

Meeting: North Tyneside Schools Forum **Date:** Wednesday 15 January 2025
 12:30 – 14:30

Location: The meeting will be held virtually and will be live streamed at the following link:
<https://www.youtube.com/live/kPPypRBBHzs>

Agenda

Ref.	Item	Lead
1	Welcome and Apologies	
2	Attendance Register / Membership <i>Verbal Update</i>	CP
3	Minutes of the last meeting and Matters Arising <i>Circulated</i>	Chair
4	Declarations of Interest	Chair
5a	Local Authority Finance Update <i>Presentation</i>	DM
5b	Schools Finance Update <i>Circulated</i> <ul style="list-style-type: none"> • Dedicated Schools Grant Distribution • De-delegated and Centrally Retained items • Budget Monitoring and Schools Deficits 	JC/AB
6	Safety Valve Update <i>Presentation</i>	MM
7	ARPs/SEN Units Update <i>Presentation</i>	AF/KW
8	Consideration for Special Leave for 25/26 Financial Year <i>Presentation</i>	CP
9	Any Other Business	All
10	Date and Time of Next Meeting: Wednesday 19 March 2025 at 12:30pm 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							<i>Phase</i>	<i>Role</i>
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

Draft Timetable & Forward Plan 2024/25

Date	Activity	Responsible
25 September 2024	<u>Schools Forum Meeting</u> 1. To include appointment of Chair and Vice Chair 2. Annual Review of Schools Forum Constitution 3. Schools Finance Update 4. Reports from Services for 25/26 Financial Year Proposal (if required) 5. Safety Valve Update	Schools Forum
3 October 2024	School Census Day	DFE/ESFA
30 October 2024	Schools Census database closed. Checks and Validation commences.	
13 November 2024	<u>Schools Forum Meeting</u> 1. Annual Review of Schools Forum Constitution 2. Schools Finance Update 3. National Funding Formula and Outcome of Consultation 4. Consideration of Special Leave for 23/24 Financial Year	Schools Forum
18 November 2024	Deadline for submitting disapplication requests	Local Authority
18 November 2024	Deadline for submitting disapplication requests if wish to move more than 0.5% of the Schools block	Local Authority
15 January 2025	<u>Schools Forum Meeting</u> 1. Local Authority Finance Update 2. Schools Finance Update 3. Consideration of Special Leave for 25/26 Financial Year 4. Scheme for Financing Schools Update (if applicable) 5. Safety Valve Update	Schools Forum
TBC	Submit final proposals re APT	Local Authority
24 January 2025	Deadline for submissions of final 2025 to 2026 APT to ESFA	Local Authority
3 February 2025	Cabinet Meeting for approval of 25/26 Schools Funding	Local Authority
17 February 2025	Cabinet Meeting	Local Authority
28 February 2025	Deadline for confirmation of Schools budget shares to mainstream maintained schools.	DFE/ESFA
19 March 2025	<u>Schools Forum Meeting</u> 1. Schools Finance Update 2. Schools In Financial Difficulty	Schools Forum
17 March 2025	Cabinet Meeting	Local Authority
9 July 2025	<u>Schools Forum Meeting</u> 1. Schools Finance Update 2. Reports from Services for 26/27 Financial Year Proposal 3. Safety Valve Update 4. Responsibilities for Redundancy & Early Retirement Costs – Annual Update	Schools Forum

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Item 3

Meeting Schools Forum **Date** 13th November 2024

Location Via Microsoft Teams

✓ Present
D Deputy
A Apologies
O Absent

Present

Name	Organisation	Representing	13.11.2024
Angi Gibson	Hadrian Park Primary School	Academy	✓
Anthony Gollings	St Thomas More	RC Diocese	✓
Claire Withers	Fordley Primary School	Primary	✓
Colette Bland	St Mary's RC Primary School (NS)	Academy	D (Joanne MacDonald)
Colleen Ward	Coquet Park First School	First (*)	✓
Daniel Jamieson	Burnside Community College	Secondary	✓
David Watson	St Thomas More	Academy (*)	✓
Diane Turner	Tyne Coast	16-19 Provider	O
Finn Wilcock	Southridge First School	First	✓
Gavin Storey	Cullercoats Primary School	Primary (*)	✓
Gillian Tawes	Shiremoor Primary School	Governor - Primary	✓
Jane Lowe	Monkseaton Middle School	Governor - Secondary	✓
Joanne Thompson	Holystone Out of School	Early Years PVI	✓
Jonathan Heath	John Spence High School	Academy	✓
John Croft	Sir James Knott	Nursery	✓
John Newport	Marden Bridge Middle School	Middle (*)	✓
John Ord	Greenfields Primary School	Governor - Primary (*)	A
Justina Terretta	Beaconhill Specialist School	Special	✓
Karen Croskery	North Tyneside Student Support Service	Pupil Referral Unit (PRU)	✓
Kelly Holbrook	Longbenton High School	Secondary (*)	✓
Kerry Lillico	Grasmere Academy	Academy	O
Laura Baggett	Monkhouse Primary School	Primary (*)	✓
Lesley Griffin	Wellfield Middle School	Governor - Secondary	✓
Louise Bradford	C of E Diocese	C of E Diocese	✓
Matt Snape	Marden High School	Secondary (*)	✓
Phil Kemp	Trade Unions	Trade Unions	D (Claire MacLeod)
Philip Sanderson	Kings Priory	Academy (*)	✓
Stephen Baines	Holystone Primary	Primary (*)	✓
Steve Wilson	Whitley Bay High School	High (*)	✓
Wayne Myers	Richardson Dees Primary	Primary	✓

