



North Tyneside Council

Agenda

Meeting: North Tyneside Schools Forum **Date:** Thursday 21 September 2023
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=HdX2DlelDmY>

Agenda

Ref.	Item	Lead
1	Apologies and welcome	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 5-18</i>	Chair
6	Matters Arising (not on the agenda) <i>Verbal Update</i>	Chair
7	Annual Review of Schools Forum Constitution <i>Verbal Update</i> to include: a) Election of Chair b) Election of Vice Chair c) Declaration of Interest – all members d) Members Attendance/ New Members e) Notification of membership to all Schools/ Governors f) Action Plan / Self-Assessment	
8	Finance Update <i>Circulated - Pages 19-27</i> (including: Falling Rolls and Growth Fund Proposed Allocations and DfE Safety Valve Intervention Programme)	CE MM
9	Reports from Services <i>Verbal Update</i> (EMTAS & School Support Services)	LC
10	Any Other Business	All
11	Date and Time of Next Meeting: Wednesday 8 November at 12:30 via Microsoft Teams	

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

Timetable & Forward Plan 2023/24

Date	Activity	Responsible
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. Scheme for Financing Schools Update 4. School Forum Constitution and Action Plan Review 5. 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	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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Item 5 Minutes

Meeting Schools Forum **Date** Wednesday 12 July 2023
Location Via Microsoft Teams
Present

✓ Present
D Deputy
A Apologies
O Absent

Name	Organisation	Representing	22.03.23	12.07.23
Anthony Gollings	St Thomas More	RC Diocese	✓	✓
Angi Gibson	Hadrian Park Primary	Primary	✓	✓
Claire Garbutt	St Columba's Primary School	Academy	A	✓
Colleen Ward	Coquet Park First School	Primary	✓	✓
David Bavaird	Norham High School	Governer - Secondary	A	Vacancy
David Watson	St Thomas More	Academy	✓	✓
Diane Turner	Tyne Met	16-19 Provider	D (David Gardner)	A
Finn Wilcock	Southridge First School	Primary	✓	✓
Gavin Storey	Cullercoats Primary	Primary	✓	O
Jill Wraith	Benton Dene Primary	Primary	D (Carmel Parker)	Vacancy
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	✓	✓
Lesley Griffin	Wellfield Middle School	Governor - Secondary	✓	A
Louise Bradford	Diocese	C of E Diocese	O	✓
Matt Snape	Marden High School	Secondary	O	✓
Michael Young	Spring Gardens Primary	Primary	✓	A
Paul Johnson	Churchill Community College	Secondary	A	A
Peter Gannon	Silverdale School	Special	✓	✓
Peter Thorp	Redesdale Primary	Governor - Primary	✓	A
Philip Sanderson	Kings Priory	Academy	O	✓
Phil Kemp	Trade Unions	Trade Unions	✓	✓
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	✓	A
Jon Ritchie	Director of Resources	NTC	A	A
Claire Emmerson	Head of Finance – Deputy S151 Officer	NTC	✓	✓
Andrew Brown	Principle Accountant, Finance	NTC	✓	✓
Jane Cross	Senior Business Partner, Finance	NTC	✓	✓
Diane Thompson	Senior Accountant – Schools Finance	NTC	✓	✓
Christina Ponting	Senior Manager – Schools HR	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	✓	✓
Ian Wilkinson	Strategic Lead, Education and Inclusion Review	NTC	✓	A
Julie Firth	Director of Children’s Services	NTC	✓	A

Minutes of Meeting

Ref	Item	Action
1.	Apologies for Absence	
	See table above.	
2.	Attendance Register / Membership / Roles and Responsibilities	
	<p>Roles & Responsibilities</p> <ul style="list-style-type: none"> Reminder of roles and responsibilities for Forum Members was provided. <p>Attendance:</p> <ul style="list-style-type: none"> See table above. <p>Membership:</p> <ul style="list-style-type: none"> See Any Other Business 	
3.	Virtual Public Meeting / Observers	
	The Chair issued a reminder that the meeting is live streamed to the public on the Authority’s YouTube Channel and welcomed the public/observers to the meeting.	
4.	Declaration of Interest	
	A declaration of interest was made in relation to Item 8 from Kelly Holbrook.	
5.	Minutes of the last meeting	
	Minutes agreed as an accurate record of the meeting.	

