

# Public Document Pack



**Meeting:** North Northamptonshire Schools Forum

**Date:** Thursday 2nd November 2023

**Time:** 1.00 pm

**Venue:** Remote Meeting via Zoom

**\*Vote required**

<b>Agenda</b>			
<b>Item</b>	<b>Subject</b>	<b>Presenting Officer</b>	<b>Page no.</b>
<b>01</b>	Apologies for non-attendance, Forum membership changes and declarations of interest	Raj Sohal	--
<b>02</b>	Minutes of meeting held on 13th June 2023 and points arising/officer feedback	Chair	5 – 8
<b>03 *</b>	Scheme for Financing Schools 2023/24 & 2024/25	Salik Khan	9 – 48
<b>04</b>	Schools Monitoring 2023-24 QTR 1	Salik Khan	49 – 52
<b>05 *</b>	Deficit Budget Policy 2024/25	Salik Khan	53 – 66
<b>06 *</b>	Schools Balances Control Policy 2024/25	Salik Khan	67 – 76
<b>07</b>	DSG Update 2023/24	Sariya Bi	77 – 90
<b>08</b>	Provisional National Funding Formula 2024/25	Sariya Bi	91 – 100
<b>09 *</b>	Mainstream Schools Funding Formula Consultation 2024/25	Sariya Bi	101 – 108
<b>010 *</b>	Proposed CSSB 2024/25	Sariya Bi	109 – 114
<b>011 *</b>	De-Delegation - Trade Union Facilities Time 2024/25	Neil Goddard	115 – 122
<b>012 *</b>	De-Delegation - School Effectiveness 2024/25	Neil Goddard	123 – 128
<b>013 *</b>	De-Delegation - Schools Insurance Service 2024/25	Sarah McNulty	129 – 134
<b>014 *</b>	Growth Fund and Falling Pupil Roll Fund 2024/25	Neil Goddard	135 - 140

015 *	Permanent Exclusions Policy 2024/25	Neil Goddard	141 – 146
016	Early Years Update 2023/24	Judy Matthews	147 – 150
017 *	Notional SEND	Neil Goddard	151 – 152
018 *	High Needs Update 2023/24 & Proposed High Needs Place Changes for 2024/25	Charlotte Franks	153 - 160
019	Urgent Business	All	--

Adele Wylie, Monitoring Officer  
North Northamptonshire Council



**Proper Officer**  
**20<sup>th</sup> October 2023**

This agenda has been published by Democratic Services.

Committee Administrator: Raj Sohal

☎ 07500 607949

✉ rajvir.sohal@northnorthants.gov.uk

- Items 3\*,5\*,6\*,9\*,10\*,11\*,12\*,13\*,14\*,15\*,17\* & 18\* Schools Forum to give a view for all consultations. The outcome of the consultations will be brought back to the December 2023 meeting for decision vote by Schools Forum.

#### **Future Meeting Dates:**

- 14<sup>th</sup> December 2023
- 18<sup>th</sup> January 2024

#### **Information on voting**

Every item which requires a decision to be made at a meeting of the Forum will be determined by a majority of the votes of members present and voting on the issue. In the case of an equality of votes the Chair will have a second or casting vote.

School and non-school members are eligible to vote on all matters requiring authorisation or approval except:

- a. de-delegation is limited to the specific primary and secondary phase of maintained schools' members;
- b. amendments to the school funding formula, for which the voting is restricted by the exclusion of non-schools' members,

- c. amendments to the early years funding formula, for which the voting is restricted by the exclusion of non-schools' members, except for PVI representatives
- d. retaining funding for statutory duties relating to maintained schools only is limited to maintained primary, secondary, special and PRU members.
- e. amendments to Scheme for Financing Schools – maintained school members

It is the responsibility of the forum member to declare their 'disclosable pecuniary interest'. The forum member can make a short presentation at the start of the agenda item and then not participate in the discussions or vote on the item to which their interest is relevant.

This page is intentionally left blank

**Minutes of a meeting of the North Northamptonshire Schools Forum**  
Held as a Remote Meeting via Zoom at 1.00 pm on Tuesday 13th June 2023

**Present:-**

Members

Paul Wheeler (Vice Chair in the Chair)  
Sandra Appleby  
Lynne Bolland  
Lisa Bowyer  
Laura Clarke  
Marie Lally  
Nikki Lamond  
Annabel Moore  
Kathryn Murphy  
Angela Prodger

Officers

Sariya Bi	Senior Finance Business Partner
Neil Goddard	Assistant Director for Education
Salik Khan	Finance Business Partner
Yoke O'Brien	Strategic Finance Business Partner
Raj Sohal	Democratic Services Officer

**101 Apologies for non-attendance, Forum membership changes and declarations of interest**

Apologies were received from the following members: James Birkett, Victoria Bull, Peter Cantley (Peter French was in attendance as a substitute) and Robert Tite.

James Sherlock had joined the North Northamptonshire Schools Forum as a representative of the maintained primary sector.

Kathryn Murphy had replaced Siobhan Hearne as the representative of the maintained secondary sector.

**102 Election of Chair**

**RESOLVED that:** James Birkett be re-appointed as Chair of the North Northamptonshire Schools Forum.

**103 Election of Vice Chair**

**RESOLVED that:** Paul Wheeler be re-appointed as Vice Chair of the North Northamptonshire Schools Forum.

**104 Minutes from meeting held on 19 January 2023 and points arising/officer feedback**

**RESOLVED that:** The minutes of the meeting held on the 19<sup>th</sup> January be agreed as an accurate record.

**105 High Needs Block Funding**

The Forum considered a report by The Head of SEND, which outlined the SEND delivery programme and the High Needs Block outturn and predicted spend for 2023/24.

During discussion, the principal points were noted:

- A representative from the primary maintained sector suggested that the process for securing early help locality funding (EHLF) was not a transparent one, since when funding was granted or refused, the reasoning behind such decision-making was not provided. The member queried what criteria would need to be met in order to secure EHLF and requested greater transparency throughout the process.
- One member acknowledged that on a national level, statements and EHCP plans had doubled since 2015 and expressed concern that North Northamptonshire Council had not invested in line with this growth in need. Nevertheless, the member was encouraged by the fact that an additional £8 million top-up on early help mainstream funding had been forecasted and questioned how this had compared with prior recent years.

In response, The Assistant Director for Education clarified that:

- 29% of total EHLF applications were declined (279 applications had been received in total between October 2022 - May 2023). The criteria for funding applications was set against the graduated response and the local authority considered whether appropriate action had been taken prior to receiving applications for EHLF.
- Officers would provide members of the Forum with data concerning early help locality funding applications.
- The local authority sought to commission additional early help places and would undertake more detailed commissioning work in the imminent future. The broader budget remained a 'needs-led' one and would need to be spent as efficiently as possible, in order to meet required needs. The local authority aimed to manage a change that would improve the outcomes for children and the financial position of the EHCP budget deficit.

**RESOLVED that:** The report be noted.

**106 Permanent Exclusion Clawback 2022/23**

The Forum considered a report by The Assistant Director for Education, which outlined Permanent Exclusion Clawback funding for 2022/23.

During discussion, the principal points were noted:

- Members queried how a variation in clawback figures could exist if the number of pupils permanently excluded from schools remained the same.
- Members requested detail regarding existing trends relating to permanent exclusions and queried whether factors such as a rise in children's mental health issues had contributed to an increase in exclusions. One member suggested that work surrounding early intervention could potentially prevent such cases.

In response, The Assistant Director for Education clarified that:

- The clawback amount was determined by which point in the year it was calculated, on a pro-rata basis.
- The number of total permanent exclusions had risen since the COVID-19 pandemic lockdowns, which may have correlated to pupils' mental health.

**RESOLVED that:** The report be noted.

#### **107 Pupil Growth Fund**

The Forum considered a report by The Assistant Director for Education, which outlined the Pupil Growth Fund policy and rates.

The Assistant Director for Education clarified that the Forum would next receive an update regarding the growth fund budget at its October meeting.

**RESOLVED that:** The report be noted.

#### **108 DSG Outturn 2022/23**

The Forum considered a report by The Senior Finance Business Partner, which outlined the outturn position of the Dedicated Schools Grant (DSG) for 2022/23.

During discussion, the principal points were noted:

- One member queried whether 'catch-up expenditure' concerning the High Needs Block related to prior years or solely the 2022/23 financial year.

In response, The Senior Finance Business Partner clarified that:

- Towards the end of the 2022/23 financial year, joint funded agreements and invoices had come in and were not forecasted. Going forward, this expenditure would be monitored on a termly-basis. It did not include historical expenditure.

**RESOLVED that:** The report be noted.

#### **109 Maintained School Balances 2022/23**

The Forum considered a report by The Finance Business Partner, which outlined the maintained school balances, as at the 31st March 2023.

During discussion, the principal points were noted:

- Members acknowledged that the report demonstrated several schools had faced in-year deficits and queried whether the local authority had received schools' budgets for the next year and witnessed a trend in increasing deficits.

In response, The Finance Business Partner clarified that:

- The schools' balance analysis form had closed on the 9th June 2023. The local authority would analyse committed balances through a comparator exercise and upon submission of data, review deficit positions and necessary budget plans.

**RESOLVED that:** The report be noted.

**110 Urgent Business**

There was none.

There being no further business the meeting was closed.



# Agenda Item 3



North  
Northamptonshire  
Council

North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

## Agenda Item 3

### Scheme for Financing Schools 2023-24 & 2024-25

#### Appendices

#### Appendix A – Scheme for Financing Schools 2023-24 v2 & 2024-25

##### 1 Background

- 1.1 It is a requirement for each local authority to have a Scheme for Financing Schools. The scheme sets out the financial relationship between NNC and the schools.
- 1.2 The Scheme for Financing Schools includes provisions for banking, accounting, and audit arrangements. The Department for Education has provided guidance on what should be included in these schemes, which can be accessed through the following link: <https://www.gov.uk/government/publications/schemes-for-financing-schools>
- 1.3 The purpose of this report is to highlight to Schools Forum that The Scheme previously presented and agreed has been amended following recommendations from Internal Audit and needs to be approved by Schools Forum.

##### 2 Changes to the Scheme for Financing Schools

- 2.1 The Internal Audit report identified several changes to the Scheme for Financing Schools. The document has been revised to incorporate the recommendations outlined in the report and ensure compliance with the Department for Education (DfE). One of the key issues addressed was the omission of the required list of Maintained Schools in North Northamptonshire, which has now been included in the updated version of the document.
- 2.2 The proposed amendments are set out Table A and the School Forum is asked to agree the proposed amendments.

<b>Table A – Proposed Changes</b>		
<b>Section</b>	<b>Current Scheme</b>	<b>Proposed Amendment as per Audit Recommendation</b>
Section: 1.3 – Application of the scheme to the local authority and maintained schools “The schools which the local authority will be maintaining should be listed for	Previous scheme did not include an appendix listing maintained schools.	Appendix A incorporates a list of maintained schools.

information in an annex to the scheme.”		
Section 2.9 – Submission of budget plans. Local authorities may insert in their schemes a requirement that provisional budget plans be submitted by a certain date; but these should be differentiated from the formal budget plan which should not be required before 1 May.	DFE SFFS states, “not be earlier than 1 May” whereas NNC SFFS states, “by 1 <sup>st</sup> May”. Needed clearer interpretation of budget submission date.	Amended to reflect the changes; proposed Scheme now states by 1 <sup>st</sup> Friday in May.
Section 2.13: - Audit: General	“All schools are within the remit of NNC Internal Audit who will periodically review the frequency of audit visits in the light of risk assessment. Currently all maintained primary, nursery and special schools form part of a thematic audit process.”	The explicit mention of the secondary school was unintentionally omitted. This oversight has since been rectified to ensure precision, with the inclusion of the maintained secondary school for accuracy
Section 2.16: - Register of business interests	“This register must be kept up to date through notification of changes and through annual review of entries. The register must be available for inspection by governors, staff, parents and NNC.”	Revised the criterion for posting the register on the school website which wasn’t there previously
Section 2.19 – Purchasing, tendering, and contracting arrangements “The scheme should include a provision barring the local authority from making any deduction, in respect of interest costs to the authority, from payments to schools of devolved specific grant.”	Not mentioned in the original scheme	Modified to align with the DfE Scheme, incorporating detailed guidance on the procurement, tendering, and contracting processes. “Schools are required to abide by NNC financial regulations and standing orders in purchasing, tendering, and contracting matters. This includes a requirement to assess in advance, the professional competence of any contractors in areas such as compliance with health

		and safety regulations, safeguarding practices and so on, taking account NNC’s policies and procedures”
Section 3.6 – Restrictions on accounts “The scheme should allow schools to have accounts for budget share purposes which are in the name of the school rather than the local authority. However, if a school has such an account the scheme should require that the account mandate provides that the local authority is the owner of the funds in the account, that it is entitled to receive statements, and that it can take control of the account if the school’s right to a delegated budget is suspended by the authority.”	Missing information about requiring the account mandate to provide the local authority as the owner etc.	Revised the account mandate requirement to specify the local authority as the owner of the bank accounts and authorised signatories should include at least two authorised local authority employees to be authorised signatories also.
Section 3.6 – Restrictions on accounts “Budget share funds paid by the local authority and held in school accounts remain as authority property until spent.”	Incomplete details regarding the management of unspent school budget share funds remaining as authority property until expended.	The Scheme has been amended to explicitly state that it retains the status of authority property until fully expended.  “Budget Share funds paid by the local authority and held in school accounts remain authority property until spent. “
Section 3.6 – Restrictions on accounts “Schemes may contain a provision restricting the signatories for bank accounts, but such provisions should allow at least local authority employees and school	The statement lacked clarity and was in contradiction with the DFE’s scheme. “A minimum of two cheque signatories are required for the local bank account; however, these do not have to be NNC employees.”	Added a provision allowing at least two authorised local authority employees to act as authorised signatories.  “A minimum of two cheque signatories are required for the local bank account; however,

<p>employees to be signatories.”</p>	<p>Potentially conflicting – gov.uk SFFS suggests provision should allow at least local authority employees to be signatories</p>	<p>provision should allow at least two authorised local authority employees to be authorised signatories also.”</p>
<p>Section 3.6 – Restrictions on accounts “The scheme should specify which banks or building societies accounts may be held with for the purpose of receiving budget share payments. The approved list should be consistent with the local authority’s treasury management policy.”</p>	<p>Missing information on which banks or building societies accounts may be held and about being consistent with NNC’s treasury management policy.</p>	<p>Link added to the Treasury Management Strategy Statement</p>
<p>Section 3.6 – Restrictions on accounts “Schemes may explicitly bar schools from using interest bearing credit cards and overdrafts, which are regarded as borrowing. However, they should encourage the use of procurement cards by schools, as these cards can be a useful means of facilitating electronic purchase. Schemes may also wish to permit the use of credit or charge cards.”</p>	<p>“Schools are encouraged to make use of credit cards as these provide a useful means of facilitating electronic purchases.”</p>	<p>Updated to encourage schools to use procurement cards as well as credit cards as a means of facilitating electronic purchases.</p>
<p>Section 4.2: - Controls on surplus balances</p>	<p>“Controls on surplus balances...4. if the result of steps (1) – (3) is a sum greater than 10% of the current year’s budget share for primary, nursery and special schools, then the Authority shall deduct from the current year’s</p>	<p>The explicit mention of the secondary school was unintentionally omitted. This oversight has since been rectified to ensure precision, with the inclusion of the maintained secondary school for accuracy.</p>

	budget share an amount equal to the excess”	
<p>Section 4.10 – Asset Purchase (Loan) Scheme)</p> <p>The scheme should explain the basis on which the amount of any balance to be transferred to a school’s bank account would be calculated on a provisional basis for a school having a new bank account, and the date by which the transfer would occur, pending a later reconciliation.</p>	<p>Loan scheme was not mentioned in NNCs SFFS.</p>	<p>Except for Asset Purchase (Loan) Scheme, NNC does not operate a loan scheme in accordance with section 6.10 of the DfE guidance.</p>
<p>Section 11.3 – Governors expenses “Under section 50(5) of the act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school’s delegated budget share.”</p>	<p>“Under schedule 11 of the SSAF Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school’s delegated budget share.”</p>	<p>Issue with phrasing and therefore amended the wording to comply with audit requirement and remove ambiguity.</p>
<p>Section 13.16 – Criminal records clearance “The scheme should contain a provision which places on the governing body responsibility for the costs of securing Disclosure and Barring Service clearance, where appropriate for all adults involved in community activities taking place during the school day.”</p>	<p>“The governing body is responsible for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day.”</p>	<p>Updated to reflect now this is Disclosure and Barring Service</p>

### **3 Recommendations for Schools Forum**

- 3.1 Schools Forum is recommended to approve the changes outlined in Table A which has been incorporated into the Scheme for Financing Schools 2023-24 and 2024-25.

### **4 Next steps**

- 4.1 The next steps depend on the feedback given by Schools Forum voting members (maintained Schools representatives only) at this meeting, the amended schemes for Financing for Schools will then be published on the NNC website.

### **5 Financial implications**

- 5.1 There are no financial implications arising this report.

### **6 Legal implications**

- 6.1 The Scheme has been written using the Statutory guidance given by the Secretary of State pursuant to s.48 (4) and paragraph 2A (2) of Schedule 4 to the School Standards and Framework Act 1998, School Standards and Framework Act 1998.

#### **Report Author:**

Officer name: Cathryn Walker

Officer title: School Support Team Manager

Email address: Cathryn.Walker@northnorthants.gov.uk

Telephone number: 07920 785120



## NORTH NORTHAMPTONSHIRE COUNCIL'S SCHEME FOR FINANCING SCHOOLS

### Contents

1.1	The Funding Framework.....	5
1.2	The role of the scheme.....	6
1.3	Application of the Scheme to the LA and maintained schools.....	6
1.4	Publication of the scheme.....	6
1.5	Revision of the scheme.....	7
1.6	Delegation of powers to the head teacher.....	7
1.7	Maintenance of schools.....	7
	<b>SECTION 2: FINANCIAL CONTROLS.....</b>	<b>7</b>
2.1	Application of financial controls to schools.....	7
2.2	Provision of financial information and reports.....	7
2.3	Payment of salaries; payment of bills.....	8
2.4	Control of assets.....	8
2.5	Accounting Policies (including year-end procedures).....	8
2.6	Writing off of debts.....	8
2.7	Disputes regarding NNC invoices above £10,000.....	8
2.8	Basis of Accounting.....	8
2.9	Submission of budget plans.....	9
2.10	Submission of Financial Forecasts.....	9
2.11	School resource management.....	9
2.12	Virements.....	10
2.13	Audit: General.....	10
2.14	Separate external audits.....	10
2.15	Audit of voluntary and private funds.....	10
2.16	Register of business interests.....	11
2.17	Fraud.....	11
2.18	Schools Financial Value Standard (SFVS).....	11
2.19	Purchasing, tendering, and contracting arrangements.....	11
2.20	Application of contracts to schools.....	12
2.21	Central funds and earmarking.....	12
2.22	Spending for the purposes of the school.....	12

## NNC Scheme for Financing Schools

2.24	Notice of Concern .....	13
SECTION 3: INSTALMENTS OF THE BUDGET SHARE AND BANKING ARRANGEMENTS .....		14
3.1	Frequency of instalments.....	14
3.2	Own Payroll Schools.....	14
3.3	Interest Clawback .....	14
3.4	Interest on late budget share payments .....	15
3.5	Bank and building society accounts.....	16
3.6	Restrictions on accounts.....	16
3.8	Use of School Balances.....	17
SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES .....		17
4.1	The right to carry forward surplus balances.....	17
4.2	Controls on surplus balances .....	17
4.3	Interest on surplus balances.....	18
4.4	Obligation to carry forward deficit balances.....	18
4.5	Planning for deficit budgets .....	18
4.6	Charging of interest on deficit balances.....	19
4.10	Asset Purchase (Loan) Scheme .....	19
SECTION 5: INCOME .....		20
5.1	Income from lettings.....	20
5.2	Income from fees and charges .....	20
5.4	Income from the sale of assets.....	20
5.5	Administrative procedures for the collection of income .....	20
SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES.....		21
6.1	General provision.....	21
6.2	Basis of charges .....	21
SECTION 7: TAXATION .....		23
7.1	Value Added Tax .....	23
7.2	Construction Industry Scheme (CIS) .....	23
THE AUTHORITY .....		23
8.1	Provision of services from centrally retained budgets .....	23
8.2	Provision of services bought back from NNC using delegated budgets....	23



## NNC Scheme for Financing Schools

8.3	Packaging .....	23
8.4	Charging .....	24
8.5	Service level agreements .....	24
8.6	Teachers' Pensions .....	24
	SECTION 10: INSURANCE .....	25
10.1	Insurance cover .....	25
	SECTION 11: MISCELLANEOUS.....	25
11.1	Right of access to information .....	25
11.2	Liability of governors.....	26
11.3	Governor's expenses.....	26
11.4	Responsibility for legal costs .....	26
11.5	Health and Safety .....	26
11.6	Right of attendance for NNC Chief Finance Officer.....	26
11.7	SEN .....	26
11.8	'Whistle blowing' .....	27
11.9	Child Protection .....	27
11.10	Redundancy/Early Retirement Costs.....	27
	SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE.....	28
12.1	School Responsibilities.....	28
	SECTION 13: COMMUNITY FACILITIES .....	29
13.1	Community Facilities.....	29
13.2	Requirement to seek LA advice.....	29
13.3	Requirements relating to the provision of advice.....	30
13.4	Funding agreements – authority powers .....	30
13.5	The Authority's requirements in relation to funding agreements with third parties .....	30
13.6	Agreements seriously prejudicial to the interests of the school or the Authority.....	30
13.7	Constraints on the exercise of the community facilities power .....	30
13.8	Property considerations .....	30
13.9	Projects with significant financial risk.....	31
13.10	Supply of financial information.....	31
13.11	Provision of additional information – where there is cause for concern.....	31
13.12	Audit.....	31
13.13	Retention of income .....	31

## **NNC Scheme for Financing Schools**

13.14	Community Facilities Balances.....	32
13.15	Extension of Health and Safety provisions .....	32
13.16	Criminal Records Clearance.....	32
13.17	School's responsibility for insurance arrangements .....	32
13.18	LA's insurance responsibility .....	32
13.19	VAT.....	33
13.20	School/LA employees – income tax and national insurance .....	33
13.21	Construction Industry Scheme Tax advice .....	33
13.22	Banking Arrangements .....	33

### SECTION 1: INTRODUCTION

#### 1.1 The Funding Framework

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45-53 of the School Standards and Framework Act (SSFA) 1998.

Under this legislation, local authorities determine for themselves the size of their school's budget and their non-school's education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools' budget.

The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's-maintained schools except for capital and certain miscellaneous items.

Local authorities may deduct funds from their school's budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure).

The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State.

The balance of the school's budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-school's education budget must be retained centrally although earmarked allocations may be made to schools.

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State and enables the calculation of a budget share for each maintained school.

This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act.

The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section.

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

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes

## **NNC Scheme for Financing Schools**

of their school and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act.

Section 50 has been amended to provide those amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

North Northamptonshire Council (NNC) may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

A school's right to a delegated budget share may also be suspended for other reasons under schedule 17 to the Act.

NNC is obliged to publish each year a statement setting out details of its planned school's budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools; after each financial year the authority must publish a statement showing outturn expenditure.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State.

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

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

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

The scheme sets out the financial relationship between NNC and the maintained schools which it funds. The scheme contains requirements relating to financial management and associated issues which are binding on both NNC and on schools.

### **1.3 Application of the Scheme to the LA and maintained schools**

This scheme applies to all community, nursery, voluntary, foundation, special schools, and Pupil Referral Units (PRUs) maintained by the NNC. This scheme does not apply to schools maintained by another authority nor academies. The list of schools is listed on Appendix A.

### **1.4 Publication of the scheme**

NNC will publish the local Scheme and any revision on the NNC website by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

## **NNC Scheme for Financing Schools**

### **1.5 Revision of the scheme**

Any proposed revisions to the scheme will be the subject of consultation with the governing bodies and Head teachers of all NNC maintained schools before they are submitted to the North Northamptonshire Schools Forum for approval.

All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.

### **1.6 Delegation of powers to the head teacher**

The governing body of a school is required to consider the extent to which it wishes to delegate its financial powers to the head teacher, and to record its decision (and any revisions) in the minutes of the governing body.

