



North Tyneside Council

North Tyneside Council

SCHOOLS FORUM

Wednesday 22 March 2023 - 12:30 – 14:30

The meeting will be held virtually and will be live streamed at the following link: <https://youtube.com/live/aYPtPjSsBC8?feature=share>

AGENDA

1.	Apologies for Absence		Chair
2.	Attendance Register / Membership / Roles & Responsibilities		Chair
3.	Virtual Public Meeting / Observers (*)		Chair
4.	Declaration of Interest		Chair
5.	Minutes of the last meeting	<i>Circulated Pages 5-14</i>	Chair
6.	Matters Arising:	<i>Verbal Update</i>	
	6.1 Finance Update	<i>Circulated Pages 15-20</i>	CE
	6.2 Schools in Financial Difficulty	<i>Verbal Update</i>	CE
7.	Any Other Business		
8.	Date of Next Meeting – Wednesday 12 July 2023		

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							Phase	Role
School Members								
x		x	x	x	x	x	First	Head
x		x	x	x	x	x	Primary	Head
	x	x	x	x	x	x	High	Head
	x	x	x	x	x	x	Middle	Head
	x	x	x	x	x	x	Secondary	Head
Other School Members Non Locality Based								
x		x	x	x	x	x	Primary/ First	Governor
	x	x	x	x	x	x	Secondary/Middle	Governor
		x	x	x	x	x	Nursery	Head
		x	x	x	x	x	PRU	Head
		x	x	x	x	x	Special	Head
		x	x		x	x	Academy	Other
Non Schools Members Non Locality Based								
		x	x			x	16-19 Providers	Other
			x			x	EY PVI	Other
						x	C of E Diocese	Other
						x	RC Diocese	Other
						x	Trades Union	Other

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

Timetable & Forward Plan 2022/23

Date	Activity	Responsible
21 September 2022	<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	Schools Forum
6 October 2022	School Census Day	DFE/ESFA
10 October 2022	Application for submitting disapplication requests	Local Authority
9 November 2022	<u>Schools Forum Meeting</u> 1. Finance Update 2. National Funding Formula and Outcome of Consultation 3. School Forum Constitution and Action Plan Review 4. Consideration of Special Leave for 22/23 Financial Year	Schools Forum
18 November 2022	Deadline for submitting disapplication requests	Local Authority
18 November 2022	Deadline for submitting disapplication requests if wish to move more than 5% of the Schools block	Local Authority
2 November 2022	School census database closed. Checks and validation commences	DFE/ESFA
11 January 2023	<u>Schools Forum Meeting</u> 1. Finance Update 2. Consideration of Special Leave for 22/23 Financial Year	Schools Forum
?????	Submit final proposals re APT	Local Authority
20 January 2023	Deadline for submissions of final 2022 to 2023 APT to ESFA	Local Authority
6 February 2023	Cabinet Meeting for approval of 22/23 Schools Funding	Local Authority
20 February 2023	Cabinet Meeting	Local Authority
27 February 2023	Deadline for confirmation of Schools budget shares to mainstream maintained schools.	DFE/ESFA
22 March 2023	<u>Schools Forum Meeting</u> 1. Finance Update 2. Schools In Financial Difficulty	Schools Forum
27 March 2023	Cabinet Meeting	Local Authority
12 July 2023	<u>Schools Forum Meeting</u> 1. Reports from Services for 24/25 Financial Year Proposal 2. Schools Finance Update 3. Responsibilities for Redundancy & Early Retirement Costs – Annual Update	Schools Forum

