provided. This equated to approximately 14.5% of the deficit in each deficit school. Schools with the larger deficit will get a larger monetary amount but this will be the same proportion of their overall deficit across all deficit schools. Rather than setting individual criteria, the funding was allocated on a straight-line basis on the logic that this was how the Government had allocated the funding.</li> <li>• JR noted that due to the route of the funding, its allocation is to the Local Authority rather than the DSG, therefore, the allocation is a decision by Cabinet with the recommendation being presented in a paper to Cabinet on 27 November. However, because of the importance of working with the schools the Authority is asking for input from Schools Forum. If there is a strong feeling from this Forum then this will be reflected through to Cabinet but ultimately the decision lies with Cabinet and not Schools Forum. This is why the recommendation is a note only as opposed to asking Forum for a decision.</li> <li>• JR also noted that the allocation to North Tyneside was the largest in the Country and that this reflects the size of the</li> </ul>	
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	<p>deficit as well as substantial lobbying by LA Officers to the DfE regarding the options to address the current and forecast maintained school deficits</p> <ul style="list-style-type: none"> <li>• GS thank JR for the clarification.</li> <li>• DW noted that he understood that the basis for the funding to be allocated was on the outturn of 2022/23, however, the guidance to Local Authorities is that there is flexibility around how it is distributed.</li> <li>• DW also noted his belief that the money came as a result of the 6.5% pay increase and the recognition that the nature of required staffing expenses for some schools, the increase in DSG funding was not going to be enough.</li> <li>• DW further noted that although the allocation was based on the outturns from 2022/23, the funding is very much intended for 2023/24. DW reiterated that there are 14 schools with licenced deficit balances, however, assuming the 12 schools that are to be allocated funding are still in a deficit position this year, there are 2 schools that potentially may be in deficit at the end of 2023/24 that will not benefit from this money.</li> <li>• DW also noted that the guidance states that not every school with a deficit should benefit from the funding and that it would expect that funding should be allocated on a case-by-case basis. Whilst he understands the methodology behind the proposed allocation, DW feels that this doesn't look like a case-by-case basis.</li> <li>• JR noted that the announcement came in after the Schools Finance Sub-Group had met to agree the SIFD Funding allocations. Therefore, it was decided to take those allocations into consideration before agreeing the distribution of the additional funding.</li> <li>• With a longer run in, this would have been factored in via the SF Finance Sub-group, but because the Authority would like to get the decision taken as quickly as possible, it was considered that without setting specific criteria and consulting schools, the fairest and most logical way to distribute the funding, was on pro-rata basis, so that every school with a deficit at that point in time that the funding was based on, was allocated the funding, adjusted for the SIFD funding. JR stressed again that this methodology was in line with the basis that DfE used to allocate funding to those Local Authorities with the highest levels of deficit.</li> </ul>	
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	<ul style="list-style-type: none"> <li>• With more time the Authority may have consulted more widely but as some of the Schools with deficits have already asked if they will be getting some of this funding, a decision was made to bring the proposals as soon as possible so we could get confirmation back to those schools.</li> <li>• GS noted that the guidance also states that if the funding is not spent within 2023/24 then it can be spent as part of the DSG in 2024/25 which suggests that the DfE is not expecting the funding to be spent immediately and that there is a bit of time available to carry out financial monitoring over the course of 2023/24. Some schools that may not have been in deficit at the end of 2022/23 may find themselves in deficit at the end of 2023/24 as a result of the pay award.</li> <li>• JR noted that the Authority's Strategic Risk Register shows the size of the deficit in comparison to the existing balance, and that the deficit in maintained schools will ultimately rest with the general fund once school balances are no longer ring fenced at the end March 2026, without any flexibility to move it. Therefore, the Authority wanted to get the funding allocated as soon as possible. JR acknowledged that there are arguments either way, however, the Authority wanted to get it allocated because it's a known risk that's quantified now, and £1.868m against a total deficit of circa £13.000m is only 14.5%. JR further noted that the Local Authority is not top slicing any of this allocation, however, it does help address the overall strategic risk for the Borough.</li> <li>• KB queried, is it not better to allocate funding with care and time rather than speed.</li> <li>• SB noted whilst he has declared an interest in this item, he is not sure that the proposed allocations will be best value in terms of the use of the money.</li> <li>• KB echoed the earlier comments around the flexibility in the way the funding can be allocated and/or added to the DSG, noting that SIFD Funding has already been addressed in the appropriate way, via the appropriate sub-group and decisions have been made. This is extra money, and there are additional pressures for all schools as a result of the pay award.</li> <li>• KB noted her belief that there is a compelling argument that doing something because it's simple isn't necessarily the right solution and appealed that this note is not moved</li> </ul>	
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	<p>forward. KB acknowledged that a commitment had been given to consider other proposals and requested that there isn't a speed in which this needs to be done.</p> <ul style="list-style-type: none"> <li>• LG asked if the Schools Forum Sub-Group can make recommendations to the Authority on how the additional funding can be allocated.</li> <li>• JR noted that if a Finance Sub-Group can be convened quickly then we would be happy to support that, highlighting that there are time pressures in terms of the Authority's reporting position to Cabinet in November and that we need to have a resolution. As the statutory officer for the Authority's budget his professional opinion is that a decision needs to be made quickly.</li> <li>• JR disputed the proposals in relation to adding the funding to the DSG for 2024/25 due to the scale and risk to the Authority in the current financial year.</li> <li>• JR noted that this can be discussed further via the Finance Sub-Group with a recommendation being brought back to Schools Forum in January which would still allow time to include a recommendation in the budget report to Cabinet.</li> <li>• JR noted his concerns around allocating the funding across all schools as this could dilute the funding so much that it moves away from the intention. This funding came about following some very hard lobbying of the DfE and the Authority would not want to lose the benefit that came into North Tyneside overall.</li> <li>• Members of the Finance Sub-Group agreed to convene a meeting to resolve this issue.</li> </ul> <p><b>Recommendations</b></p> <p>Schools Forum was asked to:</p> <ul style="list-style-type: none"> <li>• Note the update on indicative allocations for each of the four Dedicated Schools Grant funding blocks; <b>Noted</b></li> <li>• Note the reported positions on High Needs, Early Years Block funding; <b>Noted</b></li> <li>• Agree the Schools Forum Subgroup recommendation for allocation of Schools in Financial Difficulty funding. £0.419m <b>Agreed</b></li> <li>• Note the Local Authority proposal for the allocation of the additional £1.868m SIFD funding.</li> </ul>	
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	<p><b>Not agreed.</b></p> <p><b><u>ACTION:</u> Meeting of the Finance Sub-Group to be convened in the next 2 weeks with a further proposal to come back to Forum in January.</b></p> <ul style="list-style-type: none"> <li>Note the impact on funding the Authority's services via CSSB from the decisions in 2023/24 and the expected additional impact in 2024/25.</li> </ul> <p><b>Noted</b></p>	JC
<b>7b</b>	<p><b>National Funding Formula and Outcome of Consultation</b></p> <p style="text-align: right;"><b>Jane Cross</b></p>	
	<p>JC talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> <li>Consultation exercise ran from 2nd – 20th October 2023 for all schools funded through the Schools Block.</li> <li>3 separate Finance briefing sessions to outline changes and allow for questions.</li> <li>However, the news of the error from the DfE came out in the middle of the consultation period after 2 of the sessions had already taken place. The final session was subsequently rescheduled, and the consultation was extended to 27 October as a result of the announcement.</li> <li>All sessions were well attended, and JC thanked schools for the engagement that took place.</li> <li>55% response rate, up from 16% in 2022. Although this is still not as high a response as we would like.</li> <li>Table showing the response rate by phase was shown on screen (Table 1 of the report).</li> <li>It was noted that one schools submitted 2 responses. Therefore, where schools have submitted more than one response only the first response was taken into consideration.</li> <li><b>Local Funding Formula (LFF)</b></li> <li>90% (35 schools) voted in favour of keeping the National Funding Formula factors.</li> <li>82% (32 Schools) voted in favour of the Local Authority continuing to set the Minimum Funding Guarantee (MFG), subject to affordability.</li> <li>When asked which factors should be used to distribute any surplus after delivering the chosen MFG protection level, the preferred option has changed to basing it on deprivation, for 2023/24 with Age Weighted Pupil Unit (AWPU) (the preferred option in 2022/23) coming second. The recommendation</li> </ul>	

	<p>would be to go with the majority.</p> <ul style="list-style-type: none"> <li>• The Chair asked for comments and questions on this matter.</li> <li>• SW noted that only 14 schools voted for this to be based on deprivation which is very small percentage and that this has always been based on AWPU in the past. Given that deprivation is being factored in via other elements, such as the Deprivation factor, AWPU and also Covid Recovery Premium, which is based on Pupil Premium, SW queried if it would be fairer to distribute this money to AWPU whilst that recovery premium is in place.</li> <li>• A query was raised if Equal Share and AWPU basically equated to the same thing meaning the 2 combined would be 19 schools, which would be a higher majority than Deprivation with 14.</li> <li>• DT noted that the two factors are not the same. Equal share would equate to the same amount per pupil regardless of school phase and AWPU has a different value for secondary and primary.</li> <li>• JC proposed picking this up in the Finance Sub-Group that will be convened as above. <b>Forum agreed.</b></li> <li>• PS noted that he also felt AWPU was a much fairer way to distribute the funding than the deprivation factors because of the variability of the deprivation factors across the Borough.</li> <li>• JR noted that the Schools Finance Team can bring some analysis to the Finance sub-group, but that it is only about £0.100m overall and AWPU would weight it towards Secondary and away from the areas of deprivation, however, based on over 70 schools the difference may be fairly marginal.</li> <li>• <b>ACTION: Analysis to be brought to Finance Sub-Group for a further decision.</b></li> <li>• Schools were asked for their views as to whether Schools Forum should continue to allocate £0.250m to growth and falling rolls funding or increase the allocation in line with the NFF value. Overview of the responses was shown on screen (Table 2 of the report).</li> <li>• <b>Growth Fund / Falling Rolls</b></li> <li>• 62% voted to keep Growth Funding at £0.250m and 44% voted to keep Falling Rolls at £0.250m. Forum agreed with the recommendation.</li> <li>• <b>0.5% Transfer</b></li> <li>• 28% of schools voted in favour of the transfer which was set</li> </ul>	<p>JC/DT</p>
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at 0.48% as opposed to a 0.5% as this equates to the amount stated in the DSG Management Plan (£0.751m) to the High needs Block. This was compared to 18% last year.

- The remaining 72% of schools cited reasons which have impacted the decision as follows:
  - a) 39% stated the impact on School Finance when they are already facing pressures.
  - b) 36% stated that they have concerns over how Special Educational Needs and Disabilities (SEND) is funded from Government and that it should be funded in a different way.
  - c) Comments were also received around the inequality in how the transfer was calculated. Because of the MFG & MPPF, 15 school would not have been impacted by the transfer meaning other schools picked up a larger percentage and some of the schools felt that this was not fair. The calculation is part of the NFF and not something set by the Local Authority.
- If Schools Forum don't agree to the transfer, then the Local Authority would be required to submit a disapplication request to the DfE in line with the DSG Management Plan. Deadline for the submission is 17 November.
- If that request was not successful, then the DSG Management Plan and the High Needs system would need to be revised in line with the reduced resources available.

Discussion followed around:

- DW asked for clarification on the requirement to submit a disapplication request with regard to what form this takes and asked how this would be presented to the DfE.
- JR noted that being accepted onto the Safety Valve Programme by the DfE and the agreed Safety Valve Funding being higher than initially expected (circa £16.000m) with an allocation of £19.500m over the 5 years, was subject to hitting key performance criteria. There was an expectation from the DfE that an up to 0.5% transfer would be included for the full 5 years of the programme. As a result of the views from Schools Forum last year and the strength of feeling regarding the pressures on finances, the Authority pushed back on this stating that a transfer should not go forward for year 1, however, whilst the DfE fell short of mandating it for years 2-5, they strongly advised that it would be expected. The