The first formal budget plan of each financial year must be approved by the governing body, or by a committee of the governing body.

### **1.7 Maintenance of schools**

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

## **SECTION 2: FINANCIAL CONTROLS**

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

The Chief Finance Officer (Section 151 Officer) has responsibility for administering the financial arrangements of the North Northamptonshire Council, including the financial affairs of schools. In the management of their delegated budgets schools must therefore abide by the Chief Finance Officer's requirements on financial control and monitoring as detailed in this Scheme for Financing Schools.

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

Schools are required to provide NNC with details of anticipated expenditure and income through the completion of a budget proposal form at the start of each financial year. Details of actual expenditure and income should be provided through

## **NNC Scheme for Financing Schools**

the submission of a quarterly return except those connected with tax or banking reconciliations.

These returns should be reconciled to the school's local financial system by the school concerned and will be input to the central accounting system by NNC staff to form part of the statutory accounts.

The form for submission of information takes account of the consistent financial reporting framework and the desirability of compatibility with that framework.

This is different from a requirement for annual budget plans.

### **2.3 Payment of salaries; payment of bills**

Section 3 of the Schools Financial Management Handbook gives details of employee pay scales and on costs etc. The requirements of those schools that do their own payroll are also set out.

### **2.4 Control of assets**

Each school is required to maintain an inventory of its moveable non-capital assets with a value of £1,000 or more.

Schools are free to determine their own arrangements for keeping a register of individual assets worth less than £1,000. NNC encourages schools to register anything that is portable and attractive such as a camera. Schools should keep a register in some form.

### **2.5 Accounting Policies (including year-end procedures)**

Schools are required to abide by the procedures issued by NNC as detailed below. Year-end procedures are separately issued by the end of February each year.

### **2.6 Writing off debts**

Governors are authorised to write off bad debts to the stipulated level of £10,000, and such decisions must be recorded in the minutes of the governing body.

### **2.7 Disputes regarding NNC invoices above £10,000**

If agreement cannot be reached between the school and NNC within 90 days of the charge being raised, the matter will be referred to the NNC Chief Finance Officer for resolution through the Chair and Deputy Chair of North Northamptonshire Schools Forum.

### **2.8 Basis of Accounting**

Although schools' internal systems may operate on a cash basis, NNC's requires report and accounts furnished to NNC be on an accruals basis, with income and expenditure accounted for in the year in which it arises, by the creation of debtors and creditors.

## **NNC Scheme for Financing Schools**

NNC will not dictate to schools how they organise their accounts. This means that schools should be able to use what financial software they wish, provided they meet any costs of modification to provide output required by NNC.

### **2.9 Submission of budget plans**

Each maintained school is required to submit a budget plan every year, which takes account of the major categories of expenditure and income, on the NNC Budget Proposal Form. Schools should, when constructing their annual budget plan consider their estimated carry forward deficit/surplus balance as at the previous 31<sup>st</sup> March.

NNC will supply schools with all school income and expenditure data which it holds which is necessary for efficient planning by schools, and supply schools with an annual statement showing when this information will be available at times through the year.

Schools are allowed to take full account of estimated deficits and surpluses at the previous 31 March in their budget plan.

The budget proposal form for submission of budget plans should take account of the consistent financial reporting framework and the desirability of compatibility with that.

The school's formal annual budget plan must be approved by the Governing Body or a committee of the governing body. Any changes to this i.e., virements of budget during the year should also be approved by the Governing Body or committee.

The date for the initial submission of the budget proposal plan is by the 1<sup>st</sup> Friday in May.

### **2.10 Submission of Financial Forecasts**

Schools are required to submit a 3-year budget forecast each year along with the budget proposal using that submission date as a guideline.

NNC will use the 3-year plan to confirm schools are undertaking effective financial planning and may be used in NNC's assessment of schools' financial value standards or used in support of NNC's balance control mechanism.

### **2.11 School resource management**

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning, considering the local authority's purchasing, tendering, and contracting requirements.

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

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

### **2.12 Virements**

Schools may vire freely between budgets heads (codes) in the expenditure of their budget shares. To reflect this on the central accounting system, schools will need to complete a standard NNC virement template which is to be submitted to NNC Schools Finance.

Schools should ensure that virements are carried out in a timely manner to avoid budget headings becoming overspent.

### **2.13 Audit: General**

All schools are within the remit of NNC Internal Audit who will periodically review the frequency of audit visits in the light of risk assessment. Currently all maintained nursery, primary, secondary, and special schools form part of a thematic audit process.

There is a requirement to provide access to the school premises and records, and to provide such explanations as are deemed necessary. The resulting report will be issued to the Chair of Governors, the Head teacher and NNC.

Where matters of concern are identified, the NNC Chief Finance Officer may initiate a follow-up audit to report on progress in addressing these concerns.

A persistent or deliberate refusal, or inability, to satisfactorily address points raised in this way may lead to withdrawal of delegation.

Schools also fall within the North Northamptonshire Council external audit regime determined by the Government and are required to co-operate with it and provide access to school records as required.

### **2.14 Separate external audits**

Governing bodies may if they wish spend funds from their budget share to obtain external audit certification of their official accounts, separate from any North Northamptonshire Council internal or external audit process. However, any external audit commissioned by the school would have to consider the status of the school as a spender of NNC funds and the fact that it must follow North Northamptonshire Council procedures.

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

Voluntary and private funds, and trading organisations controlled by the school are to be audited on an annual basis. Audit Certificates should be retained in the school and be made available during school audits or upon request.

The purpose of such a provision is to allow NNC to satisfy itself that the public funds are not being misused. A school refusing to provide audit certificates to NNC when required is in breach of the scheme and NNC can act on that basis.



### **2.16 Register of business interests**

The governing body of each school must hold a register which lists for each member of the governing body and the head teacher:

- any business interests they or any member of their immediate family may have.
- details of any other educational establishments that they govern
- any relationships between school staff any members of the governing body

This register must be kept up to date through notification of changes and through annual review of entries. The register must be available for inspection by governors, staff, parents and NNC and publish the register on the school website.

### **2.17 Fraud**

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. The governing body and head teacher must inform all staff of school policies and procedures relating to fraud and theft, the controls in place to prevent them and the consequences of breaching these controls. This information must also be included in the induction of new school staff and governors.

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

All local authority-maintained schools (including nursery schools and special schools that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form but must submit the form to the local authority as per the Government guidance (normally 31<sup>st</sup> March).

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

### **2.19 Purchasing, tendering, and contracting arrangements**

Schools are required to abide by NNC financial regulations and standing orders in purchasing, tendering, and contracting matters. This includes a requirement to assess in advance, the professional competence of any contractors in areas such as compliance with health and safety regulations, safeguarding practices and so on, taking account NNC's policies and procedures.

NNC policies and procedures cannot, however, disapply schools to:

- do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive.

## NNC Scheme for Financing Schools

- seek NNC officer countersignature for any contracts for goods or services for a value below £60,000 in any one year.
- select suppliers only from an approved list.
- seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year.

For the purposes of the procurement directives schools are viewed as discrete contracting local authorities.

Schools may seek advice on a range of compliantly procured deals via [Buying for schools](#).

### **2.20 Application of contracts to schools**

Schools have the right to opt out of NNC arranged contracts.

Although governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter contracts, in most cases they do so on behalf of the authority as maintainer of the school and the owner of the funds in the budget share (this is the main reason for allowing authorities to require authority countersignature of contracts exceeding a certain value).

Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

### **2.21 Central funds and earmarking**

NNC is authorised to make sums available to schools from central funds. In certain instances, (e.g., Pupil Growth Fund) these allocations become part of the sum delegated to the school. In other instances, the allocation may be earmarked funding and may only be spent on prescribed budget heads - in this event virement into a non-earmarked area of the budget is not permissible.

Schools can demonstrate that this requirement has been complied with using specific expenditure codes. In certain instances, earmarked funds must be returned to NNC if not spent in-year or within the period over which schools are allowed to use the funding.

The scheme includes a provision barring the local authority from making any deduction, in respect of interest costs to the authority, from payments to schools of devolved specific grant.

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

Under section 50(3) of the School Standards and Framework Act governing bodies are allowed to spend budget shares for the purposes of the school. There are no NNC restrictions on this provision.

By virtue of section 50(3A) (which came into force on 1st April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

## **NNC Scheme for Financing Schools**

Under section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. They have done so in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed purposes) (England) (Amendment) Regulations 2010 (SI 2010/190).

These allow schools to spend their budgets on pupils who are on the role of other maintained schools or academies.

### **2.23 Capital spending from budget shares**

Governing bodies may use their budget shares to meet the cost of capital expenditure on school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998. NNC requires any capital spending from budget shares to be recorded on specific expenditure codes.

Where capital expenditure from the budget share exceeds £15,000 the governing body will be required to consider any advice from the LA as to the merits of the proposed expenditure. If the premises are owned by NNC, or the school has voluntary controlled status, then the governing body should seek the consent of NNC to any proposed works, but such consent can be withheld only on health and safety grounds.

The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.

These provisions would not affect expenditure from any capital allocation made available by the local authority outside the delegated budget share.

### **2.24 Notice of Concern**

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the NNC Chief Finance Officer and the Director responsible for Childrens Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations, or prohibitions in relation to the management of funds delegated to it.

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school.
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body.

## NNC Scheme for Financing Schools

- placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority.
- insisting on regular financial monitoring meetings at the school attended by local authority officers.
- requiring a governing body to buy into a local authority's financial management systems; and
- imposing restrictions or limitations on the way a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

### **SECTION 3: INSTALMENTS OF THE BUDGET SHARE AND BANKING ARRANGEMENTS**

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

#### **3.1 Frequency of instalments**

The budget share will be divided into 12 Monthly payments:

- April 12% of the Budget share will be paid.
- May-March 8% of the budget share will be paid.

All monthly top up payments for indicative budget will be made monthly unless alternative arrangements have been agreed with the provider.

#### **3.2 Own Payroll Schools**

Own payroll schools' monthly advances will in paid in accordance with their confirmed pay dates sent annually to NNC School Finance.

#### **3.3 Interest Clawback**

All schools have their pay budgets advanced to their local bank account and will be charged interest on the amount of NI and tax between the North Northamptonshire Council payroll date and the date that payments would have been made by the North Northamptonshire Council to the respective bodies.

Interest will be calculated daily using the average short term investment rate i.e.

(a) x (b) / 365 x (c)

## NNC Scheme for Financing Schools

where

(a) = the Bank of England base rate, (e.g., 5.25% for Sep 2023)

(b) = number of days between North Northamptonshire Council pay date and the date on which the North Northamptonshire Council would have paid contributions for tax and NI to the Inland Revenue and DSS

(c) = the school's contributions for tax and NI.

Interest will be calculated and charged once per annum based on the figures for September x twelve months. Schools will be invoiced in November and charged seven months in arrears, five months in advance.

Also, if schools request to have their advance to their local bank account prior to the date on which their staff would have paid as part of the North Northamptonshire Council's payroll for school-based staff then interest will be charged on the pay budget part of the advance.

Interest will be calculated daily using the average short term investment rate, i.e.

$$(a) \times (b) / 365 \times (c) + (a) \times (d) / 365 \times (e) + (a) \times (f) / 365 \times (g)$$

where

(a) = the Bank of England base rate, (e.g., 5.25% for Sep 2023)

(b) = number of days between the advance and North Northamptonshire Council pay date.

(c) = total amount of budget advanced for salaries and travel that month i.e., 1/13<sup>th</sup> of the annual pay and travel budget.

Interest will be calculated and charged once per annum based on the figures for September x twelve months. Schools will be invoiced in November and charged seven months in arrears, five months in advance.

### 3.4 Interest on late budget share payments

If the payments to the bank accounts are delayed due to a fault in the administrative systems for processing the advances to the school's bank account, the school will receive interest as follows:

Interest will be calculated daily using the average short term investment rate, i.e.

$$(a) \times (b) / 365 \times (c)$$

where

(a) = the Bank of England base rate, (e.g., 5.25% for Sep 2023)

## NNC Scheme for Financing Schools

- (b) = number of days between the date the advance was made and the date it should have been made by the North Northamptonshire Council
- (c) = the amount of the advance

### 3.5 Bank and building society accounts

All schools should operate a local bank account into which their budget share instalments are paid. It will also be possible to have a linked deposit account, with all transfers to and from the linked deposit account being made via the local bank account. Interest earned on these accounts is retained by the school.

The financial regulations pertaining to the local bank account scheme, and guidance notes on the administration of local bank accounts, are contained within the Section 2 of the Financial Management Handbook.

### 3.6 Restrictions on accounts

NNC operates a pooling arrangement through its own bankers. Schools who do not wish to take advantage of this may choose to hold an account for the purpose of receiving budget share payments with any UK bank or building society approved list consistent with NNC's treasury management policy.

All school accounts (excluding the school fund) must have "North Northamptonshire Council" or 'NNC' in their title in addition to the school's name. This provision allows bankers and auditors to distinguish between public and private funds and will ensure that there is no inadvertent disclosure of information if the external auditors legitimately approach a school's bank for details of the public funds bank account.

If a school has an account in the school's name rather than the local authority there is a requirement that the account mandate provides that the local authority is the owner of the funds in the account, that it is entitled to receive statements, and that it can take control of the account if the schools right to a delegated budget is suspended by the authority.

Budget Share funds paid by the local authority and held in school accounts remain authority property until spent.

A minimum of two cheque signatories are required for the local bank account; however, provision should allow at least two authorised local authority employees to be authorised signatories also.

Schools are permitted to use direct debits, standing orders and BACs payment facilities where required provided the rules contained in financial regulations are adhered to.

Schools are encouraged to make use of procurement cards and credit cards as these provide a useful means of facilitating electronic purchases.

### **3.7 Borrowing by schools**

School governing bodies may only borrow money with the written permission of the NNC Chief Finance Officer and the Secretary of State. This requirement does not extend to monies lent to schools by NNC i.e., under the Asset Loan Scheme.

This restriction does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. However, these debts may not be serviced directly from the delegated budget.

### **3.8 Use of School Balances**

The Asset Loan Scheme utilises the combined bank balances of schools.

In addition, NNC may borrow from these balances to support projects which benefit children and young people in the County – detailed criteria will be agreed in advance with the North Northamptonshire Schools Forum.

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

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

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

The balance held within a school's bank account would be calculated on a provisional basis pending a later reconciliation.

The amount of a surplus balance would be shown in the relevant outturn statement published in accordance with directions given by the secretary of State under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009; although there may be commitments against any figure shown in such a statement.

### **4.2 Controls on surplus balances**

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

- (1) the Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework.
- (2) the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance.
- (3) the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific

## **NNC Scheme for Financing Schools**

purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also consider any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.

(4) if the result of steps (1) – (3) is a sum greater than 10% of the current year's budget share for primary, nursery, secondary and special schools, then the Authority shall deduct from the current year's budget share an amount equal to the excess.

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

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

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

Schools will be required to split these balances for the DfE Section 251 return and for Consistent Financial Reporting both of which are statutory returns.

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

Schools will not be paid interest on any unspent centrally held year-end balances. However, as far as schools hold their unspent balances within a local school bank account, they may receive interest on the balance held within that account.

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

Schools must carry forward from one financial year to the next any shortfall in school budget share relative to their expenditure for the year plus/minus any balance brought forward from the previous year. This will be affected through a deduction from the following year's budget share.

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

It is not permissible for schools to budget for a deficit, except in those circumstances set out below. School budget plans must be prepared with a view to breaking even or creating a surplus at the end of the financial year.

Where schools have reason to anticipate a deficit the NNC Chief Finance Officer must be informed immediately.



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

Schools will not be charged interest on any unplanned year end deficits as a matter of course. However, where an unplanned overdraft occurs on a school's local bank account, although NNC will underwrite such an overdraft, the school's budget will be charged any interest or other costs that arise.

### **4.7 Writing off deficits**

NNC cannot write off the deficit balance of any school.

### **4.8 Balances of closing and replacement schools**

When a school closes, any balances (whether surplus or deficit) revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where the school converts to academy status under section 4(1) (a) of the Academies Act 2010.

### **4.9 Licensed deficits**

Schools must submit a recovery plan to NNC when their revenue deficit rises above 1% at 31 March of any year. A school may be allowed to plan for a deficit budget in exceptional circumstances with the agreement of the NNC Chief Finance Officer and subject to the following restrictions:

- (1) The maximum length over which a school may repay the deficit is normally three years from the beginning of the next financial year in which the deficit arises, and the financial position will be subject to ongoing monitoring and annual review.
- (2) A deficit arrangement will only be allowed where the continuing existence of a school is deemed viable.
- (3) The minimum size of an agreed deficit is 1% of the budget share, and the maximum level is 15% of the budget share.
- (4) The maximum proportion of the collective school balances held by NNC which will be used to back the total of deficit arrangements is 10%.
- (5) Arrangements for individual schools will be determined by the NNC Chief Finance Officer or their nominated officers, in agreement with the school Governing Body. The Governing Body must formally agree to abide by any requirements laid down as a pre-condition to accepting the deficit arrangement.

### **4.10 Asset Purchase (Loan) Scheme**

NNC operates an Asset Purchase (Loan) Scheme details of which are available on a separate [asset loans webpage](#) in the schools web area.

Except for the Asset Purchase (Loan) Scheme, NNC does not operate a Loan Scheme.

### **SECTION 5: INCOME**

#### **5.1 Income from lettings**

Schools may retain income from lettings of the school premises subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidize lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

Schools must, however, have regard to the directions issued by NNC as to the use of school premises, as permitted under the School Standards and Framework Act 1998 for various categories of schools.

Income from lettings of school premises should not normally be payable into voluntary or private funds held by the school.

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

Schools may retain all income from fees and charges, except where a service is provided by NNC from centrally retained funds. However, schools are required to have regard to NNC policy statements on charging.

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

Schools may retain income from fund-raising activities.

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

Schools may retain the proceeds from the sale of assets, except in cases where the asset was purchased with non-delegated funds, or the asset concerned is land or buildings forming part of the school premises and is owned by NNC.

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

The collection of income, and relevant VAT guidance, are detailed in Sections 8 and 5 of the Financial Management Handbook.

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

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

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

#### 6.1 General provision

Except for school-based staff salary, apprentice levy and travel costs, the budget share of a school may only be charged by NNC without the consent of the Governing Body in those circumstances set out in 6.3 below. Even then NNC is required to consult with the school as to the intention to so charge and must notify the school when the charge has been made.

#### 6.2 Basis of charges

Salaries (including Apprentice levy) and travel costs of school-based staff will be charged to schools at actual cost.

#### 6.3 De-Delegation

NNC may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

#### 6.4 Circumstances in which charges may be made:

- (1) Where premature retirement costs have been incurred without the prior written agreement of NNC to bear such costs, (the amount chargeable being only the excess over any amount agreed by NNC).
- (2) Other expenditure incurred to secure resignations where the school has not followed NNC advice.
- (3) Awards by courts and industrial tribunals against NNC, or out of court settlements arising from action or inaction by the governing body contrary to NNC advice.
- (4) Expenditure by NNC in conducting health and safety work, or capital expenditure for which NNC is liable, where funds have been delegated to the governing body for such work, but the governing body has failed to conduct the required work.
- (5) Expenditure by NNC incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by NNC, or the school has voluntary controlled status.
- (6) Expenditure incurred by NNC in ensuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by NNC.
- (7) Recovery of monies due from a school for unpaid invoices which have been referred to the dispute's procedure set out in Section 2.1.7 of this Scheme.

## NNC Scheme for Financing Schools

- (8) Recovery of penalties imposed on NNC by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers Pensions, the Environmental Agency, or other regulatory authorities because of school negligence.
- (9) Correction of NNC errors in calculating charges to a budget share (e.g., pensions deductions).
- (10) Additional transport costs incurred by NNC arising from decisions by the governing body on the length of the school day, and failure to notify NNC of non-pupil days resulting in unnecessary transport costs.
- (11) Legal costs which are incurred by NNC because the governing body did not accept the advice of NNC.
- (12) Costs of necessary health and safety training for staff employed by NNC, where funding for training has been delegated but the necessary training not conducted.
- (13) Compensation paid to a lender where a school enters a contract for borrowing beyond its legal powers, and the contract is of no effect.
- (14) Cost of work done in respect of teacher pension remittance and records for schools using non-LGSS Payroll contractors, the charge to be the minimum needed to meet the cost of NNC compliance with its statutory obligations.
- (15) Costs incurred by NNC in securing provision specified in a statement of SEN where the Governing Body of a school fails to secure such provision despite the delegation of funds in respect of low-cost high incidence SEN and/or specific funding for a pupil with High Needs.
- (16) Costs incurred by NNC due to submission by the school of incorrect data.
- (17) Recovery of amounts spent by the school from specific grants on ineligible purposes.
- (18) Costs incurred by NNC because of the Governing Body being in breach of the terms of a contract.
- (19) Costs incurred by NNC or another school because of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- (20) Recovery of monies due for unpaid invoices from a school which is due to convert to academy status.

### SECTION 7: TAXATION

#### 7.1 Value Added Tax

NNC can reclaim VAT on schools' expenditure relating to non-business activity, and to pass amounts so reclaimed back to the school. This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings.

Detailed guidance on VAT, and procedures for reclaiming it, are set out in Sections 5 and 8 of the Schools Financial Management Handbook.

#### 7.2 Construction Industry Scheme (CIS)

Schools are required to abide by NNC procedures in connection with CIS. These are set out in the Section 4 of the Schools Financial Management Handbook.

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

#### THE AUTHORITY

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

NNC will determine on what basis services from centrally retained funds, (including existing PRC and redundancy), will be provided to schools.

NNC will not be able to discriminate in its provision of services based on categories of schools except where discrimination is justified by differences in statutory duties.

#### 8.2 Provision of services bought back from NNC using delegated budgets

The term of any arrangement with a school to buy services or facilities from NNC is limited to a maximum of three years from the date of the agreement and periods not exceeding five years for any subsequent agreement for the same services.

#### 8.3 Packaging

Where funding has been delegated, and NNC is offering a service on a buyback basis, it must provide that service in a way which does not unreasonably restrict schools' freedom of choice among the services available. Where practical, services will be provided on a service-by-service basis as well as in packages.

This provision would not prevent NNC offering packages of services which offer a discount to schools taking up a wider range of services, but NNC is encouraged to offer services singly as well as in combination.

### **8.4 Charging**

Where NNC provides services on an 'ad hoc' basis, they may be charged for at a different rate than if provided based on an extended agreement. This excludes centrally arranged premise and liability insurance.

### **8.5 Service level agreements**

Information on the services which will be offered for schools to purchase will aim to be provided by 28th February each year, and schools will have at least a month to consider the terms of agreements.

If services or facilities are provided under a service level agreement - whether centrally funded or on a buyback basis - the terms of any such agreement will be reviewed at least every three years if the agreement lasts longer than that.

All services offered by NNC will also be made available on a basis which is not related to an extended agreement, although where services are provided on an ad hoc basis they may be charged for at a different rate than if provided based on an extended agreement.

Where services are provided on an ad hoc basis they may be charged for at a different rate than if provided based on an extended agreement.

### **8.6 Teachers' Pensions**

To ensure that the performance of the duty on the Authority to supply

Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on NNC, and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

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

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than NNC to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to NNC which NNC requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. NNC will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) be passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service, and pensions data to NNC which the

Authority requires to submit its annual return of salary and service to

## **NNC Scheme for Financing Schools**

Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

### **SECTION 9: PRIVATE FINANCE INITIATIVE (PFI)**

#### **9.1 PFI and PPP Agreements**

PFI and PPP charges will be made in accordance with the agreement with each school.

### **SECTION 10: INSURANCE**

#### **10.1 Insurance cover**

As funds for insurance are delegated to schools, NNC requires that schools demonstrate that cover relevant to NNC insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover required to be arranged by the school by the NNC Chief Finance Officer.

In assessing the relevant risks NNC will have regard to the actual risks which might be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools. Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

The scheme allows schools to join the RPA after 1 April 2020. Schools may do this individually when any insurance contract of which they are part of expires. All primary and secondary schools are eligible to join the RPA collectively by agreeing through the school's forum to de-delegate funding.

### **SECTION 11: MISCELLANEOUS**

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

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

### **11.2 Liability of governors**

As the governing body is a corporate body, and because of the terms of s50(7) of the SSAF Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

### **11.3 Governor's expenses**

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

For schools without delegated budgets, NNC may at its discretion delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Amounts of such allowances, would be set by NNC its discretion.