6.	Matters Arising	
	<p>Page 2, Item 2 – Membership:</p> <ul style="list-style-type: none"> • <u>ACTION (Carried forward):</u> The Chair is still to write to David Bavaird on behalf of Forum to thank him for his service. <p>Page 3 and 4, Item 6 – Matters Arising: Catering Services/Schools SLAs:</p> <ul style="list-style-type: none"> • Members of Schools Forum who would like to work with CP and the Head of Commercial & Procurement to look at Schools SLAs were asked to contact CP. • CP noted that a range of dates were offered to the Forum Members who showed an interest. Unfortunately, it has not yet been possible to coordinate diaries. It was agreed to reconvene with potential dates in September. • CP noted that if anyone wishes to discuss anything before that time, they can contact CP directly. 	PG
7.	Schools Finance Update	Claire Emmerson
	<p>CE talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> • Local Authority Finance Update • Published the Local Authority accounts on 15 June 2023 • An update was provided on the General Fund position which shows a £2.005m improvement since the position reported in January. • Children’s Services and Commissioning & Asset Management carry the main areas of pressure (£13.797m). • Overview of the General Fund budget and outturn position was shown on screen. • Overview of the key variations that resulted in the movement was provided. • Update on the use of the Strategic Reserves and the replenishment plans was provided. • Overview of the key projects that form main areas of focus in the Medium-Term Financial Plan (MTFP) was provided. • Overview of the Housing Revenue Account (HRA) budget and outturn position was provided. • Overview of the Investment Plan was provided including the key highlights and main variations. • Overview of the draft reserves position was provided. It was noted that the Dedicated Schools Grant (DSG) is in a deficit 	

position.

- **Schools Finance Update**

- The 2022/23 accounts closure has been concluded.
- AB thanked all involved for the collaborative working between Schools and the Schools finance team.
- Outturn position decreased from a surplus of £3.398m at the start of the year to a closing deficit of £0.382m which shows an improvement of £5.151m from the original expected deficit as set out in the budget plan of £5.533m.
- The final position for schools is reported in the Authority's statutory accounts before any commitments, which are usually around £4.500m (still to be confirmed at the end of July 2023).
- The reported position across 2022/23 is outlined in Table 1 of the report (Shown on screen).
- It was noted that schools retain a high degree of autonomy when setting budgets unless they are in a deficit position. A reminder has been issued of the need to forecast as accurately as possible. It is imperative that the Authority and schools work together to meet the budget monitoring deadlines to ensure accurate forecasting.
- It was also noted that some schools continue to face significant financial challenges with fourteen schools submitting a deficit budget plan for 2023/24.
- Nine schools were in deficit at the end of the 2022/23 financial year and the remaining five are new to requiring a licenced deficit agreement in 2023/24.
- Of the nine schools already in deficit, one had a structural deficit in 2022/23 which continues into 2023/24.
- Overview of the work carried out with schools and Schools Resource Management Advisors (SRMAs) was provided.
- Initial deficit review sessions for the majority of the fourteen schools are planned in July 2023. Deficit sessions for the Special Schools will be held in September to allow time for work on pupil numbers and bandings to be completed.
- Before any adjustments the balances of these fourteen deficit schools are expected to total £14.826m with individual school deficit values outlined in Table 2 of the report (shown on screen).
- CE provided an update on the work that has been carried out to date with the NTC School with a structural deficit as

defined by the Scheme for Financing Schools and the work that has been carried out with those schools and the SRMAs.

- CE noted that this is a larger number of schools in deficit than has been in previous years. The impact on the capacity of the team and the importance of the support from SRMAs was also noted.
- **Dedicated Schools Grant (DSG) 2022/23 Outturn**
- After allowing for school allocations and removing academy funding, the 2022/23 DSG account is showing a net deficit balance of £8.340m. This compares to a deficit of £12.851m in 2021/22.
- The Schools block (de-delegated) underspend of £0.914m mainly relates to the headroom, growth funding and falling roles funding.
- Forum was reminded that the DSG is a ringfenced account, any balance is carried forward into the next financial year.
- **Early years Block**
- Ended the year with a cumulative surplus of (£0.338m). This included a brought forward deficit of £0.094m which was then adjusted in-year by £0.169m.
- **High Needs Block**
- Overall pressure is in line with the national and regional picture and results from additional places required in special schools, out of borough placements and in relation to top up payments as outlined in Table 4 of the report (shown on screen).
- The DSG Management Plan will aim to address the High Needs deficit as part of the Safety Valve Intervention Programme.
- **Safety Valve Intervention Programme**
- The Authority joined the Department for Education's (DfE) Safety Value Intervention Programme on 1 April 2023 which is subject to meeting specific performance measures.
- The DfE have agreed to pay the Authority £19.500m over a 5-year period, with the first payment of £7.800m received at the end of the financial year 2022/23. Future payments are subject to compliance with the conditions set in the Safety Valve agreement.
- On track to reach a positive in-year balance on the DSG High Needs block by the year-end 2027/28.
- In 2022/23 the Authority's High Needs block forecast was a

year-end pressure of £17.900m. The outturn position for 2022/23 was better than forecast, at £17.392m.