	<p>Authority recognise that this would be subject to approval annually which was understood by the DfE, however, the transfer is included in the base position.</p> <ul style="list-style-type: none"> <li>• If the transfer is not approved, this will have to be relayed back to the DfE noting that this now takes the Safety Valve Plan out of balance. The Authority would have to take off the £0.751m each year which would have a knock-on effect in future years. Alternative options would have to found to bring the plan back in balance or the whole £19.500m would be put at risk and the Authority could be subject to clawback of the funding that has already received, circa £9.000m to date.</li> <li>• As part of the plan that resulted in the £19.500m funding, the Authority is funding what is being referred to as the Implementation costs from the General Fund. This wouldn't normally happen as the General Fund would not usually be used to fund school activity. This equates to circa £1.3m this year and as will be shown in the budget proposals coming to Cabinet on 27 November, has been built into the base budget for the remainder of the Safety Valve Plan. This means that the Authority is not in a position to contribute any more money from the General Fund.</li> <li>• JR noted that there is an expectation from the DfE that the Authority would submit a disapplication request which will then require approval by the Secretary of State. If the request is refused then support provided through the High Needs Block would need to be addressed to take into consideration the reduction in resources and the pressures on the budget, and the team would have to look at what this means in terms of support for schools.</li> <li>• JR noted that the Authority will present the factual position to the DfE and reiterated that if we lose the £19.500m then the deficit will become a significant risk for the Authority which could require significant changes to provision.</li> <li>• LG noted that she doesn't support the transfer as Schools are already facing rises in costs, and that this could possibly push schools not in deficit into deficit.</li> <li>• KB noted that whilst she is fully behind a lot of the elements of the Safety Valve, she expressed her personal concerns there has been a change in how requests for statutory assessment from Schools are being managed and processed. KB expressed her beliefs that children with a high level of needs</li> </ul>	
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	<p>are not being considered to have their needs assessed. As a result, this is moving financial pressures to schools. KB further noted that to say the Authority is not going to assess a child's needs is essentially pre-empting the outcome of the Education, Health and Care Needs Assessment (EHCNA).</p> <ul style="list-style-type: none"> <li>• KB asked if any audit is being taken / and evidence collated to find out if the Safety Valve and any of its changes are having a positive impact as well as any negative impacts and what they are.</li> <li>• KB also noted the rise in exclusions, tribunals and appeals and the impact this is having on resources, as well as concerns over staff and pupil wellbeing resulting from children with complex needs being inappropriately placed, reiterating that she would not support a transfer at this time.</li> <li>• KB further noted that she understood that a significant level of school catering debt was not fully recovered from parents, stating her belief that this potential revenue could have mitigated the need for Schools to contribute the £0.751m at all.</li> <li>• MM noted that the disapplication request is due on 17 November and provided assurance that as part of that process, the Authority will provide the minutes of this meeting.</li> <li>• MM acknowledged KB's comments and noted that the Authority invited the DfE to attend SEND panel, where a number of decisions were taken on who received an assessment, those that didn't and those that were deferred, and the DfE advisor supported the views that the panel had taken.</li> <li>• MM issued a reminder that the meeting is being live streamed and noted disappointment at the tone of some of the discussion. These are really challenging circumstances and a really challenging climate. The SEND Panel is a multi-agency panel with a great deal of expertise, and they make decisions that they believe are to be right with the information that is available to them. That does not mean that as humans, they always get that right. MM noted that where teachers and/or SENCos have any concerns about a decision that has been made, he will consider how that is escalated in an appropriate and transparent way that is understood by everybody.</li> <li>• MM noted that historically the Authority has agreed to assess</li> </ul>	
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	<p>and issue for the vast majority, but we are seeing a culture change, so we need to be careful in suggesting that what we are doing now is out of kilter when arguably it could be that we were out of kilter with what we were doing before, and what we were doing before, was unaffordable. It may be that as we work through that culture change, we need to find a middle ground, as there has been a change in practice which we recognise.</p> <ul style="list-style-type: none"> <li>• MM noted the Safety Valve Programme is monitored and tracked. He noted that whilst we can see a more immediate change in practice decisions, there is a lead time for some of the strategic plans that we have in place, before we begin to see the impact from them.</li> <li>• MM noted that he is happy to meet with members of Schools Forum and/or their collaboratives to discuss any queries they may have and that he will take on board the comments raised.</li> <li>• KB noted that she accepts the human element and that two neighbouring LAs appear to be doing something helpful which may support the EHCP evidence process. Any solutions would just be helpful to find a way forward from where we are. KB also noted that she does not underestimate how challenging this is.</li> <li>• KB asked if the DFE could attend a meeting with Head Teachers to find out why they don't support the transfer and hear what the concerns are.</li> <li>• JR noted that North Tyneside was an outlier in terms of demographics right from the start, with a higher number of applications received and accepted. This factor, combined with the significant forecast deficit was the reason North Tyneside was invited into the Safety Valve Programme. If we don't find a way forward that is financially sustainable then there will have to be changes. The Authority has to come back into balance otherwise, we could be facing a much wider challenge for the Authority, including the potential of being unable to balance the accounts which would require a Section 114 notice, which has happened with some other Local Authorities. With the combination of pressures on the overall budget, we have to find a way forward now.</li> <li>• JR noted that we have made the request to the DfE for a representative to attend a meeting with Head Teachers, but</li> </ul>	
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	<p>we can't confirm whether they will put someone forward.</p> <ul style="list-style-type: none"> <li>• KB noted that she accepted the comments and that it was a great opportunity for the Local Authority, but that she thinks there needs to be auditing work done on the real impact day to day.</li> <li>• MM noted that if the disapplication request was refused and we need to find further investment to save, then this would not be done in isolation. Any decisions would be made in consultation with the High Needs Sub-Group, Head Teachers and SENDCos. We will need to collectively look at the system and then look at how we can make those savings.</li> <li>• JR noted that the vote of this forum and the consultation will be reflected in the disapplication request to the DfE.</li> </ul> <p><b>Recommendations</b></p> <p>Schools Forum were asked to:</p> <ul style="list-style-type: none"> <li>• Agree to continue to use factors in line with NFF, funding permitting.</li> </ul> <p><b>Agreed</b></p> <ul style="list-style-type: none"> <li>• Agree to allow the Authority to set a Minimum Funding Guarantee (MFG) and capping based on affordability.</li> </ul> <p><b>Agreed</b></p> <ul style="list-style-type: none"> <li>• Agree that Deprivation factors be used to distribute any surplus after delivering MFG.</li> </ul> <p><b>Not Agreed</b></p> <ul style="list-style-type: none"> <li>• <b>ACTION: To be discussed at the Finance Sub-Group which will be arranged within the next 2 weeks as stated above.</b></li> <li>• Agree that Growth and Falling Rolls funding should each be set at the historic level of £0.250m.</li> </ul> <p><b>Agreed</b></p> <ul style="list-style-type: none"> <li>• Consider the response to the request to transfer 0.48% School block funding to High Needs and either: <ul style="list-style-type: none"> <li>a) Support a 0.48% transfer from Schools block to High Needs block to support the draft DSG Management plan; or</li> <li>b) Not support any transfer of funds from Schools block to High Needs block.</li> </ul> </li> </ul> <p><b>Not Agreed with the following votes noted:</b></p> <ul style="list-style-type: none"> <li>○ <b>For = 0</b></li> <li>○ <b>Against = 18</b></li> <li>○ <b>Abstain = 7</b></li> </ul>	<p>JC/DT</p>
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8.	<b>Schools Forum Constitution and Action Plan Review</b>	<b>Christina Ponting</b>
	<p>CP talked through the review of the Constitution and the Self-Assessment. Main points to note as follows:</p> <ul style="list-style-type: none"> <li>• CP provided the background and confirmed that the ESFA Guidance has been checked and remained unchanged.</li> <li>• There were some minor amendments to the Constitution and the Action Plan which can be noted in the reports circulated in advance of the meeting via the tracked changes.</li> <li>• Summary of the key changes was provided.</li> <li>• If Schools Forum members are in agreement the updated documents would replace the current document provided to members and noted on the Schools Forum website.</li> <li>• CP had been asked by some Forum members in support of schools to provide updates/awareness raising of the role of Schools Forum and its members, this would be in addition to the update provided to Governors.</li> <li>• The North Tyneside Schools Forum Constitution will be reviewed again in September 2024 as part of its annual review or before this if ESFA guidance is updated.</li> <li>• CP noted that another school has just converted to an Academy with some more schools planning to convert in the new calendar year. Schools Forum will need to consider this and the impact it may/may not have on membership. A report will be brought to Forum at a future date following completion of the Academy conversions to review the membership to ensure the Forum continues to be representative by schools type.</li> </ul> <p><b>Recommendations:</b></p> <p>Schools Forum were asked:</p> <ul style="list-style-type: none"> <li>• To consider the changes to the documents and confirm if they are clear on the changes and if they are happy for the documents to be updated as noted.</li> <li>• To confirm if they were in support of updates being provided to Head teachers to support them to better understand the role of Schools Forum and to better support their representatives on Forum.</li> </ul> <p><b>Forum agreed.</b></p>	

<b>9.</b>	<b>Consideration of Special Leave for 2023/24</b>	<b>Christina Ponting</b>	
	<p>CP provided a verbal update following the email circulated in advance of the meeting. Main points to note as follows:</p> <ul style="list-style-type: none"> <li>Schools Forum were reminded that the SLA runs from April to March and that there was an agreement to review the SLA annually.</li> <li>When the rate was last reviewed for the 23/24 SLA year the per pupil rate was increased by 6% to allow the fund to maintain appropriate funding levels/keep in line with inflation. This was based on a number of assumptions, including an estimated 5% pay award and pay progression.</li> <li>Claims to date have been slightly under in terms of overall cost, compared to last year however, the pay award of 6.5% from September 2023 and the progression point changes are both yet to be processed which will see overall costs YTD increase.</li> <li>The next review is due in January 2024 as part of the budget setting process. Further information will be presented to Forum in January to consider whether they want the SLA to continue and if so, what the rate should be for 2024/25.</li> </ul>		
<b>10.</b>	<b>Reports from Services (EMTAS and School Support Services)</b>	<b>Lisa Cook</b>	
	<p><b>EMTAS:</b></p> <ul style="list-style-type: none"> <li>3 specialist teachers and 1 teaching assistant in the EMTAS Team.</li> <li>There has been an increase of 4.7% of children and young people with English as an additional language (EAL).</li> <li>280 pupils had their language recorded as other or believed to be other with a huge range of languages within that.</li> <li>200 initial language assessments completed and 94 school interventions.</li> <li>9 training sessions offered to schools on "Strategy to Support EAL Learners".</li> <li>Supported 8 schools with the Festival of Languages.</li> <li>Parental Engagement provided via Padlet,</li> <li>Collaborating with schools to celebrate cultural and religious events.</li> <li>Delivering workshops to celebrate the multilingualism and cultural identity of families.</li> <li>Multi Agency work to support schools and families with representation in SENDco networks and the North East</li> </ul>		

Partnership Project.

- Hosted 3 meetings and delivered 15 sessions for NALDIC.
- 5 schools have achieved the School of Sanctuary Award with the support of EMTAS and NTLT.
- Quotes provided on screen from those that have utilised the service to highlight the positive impact of the service.

**Education North Tyneside:**

- Relatively wide team compared to other Local Authorities which brings with it a breadth of expertise to support our schools and settings.
- Held 6 headteacher collaborations and 6 online briefings. In a response to a request from Head Teachers, this was introduced as a new way of working with the online briefings being used for updates and the collaborations being used for more networking and in-depth discussions.
- Continue to run the Head Teacher helpline.
- Additional support via Assistant Director, Senior School Improvement Officers and visits over and above any other work that is being carried out.
- Critical Incident Support: The money for Psychology Support Services is provided from this budget. Over 100 hours of critical incident support provided. Purely from the EP, not including the extra help that the Authority provides to schools.
- Inspection Support: 18 inspections last year along with support offered to schools that are in an inspection group. For Head Teachers that have had inspections, the extra support provided is regardless of whether the schools use the service as an SDP or not. If it is a challenging inspection more time will be spent on site and in follow up with the senior team.
- School Improvement: 1456 Schol Visits last year. 6 RAG schools that are meeting every half term. Depending on the level of support required some schools are having more regular 1:1 meetings and extra support where needed.
- Delivery of SLAs and Project work, including Post 16 Changes and Careers
- School Support: Increase in exclusions (3 times increase) however, this is in line with other Local Authorities so North Tyneside is not an outlier.
- There were 96 permanent exclusions. 96 managed moves and case work linked to 2444 days of suspensions. Not every suspension will receive support from the School Support

	<p>Team, however, the team monitor this to ensure there is support in this area.</p> <ul style="list-style-type: none"> <li>• An overview of the meetings that Education North Tyneside attend to represent Schools and settings was provided. This includes representation on the SEND Panel, of which there were 42 panels last year and another 52 panels to address needs of young people at different points of transition.</li> <li>• Feedback from these group is presented back to schools via Head Teacher Collaborations and Briefings. Also have the opportunity to take things back to these groups to raise issues on behalf of schools.</li> <li>• Officers and advisors attend a range of local, regional and national meetings to provide a voice for North Tyneside</li> <li>• Three conferences were provided last year.</li> <li>• The team worked directly with schools on 28 Ofsted complaints as well as dealing with corporate complaints and requests for information from Councillors, MPs and the Mayor.</li> <li>• 8 direct queries to Education North Tyneside linked to Alternative Provision</li> <li>• Work regularly with Councillors to ensure they are up to date with what is happening in schools as well as taking part in bi-annual Ward Member Briefings.</li> <li>• In terms of assessments and the Statutory moderation of KS1 and KS2, this was completed with no appeals, and monitoring visits for Phonics and KS2 did not raise any concerns.</li> <li>• SATS administration completed with no issues needing to be referred.</li> <li>• Computing in Schools is also part of the Education North Tyneside Offer. Had deep dives in Computing in Schools and the schemes of work. E-Safety support in schools</li> <li>• Quotes on screen from those that have utilised the service to highlight the positive impact of the service.</li> </ul> <p><b>Early Years:</b></p> <ul style="list-style-type: none"> <li>• Out of the £0.415m funding, £0.144m of that was ring fenced for Early Years.</li> <li>• Early Years continued with the Launchpad for Literacy work and the Foundations for Learning Programme was also successful with 30% of Primaries engaged with the programme.</li> <li>• Termly Network Meeting take place in each of the 4 localities, which are well attended and cover a range topics.</li> </ul>	
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	<ul style="list-style-type: none"> <li>• Overview of the Statutory work that has been carried out was provided to new and existing Early Years Providers.</li> <li>• Quotes provided on screen from those that have utilised the service to highlight the positive impact of the service.</li> </ul> <p><b>Physical Education, School Sport and Physical Activity (PESSPA):</b></p> <ul style="list-style-type: none"> <li>• Increase in the number of competitions with 97% of schools participating in inter school sports and events.</li> <li>• Increase in the number of young leaders supported and good attendance at events and competitions.</li> <li>• Subject leader networks across all phases with over 70% attendance.</li> </ul> <p><b>Health and Wellbeing:</b></p> <ul style="list-style-type: none"> <li>• Overview of the work carried out was provided.</li> <li>• Run networks for schools including the statutory relationships, sex and health education (RSHE), vaping, alcohol use amongst young people, and healthy schools relaunch.</li> <li>• Works alongside the Personal, Social, Health and Economic (PSHE) newsletter which people find valuable to signpost to resources and support.</li> </ul>	
<b>11.</b>	<b>Any Other Business</b>	
	<p><b>Schools SLAs:</b></p> <ul style="list-style-type: none"> <li>• CP reminded forum that there was an outstanding action from a previous meeting for a sub-group of Schols Forum to meet to discuss the Schools SLAs.</li> <li>• CP confirmed that the sub-group have now met and that the meeting was very productive. Next steps from that will be reported back to Forum at a future meeting.</li> <li>• CP thanked members for their input and time and provided assurance to Forum that this action has now been concluded.</li> </ul> <p><b>Education Review:</b></p> <ul style="list-style-type: none"> <li>• LG noted that she had requested an update on the Educational Review and that the Chair had responded suggesting that forum receive future updates following ongoing consultations.</li> </ul>	
<b>12.</b>	<b>Date and Time of Next Meeting</b>	
	Wednesday, 17 January 2024 at 12:30pm, via Microsoft Teams.	