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

Legal costs incurred by the governing body, although the responsibility of the NNC as part of the cost of maintaining the school, unless they relate to the statutory responsibility of voluntary aided school governors for buildings, may be charged to the school's budget share unless the governing body acts in accordance with the advice of NNC (see section 6.3.12).

Where there is a conflict of interest between NNC and the Governing Body, NNC Legal will decline to act for the school, and the school must therefore purchase advice from a third party.

### **11.5 Health and Safety**

In the management of the budget share, the governing body should have due regard to duties placed on NNC in relation to health and safety, and the NNC policy on health and safety matters.

### **11.6 Right of attendance for NNC Chief Finance Officer**

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

### **11.7 SEN**

In spending their budget shares, schools should use their best endeavours to secure the appropriate level of SEN provision. Where, in general terms, this is not being achieved, delegation may be suspended.



### 11.8 'Whistle blowing'

Details of the procedures to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school can also be found on the NNC website [here](#).

### 11.9 Child Protection

Child Protection is the responsibility of all Area Child Protection Committee (ACPC) member agencies and schools, and Education Professionals have a significant role to play. All schools should follow agreed ACPC procedures and there is an expectation by NNC that they should be involved in any child protection case conferences or subsequent core groups if children are placed on the child protection register.

NNC does not provide any funding for this but does offer Designated Teacher Child Protection training and the ACPC provides a range of training on related issues for schools.

### 11.10 Redundancy/Early Retirement Costs

Charges of dismissal/resignation costs will be made to the delegated school budget where the school decided to offer more generous terms than the authority's redundancy policy in which case the excess will be charged to the school.

- when the school otherwise acted outside the NNC's redundancy policy and/or policy on fixed term contracts.
- when the school chooses to restructure and intends to make staffing reductions which NNC does not believe are necessary to either set a balanced budget or to meet the conditions of a licensed deficit.
- when the school is in a situation where staffing reductions arise from a deficit caused by factors within the school's control; and
- in a situation where the school has excess surplus balances and no agreed plan to use these.

In exceptional circumstances, where the redundancy stems directly from a proposed reorganisation by the local authority, like an amalgamation—the local authority reserves the right to assign the redundancy payment costs to general fund or DSG.

For staff employed under the community facilities power, the costs of any early retirements or redundancies must be met by the governing body and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant event with the performance of any duties imposed on them by the Education Acts.

### SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

#### 12.1 School Responsibilities

Schools will continue to be responsible for non-strategic repairs and maintenance, and will additionally be expected to finance from their budget:

- (1) All day-to-day and planned maintenance such as repairing or re-covering roofs, replacing failed boilers, rewiring, renewing damaged or dilapidated fences, rebuilding unsafe or collapsed boundary or retaining walls, resurfacing playgrounds, etc.
- (2) Ensuring that the building complies with various statutory regulations about fire, environmental issues, safety glazing, asbestos regulations, etc.
- (3) Arranging, monitoring, and logging the results of regular inspection and servicing contracts in respect of, for example:
  - boilers, pumps, and ancillary equipment
  - gas installations
  - fixed electrical wiring, including emergency lighting and fire alarms security installations water tanks.

Many of the above items, when conducted, must comply with legislation and statutory regulations such as:

- the Environmental Protection Act 1990
- the IEE Wiring Regulations 1991 the Workplace (Health Safety and Welfare) Regulations 1994 Construction (Design and Management) Regulations 1994 the Gas Safety (Installation and Use) Regulations 1994
- DfE Constructional Standards 1997 local water byelaws

**12.2** NNC has delegated responsibility for both revenue and capital expenditure. NNC adheres to the definition of capital set out in the CIPFA Code of Practice on Local Authority Accounting.

**12.3** The NNC de minimis for expenditure from the school's capital budget allocation is £2,000 – any expenditure below this level must be treated as revenue spend.

**12.4** For voluntary aided schools, the liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the Authority.

### SECTION 13: COMMUNITY FACILITIES

#### 13.1 Community Facilities

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult NNC and have regard to advice from the authority. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s.28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions, and limitations in the scheme for financing schools.

This part of the scheme does not extend to Joint-use agreements; transfer of control agreements, or agreements between the authority and schools to secure the provision of adult and community learning.

#### 13.2 Requirement to seek LA advice

Schools are required to seek NNC advice, so that schools and the NNC are aware of any potential financial or other operational liabilities. NNC has adopted a formal procedure for considering schools' proposals. Schools will be required to submit a fully costed business case to NNC for consideration. This will include:

- (1) Details of the facilities to be provided, in terms of its purpose, staffing and impact upon general school activities.
- (2) A risk assessment of the proposals.
- (3) A two-year business plan detailing all income and expenditure.
- (4) What plans the governing body must deal with any surpluses/deficits arising from undertaking the community facilities power.
- (5) Confirmation of the status of the provider (e.g., business, charitable organisation)

This will ensure that both parties are aware of any issues that may arise prior to entering any commitment of resources.

This procedure seeks to include reasonable requirements as to timeliness and the amount of information which schools must supply in seeking NNC advice. This

## **NNC Scheme for Financing Schools**

procedure will be published to all schools and schools will be advised of any revisions which may from time to time, be necessary.

### **13.3 Requirements relating to the provision of advice**

NNC is required to provide schools with advice within 6 weeks of being consulted, although NNC will seek to offer advice earlier, if possible. Schools are required to inform NNC of any action taken following receipt of and consideration of NNC advice, within 4 weeks of receiving such advice.

### **13.4 Funding agreements – authority powers**

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. A very wide range of bodies and organisations are potentially involved.

### **13.5 The Authority's requirements in relation to funding agreements with third parties**

NNC requirements in relation to funding agreements with third parties (as opposed to funding agreements with the Authority itself) are that any such proposed agreement should be submitted to NNC for its comments; giving NNC at least 4 weeks to allow adequate time to consider and respond.

The scheme may not impose a right of veto for NNC on such agreements, either directly or through requiring a right to countersign the agreement. If the third party requires NNC consent to the agreement for it to proceed, such a requirement and the method by which NNC consent is to be signified is a matter for that third party, not for the scheme.

### **13.6 Agreements seriously prejudicial to the interests of the school or the Authority**

If an agreement has been or is to be concluded against the wishes of NNC, or has been concluded without informing NNC, which in the view of NNC is seriously prejudicial to the interests of the school or NNC, this may constitute grounds for suspension of the right to a delegated budget.

### **13.7 Constraints on the exercise of the community facilities power**

Section 28 (of the Act) provides that the exercise of the community facilities power is subject to prohibitions, restrictions, and limitations in the Scheme for Financing Schools.

### **13.8 Property considerations**

In considering any proposals for the provision of community facilities, NNC will need to be satisfied regarding the use or change of use of buildings, access, fire and other safety aspects, restrictions on use (where covenants on use bar certain activities or limit the use of the building to educational use), provision of additional accommodation by third parties and the maintenance responsibilities and liabilities.

## **NNC Scheme for Financing Schools**

NNC would seek, in consultation with the school, as far as is practicable, to work out a basis on which the proposed activity could go ahead.

### **13.9 Projects with significant financial risk**

The scheme does not give a right of veto either to funding agreements with third parties, or for other proposed uses of the community facilities power. However, NNC may require that in a specific instance of use of the community facilities power by a governing body, the governing body concerned shall plan to protect the financial interests of NNC. This could be achieved either by conducting the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by NNC.

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

Schools which exercise the community facilities power will be required to provide NNC every six months at the end of March and September, with a summary statement, in a form determined by NNC. This must show the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

### **13.11 Provision of additional information – where there is cause for concern**

NNC may give notice to the school if it believes there to be cause for concern, as to the school's management of the financial consequences of the exercise of the community facilities power and may require such financial statements to be supplied every three months, at the end of June, September, December, and March. If NNC sees fit, it may require the submission of a recovery plan for the activity in question.

NNC requires such supplementary information to ensure that schools are not at financial risk. Schedule 3 of the Education Act 2002, Schedule 15, makes a provision that mismanagement of funds received for community facilities is a basis for suspension of the right to delegation of the budget share. NNC will suspend the right to delegation, if necessary.

### **13.12 Audit**

The school is required to grant access to the school's records connected with exercise of the community facilities power, to facilitate internal and external audit of relevant income and expenditure.

In concluding funding agreements with other persons pursuant to the exercise of the community facilities power, schools are required to ensure that such agreements contain adequate provision for access by NNC to the records and other property of those persons held on the school premises or held elsewhere insofar as they relate to the activity in question. This will enable NNC to satisfy itself as to the propriety of expenditure on the facilities in question.

### **13.13 Retention of income**

Schools are permitted to retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be NNC or some other person.

### **13.14 Community Facilities Balances**

Schools are also permitted to carry such retained income over from one financial year to the next as a separate community facilities surplus.

Schools budget share balances will be split between several categories under the Consistent Financial Reporting Framework. Where the community facilities are administered through the school's budget these balances may include community facilities balances and schools will be asked to identify these.

Where the school is not permitted to administer the community facility as part of the school budget share accounts, subject to the agreement of NNC at the end of each financial year, the school may transfer all or part of the community facilities balance to the budget share balance.

### **13.15 Extension of Health and Safety provisions**

The health and safety provisions of the main scheme are extended to the community facilities power exercised by schools.

### **13.16 Criminal Records Clearance**

The governing body is responsible for the costs of securing Disclosure and Barring Service clearance where appropriate for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

### **13.17 School's responsibility for insurance arrangements**

It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice, as necessary. Schools are required to seek NNC advice before finalising any insurance arrangement for community facilities.

### **13.18 LA's insurance responsibility**

NNC may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, decide itself and charge the resultant cost to the school. This is to protect NNC against possible third-party claims.

Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

### **13.19 VAT**

Schools may only make use of NNC VAT reclaim facility for expenditure on community facilities when this is from NNC funds and not expenditure from other funds.

Where schools donate any surpluses arising from community facilities activities to the budget share and this is then used for educational purposes NNC VAT reclaim facility may be used. The procedures to be followed are those set out within the VAT guidance issued to schools.

### **13.20 School/LA employees – income tax and national insurance**

Any member of staff employed by the school or NNC in connection with community facilities at the school is paid from funds held in a school's own bank account; the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

### **13.21 Construction Industry Scheme Tax advice**

Schools must follow NNC advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

### **13.22 Banking Arrangements**

Under the Scheme for Financing Schools, schools are only permitted to have one current account and a linked deposit account. Schools must therefore ensure that adequate internal accounting controls are maintained and there is a clear separation of funds if the community facilities are administered through the budget share accounts.

The NNC Scheme for Financing Schools continues to apply in respect of banking arrangements for schools e.g., signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters.

Annex to Section 3.3

Alfred Street Junior School	Mawsley Primary
All Saints CEVA Primary School	Meadowside Primary School
Barton Seagrave Primary School	Millbrook Infant School
Brigstock Lathams Primary School	Millbrook Junior School
Broughton Primary School	Nassington School
Corby Old Village School	Pen Green Nursery
Croyland Nursery	Ronald Tree Nursery
Croyland Primary	Rowan Gate Primary School
Denfield Park Primary School	South End Infant School
Earls Barton Primary	South End Junior School
Geddington Primary	St Patricks Primary School
Great Doddington Primary	Stanion Primary School
Grendon Primary	Tennyson Road Infant School
Hayfield Cross Primary	The Avenue Infant School
Henry Chichele Primary	The Latimer Arts College
Higham Ferrers Infant School	Titchmarsh Primary School
Higham Ferrers Junior School	Warmington Primary School
Highfield Nursery School	Whitefriars Primary School
Kings Cliffe Primary School	Wilby Primary School
Little Stanion Primary	





## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 4

#### School's Quarter 1 Monitoring 2023-24

## 1 Background

1.1 To inform schools forum of the current year's budget position based on the first quarter representing April 2023 to June 2023 and consequently the anticipated year end balances forecast.

## 2 Main report section or sections

2.1 North Northamptonshire Council's Scheme for Financing Schools, which follows national guidelines, requires that schools submit regular budget monitoring returns. This was agreed in January 2023 school forum, in order to report on the Dedicated Schools Grant and Schools on a monthly basis to the Executive, North Northamptonshire Council requires timely receipt of school financial information on a monthly basis. This will enable the council to accurately capture the financial information of schools on its ledger and maintain an up-to-date financial position of each school.

2.2 In late May 2023, NNC received budget plans from all 39 maintained establishments, except for Pen Green Nursery.

2.3 Table 1 outlines the Income & Expenditure up to Q1; however, schools forum needs to take note that the Q1 forecast has limitations due to an impending pay award for support staff and teachers. The Q1 forecast is entirely derived from the budget plans received up to the current date. The plan is to present a more comprehensive and robust forecast for Q2 submission, which is due by Friday, October 20<sup>th</sup> to Schools Forum at the December meeting.

**Table 1 – School Quarter 1 Monitoring**

DFE Number	School Name	School type	Opening Revenue Balance 2023/24	Quarter 1 Income	Quarter 1 Expenditure	Variance based on Q1	23/24 In year School Forecast outturn based on Q1	23/24 Cumulative School Forecast outturn based on budget plan
1000	Ronald Tree Nursery School	Nursery	-£60,802	-£178,800	£165,213	-£13,587	£21,756	-£39,046
1001	Croyland Early Years Centre	Nursery	£75,357	-£151,375	£256,860	£105,485	-£43,892	£75,156
1003	Highfield Nursery School	Nursery	£3,432	-£134,414	£141,877	£7,463	£13,699	£3,432
1011	Pen Green Centre	Nursery	-£206,039	-£59,534	£610,341	£550,806	No Submission	No Submission
	<b>Total Maintained Nursery Schools</b>		<b>-£188,052</b>	<b>-£524,123</b>	<b>£1,174,291</b>	<b>£650,168</b>	<b>-£8,437</b>	<b>£39,542</b>
2007	Broughton Primary	Primary	-£144,534	-£459,561	£265,812	-£193,749	£15,459	-£52,705
2019	Corby Old Village Primary School	Primary	-£148,987	-£462,286	£303,582	-£158,703	£77,137	-£40,884
2029	Mawsley Community Primary School	Primary	-£89,722	-£698,898	£439,707	-£259,192	£0	-£89,724
2041	Great Doddington Primary	Primary	-£148,516	-£317,550	£219,997	-£97,552	£44,124	-£39,330
2048	HIGHAM FERRERS JUNIOR SCHOOL	Primary	-£240,862	-£707,080	£501,067	-£206,013	£0	-£179,356
2072	Nassington School	Primary	-£164,528	-£227,161	£135,819	-£91,342	£47,208	-£103,203
2082	NCC Alfred Lord Tennyson	Primary	£101,611	-£241,250	£167,050	-£74,200	£38,989	£120,000
2086	South End Infant School	Primary	-£54,944	-£612,567	£366,218	-£246,350	-£44,568	-£44,568

2087	Tennyson Road Infant School	Primary	-£29,527	-£204,527	£156,197	-£48,329	£85,968	£56,296
2091	Warmington School	Primary	-£127,800	-£237,037	£144,358	-£92,678	£3,882	-£56,385
2100	The Avenue Infant School	Primary	-£144,706	-£449,785	£280,037	-£169,748	£60,463	-£15,379
2130	South End Junior School	Primary	-£244,642	-£669,420	£489,872	-£179,548	£185,143	-£89,079
2140	HIGHAM FERRERS INFANT SCHOOL	Primary	-£223,220	-£547,781	£379,477	-£168,304	£62,834	-£138,715
2144	Meadowside Primary School	Primary	£99,489	-£774,665	£562,875	-£211,790	-£18,975	£101,714
2145	EARLS BARTON PRIMARY SCH	Primary	£9,360	-£989,948	£695,753	-£294,195	-£19,822	£0
2155	Whitefriars Primary School	Primary	-£436,937	-£858,826	£480,898	-£377,929	-£1	-£98,956
2180	Hayfield Cross School	Primary	-£228,623	-£803,647	£459,560	-£344,087	£0	-£186,469
2206	NCC Denfield Park Primary	Primary	-£39,945	-£927,510	£675,038	-£252,472	£0	-£39,946
2217	Barton Seagrave County Primary	Primary	-£363,670	-£1,237,540	£822,085	-£415,455	£147,839	-£215,829
2230	Henry Chichele Primary	Primary	-£135,237	-£840,504	£549,964	-£290,540	£70,892	-£28,351
2231	Croyland Primary School	Primary	£15,621	-£1,060,095	£698,978	-£361,117	-£48,204	£0
3030	Geddington C of E Primary	Primary	-£103,661	-£399,361	£271,627	-£127,734	£33,602	-£53,240
3033	Grendon CE Primary	Primary	-£66,501	-£265,095	£175,145	-£89,950	£0	-£66,502
3066	TITCHMARSH C of E PRIMARY	Primary	-£145,100	-£276,485	£197,822	-£78,663	£5	-£75,638
3070	All Saints CE Primary School	Primary	-£78,292	-£454,104	£288,771	-£165,333	£0	-£69,843
3200	Brigstock Lathams CE Primary School	Primary	-£20,663	-£244,706	£153,937	-£90,769	£0	£0
3201	KINGS CLIFFE ENDOWED SCHOOL	Primary	-£147,772	-£438,042	£289,964	-£148,078	£0	-£116,750
3345	Wilby CE (VA) Primary	Primary	-£7,468	-£230,643	£163,400	-£67,243	£1,467	-£2,999
3406	St Patricks RC Primary	Primary	-£39,064	-£461,016	£308,932	-£152,084	-£27,440	-£52,793
3514	Little Stanion Primary School	Primary	-£62,355	-£496,595	£326,836	-£169,759	£49,348	-£3,137
5206	Millbrook Infant School	Primary	-£199,379	-£597,492	£357,577	-£239,915	£125,148	-£19,191
5207	Millbrook Junior School	Primary	-£157,899	-£803,348	£626,645	-£176,703	-£6,401	-£164,300
5209	THRAPSTON PRIMARY SCHOOL	Primary	-£123,891	-£1,027,607	£700,014	-£327,592	£73,661	-£8,591
5210	Stanion CE Primary School	Primary	-£83,675	-£234,646	£146,556	-£88,091	£0	-£60,950
	<b>Total Maintained Primary Schools</b>		<b>-£3,976,041</b>	<b>-£19,256,775</b>	<b>£12,801,570</b>	<b>-£6,455,205</b>	<b>£879,780</b>	<b>-£1,834,803</b>
4055	The Latimer Arts College	Secondary	-£1,083,818	-£2,641,245	£1,768,474	-£872,771	£57,035	-£516,336
	<b>Total Maintained Secondary School</b>		<b>-£1,083,818</b>	<b>-£2,641,245</b>	<b>£1,768,474</b>	<b>-£872,771</b>	<b>£57,035</b>	<b>-£516,336</b>
7031	Rowan Gate Primary School	Special	-£432,906	-£2,127,527	£1,515,267	-£612,260	£86,841	-£315,739
	<b>Total Maintained Special School</b>		<b>-£432,906</b>	<b>-£2,127,527</b>	<b>£1,515,267</b>	<b>-£612,260</b>	<b>£86,841</b>	<b>-£315,739</b>
	<b>Total Maintained Schools</b>		<b>-£5,680,817</b>	<b>-£24,549,671</b>	<b>£17,259,602</b>	<b>-£7,290,069</b>	<b>£1,015,219</b>	<b>-£2,627,336</b>

\* Note: -ve is income or surplus +ve is expenditure or deficit

\* The green cells are derived from the data within NNC's ERP system, while the yellow cells reflect the forecasts provided by the schools to NNC.

2.4 Alfred Lord Tennyson currently faces a financial deficit, a challenge that stems from the previous Governing body's strategy to tackle the declining enrolment issue. In its ongoing commitment to address this matter, the school expanded its age range in order to resolve the issue. The new Governing body has opted to organise single year groups across two sites, resulting in a current enrolment of only 128 pupils. A request has been made by the LA for the school to submit a licensed deficit application.

2.5 Croyland Nursery and Highfield Nursery are part of a federation, aligning with two nurseries in the West. These establishments collectively share a Headteacher and a Strategic School Business Manager. While licensed deficit paperwork has been duly issued and monitored, it has now been forwarded to the Strategic School Business Manager for further attention. Highfield Nursery has navigated a deficit over several years, and there are ongoing efforts to mitigate this, with the optimistic expectation of achieving a balanced budget in the coming year, contingent upon

budgetary considerations. Conversely, Croyland, which previously maintained a positive carry forward, is currently has an overspend on staffing.

- 2.6 Meadowside is experiencing a deficit primarily attributable to the £1925 support staff pay award in 22/23, the school is currently addressing this financial challenge. The school has entered a federation with Great Doddington, and they jointly manage various costs, including the Headteacher's role. According to the latest three-year plan, the collaborative efforts are expected to facilitate the recovery of the deficit within this period. A request for licensed deficit has been submitted by the school.
- 2.7 Tennyson Road Infant School ceased operations as of August 31, 2023, following its amalgamation with Alfred Street Junior.

### **3 Recommendations for Schools Forum**

- 3.1 Schools forum is asked to note the current year's budget position based on the first quarter. Effective budget monitoring is a key tool in financial management and helps ensure strong governance and integrity. It can also help ensure that robust procedures are in place to control finances.

### **4 Next steps**

- 4.1 The Q2 schools monitoring report will be brought to the December schools forum.

### **5 Financial implications**

- 5.1 Paragraph 2.24 Notice of concern in North Northamptonshire's Scheme for Financing Schools states:

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

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations, or prohibitions in relation to the management of funds delegated to it

### **6 Legal implications**

- 6.1 There are no legal implications arising from the report.

### **7. Risks**

- 7.1 If financial difficulties at schools are not identified and addressed in a timely manner, there is a significant risk that an increasing number of schools may not receive the necessary support. Early intervention by the local authority could help to mitigate this risk by allowing for proactive management of these situations. It is important for the local authority to be able to identify and address financial challenges at schools as soon as possible in order to provide the necessary support and prevent the situation from worsening.

#### **Report Author:**

Officer name: Salik Khan  
Officer title: Finance Business Partner  
Email address: Salik.Khan@northnorthants.gov.uk

This page is intentionally left blank

# Agenda Item 5



North  
Northamptonshire  
Council

**North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023**

**Agenda Item 5**

**North Northamptonshire School's Deficit Budget Policy 2024/25**

## **Appendices**

**Appendix A – Deficit Budgets Policy 2024/25**

**Appendix B – Licensed Deficit Business Case Template**

**Appendix C – Accelerated Cash Advance Application**

### **1 Background**

- 1.1 This report is to remind Schools Forum and all maintained schools in North Northamptonshire about NNC's School Deficit Budget Policy. It underscores the significance of this reminder considering the current and progressively challenging economic climate that schools are navigating.
- 1.2 There are no amendments that have been made to the policy since 2022/23. Enclosed within this report pack are the requisite templates that must be completed when seeking approval for a licensed deficit.
- 1.3 Application for a licensed deficit must be submitted prior to the start of the financial year.

### **2 Overview**

- 2.1 At the start of the financial year 2023/24, six schools were operating with a deficit. Subsequently, one school underwent amalgamation, and another successfully achieved a balanced budget during the year, resulting in four schools remaining in deficit. One school has submitted a request for licensed deficit, we are still awaiting the request for the other three schools.
- 2.2 A formal request has been issued to schools currently facing deficits, requesting them to complete the required templates for the licensed deficit application. The Schools Support Team is actively collaborating with these schools, providing assistance and support throughout the application process.

