

NORFOLK SCHOOLS FORUM

Meeting on Friday 18 May 2018 09:00 – 12:00 hours at South Green Park
Mattishall Tea/Coffee available from 08.30 hours

Individual members, named below, are asked to provide verbal reports for these items.

09:00 - 09:05	1 Welcome and Introductions Apologies		
09:05 - 09:15	2 Minutes of Last Meeting held on 10 January 2018		3 - 7
09:15 - 09:20	3 Matters Arising <ul style="list-style-type: none"> • Draft Minutes publication 		
09:20 - 09:30	4 School Forum Membership <ul style="list-style-type: none"> • Secondary Representative • Primary Representatives • Academy Elections – outcome Chris Snudden/Sally Cutting 	Information	
09:30 – 10:00	Maintained Nursery Schools John Crowley/Sally Cutting (paper to follow)	Discussion	
10:00 – 10:20	5 Final DSG Outturn Sally Cutting – paper attached	Comment	8 - 17
10:20 – 10:30	6 Planned Growth – 2018/19 Paper attached Sally Cutting/Martin Brock	Information	18 - 19
10:30 - 10:45	7 High Needs Budget and Places Paper attached – Sally Cutting	Information	20
10:45 – 11:05	COFFEE		
11:05 – 11:35	8 Changes to SEN top-up funding Presentation – Chris Snudden	Information/ Comment	
11:35 – 11:50	9 Updated Scheme for Financing Schools Paper attached – Sally Cutting	Information	21
11:50 – 12:05	10 Treatment on school balances upon conversion – new guidance Paper attached – Sally Cutting	Information	22 - 23
12:05 – 12:15	11 <u>Minutes of Meetings of sub-groups of Schools Forum</u> None <ul style="list-style-type: none"> • NFF working group minutes 26.4.18 and Timeline 		24 - 27
	12 <u>Communication</u>		
	13 <u>Future Agenda Items</u>		

14 Dates of Meetings

School Forum

12 September 2018 09:00 – 12:00

South Green Enterprise Centre Mattishall

National Funding Formula Working Group

14 June 2018 14:00- 15:30

St Williams Way Primary School

AGENDA

Distribution:

Sarah Shirras (chair)	NPHA, Toftwood Infant School,
Ashley Best-White School,	NPHA, White Woman Lane Junior
Mike Grimble	NGN, Avenue Junior
Alex Robinson (vice chair)	NGN, Millfield Primary School
Fyfe Johnston	NASSH The Clare School
Howard Nelson	C of E Diocesan Representative
Vicky Warnes (Primary Representative)	Joint Consultative Committee Teachers Panel
Bob Groome (Secondary Representative)	Joint Consultative Committee Teachers Panel
Martin Colbourne	16 – 19 Representative, City College Norwich
Carol Dallas	Academies, Taverham High School
Clare Jones	Academies, Bignold Primary School
Alan Evans	Academies, CWA Academy Trust
Christina Kenna	Academies, Heartsease Primary Academy
Mary Sparrow	Academies, City Academy Norwich
Mark Adamson	Academies, Evolution MAT
Keith Bates Hall Academy	Special School Academy Representative, Eaton
Holly Bowman	Nursery School Representative
Sandra Govender	Short Stay Schools for Norfolk
Bruce Connors	Children's Services – Interim Finance Business
Partner and Head of Schools Finance	
Sally Cutting	Schools Finance – Management Accountant
Marilyn Edgeley	Schools Finance

cc:

Norfolk Schools Forum

Minutes of Meeting held on Wednesday 10 January 2018

09:00 - 12:30 hours

South Green Park Mattishall

Present:

Keith Bates, Eaton Hall Specialist Academy
 Ashley Best-White
 Holly Bowman
 Chris Caddamy, City College
 Alison Clarke, Robert Kett Primary (sub)
 Bruce Connors
 Sally Cutting
 Carol Dallas, Taverham High School
 Alan Evans, CWA Academy Trust
 Mike Grimble, Avenue Junior School
 Bob Groome
 phase)
 David Hicks
 Fyfe Johnston, Clare School
 Deborah Leahy
 Alex Robinson, Millfield Primary School
 Sarah Shirras, (Chair) St Williams Primary
 Chris Snudden
 (Education)
 Vicky Warnes