North Tyneside  
Council

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Item 7

# Briefing Notes

**To:** Schools Forum

**Author:** Jon Ritchie, Director of  
Resources

**Date:** 17 January 2024

**Purpose of  
the Paper:**

Information	✓
Consultation	✓
Decision	✓

**Title of Briefing: Update on 2024/25 Dedicated Schools Grant Funding  
Distribution including Proposals re: High Needs and Early Years,  
request for approval of De-delegated and Centrally Retained  
items and the proposed growth policy, Budget Monitoring for  
Schools, Schools in Financial Difficulty Funding and School's  
Deficits**

## 1.0 Purpose of Paper

- 1.1 This paper provides an outline of the current information available relating to 2024/25 for each funding block of the Dedicated Schools Grant (DSG) following the initial allocations announced on 19 December 2023. It also summarises High Needs and Early Years block funding for 2024/25.
- 1.2 The paper requests approval from Forum for de-delegated and centrally retained items as well as approval of the falling rolls and growth funding allocations proposed by the Authority.
- 1.3 The report also contains updates on the 2023/24 budget monitoring position after the first set of monitoring visits to schools and use of the additional schools in financial difficulty funding.

## 2. Update on 2024/25 Funding Allocations after publication on 19 December 2023

- 2.1 On 19 December, the Department for Education (DfE) published the initial allocations for each block of the DSG. The DSG will continue to be comprised of four blocks: Schools, High Needs, Early Years and Central Schools Services. Each of the four blocks has its own funding formula.
- 2.2 The North Tyneside allocation for the DSG in 2024/25 uses the October 2023 census and follows the 2023/24 allocation as it includes funding previously allocated as grants for pay awards and pension increases and the Schools Supplementary Grant as shown in table 1 below with prior year figures for comparison;

**Table 1: Schools Block 2024/25 allocation compared with Prior Years**

	2020/21	2021/22	2022/23	2023/24	2024/25	2023/24 to 2024/25
	£m	£m	£m	£m	£m	£m
Schools	126.794	137.231	140.373	147.655*	157.670	10.015
Central School Services	2.051	1.877	1.724	1.621	1.563	-0.058
High Needs	22.319	26.709	29.784	33.306	34.970	1.664
Early Years Block	12.771	13.946	14.673	15.597	25.156	9.559**
<b>TOTAL</b>	<b>163.935</b>	<b>179.763</b>	<b>186.554</b>	<b>198.179</b>	<b>219.359</b>	<b>21.180</b>
Move from 17/18 Baseline £m	15.296	31.124	37.915	49.540	70.720	
Move from 17/18 Baseline %	10.29%	20.94%	25.51%	33.33%	47.58%	
Change per Year £m	8.334	15.828	6.791	11.625	21.180	
Change per Year %	5.36%	9.66%	3.78%	6.23%	10.69%	
PUF	£4,083	£4,425	£4,539	£4,771	£5,039	
SUF	£5,427	£5,841	£5,988	£6,277	£6,604	
MPPF: Primary	£3,750	£4,180	£4,265	£4,405	£4,610	
MPPF: Secondary	£5,000	£5,415	£5,525	£5,715	£5,995	

23/24 Updated to reflect final allocations following in-year adjustments

2021/22 onwards includes pay award and pension grants previously separate to DSG, now rolled into funding formula

\* Includes 22/23 Schools Supplementary Grant and 23/24 Maintained Schools Supplementary Grant (MSAG) now rolled into funding formula

\*\* See Section 5 – Expansion of Early Years Entitlement

### **3. Schools block**

- 3.1 In 2024/25, as in each year since 2018/19, the Authority will receive its DSG funding based on the DfE National Funding Formula (NFF). Following consultation with Schools which took place during October 2023 the Authority are proposing to continue to align the Local Funding Formulae (LFF) to the National Funding Formula factors, as in 2023/24. The proposed Schools block rates are shown in Appendix A.
- 3.2 Forum will recall, as discussed at the 9 November 2023 meeting, that the DfE have restricted the range of a Minimum Funding Guarantee (MFG) to between 0.0% and +0.5%. Calculations through the Authority Proforma Tool (APT), subject to final amendments, are showing MFG affordable at 0.5% with a slight shortfall. Capping will therefore be required but this will be minimal. This assumes no block funding transfer to High Needs. There would, therefore, be no residual funding to allocate but schools will all achieve increased rates where their pupil numbers have increased.
- 3.3 Forum should note that the Authority Proforma Tool (APT) will be finalised and submitted to the DfE for the 22 January 2024 deadline.
- 3.4 As in previous years the Authority is proposing to deduct £0.250m from the Schools block to fund falling rolls. In addition, the Authority is proposing to deduct £0.250m to support growth funding. The total funding therefore available to distribute to schools using the Local Funding Formula is £157.170m. Growth funding assessments for 2024/25 will be carried out once the September 2024 admissions data is available.
- 3.5 At its meeting on 9 November 2023 and following a consultation with all schools, Forum voted against a 0.48% block transfer from the Schools block to the High Needs block. The Authority, in line with the DSG Management plan, have since submitted a disapplication request to the DfE to request the transfer. The impact of the transfer was included in the DSG Management plan for 4 years, from 2024/25.

- 3.6 The Authority continues to engage and work with the High Needs Sub-Group to consider alternatives if the disapplication request is not agreed. If the disapplication request is approved, the authority will work with Schools Forum Finance Sub-Group to agree how the reduction will be applied through the Authority Proforma Tool (APT).

#### 4. High Needs Block

- 4.1 The £34.970m figure outlined above for the 2024/25 High Needs block reflects the increased DSG funding announced by the DfE and includes funding previously included as separate grants for pay award and pension increases, as in 2023/24. The £1.664m increase is therefore covering these costs going forward. It also includes a deduction of £0.448m made by the Education Skills and Funding Agency for direct funding of places.
- 4.3 The Authority submitted the 2023/24 third and final monitoring report against the DSG Management Plan on 15<sup>th</sup> December 2023 to the Department for Education (DfE) and reported that it now has a slight pressure of £0.016m against the original budget, however the Authority is still confident that the High Needs block will reach a positive in year balance by the year end 2027/28, although the risk around the schools block transfer not being approved by Schools Forum was flagged as a significant risk.
- 4.4 The latest position as at 30<sup>th</sup> November is shown in table 2 below.

**Table 2: Breakdown of High Needs Pressure at 30<sup>th</sup> November 2023**

Provision	2023/24 Budget £m	November 2023 Forecast £m	Forecast Variance £m
Special Schools and PRU	22.388	22.898	(0.510)
ARPS /Mainstream Top-ups	6.065	6.058	0.007
NMSS/ISP	4.305	4.115	0.190
Commissioned Services / Other EOTAS	3.160	3.084	0.076
<b>TOTAL</b>	<b>35.918</b>	<b>36.155</b>	<b>(0.237)</b>
DSG High Needs Funding	(33.606)	(33.307)	(0.299)
<b>In-Year Planned Deficit</b>	<b>2.311</b>	<b>2.848</b>	<b>(0.536)</b>
2022/23 Balance B/F	10.112	9.592	0.520
Safety Valve Funding 23/24	(1.950)	(1.950)	0.000
<b>Deficit C/F to 24/25</b>	<b>10.474</b>	<b>10.490</b>	<b>(0.016)</b>

#### 4.5 **Special Schools and the Pupil Referral Unit (PRU)**

There is an increased pressure of £0.510m relating to this area as the Authority continues to see high numbers of children and young people within the education system with significant needs requiring specialist provision. This is particularly relating to Autism Spectrum Disorder (ASD) and Social, Emotional and Mental Health needs (SEMH). The Authority has increased the numbers of places within special schools to cope with this additional demand.

- 4.6 Special schools are funded at £10,660 per place, plus a top-up based on a banding which is reflective of the needs of each individual child. Funding values for each banding is shown in Table 3 below. The majority of pupils attending special schools attract band 4 and band 5 top-up levels.

**Table 3: Special School Top Up Values by Banding**

Band	Top up value
Band 1	£0
Band 2	£3,341
Band 3	£6,682
Band 4	£9,507
Band 5	£19,221

### **5. Early Years Funding for 2024/25**

- 5.1 On 19 December 2023 the Department for Education released the 2024/25 early years entitlement funding rates for local authorities. Due to the late release of final funding figures and confirmation of changes to the Early Years Funding Formula, the Authority was unable to discuss modelled proposals for North Tyneside's early years funding formula 2024/25 at it's meeting with Early Years Sub-Group in November 2023.
- 5.2 The group did however discuss and agree the principles for allocation of any funding increases to be fully modelled once funding was confirmed. Now that the funding rates are confirmed, the proposed funding formula will be shared with the sector. The Local Authority recommended option, based on the Sub-Group's agreed principles is outlined in table 4 below, for Schools Forum consideration.

**Table 4: Proposed Early Years Funding Rates**

		<b>2023/24</b>	<b>2024/25</b>
9 Month to 2 Year Old Entitlement (Working Parents)		New in 24/25	From Sept 24 – Rate TBC
2 Year Old Receiving Additional Government Support		£5.60	£7.30
2 Year Old Entitlement (Working Parents)		New in 24/25	£6.90
3 & 4 Year Old Hourly Base Rate		£4.64	£4.88
3 & 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.18	£0.20
	Quartile 2	£0.06	£0.06
3 & 4 Year Old Hourly Quality Supplement – Teachers Pay and Pension Grant Supplement *		£0.22	£0.33
Early Years Pupil Premium		£0.62	£0.68
Additional Payment to Maintained Nursery School		100% pass through of Maintained Nursery School rate allocated by DfE.	100% pass through of Maintained Nursery School rate allocated by DfE.
SEN Inclusion Fund (all age groups)		£8.26 per hour	£8.26 per hour
Disability Access Fund		£828	£910

\* Available to provision who have confirmed that provision is led by a qualified teacher, who is paid according to national teacher pay scales and is a member of the teachers' pension scheme.

## **6. Central Schools Services Block Funding for 2024/25**

6.1 Funding for the Central Schools Services block has been reduced by DfE in relation to historical funding by £0.127m, which represents a 20% reduction in funding for the historic commitments. Ongoing functions have had an increase of 7.01% as shown in table 5 below.

**Table 5: Allocations for North Tyneside CSSB 2024/25**

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Annual Change	
					£m	%
Historical Commitments	0.995	0.796	0.637	0.510	(0.127)	(20.00%)
Ongoing Functions	0.882	0.928	0.984	1.053	0.069	7.01%
<b>Total</b>	<b>1.877</b>	<b>1.724</b>	<b>1.621</b>	<b>1.563</b>	<b>(0.058)</b>	<b>(3.58%)</b>
Change from 2017/18 Baseline £m	(0.466)	(0.619)	(0.879)	(0.937)		
Change from 2017/18 Baseline %	(19.89%)	(26.42%)	(35.16%)	(37.48%)		
Change per Year £m	(0.174)	(0.153)	(0.103)	(0.058)		
Change per Year %	(8.48%)	(8.15%)	(5.97%)	(3.58%)		

6.2 The list of services provided via CSSB funding is listed in table 6. The net reduction in funding of £0.058m is identified in this table. Forum will recall that authorities can challenge the reasonableness of the reduction in funding by providing relevant evidence to the DfE.

6.3 Following consultation with School Forum, the Authority will set the funding for these services as identified in table 6 below.

**Table 6: Illustrative allocations for North Tyneside CSSB for 2024/25**

<b>Budgets which now form part of the CSSB</b>	<b>CSSB 2023/24 £m</b>	<b>CSSB 2024/25 £m</b>
Budget to fund the Schools Support Service	<b>0.415</b>	<b>0.377</b>
Budget to support vulnerable schools.	<b>0.052</b>	<b>0.052</b>
Budget for the Education Improvement Partnership (secondary schools)	<b>0.040</b>	<b>0.020</b>
Budget to support the informational requests of the Schools Forum	<b>0.030</b>	<b>0.030</b>
Collective contribution to ongoing pension costs incurred when allowing teachers to leave schools prematurely	<b>0.525</b>	<b>0.525</b>
Schools admission service	<b>0.141</b>	<b>0.141</b>
Former Education Services Grant (Retained)	<b>0.244</b>	<b>0.244</b>
National Copyright Licences	<b>0.174</b>	<b>0.174</b>
<b>Total CSSB Funding</b>	<b>1.621</b>	<b>1.563</b>

- 6.4 The Authority will continue to work with Forum to identify solutions to manage the long-term funding gap for service provision via other means, including but not limited to prioritising key outcomes and reviewing alternative funding such as under a service level agreement or similar.