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North Tyneside Council

Minutes

Meeting Schools Forum **Date** Wednesday 11 January 2023

Location Via Microsoft Teams

Present

✓ Present
D Deputy
A Apologies
O Absent

Name	Organisation	Representing	10.11.22	11.01.23
Anthony Gollings	St Thomas More	RC Diocese	✓	✓
Angi Gibson	Hadrian Park Primary	Primary	✓	✓
Claire Garbutt	St Columba's Primary School	Academy	✓	✓
Colleen Ward	Coquet Park First School	Primary	✓	✓
David Bavaird	Norham High School	Governor - Secondary	✓	O
David Watson	St Thomas More	Academy	✓	✓
Diane Turner	Tyne Met	16-19 Provider	A	O
Finn Wilcock	Southridge First School	Primary	✓	✓
Gavin Storey	Cullercoats Primary	Primary	✓	✓
Jill Wraith	Benton Dene Primary	Primary	D (Carmel Parker)	D (Carmel Parker)
Joanne Thompson	Holystone Out of School	Early Years PVI	✓	✓
John Croft	Sir James Knott	Nursery	✓	✓
John Newport	Marden Bridge Middle School	Middle	✓	✓
Karen Croskery	North Tyneside Student Support Service	PRU	✓	✓
Kelly Holbrook	Longbenton High School	Secondary	✓	✓
Kerry Lillico	Grasmere Academy	Academy	✓	O
Laura Baggett	Monkhouse Primary	Primary	D (Harriet Bland)	✓
Lesley Griffin	Wellfield Middle School	Governor - Secondary	✓	✓
Louise Bradford	Diocese	C of E Diocese	✓	✓
Matt Snape	Marden High School	Secondary	✓	✓
Michael Young	Spring Gardens Primary	Primary	✓	✓
Paul Johnson	Churchill Community College	Secondary	✓	✓
Peter Gannon	Silverdale School	Special	✓	✓
Peter Thorp	Redesdale Primary	Governor - Primary	✓	A
Philip Sanderson	Kings Priory	Academy	✓	✓
Phil Kemp	Trade Unions	Trade Unions	D (Clare MacLeod)	✓
Rob Harker	Carville Primary	Primary	✓	✓
Stephen Baines	Holystone Primary	Primary	✓	✓
Steve Wilson	Whitley Bay High School	High	✓	✓
In Attendance:				
Mark Longstaff	Director of Commissioning & Asset Management	NTC	✓	✓
Jon Ritchie	Director of Resources	NTC	A	✓

Claire Emmerson	Senior Manager - Finance Strategy & Planning	NTC	✓	✓
Andrew Brown	Principle Accountant, Finance	NTC	✓	✓
Jane Cross	Senior Business Partner, Finance	NTC	✓	✓
Diane Thompson	Senior Accountant – Schools Finance	EQUANS	✓	✓
Christina Ponting	Senior Manager - Schools HR	EQUANS/NTC	✓	✓
Mary Nergaard	PA to Director of Commissioning & Asset Management	NTC	✓	✓
Lisa Cook	Assistant Director, Education and Inclusion	NTC	✓	✓
Mark Mirfin	Assistant Director, SEND Transformation	NTC	✓	A
Ian Wilkinson	Strategic Lead, Education and Inclusion Review	NTC	✓	✓

Item		Action
1.	Apologies for Absence	
	See table above.	
2.	Attendance Register / Membership / Roles and Responsibilities	
	<ul style="list-style-type: none"> CP noted that David Bavaird and Peter Thorpe have been reconfirmed as Governor representatives Claire Garbutt has now replaced Andrew James and an Academy representative Steven Baines' term of office comes to an end at the end of January. CP is working with Stephen Baines and his locality to reconfirm/fill that post The chair reminded Forum of their roles and responsibilities 	
3.	Virtual Public Meeting / Observers	
	The Chair welcomed the public to the meeting.	
4.	Declaration of Interest	
	<ul style="list-style-type: none"> None received 	
5.	Minutes of the last meeting	
	Minutes agreed as an accurate record of the meeting.	
6.	Matters Arising	
	<p>Page 2, Item 6 – Matters Arising: Falling Rolls and Growth Fund Proposed Allocations:</p> <ul style="list-style-type: none"> LB had previously raised a query around eligibility and asked for some further information to understand the funding fully. CE was to pick up a conversation with LB outside of the meeting, however, due to an extended period of leave this has not yet happened. <u>ACTION CARRIED FORWARD:</u> CE to pick up a conversation with LB to resolve the outstanding queries relating to eligibility for Falling Rolls and Growth Fund <p>Page 5, Item 6.1a – Funding Distribution and Finance Update: Schools in Deficit:</p> <ul style="list-style-type: none"> Sub-group of schools forum were to meet to review the SRMA deployments and review the support being offered to schools in deficit. 	CE