Marilyn Edgeley

Representing

Special School Academy
 Primary
 Nursery Schools
 (sub) 16 – 19 Representative
 NPHA
 NCC
 NCC
 Academies
 Academies
 Governors
 JCC (Secondary

 Diocese of Norwich
 Special Schools
 NPHA
 Governors
 Primary Schools
 Assistant Director

 JCC (primary phase)

Minutes

Apologies

John Banbury
 Martin Colbourne
 Dawn Filtness
 Mary Sparrow, City Academy Norwich
 Alex Haynes (sub)

Early Years
 16 – 19 Representative
 NCC
 Academies
 Academies

Absent from meeting - no apology received

Christina Kenna, Des Reynolds

Sara Tough Executive Director Children's Services will take an active role in the Schools Forum and will attend meetings whenever possible.

1. Minutes of last meeting held on 24 November 2017

Kevin Haynes attended as substitute for Alex Robinson Primary Governor Representative.

The minutes were accepted.

Matters Arising

- Pupil growth – Richard Snowden head of admissions confirmed that the funding for pupil growth figure given out by Sally Cutting at meeting on 24 November was accurate at £950,000.
- Central Licences – will be discussed as part of agenda item 7.
- Secondary School Representative – will be discussed as part of agenda item 5.

2. School Forum Membership and terms of reference

The membership of the Schools Forum needs to reflect the proportion of pupil numbers in the different school sectors within Norfolk, after receiving the October census figures it has become apparent that the following changes need to be made to the membership:

1 less primary representative 5 down to 4

1 additional academy representative plus the vacancy from Linda Bennett retiring so we will need to hold an election for 2 new representatives.

We now only require one secondary maintained representative although we have not been able to find anyone willing to fill this role however Alex Robinson's term of office has expired and he agreed to put himself forward as the Secondary Governor representative. The terms of office of two other primary representatives (one governor and one headteacher) have also expired and will need to be put up for re-election.

Comment made by members that the Norfolk Schools Forum should have a proportional split of academy representatives but the authority can only make recommendations when seeking new representatives.

It is academy trusts that are given the vote for forum representatives.

Decision

It was agreed to contact the eight secondary schools and inform them that we do have an experienced school forum representative whose term of office has expired as a primary governor but who is willing to stand as the secondary representative.

Following this action will be taken to resolve the primary representative issues.

It was agreed that the vote for vice-chair will be delayed until the above issues are resolved.

It was agreed that attendance is important and that we will write to any member who misses 3 meetings without sending a substitute.

It was agreed that the primary representatives should be split between 3 headteachers and 1 governor.

3. High Needs update

The proposal to move 0.5% from the schools block to the High Needs block and recommendations presented to Forum on 24 November will be taken to the Children's Services Committee on 16th January. The authority

will continue to work on the set of recommendations and look at other elements of the High Needs Block.

Members asked if their comments regarding the high needs block pressures would be passed on to council members and also the risk factor of carrying out these recommendations..

Officers said the paper reflects the views that Schools Forum had on the proposals and recommendations in the risks section of the paper and officers will verbally add comments at the meeting.

Officers pointed out that the demand on High Needs in Norfolk is very much under the spotlight and there would be a significant pressure to go to the Secretary of State to move additional funding and members of the council will be aware of this.

Chris Snudden said that the Schools Forum Member Liaison Group which along with many other meeting groups was disbanded last year will be resurrected in some form.

Forum members once again raised concerns over some cluster governance not being fit for purpose. Officers highlighted that Norfolk has more than the national average of Education, Health Care Plan referrals which will reach 1000 this year.

4. Dedicated Schools Grant (DSG)

The purpose of the report is to update Schools Forum on the allocations of the Dedicated Schools Grant.

The total DSG allocation received for 2018-19 was confirmed in December 2017 and totals £559.457m before academy recoupment. This compares to a total DSG allocation of £581.240m in 2017-18.