## 7. De-delegated services

- 7.1 De-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the mainstream formula but can be passed back, or 'de-delegated', for maintained primary and secondary schools with Schools Forum approval.

- 7.2 The list of proposals for de-delegations for 2024/25 is included in table 7 below:

**Table 7: De-delegation proposals for 2024/25**

<b>Narrative</b>	<b>De-delegated 2023/24 £</b>	<b>De-delegated 2024/25 £</b>	<b>Rate per Pupil £</b>
Budget to support mainstream maintained schools in financial difficulty	121,611	111,332	5.62
Additional Head Teacher / School Support (People Management)	35,488	32,488	1.64
Support for minority ethnic pupils and under-achieving groups. (EMTAS) NB: rate per pupil only applies to pupils that meet the EAL Threshold	226,446	243,470	203.00
			547.75
Assessment of Free school meals eligibility	34,190	31,299	1.58
The current central scheme to cover staff costs – supply cover. E.g. the maternity/paternity/adoption cover scheme, including Union facility time costs and Jury Service	584,253	566,962	28.62
<b>Totals</b>	<b>1,001,988</b>	<b>985,551</b>	



## 8. 2023/24 Budget Monitoring for Schools

- 8.1 Forum will recall that the overall level of school balances at the end of March 2023 was a deficit of £0.382m compared to a surplus of £3.398m as at March 2022. This represented a decrease in balances of £3.780m. Initial school budget plans submitted in May 2023 projected that the overall balance would be £8.323m deficit by March 2024.
- 8.2 Schools have now completed the first set of monitoring for 2023/24 and the position is shown in table 8 below.

**Table 8: 2023/24 Schools Budget Monitoring 1**

<b>Phase</b>	<b>2022/23 Outturn £m</b>	<b>2023/24 Budget Plan £m</b>	<b>2023/24 Projected Year end £m</b>	<b>2023/24 Variance £m</b>
Nursery, First & Primary	5.529	2.656	2.042	(0.614)
Middle	1.655	0.488	0.776	0.288
Secondary	(6.822)	(9.638)	(9.283)	0.355
Special / PRU	(0.744)	(1.829)	(1.746)	0.083
	<b>(0.382)</b>	<b>(8.323)</b>	<b>(8.211)</b>	<b>0.112</b>
Schools in Financial Difficulty funding approved by Schools Forum	-	-	0.419	0.419
DfE funding – Supporting maintained schools in financial difficulty	-	-	1.868	1.868
<b>Total</b>	<b>(0.382)</b>	<b>(8.323)</b>	<b>(5.924)</b>	<b>2.399</b>

- 8.3 There is a slight improvement of £0.112m against 2023/24 budgeted deficit with schools now projecting year end balances of £8.211m deficit.
- 8.4 Schools Forum approved schools in financial difficulty funding of £0.419m at its meeting on 9<sup>th</sup> November 2023. This funding is not yet reflected in the individual schools' budget monitoring position.

- 8.5 As Forum are aware, the Authority has also been allocated £1.868m by the Department for Education (DfE) in 2023/24 to support maintained schools in financial difficulty. £20 million was targeted at the local authorities which have the most significant maintained school deficits and it is intended to be used towards the elimination of school deficit balances. It is to support schools facing substantial overall financial challenges which may be driven by factors other than teachers' pay.
- 8.6 As agreed, Schools Forum Finance Sub-group met on 21<sup>st</sup> November 2023 to discuss proposals to allocate this funding. It was agreed by the Sub-group, that as the intention of the funding is to reduce school deficit balances, that the allocation would be based on those balances as at 31<sup>st</sup> March 2024. The school-by-school detail won't be available until balances have been confirmed, but all of the £1.868m will be allocated against 2023/24 deficit schools.
- 8.7 The Sub-group had discussions around establishing criteria for the allocations e.g. setting a minimum % deficit level against budget allocations and schools providing evidence that they are working within their deficit approval. Options for the allocation will be modelled and shared with the Sub-group once 2023/24 year-end balances have been confirmed, but before the allocations are finalised. The balance of the remaining Schools in Financial Difficulty (Headroom) funding £0.159m should continue to be allocated to support as many schools out of deficit within the financial year as possible.
- 8.8 Once the two additional funding streams are applied to the schools' deficits, an adjusted year end deficit balance of £5.924m is projected.

## **9. School Deficits**

- 9.1 Forum will recall from the previous finance updates that some individual schools are expected to face significant financial challenges.
- 9.2 There are now 21 schools identified with expected deficits in 2023/24 following budget monitoring 1 submissions, with a total deficit value of £15.572m. The position of individual schools is outlined in Table 9 below:

**Table 9: Schools in an Expected Deficit Position 2023/24**

<b>School</b>	<b>2023/24 Budget Plan £m</b>	<b>2023/24 Budget Monitor 1 Projection £m</b>	<b>Budget Monitor 1 Projected Variance £m</b>	<b>2023/24 Deficit Comments</b>
Battle Hill Primary	0.015	(0.029)	(0.044)	Emerging
Burradon Primary	0.005	(0.046)	(0.051)	Emerging
Fordley Primary	0.004	(0.123)	(0.127)	Emerging
St Bartholomews Primary	0.008	(0.004)	(0.012)	Emerging
Wallsend Jubilee Primary	0.002	(0.024)	(0.026)	Emerging
Waterville Primary	0.718	(0.011)	(0.729)	Emerging
Southlands Special	0.021	(0.225)	(0.246)	Emerging
Benton Dene Primary	(0.022)	(0.093)	(0.071)	New 23/24
Forest Hall Primary	(0.052)	(0.041)	0.011	New 23/24
Greenfields Primary	(0.041)	(0.050)	(0.009)	New 23/24
Whitehouse Primary	(0.008)	(0.284)	(0.276)	New 23/24
Silverdale Special	(0.079)	(0.034)	0.045	New 23/24
Holystone Primary	(0.129)	(0.130)	(0.001)	Existing
Balliol Primary	(0.125)	(0.095)	0.030	Existing
Wallsend St Peter's Primary	(0.113)	(0.355)	(0.242)	Existing
Ivy Road Primary	(0.164)	(0.176)	(0.012)	Existing
Longbenton High	(1.510)	(1.353)	0.157	Existing
Norham High	(4.352)	(4.343)	0.009	Existing
Beacon Hill Special	(1.946)	(1.899)	0.047	Existing
Monkseaton High	(6.128)	(6.078)	0.050	Structural
Coquet Park First	(0.157)	(0.179)	(0.022)	Structural
<b>Total</b>	<b>(14.053)</b>	<b>(15.572)</b>	<b>(1.519)</b>	

## **10. Recommendations**

10.1 Having read this report and clearly understanding the information provided, Schools Forum is asked to.

1. Note update on the allocations for 2024/25 for each of the four funding blocks and the proposals for the distribution of funding;
2. Note the changes to the Schools block funding and the impact of the changes following 100% movement to the NFF;
3. Note the pressure in the High Needs block, including the potential impact if the disapplication request to DfE is not approved
4. Note the changes to Early Years funding allocations proposed for 2024/25 and that the funding formula will be shared with the sector prior to implementation;
5. Approve the services funded under CSSB as outlined in table 6;
6. Approve the de-delegated items rate per pupil outlined in table 7; and
7. Note the proposal for the allocation of the additional 2023/24 Schools in Financial Difficulty Funding.

10.2 Members are reminded of who is eligible to vote and the voting table is noted at Appendix B for Reference

## Appendix A

### Proposed School Block Rates for 2024/25 (excluding any block transfer) (100% National Funding Formula)

FACTOR	23/24 NFF (Incl. TPPG & Supplementary)		24/25 NFF (Incl. TPPG & Supplementary)		Difference 23/24 to 24/25	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
<b>Basic entitlement</b>						
Primary (Years R-6)	3,394		3,562		168	
Key Stage 3 (Years 7-9)		4,785		5,022		237
Key Stage 4 (Years 10-11)		5,393		5,661		268
<b>Deprivation</b>						
FSM	480	480	490	490	10	10
FSM6	705	1030	820	1200	115	170
IDACI Band F	230	335	235	340	5	5
IDACI Band E	280	445	285	450	5	5
IDACI Band D	440	620	445	630	5	10
IDACI Band C	480	680	485	690	5	10
IDACI Band B	510	730	515	740	5	10
IDACI Band A	670	930	680	945	10	15
<b>LAC (No longer used)</b>						
<b>EAL</b>	410	1106	590	1585	180	479
<b>Mobility</b>	945	1,360	960	1,380	15	20
<b>Prior Attainment</b>	1,155	1,750	1,170	1,775	15	25
<b>Lump Sum</b>	128,000	128,000	134,400	134,400	6,400	6,400
<b>Sparsity (N/A in NT)</b>	56,300	81,900	57,100	83,000	800	1,100

## Appendix B – Voting Table

North Tyneside Schools Forum Member Roles & Voting								
de-delegation Primary	de-delegation Secondary	scheme for financing schools	consultation on funding formula	General Duties	Retained Duties	all other matters	<i>last updated September 2019</i>	
1	2	3	4	5	6	7		
Voting							<b>Phase</b>	<b>Role</b>
<b>School Members</b>								
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
<b>Other School Members Non Locality Based</b>								
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
<b>Non Schools Members Non Locality Based</b>								
		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



North Tyneside  
Council

Item 8

# Briefing Notes

**To:** Schools Forum  
**Date:** 17 January 2024

<b>Author:</b>	Christina Ponting
<b>Purpose of the Paper:</b>	Information
	Consultation
	Decision

✓

✓

✓

**Title of Briefing:** Special Leave – Part 1 & 2 Service Level Agreement (SLA) – Update

## 1. Background:

1.1. Reports have been presented to Schools Forum since April 2018 on how the SLA operates including cost /claims profile and refund levels. The SLA provides for:

- Part 1 – absence of teaching staff on Maternity, Adoption, Paternity, Shared Parental Leave and Jury Service, (MAPS-J) where those employers chose to be part of this SLA.
- Part 2 – reimbursement to the home/ host employer where staff are released to undertake trade union duties outside of the home/ host school (TUFT) – including teaching, leadership and support.

1.2. Maternity continues to account for the majority of claims for Part 1 and whilst these are variable in volume, cost and duration (resulting in predictions and budget planning requiring a wider number of assumptions) the vast majority of individuals consistently claim the entire paid leave element. For Part 2 the profile of use remains consistent with a small element of variance due to increased membership levels and changes to unit cost. The overall SLA operates within budget allocations, claims are paid retrospectively at year end and the value of claims is reviewed termly.

- 1.3. Schools Forum annually determine the unit/per pupil rate to ensure the rate considers inflation, employment cost pressures (including annual salary awards, pay progression/ reviews, other employment costs, e.g., employers pension, national insurance changes), membership levels and whether or not the SLA should continue.
- 1.4. Schools Forum agreed:
  - in January 2023, to continue to operate the Special Leave SLA for the 2023/24 Financial Year,
  - in April 2023 to increase the unit costs by 6% (from £27 to £28.62 overall: Part 1 £21.97 to £23.29 and Part 2 £5.13 to £5.43) with a pupil reference point remaining inclusive of Reception to Year 11.

## **2. Current Position:**

- 2.1. Part 1 – MAPS-J: claims to date data has been presented directly to Schools Forum members for this SLA year with the last date being provided in December 2023 showing claim levels and the value of claims YTD being higher than at the same point in previous years, lower overall claims but each claims having a higher claim value. This area continues to be difficult to predict and schools remain eligible to claim for each application that meets the criteria. The majority of claims continue to be for Maternity leave; however, Paternity, Adoption and Shared Parental leave have also seen an increase.
- 2.2. Part 2 – TUFT: claims remain line with expectations, but again the value per claim has increased due to the employment costs rather than the number of claimants/claims.
- 2.3. The following table provides further information:



Pay	Additional information
<p>Pay award:</p> <p>a. September 2023 was on average 6.5% for teachers.</p> <p>b. April 2023 support staff average pay award was 9.42% (Part 2).</p> <p>The SLA overall for both Part 1 and Part 2 (as noted above) increased in April 2023 (6%) to accommodate both a pay award and was also intended to accommodate pay changes linked to pay progression.</p> <p>Inflation/ cost of living increases are difficult to predict as formal pay conversations have not yet commenced across the sector due to delays in reaching agreements in 2023.</p> <p>Some current assumptions linked to affordability/ market forces are that pay awards for the public sector will be less than they were in 23/24.</p> <p>Employers pension contributions for April 2024 for teachers are to increase by 5%.</p>	<p>For Part 1, claim patterns appear to follow a 3 year cycle – two lower claim value years and one higher value claim year.</p> <p>Not all schools buy into both parts, 100% buy in to Part 2, but an increasingly reduced level now buy in to Part 1, resulting in the buy in profile changing from when the SLA was originally established.</p> <p>Refunds to school include employer costs for the main post only.</p> <p>For Part 1, Schools need to be in the SLA for a set period of time before and after the claim for a refund to be provided.</p> <p>The SLA is self-funding; however, Part 2/ TUFT is given refund priority.</p> <p>Refunds are paid in arrears as soon as possible after the SLA/ financial year end.</p> <p>Schools who are not part of the de-delegation arrangements are offered the same unit rate (e.g., Academies, Nursery, Special Schools, PRU).</p> <p>SLA % increase have historically been applied equally.</p>

2.4. For the SLA to continue for 2024/25 Schools Forum need to consider a number of points:

- a) Do they wish the SLA to continue and if so at what unit rate?
- b) Do they wish to cease all of part of the SLA?
- c) Do they wish to offer Part 1 of the SLA to the market and identify a lead school/ group of schools to undertake this?