**Table 1 School's in deficit**

DFE Number	School Name	Status	Request for Licensed deficit	Closing Revenue Balance 2022/23	Year end outturn forecast based on P5	Cumulative Revenue Balance Forecast 2023/24
2082	Alfred Street Junior	Deficit	Application sent to school	-£101,611	-£50,000	-£151,611
1001	Croyland Nursery	Deficit	Application sent to school	-£75,357	-£31,000	-£106,357
1003	Highfield Nursery	Deficit	Application sent to school	-£3,432	-£15,000	-£18,432
2144	Meadowside Primary	Deficit	Application received from school	-£99,489	-£82,738	-£182,227
2087	Tennyson Road Infant	Deficit	Amalgamated as of 01/10/23	£29,527	-£80,000	-£50,473
<b>Total</b>				<b>-£250,361</b>	<b>-£258,738</b>	<b>-£509,099</b>

2.3 North Northamptonshire Council's Scheme for Financing Schools sets out the terms and conditions that maintained schools are expected to comply and operate within. The scheme prohibits maintained schools from planning for a deficit when preparing their budget plans, for ease of reference, extracts from the Scheme for Financing Schools are as follows:

**Paragraph 4.9 Licensed deficits**

2.4 Schools must submit a recovery plan to NNC when their revenue deficit rises above 1% at 31 March of any year. A school may be allowed to plan for a deficit budget in exceptional circumstances with the agreement of the NNC Chief Finance Officer and subject to the following restrictions:

- (1) The maximum length over which a school may repay the deficit is normally three years from the beginning of the next financial year in which the deficit arises, and the financial position will be subject to ongoing monitoring and annual review.
- (2) A deficit arrangement will only be allowed where the continuing existence of a school is deemed viable.
- (3) The minimum size of an agreed deficit is 1% of the budget share, and the maximum level is 15% of the budget share.
- (4) The maximum proportion of the collective school balances held by NNC which will be used to back the total of deficit arrangements is 10%.
- (5) Arrangements for individual schools will be determined by the NNC Chief Finance Officer or their nominated officers, in agreement with the school Governing Body. The Governing Body must formally agree to abide by any requirements laid down as a pre-condition to accepting the deficit arrangement.

2.5 In 2023/24 we encouraged schools to start the process as soon as a school recognises that its deficit balance will be 1% or higher. During the budget planning phase, the school is expected to submit a business case and recovery plan for a

licensed deficit authorisation to NNC Schools Finance. The submission should be made by the Chair of Governors in an agreed-upon format.

- 2.6 NNC Schools Finance will review the business case and recovery plan, collaborating with the school and the School's Improvement Manager within Children Services as necessary. This process aims to address any queries or concerns regarding the information provided.
- 2.7 Upon the successful completion of the scrutiny process, the business case and recovery plan will be submitted for consideration to NNC's Assistant Director of Children's Services, the Children's Strategic Finance Business Partner and the Assistant Director of Finance & Strategy. Formal authorisation for the licensed deficit will be granted by these authorities.
- 2.8 The school will receive written notification of the decision, encompassing any terms and conditions associated with the authorisation.
- 2.9 All schools operating with a licensed deficit or managed budget are obligated to submit a monthly deficit monitoring report to the School Support team. This report must be submitted by the 15th of the month, covering the period governed by the licensed deficit, and should illustrate both current and projected expenditures.

#### **4 Recommendations**

- 4.1 Maintained Schools Forum voting members at this meeting are asked to continue to adopt the policy.

#### **5 Financial implications**

- 5.1 Adopting this policy creates financial control in Schools and sets out NNC's requirements for those Schools who are operating in a deficit position.

#### **6 Legal implications**

- 6.1 This policy re-enforces the requirements of NNC's Scheme for Financing Schools 2024/25 which is a statutory requirement for all local authority maintained schools.

#### **7.1 Risks**

- 7.1 If the policy is not re-iterated at Schools Forum the agenda item and minutes which is accessible to the public, there is the risk that schools are not meeting the minimum requirements of North Northamptonshire Scheme for Financing Schools.

#### **Report Author:**

Officer name: Salik Khan

Officer title: Finance Business Partner – Children Services

Email address: [salik.khan@northnorthants.gov.uk](mailto:salik.khan@northnorthants.gov.uk)

This page is intentionally left blank



## **NORTH NORTHAMPTONSHIRE SCHOOL DEFICIT BUDGET POLICY**

### **1. Responsibility for Managing the School Budget**

- 1.1 School governing bodies are the responsible accountable body for managing the school budget.

### **2. Current Policy (NNC Scheme)**

- 2.1 The current main policy for schools' deficits is contained in the NNC Scheme for Financing Schools as follows:

#### **Paragraph 2.9 - Submission of budget plans**

- 2.2 Each maintained school is required to submit a budget plan every year, which takes account of the major categories of expenditure and income, on the NNC Budget Proposal Form. Schools should, when constructing their annual budget plan consider their estimated carry forward deficit/surplus balance as at the previous 31<sup>st</sup> March.
- 2.3 NNC will supply schools with all school income and expenditure data which it holds which is necessary for efficient planning by schools, and supply schools with an annual statement showing when this information will be available at times through the year.
- 2.4 Schools are allowed to take full account of estimated deficits and surpluses at the previous 31 March in their budget plan.
- 2.5 The budget proposal form for submission of budget plans should take account of the consistent financial reporting framework and the desirability of compatibility with that.
- 2.6 The school's formal annual budget plan must be approved by the Governing Body or a committee of the governing body. Any changes to this i.e., variations of budget during the year should also be approved by the Governing Body or committee.
- 2.7 The date for the initial submission of the budget proposal plan is the 1<sup>st</sup> Friday in May.

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

- 2.8 Schools must carry forward from one financial year to the next any shortfall in school budget share relative to their expenditure for the year plus/minus any balance brought forward from the previous year. This will be affected through a deduction from the following year's budget share.

#### **Paragraph 4.5 - Planning for deficit budgets**

- 2.9 It is not permissible for schools to budget for a deficit, except in those circumstances set out below. School budget plans must be prepared with a view to breaking even or creating a surplus at the end of the financial year.

- 2.10 Where schools have reason to anticipate a deficit the NNC Chief Finance Officer must be informed immediately.

**Paragraph 4.6 - Charging of interest on deficit balances**

- 2.11 Schools will not be charged interest on any unplanned year end deficits as a matter of course. However, where an unplanned overdraft occurs on a school's local bank account, although NNC will underwrite such an overdraft, the school's budget will be charged any interest or other costs that arise.

**Paragraph 4.7 - Writing off deficits**

- 2.12 NNC cannot write off the deficit balance of any school.

**Paragraph 4.8 - Balances of closing and replacement schools**

- 2.13 When a school closes, any balances (whether surplus or deficit) revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where the school converts to academy status under section 4(1) (a) of the Academies Act 2010.

**Paragraph 4.9 – Licensed deficits**

- 2.14 Schools must submit a recovery plan to NNC when their revenue deficit rises above 1% at 31 March of any year. A school may be allowed to plan for a deficit budget in exceptional circumstances with the agreement of the NNC Chief Finance Officer and subject to the following restrictions:
- a. The maximum length over which a school may repay the deficit is normally three years from the beginning of the next financial year in which the deficit arises, and the financial position will be subject to ongoing monitoring and annual review.
  - b. A deficit arrangement will only be allowed where the continuing existence of a school is deemed viable.
  - c. The minimum size of an agreed deficit is 1% of the budget share, and the maximum level is 15% of the budget share.
  - d. The maximum proportion of the collective school balances held by NNC which will be used to back the total of deficit arrangements is 10%.
  - e. Arrangements for individual schools will be determined by the NNC Chief Finance Officer or their nominated officers, in agreement with the school Governing Body. The Governing Body must formally agree to abide by any requirements laid down as a pre-condition to accepting the deficit arrangement.

### **Further Guidance and Procedures**

The following guidance and procedures are produced in support of the statutory policy outlined above.

#### **3. Submission of a Business Case and Deficit Recovery Plan**

- 3.1 All schools are required to include use of the carry forwards (including overspends from the previous financial year) on their Budget Proposal Form.
- 3.2 Where a deficit of 1% or more is identified by the school as part of the budget planning process, a business case and recovery plan for a licensed deficit to be authorised is to be submitted to NNC Schools Finance by the Chair of Governors in an agreed format at the same time or before the Budget Proposal Form.
- 3.3 Schools should know well in advance of the year end that they are heading for a deficit) so they should conduct pre-emptive work to identify savings and produce/submit the business case and recovery plan in time before the start of the subsequent financial year.
- 3.4 Schools should also work in close liaison with NNC HR (or their own HR advisor) to ensure that their proposed savings can be met and that all relevant documentation including a business case for any redundancy costs to be met by the local authority is submitted in accordance with NNC redundancy policy.
- 3.5 Where the recovery of the deficit is likely to impact on teaching standards, the school should also consult the Head of School Effectiveness at NNC.
- 3.6 Where there are delays in producing a recovery plan, the Chair of Governors and Headteacher will be required to meet with Schools Finance to explain the reasons for the delay and for actions to be agreed.

#### **4 Authorisation of Licensed Deficits**

- 4.1 The business case and recovery plan will be scrutinised by NNC Schools Finance who will liaise with the school, and NNC Human Resources (or the school HR advisor) and the School's Improvement Manager within Children Services as required to resolve any queries or concerns they may have regarding the information provided. Any such queries are to be resolved as quickly as possible.
- 4.2 Where necessary, the matter may be referred to the Head of School Standards and Effectiveness who may recommend more formal intervention to the Director of Children's Services i.e.:
  - a. issuing a local authority warning notice
  - b. instigation of an Interim Executive Board
  - c. removal of the school delegated budget

- 4.3 Once the above scrutiny process has been completed, the business case and recovery plan will be presented to the NNC's AD Children's Services, Children's Strategic Finance Business Partner & Assistant Director of Finance & Strategy who will formally authorise the licensed deficit, subject to any further queries which might arise. This process should be complete within one month of receipt of the business case and recovery plan –any delay will be notified to the school.
- 4.4 The annual recovery plan and approach for any schools with deficits greater than £50k (Primary, Nursery or Special) or £100k (Secondary) will need to be authorised by the Assistant Director of Education.
- 4.5 The school will be notified of the decision in writing which will include any terms and conditions attached to the authorisation which will include:
- a. The maximum deficit allowed for each year covered by the authorisation;
  - b. The period covered by the authorisation;
  - c. The monitoring and reporting requirements; and
  - d. Measures which may be taken if the school fails to adhere to the agreed plan or the terms and conditions.
- 4.6 A copy of the authorisation letter will be sent to NNC Human Resources (or the school HR advisor) and the Head of School Effectiveness.

## **5 Managed Deficits**

- 5.1 Any deficits which are below the 1% threshold for licensed deficits will be deemed to be "managed deficits". Budgets with a managed deficit should be recovered to a balanced position by the end of the financial year.
- 5.2 On receipt of a Budget Proposal Form which shows a managed deficit, the School Support team will confirm the reporting requirements in the letter agreeing to the budget.
- 5.3 The school will be required to submit a copy of their Cumulative Expense Analysis Report to School Support team by either the 15<sup>th</sup> of each month (or every 2 months) as stated in the deficit approval letter for the financial year concerned which will be scrutinised by the School Support team.
- a. Where there is evidence that the school will not achieve a balanced budget by the financial year end the Schools support team will discuss this with the Headteacher (and where necessary Chair of Governors) to identify and agree further savings to be made to achieve the necessary target.
  - b. In the event that the school is still forecasting it will be unable to deliver a balanced budget by year end, the matter is to be referred to the Senior finance business partner in Children's Service who will decide what action may be taken.

## 6 Monitoring and Reporting

- 6.1 All schools with a licensed deficit or managed budget will be required to submit a monthly deficit monitoring report to School Support team by the 15<sup>th</sup> of the month during the period covered by the licensed deficit to demonstrate current and forecast expenditure.
- 6.2 The format of the monitoring report will be as follows:
- a. A covering note from the chair of governors explaining the progress made during the period and the reasons for any deviation from the agreed recovery plan and the actions being taken to rectify the situation.
  - b. A copy of the Cumulative Expense Analysis Report as at the submission date.
- 6.3 Where any non-delivery within the submitted recovery plan occurs, schools will be required to outline the reasons for variances and identify alternative mitigating actions to deliver the deficit recovery plan.
- 6.4 The monitoring reports will be scrutinised by the Schools Finance team who will raise any concerns (which will include failure to submit the monitoring reports on time) directly with the Chair of Governors or Headteacher in the first instance.
- 6.5 In the event that the monitoring report is not received within 14 days of the due date, the Schools Finance team will notify the Finance Business Partner, School funding, who will recommend to the Children's Services Strategic Finance Business partner what follow up action may be required, which may include:
- a. Notifying NNC HR (or the school HR advisor) and the Head of School Effectiveness.
  - b. Calling the Chair of Governors and Headteacher in for a meeting to discuss the situation.
  - c. Referring the matter to the Assistant Director Education who may recommend more formal intervention to the Director of Children's Services i.e.:
    - issuing a local authority warning notice
    - instigation of an Interim Executive Board
    - removal of the school delegated budget
- 6.6 The School team will maintain a central monitoring spreadsheet which will contain the details of all maintained schools with agreed deficits and the following information:
- a. Details of all licensed and managed budgets;
  - b. Dates when monthly reports have been received;
  - c. Comments and concerns including meetings held etc. and
  - d. Proposed dates of academy conversions.

- 6.7 This information will be shared on a regular basis with senior school improvement colleagues.

## **7 In-Year Deficit**

- 7.1 When a potential unplanned deficit is identified or envisaged during the financial year either by the school (school should make the school support team aware) or by School Support team as part of their monitoring, the following process will apply:
- a. The potential deficit will be acknowledged by the Strategic Finance Business Partner, who will confirm to the chair of governors in writing the requirement for monitoring reports to be submitted and any other requirements.
  - b. A copy of the letter will be sent to NNC Human Resources (or the school HR advisor) and the Head.
- 7.2 The school should develop their plans for recovering the deficit as soon as a potential deficit is identified with support from Schools Support team and a formal business case and recovery plan is to be submitted within 3 months of the in-year deficit being identified (or with the next budget proposal whichever is earlier).
- 7.3 Details of the in-year deficit will be entered onto the monitoring spreadsheet by the Schools Finance team.

## **8 Deficit in case of an Academisation**

- 8.1 Where a school with a deficit is to open as a converter academy the deficit remains with the Academy.
- 8.2 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.

## **9 Accelerated Cash Advances for Deficit Schools**

- 9.1 Schools with a deficit budget will only be permitted to apply for an accelerated cash advance up to the value of their authorised deficit.
- 9.2 Any application will need to identify when the accelerated cash advance will be repaid.

## **10 Further Advice**

- 10.1 Further advice on planning school's budgets should be sought from Schools Finance Support Team.



## BUSINESS CASE FOR LICENSED DEFICIT - CONFIDENTIAL

<b>Name of School (s)</b>		<b>DfE Number</b>	
<b>Effective Date of Proposed Licensed Deficit</b>			

### 1. Details of the proposal for Licensed Deficit

### 2. Please give full details of:

#### a) Recovery plan

--

#### b) Proposed timelines

--

### 3. Declaration

- a) I hereby certify that the above gives a correct statement of the school balance and request a licensed deficit.
- b) I have attached all the attachment requested in the checklist and give a correct statement of the cash balance held at the bank and of the reconciliation to the bank account on financial system
- c) I hereby certify that the Recovery plan is signed by the governing body.

<b>Signed</b>		<b>Date</b>	
<b>Name</b>	Chair of Governors Head teacher		

Checklist of Attachments – where applicable	Attached (please tick)
	<b>Yes</b>
<b>SIMS Outstanding Order Report.</b>	
<b>SIMS Balances and Reserves Report</b>	<input type="checkbox"/>
<b>NNC 3 year budget planning tool</b>	<input type="checkbox"/>
<b>Revised 3 year budget plan showing proposed savings</b>	<input type="checkbox"/>
<b>Completed SB1 (Maintained Schools Balance Scheme)</b>	<input type="checkbox"/>
<b>Supporting evidence form. (Annex A,B,C,D,E)</b>	<input type="checkbox"/>
<b>Governor meeting minutes for approval of recovery plan</b>	<input type="checkbox"/>

The original signed business case and attachments are to be sent to:

Schools Supports Team Manager  
[Cathryn.Walker@northnothants.gov.uk](mailto:Cathryn.Walker@northnothants.gov.uk)

**For Council use:**

<b>School Supports Team Manager</b>					
<b>Signed</b>		<b>Date</b>		<b>Name</b>	
<b>Finance Business Partner</b>					
<b>Signed</b>		<b>Date</b>		<b>Name</b>	
<b>Strategic Finance Business Partner</b>					
<b>Signed</b>		<b>Date</b>		<b>Name</b>	
<b>AD Finance &amp; Strategy, AD of Education</b>					
<b>Signed</b>		<b>Date</b>		<b>Name</b>	
<b>Signed</b>		<b>Date</b>		<b>Name</b>	



## REQUEST FOR AN ACCELERATED CASH ADVANCE

**SCHOOL** \_\_\_\_\_ **DfE NO** \_\_\_\_\_

I am requesting an accelerated cash advance of £\_\_\_\_\_ to cover commitments up to \_\_\_\_\_ (insert date).

**REPAYMENT PROFILE** (please discuss this with your School Financial Advisor before completion):

Month/Year:	Repay: £
Month/Year:	Repay: £
Month/Year:	Repay: £

### CURRENT CASH ADVANCES

Amount: £	Repayment date:
-----------	-----------------

**I attach the following reports (all required):**

1. SIMS Outstanding Orders Report.
2. SIMS Balances and Reserves Report.
3. 3 Year Budget plan
4. Licensed Deficit report
5. Supporting evidence form. ( Annex A,B,C,D,E)

Additional information (e.g. latest deficit budget projection as applicable):

---



---

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Headteacher)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Chair of Governors or Finance Committee)

**Return with attachments to North Northamptonshire Council, Schools Finance, One Angel Square, Northampton NN1 1ED.**

**(FOR LOCAL AUTHORITY USE ONLY)**

**CHECKED BY SCHOOL FINANCIAL ADVISOR:**

Comments: \_\_\_\_\_  
\_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**CHECKED BY STRATEGIC FINANCE BUSINESS PARTNER:**

Comments: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

**AUTHORISED BY ASSISTANT DIRECTOR OF EDUCATION :**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_



## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 6

#### Schools Balances Control Policy 2024/25

## Appendices

### Appendix A – School Balances Control Policy

#### 1 Background

1.1 In the June 2023 School Forum report on 2022/23 Maintained School Balances and Licensed Deficits, we outlined key next steps. Subsequently, the Schools Forum is invited to endorse North Northamptonshire's policy on the Control of Surplus Balances in Schools and acknowledge schools' final balance positions for 2022/23 in accordance with CFR submission.

#### 2 Controls on Surplus Balances

2.1 At the close of the 2021/22 fiscal year, only one school showcased its committed revenue balance by disclosing balances under item B01- Committed Revenue Balance in adherence to the Consistent Financial Reporting. Conversely, at the end of 2022/23 financial year, a combined total of 29 schools not only affirmed their committed revenue balances but also provided supporting evidence in accordance with the surplus balance policy guidelines.

2.2 This collective engagement underscores a positive shift towards heightened transparency within our schools. Importantly, it reflects a broader adoption of best practices in financial reporting. It is particularly encouraging to note that, in adherence to the surplus balance policy, none of the schools involved are deemed eligible for clawback considerations.

2.3 Table 1 outlines the variety of commitments, specifying the number of schools and the total sum of commitments.

**Table 1 – Total commitments by number of schools & total of commitments**

Type of Commitments	Number of Schools	Total of Commitments
Outstanding Orders	15	£312,874
Erasmus Funding	1	£10,000
PE & Sports Premium	20	£157,532
School Led Tutoring	17	£141,731

Homes for Ukraine	3	£30,818
Covid 19 -Catch up	1	£7,892
16/19 Student Support unspent Grant	1	£2,656
UIFSM	2	£49,174
Recovery Premium	14	£43,732
Pupil Premium	19	£252,423
School Improvement Plan	9	£244,556
Phonics Grant	1	£6,000
Pupil Growth	1	£22,401
EHCP	1	£2,200
3 Year Plan	4	£255,185
Maintenance/Building Work at School	3	£599,245
<b>Total</b>		<b>£2,138,419</b>

2.4 Table 2 lists the schools balances and if they are subject to clawback.

**Table 2 – Schools with balances in excess of 10% of their School Income**

DFE No	School Name	Opening Revenue Balance 2022/23	2022/23 Total income (CFR I01 - I18D)	Closing Revenue Balance 2022/23	In Year Surplus (+ve) / Deficit (-ve)	Surplus as a % of income	10% of Income	Committed closing balances as per CFR	Uncommitted closing balances as per CFR	"Excess" surplus beyond 10% of all School Income
1000	Ronald Tree Nursery School	£17,681	£712,931	£60,802	£43,121	8.5%	£71,293	£0	£60,802	£0
1001	Croyland Early Years Centre	-£51,267	£1,015,303	-£75,357	-£24,090	-7.4%	£101,530	£0	-£75,357	£0
1003	Highfield Nursery School	-£24,487	£584,552	-£3,432	£21,054	-0.6%	£58,455	£0	-£3,432	£0
1011	Pen Green Centre	£331,041	£2,569,069	£206,039	-£125,002	8.0%	£256,907	£0	£206,039	£0
	<b>Total Maintained</b>	<b>£272,968</b>	<b>£4,881,855</b>	<b>£188,052</b>	<b>-£84,916</b>		<b>£488,186</b>		<b>£188,052</b>	

	Nursery Schools									
2007	Broughton Primary	£157,163	£1,099,117	£144,534	-£12,629	13.2%	£109,912	£76,370	£68,164	£0
2019	Corby Old Village Primary School	£156,240	£1,180,204	£148,987	-£7,253	12.6%	£118,020	£30,968	£118,019	£0
2029	Mawsley Community Primary School	£115,592	£1,687,801	£89,722	-£25,869	5.3%	£168,780	£0	£89,722	£0
2041	Great Doddington Primary	£95,721	£834,536	£148,516	£52,796	17.8%	£83,454	£70,627	£77,889	£0
2048	HIGHAM FERRERS JUNIOR SCHOOL	£254,063	£1,793,560	£240,862	-£13,202	13.5%	£179,356	£61,506	£179,356	£0
2072	Nassington School	£152,012	£582,726	£164,528	£12,516	28.2%	£58,273	£106,255	£58,273	£0
2082	NCC Alfred Street Junior School	-£57,632	£772,616	-£101,611	-£43,979	-13.2%	£77,262	£17,755	-£119,365	£0
2086	South End Infant School	£68,935	£1,357,338	£54,944	-£13,990	4.0%	£135,734	£0	£54,944	£0
2087	Tennyson Road Infant School	£53,212	£626,928	£29,527	-£23,684	4.7%	£62,693	£0	£29,527	£0
2091	Warmington School	£116,201	£602,675	£127,800	£11,599	21.2%	£60,267	£67,533	£60,267	£0
2100	The Avenue Infant School	£145,515	£1,123,432	£144,706	-£809	12.9%	£112,343	£68,864	£75,842	£0
2130	South End Junior School	£235,834	£1,811,888	£244,642	£8,808	13.5%	£181,189	£136,614	£108,028	£0
2140	HIGHAM FERRERS INFANT SCHOOL	£138,780	£1,464,973	£223,220	£84,440	15.2%	£146,497	£131,671	£91,549	£0
2144	Meadowside Primary School	£84,275	£1,965,694	-£99,489	-£183,763	-5.1%	£196,569	£25,122	-£124,611	£0
2145	EARLS BARTON PRIMARY SCH	£49,055	£2,480,876	-£9,360	-£58,415	-0.4%	£248,088	£10,462	-£19,822	£0
2155	Whitefriars Primary School	£349,268	£2,165,659	£436,937	£87,669	20.2%	£216,566	£337,982	£98,955	£0
2180	Hayfield Cross School	£254,929	£1,864,684	£228,623	-£26,306	12.3%	£186,468	£42,154	£186,468	£0
2206	NCC Denfield Park Primary	£37,620	£2,436,772	£39,945	£2,326	1.6%	£243,677	£0	£39,945	£0

2217	Barton Seagrave County Primary	£343,914	£3,135,166	£363,670	£19,756	11.6%	£313,517	£77,838	£285,832	£0
2230	Henry Chichele Primary	£165,913	£2,061,718	£135,237	-£30,675	6.6%	£206,172	£35,994	£99,243	£0
2231	Croyland Primary School	£49,115	£2,822,520	-£15,621	-£64,736	-0.6%	£282,252	£17,080	-£32,701	£0
3030	Geddington C of E Primary	£117,377	£996,583	£103,661	-£13,717	10.4%	£99,658	£16,638	£87,023	£0
3033	Grendon CE Primary	£49,648	£669,654	£66,501	£16,853	9.9%	£66,965	£0	£66,501	£0
3066	TITCHMARSH C of E PRIMARY	£127,903	£756,435	£145,100	£17,197	19.2%	£75,644	£69,455	£75,644	£0
3070	All Saints CE Primary School	£218,683	£1,133,764	£78,292	-£140,391	6.9%	£113,376	£8,448	£69,844	£0
3200	Brigstock Lathams CE Primary School	£84,171	£609,342	£20,663	-£63,508	3.4%	£60,934	£0	£20,663	£0
3201	KINGS CLIFFE ENDOWED SCHOOL	£223,642	£1,167,498	£147,772	-£75,870	12.7%	£116,750	£31,023	£116,749	£0
3345	Wilby CE (VA) Primary	£25,611	£567,992	£7,468	-£18,143	1.3%	£56,799	£3,000	£4,468	£0
3406	St Patricks RC Primary	£61,089	£1,237,556	£39,064	-£22,024	3.2%	£123,756	£13,712	£25,352	£0
3514	Little Stanion Primary School	£97,133	£1,299,503	£62,355	-£34,778	4.8%	£129,950	£13,613	£48,742	£0
5206	Millbrook Infant School	£250,241	£1,367,811	£199,379	-£50,863	14.6%	£136,781	£62,597	£136,781	£0
5207	Millbrook Junior School	£390,220	£2,237,129	£157,899	-£232,321	7.1%	£223,713	£0	£157,899	£0
5209	THRAPSTON PRIMARY SCHOOL	£216,452	£2,570,431	£123,891	-£92,560	4.8%	£257,043	£41,640	£82,251	£0
5210	Stanion CE Primary School	£69,844	£609,499	£83,675	£13,831	13.7%	£60,950	£22,725	£60,950	£0
	<b>Total Maintained Primary Schools</b>	<b>£4,897,735</b>	<b>£49,094,081</b>	<b>£3,976,041</b>	<b>-£921,694</b>		<b>£4,909,408</b>	<b>£1,597,646</b>	<b>£2,378,393</b>	<b>£0</b>
4055	The Latimer Arts College	£905,835	£7,004,052	£1,083,818	£177,983	15.5%	£700,405	£510,447	£573,371	£0
	<b>Total Maintained</b>	<b>£905,835</b>	<b>£7,004,052</b>	<b>£1,083,818</b>	<b>£177,983</b>		<b>£700,405</b>	<b>£510,447</b>	<b>£573,371</b>	<b>£0</b>

	Secondary School									
7031	Rowan Gate Primary School	£158,607	£5,733,653	£432,906	£274,299	7.6%	£573,365	£30,326	£402,580	£0
	<b>Total Maintained Special School</b>	<b>£158,607</b>	<b>£5,733,653</b>	<b>£432,906</b>	<b>£274,299</b>		<b>£573,365</b>	<b>£30,326</b>	<b>£402,580</b>	<b>£0</b>
	<b>Total Maintained Schools</b>	<b>£6,235,145</b>	<b>£66,713,641</b>	<b>£5,680,817</b>	<b>-£554,328</b>		<b>£6,671,364</b>	<b>£2,138,419</b>	<b>£3,542,396</b>	<b>£0</b>

2.5 Paragraph 4.2 of Scheme for Financing Schools sets out North Northamptonshire's control of surplus balances mechanism.