The schools block shows an increase of £11.570m

There is a £4.5m increase for additional pupils

There is a 0.5% movement from Schools Block to High Needs Block as agreed by School Forum in November

The Early Years Block operates under the same formula as last year apart from the additional 30 hours allocation is now for a full year. The New Early Years Funding Formula states that the authority central costs should be no greater than 5% of the Early Years block for 2018/19.

Nursery schools have £100,000 less over the 3 schools and the authority is looking at ways of working with them to help them adjust.

The Nursery School representative said that the present situation is not sustainable.

Action

Schools Forum is asked to agree the central expenditure of 5% from the 3 and 4 year old Early Years Funding Formula.

Unanimously agreed

Action

Schools Forum noted for information the Dedicated Schools Block Allocations

5. Licences Paid Centrally on Behalf of Schools

This paper lists the licences that are paid centrally

Action

Sally Cutting to send out this information via an MI Sheet

6. Dates of meetings 2018-19

Members were given the 2018-19 draft year plan listing meeting dates from September 2018 through to July 2019.

Action

15th May date will need to be changed.

7. Communication

None

8. A.O.B

- Central ITV will be showing a program on asbestos in schools anyone who wishes to be involved should contact Bob Groome at: 'bgroome@norfolk.atl.org.uk'
- The time frame for the first meeting of the New National Funding Formula Task and Finish Group will be Spring.

9. Date of Next Meeting

16 March 2018 09:00 – 12:30 at South Green Enterprise Centre Mattishall

Topic	By Whom	Action
School Forum Membership	SC/MA	<ul style="list-style-type: none"> • Contact secondary schools re. secondary school forum representative • Following this organise process to re-elect primary representatives • Vote for vice chair at March meeting • Hold academy elections
Licences paid centrally	SC	Send out MI Sheet
Future Agenda Item <ul style="list-style-type: none"> • Vote for vice chair of Schools Forum 		

Final outturn and balances 2017/18

1. Introduction

This report outlines the final outturn for the dedicated schools grant for 2017/18.

The Dedicated Schools Grant funds the Schools Block, the High Needs Block, and the Early Years Block. In 2017/18 the Schools Block has two main elements, the amounts delegated to schools and the amounts held centrally for pupil related spending, this includes de-delegated budgets.

Once delegated to schools any over or under spend is shown within school balances.

The Dedicated Schools Grant can only be used for specified purposes and must be accounted for separately from the other Children's Services spending and funding.

In this report Forum are asked to consider and comment on the content of this report, specifically:

- 1) The outturn of the Dedicated Schools Grant
- 2) The outturn for the school forum budget
- 3) The current level of school and cluster balances.

2. Variations on Dedicated Schools Grant Funded Budgets

The following summary table shows the central schools block, high needs block and early years block budgets and the actual spend for the year. The tables shows the variance from the approved budget both in terms of a cash sum and as a percentage.

Central Schools block

	Approved Budget £m	Outturn £m	Over +/Underspend (-)	Over +/Underspend (-)as % of the budget
Schools Block-Central Items				
Growth Fund	0.950	0.839	-0.111	-11%
Independent Schools	0.100	0.100	0.000	0%
Schools Forum*	0.069	0.027	-0.042	-61%
Termination of employment costs	0.065	0.065	0.000	0%
Admissions	0.487	0.487	0.000	0%
Miscellaneous	0.175	0.182	0.007	-4%
Contingency**	0.500	-0.047	-0.547	109%
ESG retained	1.686	1.686	0	0%
Supply Special	0.156	0.062	-0.094	-60%
Maternity	0.935	0.905	-0.030	-3%
Suspended	0.266	0.037	-0.229	-86%
Disabled	0.037	0.023	-0.014	-38%
Redeployment	0.107	0.109	0.002	2%
Licences	0.026	0.027	0.001	4%
Free Schools Meal Eligibility	0.036	0.036	0.000	0%
Rates recoupments		-0.500	-0.500	
Total Schools Block	5.595	4.038	-1.557	-39%

* Breakdown of Schools Forum at Appendix 1

**Breakdown of Contingency at Appendix 2

The £1.557m underspend on the schools block, is to be used to fund the overspend on the high needs block as there is insufficient funds on the Dedicated Schools Grant reserve.