- The in-year deficit was £13.511m. When including the DfE's first instalment of £7.800m, the outturn position for 2022/23 was £9.591m
- In June 2023 the DfE also announced that the Authority will receive £4.681m in capital funding to support the implementation of the DSG Management Plan.
- **National Funding Formula (NFF)**
- The Local Funding Formula (LFF) is now 100% in line with the NFF.
- The Authority is expecting the indicative funding allocation towards the end of July.
- No modelling has been undertaken at this stage.
- Once the allocation has been received the Authority will begin modelling potential options for capping and maximising Minimum Funding Guarantees which will then be presented to Schools Forum in September, in advance of the formal consultation with schools during October/November 2023.
- A report will then be brought back to Schools Forum in November 2023 in advance of a report going to Cabinet in January 2024.

Recommendations

Schools Forum is asked to:

1. acknowledge the provisional 2022/23 outturn position on all DSG balances;
Noted
2. acknowledge the school budget plans overall summary position;
Noted
3. acknowledge the pressure on the High Needs block and the Authority's inclusion in the ESFA's Safety Valve Intervention Programme;
Noted
4. agree the plan for funding consultation for 2024/25.
Forum agreed

8.	Falling Rolls and Growth Fund Proposed Allocations	Claire Emmerson
	<p>CE talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> • The Authority have met with representatives from the Schools Forum finance subgroup on 13 June 2023 who have considered the applications for funding. • Schools in Financial Difficulty • Further to the earlier discussion around Schools in Financial Difficulty, a reminder was provided of the discussions previously carried out at Schools Forum regarding how the Schools in Financial Difficulty Funding would be considered/allocated. • It was noted that no recommendations are being made at this time. Applications are to be received and representations made from schools wishing to apply for Schools in Financial Difficulty Funding. Discussions are ongoing between the schools, the Authority and the SMRAs on how continued support will be offered to all of the Authority's maintained schools. The finance sub-group of Schools Forum will reconvene to receive the submissions and recommendations for funding allocations will be brought back to Forum at a later date for approval. • Falling Rolls • The total falling roll funding available for distribution is £0.300m (£0.050m carried forward and £0.250m in year allocation). • There were five schools identified as being eligible for falling roll funding with a total value of £0.168m. • The details of these schools and the funding identified for each school is included in Table 1 of the report (shown on screen). An overview was provided. • If approved, this will leave a balance of £0.132m of which £0.082m will be transferred to the headroom fund, leaving a closing balance of £0.050m • CE noted that as in previous years a proportion of the surplus funding will be transferred back to academies, the current estimate is that this will be around £0.030m. • Growth Fund • In 2023/24, Schools Forum agreed to set aside £0.250m of the identified growth funding, with a further £0.145m carried 	

forward from 2022/23.

- Total Growth Funding available in 2023/24 is £0.395m
- Eight schools were initially identified as being eligible for growth funding to the value of £0.764m.
- Four of those schools have been confirmed as eligible for growth funding and have provided sufficient evidence to the Authority.
- The total funding for those schools is £0.432m as outlined in Table 2 of the report (shown on screen).
- If all funding is approved the 2023/24 closing balance will be £0.037m deficit which will be carried forward into 2024/25.
- CE noted that Forum may need to consider increasing the Growth Fund pot in 2024/25.
- Details of the schools not eligible for Growth Funding are included in Table 3 of the report (shown on screen).
- Discussions continue with Monkseaton High and Norham High School. Two schools have yet to provide evidence of eligibility (George Stephenson and North Gosforth).