	<ul style="list-style-type: none"> CE noted that we have come to the end of the SRMA deployments and meetings are scheduled for next week. Once these meetings have been concluded there will be a meeting of the sub-group to review the feedback. <p>Page 6, Item 6.1b – NFF and Outcome of Consultation:</p> <ul style="list-style-type: none"> It was requested at the last meeting for consideration to be given to the comments raised relating to timing of the consultation and also protecting anonymity of schools to help encourage a higher response. CE noted that the comments and feedback have been acknowledged and will be considered. <p>Page 9, Item 6.1b – NFF and Outcome of Consultation:</p> <ul style="list-style-type: none"> PS requested that the list of de-delegated items be circulated. CE noted that the list was circulated as part of the papers for this meeting. <p>Page 10, Item 6.3 – Consideration of Special Leave for 2022/23 Financial Year:</p> <ul style="list-style-type: none"> An email was forward to Forum members to confirm the detail provided at the meeting. A further report is to be presented under Item 6.3 of this agenda. <p>All other actions are covered on the agenda.</p>	
6.1	Council Financial Position – Update	
	<p>CE talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> Currently in the middle of the budget consultation period. An overview on how the Authority's budget is spent was provided. It was noted that the DSG and HRA are ringfenced budgets. Overview of where the funding comes from was provided. Table was shown on screen showing the Gross and Net expenditure. The budget setting context explained and an overview of each of the factors (Government Spending Power, North Tyneside's Spending Power and Council Tax) was provided. Council set the budget in February 2022 which identified a potential gap of £7.471m. Emerging pressures have increased the potential gap to £23.106m. Overview of the emerging pressures that contribute to the gap was provided which includes Pay Award, Energy Additional Growth, Care Market (increases in fees and demand), and inflationary pressures. Overview was provided on each of the pressures identified. Overview was provided on the proposals to reduce the gap which led to a revised potential figure of £5.996m. Illustrative detail on potential Council Tax Increases was provided. Overview of the medium-term financial plan was shown on screen that shows a potential cumulative gap of £23.523m by 2026/27. Summary of the proposals to bridge the gap were discussed which includes looking at how we use technology; workforce planning and development; looking at our commissioning, procurement and commercial processes; and looking at how we manage our assets. 	

	<ul style="list-style-type: none"> • Overview of the HRA medium term financial plan was provided. • Overview of the Investment Plan over the next 5 years was provided. • Draft General Fund Investment Plan includes a projected investment of £1m each year to support Carbon reduction targets, and a new year 5 (2027/28) has been added to reflect rolling programme projects such as Asset Planned Maintenance (£2m), ICT infrastructure refresh (£1m) and sustained investment of £2m on additional Highways Maintenance. • Report due to go to Cabinet on 30 January which will outline the updated position. 	
6.2	Schools Finance Update	
	<p>a. National Funding Formula Claire Emmerson</p> <p>CE talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> • It was noted that the contents of this report forms part of the Cabinet Budget process. • As per 2022/23 the DSG includes funding previously allocated as grants for pay awards and pension increases and the Schools Supplementary Grant. • Table 1 of the report shows the allocation with the previous years for comparison. Overview was provided. • The Schools Block Allocations for 2023/24 were shown on screen, subject to final amendments. (Appendix B of the report). • Allocation uses the October 2022 Census which shows a slight increase in the numbers on roll (NoR). Overview of the changes was provided. • It is proposed that the Minimum Funding Guarantee (MFG) is set at 0.5% with Capping at 4.5% for affordability. • £0.250m allocated for Falling Rolls. • £0.250m allocated to Growth Funding. • Total funding available to distribute to schools is £147.086m. • Schools Forum voted against a 0.5% block transfer from the Schools block to the High Needs block which has been noted in the DSG Management Plan. • The Authority continues to work with the High Needs Sub-Group on the DSG Management Plan Themes. • The DSG Management Plan submission does include an assumed block transfer for years 2 to 5 of the plan. However, this would be subject to an annual vote by Schools Forum. • DW asked if the ESFA were aware that the 0.5% transfer was not going ahead in 2023/24. CE confirmed that ESFA have been informed. JR noted that there was an expectation from the ESFA that there would be a transfer, however, we have made them aware that it would not be appropriate to go ahead and mandate a transfer at this stage and go against the Schools Forum vote to seek a disapplication request. • JR was clear that the deficit can't continue at this level. • Options both with and without the transfer are being explored. However, the ESFA have indicated that the expectation is there for a 0.5% transfer, and they will be monitoring the plan throughout the 5 years. • JR noted that even if we were successful in getting the maximum level of funding from the ESFA, this would not cover the total deficit and there 	