In Attendance:			
Julie Firth	Director of Children's Services	NTC	✓
Jon Ritchie	Director of Resources	NTC	A
Andrew Brown	Principle Accountant, Finance	NTC	✓
Christina Ponting	Senior Manager – Schools HR	NTC	✓
David Mason	Head of Finance – Deputy S151 Officer	NTC	A
Diane Thompson	Senior Accountant – Schools Finance	NTC	✓
Jane Cross	Senior Business Partner, Finance	NTC	✓
Ian Wilkinson	Strategic Lead, Education and Inclusion Review	NTC	✓
Lisa Ramshaw	Assistant Director, Education and Inclusion	NTC	✓
Mark Mirfin	Assistant Director, Commissioning, Partnerships and Transformation	NTC	✓
April Gibbs-Thorn	Statutory Services Officer – Schools Forum	NTC	✓

(* indicates current member of Finance Sub Group)

Minutes of Meeting

Ref	Item	Action
1.	Welcome and Apologies	
	<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>A reminder of roles and responsibilities for Forum Members was provided.</p> <p>See table above for apologies.</p>	
2.	Attendance Register / Membership	Christina Ponting
	<p>Attendance:</p> <ul style="list-style-type: none"> • See table above. <p>Membership:</p> <ul style="list-style-type: none"> • CP reminded Forum that a vacancy remains in the South-West area and a replacement is being actively sought. • Some terms have recently been renewed, with a further couple of terms being up for renewal shortly. • CP is working with individuals and will update at the next Schools Forum meeting. 	
3.	Minutes of the last meeting and Matters Arising	
	Minutes of the last meeting were agreed as an accurate record of the meeting.	

	<p>Matters Arising</p> <p>Page 9, Any Other Business</p> <ul style="list-style-type: none"> • The Chair wished to clarify the procedure in terms of a closing school deficit, if this falls to the Local Authority and who the decision maker would be in this process. • JF noted that this would not be a decision as such, and that the expectation would be that any deficit would fall to the Local Authority. A suggestion that any deficit would be taken from the DSG had not been accepted as deemed not proportionate nor appropriate. <p>Page 8, Item 8 – NT Local Funding Consultation</p> <ul style="list-style-type: none"> • As a concern raised in the last Schools Forum meeting, JC confirmed that Education and Skills Agency (EFSA) and Department for Education (DfE) colleagues had been requested for updates on funding. Updates following the October budget were to be given as part of the Finance presentation. 	
4.	Declarations of Interest	
	None	
5a.	Schools Finance Update	Jane Cross/ Andrew Brown
	<p>JC talked through the presentation on screen. Main points to note as follows:</p> <p>Update on 2025/26 Funding Allocations</p> <ul style="list-style-type: none"> • EFSA has confirmed there will be no substantial changes to the National Funding Formula for 2025/26 and that the two-year transition period as part of the process to move to the National Funding Formula have been extended and will continue into 2025/26. A reminder was given that the Dedicated Schools Grant (DSG) continues to be comprised of four blocks; Schools, High Needs, Early Years and the Central School services. • On 30 October, the Government announced an additional £2.3bn for mainstream schools and young people in 2025/26. As such, overall core school funding will total almost £63.9bn. • The DfE will announce indicative funding allocations for North Tyneside schools and high needs national funding formulae (NFF) for 2025–26. It is anticipated that this will be finalised and published by the end of November. 	

- For 2025/26 there will be no modelling tool provided. It is anticipated that the final DSG allocation will be published in December 2024 using the October 2024 census results.
- The Government has also said that public sector employers will be compensated for the increase in their National Insurance Charge contributions, and it is anticipated that this will form part of the funding announcement.
- It is assumed that two restrictions will continue in 2025/26:
 - a) Continue to set a Minimum Funding Guarantee in the local formula, which in 2025/26 must be between -0.5% and +0.0%
 - b) Local Authorities can transfer up to 0.5% of their schools' block to other blocks of the DSG, with their schools' forum approval.

To transfer any 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.

- A table showing an 2024/25 funding allocation compared with prior year actuals was shown on screen (Table 1 of the report).