Discussion followed around:

- SW noted that if the 4 remaining schools are deemed eligible, this would wipe out the Growth Fund in 2024/25.
- CE noted that the overall total DSG allocation for Growth Funding is £0.750m which has historically been distributed as part of the schools budgets.
- Schools Forum agreed to allocate £0.250m of that to the Growth Fund pot on an annual basis.
- CE also noted that there was an underspend from the Growth Fund last year and that it will not always be the case that the entirety of the Growth Fund pot would be utilised. However, we wouldn't want the Growth Fund to run at a deficit position. Therefore, as discussed, the team may need to come back to Schools Forum to remodel the amount allocated to the Growth Fund pot.
- CE noted that any decisions relating to the 4 schools that are currently not eligible will be brought back to Schools Forum.

Recommendations

Schools Forum is asked to:

1. Consider the funding allocations as set out in this report;
2. Agree the current position and plans for additional funding

	<p>sources maintained by Schools Forum.</p> <p>Forum agreed</p>	
<p>9.</p>	<p>Reports from Services for 2024/25 Financial Year Proposal</p>	
	<p>A reminder of the Central School Services Block items was provided as follows:</p> <ul style="list-style-type: none"> • <u>Central School Services Block</u> <ul style="list-style-type: none"> ○ Budget to fund School Support Service. ○ Budget to Support vulnerable schools. ○ Budget to maintain High Borans Outdoor Education Facility. ○ Budget for the Education Improvement Partnership (Secondary Schools). ○ Collective contribution to ongoing pension costs incurred when allowing teachers to leave schools prematurely. ○ Budget for costs associated with de-commissioned school buildings. ○ Support for vulnerable Headteachers for those incidents where independent support and advice is necessary. ○ Schools admission service. ○ Former Education Services Grant (Retained). ○ National Copyright Licences. • Schools Forum was asked if they wish any of those services included within the Central School Services Block to come and provide a report at Schools Forum in the future. • LB asked to see an impact assessment from the School Support Services. • An Overview of the De-delegated Items was provided as follows: • <u>De-delegated items</u> <ul style="list-style-type: none"> ○ Budget to support mainstream maintained schools in financial difficulty. ○ Support for vulnerable Headteachers. ○ Support for minority ethnic pupils and under-achieving groups (EMTAS). ○ Assessment of Free school meals eligibility. ○ 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. 	

	<ul style="list-style-type: none"> ○ Additional agreed funding for above staff costs. • Schools Forum is asked if they wish any of those services included within the De-delegated items (mainstream schools only) to come and provide a report at Schools Forum in the future. • LB asked to see a report from EMTAS. • <u>ACTION:</u> CP/CE to liaise with colleagues in School Support Services and EMTAS to arrange the reports requested by Schools Forum and explore the best way for these reports to be shared with Schools Forum. 	CP/CE
10.	<p>DfE Safety Valve Intervention Programme First Submission (Term 1)</p> <p style="text-align: right;">Mark Mirfin / Claire Emmerson</p>	
	<p>MM talked through the presentation on screen. Main points to note as follows:</p> <ul style="list-style-type: none"> • As previously noted, the Authority was accepted onto the DfE Safety Valve Intervention Programme in April 2023. • The DfE requires that the Authority submits three reports each year of the 5 year DSG Management Plan, providing an overview of the work programme and ensuring targets are on track. • The reporting timetable is termly, therefore, none of the deadlines fit within key dates of the financial year. • MM noted the commitment to communicate the progress of the Safety Valve Intervention Programme and outlined the engagement that has been carried out to date. • MM recommended that Forum members read the full term 1 submission which was submitted to the DfE on 16 June, copy circulated to Forum with the papers for this meeting. • MM noted that the first report was due only 2 months into the programme. However, a lot of work had been carried out during the initial planning phase so there was still a lot of detail that was included in the report. • Overview of the key headlines was provided as follows: <ul style="list-style-type: none"> ○ The DGS Management Plan will aim to strengthen and improve outcomes for C&YP with a balanced budget within a 5-year period. ○ The Authority, with its partners, is on track to reach a positive in year balance for the High Needs Block by the end of the plan (2027/28). ○ As previously noted, the year end pressure for 2022/23 was slightly better than was anticipated in the DSG 	

Management Plan.