	<p>would still be a requirement for further actions across Schools and the Authority to be implemented.</p> <ul style="list-style-type: none">• JR reiterated that the transfer in years 2-5 of the plan is an assumption, but it is not mandated at this time and will still be subject to an annual Schools Forum Vote.• ML noted that as the plans progress the ESFA will be monitoring the progress and there is an expectation that regular monitoring returns are forwarded• PG provided an overview of the comments in the chat as follows:<ul style="list-style-type: none">○ Lisa Cook noted that we had a robust discussion at the Sub Group and the decision was to not bring the request back to SF this financial year. We will continue to work in the sub group on the work streams and how these could impact schools positively.○ Anthony Gollings noted that the High need sub group met on 19 December. From his perspective work continues and the case for 0.5% transfers from the Schools block has not yet been made. This was acknowledged by the group as something that would require further work, discussion and agreement at Forum.• PG also noted that the sub-group would benefit from more Schools Forum representatives to ensure that the process is as collaborative as possible and that everyone understands the process.• DW asked for confirmation that a 0.5% transfer would not be mandated.• JR noted that based on the current rules from the DfE/ESFA, the intention would be that the 0.5% transfer would be subject to an annual vote.• MY asked why the plan isn't based on the assumption that the transfer will not take place given that it was such a unanimous decision to reject it this year.• JR noted that we cannot allow the current position to continue, irrespective of the DSG management plan, actions need to be taken to address and reduce the deficit. It was agreed that it would not be appropriate to proceed with the transfer this year, however, we need to take action to stem the overflow and make changes even without the Safety Valve programme.• ML noted that it's right and proper that we have these conversations on an annual basis as part of the requirement to consult with Schools Forum. ML noted that Schools Forum have agreed to a transfer in previous years, or a part transfer on occasion whereas there are other years where they haven't.• ML noted that it's a collective responsibility to convince the government that every possible action is being considered to effectively reduce the deficit.• CE noted that it is always an emotive discussion. Taking on board the comments, doing nothing is not an option. CE also noted that in 2021/22 the vote was only just over 50% against so the vote was much closer in the past than what it has been this year.• It was noted that engagement is key to the collaborative process• It was reiterated that the ESFA will be monitoring the plan at every stage and that we need to work collectively to ensure that the needs of our children with SEND can be met appropriately.	
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- MY noted that JR was new in post as the Director of Resources and that the High Needs Budget has been overspent by over £4m for the last 5 years and that he feels the Authority has not done enough to tackle this deficit. MY noted that he believes the responsibility for this cannot fall to frontline schools.
- JR noted that whilst he is new in post, he was at Sunderland Council before that and previously worked at North Tyneside Council before that and reiterated that this is a national issue that is happening with LAs up and down the country.
- The number of requests for support have increased as well as the size and scale of support packages required.
- It was reiterated again that the transfer is a voluntary decision and is not mandated. However, the ESFA has indicated that there is an assumption that a transfer should be included in the plan.
- JR noted that whilst this is a conversation about Schools Block and High Needs block, it is important to remember that this is still spend on the children of the borough. It is not a “top-slice” for the local authority, but to support high needs both in special schools and mainstream settings for school pupils in North Tyneside.
- JR also noted that we cannot keep on spending to that level and this requires us as a sector to work differently which includes the Authority and all schools, not just special schools.
- **High Needs Block**
- £33.265m includes an increase of £3.481m from 2022/23.
- It also includes a deduction of £0.341m made by the Education Skills and Funding Agency for direct funding of places.
- Projected £4.416m pressure in 2022/23, cumulative pressure is therefore estimated at £17.927m going into 2023/24 and will form part of the DSG Management plan.
- The Forecasted High Needs Overspend as at November 2022 is shown in Table 2 of the report which was shown on screen.
- **Early Years**
- The proposed Early Years funding is outlined in table 4 of the report. Overview was shown on screen.
- JC noted that the EY sub-group met in December, however, the Government hadn't confirmed the figures yet. The assumptions made by the group was in line with what came out from the DfE.
- LB asked if this also included an allowance for pay increases.
- JC noted that this was covered in line 4 of the table - 3 & 4 Year Old Hourly Quality Supplement - Teachers Pay and Pension Grant Supplement which is available to provision led by a qualified teacher, who is paid according to national teacher pay scales and is a member of the teachers' pension scheme.
- **Central School Services Block (CSSB)**
- Funding reduced in relation to historical funding by £0.159m, which represents a 20% reduction in funding. Ongoing functions have had an increase of 5.86% as shown in table 5 of the report which was shown on screen leaving a net reduction in funding of £0.103m.
- Following consultation with School Forum, the Authority's proposals are identified in table 6 of the report which was shown on screen. Overview was provided.