Early Years

- In the 2023 budget, the Government announced the changes to expand the free childcare offer to working parents. From September 2024, this was extended to parents of 9 month to 3-year-olds.
- It was noted that the DfE have not yet published the expected value of the Early Years or Central School Services Block (CSSB) funding for 2025/26.
- As soon as information comes from the DfE, this will be discussed with the Early Years Sub-Group as soon as possible.
- CSSB funding for 2025/26 will be reported back to Schools Forum in January 2025.

2024/25 Budget Monitoring for Schools

- The overall level of school balances at the end of March 2024 was £2.930m deficit compared to £0.382m deficit as at end March 2023. Budget plans projected deficit of £9.707m.
- Schools are in the process of completing the first set of monitoring for 2024/25. Despite an additional challenge of an IT upgrade this is going well.

2024/25 Schools in Financial Difficulty Funding (SIFD)

- The 2024/25 opening balance was £0.422m.
- Schools Forum Finance Sub-group met 30 September 2024 to discuss and receive applications for funding.
- Following discussion, an agreement was made that SIFD funding should be more robust, and the sub-group recommend that Schools Forum approve the following criteria:
 - a) A school must come back into an in-year balance within their 3-year budget recovery plan
 - b) A school must have ended the previous year in deficit before any applications are considered
 - c) Funding will be allocated based on a school's outturn position, not budget monitor projections
 - d) Schools are required to remain within their deficit recovery plan to be eligible
- Based on the above criteria, some school applications will be deferred to 2025/26 so that the 2024/25 outturn position can be considered and include in-year improvements.
- The sub-group recommend funding approval of £0.185m to 3 schools based on outturn balances from 2023/24.
- A table was shown on screen detailing individual recommended funding in 2024/25 of three schools. (Table 2 of the report).

High Needs Block Update for 2024/25

- As previously reported the High Needs Block outturn in 2023/24 was a pressure of £10.494m, which included Safety Valve funding of £9.750m.
- The second report for DSG Management Plan progress was submitted to the DFE on 28 August this year and the Authority remains on track to achieve a positive in year balance on the DSG High Needs Block by the end of 2027/28. The next reporting deadline is 27 November 2024.

Early Years Block Update for 2024/25

- The Early Years Block outturn in 2023/24 was a surplus of £1.046m.
- The 2023/24 surplus balance after clawback is £0.859m, £0.655m is estimated as required to fund the additional week in the 2024/25 local payment schedule.
- The projection for this year is a break-even in-year position across Early Years entitlements.

	<ul style="list-style-type: none"> For 2024/25, funding will be known as Early Years Budget Grant (EYBG) with effect from September 2024. <p>Discussion</p> <ul style="list-style-type: none"> In relation to SiFD funding, Finn Willcock asked how many schools expecting a deficit were deferred and what did those projected deficits amount to? JC confirmed that 3 other schools (not detailed in the presentation) were deferred. AB noted the overall amount of deficit was £0.240m. The amount of funding requested contributes, it does not fund the whole deficit balance of schools. Jane Lowe asked if Monkseaton High School were to close, what impact would this have on funding? JC clarified DSG Guidance which indicates that funding allocated to a closed school would be clawed back from that school and added back to Growth funding. If it is known where pupils of the closed school were going, this would be a straight transfer. If unknown, the clawback would be allocated to Growth funding and allocated accordingly. <p>Recommendations</p> <p>Schools Forum was asked to:</p> <ul style="list-style-type: none"> Note the delay in indicative allocations for each of the four Dedicated Schools Grant funding blocks; Noted Note the positions on High Needs, Early Years Block funding; Noted Note the budget monitoring process for schools; Noted Agree new Schools in Difficulty Funding criteria; Agreed Agree the Schools Forum Subgroup recommendation for allocation of Schools in Financial Difficulty funding. Agreed 	
5b.	<p>National Funding Formula and Outcome of Consultation</p> <p style="text-align: right;">Jane Cross/Andrew Brown</p>	
	<p>AB talked through the presentation on screen. Main points to note as follows:</p>	

- Officers have been working on a review of the Local Funding Formula (LFF) and to assess potential impacts if LFF remains aligned to the National Funding Formula (NFF). Due to the delay in receiving indicative funding allocations, this has been based on 2024/25 funding and general principles.
- AB thanked those participating schools for their engagement and responses and noted this was appreciated.
- A Table showing the response rate by phase was shown on screen (Table 1 of the report). The response rate was 39%. This was a decrease from the 55% rate in 2023 which was noted as slightly disappointing.
- Regular updates have been presented and discussed with Schools Forum and Schools Forum Finance sub-group and the LFF consultation aimed to gather the views of individual schools, running from 7th – 27th October 2024.
- Relevant information was presented to schools at 3 separate Finance briefing sessions and included an introduction on the wider funding formula and a focus on the main changes.
- AB noted that the main changes across all blocks of the DSG were unable to be outlined because there have not been any indicative funding allocations issued yet for 2025/26 by the DfE.