- Work is actively being carried out with maintained special schools regarding pupil numbers and funding to ensure that our forecasting is as accurate as possible.
- The Authority will also receive £4.681m in Capital funding. Overview of how this will be allocated was provided.
- An overview of the key performance data was provided which included a comparison against regional and national data.
- It was noted that North Tyneside receives significantly more requests for Education, Health and Care Needs Assessments (EHCNAs)
- Whilst North Tyneside also has a higher rate for declining to complete an EHCNA, in terms of how many young people receive an Education, Health and Care Plan (EHCP) out of those assessed, North Tyneside is higher than both the national and regional average.
- Overview of the significant amount of engagement carried out was provided. Feedback received has been positive and indicated that the information being provided is very useful.
- An overview the SEND Governance Structure was provided.
- There is a complex list of workstreams that underpins the work being carried out.
- It was also noted that the work being carried out linked to the DSG Management Plan now forms part of the wider SEND Improvement Plan.
- MM noted that Schools Forum and the High Needs Sub-Group of Schools Forum both form part of the governance structure.
- An overview of the progress made so far was provided.
- It was noted that Head Teachers and SENCOs are overwhelmingly in agreement with the strategic priorities. Percentages donating those that agree shown on screen against each of the priorities were with all being at circa 80% or higher.
- Across all the workstreams, over 70 Head Teachers and SENCOs are involved in the various steering groups.
- MM noted that there are strategic priorities which do not form part of the DSG Management Plan reported to the DfE, however, are integral to the success of it, such as the development of the School Place Planning Strategy.

- Achievements so far include:
 - The Authority has committed £0.208m recurring funding from the General Fund to create a SEND Preparation for Adulthood team which goes live in September 2023.
 - Half of North Tyneside Schools are supported by Mental Health Support Team in Schools.
 - Investment of £0.347m in Moorbridge to create a 6th day Primary provision and expand the PLS service for 38 pupils with an EHCP not on roll.
 - £1m capital programme awarded to support inclusion in schools.
 - Education North Tyneside will provide Whole School SEND Audits to all schools, commencing Autumn term.
- An overview of the ARP review was provided.
- Large representation of Headteachers and SENCOs have been involved in the review.
- An overview of the work carried out was provided which included carrying out surveys and looking at the provision in other Local Authorities.
- Next steps include looking at funding, looking at case studies, and discussing common themes with workstream leads.
- Steering group to meet again in October 2023.
- Looking to build 120 ARP places over 5 years.
- A copy of the High Needs Block Summary as submitted in the Term 1 Return was shown on screen.
- 2022/23 showed an in-year deficit of £9.591m after receipt of the Safety Valve payment. This increases to £10.466m in 2023/24 but that has been accounted for within the plan.
- CE noted that the last time Schools Forum discussed the 0.5% transfer to be included in the 2023/24 DSG Budget setting the DSG management plan was still in the early stages, and it was agreed not to approve a transfer at that stage.
- CE noted that the SEND system is costing more than the funding available.
- As outlined in the plan, the Authority needs to reach a balanced position by the end of 2027/28.
- CE noted that the Authority, as part of the budget-setting process for the DSG, will be coming back to Schools Forum in September to discuss the budget consultation, which will include the annual consultation on the 0.5% transfer.
- The last slide of the presentation includes a QR code which

	<p>directs Forum Members to a short survey (pre-consultation) with the aim of gathering the views of Schools Forum regarding a 0.5% transfer, asking which 3 initiatives they believe will have the most impact on their school, and asking what further information they would like to receive.</p> <ul style="list-style-type: none"> • ACTION: Copy of the slides to be circulated after the meeting. 	MM
11.	Proposed Meeting Arrangements 2023/24	
	<ul style="list-style-type: none"> • Proposed meeting dates were circulated to the group in advance. • Forum were asked whether or not to continue with virtual meetings or return to face to face. • Discussion followed around the advantages/disadvantages of face-to-face verses virtual and/or hybrid meetings. <p>Recommendations Schools Forum is asked to:</p> <ul style="list-style-type: none"> • Agree the proposed dates/times. Forum Agreed. • Decide if they wanted to continue with the virtual meetings or return to face to face. Forum Agreed to continue with virtual meetings. 	
12.	Any Other Business	
	<p>Membership Update</p> <ul style="list-style-type: none"> • CP noted that MY will stand down from Schools Forum at the end of the Academic Year/31st August 2023 and that she will contact Governors for the sector regarding a replacement. • Thanks were issued to MY for his contribution to Schools Forum. • The Chair noted that this also means that Forum will be looking for nominations for a new Deputy Chair in September. 	
<p>This is to give notice that item 13 below was considered in private. Observers were excluded from the meeting for the following items of business on the grounds that the report contains information relating to the financial or business affairs of any particular person (including the authority holding the information).</p>		
13.	<p>Redundancy & Early Retirement Costs - Annual Update</p>	<p>Christina Ponting *CONFIDENTIAL ITEM*</p>
	<p>The live streaming was ceased at 13.45pm and CP talked through the main points from the confidential briefing paper.</p>	

	<p>Recommendations</p> <p>Schools Forum is asked to:</p> <ol style="list-style-type: none"> 1. Agree the recommendations as outlined within the report. <p>Forum agreed</p>	
14.	Date and Time of Next Meeting	
	Thursday, 21 September 2023 at 12:30pm, via Microsoft Teams.	