	<p>b. De-Delegation including Centrally Retained</p> <ul style="list-style-type: none"> CE reminded Schools Forum that we have moved to the NFF in North Tyneside. 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. CE noted that changes in the Funding Formula for English as another Language as it is no longer mirroring the NFF. This is because it would create a larger De-delegation for EMTAS. The list of proposals for de-delegations for 2023/24 is included in table 7 of the report which was shown on screen. <p>Recommendations Schools Forum is asked to:</p> <ul style="list-style-type: none"> Note update on the allocations for 2023/24 for each of the four funding blocks and the proposals for the distribution of funding. Noted Note the changes to the Schools block funding and the impact of the changes following 100% movement to the NFF. Noted Approve the services funded under CSSB as outlined in table 6. Approved Acknowledge the pressure in the High Needs block. Noted Acknowledge the changes to Early Years funding allocations proposed for 2023/24 and that the funding formula will be shared with the sector prior to implementation. Noted Approve the de-delegated items rate per pupil outlined in table 7. Approved except for lines 5 and 6 of the table relating to the Special Leave SLA which were deferred to Item 6.3 	
6.3	<p>Consideration of Special Leave for 22/23 Financial Year</p> <p style="text-align: right;">Christina Ponting</p>	
	<p>CP talked through the report. Main points to note as follows:</p> <ul style="list-style-type: none"> Annual SLA that is open to all schools. Reminder of how the SLA is split between Part 1 (Maternity, Adoption, Paternity, Shared Parental Leave and Jury Service); and Part 2 (Trade Union Facility Time) was provided. Not all schools buy into both parts of the SLA. Some schools don't buy into part 1, however, all schools buy into part 2. Refunds to schools are always paid in arrears with part 2 being paid first / at 100% and acceptance that part 1 is paid thereafter and may not be repaid at 100%. Current rate is £27 per pupil (£21.97 for Part 1 and £5.03 for Part 2). Updates on claims have been provided directly to Schools Forum Members. Overview as follows: Part 1 	

- Ahead of where we were this time last year. Value of claims have increased YTD and average value of claims is higher per person.
- Continues to be difficult to predict as Schools are eligible to claim for each application that meets the criteria. Reminder issued that this year is expected to be a peak year going by historic patterns.
- Paternity, Adoption and Shared Parental leave have also seen an increase.
- **Part 2:**
- Claims remain in line with expectations but again the value per claim has increased.
- **Considerations for 2023/24**
- In January 2020 Schools Forum agreed that they would review the costs of the SLA each year to ensure that the per pupil rate considered inflation and employment cost figures.
- In January 2022 Schools Forum agreed to hold the rate as £27
- During COVID, claims continued as per standard patterns for part 1, part 2 saw a slight decrease due COVID restrictions/limitations placed on schools at that time.
- Pay awards have now been allocated at an average of 5% which has impacted the value of the claims; new pay levels were processed in December 2022.
- Employers costs have also increased and are likely to increase further.
- Pay discussions for 2023/24 have commenced. Overview was provided on the expectations and the associated impact.
- CP noted that it is unlikely that the Part 1 claims can be paid out at 100% if the estimated monthly values for the remainder of the SLA are on par with predictions.
- To ensure the SLA keeps in pace with changes to basic salaries and employer costs and ensuring the value of the refunded claims is beneficial to schools, a % inflationary increase ranging from 4 to 6% could be considered. Overview was provided of what that would look like.
- **2023/24 Proposals**
- Schools Forum are asked to consider the following:
 - Does Schools Forum want to continue with the SLA for part 1
 - If we proceed with the SLA do we want to increase the SLA rate?
 Potential options as follows:
 - No change to the rate and accept that claims at 100% can't be met
 - 4% = £28.08 (Increase of £0.88 for part 1, and £0.20 for part 2)
 - 5% = £28.35 (Increase of £1.10 for part 1, and £0.25 for part 2)
 - 6% = £28.62 (Increase of £1.32 for part 1, and £0.30 for part 2)

Discussion followed around:

- LB asked what would happen if schools opt out of part 2.
- CP noted that for schools that are part of the learning trust are required to be part of the SLA as part of the articles of being a trust school and a similar requirement would follow for community schools. Other schools can choose but as part of agreements established at times of transfer, etc. e.g., TUPE a requirement to be included was also factored in.

Schools therefore have limited scope to not be included and would find that they were not able to access support for their staff in school (who have a right in some instances to be represented), plus other guidance/advice that was facilitated via trade union colleagues. The SLA provided for all trade unions to have funded release time for all employees ranging from Head teachers/Leadership team, teaching staff and support staff. Schools who were maintained we included in the SLA via the de-delegation arrangements that were being considered; Academies, Special and Nursery schools had to enact their inclusion via a different route as their funding came from a different source, e.g. ESFA, High Needs, Early Years and not DSG.

- DW raised a query for schools who bought into only part 2, was there a proposal for the increases in per pupil value to uplift at a different rate? CP noted that for 2023/24 this was not the suggestion but for future years that was a possibility as part 1 did subsidise part 2.
- SW asked what the minimum increase would need to be to cover the cost of all claims. CP noted that the SLA runs from April to March and reiterated the difficulty in predicting the claims values, particularly without knowing what the pay awards negotiations will be, which for teaching staff would be effective in September 23 and for support staff from April 23. Based on the expectations as outlined earlier relating to potential future pay awards, CP noted that her preference would be the higher increase of 6%.