Local Funding Formula (LFF)

- The consultation asked if schools agreed that, within the funding allocation, North Tyneside should set its Local Funding Formula (LFF) in line with National Funding Formula
- 96% (27 schools) voted in favour of keeping the National Funding Formula factors and rate increases as supplied by DfE, 4% (1 school) disagreed.
- 93% (26 Schools) voted in favour of the Local Authority continuing to set the Minimum Funding Guarantee (MFG), subject to affordability.
- When asked which factors should be used to allocate any surplus after delivering the chosen MFG protection level, the preferred option chosen was by basing it on basic entitlement, Age Weighted Pupil Unit (AWPU).

Growth Fund / Falling Rolls

- Schools were asked for their views as to whether Schools Forum should continue to allocate £0.250m to growth and falling rolls funding, change ESFA Calculated Value (Growth

£0.751m, Falling Rolls £0.140m) or reduce funding based on historic averages (Growth £0.200m, Falling Rolls £0.100m).

- An overview of the responses was shown on screen (Table 2 of the report).
- 93% voted to reduce funding based on historic averages for Growth Funding and 71% voted to reduce funding based on historic averages for Falling Rolls.

0.5% Transfer

- Schools were asked if they were supportive of a transfer of 0.5% from the Schools Block to the High Needs Block.
- 89% of schools voted as NOT in favour of the transfer, 11 % voted in favour of the transfer.
- Additional comments were requested as part of response on whether to transfer 0.5% from Schools Block to High Needs Block.
 - a. 39% of schools who did not support the transfer, cited the reason which had impacted their decision being schools' budgets are too tight and already facing financial pressures.
 - b. 21% of schools had concerns over how the Special Educational Needs and Disabilities (SEND) funding is calculated and felt this needs to be addressed at a National Level.
 - c. 18% noted an inequality in how the transfer was calculated.
 - d. 18% commented that Benefit Realisation is yet to be seen.
- 61% of schools noted that, if the 0.5% transfer were to go ahead, they would prefer that it impacted on all schools. 32% stated they thought that relevant schools should be protected through MPPF and MFG.
- Schools Forum were advised that if they do not agree to the 0.5% transfer, then the Local Authority would be required to submit a disapplication request, in line with the Authority's DSG Management Plan. The deadline for the submission is 18 November 2024.

Recommendations

- A reminder of voting rights was outlined.

Schools Forum were asked to:

- Agree to continue to use factors in line with NFF, funding permitting
Agreed
- Agree to allow the Authority to set a Minimum Funding Guarantee (MFG) and capping based on affordability.
Agreed
- Agree that AWPU factors be used to distribute any surplus after delivering MFG.
Agreed
- Agree that Growth and Falling Rolls funding should each be set based on historic averages – Growth £0.200m, Falling Rolls £0.100m.
The Chair raised a point of clarification in that there is no application for funding in this context. Amounts to be allocated are calculated through a formula. All qualifying schools would receive funding.
Agreed
- Consider the response to the request to transfer 0.50% School block funding to High Needs and agree either to:
 - a) Support a 0.50% transfer from Schools block to High Needs block to support the draft DSG Management plan.
 - b) Not support any transfer of funds from Schools block to High Needs block.There were no votes cast to agree to the transfer of funds.
- Agree that if a 0.50% transfer is approved that the allocation should impact on all schools by adjusting the MFG and MPPF.
Agreed
Whilst the transfer of 0.50% from the Schools block to the High Needs block was not agreed, members did agree that had this been agreed, it would operate on an ALL school basis.
- The Chair reiterated thanks to schools and to Finance officers for their work on briefings.
- The Chair also referred to the disappointing response to consultation. Moving forward, finance officers will follow up with schools who attended briefings but did not submit a response to understand why and inform future consultations.

6.	Annual Review of Schools Forum Constitution Christina Ponting	
	<p>CP talked through the review of the Constitution. Main points to note as follows:</p> <ul style="list-style-type: none"> • As agreed at the last Schools Forum meeting, the annual review was deferred to November meetings. • CP confirmed that the ESFA Guidance has been checked and remained unchanged. There are however, two recommended updates: <ul style="list-style-type: none"> a. The constitution date will be amended to November 2024. b. To incorporate a minor amendment to the Constitution with regards to the live stream. In the event of an IT failure of the live stream, either on commencement or during, it was agreed that moving forward the Schools Forum meeting will continue without the live stream. • Schools Forum Toolkit: annual review has taken place all recommended actions remain up-to-date/ relevant. Date to be amended to November 2024. • 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 and the Schools Forum Constitution will be reviewed again in November 2025. <p>Agreed</p>	
7.	Consideration for Special Leave for 23/24 Financial Year	Christina Ponting
	<p>CP provided a verbal update. Main points to note as follows:</p> <ul style="list-style-type: none"> • Schools Forum were reminded that the Special Leave SLA runs from April to March and that there is an agreement in place to review the SLA annually. The next review is due in January 2025 as part of the budget setting process. • The SLA comes under a de-delegation decision for majority of Forum members, for those schools where funding is not through that mechanism there is an ability to opt in/opt out. It was noted that charging mechanisms, processes and costings are identical. • Previously, work was carried out to split the SLA into two parts; part one covering Maternity/Paternity/Jury Service/Shared Parental leave and Adoption leave, part two covering Trade Union facility time. 	