High Needs Block

	Approved Budget £m	Outturn £m	Over + /Underspend (-)	Overspend +/underspend as a % of budget
High Needs Block				
Special Schools	28.053	28.632	0.579	2%

Short Stay School	5.091	6.000	0.909	18%
FE and 6th form top up funding	5.350	5.976	0.626	12%
Specialist Resource Bases	3.530	3.682	0.152	4%
Cluster and Learning Support Funding	9.674	9.773	0.099	1%
MAAS	0.678	0.415	-0.263	-39%
Alternative Education	2.950	5.945	2.995	102%
Youth Offending Team	0.290	0.290	0.000	0%
PEX income	-0.500	-0.375	0.125	25%
Non Maintained Special Schools	17.160	23.120	5.960	35%
Inter Authority Recoupment	0.750	0.604	-0.146	-19%
Specialist Equipment	0.150	0.159	0.009	6%
Speech and Language Therapy	0.774	0.728	-0.046	-6%
Moving and Handling	0.036	0.041	0.005	14%
SEN invest to save	0.258	0.216	-0.042	-16%
Sensory support, Learning Support Service & ATT posts	2.469	1.982	-0.487	-20%
S2S Contribution	0.085	0.085	0.000	0%
Early Years SEN Funding		0.119	0.119	
Contribution to CAHMS	0.250	0.250	0.000	0%
Total High Needs Block	77.048	87.642	10.594	14%

For 2017/18 there is an overspend on the High Needs block of £10.594m. This is as a result of the pressure on demand for high needs placements in independent and out of county special schools and maintained special schools. The increase in exclusions has led to an increase in demand for Alternative Provision placements and pressure on places at the Short Stay School for Norfolk, which has led to an overspend on both budgets.

There has been an increase in demand for high needs funding support for pupils attending Early years setting and for post 16 students attending Further Education colleges

Early Years Block

	Approved Budget £m	Outturn £	Over +/underspend (-) £m	Over +/Underspend (-) as a % of the budget
Early Years Block				
2 Year Old Place Funding	6.155	5.898	-0.257	-4%
3 and 4 year old funding	33.236	30.111	-3.125	-9%
SEN Inclusion Fund	0.800	0.746	-0.054	-7%
Disability Access Fund	0.162	0.086	-0.076	-47%
Early years pupil premium	0.501	0.486	-0.015	-3%
Total Early years block	40.854	37.327	-3.527	9%

The underspend is a result of funding being allocated by the Education Skills and Funding Agency using January 2016 and January 2017 census headcount dates, we have had higher numbers present on the January 2017 census dates than the actual take up during the financial year. However take up of 2, 3 and 4 year old funding and the additional 15 hours remains at a good level when looking at national benchmark comparisons. The Xm underspend is to be used to offset the overspend on the high needs block.

The overall outturn for the high needs block is an overspend of £5.51m. This has been loaned from the LMS balances. £2.58m was loaned from LMS school balances in 2016/17 to fund the DSG shortfall. This leaves the outstanding loan at £8.09m. This needs to be repaid in future years as the academisation of schools means that LMS school balances held by the Local Authority are decreasing and this is not a long term solution.

4 School Balances

The Scheme for Financing Schools in Norfolk sets out the local framework within which delegated financial management is undertaken.

Schools accounts have been closed, however balances are in the process of being reconciled. This paragraph sets out in summary terms the position of Norfolk schools balances at 31 March 2018 and compares them with balances at 31 March 2017.

Table 1 – School balances – Value of balances

Table 1 compares the value of school balances at 31 March 2018 with 31 March 2017

School type	at 31/03/17			Academised schools - balance at 31/03/18	Closed schools - balance at 31/03/18	at 31/03/18			Change between years	
	Balance (£,000)	Overspend (£000)	Total (£000)			Balance (£,000)	Overspend (£000)	Total (£000)	Balance (£,000)	Overspend (£000)
Nursery	62	8	54	0	0	77	84	-7	15	76
Primary	13,513	234	13,280	2,157	320	11,545	206	11,339	509	-27
Secondary	1,463	171	1,292	632	0	607	28	578	-224	-143
Special	1,225	0	1,225	138	0	1,214	0	1,214	126	0
Clusters	1,723	29	1,693	0	0	1,272	41	1,231	-451	12
Other	0	0	0	0	0	0	0	0	0	0
Totals	17,986	442	17,544	2,927	320	14,715	359	14,355	-25	-82

Table 2 shows the average level of positive and negative balances held by Norfolk schools analysed by school type.