Recommendations

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

- Note the contents of this report.

Noted

- Confirm that they wish the SLA to operate on the points as noted above item a-c
- **Agreed**
- Decide if they wish the SLA to operate as it does currently with the Authority overseeing the SLA on behalf of Schools Forum or if they wish to look at alternative options – and to identify if this is what they wish to do establish a sub-group of school's forum members (with a chair) to lead on this on behalf of Schools Forum, as noted above item d

Forum Agreed to continue with the SLA. Votes for those eligible to vote only on de-delegated matters, as follows:

- **For = 15**
- **Against = 0**
- Decide if they wish to review the per pupil rate for the 23/24 SLA – operating from 1st April 2023 to 31st March 2024 and if they wish to review the rate and if so at what % increase, as noted above item e.

Forum Agreed to increase the rate by 6% which equates to £28.62 per pupil (£23.29 for part 1, £5.33 for part 2). Votes for those eligible to vote only on de-delegated matters as follows:

- **For = 15**
- **Against = 0**

	N.B: this concludes 6.2a as noted above and confirms acceptance of lines 5 and 6 of Table 7 at a revised combined per pupil rate of £28.62 (increase of 6%) from April 2023.	
7.	Any Other Business	
	<p>Catering Services:</p> <ul style="list-style-type: none"> • MY requested that a sub-group be called to look at catering services noting his concerns over the tendering process. • Discussion followed on whether this should be an item for the agenda of the next Forum to agree if a sub-group was the correct way forward • <u>ACTION:</u> CP to have a conversation with ML regarding the best approach. • ML reminded Forum that he is more than happy to have conversations with individual schools on the tendering process. • MY raised concerns of the perception of “lack of transparency”, “threats” and “inaccuracies” in the information that had historically been shared and feelings that it was still a concern amongst some governing body members that he had talked to. • ML noted his disappointment in those views remaining to be held by some. The Authority has been completely transparent, with ML having previously shared a large amount of information with Schools Forum and also with individual Schools. ML further reiterated that he was more than happy to pick up a conversation outside of this meeting with individual schools. <p>Attendance</p> <ul style="list-style-type: none"> • CP noted that David Bavaird and Kerry Lilico were not in attendance which was unusual as they are both regular attendees. CP noted that she would check in with them to ensure that everything is ok. • CP also noted that there was no representative from the college again which has been a consistent occurrence for some time. She will remind them of their ability to attend and Forum members continued wish for them to attend/ be included in the discussions/ Forum. • <u>ACTION:</u> CP to pick up a conversation with the college on attendance at Schools Forum meetings. 	<p>CP</p> <p>CP</p>
8.	Date of next meeting	
	Wednesday, 22 March 2023 at 12:30pm, via Microsoft Teams.	

Briefing note

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

Date: 22 March 2023

Purpose of the Paper:

Information	√
Consultation	
Decision	

Title of Briefing: Finance Update

1. Purpose of Paper

- 1.1 This paper provides an overview of the overall school's financial position following the completion of the first termly monitoring which took place in October/November 2022. A summary of the High Needs budget monitoring position as at the end of January 2023 is included in section 3.

2. Update on School Budgets

- 2.1 Forum will recall that the overall level of school balances at the end of March 2022 was £2.360m compared to £3.721m as at March 2021. This represented a decrease in balances of £1.361m of which £0.435m was due to the academisation of remaining faith schools and balances transferring to Academy Trusts.
- 2.2 Schools set budget plans for 2022/23 projecting overall net deficit balances of £5.533m. The first schools financial monitoring for the 2022/23 financial year is complete, with net deficit school balances initially projected to improve by £1.145m to £4.388m before the impact of the unfunded pay award. Taking into account the impact of the pay award school balances are estimated to decrease by a further £1.920m to £7.453m from the budget plans submitted to the Authority at the end of May 2022.
- 2.3 Table 1 below shows the current movement from budget plan submissions in 2022/23, illustrating the net effect of pay award pressures and reversal of 2022/23 Health and Social Care Levy Employers National Insurance increase of 1.25% from Nov 2022. In 2022/23 there has also been £0.585m received for Homes for Ukraine Education & Childcare Grant, which has been allocated to relevant schools but is not reflected against school Budget Monitoring projections.