#### 4.2 Controls on surplus balances

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

- (1) the Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework.
- (2) the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance.
- (3) the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also consider any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
- (4) if the result of steps (1) – (3) is a sum greater than 10% of the current year's budget share for primary, nursery, secondary and special schools, then the Authority shall deduct from the current year's budget share an amount equal to the excess.

2.6 The proposed Policy on Control of Surplus Balances for NNC's maintained schools is attached to this report. Key points in the policy are:

- Schools are entitled to retain balances up to 10% of budget for all maintained nursery, primary, secondary schools and special schools in line with Paragraph 4.2 of North Northamptonshire Scheme for Financing Schools.
- For retention of amounts in excess of these percentages, the proposed usage would need to meet certain criteria which are set out in section 2 of the policy.

This will need to be evidenced through the completion of a 'Surplus Balance Analysis Form'.

- There will be a process of validation of the excess surplus balances prior to any clawback.

2.7 In summary the circumstances in which a clawback of balance could happen would be where:

- the reasons for the retention of the surplus balance fail to meet the criteria set out in the policy.
- there is an excess balance if the school fails to submit a Surplus Balance Analysis within the prescribed timescale (end of Summer term).

### **3 Recommendations for Schools Forum**

- a) That School Forum considers approving the policy included with this report.
- b) That the policy is implemented for the current financial year 2023/24 and applies to balances held at 31<sup>st</sup> March 2024.

### **4 Next steps**

4.1 The next steps depend on the feedback given by Schools Forum voting members at this meeting.

### **5 Financial Implications**

5.1 If the policy is implemented this would mean a potential clawback in school balances. However, there isn't any school which is subject to clawback in 2022-23 as illustrated in Table 2 above.

### **6 Legal implications**

6.1 Implementation of this policy would fall within North Northamptonshire Scheme for Financing Schools.

#### **7.1 Risks**

7.1 There is a risk that the decision made by Schools Forum will prove unpopular with maintained schools with substantive balances.

#### **Report Author:**

Officer name: Salik Khan

Officer title: Finance Business Partner – Children Services

Email address: [Salik.khan@northnorthants.gov.uk](mailto:Salik.khan@northnorthants.gov.uk)



## Appendix A - School Balances Control Mechanism Policy

### 1.0 INTRODUCTION

- 1.1 The NNC's scheme for School finance states that all maintained schools can carry forward unspent revenue balances (arising from net underspends against their delegated budgets) from one financial year to the next.
- 1.2 Schools may carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.
- 1.3 Schools will not be paid interest on any unspent centrally held year-end balances. However, in so far as schools hold their unspent balances within a local school bank account, they may receive interest on the balance held within that account.

### 2.0 MANAGEMENT OF SURPLUS BALANCES IN SCHOOLS

- 2.1 It is recognised that it may be financially valid and prudent for a school to hold a certain level of reserves to meet unforeseen emergency or outstanding commitments.
- 2.2 Surplus balances held by schools, as permitted under the Scheme for financing school, are subject to the following:
  - The Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework.
  - All schools are required to complete a '**Surplus Balance Analysis Form**', as issued by the Local Authority, and present this to the Governing Body for discussion before the end of the summer term. In addition, for those schools which have excess surplus balances the '**Surplus Balance Analysis Form**' should be submitted to the Local Authority by the end of the Summer Term.
  - The surplus balance, more than recommended levels, can be assigned for specific purposes as listed below. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purposes in question.
- 2.3 The criteria for balances to be assigned for specific purposes and which are included in the Balance Analysis Form as follows:
  - Prior year commitments – any commitments from the previous financial year where goods and services were ordered but not delivered or paid.

- Commitments of a 'capital' & 'other capital' nature – planned building works, refurbishment work, or IT development. Schools can build up surplus balances towards specific projects though must not defer implementation indefinitely.
  - Income generated previously by sponsorship, donations etc.
  - Commitments of a 'revenue' nature – school improvement and other planned priorities.
  - Unspent & Committed pupil-focused extended School Funding And/or Grants.
  - Unspent previous fiscal year's Pupil Premium Grant.
- 2.4 Schools may enter into commitments that extend into following financial years if they can reasonably expect that the costs of any such commitments will be fully funded and completed within the indicated timescales.
- 2.5 Schools must be able to evidence their planned expenditure by reference to the School Improvement/Development Plan or Asset/Building Management Plan.
- 2.6 Schools are required to report to the Governing Body on how surplus balances are intended to be spent. The Minutes of the Governing Body meetings, quotations for work, orders and invoices for the specific purposes outlined above and Diocese agreement to capital projects for VA schools, are considered as suitable evidence for planned expenditure.
- 2.7 Funds derived from sources other than the NNC will be considered if those funds have been paid into the budget share account of the school.
- 3.0 CLAWBACK OF EXCESSIVE SURPLUS BALANCES**
- 3.1 Surplus balances that are deemed to be excessive are where year end balances are greater than 10% of the preceding year's Budget Share for Nursery, Primary, Secondary and Special schools. This is in line with North Northamptonshire's Scheme for Financing Schools.
- 3.2 The proposal is that the Local Authority will review schools where surplus balances are greater than 10% of their school budget share.
- 4.0 CHECKING THE VALIDITY OF EXCESSIVE SURPLUS BALANCES PRIOR TO CLAWBACK**
- 4.1 For schools that fall within the criteria laid out in 3.2, the Local Authority will review the content of the Balance Analysis Forms.
- 4.2 The Local Authority will also check that the expenditure outlined in the Surplus Balance Analysis Forms reflects the expenditure that has been included in the School Budget Plan.

- 4.3 Where the Local Authority is satisfied with the plans and the evidence, they will confirm this to the school. Monitoring will continue to take place throughout the year to verify that planned expenditure is eventually realised.
- 4.4 Where, through investigation and consultation, a school fails to satisfy the Local Authority that expenditure meets the Authority's criteria or is unable to provide sufficient evidence when requested, the school will be notified of the amount of money that will be clawed back. The maximum permissible amount of claw back is that more than the 10% thresholds that the Authority deem is not properly assigned.
- 4.5 If a school has an excess balance above the 10% thresholds and fails to submit a 'Surplus Balance Analysis Form' to justify the excess balance, by the end of the Summer Term, then the Council will claw back the excess balance.
- 4.6 The final decision will be made by the Director of Children's Service with the full involvement of the Finance.
- 4.7 If schools wish to appeal this should be put in writing the Chief Finance Officer
- 4.8 Any balances clawed back will be used to offset deficit balances paid by the Council under directed Academy Conversions. Any alternative use of any clawback funding will be subject to discussion with the Schools Forum.
- 5.0 **SUPPORT FOR SCHOOLS WITH SURPLUS REVENUE BALANCES**
- 5.1 If a school has any queries regarding what is deemed to be an acceptable purpose for carrying forward a large surplus balance, they can contact the School Support Team for advice and guidance.

This page is intentionally left blank

# Agenda Item 7



**North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023**

**Agenda Item 7**

**DSG Update 2023-24 Period 5**

## List of appendices

### Appendix A – DSG forecasts 2023/24

#### 1. Purpose of the Report

- 1.1 The purpose of the report is to ensure that the Schools Forum is informed of the current financial position of the Dedicated Schools Grant (DSG) against the budget for 2023-24.

#### 2. Background

- 2.1 The Dedicated Schools Grant (DSG) is a ring-fenced specific grant allocated to the Council by the Government to support a range of education related services.
- 2.2 The Department for Education (DfE) currently operate a four-block funding model for funding schools and pre-16 education including early years as set out in the following table:

<b>Dedicated Schools Grant (DSG)</b>			
<b>Schools Block</b>	<b>Central Schools Services Block</b>	<b>High Needs Block</b>	<b>Early Years Block</b>
The School's Block is the largest element of the DSG and is allocated to Schools and Academies for day-to-day spending in their individual budgets.	The Central Schools Block provides funding for local authorities to carry out central functions on behalf of maintained schools and academies.	The High Needs funding system supports provision for Children and Young People with Special Educational Needs and Disabilities (SEND) from their early years to age 25.	The Early Years Block provides funding for 2-, 3- and 4-year-olds.

### 3. DSG Funding Update

- 3.1 The original DSG Budget for 2023/24 is £354.963m. In July, the DSG allocation was revised to reflect a reduction of £308k. This was a reduction of £382k in the Early Years Block due to lower participation numbers but was partially offset by a slight increase in the High Needs Block of £74k resulting from additional funding for special free schools. After allowing for academies recoupment of £222.910m, which is where a local authority's DSG allocation is adjusted to reflect the grant that has been paid direct to academies, and high needs place deductions of £11.082m, the DSG Budget that remained in the LA is £120.663m.

Dedicated Schools Grants Budget 2023/24					
Block	Gross Budget	July DSG Allocation Adjustment	Revised Budget	Recoupment	Net Budget
	£'000	£'000	£'000	£'000	£'000
Schools Block	270,284	0	270,284	222,910	47,374
Central Schools Block	3,287	0	3,287	0	3,287
High Needs Block	57,851	74	57,925	11,082	46,843
Early Year Block	23,541	(382)	23,159	0	23,159
<b>Total</b>	<b>354,963</b>	<b>(308)</b>	<b>354,655</b>	<b>233,992</b>	<b>120,663</b>

### 4. DSG Update 2023/24 – Forecast Outturn

- 4.1 The national pressure on services to support the education of children with additional needs is well documented. This has been exacerbated by the ongoing impacts of COVID on children and young people's health and wellbeing. Many Councils are struggling to contain expenditure within the budget available to meet needs. The mitigation actions that are available often have front loaded costs and benefits are felt over the course of many years. Whilst funding has been increased, this has not reflected the full increase in needs that are being identified.
- 4.2 The Council's overall outturn forecast for the DSG as at Period 5, is a forecast pressure of £4.995m the Net Spend is forecast to be £125.658m against the approved budget of £120.663m. This is summarised in the table below and it is important to note that this is subject to continual review and this is summarised in the Tabel below and further details are set out in Appendix A.

**Dedicated Schools Grants Forecast Outturn 2023/24**

Block	Gross Budget £'000	July DSG Allocation Adjustment £'000	Revised Budget £'000	Recoupment £'000	Forecasted Net Budget £'000	Forecasted Net Spend £'000	Variance £'000
Schools Block	270,284	0	270,284	222,910	47,374	47,374	0
Central Schools Block	3,287	0	3,287	0	3,287	3,287	0
High Needs Block	57,851	74	57,925	11,082	46,843	52,538	5,695
Early Year Block	23,541	(382)	23,159	0	23,159	23,159	0
<b>Total</b>	<b>354,963</b>	<b>(308)</b>	<b>354,655</b>	<b>233,992</b>	<b>120,663</b>	<b>126,358</b>	<b>5,695</b>
<b>DSG Reserves 2023/24</b>							<b>(700)</b>
<b>DSG Forecasted Overspend</b>							<b>4,995</b>

4.3 In the financial year 2022/23 NNC reported an overspend of £1.8m on the HNB. This was offset against the historic surplus of £2.5m that had been brought forward from 2021/22, leaving a reserves balance of £700k. For 2023/24, pressures have continued to increase, and it is now forecast that the HNB overspend will be overspent by £5.695m. The remaining reserves of £700k have been used to mitigate this, leaving a forecast overspend of £4.995m. The composition of these pressures prior to the use of reserves is as follows:

- The ongoing increase in the number of requests for Education, Health and Care Plans (EHCP), at Early Years and statutory school age, has exceeded the rate that was used in setting the budget, this pressure is forecast to be around £1.6m.
- A greater proportion of EHCP identifying high level needs and requiring higher levels of funding to be fully met, this pressure is forecast to be around £500k. (SENDIF)
- Sufficiency issues in local SEND placements meaning greater use of Independent Providers at significantly higher cost, this pressure is forecast to be around £2.7m.
- The identification of historic commitments that remain outstanding and must now be paid is a one-off pressure and amount to around £500k.
- Pressures in Mainstream Top Ups are related to an ongoing increase in the number of requests for statutory assessment over and above the level budgeted for. By supporting mainstream schools to meet higher levels of need, pressure is reduced on the specialist placement budgets, this pressure is forecasted to around £462k. In addition, there are minor net favourable variances which amount to £67k.

4.4 Significant work has already been undertaken to put in place actions to mitigate pressures, these include:

- Collaborative work with two local special schools to create outreach service to support inclusion in mainstream settings and identify needs, and strategies to meet these, at the earliest opportunity.
  - The creation of additional SEND places in Special Schools and Special School satellite provision on mainstream school sites.
  - The creation of new SEND units in mainstream schools.
  - Development of an early Years SEND provision.
  - Partnership working with an outstanding Alternative Provision (AP) Academy Trust to create new capacity in NNC.
  - Improved commissioning arrangements with independent providers to control costs and provide greater consistency of delivery.
  - Joint commissioning work with health services to improve and widen provision of Speech and Language services.
  - Greater focus on the Annual Review process to identify where needs have reduced or an EHCP is no longer required.
  - Investment in the EHCP team to ensure needs are assessed in as accurate and timely manner as possible.
  - Improved decision-making processes that ensure thresholds and funding decisions are robust and consistent.
- 4.5 Work is ongoing, and a key focus will be the identification of opportunities to create further capacity. NNC was not successful in a bid to DfE for a new Special Free School in the area, as such other routes to creating this capacity are being investigated. A separate bid for a Free AP provision is with DfE and an outcome is expected shortly.
- 4.6 Further opportunities to create SEND places are being developed in partnership with local Special and Mainstream schools. The impact of the outreach services is being assessed with a view to extending these and targeting resources as effectively as possible as part of a wider focus on inclusion. A simplification of EHCP funding through the adoption of a banded system will reduce pressure on the EHCP team and give schools and providers greater clarity and stability. The Education Case Management System will offer significantly improved financial functionality and rigour, improve parental access to information about the progress of an EHCP and create efficiencies in the EHCP process.
- 4.7 Where a local authority has an overall deficit on its DSG account at the end of the financial year, or where a surplus has substantially reduced during the year, they must provide information to the DfE about pressures and savings on the



High Needs Budget as part of a DSG Deficit Management Plan. In addition, where there is a deficit, this will have an adverse impact on the Council's cashflow position and will impact on the resources available for investment – which will result in the investment income being lower.

- 4.8 Looking to 2024/25, it seems unlikely that any increase in government funding will meet the impact of the ongoing pressures identified, however the mitigation actions taken will continue to contribute to minimise these, but further actions will be required. The Council will be looking to work with the Schools Forum to consider a transfer of funding from the Schools Block (SB) of the DSG to HNB. This was not requested this year due to the pressure on schools' budget and the DSG surplus the Council was holding at the time. If agreed, this would generate circa £1.7m additional funding for the HNB. Forum will also be asked to look at measures that will support inclusion in mainstream settings and provide challenge where any school may not be meeting this standard.
- 4.9 Identifying and meeting the needs of children and young people with SEND at the earliest opportunity and putting in place appropriate actions to meet these needs, remains the central focus of all this work. Ensuring that the whole system works in an inclusive and joined up way is key to meeting this aspiration and to ensuring the efficient use of available resources to manage costs effectively.
- 4.10 At Spring Budget, the Chancellor announced additional funding for the existing early years entitlements worth £204m in 2023-24 (from September 2023) and £288m in 2024-25. This is for local authorities to increase hourly rates paid to childcare providers for the government's existing entitlement offers.
- 4.11 In July the Government announced that for 2023-24, that this will be distributed to LAs through a new standalone top-up grant called the Early Years Supplementary Grant (EYSG) and that the individual authority allocations would be announced in September. Details of the allocations will be provided in a future report.

## 5. Forecast DSG Deficit 2023/24

- 5.1 The DFE made changes to the regulations, now incorporated into the [School and Early Years Finance \(England\) Regulations 2023](#) in regulation 8, regulation 39 and schedule 2, to give statutory backing to a new process for handling DSG deficits. The Council must now:
- carry all the deficit forward to set against the schools budget in the next financial year; or
  - carry part of the deficit forward to set against the schools budget in the next financial year and carry the rest of it forward to the following financial year; or
  - not set any of the deficit against the schools budget in the next financial year but carry all the deficit forward to the following financial year.

- 5.2 These provisions will be repeated in future regulations so that part or all the deficit can be carried forward further a year at a time, to be dealt with through DSG that will be received in future years.
- 5.3 If the Council sets any part of the deficit against the schools budget for the next financial year, it must plan to eliminate that part of the deficit through funding from the DSG that it will receive during that financial year.
- 5.4 If the Council carries any part of the deficit forward to the following financial year, that means it is not planning to eliminate that part of the deficit from DSG received in the next financial year but will need to eliminate it from DSG received in future years.
- 5.5 The Department for Levelling Up, Housing and Communities (DLUHC) laid the [Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2020](#) on 6 November 2020, which then came into force on 29 November 2020. The regulations provide that any DSG deficit at the end of 2020 to 2021 must not be charged to a general fund but must be charged to a separate fund established, charged, and used solely for the purpose of recognising deficits in respect of the schools budget. This has the effect of separating any such deficit from a local authority's general fund. DLUHC have now confirmed that these regulations will continue to operate up to the end of financial year 2025 to 2026.
- 5.6 The [DSG conditions of grant](#) set out that any local authority with an overall deficit on its DSG account at the end of the financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the department and cooperate in handling that situation by:
- providing information, as and when requested by the DFE about its plans for managing its DSG account in the 2023-24 financial year and subsequently.
  - providing information, as and when requested by the DFE about pressures and potential savings on its high needs budget.
  - meeting with DFE's officials, as and when they request to discuss the local authority's plans and financial situation.
  - keeping the schools forum updated regularly about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings.
- 5.7 The DFE have developed a [DSG deficit management plan](#) template and accompanying guidance for local authorities to use to develop evidence-based and strategic plans covering the provision available for children and young people with SEND. In all cases, the DFE expect local authorities' management plans to focus on how they will bring in-year spending in line with in-year resources.
- 5.8 The high needs [benchmarking tool](#) helps to facilitate a better understanding of how a local authority's high needs expenditure and use of provision compares
-

with that of other authorities and to prompt local discussion of how current spending patterns might need to change. In addition, the DFE have published [research and guidance](#) on managing special educational needs provision and the high needs budget effectively.

- 5.9 The DFE is now running 3 programmes offering direct support in respect of the effectiveness and sustainability of local authorities' high needs systems, which together will work with all local authorities: the Safety Valve Intervention programme, the Delivering Better Value in SEND (DBV) programme and ESFA support programme. The aim of all 3 programmes is to secure sustainable management of local authorities' high needs systems.
- 5.10 The Safety Valve Intervention programme will continue to target the local authorities with the highest DSG deficits. The programme requires the local authorities involved to develop substantial plans for reform to rapidly place them on a sustainable footing. If the local authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability, the department will enter into an agreement with the local authority. Upon the local authority demonstrating progress they will receive incremental funding to eliminate their historic deficits, generally spread over 5 financial years.
- 5.11 The new Delivering Better Value in SEND (DBV) programme will target authorities with less severe but either substantial and/or growing deficit issues, helping them reform their high needs systems, to provide effective and sustainable SEND services that will achieve better outcomes for children and young people with SEND. The DBV programme has similar aims to safety valve but maintains a slightly different approach to support local authorities with regards to the provision of SEND services. The programme will not include funding to eliminate historic deficits.
- 5.12 The ESFA will continue its programme of support for all remaining local authorities, supporting them to develop appropriate DSG management plans. The ESFA Local Authority Stakeholder Engagement Team will aim to meet with all local authorities not included in the safety valve and DBV programmes and will provide support and challenge through a detailed review of management plans for the remaining local authorities in deficit, to help them achieve financial sustainability.
- 5.13 Schools Forum is asked to note the DFE's statutory requirements with regards to a DSG High Needs Block deficit. Further urgent work needs to be done by colleagues in the High Needs Team with Finance to complete the DFE's DSG Management Plan with the possibility of an extraordinary Schools Forum meeting to discuss the DSG Management Plan and the next steps.

## **6. Recommendations**

Schools Forum are asked to note this report.

## 7. Financial Implications

The financial implications are set out in this report. The current forecast position is an overspend of £4.995m.

## 8. Legal implications

- 8.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2023. It is important to ensure decisions are made within the regulations set.

## 9. Risks

- 9.1 The deliverability of the 2023-24 Budget is monitored by Budget Managers and Assistant Directors. Where any variances or emerging pressures are identified during the year, then mitigating actions have been sought and management interventions undertaken.
- 9.2 Details of pressures, risks and mitigating actions implemented are provided as part of the finance monitoring reports. The main risks identified include an increase in demand on placement numbers and costs within the High Needs Block.