	<ul style="list-style-type: none"> • At the end of the May 2024 Schools Forum, a wider consideration was raised. Should part one stay in place and if so, what should that look like? There was also a query on if part one should remain as a de-delegation arrangement or move to SLA buy-in. • It is proposed that a conversation will be held within Finance Sub-group and further information will be presented to Forum in January to consider options. • Agreed that Finance Sub-Group work with officers to bring proposals back to Schools Forum in January 2025. <p>The Chair thanked all members of the Finance Sub-Group and took the opportunity to encourage membership from Primary and First schools and that colleagues can contact Jane, Christina or the Chair if they are interested. Current Finance Sub-Group Membership @ June 24: David Watson, Steve Wilson, Phillip Sanderson, Matt Snape, Kelly Holbrook, John Newport, Gavin Storey, Steve Baines, Laura Baggett, Colleen Ward, John Ord.</p> <p>Live stream ended.</p>	
8.	Any Other Business	
	None	
9.	Date and Time of Next Meeting	
	Wednesday 15 January 2025 at 12:30pm via Microsoft Teams	

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Item 5b

To:	Schools Forum	Author:	Jon Ritchie, Director of Resources						
Date:	15 January 2025	Purpose of the Paper:	<table border="1"><tr><td>Information</td><td>✓</td></tr><tr><td>Consultation</td><td>✓</td></tr><tr><td>Decision</td><td>✓</td></tr></table>	Information	✓	Consultation	✓	Decision	✓
Information	✓								
Consultation	✓								
Decision	✓								

Title of Briefing: 2025/26 Dedicated Schools Grant Funding Distribution including Proposals re: High Needs and Early Years. Request for approval of De-delegated and Centrally Retained items. 2024/25 Budget Monitoring for Schools and Deficit Schools

1. Purpose of Paper

- 1.1 This paper provides an outline of the current information available relating to 2025/26 for each funding block of the Dedicated Schools Grant (DSG) following the initial allocations announced on 18 December 2024. It also summarises High Needs and Early Years block funding for 2025/26.
- 1.2 The paper requests approval from Forum for de-delegated and centrally retained items as well as noting the falling rolls and growth funding allocations proposed by the Authority, approved by Forum in November.
- 1.3 The report also contains updates on the 2024/25 budget monitoring position after the first set of monitoring visits to schools.

2. 2025/26 Funding Allocations

- 2.1 On 18 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 2025/26 uses the October 2024 census and follows the 2024/25 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: DSG 2025/26 allocation compared with Prior Years

	2022/23	2023/24	2024/25	2025/26 Indicative	2025/26 Change
	£m	£m	£m	£m	£m
Schools	140.373	147.654	157.669	168.102	10.433
Central School Services	1.724	1.621	1.579	1.507	-0.072
High Needs	30.092	33.306	34.778	37.486	2.708
Early Years Block	14.844	14.956	24.278	34.297**	10.019**
TOTAL	187.034	197.537	218.304	241.392	23.088
Change per Year £m	7.099	10.503	20.767	23.088	
Change per Year %	3.95%	5.62%	10.51%	10.58%	
PUF	£4,539	£4,771	£5,039	£5,452	
SUF	£5,988	£6,277	£6,604	£7,176	
MPPF: Primary	£4,265	£4,405	£4,610	£4,955	
MPPF: Secondary	£5,525	£5,715	£5,995	£6,465	

** Expansion of Early Years Entitlement

2.3 All pay award and pension grants, the 2022/23 Schools Supplementary Grant (SSG), the 2023/24 Maintained Schools Additional Grant (MSAG), 2024/25 Core Schools Budget Grant (CSBG) and the Early Years Budget Grant (EYBG) have now all been rolled into the funding formula, with the exception of special schools who will continue to receive Core Schools Budget Grant in 2025/26 as a separate grant.

3. 2025/26 Schools Block Funding

3.1 In 2025/26, as in previous years, the Authority will receive its DSG funding based on the DfE National Funding Formula (NFF). Following

consultation with Schools which took place during October 2024 and subsequent Schools Forum approval, the Authority is proposing to continue to align the Local Funding Formula (LFF) to the National Funding Formula factors, as in 2024/25. The proposed Schools block rates are shown in Appendix A.