Table 1: Schools 2022/23 budget plan/monitoring summary

Phase	Budget Plan 22/23 £m	BUDGETTED 3% PAY AWARD		NEW PAY AWARD/NI		Impact of Changes in Pay Award/NI £m
		Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m	Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m	
Nursery/First /Primary	4.957	4.795	(0.162)	3.382	(1.575)	(1.413)
Middle /Secondary/High	(9.191)	(8.338)	0.853	(9.356)	(0.165)	(1.018)
Special/PRU	(1.299)	(0.845)	0.454	(1.479)	(0.180)	(0.634)
Total	(5.533)	(4.388)	1.145	(7.453)	(1.920)	(3.065)

2.4 As part of the ongoing development and delivery of the new School Business Services (SBS) budget planning tool, detailed feedback from schools on utilisation of SBS has been requested. These responses will be collated anonymously and shared with SBS to drive through system modifications and improvements. In addition to gathering intelligence from schools relating to utilisation of the budget planning tool an SBS improvement working group will be established early in the 2023/24 financial year with schools' representation to share experiences and address queries and requests with SBS.

2.5 The Senior Manager responsible for the Schools Finance Team will be convening monthly meetings with SBS to respond to these queries and requests and this will result in tailored training relevant to North Tyneside schools. SBS have also committed to 'hot topic' training, and this will be delivered in line with the feedback from schools. The results of this ongoing work will be fed back to Schools Forum and to Head Teachers Briefing sessions, during 2023/24.

3. School Deficits

3.1 Schools Forum will recall from the previous finance updates that some individual schools expected to face significant financial challenges in 2022/23. During the year, in line with established practice aligning to the Scheme for Financing Schools and the Support and Challenge Framework the Authority has monitored those schools requiring licenced deficit approval.

3.2 Following the submissions received from schools during budget monitoring 1 there are now 17 schools identified with forecast deficits in 2022/23 in comparison to 9 schools who had submitted budget plans in May 2022 identifying the potential need for licenced deficit approval. The total value of deficit approvals required from the Authority in 2022/23 from budget plans originally received was £13.969m. Following budget monitoring 1 the value has increased by £0.154m to £14.123m. The analysis of Schools in Financial Difficulty requiring licenced deficit approval for individual schools is outlined in Table 2 below:

Table 2: Schools in an expected deficit position 2022/23

School	Budget Plan 22/23 £m	BUDGETTED 3% PAY AWARD		NEW PAY AWARD/NI		Impact of Changes in Pay Award/NI £m	22/23 Deficit Comments
		Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m	Mon. 1 Projected Balance £m	Mon. 1 Projected Variance £m		
Denbigh Primary	0.166	0.026	(0.140)	(0.016)	(0.182)	(0.042)	Emerging
Forest Hall Primary	(0.002)	0.009	0.011	(0.007)	(0.005)	(0.016)	Emerging
Rockcliffe First	0.000	0.007	0.007	(0.018)	(0.018)	(0.025)	Emerging
Silverdale	0.008	(0.028)	(0.036)	(0.119)	(0.127)	(0.091)	Emerging
Sir James Knott Nursery	0.004	(0.044)	(0.048)	(0.060)	(0.064)	(0.016)	Emerging
Southlands	0.100	0.092	(0.008)	(0.019)	(0.119)	(0.111)	Emerging
Wallsend Jubilee Primary	0.009	0.015	0.006	(0.018)	(0.027)	(0.033)	Emerging
Whitehouse Primary	0.111	(0.028)	(0.139)	(0.074)	(0.185)	(0.046)	Emerging
Balliol Primary	(0.025)	(0.037)	(0.012)	(0.046)	(0.021)	(0.009)	New 22/23
Coquet Park First	(0.020)	(0.027)	(0.007)	(0.041)	(0.021)	(0.014)	New 22/23
Holystone Primary	(0.069)	(0.057)	0.012	(0.107)	(0.038)	(0.050)	New 22/23
Wallsend St Peters Primary	(0.107)	(0.126)	(0.019)	(0.146)	(0.039)	(0.020)	New 22/23
Beacon Hill	(1.794)	(1.537)	0.257	(1.705)	0.089	(0.168)	Existing
Ivy Road Primary	(0.162)	(0.161)	0.001	(0.185)	(0.023)	(0.024)	Existing
Longbenton High	(1.863)	(1.824)	0.039	(1.909)	(0.046)	(0.085)	Existing
Norham High	(4.130)	(4.079)	0.051	(4.149)	(0.019)	(0.070)	Existing
Monkseaton High	(5.799)	(5.783)	0.016	(5.835)	(0.036)	(0.052)	Structural
Total	(13.573)	(13.582)	(0.009)	(14.454)	(0.881)	(0.872)	

3.3 In line with the Scheme for Financing Schools 8 schools (those categorised as 'Emerging' in the table above) were expected to request deficit approval from the Authority as soon as it became apparent that a licenced deficit approval was needed during the 2022/23 financial year. Of the 8 emerging deficit schools only 4 schools have contacted the Authority to request a licenced deficit approval despite reminders being sent to those schools.