Table 2 – School balances – Average value of balances at 31 March 2018

Type of school	Balance (£,000)	Overspend (£000)	Total (£000)
Nursery	77	42	35
Primary	65	16	49
Secondary	101	28	73
Special	135	0	135
Clusters	28	14	14
Total	61	19	55

Table 3 shows by each type of school the level of balances compared with the overall budget.

Table 3 – School balances – Average value of balances at 31 March 2018

Type of School	Position at 31/03/18 (%)
Nursery	-0.86
Primary	6.97
Secondary	2.47
Special	5.36
Clusters	12.84
All Schools	6.55

Table 4 compares the number of schools with surplus and deficit balances at 31 March 2017 with 31 March 2018.

Table 4 – School balances – Number of schools

School type	at 31/03/17			No. of schools Academised in year at 31/03/18	No. of schools Closed/ Amalgamated/Federated in year at 31/03/18	at 31/03/18			Change between years	
	Balance	Overspend	Total			Balance	Overspend	Total	Balance	Overspend
Nurseries	2	1	3	0	0	1	2	3	-1	1
Primary	218	17	235	35	9	178	13	191	4	-4
Secondary	10	2	12	5	0	6	1	7	1	-1
Special	10	0	10	1	0	9	0	9	0	0
Clusters	44	5	49	0	0	46	3	49	2	-2
Other	0	0	0	0	0	0	0	0	0	0
Totals	284	25	309	41	9	240	19	259	6	-6

Schools with negative balances have received advice and support to help them recover their overspend in 2018/19.

Balance Redistribution Mechanism

Introduction

The Scheme for Financing Schools in Norfolk sets out the local framework within which delegated financial management is undertaken.

Schools are able to hold revenue balances for:-

- School contingency funding, not exceeding 8% of the final budget share or £20,000 whichever is the greater.
- An exception based on a school by school justification.
- Surpluses derived from sources other than the budget share e.g. YPLA sixth form funding, contributions from parents for school trips where expenditure will not be incurred until the following year or surpluses arising from providing community facilities.
- Unspent cluster funding activities.
- In exceptional circumstances, with the authorisation of the Head of Schools Finance, where an individual allocation amounting to more than 1% of the final budget share was allocated after 1st February.
- Voluntary Aided schools are allowed to hold revenue monies to fund governors' liabilities towards DFE grant aided capital work.

The following is a clarification of the procedure that came into effect from 1 April 2014, whereby a balance analysis mechanism became applicable to ALL funds held by clusters.

The legitimate purposes that balances may be held for are:-

Cluster general funding:

- To allow clusters to make provision for general cluster staffing costs for the following Summer term.
- To allow clusters to retain funds for any future costs associated with staffing adjustments for general cluster-related posts e.g. cluster PSA, admin staff etc. The sums carried forward to be a reasonable estimate of the potential redundancy payment due if the post(s) were to be removed.
- To allow clusters to retain any general cluster-related funds earmarked for specific projects.
- Any balance of general cluster funds that cannot be justified should be returned to the member schools and would therefore be subject to the analysis of school revenue balances mechanism.

Cluster trading income:

- Surpluses derived from sources other than the cluster SEND budget share or from contributions from cluster member schools to fund general cluster posts e.g. income from provision of activities to other clusters or schools from other clusters etc. The sums retained to be no greater than that received during the year.

Cluster SEND funding:

- To provide the cluster with a SEND-related contingency funding, the amount not exceeding 8% of the delegated cluster SEND budget for the 2016/17 financial year, or £20,000, whichever is the greater.
- To allow clusters to make provision for SEND-related staffing costs for the following Summer term.
- To allow clusters to retain funds for any future costs associated with staffing adjustments for SEND-related posts, TUPE or contractual obligations to third parties e.g. cluster SENCo, etc. The sums carried forward to be a reasonable estimate of the potential redundancy payment, TUPE costs or contracted payments due if the post(s) or services were to be removed.
- To allow clusters to retain any SEND-related funds earmarked for specific projects linked to improving outcomes for identified pupils. This category can only to be used in exceptional circumstances.