3.2 The key changes to the schools NFF in 2025 to 2026 are:

- Rolling the 2024 to 2025 teachers' pay additional grant (TPAG), the teachers' pensions employer contribution grant (TPECG) 2024, and the core schools budget grant (CSBG) into the NFF.

For TPAG and TPECG this is done by:

- adding amounts representing what schools receive through the grants into their baselines
- adding the value of the lump sums, basic per pupil rates and free school meals Ever6 (FSM6) parts of the grants onto the respective factors in the NFF
- uplifting the minimum per pupil values by the TPAG and TPECG 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

The methodology for rolling in the CSBG into the NFF is the same as for TPAG and TPECG, except that the CSBG 2024 to 2025 grant rates are uplifted to make them annualised before they are rolled in to the NFF. (This is not necessary for TPAG and TPECG, as they were already provided on a full year basis in 2024 to 2025)

- All NFF factor and Minimum per Pupil Funding (MPPF) values have also been increased in addition to the amounts added to reflect roll-in of grants
- The minimum per pupil funding levels will be set at Primary £4,955, Key Stage 3 £6,221 and Key Stage 4 £6,831
- **Split Sites** – Transitional floor protection has been removed on split sites which was only required in 2024/25 when a new formulaic approach was introduced
- **Funding Floor** – 0.5% funding floor has been applied to the Schools Block NFF, with a restricted local formula range to be set between -0.5% and 0.00%
- **Private Finance Initiative** – Amended to reflect the following:

- the lower of the local authority's 2024 to 2025 PFI premises factor (as given on the 2024 to 2025 authority proforma tool (APT)) and the school's PFI funding from the 2024 to 2025 NFF will now be taken as the baseline for calculating the 2025 to 2026 PFI factor
- where PFI contracts expire part way through the financial year, the 2025 to 2026 PFI factor value is pro-rated accordingly
- exceptions to the above are made for local authorities that have provided the department with an affordability model which demonstrate that a different amount is required

3.3 Forum will recall, as discussed at the 13 November 2024 meeting, that the DfE have restricted the range of a Minimum Funding Guarantee (MFG) to between -0.50% and 0.00%. Calculations through the Authority Proforma Tool (APT) are still in early stages due to timing of the funding allocation and release of the APT Tool and we therefore are not yet in a position to confirm affordability in terms of setting the local MFG.

3.4 Forum should note that the Authority Proforma Tool (APT) will be finalised and submitted to the DfE for the 22 January 2025 deadline.

3.5 Schools Forum agreed on 13 November 2024 that growth and falling rolls funding should both be set based on historic averages, growth funding of £0.200m and falling rolls funding of £0.100m. Therefore the total funding available to distribute to schools using the Local Funding Formula is £167.802m. Growth funding assessments for 2025/26 will be carried out once the September 2025 admissions data is available.

3.6 Also at the meeting on 13 November 2024 and following a consultation with all schools, Forum voted against a 0.5% 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.

3.7 The Authority continues to work to consider alternatives if the disapplication request is not agreed. If the disapplication request is approved, Forum agreed that the allocation should impact on all schools by adjusting the MFG and MPPF through the Authority Proforma Tool (APT), in line with statutory guidance, this request was included within the disapplication request.

4. 2025/26 High Needs Block

- 4.1 The £37.486m figure outlined above for the 2025/26 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 2024/25. The £2.708m increase is therefore covering these costs going forward. It also includes a deduction of £0.498m made by the Education Skills and Funding Agency for direct funding of places.
- 4.2 The Authority submitted the 2024/25 third and final monitoring report against the DSG Management Plan on 27 November 2024 to the Department for Education (DfE) and reported an in-year projected pressure of £0.759m 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 risk.
- 4.3 The latest position as at 30 November is shown in table 2.

Table 2: Breakdown of High Needs Pressure at 30 November 2024

	2024/25 Budget £m	November 2024 Forecast £m	Forecast Variance £m
Special Schools and PRU	22.962	23.020	0.058
ARPS and SEN Units	1.676	1.754	0.078
Mainstream Top-ups/Alt Provision/FE Colleges	4.506	5.231	0.724
NMSS/ISP	4.169	5.237	1.068
Commissioned Services / Other EOTAS	2.751	1.746	(1.005)
TOTAL	36.064	36.986	0.923
DSG High Needs Funding	(35.562)	(35.917)	(0.355)
Import/Export LA High Needs Adjustment	0.948	1.140	0.192
School Block Transfer	(0.753)	(0.753)	0.000
24/25 Projected In-Year Deficit	0.697	1.456	0.759
23/24 Deficit Balance B/fwd	10.473	10.494	0.021
Deficit C/F to 25/26	10.474	10.490	0.779

5. 2025/26 Early Years Block Funding

5.1 On 19 December 2024 the Department for Education released the 2025/26 early years entitlement funding rates for local authorities. Due to the delay in the final funding figures and confirmation of changes to the Early Years Funding Formula, the Authority previously circulated a questionnaire to funded providers asking them to identify the priorities for the local funding formula. The proposed local funding formula has been developed in accordance with the priorities identified in the survey, which were maintaining the base rate and the deprivation rate for 3&4 year olds. The Local Authority recommended option is outlined in the Table 3 below, for Schools Forum consideration.