North Tyneside
Council

Item 8

Briefing Notes

To: Schools Forum
Date: 21 September 2023

Author: Claire Emmerson
Purpose of the Paper:

Information	✓
Consultation	✓
Decision	✓

Title of Briefing: Finance Update

1. Purpose of Paper

- 1.1. This paper provides an outline of the overall school's budget plan balances for 2023/24 to 2025/26, with details of all schools' planned balances. An update on schools with budgeted deficits is also included, along with the plans for schools applying for funding due to financial difficulties and schools with claims for growth funding.
- 1.2. The paper will cover initial proposals for refinement of the National Funding Formula for 2024/25.
- 1.3. The paper also includes an update on the High Needs budget position for 2023/24 and the safety valve intervention programme.

2. Schools Budget Plan Balances 2023/24 to 2025/26

- 2.1. Schools submitted their three-year budget plans in line with the Scheme for Financing Schools and the Authority's revised timetable. Collective school balances in North Tyneside maintained schools, are expected to decrease from a closing deficit of £0.382m at the end of 2022/23 to £8.156m deficit in 2023/24, £12.655m in 2024/25 and £19.030m in 2025/26. This has highlighted the risk to the Authority relating to the level of school balances. In previous years those schools with surplus balances offset those schools with deficit balances and the net position was positive. However, the current position is that deficit balances of some schools now exceed those in surplus.

2.2. Table 1: Maintained School budgeted balances

Phase	Outturn 2021/22 £m	Outturn 2022/23 £m	Budgeted Outturn 2023/24 £m	Budgeted Outturn 2024/25 £m	Budgeted Outturn 2025/26 £m
Nursery, First & Primary	(7.312)	(5.529)	(2.690)	(2.327)	(1.563)
Middle	(1.408)	(1.655)	(0.488)	0.003	0.516
Secondary	5.943	6.822	9.638	11.554	14.205
Special / PRU	(0.621)	0.744	1.696	3.425	5.871
Total	(3.398)	0.382	8.156	12.655	19.030

3. School Deficits

- 3.1. Forum will be aware that, under legislation, schools retain a high degree of autonomy when setting budgets unless they are in a deficit position. Therefore, whilst the Authority can advise schools on the adequacy of balances, it cannot intervene. Schools have been reminded of the need to forecast as accurately as possible so that decisions are taken in the light of accurate budget projections.
- 3.2. Schools with budget plans showing a deficit position are required to complete deficit recovery plans. Of the fourteen schools forecasting budgeted deficits, three of the existing schools and one new deficit school have existing recovery plans that show them coming back into balance. Five schools have plans which require some additional work to firm the impact of the suggested recovery actions, with another requesting School Resource Management Advisor (SRMA) support to assist in identifying potential recovery actions.
- 3.3. The remaining four schools have financial issues that are wider than the school's ability to resolve – with one school already identified as a structural deficit and another being reclassified as a structural deficit. The two remaining special schools require further support with SEN funding before their budget recovery plans can be redrafted.

3.4. **Table 2: Schools in Deficit initial position for 2023/24**

Deficit School Positions 2023/24	Outturn 2022/23	Budget Plan 2023/24	Recovery Plan Updates
	£m	£m	
Benton Dene	(0.018)	0.022	Back into balance by 2024/25
Forest Hall	0.013	0.052	Confirming revised position Sept
Greenfields	0.078	0.041	Back into balance by 2024/25
Whitehouse Primary	0.044	0.008	Confirming revised position Sept
Silverdale	0.044	0.079	Separate review of SEN provision
Monkseaton High	5.546	6.128	Structural review required
Coquet Park	0.051	0.157	Confirm status with finance
Holystone	0.133	0.129	Back into balance 2025/26
Balliol Primary	0.097	0.125	Confirming revised position Sept
Wallsend St Peter's	0.092	0.113	Confirming SRMA visit
Ivy Road Primary	0.149	0.164	Back into in-year balance 2024/25
Longbenton High	1.697	1.510	Back into in-year balance 2022/23
Norham High	3.984	4.352	Confirming revised position Sept
Beacon Hill	1.232	1.946	Separate review of SEN provision
Total	13.142	14.826	

3.5. The next table is an updated position for those schools who have submitted a revised budget plan for the next 3 years following initial deficit monitoring with the Authority. Some schools have yet to submit a revised budget plan and the Authority will be meeting with these schools during September and October.