### Report Author:

Officer name: Sariya Bi

Officer title: Senior Finance Business Partner – Children Services

Email address: [sariya.bi@northnorthants.gov.uk](mailto:sariya.bi@northnorthants.gov.uk)

Appendix A

DSG Summary

Description	Budget 2023/24				Forecast Outturn 2023/24			Variance			Reason for Variance
	To Capture Any Budget Movement and Ensure correct Governance Process has been followed										
	Original Budget	P4	P5	Movement	P4 Forecast Outturn	P5 Forecast Outturn	Movement	P4 Forecast Variance	P5 Forecast Variance	Movement	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Schools Block	270,250	270,284	270,284	0	270,284	270,284	0	0	0	0	Forecasted to come within Budget
Central Schools Block	3,286	3,286	3,286	0	3,286	3,286	0	0	0	0	Forecasted to come within Budget
Early Years Block	23,541	23,541	23,159	(382)	23,541	23,159	(382)	0	0	0	Forecasted to come within Budget
High Needs Block	57,851	57,851	57,925	74	62,351	63,620	1,269	4,500	5,695	1,195	The High Needs Block has faced increased pressure due to a rise in demand for EHCP (Education, Health, and Care Plan) and pupil placements. There has also been use of independent placement which have come at a higher cost - Detailed explanations are attached on the HN appendix
<b>Total</b>	<b>354,928</b>	<b>354,962</b>	<b>354,654</b>	<b>(308)</b>	<b>359,462</b>	<b>360,431</b>	<b>887</b>	<b>4,500</b>	<b>5,695</b>	<b>1,195</b>	

	<b>£'000</b>
DSG Overspend Period 5	5,695
DSG Resrves B/F 2022/23	(700)
<b>Overspend at period 5</b>	<b>4,995</b>

Note: -ve Surplus +ve Deficit

Appendix A

School Block		Budget 2023/24				Forecast Outturn 2023/24			Variance			Reason for Variance
Description		To Capture Any Budget Movement and Ensure correct Governance Process has been followed				P4 Forecast Outturn	P5 Forecast Outturn	Movement	P4 Forecast Variance	P5 Forecast Variance	Movement	
		Original Budget	P4	P5	Movement							£'000
Academies Recoupment		221,641	221,641	221,641	0	221,641	221,641	0	0	0	0	The expenditure has remained within the allocated budget.
Maintained Primary Schools Budget Share		40,068	40,068	40,068	0	40,068	40,068	0	0	0	0	The expenditure has remained within the allocated budget.
Maintained Secondary Schools Budget Share		6,048	6,048	6,048	0	6,048	6,048	0	0	0	0	The expenditure has remained within the allocated budget.
NNDR		1,742	1,742	1,742	0	1,742	1,742	0	0	0	0	The expenditure has remained within the allocated budget.
De-delegation - School Effectiveness		116	116	116	0	116	116	0	0	0	0	The expenditure has remained within the allocated budget.
Pupil Growth Fund		635	635	635	0	635	635	0	0	0	0	The expenditure has remained within the allocated budget.
<b>Total</b>		<b>270,250</b>	<b>270,284</b>	<b>270,284</b>	<b>0</b>	<b>270,250</b>	<b>270,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Appendix A

Central Schools Block		Budget 2023/24				Forecast Outturn 2023/24			Variance			Reason for Variance
Description		To Capture Any Budget Movement and Ensure correct Governance Process has been followed				P4 Forecast Outturn	P5 Forecast Outturn	Movement	P4 Forecast Variance	P5 Forecast Variance	Movement	
		Original Budget	P4	P5	Movement							
<b>Historical Commitments</b>												
<b>Contribution to Combined Services:</b>												
School Standards & Effectiveness (Combined DSG LA Services)		466	466	466	0	466	466	0	0	0	0	The expenditure has remained within the allocated budget.
Moderation (Combined DSG LA Services)		15	15	15	0	15	15	0	0	0	0	The expenditure has remained within the allocated budget.
Educational Entitlement		125	125	125	0	125	125	0	0	0	0	The expenditure has remained within the allocated budget.
Redundancy/Premature Retirement Costs		800	800	800	0	800	800	0	0	0	0	The expenditure has remained within the allocated budget.
<b>Total Historical Commitments</b>		<b>1,439</b>	<b>1,439</b>	<b>1,439</b>	<b>0</b>	<b>1,439</b>	<b>1,439</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Ongoing Responsibilities</b>												
School Admissions		499	499	499	0	499	499	0	0	0	0	The expenditure has remained within the allocated budget.
Schools Forum		11	11	11	0	11	11	0	0	0	0	The expenditure has remained within the allocated budget.
National Copyright Licences		321	321	321	0	321	321	0	0	0	0	The expenditure has remained within the allocated budget.
Statutory and Regulatory Duties		1,010	1,010	1,010	0	1,010	1,010	0	0	0	0	The expenditure has remained within the allocated budget.
Teacher's Pay and Pension		6	6	6	0	6	6	0	0	0	0	The expenditure has remained within the allocated budget.
<b>Total Ongoing Responsibilities</b>		<b>1,847</b>	<b>1,847</b>	<b>1,847</b>	<b>0</b>	<b>1,847</b>	<b>1,847</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total</b>		<b>3,286</b>	<b>3,286</b>	<b>3,286</b>	<b>0</b>	<b>3,286</b>	<b>3,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Appendix A

Early Years Block		Budget 2023/24				Forecast Outturn 2023/24			Variance			Reason for Variance
Description		To Capture Any Budget Movement and Ensure correct Governance Process has been followed				P4 Forecast Outturn	P5 Forecast Outturn	Movement	P4 Forecast Variance	P5 Forecast Variance	Movement	
		Original Budget	P4	P5	Movement							£'000
3 & 4 Year Old Universal Entitlement		12,226	12,226	12,226	0	12,226	12,226	0	0	0	0	The expenditure has remained within the allocated budget.
3 & 4 Year Old Additional Entitlement		5,510	5,510	5,510	0	5,510	5,510	0	0	0	0	The expenditure has remained within the allocated budget.
3 & 4 Year Old Deprivation		500	500	500	0	500	500	0	0	0	0	The expenditure has remained within the allocated budget.
3 & 4 Year Old SEN Inclusion		300	300	300	0	300	300	0	0	0	0	The expenditure has remained within the allocated budget.
3 and 4 Year Old Centrally Retained		991	991	991	0	991	991	0	0	0	0	The expenditure has remained within the allocated budget.
2 Year Old Funding		2,318	2,318	1,936	(382)	2,318	1,936	(382)	0	0	0	The expenditure has remained within the allocated budget.
Maintained Nursery School Funding		1,017	1,017	1,017	0	1,017	1,017	0	0	0	0	
Early Years Pupil Premium		253	253	253	0	253	253	0	0	0	0	The expenditure has remained within the allocated budget.
Disability Access Fund		126	126	126	0	126	126	0	0	0	0	The expenditure has remained within the allocated budget.
Quality Supplement (TPPG)		300	300	300	0	300	300	0			The expenditure h	The expenditure has remained within the allocated budget.
<b>Total</b>		<b>23,541</b>	<b>23,241</b>	<b>23,159</b>	<b>(382)</b>	<b>23,541</b>	<b>23,159</b>	<b>(382)</b>	<b>0</b>	<b>0</b>	<b>0</b>	



Appendix A

High Needs Block		Budget 2023/24				Forecast Outturn 2023/24			Variance			Reason for Variance
Description		To Capture Any Budget Movement and Ensure correct Governance Process has been followed				P4 Forecast Outturn	P5 Forecast Outturn	Movement	P4 Forecast Variance	P5 Forecast Variance	Movement	
		Original Budget	P4	P5	Movement							
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
SENDIF Plus (Transfer to Early Years Block)		250	250	250	0	250	750	500	0	500	500	Includes estimate for new EHCP/SENI Plus for Sept onwards and also expenses relating to the new Croyland Unit.
NNC Special School Place Funding		12,171	12,171	12,171	0	12,171	12,387	216	0	216	216	This cost centre includes the Place funding for special schools as per budgets there is also costs for additional place funding where the numbers are over commissioned places.
NNC Special School Top Ups		12,912	12,912	12,912	0	14,912	14,962	50	2,000	2,050	50	This includes RAS Funding and Special Arrangements. Phase Transfers are also part of this, and the overspend accounts for students who have been reassigned to higher bands, as well as additional special arrangements that have been necessary, expenditure on this line also relates to backdated costs relating back to 2021 and 2022
NNC Special School Special Arrangements		966	966	966	0	966	122	(844)	0	(844)	(844)	Expenditure Includes Split Site and Satellite Classes
NNC Special School TPG&TPECG		806	806	806	0	806	806	0	0	0	0	Expenditure to come within Budget
NNC Special School 3.4% Additional Grant		853	853	853	0	853	853	0	0	0	0	Expenditure to come within Budget
NNC SEN Units Occupied Place Funding		1,695	1,695	1,695	0	1,695	1,461	(234)	0	(234)		
NNC SEN Units Vacant Place Funding		0	0	0	0	0	0	0	0	0	0	Expenditure to come within Budget
NNC SEN Units Top Ups		1,098	1,098	1,098	0	1,098	1,494	396	0	396	396	Overspend accounts for additional students require Top Ups plus students being rebanded and higher needs.
AP Free Schools Place Funding		190	190	190	0	190	190	0	0	0	SEN Units Place funding is showing as 0	Expenditure to come within Budget
AP Free Schools TPG&TPECG		13	13	13	0	13	0	(13)	0	(13)	(13)	Budget set aside but this will not be spent.
Post 16 Top Ups in FE Colleges		1,953	1,953	1,953	0	1,953	1,700	(253)	0	(253)	(253)	In line with actual spend in 22/23, Further work is taking place with the service to ascertain final year end forecast
Hospital Education Services		100	100	100	0	100	0	(100)	0	(100)	(100)	Budget was allocated for Hospital Education Services forecasted not to use full budget and will result in a 100k underspend
Non Maintained & Independent SEN Unit Top Up & other funding		190	190	190	0	190	104	(86)	0	(86)	(86)	Forecasted to come in under budget.
Out of County Special Top-ups		1,621	1,621	1,621	0	1,621	1,531	(90)	0	(90)	(90)	Expenditure relates to top ups paid for students in out of county placements these placements are at a higher cost per pupil for NNC there is a small underspend on this line against the budget for 2023-24
Non Maintained & Independent Special Top Up & Other Funding		8,914	8,914	8,914	0	11,414	12,127	713	2,500	3,213	713	Due to NNC Special Schools having reached their maximum capacity, students are being accommodated in Independent Special Schools, which incur a higher cost per pupil for NNC. As a consequence, there is a projected budgetary overspend for 2023-24. This forecast encompasses the Education contribution to residential expenses as well
Non Maintained & Independent Mainstream Top Up & Other Funding		441	441	441	0	441	332	(109)	0	(109)	(109)	The budget allocated for Independent Mainstream Schools comes with a higher per-pupil cost for NNC. However, as of the current forecast at period 5, there is a slight underspend compared to the budget
Out of County Mainstream Top Ups		313	313	313	0	313	516	203	0	203	203	This budget is for NNC pupils that are placed in Out of County Mainstream Schools these placements are at a higher cost per pupil for NNC this has resulted in a forecasted overspend.
Mainstream Top Ups		7,538	7,538	7,538	0	7,538	8,000	462	0	462	462	There is further work taking place by the HN Team to work through Phase Transfers and a EHC Team Audit. This forecast includes a estimate for new EHCP/EHLF from Sept onwards this may need to be adjusted going forward.
Alternative Provision		2,651	2,651	2,651	0	2,651	2,650	(1)	0	(1)	(1)	More work is taking place on the Alternative Provision budget by the HN Team, as at period 5 the forecast is expecting to be a minor underspend.
Educational Entitlement Team		543	543	543	0	543	543	0	0	0	0	Expenditure to come within Budget
Specialist Support Service		650	650	650	0	650	650	0	0	0	0	Expenditure to come within Budget
NPPS (Northamptonshire Parent Partnership Service)		30	30	30	0	30	30	0	0	0	0	Expenditure to come within Budget
Sensory Impairment Provision		971	971	971	0	971	971	0	0	0	0	Expenditure to come within Budget
Direct payments		190	190	190	0	190	358	168	0	168	168	Expenditure relates to Personal Budget payments, there is also backdated costs in this forecast.
Therapies		40	40	40	0	40	65	25	0	25	25	Expenses associated with therapies for 2023/24 have been segregated to ensure a clear and transparent view of the associated costs. This is showing as overspend for 23/24
Support For Inclusion		105	105	105	0	105	105	0	0	0	0	Expenditure to come within Budget
Outreach Services		454	454	454	0	454	720	266	0	266	266	Outreach SLA's these are currently being coded to Special Schools they will be moved to this cost centre so they can be clearly identified
Import Export adjustment		0	0	(102)	(102)	0	0	0	0	102	102	HN decrease as part of the import export Adjustment. More students are exported out of the county
Additional Funding for special free schools		0	0	176	176	0	0	0	0	(176)	(176)	Additional Funding allocated to HN Block
<b>Total</b>		<b>57,851</b>	<b>57,851</b>	<b>57,925</b>	<b>74</b>	<b>62,158</b>	<b>63,620</b>	<b>1,269</b>	<b>4,500</b>	<b>5,695</b>	<b>1,429</b>	

Note: -ve Surplus +ve Deficit

This page is intentionally left blank



## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 8

#### 2024-25 National Funding Formula (NFF) for Schools and High Needs

#### Appendices

#### Appendix A–Comparison of NFF funding factor rates in 2023-24 and 2024-25

#### 1. Background

1.1 This report sets out:

- Details of the National Funding Formula (NFF) 2024-25 policy publication for schools and high needs
- North Northamptonshire Council's local formulae for school budgets and high needs

#### 2. National Funding Formula (NFF) for Schools and High Needs

2.1 On 17<sup>th</sup> July 2023 the Department for Education (DfE) published a policy paper on the National Funding Formula (NFF) 2024-25 for schools and high needs. However, this has been updated on 6<sup>th</sup> October 2023 following a significant technical error by the DfE which meant North Northamptonshire's Provisional NFF Schools Block allocation published in July 2023 at £285.728M was reduced by £2.599M to £283.129M in October 2023 for 2024-25. Details of the updated version can be found on [National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-funding-formula-for-schools-and-high-needs)

2.2 In 2024-25, the total core schools budget is projected to exceed £59.6 billion, marking the highest per-pupil level ever in real terms, as assessed by the Institute for Fiscal Studies (IFS). This includes the extra funding allocated for teachers' salaries, which was announced in July 2023. The Teachers Pay Additional Grant (TPAG) contributes an additional £482.5 million for 2023-24 and £827.5 million for 2024-25 for mainstream, special, and alternative provision schools.

2.3 The Provisional Total NFF 2024-25 Allocation for NNC is £346.760 million and this is illustrated in the table below:

<b>Block</b>	<b>NNC Oct 2023 Provisional Allocation 2024-25</b>
Schools Block (Exc Growth)	£283,129,371
Central Schools Block	£3,066,026
High Needs Block	£60,564,715
<b>Total</b>	<b>£346,760,112</b>
Early Years Block	TBC

2.4 The main features of 2024-25 schools funding are as follows:

- a) National funding through the schools NFF is increasing by 1.9% per pupil on average overall in 2024-25 compared to 2023-24. The average increase is 1.96% for NNC schools.
- b) A formulaic approach to allocate split site funding. This ensures that split site funding will be provided on a consistent basis across the country. The factor will be made up of:
  - a "basic eligibility" element and
  - a "distance eligibility" element.

This will replace the current local authority-led approach. For 2024-25, school's split sites funding will be protected against losses which occur due to the introduction of the national split sites factor. This will be in the form of a one-off adjustment to the school's funding floor baseline, whereby a decrease in split sites funding is offset by an increase to the baseline. Conversely, to prevent overprotection for schools benefiting from an increase in split sites funding, an increase in split sites funding will be offset by a decrease in the baseline. These adjustments will only be made in 2024-25 when it is the formula changes which cause the change in split sites funding. Only Wrenn School is eligible for split site funding in 2024-25 and this will be built into NNC's APT for 2024-25.

- c) Rolling the 2023-24 mainstream schools additional grant (MSAG) into the NFF by:
  - i. adding an amount representing what schools receive through the grant into their baselines.
  - ii. 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
  - iii. 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. The minimum per pupil levels in 2024-25 will be set at £4,610 per pupil for primary schools and £5,995 per pupil for secondary schools. This includes £143, £186, and £208 per primary, KS3 and KS4 pupil respectively for the rolling in of the mainstream schools additional grant.
- d) Increasing NFF factor values (on top of the amounts that has added for the mainstream schools additional grant) by:

- i. 1.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity, and the lump sum.
  - ii. 1.4% to the minimum per pupil levels (MPPL)
  - iii. 1.6% to the free school meals (FSM) factor value
  - iv. 0% on the premises factors, except for:
    - 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
    - split sites funding which has been formularised.
- e) The 2024-25 NFF funding floor is set at 0.5%. This means that every school will attract an increase in their pupil-led funding of at least 0.5% per pupil, compared to their baseline. Funding floor baselines have also been increased to take account of the rolling in of the mainstream schools additional grant.
- f) In 2024-25 growth funding will be calculated using the same methodology as previous year, based on the growth in pupil numbers between the October 2022 and October 2023 census. Growth allocations will be communicated to each local authority within their DSG settlement. Growth fund can only be used to support growth in pre-16 pupil numbers to meet basic need, support additional classes needed to meet the infant class size regulation and to meet the costs of new schools (these are new schools identified from the latest census data). More details of this will be presented in a separate report on Growth Funding.
- g) For the first time the DfE will allocate falling pupil roll funding in Schools Block to local authorities for falling rolls in 2024-25. Previously, all falling rolls fund spending was required to be met through a top slice from other Schools Block funding. Local authorities are required to follow the new NFF requirements for falling rolls funding, whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) data shows that school places will be required in the subsequent three to five years. The restriction that schools must be judged Good or Outstanding at their last 8 Ofsted inspection to be eligible for funding is also being removed from 2024-25.
- h) Local authorities must set a MFG between 0% and +0.5% per pupil to protect schools from excessive year-on-year losses.
- 2.5 The DfE has announced a new Teacher Pay Grant (TPG) for primary and secondary schools and academies, beginning September 2023. This new TPG will continue as a separate grant in the 2024/25 financial year and will only be merged into the NFF in 2025/26. As in 2023-24, local authorities will only be allowed to use NFF factors in their local formulae and must use all NFF factors.
- 2.6 Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2023-24, unless they are already mirroring the NFF.
- 2.7 As North Northamptonshire schools are already mirroring the NFF, North Northamptonshire schools are already compliant with this requirement.
- 2.8 Local authorities will again be able to transfer up to 0.5% of their total school's



block allocations to other blocks of the Dedicated Schools Grant (DSG), with school's forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval.

### 3. Notional school budgets 2024-25

- 3.1 In support of the policy proposals, notional school budget allocations calculated by the DfE have been published on [National funding formula tables for schools and high needs: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/114121/national_funding_formula_tables_for_schools_and_high_needs_2024_to_2025.pdf) to demonstrate the NFF for 2024-25.
- 3.2 North Northamptonshire Council's (NNC) School Funding Formulae is a locally agreed formula working in collaboration with the LA and School Forum in accordance with the DfE ~~the~~ guidelines of implementation of the NFF or hard formula within the timescales. It should be noted that NNC local formula factors and funding rates mirror the NFF. apart from:
- Growth fund – Growth has not been included within the published notional school budget allocations, plus inclusion and changes of the autumn 2023 census. School Forum approval in principle will be required in December 2023 meeting to enable 2024-25 school budget to be set once the DSG funding settlement is announced.
  - Falling pupil roll fund should Schools Forum wish to set up such a fund in line with the criteria set out by the DfE.
- 3.3 The local authority will be calculating school budgets for 2024-25 upon publication of the Authority Proforma Tool (APT) and Dedicated Schools Grant (DSG) funding settlement in December 2023 as in previous years after applying Schools Forum decisions. School Forum will be approving the final school budgets and APT in January 2024.
- 3.4 For transparency and reporting to School Forum, a comparison of NFF funding factor rates and NNC's funding factor rates is detailed in Table 1 below. The 2023-24 rates were reported in January 2023 when Schools Forum approved the NNC's schools funding formulae. The 2024-25 NFF rates and the proposed 2024-25 NNC rates are detailed in Appendix A.

### 4. High Needs NFF 2024-25

- 4.1 Nationally the 2024-25 High Needs NFF allocation in 2024-25 reflects a 4.3% rise from the 2023-24 allocation. **The increase for NNC is 4.1%.**
- 4.2 In addition to the funding increase above, local authorities will continue to receive in 2024-25 a separate teachers' pay additional grant (TPAG) which they will have received for the period September 2023 to March 2024. The TPAG for 2024-25 will amount to an additional £85 million which will have to be passed on to eligible special and AP schools, to help with the costs of the 2023 teachers' pay increase. Further information on the £50 million TPAG for 2023-24 can be found at [teachers' pay additional grant for 2023 to 2024](#).
- 4.3 The structure of the High Needs NFF remains unchanged for 2024-25. This is to ensure stability for local authorities and providers.
- 4.4 The funding floor factor in the high needs NFF for 2024-25 is 3% per head of 2 to 18-year-old population, which means that every local authority will receive through the NFF at least 3% per head more than they received in 2023-24.

- 4.5 This increase is not calculated on elements of the formula that are subject to later updates and is in proportion to estimated population changes (so a projected decrease in population will result in a lower overall cash percentage increase).
- 4.6 The limit on gains in the NFF is set at 5%, calculated based on per head of population and using the 2023-24 funding baseline. That funding baseline includes the additional funding allocations announced in December 2022, following the 2022 autumn statement. Full details of the NFF for 2024-25 can be found in the [provisional allocations](#) to local authorities published in July 2023.
- 4.7 The calculations have been updated with the latest formula factor data. Due to the COVID-19 pandemic there is no appropriate 2020-21 attainment data to use for the 2 low attainment factors. Therefore, 2019 data has been used in place of 2020 data and 2022 data has been used in place of 2021 data for the 2024-25 high needs allocations. This aligns with the approach taken in the schools NFF.
- 4.8 The high needs funding allocated to local authorities for 2024-25 takes into account that colleges offering extra hours of study to students with high needs may require additional funding. There is further guidance on the [additional hours requirement](#), which took effect from academic year 2022-23. Local authorities and colleges are expected to work together in deciding what constitutes an equivalent of additional time for a student with high needs, and/or with an EHC plan and to discuss the level of top-up funding to ensure that it is sufficient.
- 4.9 In the financial year 2024-25 maintained special schools and PRUs, special and AP academies (including free schools) and maintained and academy hospital schools will continue to receive a separate allocation equivalent to the additional funding allocations in 2023-24. These allocations gave maintained special schools and special academies 3.4% of their total place and top-up funding income and gave PRUs and AP academies and free schools 3.4% of their total income. As in 2023-24, the 2024-25 allocations of this funding will be paid directly by the local authority which maintains the school or (in the case of academies) previously maintained the school, or (in the case of special and AP free schools) in whose area the school is located.
- 4.10 Other than the requirement for local authorities to continue passing on this funding to certain schools and the TPAG, it is the top-up funding rather than the place funding that is intended to reflect changes in the cost of provision that schools and colleges will face. Schools and colleges should therefore discuss with their local authority the funding that they believe is necessary to make the provision that has been commissioned, taking into account expected levels of inflation and particular costs such as for energy and staff pay.
- 4.11 Any differential adjustments to the top-up funding bands or reorganisation of the top-up funding by local authorities will be subject to the special schools' MFG in the normal way. **The special schools' MFG to be operated by local authorities for 2024-25 must be at least 0% and the local authority should consider setting the minimum increase within a range of 0% to 0.5%.** This is equivalent to the MFG for mainstream schools. The local authority can set a higher percentage increase but must have a disapplication request approved to use a lower percentage. The additional funding allocations referred to above must be excluded from the MFG calculations. Further details can be found in [Annex 1: special schools](#)

[minimum funding guarantee](#).

- 4.12 The remainder of local authorities' increased allocations of high needs funding can be used for other purposes, such as increases to top-up funding for mainstream schools (including those with SEN units or resourced provision), non-maintained special schools, FE colleges and SPIs, as well as funding for independent special school placements and SEND and AP services.

## **5 Central Schools Services Block (CSSB) NFF 2024-25**

- 5.1 The CSSB provides funding for local authorities to carry out central functions on behalf of maintained schools and academies comprising of ongoing responsibilities and historic commitments.

- 5.2 The block will continue to comprise two distinct elements:

- a) ongoing responsibilities and
- b) historic commitments.

### **Ongoing Responsibilities**

- 5.3 The Ongoing Responsibilities of the CSSB is calculated using a simple per pupil formula, the structure of which is unchanged. 90% of the funding will be distributed through a basic per pupil factor, and 10% of the funding through a deprivation factor based on the proportion of pupils eligible for free school meals within the past six years (FSM6) in mainstream schools.

- 5.4 Local authorities will continue to be protected so that the maximum per pupil year on-year reduction in funding for ongoing responsibilities is at 2.5% as in the previous year, while the year-on-year gains cap will be set at the highest affordable rate, of 5.51%.

- 5.5 In addition, £5 million has been included nationally to cover the exceptional increase in copyright licence costs in 2023-24, as licenses were updated following the increased use of digital technology. This will be distributed in line with the increase in each local authority's charge for copyright licenses in 2023-24.