Table 3: Proposed Early Years Funding Rates 2025/26

		2024/25	2025/26
9 Month to 2 Year Old Entitlement (Working Parents)		£9.00	£9.35
2 Year Old Receiving Additional Financial Support (FRAS)		£7.30	£7.55
2 Year Old Entitlement (Working Parents)		£6.90	£7.10
3 & 4 Year Old Hourly Base Rate		£4.88	£5.17
3 & 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.20	£0.30
	Quartile 2	£0.06	£0.06
3 & 4 Year Old Hourly Quality Supplement - Teachers Pay and Pension Grant Supplement *		£0.33	£0.71
Early Years Pupil Premium		£0.68	£1.00
Additional Payment to Maintained Nursery School		100% pass through of Maintained Nursery School rate	100% pass through of Maintained Nursery School rate
SEN Inclusion Fund (all age groups)		£8.26 per hour	£8.26 per hour
Disability Access Fund		£910 per annum	£938 per annum

* 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.

6. 2025/26 Central Schools Services Block

6.1 Funding for the Central Schools Services block has been reduced by DfE in relation to historical funding by £0.102m, which represents a 20% reduction in funding for the historic commitments. Ongoing functions have had an increase of £0.030, representing a 2.81% increase. However the funding for ongoing functions is linked to pupil numbers, so the actual increase is lower, due to a reduction in pupil numbers. Changes in funding are shown in table 4 below.

Table 4: Allocations for North Tyneside CSSB 2025/26

	2022/23	2023/24	2024/25	2025/26	Annual Change	
	£m	£m	£m	£m	£m	%
Historical Commitments	0.796	0.637	0.510	0.408	(0.102)	(20.00%)
Ongoing Functions	0.928	0.984	1.069	1.099	0.030	2.81%
Total	1.724	1.621	1.579	1.507	(0.072)	(4.55%)
Change per Year £m	(0.153)	(0.103)	(0.043)	(0.072)		
Change per Year %	(8.15%)	(5.99%)	(2.63%)	(4.55%)		

6.2 The list of services provided via CSSB funding is listed in table 5. The net reduction in funding of £0.072m 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 propose to set the funding for these services as identified in table 5 below.

Table 5: Budgets which form part of the CSSB

	CSSB 2024/25 Revised £m	CSSB 2025/26 £m
Budget to fund the Schools Support Service	0.397	0.397
Budget to support vulnerable schools.	0.052	0.052
Budget to support the informational requests of the Schools Forum	0.030	0.030
Collective contribution to ongoing pension costs incurred when allowing teachers to leave schools prematurely	0.525	0.525
Schools admission service	0.141	0.141
Former Education Services Grant (Retained)	0.244	0.244
National Copyright Licences	0.190	0.235
Savings to be Identified	-	(0.117)
Total CSSB Funding	1.579	1.507

6.4 Once final funding allocations are received the Authority will work with Forum to identify solutions to manage the funding gap for service provision, 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 the proposed de-delegations for 2025/26 is included in table 6 below.

Table 6: De-delegation proposals for 2025/26

Narrative	De-delegated 2024/25 £	De-delegated 2025/26 £	Rate per Pupil £
Budget to support mainstream maintained schools in financial difficulty	111,332	113,597	5.62
Additional Head Teacher / School Support (People Management)	32,488	33,149	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	243,470	215,284	203.00
			547.75
Assessment of Free school meals eligibility	31,299	31,937	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	566,962	630,848	31.21
Totals	985,551	1,024,815	

8. 2024/25 Schools Budget Monitoring

- 8.1 Forum will recall that the overall level of school balances at the end of March 2024 was a deficit of £2.930m compared to a deficit of £0.382m as at March 2023. This represented a decrease in balances of £2.548m. Initial school budget plans submitted in May 2024 projected that the overall balance would be £9.707m deficit by March 2025.
- 8.2 Schools have now completed the first set of monitoring for 2024/25 and the position is shown in table 7 below.

Table 7: 2024/25 Schools Budget Monitoring 1

Phase	2023/24 Outturn £m	2024/25 Budget Plan £m	2024/25 Projected Year end £m	2024/25 Variance £m
Nursery, First & Primary	4.284	2.333	1.596	(0.737)
Middle	1.267	0.272	0.405	0.133
Secondary	(7.004)	(9.390)	(9.247)	0.143
Special / PRU	(1.476)	(2.922)	(2.747)	0.175
Total	(2.930)	(9.707)	(9.993)	(0.286)

8.3 There is a slight worsening of £0.286m against 2024/25 budgeted deficit with schools now projecting year end balances of £9.993m deficit.