3.6. Table 3: Schools With Submitted, Successful Recovery Plans

Deficit School Positions 2023/24	Outturn 2022/23	Budget Plan 2023/24	Recovery Plan 2023/24	Recovery Plan 2024/25	Recovery Plan 2025/26
	£m	£m	£m	£m	£m
Benton Dene	(0.018)	0.022	0.022	(0.010)	(0.018)
Greenfields	0.078	0.041	0.041	(0.033)	(0.127)
Holystone	0.133	0.129	0.129	0.078	(0.015)
Ivy Road Primary	0.149	0.164	0.164	0.163	0.163
Longbenton High	1.697	1.510	1.510	1.204	0.983

3.7. Further sessions with all fourteen schools are planned to take place from September 2023. Deficit sessions for the Special Schools will be held later in September to allow time for work on the SEN provision to be complete. At least three of the schools are in a position where they could make an application for schools in financial difficulty funding.

4. Update on Schools in Financial Difficulty & Growth Funding

4.1. Officers from the Authority met with representatives from the Schools Forum finance subgroup in June to discuss approving allocations for falling rolls and growth funding, which were then ratified at Schools Forum in July. At the time it was noted 3 schools had not submitted evidence of eligibility and would need to be considered at a future date.

4.2. A meeting is provisionally set with the Schools Forum finance subgroup on 16 October to discuss these additional schools' submissions and evidence base. In addition, this meeting will also receive applications from schools in financial difficulty, with all proposals from the subgroup being presented to the next Schools Forum meeting in November for final approval.

5. Additional Support for Schools in Financial Difficulty

5.1. The Education Skills and Funding Agency (ESFA) have announced an additional £40m funding nationally to assist schools that find themselves in particular financial difficulties. Details of the arrangements for how the funding will be distributed and targeted to individual schools or local

authorities are yet to be released, the Authority are reviewing the ESFA's website for any updates on a regular basis.

- 5.2. The ESFA have stated that schools in serious financial difficulties should contact their local authority or the Agency, as usual, who can provide advice and support on a case-by-case basis.

6. 2024/25 Funding – Plans for Consultation on the Local Funding Formula

- 6.1. Schools Forum will be aware that the ESFA are planning to implement a gradual approach to transitioning to a direct National Funding Formula (NFF) model, following consultation in 2022. For 2024 to 2025 each local authority will continue to set a local schools funding formula, in consultation with local schools. To ensure a smooth transition towards the direct NFF, local authorities will continue to be required to bring its own formulae closer to the schools NFF.
- 6.2. The ESFA has made the following key changes to the schools NFF in 2024 to 2025:
- introducing a new formulaic approach to allocating split sites funding in the NFF in 2024 to 2025, replacing the previous locally determined split sites factor
 - rolling the 2023 to 2024 mainstream schools additional grant (MSAG) into the NFF by:
 - adding an amount representing what schools receive through the grant into their baselines
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the mainstream schools additional grant's basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
 - increasing NFF factor values (on top of the amounts we have added for the mainstream schools additional grant) by:
 - 2.4% 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
 - 2.4% to the minimum per pupil levels (MPPL)

- 0.5% to the funding floor
- 1.6% to the free school meals (FSM) factor value with the gross domestic product (GDP) deflator forecast for 2024 to 2025
- 0% on the premises factors, except for: (i) Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023 and (ii) split sites funding which has been formularised
- introducing, for the first time, a methodology for calculating and allocating funding for falling rolls.