Cluster additional in-year funding, outside the capacity and development fund:

- Any additional SEND funding allocated to clusters by the Local Authority after the 1 January each year is outside the balance analysis mechanism.

The balances in the attached appendix 1 are still draft as there needs to be a final reconciliation to the schools submission of balances to be held under the scheme for financing schools.

4. Recommendation

The Forum are asked to consider and comment on the content of this report, specifically:

- 1) The outturn of the Dedicated Schools Grant and Loan from LMS balances.
- 2) The outturn for the school forum budget
- 3) The current level of school and cluster balances.

Appendix 1

SCHOOLS FORUM
BUDGET STATEMENT 2017/18

Budget **£69,690.00**

Expenditure

Employee Related Expenses 24009

Hire of Premises 2398

Travel Expenses 205

Printing 0

Internal Room Hire 167

Total Net Expenditure **26780**

2016/17 Schools Forum budget £69,690.00

Appendix 2**Breakdown of Contingency**

Academy Deficits	£209,797
Rates Adjustments	-£223,236
Academy rates adjustments	-£31,564
Payroll Transaction - academy conversion	£14,990
Council Tax for vacant school property	£8,619
Clawback of school balances	-£3414
School closures	-£20,860
Error corrections – accounting	-£1327
Total	£-46,995

Planned Growth (Pupil Variations) 2018/19

From 2018/19 onwards, local authorities are no longer expected to request approval from the Secretary of State to increase the pupil numbers used for calculating funding for specific schools where:

- there has been, or is going to be, a reorganisation, or;
- a school has changed, or is going to change, its admission limit.

Instead, the ESFA expects local authorities to present any pupil variations to their schools forum to illustrate the impact to overall funding and specific schools' budgets.

The exception to this is that any request for a negative pupil variation adjustment would still require a disapplication with compelling evidence as to why it should be approved. Norfolk has not requested any negative adjustments for 2018/19.

For new schools, the regulations require that local authorities estimate the pupil numbers expected to join the school in September and fund accordingly.

The information for all of Norfolk's pupil variations on the initial budget shares for 2018/19 is attached.

In-year growth identified by the Admissions team continues to be funded via the in-year top-sliced growth fund for Sept'18-March'19 (and Sept'18-August'19 for academies).

No action required: Information only.

School	Reason	Oct'17 Census NOR	Budget based only on Oct'17 NOR	Estimated Pupils Sept'18	Budget using (5/12 x Oct'17 NOR + 7/12 x Sept'18 NOR)	Difference Due to Pupil Variation
			£		£	£
St Clement's Hill Primary Academy	New Free School Sept'18	0	0.00	60	186,158.18	186,158.18
Jane Austen College	Still growing	676	3,401,987.08	856	3,959,771.04	557,783.96
Charles Darwin Primary	Still growing	102	490,149.59	170	639,323.10	149,173.51
Trafalgar College	Still growing	140	944,072.39	185	1,073,652.89	129,580.50
Ashleigh Primary and Nursery	Reorganisation	385	1,374,236.29	445	1,484,560.16	110,323.87
Browick Road Primary	Reorganisation	184	735,718.27	214	792,228.72	56,510.45
Northgate Primary	Reorganisation	348	1,607,003.83	408	1,748,893.81	141,889.98
St George's Primary and Nursery	Reorganisation	166	898,860.40	196	977,561.77	78,701.37
Drake Primary School and Nursery	Reorganisation	295	1,116,729.49	355	1,234,929.27	118,199.78
Rosecroft Primary School (Attleborough Infant)	Reorganisation	365	1,338,639.07	437	1,479,358.04	140,718.97
Attleborough Primary School (Attleborough Junior)	Reorganisation	391	1,452,577.31	410	1,486,778.28	34,200.97
		3,052.00	13,359,973.72	3,736.00	15,063,215.26	1,703,241.54