**3. Recommendations:**

- 3.1. Having read this report and clearly understanding the information provided, Schools Forum is asked to:
  1. Note the contents of this report.
  2. Decide if, and how the SLA will operate for the 24/25 SLA year?
  3. If the SLA is to continue what % increase is to be applied?
- 3.2. Members are reminded of who is eligible to vote and the voting table is noted at Appendix A for Reference.

## Appendix A – Voting Table

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							<b>Phase</b>	<b>Role</b>
<b>School Members</b>								
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
<b>Other School Members Non Locality Based</b>								
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
<b>Non Schools Members Non Locality Based</b>								
		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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North Tyneside  
Council

Item 9

# Briefing Notes

**To:** Schools Forum

**Author:** Jon Ritchie, Director of  
Resources

**Date:** 17 January 2024

**Purpose of  
the Paper:**

Information	✓
Consultation	✓
Decision	✓

## Title of Briefing: Proposed Update to the Scheme for Financing Schools

### 1. Purpose of the Report:

- 1.1. Please find attached a revised draft of the Scheme for Financing Schools, the key document that sets out the financial relationship between the Local Authority and its maintained schools.

### 2. Background:

- 2.1. It is based on statutory guidance published by the Department for Education (DfE), the latest version of which is available at:

[www.gov.uk/government/publications/schemes-for-financing-schools](https://www.gov.uk/government/publications/schemes-for-financing-schools)

- 2.2. Local authorities must take this guidance into account when schemes are revised.

### 3. Proposed Changes:

- 3.1. There are no major changes to the Scheme for Financing Schools since the version which was approved by Schools Forum in July 2021. There are however a number of minor revisions, deletions and minor updates to the scheme. These bring the North Tyneside Scheme in line with the national guidance. The following table lists revisions to the North Tyneside Scheme:

**Table 1: revisions to North Tyneside Scheme for Financing Schools for 2024**

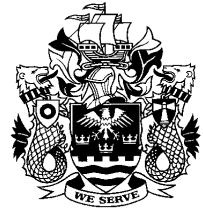
Section	Revision
1	Update references to current scheme and regulations
2.4	Update to "School Resource Management"
2.10	Remove reference to "or any EU Procurement Directive"
2.15	Update "Director of Children's & Adults Services" to reflect current LA structure "Director of Children's Services"
2.15	Included reference to "insisting that an appropriately trained or qualified person chairs the finance committee of the governing body" as a possible action to safeguard a schools financial position.
4.5	Update "Director of Children's & Adults Services" to reflect current LA structure "Director of Children's Services"
4.9	Update "Head of Health, Education, Care & Safeguarding" to reflect current LA structure "Director of Children's Services"
8.2	Remove reference to "starting on or after 1 April 1999".
11.3	Update references to current scheme and regulations
14	"Section 14: Financial Transparency" removed as changes previously incorporated into the scheme.

#### **4. Recommendations:**

- 4.1. Having read this report and clearly understanding the information provided, Schools Forum is asked to:
  1. Approve the report and adopt the proposed draft of the Scheme for Financing Schools as shown in Appendix A: Proposed Draft of Scheme for Financing Schools
- 4.2. Members are reminded of who is eligible to vote and the voting table is noted at Appendix A for Reference.

## Appendix A – Voting Table

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



North Tyneside Council

# **DRAFT SCHEME FOR FINANCING SCHOOLS**

January 2024



## **LIST OF CONTENTS**

### **SECTION 1: INTRODUCTION**

**5**

- 1.1 The funding framework
- 1.2 The role of the scheme
  - 1.2.1 Application of the scheme to the authority and maintained schools
- 1.3 Publication of the scheme
- 1.4 Revision of the scheme
- 1.5 Delegation of powers to the Headteacher
- 1.6 Maintenance of schools

### **SECTION 2: FINANCIAL CONTROLS**

**8**

- 2.1.1 Application of financial controls to schools
- 2.1.2 Provision of financial information and reports
- 2.1.3 Payment of salaries: Payment of bills
- 2.1.4 Control of assets
- 2.1.5 Accounting policies (including year-end procedures)
- 2.1.6 Writing off debts
- 2.2 Basis of accounting
- 2.3 Submission of budget plans
  - 2.3.1 Submission of financial forecasts
- 2.4 Efficiency and value for money
- 2.5 Virement
- 2.6 Audit: General
  - 2.7 Separate external audits
  - 2.8 Audit of voluntary and private funds
  - 2.9 Register of business interests
- 2.10 Purchasing, tendering and contracting requirements
- 2.11 Application of contracts to schools
- 2.12 Central funds and earmarking
- 2.13 Spending for the purposes of the school
- 2.14 Capital spending from budget shares
- 2.15 Mismanagement under Scheme
- 2.16 Schools Financial Value Standard (SFVS)
- 2.17 Fraud

### **SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING**

**17**

- 3.1 Frequency of instalments
- 3.2 Proportion of budget share payable at each instalment
- 3.3 Interest clawback
  - 3.3.1 Interest on late budget share payments
- 3.4 Budget shares for closing schools
- 3.5 Bank and building society accounts
  - 3.5.1 Restrictions on accounts
- 3.6 Borrowing by schools
- 3.7 Other provisions

### **SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES**

**20**

- 4.1 The right to carry forward surplus balances
- 4.2 Reporting on and control of the use of surplus balances
- 4.3 Interest on surplus balances
- 4.4 Obligation to carry forward deficit balances
- 4.5 Planning for deficit budgets
- 4.6 Charging of interest on deficit balances
- 4.7 Writing off deficits
- 4.8 Balances of closing and replacement schools
- 4.9 Licensed deficits
- 4.10 Loan schemes

### **SECTION 5: INCOME**

**23**

- 5.1 Income from lettings
- 5.2 Income from fees and charges
- 5.3 Income from fund-raising activities
- 5.4 Income from the sale of assets
- 5.5 Administrative procedures for the collection of income
- 5.6 Purposes for which income may be used

### **SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES**

**24**

- 6.1 General provision
  - 6.1.2 Charging of salaries at actual cost
- 6.2 Other circumstances in which charges may be made

<b>SECTION 7: TAXATION</b>	<b>26</b>
7.1 Value Added Tax	
7.2 CIS (Construction Industry Taxation Scheme)	
<b>SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY</b>	<b>26</b>
8.1 Provision of services from centrally retained budgets	
8.2 Provision of services bought back from the authority using delegated budgets	
8.2.1 Packaging	
8.3 Service Level Agreements	
8.4 Teachers' pensions	
<b>SECTION 9: PFI/PPP</b>	<b>28</b>
<b>SECTION 10: INSURANCE</b>	<b>28</b>
10.1 Insurance cover	
10.2 Government RPA scheme	
<b>SECTION 11: MISCELLANEOUS</b>	<b>29</b>
11.1 Right of access to information	
11.2 Liability of governors	
11.3 Governors Allowances	
11.4 Responsibility for legal costs	
11.5 Health and Safety	
11.6 Right of attendance for S151 Officer	
11.7 Special Educational Needs	
11.8 Interest on late payments	
11.9 Whistle blowing	
11.10 Child protection	
11.11 Redundancy/early retirement costs	

<b>SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE</b>	<b>31</b>
<b>SECTION 13: COMMUNITY FACILITIES</b>	<b>32</b>
13.1-2 Introduction	
13.3-5 Consultation with the authority: Financial aspects	
13.6-7 Funding agreements: Authority powers	
13.8-9 Other prohibitions, restrictions and limitations	
13.10-11 Supply of financial information	
13.12-13 Audit	
13.14-15 Treatment of income and surpluses	
13.16-17 Health and Safety matters	
13.18-19 Insurance	
13.20-22 Taxation	
13.23-25 Banking	
 ANNEX A List of schools covered by the scheme	 <b>38</b>
 ANNEX B Responsibility for redundancy and early retirement costs	 <b>40</b>
 ANNEX C Illustrative example of repairs and maintenance revenue & capital	 <b>43</b>

## SECTION 1: INTRODUCTION

References throughout this statutory guidance to:

“the act” is the [School Standards and Framework Act 1998](#)

“the authority” is the local authority

“the regulations” are [School and Early Years Finance \(England\) Regulations 2023](#))

“Section 151 Officer” is the Local Authorities Chief Finance Officer with a statutory duty under the Local Government Act 1972, to ensure that there are proper arrangements in place to administer the Council's financial affairs.

### 1.1 The Funding Framework: Main features

The current funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45–53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum a local authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All

proposals to revise the scheme must be approved by the schools forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school\* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (\*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

The authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).

Each authority is obliged to publish each year a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, a copy of each year's budget and outturn statement should be made easily accessible to all schools.

Regulations also require a local authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

## **1.2 The role of the scheme**

The scheme sets out the financial relationship between the authority and the maintained schools within North Tyneside. The scheme contains requirements in relation to financial management and associated issues that are binding on both the authority and on schools.

### **1.2.1 Application of the scheme to the authority and maintained schools**

The scheme applies to all schools maintained by the authority, i.e. all Community, Voluntary, Foundation (including Trust), Community Special or Foundation Special and Pupil Referral Units (PRUs). The schools are listed in annex A.

### **1.3 Publication of the scheme**

A copy of the scheme, and any amendment to it, will be published on the North Tyneside Council website and made accessible to the general public. The date on which any amendments take effect will be published.

### **1.4 Revision of the scheme**

Any proposed revisions to the scheme will be the subject of consultation with schools and will require approval by members of the Schools Forum representing maintained schools before implementation.

### **1.5 Delegation of powers to the Headteacher**

The Governing Body is responsible for the sound financial administration of their school, and must consider the extent to which they wish to delegate their financial powers to the Headteacher, and to record its decision (and any revisions) in the minutes of the governing body.

The governing body must approve the first formal budget plan each financial year.

### **1.6 Maintenance of schools**

The Local Authority is responsible for maintaining the schools covered by the scheme and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary aided school where some of the expenses are by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the Schools Standards and Framework Act 1998.

## **SECTION 2: FINANCIAL CONTROLS**

### **2.1.1 Application of financial controls to schools**

Schools with delegated budgets remain an integral part of the authority and must ensure that financial control and monitoring procedures operate to the highest standards. Schools should comply with the requirements contained in more detailed publications produced by the authority e.g. Local Bank Account Scheme, Financial Regulations etc.

### **2.1.2 Provision of financial information and reports**

Schools with and without their own bank account must provide the authority with a financial statement detailing anticipated and actual expenditure and income for the financial year, on at least a termly basis, in a prescribed format. The statement must be produced consistently throughout the year and include an estimated outturn position. The LA will notify the school in writing if in its view the school's financial position requires more frequent submission.

The form determined by the LA for submission of information will so far as possible take account of the Consistent Financial Reporting framework and the desirability of compatibility with that framework.

### **2.1.3 Payment of salaries and payment of bills**

Policies and Procedures in respect of salaries and payments of bills shall be in accordance with the Council's Financial Regulations for Schools and Local Bank Account Scheme.

### **2.1.4 Control of assets**

Each governing body shall be responsible for maintaining inventories of significant equipment, furniture, plant, tools and vehicles in such a form as shall be agreed with the S151 Officer. The governing body in association with the Head of Information Technology should maintain inventories in respect of information technology equipment and associated hardware.

Inventories shall be maintained so that physical checks can be carried out in comparison with records held at any time. It shall be the responsibility of each governing body to record additions and deletions to the inventory and to carry out an annual check of all items on the inventory. Significant variations should be brought to the attention of the S151 Officer. Schools are free to determine their own arrangements for keeping a register of assets worth less than £1000. A register must be kept in some form.

Items, which are to be disposed of by sale or destruction, must be appropriately authorised for disposal and where significant, should be sold following competitive tender. The Financial Regulations specify the requirements for obtaining consent and notification of disposals.

### **2.1.5 Accounting policies (including year-end procedures)**

All schools are required to abide by the accounting policies and procedures as issued by the authority including year-end procedures.



### **2.1.6 Writing off debts**

All income due to the school for the supply of goods or services should be collected promptly. Where invoices are required to be raised for the collection of income, they should be issued promptly. Any subsequent debt write off should comply with and be in accordance with the Financial Regulations.

## **2.2 Basis of accounting**

The reports and accounts furnished to the LA are on an accruals basis with income and expenditure accounted for in the year in which it arises.

## **2.3 Submission of budget plans**

Each school is required to prepare an annual budget plan and submit it in a format prescribed by the LA showing its intentions for expenditure and income for the financial year and the assumptions underpinning its budget plan.

Provisional budget plans are required by the 31<sup>st</sup> March. These plans will initially be checked to ensure they are viable and will form an important part of the LA's role in monitoring school expenditure.

The actual/final budget plan requires the approval of the governing body and should be submitted to the authority by 31<sup>st</sup> May each year. The plan must take full account of the estimated surplus /deficit at 31<sup>st</sup> March. To facilitate budget planning the LA will supply to schools budget guidelines and any key budget data required. The format of the budget plan will be set out by the authority and will, so far as possible, take into account the Consistent Financial Reporting framework.