### **Historic Commitments**

- 5.6 In 2020-21 the element of funding within the CSSB that some local authorities receive for historic commitments made prior to 2013-14 have started to reduce and have been unwinding since. This was in line with DfE's reforms to move to a fairer funding system, and to avoid maintaining significant differences in funding indefinitely between local authorities, which reflect historic decisions.

- 5.7 In 2024-25, for those local authorities that receive it, historic commitments funding will continue to reduce by 20% on 2023-24 allocations, the same rate as in previous years.

- 5.8 DfE will also continue to protect any local authority from having a reduction that takes their total historic commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs, in recognition of the long times over which such costs unwind. Local authorities in this position to contact the DfE. Further information on this process is included in the school funding operational guide.

- 5.9 Historic commitments are expected to unwind over time as contracts reach their end points. DfE retain the requirement in regulations that authorities spend no more on these commitments than they did in the previous year;



therefore, with the approval of the schools forum, an authority can maintain spending in this area using other funding sources if they wish.

## **6 Early Years National Funding Formula 2024-25**

- 6.1 The DFE issued a consultation on the 21<sup>st</sup> July 2023 which sets out proposals for the approach to the funding of the new and extended entitlements. The consultation focuses on the way funding for the entitlements for 2-year-olds and under will be distributed from the Department to local authorities from 2024-25.
- 6.2 On March 15, 2023, the Chancellor unveiled a phased introduction of new early entitlements as follows:
- Starting in April 2024, all eligible working parents of 2-year-olds will have access to 15 hours per week.
  - Commencing in September 2024, all eligible working parents of children aged 9 months to 3 years old can access 15 hours per week.
  - The Department for Education (DfE) has indicated that the "average rate" of funding for local authorities for the under 2-year-old entitlement will be £11 per hour in 2024/25.
  - From September 2025, all eligible working parents of children aged 9 months to 3 years old will have the option to access 30 hours per week.
- 6.3 The funding allocation methodology and the timetable is to remain the same, on the basis of using the 2024-25 spring term censuses. However, the DFE recognise the new entitlement for 2-year-olds does not start until April 2024, and consequently this cohort of children will not be captured in the 2024 spring term census. This will be reviewed further, and an update provided in the Autumn.
- 6.4 The DFE essentially proposes a new formula to calculate funding rates for children aged 9 months up to and including 2 years, regardless of which entitlement they are accessing (the existing 2-year-old disadvantaged entitlement, or the new entitlements). The rates themselves will vary by age, with higher rates for the younger age group reflecting the difference in costs, particularly due to differences in staffing ratio requirements. The structure of the formula will remain the same.
- 6.5 The DFE is proposing to introduce IDACI as a new proxy and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds.
- 6.6 The DFE are also proposing to extend DAF eligibility so that, from 2024-25, children accessing any of the entitlements (i.e., aged 9 months up to 4 years old) will be eligible for this funding if they are in receipt of DLA.
- 6.7 EYPP is also being consulted on to be extended to all children accessing the entitlements.
- 6.8 Illustrative modelling published as part of the consultation shows that the national average funding rate for 2-year-olds being £8.17. Rates range from £6.89 to £11.86. The illustrative funding rate for NNC is £7.72 per hour. Exact funding rates will be confirmed in autumn 2023.
- 6.9 The national average as per the consultation for 9-months to 2-year-old entitlement is £11.06. Rates for this age group range from £9.33 to £16.17.

The illustrative funding rate for NNC is £10.50 per hour. Exact funding rates will be confirmed in autumn 2023.

- 6.10 Information regarding the consultation can be found here:
- [Early years funding – extension of the entitlements \(education.gov.uk\)](#)
  - [2024 to 2025 Early years funding formula for 2-year-olds and under: technical note \(education.gov.uk\)](#)
- 6.11 The consultation closed on 8<sup>th</sup> September 2023.
- 6.12 The DFE will publish the government’s response and the final rates for 2024-25 as soon as possible in Autumn 2023.

## **7 Recommendations for Schools Forum**

- 7.1 Schools Forum is asked to note the proposed changes to the 2024-25 National Funding Formula (NFF) for Schools, High Needs, CSSB and Early Years.

## **8 Next steps**

- 8.1 A more detailed report of the proposed modelled option for NNC’s 2024-25 Mainstream Schools Funding Formula is explained on a separate agenda item.

## **9 Financial implications**

- 9.1 Schools need to be aware of all the latest proposed changes made by the DFE so that they can influence the decisions made by Schools Forum.

## **10 Legal implications**

- 10.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2023. It is important to ensure decisions are made within the regulations set.

## **11 Risks**

- 11.1 This is an information paper to update Schools Forum on all matters relating to 2024-25 National Funding Formula. It is fundamental that Schools Forum members understand the basis of all calculations so that they can make an informed decision for North Northamptonshire’s schools.

### **Report Author:**

Officer name: Sariya Bi  
Officer title: Senior Finance Business Partner – Children Services  
Email address: [Sariya.bi@northnorthants.gov.uk](mailto:Sariya.bi@northnorthants.gov.uk)

## Appendix A–Comparison of NFF funding factor rates in 2023-24 and 2024-25



NFF Funding Factors	2023-24 NFF rates	Proposed 2023-24 NNC		2024-25 NFF rates	Proposed 2024-25 NNC	
		rates ACA adjusted	1.00329		rates ACA adjusted	1.00341
Minimum Per Pupil Funding	£4,405.00	£4,405.00		£4,610.00	£4,610.00	
KS3 Minimum Per Pupil Funding	£5,503.00	£5,503.00		£5,771.00	£5,771.00	
KS4 Minimum Per Pupil Funding	£6,033.00	£6,033.00		£6,331.00	£6,331.00	
Primary basic entitlement	£3,394.00	£3,405.17		£3,562.00	£3,574.15	
KS3 basic entitlement	£4,785.00	£4,800.74		£5,022.00	£5,039.13	
KS4 basic entitlement	£5,393.00	£5,410.74		£5,661.00	£5,680.30	
Primary / Secondary FSM	£480.00	£481.58		£490.00	£491.67	
Primary FSM6	£705.00	£707.32		£820.00	£822.80	
Secondary FSM6	£1,030.00	£1,033.39		£1,200.00	£1,204.09	
Primary IDACI F	£230.00	£230.76		£235.00	£235.80	
Primary IDACI E	£280.00	£280.92		£285.00	£285.97	
Primary IDACI D	£440.00	£441.45		£445.00	£446.52	
Primary IDACI C	£480.00	£481.58		£485.00	£486.65	
Primary IDACI B	£510.00	£511.68		£515.00	£516.76	
Primary IDACI A	£670.00	£672.20		£680.00	£682.32	
Secondary IDACI F	£335.00	£336.10		£340.00	£341.16	
Secondary IDACI E	£445.00	£446.46		£450.00	£451.53	
Secondary IDACI D	£620.00	£622.04		£630.00	£632.15	
Secondary IDACI C	£680.00	£682.24		£690.00	£692.35	
Secondary IDACI B	£730.00	£732.40		£740.00	£742.52	
Secondary IDACI A	£930.00	£933.06		£945.00	£948.22	
Primary EAL3	£580.00	£581.91		£590.00	£592.01	
Secondary EAL3	£1,565.00	£1,570.15		£1,585.00	£1,590.40	
Primary LPA	£1,155.00	£1,158.80		£1,170.00	£1,173.99	
Secondary LPA	£1,750.00	£1,755.76		£1,775.00	£1,781.05	
Primary mobility	£945.00	£948.11		£960.00	£963.27	
Secondary mobility	£1,360.00	£1,364.47		£1,380.00	£1,384.71	
Primary lump sum	£128,000.00	£128,421.12		£134,400.00	£134,858.30	
Secondary lump sum	£128,000.00	£128,421.12		£134,400.00	£134,858.30	
Primary sparsity	£56,300.00	£56,485.23		£57,100.00	£57,294.71	
Secondary sparsity	£81,900.00	£82,169.45		£83,000.00	£83,283.03	
Middle-school sparsity	£81,900.00	£82,169.45		£83,000.00	£83,283.03	
All-through sparsity		£82,169.45		£83,000.00	£83,283.03	
Split sites basic eligibility funding					£53,883.12	
Split sites distance funding					£26,991.73	

This page is intentionally left blank



North  
Northamptonshire  
Council

North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

Agenda Item 9

2024-25 Mainstream Schools Funding Formula Proposal and Consultation

## List of appendices

### Appendix A – Illustrative 2024-25 APT Modelling compared with 2023-24 School Budgets

#### 1. Purpose of this report

- 1.1 This report explores the issues that Schools Forum will need to address in the December meeting in making recommendations to Cabinet and Council about the mainstream funding formula for 2024-25.
- 1.2 A consultation will be set up to gather input and feedback on the proposed option under consideration.

#### 2. Background

- 2.1 In July 23, the Department for Education (DfE) set out key figures and operational guidance for Schools Block National Funding Formula for 2024-25 to allow planning by Local Authorities, Schools and Schools Forum. However, in Oct 2023 the DfE notified all local authorities of significant errors affecting all local authorities' Provisional Schools Block NFF allocations and consequently all local authorities' Provisional Schools Block NFF allocations and the 2024-25 Operational Guidance for Schools Block National Funding Formula were revised.
- 2.2 Table 1 illustrates the impact this error had on North Northamptonshire's National Funding Formula (NFF) Schools Block Allocation.

**Table 1 – Impact of October 2023 revision to the Provisional 2023-24 NFF Allocation**

Impact of October 2023 revision on 2024-25 NFF Allocation	
July 2023 NNC's 2024-25 Schools Block NFF	£285,727,897
Oct 2023 NNC's 2024-25 Schools Block NFF	£283,129,371
<b>Reduction in NNC's 2024-25 Schools Block NFF</b>	<b>£(2,598,525)</b>
July 2023 NNC's 2024-25 Total NFF	£349,358,638
Oct 2023 NNC's 2024-25 Total NFF	£346,760,113
<b>Reduction in NNC's 2024-25 Total NFF</b>	<b>£(2,598,525)</b>

- 2.3 This report sets out this information and identifies how this affects North Northamptonshire, including any local issues which may need to be considered in developing the mainstream funding formula for 2024-25 and what decisions will be required. As in recent years, the mainstream schools' funding formula (known as the Authority Proforma Tool (APT)) must be submitted to Education and Skills Funding Agency (ESFA) in January 2024 subject to political sign off.
- 2.4 The final arrangements for the funding formula for schools are for Cabinet and Council to determine in February 2024, but the proposals they will consider are ones which Schools Forum will have agreed at the December 2023 and January 2024 Schools Forum meetings.
- 2.5 The DfE (Department for Education) requires the local authority to consult with all affected schools each year the basis of the funding formula to be used if changes are proposed.
- 2.6 Local authorities are required to move their local formulae factors 10% closer to the NFF (National Funding Formula) values, compared to where they were in 2023-24, unless they are already mirroring the NFF. As North Northamptonshire Council's mainstream funding formula has mirrored the National Funding Formula (NFF) since 2022-23, NNC is therefore already compliant with this requirement.

### 3. 2024-25 Estimated Schools Block Funding Summary

- 3.1 The October 2023 revised Provisional North Northamptonshire's Schools Block NFF funding for 2024-25 using the October 2022 census data suggests NNC's Schools Block DSG (Dedicated Schools Grant) total excluding growth is estimated at £283.129M.
- 3.2 The Mainstream Schools Additional Grant has been rolled into the 2024-25 School Budgets by the DfE. Indicative comparison shows that North Northamptonshire schools have gained £5.441M overall as illustrated by Table 2 below.

**Table 2 - Comparison of 2023-24 Schools Block DSG with 2024-25 Provisional Schools Block NFF**

Component	July 2023 Schools Block DSG 2023-24			Oct 2023 Provisional Schools Block NFF 2024-25			Difference		
	Pupil Nos	PUF / SUF*	Total 2023/24	Pupil Nos	PUF / SUF*	Total 2024/25	Pupil Nos	PUF / SUF*	Total Funding
		£	£		£	£		£	£
Primary NFF	29,554	4,735.55	139,954,445	29,554	5,007.20	147,982,730	0	271.65	8,028,285
Secondary NFF	20,494	6,190.29	126,860,708	20,494	6,491.89	133,041,476	0	301.60	6,180,768
Premises NFF			1,822,977			2,105,165			282,188
Primary & Secondary MSAG			9,050,422			0			(9,050,422)
<b>Total Schools Block NFF Allocation</b>			<b>277,688,552</b>			<b>283,129,371</b>			<b>5,440,820</b>

#### 4. Consideration of issues in determining the use of the Schools Block for 2024-25

- 4.1 The operational guidance for school revenue funding for 2024-25 sets out the requirements for considering the use of the Schools Block funding and the timetable for decision making and reporting.
- 4.2 The steps Schools Forum will need to consider reaching the final recommendations to make to Cabinet about the use of the Schools Block in 2024-25 will be:
- a) What is the current health of NNC's DSG?
  - b) Should there be any transfers between the Schools Block and High Needs Block?
  - c) What percentage transfer should be used to help mitigate the High Needs Block overspend?
  - d) What budget must be set aside for the Growth Fund to accommodate new and growing schools opening in September 2024 as well as unforeseen in year bulge class requirements in NNC in 2024-25?
  - e) Do NNC wish to set up a Falling Pupil Roll Fund in accordance with the criteria set out by the DfE as the DfE will be funding the local authority for falling pupil roll for the first time in 2024-25?
  - f) Should there be a further de-delegation in addition to existing de-delegated services for:
    - Education Functions due to year on year 20% reduction in CSSB which contributes to combined services like School Effectiveness
    - Additional School Improvement Services due to loss of School Improvement Monitoring & Brokering Grant.
    - Schools Insurance Services.
  - g) Are there any decisions that require a disapplication request to be made to the Secretary of State for approval? If yes, is it within the timeline available?

#### 5. Transfers between blocks

- 5.1 Local authorities can transfer up to 0.5% of their Schools Block funding into another block **with the approval of their school's forum**. Anything higher than 0.5% transfer will need the approval of the Secretary of State. As High Needs pressures continue to mount with each passing year, it is imperative for the school forum to thoroughly assess the potential ramifications that may arise should this transfer fail to receive approval. The DSG Budget outcome for 2024-25 is forecast as a deficit because of the overspend in High Needs Block. Taking proactive measures to address this deficit in 2024-25 is of paramount importance and facilitating a block transfer will be a highly significant step to achieve this.

## 6. 2024–25 Mainstream Schools Funding Formula - Proposals to be Considered

6.1 The LA intends to continue to mirror the National Funding Formula values for 2024-25. All factors are pre-determined by the DfE (Department for Education), the funding allocated to schools is determined by the level of the Minimum Funding Guarantee, the amount held centrally for the Growth Fund and any amount transferred bother Blocks of the DSG.

6.2 The recent opening of Stanton Cross Primary in September 2022 and Weldon Village Academy (new secondary academy) in September 2023 means the planned growth for 2024-25 is as follows:

- Stanton Cross Primary – 2 x Class of 30 pupils in Year R
- Weldon Village Academy – 5 x Class of 30 pupils in Year 7

These new classes as illustrated in Table 3 are estimated to cost NNC'S Schools Block £0.656M to fund this implicit growth which will need to be built into the 2024-25 APT.

**Table 3 - Estimated Cost of New and Growing Schools**

School Name	New ISB with Implicit Growth	New ISB without Growth	2024-25 Implicit Growth
	£	£	£
Stanton Cross	£670,899.63	£537,151.10	£133,748.53
Weldon Village Academy	£1,390,327.43	£868,065.59	£522,261.84
<b>Total</b>	<b>£2,061,227.06</b>	<b>£1,405,216.69</b>	<b>£656,010.37</b>

6.3 A further provision for explicit Growth Fund for bulge classes will also need to be set aside in addition to this implicit growth of planned expansions.

6.4 It is therefore proposed that for 2024-25 North Northamptonshire's Mainstream Schools Funding Formula:

- **The Minimum Funding Guarantee (MFG) is set at 0.25%, all increases are capped at 0.25% and scaled at 100%**
- **A transfer to the High Needs Block of 0.5% is made to address the current High Needs Block deficit.**
- **Allocate the remaining budget to Growth Fund to accommodate potential bulge classes in North Northamptonshire in 2024-25.**

## 7. Impact of the Proposals

7.1 The impact of the option on the schools funding for the consultation is based on pupil numbers from the October 22 census. An illustration of the effects at school level is attached as Appendix A.

7.2 In 2023-24 it was agreed by the school forum that a transfer would not be required to the High Needs Block due to there not being a deficit to be paid and a 100% of funding would be kept within the school's block. However, this will not be a viable option for 2024 -25 due to the persistent challenges encountered by NNC's High Needs Block. The continuing rise in new EHCP (Education, Health, and Care Plans) cases, escalating costs of external placements, and the effects of inflationary pressures leaves NNC no option but to request a 0.5% Transfer



from Schools Block to the High Needs Block in 2024-25.

## **8 Next Steps**

- 8.1 A consultation with mainstream Primary and Secondary schools will be set up following the Schools Forum meeting. NNC encourages schools to participate as their valuable input and feedback will play a pivotal role in shaping the funding allocation for the upcoming year. By taking the time to complete this consultation, schools can ensure that their unique needs, challenges, and priorities are adequately considered in the allocation of resources.

## **9 Financial Implications**

- 9.1 The figures in this report are estimated and will change following the release of the 2024-25 Authority Proforma Tool in December 2023 updated with the October 2023 census and the announcement of NNC's 2024-25 DSG Funding Settlement by the DfE which is expected in late December 2023.

## **10 Risks**

- 10.1 There is the risk that if a wrong decision is made by Schools Forum, certain schools will be adversely affected. There is also the risk that decisions made could be ultra vires as School and Early Years Finance (England) Regulations 2023 govern the way in which local authorities should plan their management of DSG and report back to DfE.

### **Report Author:**

Officer name: Sariya Bi  
Officer title: Senior Finance Business Partner – Children Services  
Email address: [sariya.bi@northnorthants.gov.uk](mailto:sariya.bi@northnorthants.gov.uk)