High Needs Block Budget 2018/19				
				£000's
				Budget
Budget Requirements			Places	80942
			Apr	Sep
Special Schools, pre and post 16	1424	1458		31500
Specialist Resource Bases	244	241		3042
Cluster funding				2,340
Exceptional Circumstances Fund				250
Personal Budgets	97	97		250
SEN top up funding				2979
<u>Independent & Non maintained, Alternative Education</u>				
Services to Home Educators				93
Youth Offending Team				290
Non Maintained Special Schools	659	659		20,042
Morley House				357
Estimated Inter Authority Recoupment	95	95		750
Short Stay School For Norfolk & Alternative Provision	350	350		5748
Less PEX income				-900
Early years EHCP plans				185
<u>LA Hosted Services</u>				
County Sensory Support				1,565
Moving and Handling				36
SEN Invest to Save				200
<u>Alternative Education</u>				4,916
Include	90			
Crea8	16			
Earthsea House	12			
Pinetrees	22			
Horatio House	32			
Lodestar1 and 2	120			
Compass	50			
School based provision	16			
Learning Support , ATT and MAAS posts				723
Critical Incident				18
PATHS				100
CAHMS				250
<u>Other Services</u>				
Speech and Language Therapy				774
Post 16 FE High Needs top up	572			2,800
Post 16 Place Funding	439	464		2,634
Total	4238	3364		80942
				0

Scheme for Financing Schools

Below are significant national changes to the Scheme for Financing Schools, Norfolk's Scheme will be updated in accordance with the below changes, this can be viewed online at www.efs.norfolk.gov.uk, under S in the A-Z.

Directed Revision- Loans

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 of the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.

Updates to the guidance

Updates have been made to the guidance, to mirror changes in the Schools and Early Years Finance (England) Regulations 2018.

Paragraph 4.8 has been updated to reflect changes on balances of closing schools, as detailed under Regulation 25 (9).

4.8 Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

Annex B: Responsibility for redundancy and early retirement costs has been updated to reflect changes under Schedule 2 Part 7, of the Finance Regulations. This details how a local authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the Schools Forum agree.

Schools Forum: For Information

Treatment of surplus and deficit balances when maintained schools become academies.

Updated guidance was published by the Department of Education in March 2018 relating to the treatment of surplus and deficit balances when a school becomes an academy, this can be viewed at the below link.

https://www.gov.uk/government/publications/academy-conversion-surplus-and-deficit-balance-transfer-process?utm_source=8f32e9b5-dce7-420d-8ce2-2f442d1d90b1&utm_medium=email&utm_campaign=govuk-notifications&utm_content=weekly

The Local Authority is concerned at the change in policy for sponsored academies converting with a deficit balance, section 6, extract below. Previously unavoidable deficit balances have been paid from the Schools block dedelegated contingency fund, this is still allowable under the new rules. However for 2018-19 Norfolk schools forum voted against holding a contingency.

Any deficit would be the first call on the Schools block budget in 2019/20. However under the guidance this is not allowable and Local Authority core budgets are liable. This is of considerable risk to the Local Authority as this has come to our attention after the budget setting process for 2018/19 was completed, any expenditure incurred will result in an overspend on Local Authority core budgets.

The Local Authority will need to consider how the risk can be managed within the limited finance and school improvement resource available.

6 Sponsored academies with a deficit on conversion

6.1

Where a school with a deficit is to open as a sponsored academy, the deficit remains with the LA, to be funded from its core budget. School deficits are not an allowable charge on the LA's schools budget (funded by its allocation of Dedicated Schools Grant); however, if the schools forum has agreed to de-delegate a contingency provision, then the deficit may be funded from that contingency, depending on the criteria agreed for its use. This arrangement applies to all sponsored academies as defined in section 1.1.

6.2

LAs should work closely with schools becoming an academy to ensure that they manage the risk of an increasing deficit, and if a school is not managing its expenditure in a satisfactory manner, the LA may withdraw delegation of the school's budget share in order to limit the potential cost to the LA's budget. Some LAs may have an approach which sees their finance officers working closely with school improvement officers, so they can identify at an early stage schools which are underperforming and may require a sponsored academy solution, and can provide additional financial monitoring prior to them becoming an academy.