Having approved the budget plan, governing bodies must approve any subsequent virement and receive regular financial reports during the year. Schools are required to notify the authority of any in-year budget plan revisions on a termly basis.

Early in the Autumn Term, each year, schools should prepare an outline budget plan for the following financial year taking into account projected pupil numbers and any other anticipated changes.

### **2.3.1 Submission of financial forecasts**

The authority may require schools to submit a financial forecast for each year of a multi-year period. *From the 2021 to 2022 funding year each school must submit at least a 3-year budget forecast each year.*

The LA may request such forecasts for more than just confirming schools are undertaking effective financial planning or not. For instance: they could be used as

evidence to support the authority's assessment of Schools Financial Value Standards and/or used in support of the authority's balance control mechanism. However, the requirement to submit a financial forecast would not place undue burdens on schools that would be proportionate to need. In requesting such forecasts the LA should state the purposes for which they intend to use this forecast: such a forecast may be used in conjunction with an authority's balance control mechanism.

## **2.4 School Resource Management**

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning.

It is for heads and governors to determine at an individual school level how to optimise the use of resources and maximise value for money.

There are significant variations in the effective management of resources between similar schools, so it's important for schools to review their current expenditure, compare it to other schools, and think about how to make improvements.

## **2.5 Virement**

Once a school formally sets its budget at the beginning of the financial year it has the option to vire amounts between budget headings providing that the overall budget is not changed. (See 2.3)

## **2.6 Audit: General**

Schools will operate within an audit regime determined by the local authority as regards internal audit, and the LA external audit regime as determined by the Local Audit and Accountability Act 2014, and requires them to co-operate with it. This will require access to the schools records for both internal and external auditors.

## **2.7 Separate external audits**

The Governing Body may spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process.

## **2.8 Audit of voluntary and private funds**

The Governors may approve the operation of funds outside of the accounts maintained for delegated moneys. Where such funds exist Governors are required to ensure that accounting arrangements are no less rigorous than those required for official monies.

Schools are responsible for providing audit certificates in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school.

## **2.9 Register of business interests**

The scheme requires the governing body of each school to have a register which lists for each member of the governing body and the head teacher:

- Any business interests they or any member of their immediate family have;
- Details of any other educational establishments that they govern;
- Any relationships between school staff and members of the governing body;

The register should be updated on an annual basis and be available for inspection by governors, staff and parents and the authority, and to publish the register, for example on a publicly accessible website.

## **2.10 Purchasing, tendering and contracting requirements**

Schools are required to abide by the authority's financial regulations and standing orders in purchasing, tendering and contracting matters. This should include a requirement to assess in advance, where relevant, the health and safety competence of contractors taking account of the LA's policies and procedures. These regulations however do not require a school to:

- do anything incompatible with the provisions of this scheme, or any statutory provision;
- to seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- to select suppliers only from an approved list;
- seek fewer than three or more written tenders or quotations in respect of any contract that exceeds £10,000 in any one year.

## **2.11 Application of contracts to schools**

Where responsibilities and the corresponding funding are delegated, schools are free to opt out of contracts arranged by the authority, except where the scheme provides otherwise. Before entering any new contracts, schools are encouraged to seek and follow the advice and guidance of the authority. For the purposes of the procurement directives schools are viewed as discrete contracting local authorities.

Where schools agree or have agreed to enter into a contract or service level agreement with the authority for services paid for out of delegated budgets schools may not make alternative arrangements until that contract or arrangement expires, except with the specific written agreement of the authority.

Under paragraph 3 of schedule 1 to the Education Act 2002 the Governing Body has the power to enter into contracts, but in most cases it does so on behalf of the authority as maintainer of the school and the owner of funds the funds in the budget share. However, it is possible for the Governors to enter into a contract made solely on behalf of the Governing Body where it has clear statutory obligations, for example an Aided school offering a contract of employment.

## **2.12 Central funds and earmarking**

The LA is authorised to make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares (e.g. SEN, Pupil Premium). Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used: and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

A requirement of such earmarked funding from centrally retained funds is that such funds are only spent on the purposes for which they are given, or on other budget heads for which earmarked funding is given. Schools should be able to clearly demonstrate (accounting mechanism) that this requirement has been complied with and be able to satisfy the necessary monitoring requirements.

Any earmarked funds must be returned to the LA if not spent in year, or within the period over which schools are allowed to use the funding, if this is permitted.

The LA will not make any deductions, in respect of interest costs to the LA, from payments to schools of devolved specific or special grant.

## **2.13 Spending for the purposes of the school**

Although s.50(3) allows governing bodies to spend budget shares for the purposes of the school, this is subject to regulations made by the Secretary of State and any provisions of the scheme. As well as the various standard provisions LAs may wish to propose their own restrictions on this freedom, arising from local circumstances. By virtue of section 50(3A) (which came into force on 1st April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under s.50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. They have done so in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes) (England)(Amendment) Regulations 2010 (SI 2010/190). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

## **2.14 Capital spending from budget shares**

The scheme does allow governing bodies to use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work that is their responsibility under paragraph 3 of Schedule 3 of the Act.

However, if the expected capital expenditure from the budget share in any one year will exceed £15,000 or some higher sum, the governing body must notify the LA and take into account any advice from the Director of Children's Services as to the merits of the proposed expenditure. Where the LA owns the premises or the school have voluntary controlled status then the governing body should seek the consent of the LA to the proposed works. Such consent may be withheld on health and safety grounds. These requirements do not affect expenditure from the capital allocation made available by the LA outside the delegated budget share.

## **2.15 Mismanagement Under the Scheme**

The 1998 Act gives the Authority the power to suspend a school's right to a delegated budget if the provisions of this Scheme (or rules applied by the Scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. All stages of this process will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

The process by which this will be undertaken is set out in a four-stage approach to enable a school the opportunity to take corrective action and prevent further escalation. The four stages are:

- Letter of Concern;
- Warning Notice;
- Failure to Comply with Warning Notice letter;
- Notice of Intervention.

It is a requirement of the Department for Education that when a local authority send a notice to a School under the above stages 2 to 4, that both the DfE and the Regional Schools Commissioner (RSC) receive a copy of the notification.

### **2.15.1 Letter of Concern**

The authority may issue a letter of concern to the governing body of any school it maintains where, in the opinion of the S151 Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained or qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- insisting on regular financial monitoring meetings at the school attended by local authority officers;
- requiring a governing body to buy into a local authority's financial management systems; and
- imposing restrictions or limitations on the way a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the letter.

### **2.15.2 Warning Notice**

Once it has been determined that the local authority or Regional Schools Commissioner (RSC) will issue a warning notice to a maintained school, they must give the warning notice in writing to the governing body of the school. The notice must set out:

- The matters on which their concerns are based;
- The action the governing body is required to take in order to address the concerns raised;
- The period within which the governing body must comply or secure compliance with that action (the compliance period); and
- The action the local authority or RSC is minded to take (under one or more of sections 63 to 69 of the Education and Inspections Act 2006 or otherwise) if the governing body does not take the required action.

In addition to giving the governing body a warning notice, the local authority or RSC must give a copy to the headteacher; and in the case of a Church of England school or a Roman Catholic Church school, the appropriate diocesan authority; and in the case of a foundation or voluntary school, the person who appoints the foundation governors.

### **2.15.3 Failure to Comply with Warning Notice**

When a governing body has failed to comply with a warning notice to the satisfaction of the RSC or local authority within the compliance period, and the issuing local authority or RSC has given reasonable written notice that they propose to intervene, a school is eligible for intervention and further action may be taken.

### **2.15.4 Notice of Intervention**

Under section 60B of the Education and Inspection Act 2006, a maintained school becomes eligible for intervention where it :

- Fails to comply with a warning notice ; and / or
- Is judged inadequate by Ofsted

The range of statutory powers available under the 2006 Act include :

- Section 63 – power to require the governing body to enter into arrangements;
- Section 64 – power to appoint additional governors;
- Section 65 – power to appoint an interim executive board (IEB); and
- Section 66 – power to suspend the delegated budget.

A school's right to a delegated budget share may also be suspended for other reasons under Section 17 of the School Standards and Framework Act 1998.

## **2.16 Schools Financial Value Standard (SFVS)**

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

Schools should submit their SFVS to their local authority no later than 31 March. Local authorities should submit their assurance statement to DfE within 6 weeks, no later than 31 May.

## **2.17 Fraud**

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors.

## **SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING**

For the purposes of this section, budget share includes any place-led funding for special schools or pupil referral units.

### **3.1 Frequency of instalments**

Budget share allocations (including top up payments for pupils with high needs) will be made available to governing bodies of schools supported by the Authority's finance service via SLA at the beginning of each term – see 3.2. Budget share instalments can be made a monthly basis to schools if requested; however the request should be made prior to the start of the relevant financial year.

Budget share allocations (including top up payments for pupils with high needs) will be made available to governing bodies of schools not supported by the Authority's finance service will be monthly in arrears once the funding made available has been reconciled per school.



### **3.2 Proportion of budget share payable at each instalment**

The proportion of the budget share made available of schools supported by the Authority's finance service via SLA are as follows:

APRIL	40%
SEPTEMBER	45%
JANUARY	15%

The allocations are made net of estimated pay costs and annual rates bill

For schools not supported by the Authority's finance service funding payments will be made monthly in arrears once the funding made available has been reconciled per school.

### **3.3 Interest clawback**

Where a school opts to operate an independent bank account, the budget share instalments paid into the account will be net of an amount equal to the estimated interest lost by the authority.

#### **3.3.1 Interest on late budget share payments**

For those schools operating an independent bank account the authority will add interest to late payments of budget share instalments, where such late payment is the result of LA error. The interest rate used will be the same as that used for clawback calculations.

### **3.4 Budget shares for closing schools**

The budget shares of schools for which approval for discontinuation has been secured, to be made available until closure on a termly basis net of estimated pay costs, even where some different basis was previously used.

### **3.5 Bank and building society accounts**

All maintained schools should have a current bank account into which their budget share instalments (as determined by other provisions) are paid.

New bank account arrangements may only be made with effect from the beginning of each financial year. Schools are advised to seek guidance on procedural matters from the S151 Officer. Where a school opens a bank account the authority must, if the school desires, transfer immediately to the account, an amount agreed by both the school and LA as the estimated surplus balance held by the LA in respect of the schools budget share on the

basis that there is then a subsequent correction when the accounts for the relevant year are closed.

### **3.5.1 Restrictions on accounts**

Bankers are to be selected in accordance with Council Standing Orders and may only be selected from major clearing banks and building societies. The S151 Officer will maintain a list of banks and building societies that have been verified as appropriate to open accounts with. Therefore schools must check with the authority in advance to confirm that the bank or building society selected is included on this list and advice must be followed where appropriate.

The accounts are to be opened by the S151 Officer (on behalf of schools) in the name of the LA but specific to each school. Schools who formally request that account should be in the name of the school should still include in title the name of the LA for information purposes.

Budget share funds paid by the authority and held in school accounts remain authority property until spent (s.49 (5) of the Act).

Signatories for bank accounts must be either a LA employee or school employee and not governors who aren't members of staff.

Should a school opt to open an account other than through the current pooled arrangements, the authority will reserve the right to levy administrative costs of supporting such arrangements.

### **3.6 Borrowing by schools**

The governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. The S151 Officer must be notified at least ten working days before a request is made to the Secretary of State. The only exception to this is the use of the Salix scheme, which is designed to support energy saving and can currently be used without specific approval from the Secretary of State. Credit cards must not be used as they are regarded as borrowing. Schools are encouraged to use the authority's Purchase Card facility as detailed in the Local Bank Account Scheme.

### **3.7 Other provisions**

For other requirements and indeed more detailed advice on holding and operating bank accounts schools are referred to the Local Bank Account Scheme.

## **SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES**

### **4.1 The right to carry forward surplus balances**

Schools shall carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

The amount of a surplus balance would be shown in the relevant out-turn statement published in accordance with directions given by the Secretary of State under s.251 of the Apprenticeships, Skills, Children and Learning Act 2009 (although there may be commitments against any figure shown in such a statement).

Where a school opens a bank account on the 1<sup>st</sup> April the estimated cash balance will be transferred to the school subject to the school's confirmation with the 1<sup>st</sup> instalment. Adjustments will be made and applied for the 2<sup>nd</sup> instalment of the financial year, after the school's accounts have closed and following a reconciliation.

### **4.2 Reporting on and control of the use of surplus balances**

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

- a. the authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- b. the authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance;
- c. the authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the authority. In considering whether any sums are properly assigned the authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned;
- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, or £10,000

(where that is greater than either percentage threshold), then the authority shall deduct from the current year's budget share an amount equal to the excess.

Funds deriving from sources other than the authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the authority.

The total of any amounts deducted from schools' budget shares by the authority under this provision are to be applied to the Schools Budget of the authority.

#### **4.3 Interest on surplus balances**

The authority does not pay interest on balances held on behalf of schools, however schools may invest previous year's surplus in a Deposit account and receive interest.

#### **4.4 Obligation to carry forward deficit balances**

Where schools are carrying forward deficit balances, such deficits are to be deducted from the following years budget share. The deficit balance would be shown in the relevant out-turn statement published under s.251 of the Apprenticeships, Skills, Children and Learning Act 2009.

#### **4.5 Planning for deficit budgets**

Schools may not incur a budget deficit without the prior agreement of the Director of Children's Services, in consultation with the S151 Officer. Such deficits will only be approved in certain circumstances (see 4.9).

*Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. The 5% deficit threshold will first apply when deficits are measured as at 31 March.*

#### **4.6 Charging of interest on deficit balances**

Interest will only be charged on a deficit incurred through mismanagement, this action will not preclude the possibility of further measures being taken by the Local Authority against those schools or colleges where there is evidence of mismanagement.

The S151 Officer will determine the calculation of interest due and such interest due will be deducted from the following years budget allocation.

## 4.7 Writing off deficits

The authority cannot write off the deficit balance of any school. Funding to support schools in financial difficulty can only come from a de-delegated contingency for maintained mainstream schools.

## 4.8 Balances of closing and replacement schools

When a school closes any balance (whether surplus or deficit) reverts back to the LA. It cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010. The LA may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

## 4.9 Licensed deficits

Approval will only be given to a school applying for a licensed deficit, if the school can produce suitable and robust financial plans for future years, which clearly demonstrate the ability to repay such a deficit in the stated time.

The following conditions apply to new deficit approvals:

- the maximum length over which schools may repay the deficit (i.e. reach at least a zero cumulative balance) **is three years.**
- a deficit which is in excess of £5,000 or 5% of annual budget must be approved by the LA. The maximum size of the deficits which may be agreed is 20% of the in year allocation.
- The Director of Children's Services and the S151 Officer of the authority will agree any arrangements for individual schools.
- Agreements are to be signed by the officers mentioned in above as well Headteacher and Chair of Governors of the School.

### Structural Deficits

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.

#### **4.10 Loan schemes**

The authority does not operate a loans scheme.

## **SECTION 5: INCOME**

### **5.1 Income from lettings**

Schools are to retain income from lettings of the school premises, except where this service is provided by the LA from centrally retained funds or is subject to alternative provisions arising from any joint use or PFI arrangements. Schools are allowed to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. However, schools should be required to have regard to directions issued by the authority as to the use of school premises, as permitted under the School Standards and Framework Act 1998 for various categories of schools.

### **5.2 Income from fees and charges**

Schools are to retain income from fees and charges except where a service is provided by the LA from centrally retained funds. However, schools should have regard to any policy statements on charging produced by the LA.

### **5.3 Income from fund-raising activities**

Schools are allowed to retain income from fund-raising activities.

### **5.4 Income from the sale of assets**

Schools are to retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the LA to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

### **5.5 Administrative procedures for the collection of income**

Schools should comply with the procedures set out in the Financial Regulations for Schools. This includes specifically VAT requirements.

## **5.6 Purposes for which income may be used**

Income from sale of assets purchased with delegated funds may only be spent for the purposes of the school.

# **SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES**

## **6.1 General provision**

The scheme allows the budget share of a school to be charged by the Local Authority without the consent of the governing body only in circumstances expressly permitted by the scheme, and requires Local Authorities to consult schools as to the intention to so charge, and notify schools when it has been done.

The Local Authority may de-delegate funding for permitted services without the express permission of individual school governing bodies, provided this has been approved by the appropriate phase representatives of the Schools Forum.

The Local Authority will charge salaries of school-based staff to school budget shares at actual cost.

## **6.2 Other circumstances in which charges may be made**

- Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA);
- Other expenditure incurred to secure resignations where the school had not followed LA advice;
- Awards by courts and industrial tribunals against the LA arising from action or inaction by the governing body contrary to the LA's advice;
- Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;
- Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the LA owns the premises or the school has voluntary controlled status;

- Expenditure incurred by the LA in ensuring its own interests in a school, where funding has been delegated, but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA;
- Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the LA;
- Recovery of penalties imposed on the authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
- Correction of LA errors in calculating charges to a budget share (e.g. pension deductions);
- Additional transport costs incurred by the LA arising from decisions by the governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs;
- Legal costs which the LA incurs because the governing body did not accept the advice of the LA (see also section 11);
- Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out;
- Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect;
- Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the authority's compliance with its statutory obligations;
- Costs incurred by the LA in securing provision specified in an Education, Health and Care Plan (EHCP) where the Governing body of a school fails to secure such provision despite the delegation of funds in respect of low-cost high incidence SEN and/or specific funding for a pupil with High Needs;
- Costs incurred by the LA due to submission by the school of incorrect data;
- Recovery of amounts spent from specific grants on ineligible purposes;
- Costs incurred by the LA because of the governing body being in breach of the terms of a contract;



- Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster;
- Agreed contribution relating to any PFI project at a school, as set out in the PFI revenue agreement. (See Section 9);
- Recovery of costs of statutory interest payable, (under the Late Payment of Commercial Debts (Interest) Act 1998), because of late payment of bills by the Governing Body or failure by them to submit such items in time for payment by the LA, by the due date (re invoice terms) or statutory time limit (30 days) beyond which interest falls due.

## **SECTION 7: TAXATION**

### **7.1 Value Added Tax.**

A summary of the procedures that schools should follow to reclaim VAT on expenditure relating to non-business activity is included in Local Bank Account (LBA) Scheme. Amounts re-claimed will be passed back to the school on completion of LBA returns.

### **7.2 CIS (Construction Industry Taxation Scheme)**

Schools are required to abide by procedures issued by the authority in connection with CIS. See Local Bank Account Scheme.

## **SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY**

### **8.1 Provision of services from centrally retained budgets**

The Local Authority will determine the basis upon which services from centrally retained funds will be provided to schools. The list of services will include existing commitments for premature retirement compensation (PRC) and redundancy payments.

The authority will not discriminate in its provision of services based on categories of schools except where such discrimination is justified by differences in statutory duties.

### **8.2 Provision of services bought back from the authority using delegated budgets**

Any arrangement with a school to buy services or facilities from the LA is limited to a maximum of three years and a minimum duration of one year, and periods not exceeding

five years to any subsequent agreements relating to the same services. For catering service contracts, this timescale is extended to seven years.

When a service is provided for which expenditure is not retained centrally by the LA under the Regulations made under section 46 of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services.

### **8.2.1 Packaging**

Any service which the LA is providing on a buy back basis will be offered in a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include provision on a service-by-service basis as well as in packages of services.

### **8.3 Service Level Agreements**

The terms of any services or facilities offered by the authority will be reviewed at least once every three years. Schools will be given a minimum of one month to consider the terms of the new agreement before the date of operation.

All schools to notify the LA of their intention to take up respective Service Level Agreements at least one month before the start of the financial year.

### **8.4 Teachers' pensions**

Governing bodies of schools which provide payroll services should submit an annual return of salary and service to the LA. Governing bodies must also ensure that details of Additional Voluntary Contributions (AVCs) are passed to the LA within the time limit shown in the AVC Scheme.

To ensure that the performance of the duty on the authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this scheme in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools who have not entered an arrangement with the authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the authority which the authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The authority will advise schools each year to the timing, format and

specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the authority within an agreed timescale so as to allow the authority to meet the time limits specified within the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service, and pensions data to the authority which the authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

## **SECTION 9: PRIVATE FINANCE INITIATIVE (PFI)/PUBLIC PRIVATE PARTNERSHIPS (PPP)**

Should the authority enter a contract for a PFI/PPP project, the governing body of the school(s) concerned will be consulted about the terms of the financial arrangements as a result of this contract.

The agreement will formally set out the power of the LA to charge to the school's budget share amounts agreed under the PFI/PPP agreement entered by the governing body of the school(s). See 6.2.

## **SECTION 10: INSURANCE**

### **10.1 Insurance cover**

If funds for insurance are delegated to any school, the LA may require the school to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA if the LA makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets.

### **10.2 Government RPA scheme**

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) after 1<sup>st</sup> April 2020 for risks that are covered by the

RPA. Schools may do this individually when any insurance contract of which they are part expires. All primary and/or secondary maintained schools may join the RPA collectively by agreeing through the Schools Forum to de-delegate funding. (See also 6.2)

## **SECTION 11: MISCELLANEOUS**

### **11.1 Right of access to information**

Governing bodies shall supply to the LA all financial and other information which might reasonably be required to enable the authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the authority (e.g. earmarked funds) on the school.

### **11.2 Liability of governors**

The governing body of a school is a corporate body, and because of the terms of s.50 (7) of the School Standards and Framework Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

An example of behaviour, which is not in good faith, is the carrying out of fraudulent acts. Breaches of the scheme are not in themselves failures to act in good faith; neither is rejection of LA advice as to financial management.

### **11.3 Governors Allowances**

#### **Schools without delegated budgets**

The LA shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Under section 50(5) of the act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. It is not permitted for the payment of any other allowances. Schools must not duplicate payment of expenses to those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

#### **Schools with delegated budgets**

For schools with delegated budgets, local authorities may publish, separately from the scheme, a guide to what it considers to be reasonable expenses.

#### **11.4 Responsibility for legal costs**

Legal costs incurred by the governing body (although the responsibility of the LA as part of the cost of maintaining the school unless they relate to the statutory responsibility of aided school governors for buildings) may be charged to the school's budget share unless the governing body acts in accordance with the advice of the authority. If there is a conflict of interest independent advice should be sought from a suitably qualified person with sufficient professional indemnity cover who is not an employee of the authority.

#### **11.5 Health and Safety**

In expending the School's budget share the governing bodies are required to have due regard to duties placed on the LA in relation to health and safety, and the authority's policy on health and safety matters.

#### **11.6 Right of attendance for the S151 Officer**

The governing bodies are required to permit the S151 Officer of the authority or any other officer nominated by the S151 Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

#### **11.7 Special Educational Needs**

Schools are required to use their best endeavours in spending the budget share, to secure the special educational needs of their pupils.

#### **11.8 Interest on late payments**

The terms of the scheme cannot affect statutory requirements now introduced on this matter. (See 6.2)

#### **11.9 Whistle blowing**

Schools are encouraged to establish a basis on which staff can properly raise concerns about financial management or financial propriety at the school without prejudice to their personal position. Further information is contained within the current policy document on this matter.

#### **11.10 Child protection**

In expending their budget share, Governing Bodies must have due regard to the agreed Child Protection guidelines and the obligations these place on both the school and the authority.

### **11.11 Redundancy/early retirement costs**

**THE 2002 EDUCATION ACT SETS OUT HOW PREMATURE RETIREMENT AND REDUNDANCY COSTS SHOULD NORMALLY BE FUNDED. IF THE AUTHORITY PROPOSES TO DEPART FROM THIS, THEN THE SCHEME SHOULD CONTAIN A PROVISION SETTING OUT THE CIRCUMSTANCES IN WHICH EXCEPTIONS WILL BE MADE.** The authority's scheme for funding redundancies and early retirements are provided at Annex B.

## **SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE**

- 12.1** From 1 April 1999 the LA delegated all funding for repairs and maintenance to schools. Therefore, all repair and maintenance costs relating to existing buildings are to be met from revenue and governing bodies will have to finance the costs of all such repairs from their budget shares.
- 12.2** Devolved Formula Capital Funding is allocated each year to nursery (maintained), primary and secondary schools' to address priority work on buildings, ICT and other capital needs. The grants may be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment in accordance with priorities set by each school and in line with the local asset management plan.
- 12.3** In addition to devolved formula capital some capital expenditure is retained by LA's. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes and is in line with the CIPFA Code of Practice on local authority accounting.
- 12.4** Illustrative examples of capital in line with DfE interpretation of the CIPFA code of practice are included for information at Annex C. For voluntary aided schools, the liability of the authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools. However, the eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the authority.
- 12.5** The de minimus limits for capital are currently set at £20k for land and buildings and £6k for equipment. These thresholds apply to the total cost of the scheme and not individual items.

## **SECTION 13: COMMUNITY FACILITIES**

### **Introduction**

- 13.1** Any school that chooses to exercise the power conferred by Section 27(1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. Firstly, Regulations made under Section 28(2), if made, can specify activities that may not be undertaken at all under the main enabling power. Secondly, schools are obliged to consult the authority and have regard to its advice. Thirdly, the Secretary of State will issue guidance to Governing Bodies about a range of issues connected with exercise of the power, and schools must also have regard to that advice.

However, under Section 28(1), the main limitations and restrictions on the power will be those contained in the school's own Instrument of Government and in North Tyneside's Scheme for Financing Schools made under Section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of Governing Bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the Scheme for Financing Schools.

This section of the Scheme does not extend to joint-use agreements, transfer of control agreements, or agreements between the authority and designated schools to secure the provision of adult and community learning and Youth Service provision.

- 13.2** Schools are reminded that mismanagement of community facilities can be grounds for suspension of the right to a delegated budget.

### **Consultation with the authority: Financial aspects**

- 13.3** In accordance with Section 28(4) of the Education Act 2002, before exercising the community facilities power, Governing Bodies must consult the authority regarding their proposals and have regard to their advice.
- 13.4** Schools are encouraged to seek the authority's advice and submit their proposals as soon as possible, but no later than 2 months before the intended start date. When submitting their proposals formally, schools must include a detailed business plan containing the following information:

the school's vision and a detailed description of the service;

details of any capital expenditure and the sources of income to fund it;

a detailed profile of projected income and revenue expenditure over the first 12 months of operation of the project. In particular, this should include:

1. one-off start-up costs,
  2. details of staffing and associated costs (pay, on-costs, payroll and personnel overheads, etc),
  3. sources of revenue income and the assumptions underlying it;
- an outline profile of the projected income and revenue expenditure in years 2 to 5 of the project;
  - the time it will take for the project to break-even and come into surplus, and if this is not expected within 12 months of starting, an explanation of why this cannot be achieved within this timescale;
  - how the Governing Body will cover any shortfall if the project fails and leaves a deficit;
  - details of the cash flow of the business, and how any shortfall will be met given that schools cannot borrow from external sources;
  - proposed banking arrangements;
  - proposed audit arrangements;
  - details of the Health and Safety arrangements and of the risk assessments the school has undertaken;
  - details of the analysis of insurance requirements for the venture and of any additional cover that is to be arranged;
  - whether or not VAT is to be reclaimed, the justification for this and what consultation there has been with the local VAT office.