- 6.3. In addition, local authorities are required to bring their local funding formulae (LFF) at least 10% closer to NFF factors, include the new formulaic approach to split sites, growth funding and falling rolls funding. Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil.
- 6.4. The Authority has worked with Schools Forum over the last four years to move the LFF to reflect the same factors values used in the NFF, including the use of locally set capping and minimum funding guarantee values in line with ESFA guidance.
- 6.5. For 2024/25 the funding formula will again be set by the Authority at a local level, with the intention of continuing to mirror the NFF factors. The Authority will be seeking the views of Schools Forum on proposals to allocate the 2024/25 school funding in November. This will then be fed into the Authority's budget planning considerations in setting the budget for 2024/25. The Authority also seeks approval from Schools Forum relating to a 0.5% school block transfer to the high needs block.
- 6.6. In line with the approach taken in previous years, the Authority will first seek the opinions of all schools for via consultation in setting the Local Funding Formula (LFF) for 2024/25. It is proposed that this consultation will ask schools to consider the following areas:
- Continued use of factors in line with NFF, funding permitting
 - Allowing the Authority to set an MFG and capping, based on affordability
 - Setting the growth funding and falling rolls de-delegated values at the amounts calculated in the NFF
 - Identifying how to meet the DSG Safety Valve plan, either by transferring up to the maximum 0.5% from the schools funding to high needs funding

or by agreeing to another method to balance the plan.

- 6.7. The consultation will again be via an online survey, which will be provided to schools by Monday 25th September and will run to Friday 20th October. Schools will have the opportunity to attend further briefings on the consultation in the run up to this deadline. The survey results will then be presented to Schools Forum in November, along with recommendations based on the results, to be voted on.

7. High Needs Block Update

- 7.1. Forum will recall that the High Needs block ended 2022/23 with a pressure of £17.391m. The first allocation of the Safety Valve funding of £7.800m was received in March 23 reducing the 2022/23 pressure to £9.592m. As reported in May, the forecast for the High Needs Block in 2023/24 is an anticipated in-year pressure of £0.514m, offset by a £0.521m improvement in the 22/23 closedown position. A breakdown of the in-year pressure is shown in Table 3.

7.2. Table 3: Breakdown of High Needs Pressures at July 2023

HIGH NEEDS	Budget £m	July 23 Forecast £m	Variance £m
Special Schools and PRU	22.387	22.836	0.450
ARPS/Mainstream Top-ups/Alternative Provision	6.065	6.156	0.091
NMSS/ISP	4.305	4.151	(0.154)
Commissioned Services	3.160	3.287	0.127
	35.917	36.430	0.514
DSG High Needs Funding	(33.606)	(33.606)	0.000
In-year planned Deficit	2.311	2.824	0.514
2022/23 Balance B/Fwd	10.112	9.592	(0.521)
23/24 Safety Valve Funding	(1.950)	(1.950)	0.000
Deficit C/Fwd to 2024/25	10.474	10.466	(0.007)

8. Safety Valve Intervention Programme Update

8.1. As previously reported, the Authority submitted the first report against the DSG Management Plan on 16 June 2023 to the Department for Education (DfE) and is on track to reach a positive in year balance on its DSG High Needs Block by the year end 2027/28, as shown in Table 4. The next reporting deadline was 15th September 2023.

8.2. At the end of July, there were 2,136 Education Health and Care Plans maintained, by the authority, which is on track against the DSG management plan. The rate of EHCPs per population is showing improvement, putting North Tyneside in line with the region, but remains higher than national rates. There are also 4,021 pupils with SEN Support, which is increasing.

8.3. Table 4: High Needs Block Financial Summary

Year	Balance B/F £m	High Needs Expenditure (incl. Growth & Mitigations) £m	High Needs Funding £m	Block Transfer £m	Safety Valve Funding £m	Balance C/F £m
2022/23	13.511	33.973	(30.092)	0.000	(7.800)	9.592
2023/24	9.592	36.430	(33.606)	0.000	(1.950)	10.466
2024/25	10.466	36.064	(34.614)	(0.751)	(1.950)	9.215
2025/26	9.215	36.566	(35.653)	(0.766)	(1.950)	7.412
2026/27	7.412	37.112	(36.722)	(0.781)	(1.950)	5.071
2027/28	5.071	37.429	(37.824)	(0.797)	(3.900)	(0.021)

9. Recommendations

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

1. acknowledge the 2023/24 to 2025/26 school budget plans and the proposed impact on the DSG balances;

2. acknowledge the current position for deficit schools;
3. agree the plan for considering financial difficulty and additional growth funding allocations;
4. acknowledge the ESFA plan for additional funding for schools in financial difficulty;
5. acknowledge the changes to funding for 2024/25 and approve the plans for consulting with schools on the 2024/25 LFF plan; and
6. acknowledge the pressure on the High Needs block and the update for the Authority's Safety Valve Intervention Plan.