School Forum: For information

Click on Appendix A below meeting papers to access DfE paper
Treatment of Surplus and Deficit Balance

**Meeting of the National Funding Formula Workshop
Held on 26 April 2018
10:30 – 12 noon
At the Woodside Hub Norwich**

Ashley Best White, Hanser Federation and Nebula Partnership
Martin Brock, NCC
Martin Budgett, Stalham High School
Chris Caddamy, 16 – 19 Representative
Alison Clarke, Robert Kett Primary School
Sally Cutting, NCC
Carol Dallas, Taverham Primary School
David Hicks, Easter Academy Trust
Seb Gasse, NCC
Alistair Ogle, Alderman Peel High School
Sarah Shirras, St William's Primary School

1. Apologies

Apologies were received from Heather Brand, Richard Cranmer, Mike Grimble, Alex Robinson, Chris Snudden

2. Timeline

The timeline as circulated was agreed with the date for the next meeting confirmed as 14:00 hours on 14 June 2018 at St William's Way Primary School.

3. Over view/update of the National Funding Formula (NFF)

The National Funding Formula introduced for 2018/19 will be a soft formula for the first 2 years and is about how LA's receive and allocate their money. Initially the government had said it would be a hard formula 2020/21 but this may now not happen.

This year Norfolk was given approximately an extra £8m allocated on existing formula.

Next year will see an estimated extra £5.75m and we will have to decide how this is allocated.

The options for next year are:

- move to full implementation
- phased approach (e.g. half-way towards national formula)
- stay on existing formula but distribute additional DSG through factors (as we did for 2018/19)

Martin showed spreadsheets that compare 2018/19 actual Budget Share figures to budgets estimated for 2019/20 using National Funding Formula unit rates, e.g. per-pupil per FSM, etc based on like-for-like pupil data.

We will have flexibility on the level of the Minimum Funding Guarantee and if the estimated additional DSG expected for 2019/20 is correct then we could increase

MFG protection from -1.5% to -1.0% which would release an additional £700,000 (bringing to total modelled additional allocation in line with the expected additional DSG figure for 2019/20).

We do not know what the government intends to do about MFG in the future

Comments:

There needs to be a strong view on what sparsity is.

Sparsity at present on local formula it was requested modelling on NFF (**Martin said this is already included in the modelling provided**).

We need principles on whether we are protecting all small schools.

We need to raise with local MPs how the cap on gains to provide a MFG to Local Authorities, means any gains under the NFF for Norfolk takes several years to realise.

Sally said that the Education Select Committee have asked that we share information and we can highlight this with them.

We need to get headteachers acting on this now and restructure from September.

Need to show headteachers 5-year effects on budgets.

Increase in pension costs and Minimum Wage also an issue.

Give headteachers figures with protection from MFG and information on what happens if the new funding formula is fully implemented.

Martin said that moving MFG from -1.5% to -1.0% would be a softer approach but alternatively we could distribute the remaining £700,000 via other factors.

Would be better to increase MFG rather than skewing one of the factors.

Need good communication – a communications plan.

Model 5 years if maintaining MFG and show effects if MFG ceases.

Sally said that we could implement MFG with a cap for future years.

Summary of Actions/Suggestions:

- **Capping of MFG and issues this could cause discuss with Education Select Committee**
- **Figures with protection from MFG and information on what happens if the new funding formula is fully implemented (i.e. a 'hard' formula)**
- **Model 5 years if maintaining MFG and show effects if MFG ceases**
- **Encouraging Finance Support Officers to suggest review of structures on their visits, zero based budgeting instead of historic budgeting, this could be raised at the Leadership Conference in September.**
- **Model increasing MFG protection from -1.5% to 1.0%.**

4. Date of next meeting

2pm on 14 June 2018 at St William's Way Primary School

The National Funding Formula Working Group
Timeline 2018/19

April	First Working group meeting. Discuss possible options for implementing the NFF	26/04/18	Woodside Hub
June	Second working group meeting. Present detailed modelling for preferred options, decide which options to present to full forum.	14/06/18 TBC	TBA
September	Take proposals to schools forum. Consult with schools		
Early October	Discuss consultation and recommendation to go to Forum	4/10/18 TBC	TBA
October	Discuss at Forum	17/10/18	
January 2019	CS Committee	22/01/19	