Schools are encouraged to seek professional advice as they develop their plans and to ensure that any submission is complete before formally seeking the authority's advice about their proposals.

- 13.5** The authority will respond to the school's proposals as soon as practically possible, in most circumstances within 6 school weeks of receipt of complete information. Where the authority offers advice to a school, the school must inform the authority of the action it has taken in response to that advice before embarking upon the scheme.

#### **Funding agreements: LA powers**



- 13.6** Where the provision of community facilities in a school is dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision, the school shall not enter into such an agreement until it has submitted the proposed agreement to the authority and taken proper account of its advice and comments. Proposed agreements should be submitted to the authority as soon as possible, but no later than 3 months prior to the proposed date of signing. The authority will not be a signatory to any such agreement, unless this is a requirement imposed by the third party or by the Governing Body itself.
- 13.7** If such an agreement has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, and in the view of the authority the agreement is seriously prejudicial to the interests of the school or the authority, that may constitute grounds for suspension of the right to a delegated budget.

#### **Other prohibitions, restrictions and limitations**

- 13.8** Whereas the authority does not have the right of veto to either funding agreements with third parties or other proposed uses of the community powers facility, the authority reserves the right in specific instances to require that the Governing Body shall protect the financial interests of the authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for the risks associated with the project, as specified by the authority.
- 13.9** The authority does not intend to impose any additional prohibitions, restrictions or limitations on the use of the community facilities power.

#### **Supply of financial information**

- 13.10** Schools that exercise the community facilities power are required to submit statements at least quarterly to the S151 Officer. The format of the statement will be determined by the S151 Officer and will include a summary of actual income and expenditure and give an explanation of any significant variations indicated by the figures from the previously submitted planned profile. In addition, the statement will include projections of income and expenditure for the facilities in question for the following six months.
- 13.11** During the first six months of operation of any venture schools will be required to submit statements monthly. Furthermore, where the authority has given notice to the school that it believes that there is cause for concern as to the school's management of the financial consequences in the exercising of the community facilities power, schools will be required to submit statements monthly, and in addition submit a recovery plan to bring the activity back into financial viability. All

statements and returns must be certified by the Headteacher and be sent to the S151 Officer within two weeks of the end of the quarter (or month). All income and expenditure relating to the community powers facility must be included within the Consistent Financial Reporting Framework returns of the school. Schools should note that Schedule 3 of the Education Act 2002 inserts a new provision into Schedule 15 of the School Standards and Framework Act 1998 to make mismanagement of funds received for community facilities the basis for suspension of the right to delegation of the budget share.

## **Audit**

- 13.12** Internal Audit has the right to visit any school, to inspect all records relating to the exercise of the community powers facility and to receive the co-operation of Governors and employees. Governors are required to respond in writing stating how they propose to address any matters raised in the audit report. The authority's external auditor will have the same rights of access and inspection as Internal Audit. Auditors will also report to the S151 Officer on any matters of significance or where Governing Bodies fail to take appropriate remedial action.
- 13.13** Where schools enter into agreements with other persons or bodies pursuant to the exercise of the community facilities power, they shall ensure that such agreements contain adequate provision for access by the authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the authority to satisfy itself as to the propriety of expenditure on the facilities in question.

## **Treatment of income and surpluses**

- 13.14** Schools will retain all income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person. Where the authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the authority unless otherwise agreed with a third party funding provider.
- 13.15** Any surplus income over expenditure generated during the financial year will be carried forward over into the following financial year in the community facilities account. Similarly, any deficit accrued during the financial year will be carried forward over into the following financial year in the community facilities account. Where a school wishes to transfer all or part of any accumulated surplus and add it to the budget share balance, the school should seek the agreement of the authority before doing so. If a deficit arises from the provision of community

facilities and the authority needs to recover funds to meet third party liabilities, the authority will recover the deficit from the Governing Body.

### **Health and Safety matters**

- 13.16** When exercising the community facilities power, the Governing Body must discharge its Health and Safety responsibilities in the same way as it does in relation to the budget share. All the Health and Safety provisions of the main scheme apply to the community facilities power.
- 13.17** When exercising the community facilities power, the Governing Body are responsible for securing and meeting the costs of any necessary Criminal Records Bureau clearance for adults involved in the activity.

### **Insurance**

- 13.18** When exercising the community power facility, the Governing Body must undertake an assessment of the insurance implications and costs, seeking professional advice if necessary, and demonstrate that it has made adequate arrangements for insurance cover. The school must seek the authority's advice before finalising any insurance arrangements. Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.
- 13.19** The authority may undertake its own assessment of the insurance arrangements made by a school in respect of community power facilities, and if it judges those arrangements are inadequate, it will make the necessary arrangements itself and charge the resultant cost to the school.

### **Taxation**

- 13.20** Schools must seek the advice of both the authority and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with any community powers facility, including the use of the authority's VAT reclaim facility.
- 13.21** Schools are also reminded that if any member of staff employed by the school or LA in connection with community facilities at the school is paid from funds held in the school's own bank account set up for the purpose (see section 11), the school will be liable for payment of income tax and National Insurance, in line with Inland Revenue rules.
- 13.22** Schools are reminded that they are required to follow the authority's advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

## **Banking**

- 13.23** Where a school exercises the community power facility and the school already operates an independent bank account for its budget share, it shall open a separate independent bank account for transactions relating to community facilities. Where a school exercises the community power facility and the school uses the authority's banking facilities account for its budget share, it shall either open an independent bank account for transactions relating to community facilities or use the authority's banking facilities but ensure that all transactions are kept separate from budget share transactions.
- 13.24** Any independent bank account relating to community facilities expenditure can be in the name of the school or jointly in the name of the school and North Tyneside Council and must be opened with one of the banks listed in paragraph 3.5.1 of the main scheme.

**LIST OF SCHOOLS COVERED BY THE SCHEME**

<b>First, Primary and Nursery Schools</b>	<b>DfE No</b>
Amberley Community Primary School	2048
Appletree Gardens First School	2042
Backworth Park Primary School	2032
Bailey Green Primary School	2054
Balliol Primary School	2077
Battle Hill Community Primary School	2068
Benton Dene Primary School	2078
Burradon Community Primary School	2086
Carville Primary School	2062
Christ Church C of E Primary School	3301
Collingwood Primary School	2076
Coquet Park First School	2059
Cullercoats Community Primary School	2000
Denbigh Community Primary School	2082
Fordley Primary School	2085
Forest Hall Primary School	2079
Greenfields Community Primary School	2083
Hadrian Park Primary School	2087
Hazlewood Community Primary School	2084
Holystone Primary School	2036
Ivy Road Primary School	2080
King Edward Primary School	2013
Langley First School	2060
Marine Park First School	2058
Monkhouse Primary School	2022
New York Primary School	2081
Percy Main Primary School	2008
Preston Grange Primary School	2026
Redesdale Primary School	2072
Richardson Dees Primary School	2069
Riverside Primary School	2021
Rockcliffe First School	2041
Shiremoor Primary School	2031
Sir James Knott Nursery School	1001
South Wellfield First School	2055
Southridge First School	2046

Spring Gardens Primary School	2016
St Bartholomew's C of E Primary School	3302
Stephenson Memorial Primary School	2070
Wallsend St Peter's C of E Primary School	3321
Wallsend Jubilee Primary School	2065
Waterville Primary School	2004
Western Community Primary School	2088
Westmoor Primary School	2037
Whitehouse Primary School	2024
Whitley Lodge First School	2074

### **Middle Schools**

Marden Bridge Middle School	4025
Monkseaton Middle School	4027
Valley Gardens Middle School	4026
Wellfield Middle School	5400

### **Secondary Schools**

Burnside Business & Enterprise College	4032
Churchill Community College	4033
George Stephenson High School	4030
Longbenton Community College	4039
Marden High School	4006
Monkseaton High School	4034
Norham High School	4008
Whitley Bay High School	4029

### **Special Schools**

Beacon Hill School	7008
Benton Dene School	7004
Silverdale School	7007
Southland School	7002
Woodlawn School	7001

### **Pupil Referral Units**

Moorbridge	1100
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## RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy

- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control
- Where the school has excess surplus balances and no agreed plan to use these
- Where a school has refused to engage with the local authority's redeployment policy
- Charge of premature retirement costs to local authority non-schools budget
- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards

Costs of new early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1<sup>st</sup> April 2013. Costs must not exceed the amount budgeted in the previous financial year.

The LA can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

It is important that the LA discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if Schools Forum agree, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's



delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

(7) Where a local education authority incur costs—

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.

(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

## LOCAL AUTHORITY CAPITAL / REVENUE SPLIT

### ILLUSTRATIVE EXAMPLES IN LINE WITH DfE INTERPRETATION OF THE CIPFA CODE OF PRACTICE

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE
<b>Roofs</b>		
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed
	Screed / insulation in a new building/extension	Repair/replacement of screed/ insulation where defective.
	Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation	Work to improve insulation standards, during work to repair/ replace small areas of roof.
	Finish on new build. Replacement of all/substantially all on existing roof	Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy
	Edge Trim/ Fascia on new build	Repairs/ replacement. (uPVC) Repainting.
	Edge Trim/ Fascia, Replacement of all/substantially all on existing roof	Repairs/ replacement. (uPVC) Repainting.

	Drainage on new build	Clearing out gutters and downpipes. Replacement/repair/repainting of/ individual gutters/pipes
	Other e.g. Flashings, Roof-lights on new build Replacement of all/substantially all on existing roof	Repair/Replacement/ cleaning of individual items
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc.  Not complete trusses
	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged small parts
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes.

		Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement/cleaning
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing structure
<b>Floors</b>		
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g.	Replacement and repair of screed and finishes/ Replacement of Mats / mat-

	replacement of most carpets/ tiles in a room	wells. Maintenance e.g. re- varnishing wooden floors.
<u>Upper Floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
<b>Ceilings</b>		
<u>Top/ only storey</u>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
	Access panels	Repair/ replacement
<u>Lower storeys</u>	Suspension	Repair/ replacement
	Membrane	
	Fixed	Repair/ replacement
<u>All</u>	Specialist removal/ replacement of damaged / disturbed Asbestos based materials, planned or emergency	Inspection/ air testing  Applying sealant coats to asbestos surfaces for protection
<b>External walls</b>		
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build	Repairs Preventive measures e.g. tree removal

	External Finish on new build	Repair/replacement of small parts of an existing structure. e.g. re-pointing/ re-cladding a proportion of a wall where failure has occurred.
	External Finish on existing build here needed to prevent imminent or correct actual major failure of the structure. e.g. re-pointing/re-cladding work affecting most of a building/replacement build	
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass
	Glazing Upgrading existing glazing	
	Ironmongery Improved security	Repair/ replacement, upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry chimneys</u>	Structure	

	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
<b>Internal walls</b>		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<u>Doors &amp; Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
<b>Sanitary Services</b>		
<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.
<u>Kitchens</u>		
	Kitchens in new buildings, complete with fittings,	Maintain kitchen to requirements of LA

	equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Cleaning out drainage systems Redecoration
	General refurbishment	Repairs
	Large and costly items of equipment	Repairs/ replacement parts
<b>Mechanical services</b>		
<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects
	Safe removal of old/ damaged asbestos boiler and pipe work insulation, where risk to Health & Safety.	Monitoring systems Health & safety issues
	Planned replacement of old boiler/ controls systems past the end of their useful life	Replacement of defective parts
	Emergency replacement of boiler plant/ systems	
<u>Cold water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.



<u>Gas</u>	Distribution on new and major refurbishment's, terminal units	Repairs, maintenance and gas safety  All servicing
<u>Ventilation</u>	Mechanical ventilation/ air conditioning to major projects	Provision of local ventilation. Repair/ replacement of defective systems and units
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment.
<b>Electrical services</b>		
<u>General</u>	Main switchgear and distribution in major projects.	Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing.
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency

<u>Other</u>	Lightning protection in new build	Repair/ replacement
	Alarm systems, CCTV, lifts/ hoists etc.	Repair and maintenance
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair/ replacement/ maintenance, including all door access systems
<b>External Works</b>		
<u>Pavings</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings.
<u>Miscellaneous</u>	Provision of walls, fencing, gates and ancillary buildings as part of major project	Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates.
<u>Drainage</u>	Drains, soakways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.
<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above.	Annual servicing

<b>Equipment</b>		
<ul style="list-style-type: none"> <li>• display screens/ boards</li> <li>• tables &amp; chairs</li> <li>• office furniture/ book cases</li> <li>• storage units/ containers</li> <li>• indoor play equipment</li> <li>• TVs/ projectors</li> <li>• IT equipment</li> <li>• signage</li> <li>• hand dryers</li> <li>• classroom/ educational equip e.g. for CDT/ science prep room etc</li> <li>• access controls</li> <li>• cookers – for kitchen refurbishments</li> </ul>	May be considered as capital if purchased as part of a wider scheme where the whole scheme exceeds the de minimus level.	If purchased individually and below de minimus level.

### Notes

This illustrative list is the DfE interpretation of the CIPFA Code of Practice.