8.4 Schools Forum approved schools in financial difficulty funding of £0.185m at its meeting on 13th November 2024. This funding is reflected in the individual schools budget monitoring position.

9. 2024/25 Deficits Schools

9.1 Schools are facing significant financial challenges. There are now 25 schools identified with expected deficits in 2024/25 following budget monitoring submissions, with a total deficit value of £15.650m. In 2023/24 there were 21 schools identified with projected deficits, with a total value of £15.572m. The position of individual schools is outlined in Table 8 below:

Table 8: Schools in an Expected Deficit Position 2024/25

School	2024/25 Budget Plan £m	2024/25 Budget Monitor Projection £m	Budget Monitor Projected Variance £m	2024/25 Deficit Comments
Woodlawn	0.105	(0.067)	(0.172)	Emerging
Marden Bridge Middle	0.028	(0.002)	(0.030)	Emerging
Monkseaton Middle	0.028	(0.091)	(0.119)	Emerging
Riverside Primary	0.010	(0.057)	(0.067)	Emerging
Preston Grange Primary	0.002	(0.002)	(0.004)	Emerging
King Edward Primary	(0.003)	(0.040)	(0.037)	Emerging
Fordley Primary	(0.026)	(0.026)	0.000	New 24/25
Whitley Lodge First	(0.035)	(0.057)	(0.022)	New 24/25
Marden High	(0.099)	(0.158)	(0.059)	New 24/25
St Barts Primary	(0.117)	(0.068)	0.049	New 24/25
Wallsend Jubilee	(0.130)	(0.184)	(0.054)	New 24/25
Moorbridge	(0.274)	(0.245)	0.029	New 24/25
Southlands	(0.397)	(0.286)	0.111	New 24/25
Balliol Primary	0.121	(0.017)	(0.138)	Existing
Greenfields Primary	(0.002)	(0.016)	(0.014)	Existing
Forest Hall Primary	(0.105)	(0.115)	(0.010)	Existing
Ivy Road Primary	(0.179)	(0.187)	(0.008)	Existing
Holystone Primary	(0.208)	(0.219)	(0.011)	Existing
Wallsend St Peters	(0.430)	(0.571)	(0.141)	Existing
Silverdale	(0.543)	(0.454)	0.089	Existing
Longbenton Comm C	(0.826)	(0.761)	0.065	Existing
Beacon Hill	(2.003)	(1.907)	0.096	Existing
Norham Comm C	(4.201)	(3.988)	0.213	Existing
Coquet Park First	(0.332)	(0.391)	(0.059)	Structural
Monkseaton High	(5.838)	(5.739)	0.099	Structural
Total	(15.454)	(15.648)	(0.194)	

10. Recommendations

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

10.2 Schools Forum is asked to;

- Note the update on the allocations for 2025/26 for each of the four funding blocks and the proposals for the distribution of funding;
- Note the changes to the Schools block funding;
- Note the growing pressure on Schools and the increasing number of schools in deficit;
- Note the potential impact on the Schools block if the 0.5% transfer is required following the outcome of the disapplication request;
- Note the pressure on the High Needs block, including the potential impact if the disapplication request to DfE is not approved;
- Note the changes to Early Years funding allocations proposed for 2025/26, the proposed rates as outlined in table 3 and that the funding formula will be shared with the sector prior to implementation;
- Approve the services funded under CSSB as outlined in table 5;
- Approve the de-delegated items rate per pupil outlined in table 6;

Appendix A

Proposed School Block Rates for 2025/26 (excluding any block transfer) (100% National Funding Formula)

FACTOR	24/25 NFF (Incl. TPPG & Supplementary)		25/26 NFF (Incl. TPPG & Supplementary)		Difference 24/25 to 25/26	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
Basic entitlement						
Primary (Years R-6)	3,562		3,847		285	
Key Stage 3 (Years 7-9)		5,022		5,422		400
Key Stage 4 (Years 10-11)		5,661		6,113		452
Deprivation						
FSM	490	490	495	495	5	5
FSM6	820	1200	1,060	1,555	240	355
IDACI Band F	235	340	235	340	0	0
IDACI Band E	285	450	285	450	0	0
IDACI Band D	445	630	445	630	0	0
IDACI Band C	485	690	490	695	5	5
IDACI Band B	515	740	520	745	5	5
IDACI Band A	680	945	685	950	5	5
LAC (No longer used)						
EAL	590	1585	595	1595	5	10
Mobility	960	1,380	965	1,385	5	5
Prior Attainment	1,170	1,775	1,175	1,785	5	10
Lump Sum	134,400	134,400	145,100	145,100	10,700	10,700
Sparsity (N/A in NT)	57,100	83,000	57,400	83,400	300	400

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							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