3.4 As set out in North Tyneside Council's Scheme for Financing Schools, schools may not incur a budget deficit without prior agreement from the Authority's Senior Officers. The following is an extract from the Scheme.

4.5 Planning for deficit budgets

Schools may not incur a budget deficit without the prior agreement of the Director of Children, Young People & Learning, in consultation with the Chief Finance Officer. Such deficits will only be approved in certain circumstances (see 4.9)

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 from 2019/20:

- 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 Authority. The maximum size of the deficits which may be agreed is 20% of the in-year allocation.*
- The Director of Children, Young People and Learning and the Director of Resources (Chief Finance 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.*

3.5 The Authority reminds all schools that the Scheme for Financing Schools must be adhered to. It is an important part of a school's financial governance processes and it ensures that the Authority can work with schools to formalise recovery plans which would be necessary for the school to return to financial balance. As described earlier in this paper school balances are on a downward trajectory with schools projecting net deficit balances on an annual basis. The Authority must take into account overall school balances in the context of licenced deficit approvals to safeguard the Authority's own financial position. Regular monitoring and reporting from schools to the Authority form part of this important work.

3.6 The Authority took a slightly different approach to the licenced deficit approval process for 2022/23 requiring all schools new to deficit, and some existing deficit schools with more challenging financial positions, to have a Schools Resource Management Advisors (SRMA) visit following the successful pilot of these arrangements by the Education Skills and Funding Agency (ESFA) within the Academy sector. For the four schools new to deficit, along with Beaconhill and Monkseaton High School, the SRMAs worked through the schools' finances and management structure to then provided a report to these schools and the Authority after the autumn term. The reports are now received and are being used by the Authority and the Schools Finance Team to tailor support to schools and this will be used as a basis for an update of the Support and Challenge Framework which will be brought back to Forum in July for review.

4. High Needs Block

4.1 Forum will recall from the previous finance report that the High Needs block of the Dedicated Schools Grant (DSG) was anticipating an in-year pressure of £5.111m in September, which would have raised the cumulative pressure on the block to £18.623m.

4.2 The forecast for the High Needs Block as at November 2022 is now an anticipated in-year pressure of £4.416m reflecting continued demand for special school places within the Authority. A breakdown of the in-year pressure is shown in Table 3.

Table 3: Breakdown of High Needs Pressures at January 2023

Provision	Budget £m	Forecast Variance January £m	Comment
Special schools and PRU	17.788	2.217	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder. Includes High Needs additional funding.
Additional Resource Provision/Top ups	4.705	0.859	Pressures in mainstream pre 16 top-ups
Out of Borough	3.316	1.285	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.974	0.055	
Subtotal	29.783	4.416	
2021/22 Balance		13.511	
Total	29.783	17.927	

5. Budget Tool Update

- 5.1 As described in section 2.4 of this report improvement work is on-going with the new Schools Business Services (SBS) budget planning and monitoring tool. Forum will recall that the Authority was asked to look at options for replacing the in house 3-year budget planning tool used by schools for budget planning and in year monitoring.
- 5.2 In conjunction with schools the Authority entered into contractual arrangements with SBS to provide a 5-year budget planning tool, which was made available to schools from November 2021. The contract entered into was for a 3-year period (2022/23 to 2024/25) and all schools that required the tool submitted their agreement to the Authority to confirm recharge arrangements for SBS licences as part of the Finance SLA with the Authority.
- 5.3 Initial training on use of the new budget tool was carried out by the provider, and schools pre-loaded their budget data as at November 2021 in preparation for budget planning for 2022/23 to produce 3-year budget plans to 2024/25.
- 5.4 Budget training, incorporating the new SBS budget planning tool, is being rolled out as part of the Finance SLA from week commencing 13th March, with schools needing to prepare and submit budgets by the 31 May 2023 deadline. Any further issues can be reported and addressed through the new SBS improvement working group once it is in place.

Recommendations

- 6.1 Schools Forum is asked to:
 - Note the forecast position for schools after the 1st termly monitoring process;
 - Note the latest position for the High Needs Block as reported in January 2023; and
 - Note the update on the new budget planning tool for use in the 2023/24 to 2025/26 budget planning cycle.