This page is intentionally left blank

Appendix A

NNC 2024-25 Illustrative APT Model										NNC 2023-24 APT Model					Comparison Between NNC Illustrative 2024-25 APT Model against 2023-24 APT						
LAESTAB	School Name	NOR Total	NOR Primary	NOR Secondary	24-25 MFG Unit Value	Total NFF values before MFG	24-25 MFG Adjustment	24-25 Post MFG Budget	24-25 Post MFG per pupil Budget	23-24 MFG Unit Value	Total NFF values before MFG	23-24 MFG Adjustment	23-24 Post MFG Budget	23-24 Post MFG per pupil Budget	MFG Unit Value	Total NFF values before MFG	MFG Adjustment	Post MFG Budget	Post MFG per pupil Budget	Percentage Change Post Budget	Percentage Change Post MFG Per Pupil
9402082	Alfred Street Junior School, Rushden	80	80	0	£4,936	£543,677	(£6,487)	£537,190	£6,715	£4,691	£518,407	£0	£518,407	£6,480	£245	£25,270	(£6,487)	£18,783	£235	3.62%	3.62%
9403070	All Saints CEVA Primary School and Nursery	211	211	0	£4,386	£1,063,510	(£12,620)	£1,050,889	£4,981	£4,192	£1,015,747	£0	£1,015,747	£4,814	£194	£47,763	(£12,620)	£35,142	£167	3.46%	3.46%
9402217	Barton Seagrave Primary School	626	626	0	£4,395	£2,942,897	£0	£2,942,897	£4,701	£4,200	£2,544,136	£0	£2,801,306	£4,475	£195	£398,761	£0	£141,591	£226	5.05%	5.05%
9402030	Beanfield Primary School	659	659	0	£4,704	£3,241,561	(£38,058)	£3,203,503	£4,861	£4,484	£3,089,661	£0	£3,089,661	£4,688	£219	£151,900	(£38,058)	£113,842	£173	3.68%	3.68%
9404601	Bishop Stopford School	1,077	0	1,077	£5,870	£6,492,711	£0	£6,492,711	£6,029	£5,596	£6,013,444	£0	£6,185,775	£5,744	£274	£479,267	£0	£306,936	£285	4.96%	4.96%
9402004	Bozeat Community Primary School	119	119	0	£4,111	£649,924	(£7,852)	£642,073	£5,396	£3,919	£620,185	£0	£620,185	£5,212	£192	£29,740	(£7,852)	£21,888	£184	3.53%	3.53%
9402222	Brambleside Primary School	413	413	0	£4,283	£1,913,592	£0	£1,913,592	£4,633	£4,094	£1,748,013	£0	£1,827,662	£4,425	£189	£165,579	£0	£85,930	£208	4.70%	4.70%
9403200	Brigstock Latham's Church of England Primary School	92	92	0	£4,166	£570,078	(£6,958)	£563,120	£6,121	£3,973	£544,844	£0	£544,844	£5,922	£194	£25,234	(£6,958)	£18,276	£199	3.35%	3.35%
9406907	Brooke Weston Academy	912	0	912	£6,048	£5,704,041	(£65,539)	£5,638,502	£6,183	£5,762	£5,437,174	£0	£5,437,174	£5,962	£286	£266,867	(£65,539)	£201,328	£221	3.70%	3.70%
9402007	Broughton Primary School	204	204	0	£4,185	£1,008,428	(£11,665)	£996,762	£4,886	£3,993	£960,278	£0	£960,278	£4,707	£192	£48,150	(£11,665)	£36,485	£179	3.80%	3.80%
9402201	Compass Primary Academy	369	369	0	£4,800	£1,916,853	(£22,464)	£1,894,389	£5,134	£4,579	£1,826,620	£0	£1,826,620	£4,950	£221	£90,233	(£22,464)	£67,769	£184	3.71%	3.71%
9406906	Corby Business Academy	1,019	0	1,019	£6,288	£6,617,769	(£76,039)	£6,541,730	£6,420	£5,990	£6,302,802	£0	£6,302,802	£6,185	£298	£314,967	(£76,039)	£238,928	£234	3.79%	3.79%
9402019	Corby Old Village Primary School	203	203	0	£4,560	£1,062,960	(£12,717)	£1,050,243	£5,174	£4,349	£1,013,433	£0	£1,013,433	£4,992	£211	£49,527	(£12,717)	£36,810	£181	3.63%	3.63%
9402111	Corby Primary Academy	419	419	0	£4,288	£1,945,766	£0	£1,945,766	£4,644	£4,099	£1,825,887	£0	£1,856,549	£4,431	£190	£119,879	£0	£89,217	£213	4.81%	4.81%
9404003	Corby Technical School	919	0	919	£6,354	£6,007,756	(£69,312)	£5,938,444	£6,462	£6,055	£5,723,875	£0	£5,723,875	£6,228	£299	£283,880	(£69,312)	£214,569	£233	3.75%	3.75%
9403017	Cottingham CoFe Primary School Academy Trust	139	139	0	£4,065	£708,265	(£8,476)	£699,789	£5,034	£3,880	£675,696	£0	£675,696	£4,861	£185	£32,569	(£8,476)	£24,093	£173	3.57%	3.57%
9403018	Cranford CoFe Primary School	98	98	0	£3,853	£554,524	(£6,783)	£547,741	£5,589	£3,677	£529,957	£0	£529,957	£5,408	£176	£24,567	(£6,783)	£17,785	£181	3.36%	3.36%
9402231	Croyland Primary School	418	418	0	£4,941	£2,233,197	(£25,755)	£2,207,442	£5,281	£4,713	£2,127,073	£0	£2,127,073	£5,089	£228	£106,124	(£25,755)	£80,369	£192	3.78%	3.78%
9402194	Danesholme Infant Academy	189	189	0	£4,843	£1,055,074	(£12,543)	£1,042,531	£5,516	£4,626	£1,007,020	£0	£1,007,020	£5,328	£217	£48,054	(£12,543)	£35,511	£188	3.53%	3.53%
9402178	Danesholme Junior Academy	352	352	0	£4,713	£1,800,826	(£21,098)	£1,779,728	£5,056	£4,492	£1,716,008	£0	£1,716,008	£4,875	£221	£84,818	(£21,098)	£63,720	£181	3.71%	3.71%
9402206	Denfield Park Primary School	402	402	0	£4,451	£1,976,312	(£22,426)	£1,953,887	£4,860	£4,249	£1,882,934	£0	£1,882,934	£4,684	£202	£93,379	(£22,426)	£70,953	£176	3.77%	3.77%
9402145	Earls Barton Primary School	466	466	0	£4,321	£2,189,220	£0	£2,189,220	£4,698	£4,129	£1,999,219	£0	£2,089,338	£4,484	£191	£190,001	£0	£99,882	£214	4.78%	4.78%
9402200	Ecton Village Primary School	63	63	0	£4,675	£431,589	(£5,348)	£426,241	£6,766	£4,454	£410,841	£0	£410,841	£6,521	£220	£20,748	(£5,348)	£15,400	£244	3.75%	3.75%
9402244	Exeter A Learning Community Academy	430	430	0	£5,047	£2,316,943	(£27,235)	£2,289,708	£5,325	£4,818	£2,208,986	£0	£2,208,986	£5,137	£230	£107,957	(£27,235)	£80,722	£188	3.65%	3.65%
9402097	Finedon Infant School	134	134	0	£4,506	£741,925	(£8,850)	£733,075	£5,471	£4,302	£707,718	£0	£707,718	£5,281	£204	£34,206	(£8,850)	£25,357	£189	3.58%	3.58%
9403346	Finedon Mulso Church of England Junior School	178	178	0	£4,486	£936,264	(£11,107)	£925,157	£5,198	£4,277	£892,229	£0	£892,229	£5,013	£209	£44,036	(£11,107)	£32,929	£185	3.69%	3.69%
9403073	Freemans Endowed Church of England Junior Academy	238	238	0	£4,416	£1,189,183	(£14,031)	£1,175,153	£4,938	£4,208	£1,132,804	£0	£1,132,804	£4,760	£208	£56,380	(£14,031)	£42,349	£178	3.74%	3.74%
9403030	Geddington Church of England Primary School	193	193	0	£4,002	£925,511	(£10,705)	£914,806	£4,740	£3,821	£881,711	£0	£881,711	£4,568	£181	£43,801	(£10,705)	£33,096	£171	3.75%	3.75%
9403031	Glaphthorn Church of England Primary School	76	76	0	£3,940	£493,067	(£6,143)	£486,925	£6,407	£3,755	£471,448	£0	£471,448	£6,203	£185	£21,620	(£6,143)	£15,477	£204	3.28%	3.28%
9402103	Grange Primary Academy	197	197	0	£5,076	£1,138,597	(£13,578)	£1,125,020	£5,711	£4,843	£1,085,785	£0	£1,085,785	£5,512	£233	£52,812	(£13,578)	£39,234	£199	3.61%	3.61%
9403316	Great Addington CoFe Primary School	91	91	0	£4,147	£546,919	(£6,691)	£540,228	£5,937	£3,954	£522,453	£0	£522,453	£5,741	£193	£24,466	(£6,691)	£17,775	£195	3.40%	3.40%
9402041	Great Doddington Primary	140	140	0	£4,201	£731,859	(£8,703)	£723,156	£5,165	£4,009	£698,239	£0	£698,239	£4,987	£192	£33,620	(£8,703)	£24,917	£178	3.57%	3.57%
9402139	Greenfields Primary School and Nursery	402	402	0	£4,734	£2,044,879	(£24,015)	£2,020,864	£5,027	£4,514	£1,948,899	£0	£1,948,899	£4,848	£220	£95,980	(£24,015)	£71,965	£179	3.69%	3.69%
9403033	Grendon Church of England Primary School	103	103	0	£3,916	£581,963	(£7,016)	£574,947	£5,582	£3,738	£556,339	£0	£556,339	£5,401	£178	£25,625	(£7,016)	£18,608	£181	3.34%	3.34%
9402043	Gretton Primary School	147	147	0	£3,953	£721,161	(£8,575)	£712,586	£4,848	£3,772	£687,703	£0	£687,703	£4,678	£181	£33,458	(£8,575)	£24,883	£169	3.62%	3.62%
9402227	Hall Meadow Primary School	205	205	0	£4,036	£968,029	(£11,396)	£956,633	£4,667	£3,853	£923,470	£0	£923,470	£4,505	£182	£44,559	(£11,396)	£33,163	£162	3.59%	3.59%
9402028	Havelock Infant School	239	239	0	£4,192	£1,140,167	(£13,404)	£1,126,763	£4,714	£3,997	£1,086,719	£0	£1,086,719	£4,547	£195	£53,448	(£13,404)	£40,044	£168	3.68%	3.68%
9402027	Havelock Junior School	333	333	0	£4,205	£1,540,565	£0	£1,540,565	£4,626	£4,019	£1,455,982	£0	£1,471,575	£4,419	£186	£84,584	£0	£68,990	£207	4.69%	4.69%
9402057	Hawthorn Community Primary School	286	286	0	£4,387	£1,394,231	(£16,369)	£1,377,862	£4,818	£4,189	£1,330,382	£0	£1,330,382	£4,652	£199	£63,849	(£16,369)	£47,480	£166	3.57%	3.57%
9402180	Hayfield Cross CoFe School	413	413	0	£4,283	£1,905,606	£0	£1,905,606	£4,614	£4,094	£1,689,745	£0	£1,820,315	£4,408	£189	£215,860	£0	£85,291	£207	4.69%	4.69%
9402173	Hazel Leys Academy	211	211	0	£4,844	£1,161,679	(£13,771)	£1,147,909	£5,440	£4,625	£1,108,267	£0	£1,108,267	£5,252	£220	£53,413	(£13,771)	£39,642	£188	3.58%	3.58%
9402230	Henry Chichele Primary School	408	408	0	£4,279	£1,939,248	£0	£1,939,248	£4,753	£4,090	£1,770,062	£0	£1,843,064	£4,517	£189	£169,186	£0	£96,184	£236	5.22%	5.22%
9402048	Higham Ferrers Junior School	336	336	0	£4,284	£1,610,812	(£18,539)	£1,592,273	£4,739	£4,081	£1,526,354	£0	£1,526,354	£4,543	£203	£84,459	(£18,539)	£65,920	£196	4.32%	4.32%
9402140	Higham Ferrers Nursery and Infant School	218	218	0	£4,302	£1,086,746	(£12,752)	£1,073,994	£4,927	£4,101	£1,036,210	£0	£1,036,210	£4,753	£202	£50,536	(£12,752)	£37,784	£173	3.65%	3.65%
9404000	Huxlow Academy	805	0	805	£6,466	£5,361,859	(£62,334)	£5,299,526	£6,583	£6,161	£5,106,924	£0	£5,106,924	£6,344	£305	£25					



NNC 2024-25 Illustrative APT Model									
LAESTAB	School Name	NOR Total	NOR Primary	NOR Secondary	24-25 MFG Unit Value	Total NFF values before MFG	24-25 MFG Adjustment	24-25 Post MFG Budget	24-25 Post MFG per pupil Budget
9405206	Millbrook Infant School	255	255	0	£4,137	£1,195,331	(£13,986)	£1,181,345	£4,633
9405207	Millbrook Junior School	435	435	0	£4,300	£2,010,624	£0	£2,010,624	£4,622
9404015	Montsaye Academy	974	0	974	£6,288	£6,297,974	(£72,826)	£6,225,148	£6,391
9402072	Nassington Primary School	82	82	0	£4,210	£542,452	(£6,626)	£535,826	£6,534
9402236	Newton Road School	245	245	0	£4,820	£1,319,629	(£15,658)	£1,303,971	£5,322
9403513	Oakley Vale Primary School	416	416	0	£4,286	£1,931,490	£0	£1,931,490	£4,643
9402163	Oakway Academy	575	575	0	£5,008	£3,026,019	(£35,724)	£2,990,295	£5,201
9402242	Olympic Primary	349	349	0	£4,970	£1,879,181	(£21,728)	£1,857,453	£5,322
9403048	Oundle Church of England Primary School	368	368	0	£4,244	£1,703,210	£0	£1,703,210	£4,628
9403509	Our Lady of Walsingham Catholic Primary School	369	369	0	£4,735	£1,886,905	(£22,246)	£1,864,659	£5,053
9402246	Our Lady's Catholic Primary School	366	366	0	£4,594	£1,821,469	(£21,353)	£1,800,116	£4,918
9402099	Park Junior School, Wellingborough	241	241	0	£4,605	£1,262,360	(£14,709)	£1,247,650	£5,177
9403051	Polebrook Church of England Primary School	85	85	0	£4,115	£535,378	(£6,623)	£528,755	£6,221
9404016	Prince William School	1,120	0	1,120	£5,946	£6,833,316	(£78,699)	£6,754,617	£6,031
9402203	Priors Hall - A Learning Community	386	386	0	£4,261	£1,794,368	£0	£1,794,368	£4,649
9403333	Pytchley Endowed Church of England Primary School	75	75	0	£4,327	£517,807	(£6,460)	£511,347	£6,818
9402077	Raunds Park Infant School	160	160	0	£4,181	£806,055	(£9,570)	£796,485	£4,643
9402215	Redwell Primary School	628	628	0	£4,395	£2,907,162	£0	£2,907,162	£4,629
9403053	Ringstead Church of England Primary School	126	126	0	£4,311	£695,754	(£8,179)	£687,575	£5,457
9402109	Rockingham Primary School	359	359	0	£4,617	£1,797,338	(£21,395)	£1,775,942	£4,947
9402080	Rothwell Junior School	353	353	0	£4,479	£1,722,834	(£20,029)	£1,702,805	£4,824
9402081	Rothwell Victoria Infant School	245	245	0	£4,480	£1,237,674	(£14,423)	£1,223,252	£4,993
9404027	Rushden Academy	744	0	744	£6,409	£4,926,168	(£57,144)	£4,869,024	£6,544
9402167	Rushden Primary Academy	377	377	0	£4,252	£1,744,746	£0	£1,744,746	£4,628
9402088	Rushton Primary School	100	100	0	£4,147	£590,757	(£7,204)	£583,552	£5,836
9402241	Ruskin Academy	274	274	0	£4,982	£1,506,123	(£17,443)	£1,488,679	£5,433
9402128	Ruskin Infant School	132	132	0	£4,825	£776,506	(£9,151)	£767,354	£5,813
9405409	Sir Christopher Hatton Academy	1,203	0	1,203	£6,234	£7,674,011	(£88,697)	£7,585,314	£6,305
9402086	South End Infant School	264	264	0	£4,337	£1,298,783	(£15,013)	£1,283,770	£4,863
9402130	South End Junior School	351	351	0	£4,226	£1,654,057	£0	£1,654,057	£4,712
9405400	Southfield School for Girls	937	0	937	£6,086	£5,871,417	(£67,630)	£5,803,787	£6,194
9402159	St Andrew's Church of England Primary School	315	315	0	£4,662	£1,609,293	(£19,008)	£1,590,285	£5,049
9402168	St Barnabas Church of England School	176	176	0	£4,687	£962,361	(£11,379)	£950,982	£5,403
9402179	St Brendan's Catholic Primary School	292	292	0	£4,476	£1,449,173	(£17,030)	£1,432,144	£4,905
9403408	St Edward's Catholic Primary School	183	183	0	£4,516	£964,781	(£11,481)	£953,300	£5,209
9403322	St Mary's Church of England Voluntary Aided Primary School	259	259	0	£4,930	£1,418,351	(£16,878)	£1,401,473	£5,411
9403406	St Patrick's Catholic Primary School, Corby	207	207	0	£4,406	£1,050,841	(£12,464)	£1,038,377	£5,016
9402120	St Peter's Church of England Academy	221	221	0	£4,257	£1,081,212	(£12,714)	£1,068,498	£4,835
9403502	St Thomas More Catholic Primary School	215	215	0	£4,094	£1,018,681	(£12,009)	£1,006,672	£4,682
9402243	St. Marys CofE Primary School	291	291	0	£4,479	£1,441,890	(£16,969)	£1,424,920	£4,897
9405210	Stanion Church of England (Aided) Primary School	107	107	0	£3,814	£545,247	(£6,576)	£538,672	£5,034
9402000	Stanton Cross	125	125	0	£3,821	£670,900	£0	£670,900	£5,367
9402078	Stanwick Academy	198	198	0	£3,984	£926,995	(£10,854)	£916,141	£4,627
9402021	Studfall Infant Academy	329	329	0	£4,510	£1,624,308	(£19,264)	£1,605,045	£4,879
9402020	Studfall Junior Academy	458	458	0	£4,606	£2,252,505	(£26,560)	£2,225,945	£4,860
9403339	Sywell Church of England Primary School	88	88	0	£4,138	£500,688	(£6,076)	£494,612	£5,621
9402087	Tennyson Road Infant School	47	47	0	£4,754	£370,777	(£4,497)	£366,281	£7,793
9402100	The Avenue Infant School	178	178	0	£4,423	£934,926	(£11,063)	£923,863	£5,190
9404094	The Ferrers School	826	0	826	£6,221	£5,306,343	(£61,412)	£5,244,931	£6,350
9404055	The Latimer Arts College	1,010	0	1,010	£6,169	£6,399,284	(£73,872)	£6,325,411	£6,263
9405209	Thrapston Primary School	455	455	0	£4,314	£2,115,880	£0	£2,115,880	£4,650
9403066	Titchmarsh Church of England Primary School	102	102	0	£3,914	£585,618	(£6,973)	£578,645	£5,673
9403000	Trinity Church of England Primary School	142	142	0	£4,006	£713,573	(£8,513)	£705,060	£4,965
9402142	Victoria Primary Academy	414	414	0	£4,679	£2,082,570	(£24,573)	£2,057,997	£4,971
9402091	Warmington School	86	86	0	£4,135	£544,459	(£6,689)	£537,769	£6,253
9402240	Warwick Academy	258	258	0	£4,855	£1,392,692	(£14,669)	£1,378,023	£5,341
9404012	Weavers Academy	1,153	0	1,153	£6,827	£8,048,804	(£93,595)	£7,955,209	£6,900
9403068	Weldon Church of England Primary School	199	199	0	£4,048	£943,632	(£11,097)	£932,534	£4,686
9400124	Weldon Village Academy	208	0	208	£6,050	£1,390,327	£0	£1,390,327	£6,700
9402155	Whitefriars Primary School	408	408	0	£4,334	£1,930,490	(£22,067)	£1,908,423	£4,678
9403082	Wilbarston Church of England Primary School	87	87	0	£4,020	£534,730	(£6,594)	£528,137	£6,071
9403345	Wilby Church of England Primary School	87	87	0	£4,355	£515,290	£0	£515,290	£5,923
9402098	Windmill Primary School	381	381	0	£4,256	£1,761,934	£0	£1,761,934	£4,624
9402104	Wollaston Primary School	293	293	0	£4,222	£1,380,342	(£16,095)	£1,364,248	£4,656
9404038	Wollaston School	1,192	0	1,192	£6,025	£7,353,345	(£84,610)	£7,268,735	£6,098
9403084	Woodford Church of England Primary School	91	91	0	£4,091	£527,657	(£6,450)	£521,207	£5,728
9405208	Woodnewton - A Learning Community	734	734	0	£4,524	£3,465,419	(£40,698)	£3,424,720	£4,666
9404014	Wrenn School	1,224	0	1,224	£6,830	£8,531,525	(£103,412)	£8,428,113	£6,886
		<b>50,369</b>	<b>29,660</b>	<b>20,709</b>		<b>£284,370,473</b>	<b>(£2,789,937)</b>	<b>£281,580,537</b>	

NNC 2023-24 APT Model				
23-24 MFG Unit Value	Total NFF values before MFG	23-24 MFG Adjustment	23-24 Post MFG Budget	23-24 Post MFG per pupil Budget
£3,956	£1,142,252	£0	£1,142,252	£4,479
£4,110	£1,818,377	£6,112	£1,927,919	£4,432
£5,987	£5,992,579	£0	£5,992,579	£6,153
£4,012	£517,631	£0	£517,631	£6,313
£4,593	£1,256,974	£0	£1,256,974	£5,131
£4,096	£1,757,972	£0	£1,843,027	£4,430
£4,789	£2,891,086	£0	£2,891,086	£5,028
£4,740	£1,791,402	£0	£1,791,402	£5,133
£4,056	£1,600,829	£3,970	£1,630,847	£4,432
£4,527	£1,803,050	£0	£1,803,050	£4,886
£4,389	£1,738,341	£0	£1,738,341	£4,750
£4,396	£1,203,163	£0	£1,203,163	£4,992
£3,931	£512,417	£0	£512,417	£6,028
£5,664	£6,507,676	£0	£6,507,676	£5,810
£4,072	£1,700,512	£645	£1,719,509	£4,455
£4,128	£495,553	£0	£495,553	£6,607
£3,993	£769,346	£0	£769,346	£4,808
£4,201	£2,663,830	£0	£2,812,676	£4,479
£4,109	£663,491	£186	£663,677	£5,267
£4,403	£1,713,467	£0	£1,713,467	£4,773
£4,267	£1,640,767	£0	£1,640,767	£4,648
£4,278	£1,181,072	£0	£1,181,072	£4,821
£6,102	£4,689,143	£0	£4,689,143	£6,303
£4,064	£1,602,221	£0	£1,665,754	£4,418
£3,957	£564,307	£0	£564,307	£5,643
£4,753	£1,436,063	£0	£1,436,063	£5,241
£4,609	£741,718	£0	£741,718	£5,619
£5,939	£7,305,141	£0	£7,305,141	£6,072
£4,144	£1,240,487	£0	£1,240,487	£4,699
£4,039	£1,569,897	£1,734	£1,579,121	£4,499
£5,800	£5,589,566	£0	£5,589,566	£5,965
£4,451	£1,535,791	£0	£1,535,791	£4,876
£4,481	£919,454	£0	£919,454	£5,224
£4,274	£1,383,611	£0	£1,383,611	£4,738
£4,316	£921,407	£0	£921,407	£5,035
£4,711	£1,352,077	£0	£1,352,077	£5,220
£4,211	£1,004,000	£0	£1,004,000	£4,850
£4,061	£1,030,772	£0	£1,030,772	£4,664
£3,912	£972,587	£0	£972,587	£4,524
£4,267	£1,375,341	£0	£1,375,341	£4,726
£3,638	£519,774	£0	£519,774	£4,858
£3,644	£347,070	£0	£347,070	£5,785
£3,800	£883,756	£0	£883,756	£4,463
£4,309	£1,550,988	£0	£1,550,988	£4,714
£4,392	£2,147,191	£0	£2,147,191	£4,688
£3,950	£477,661	£0	£477,661	£5,428
£4,530	£352,452	£0	£352,452	£7,499
£4,226	£891,668	£0	£891,668	£5,009
£5,927	£5,052,437	£0	£5,052,437	£6,117
£5,876	£6,093,974	£0	£6,093,974	£6,034
£4,123	£1,906,424	£2,221	£2,027,590	£4,456
£3,740	£558,913	£0	£558,913	£5,480
£3,823	£680,521	£0	£680,521	£4,792
£4,468	£1,986,413	£0	£1,986,413	£4,798
£3,940	£519,868	£0	£519,868	£6,045
£4,623	£1,325,734	£1,860	£1,327,594	£5,146
£6,502	£7,645,922	£0	£7,645,922	£6,631
£3,866	£900,890	£0	£900,890	£4,527
£5,685	£472,885	£0	£472,885	£6,755
£4,133	£1,849,747	£0	£1,849,747	£4,534
£3,835	£511,261	£0	£511,261	£5,877
£4,155	£491,450	£0	£491,450	£6,649
£4,068	£1,672,313	£7,948	£1,691,014	£4,438
£4,027	£1,315,600	£0	£1,315,600	£4,490
£5,742	£7,002,787	£0	£7,002,787	£5,875
£3,896	£502,794	£0	£502,794	£5,525
£4,311	£3,302,459	£0	£3,302,459	£4,499
£6,506	£8,121,793	£0	£8,121,793	£6,635
		<b>£268,440,940</b>	<b>£37,818</b>	<b></b>



## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 10

#### National Funding Formula Central School Services Block 2024-25

#### 1. Purpose of Report

- 1.1 This report is to present to Schools Forum the Local Authority's proposals for central expenditure on education functions for 2024-25.
- 1.2 There is an overall estimated reduction of £221K in the Central Schools Services Block (CSSB). This is due to the 20% reduction in the historical element of the CSSB.

#### 2. Central School Services Block (CSSB)

- 2.1 CSSB covers funding allocated to LAs to carry out central education functions on behalf of pupils in maintained schools and academies in England.
- 2.2 The CSSB is split into two elements:
  - a) funding for ongoing responsibilities is a formula based calculation (nationally distributed via a per pupil rate currently multiplied by October 2022 pupil census data but will be revised to October 2023 numbers in the December 2023 announcement).
  - b) funding for historic commitments allocated at levels carried forward from previous years. The DfE have been reducing the historic commitments funding since 2020-21 by 20% per annum. This reduction has been applied to the provisional 2024-25 CSSB funding.
- 2.3 NNC have received a provisional allocation of £3,066,026 in 2024-25 compared to £3,286,931 in 2023-24 which is a reduction of £221k. The following Table is an extract from the National Funding Formula (NFF) which summarises the CSSB provisional calculation for 2024-25.

## Central school services block: local authority (LA) summary

On this page you can see the estimated impact on an LA's funding. To view an LA's data, please select the relevant LA from the blue box in row 10.

- Below, you will see the LA's 2023-24 CSSB funding baseline and the change in funding under the NFF.

- At the top of the page are the baseline and 2024-25 allocation for historic commitments.

- LA's historic commitments funding will be reduced by 20%.

- At the bottom of the page, you will see the provisional change to the LA's funding for ongoing responsibilities in 2024-25 as a result of the national funding formula.

- Funding for ongoing responsibilities will be allocated on a per-pupil basis. No LA's per-pupil funding for 2024-25 will fall more than 2.5% compared to its 2023-24 per-pupil funding.

Cell colour guide	Calculation	Explanation
Please select your local authority from the drop down menu:	North Northamptonshire	

Table 1: 2024-25 funding for historic commitments

2023-24 baseline for historic commitments	£1,439,677	This shows the 2023-24 LA allocation for historic commitments.
NFF funding for historic commitments	£1,151,742	This shows what the LA will receive for historic commitments in 2024-25 (prior to any protection applied in the DSG).

Table 2: Provisional 2023-24 funding for ongoing responsibilities, under the NFF

2023-24 baseline for ongoing responsibilities	£1,847,253	This shows the LA's allocation for ongoing responsibilities in the 2023-24 DSG allocations.
2024-25 total funding for ongoing responsibilities	£1,914,284	This shows what the LA will provisionally receive for ongoing responsibilities in 2024-25.
Percentage change in per pupil funding in 2024-25	3.63%	This shows the percentage change the LA will receive per pupil in 2024-25 compared with the 2023-24 baseline for ongoing responsibilities.

2.4 Table 1 shows the change in CSSB funding between 2024-25 and 2023-24

### Table 1 – CSSB Funding

Central School Services Block Funding	2023-24	2024-25	Change
Final CSSB unit of funding	£36.91	£38.25	£1.34
2021 to 2022 CSSB pupil count	50,047.50	50,047.50	0.00
Funding for On-going Duties	£1,847,254.00	£1,914,284.00	£67,030.00
Funding for Historic Commitments	£1,439,677.00	£1,151,742.00	£(287,935)
<b>Total Central School Services Block Funding</b>	<b>£3,286,931.00</b>	<b>£3,066,026.00</b>	<b>£(220,905)</b>

Note: +ve increase in income -ve reduction in income

2.5 The change between unprotected NFF per-pupil funding and per-pupil baseline for ongoing responsibilities for North Northamptonshire Council is 3.63%. As a result, North Northamptonshire received a 3.63% increase for ongoing responsibilities – which amounts to £67k.

2.6 The CSSB NFF allocates funding to LAs for ongoing responsibilities using a pupil-led formula. The formula uses three factors:

- a basic per-pupil factor, through which LAs receive most of the funding.
- a deprivation per-pupil factor; and
- for the 2024-25 CSSB NFF, a copyright licences per pupil factor to fund the additional costs of copyright licences that LAs faced in 2023-24.

2.7 The increase of 3.63% in total ongoing responsibilities funding that each LA attracts includes the total additional cost for their copyright licences from 2023-24. The DFE made an adjustment to Christian Copyright Licensing International (CCLI) costs that were charged for the 2022-23 financial year due to an administrative error that meant LAs were charged incorrectly for this licence.

2.8 Table 2 summarised NNC's current use of the CSSB funding in 2023-24, together with proposals for its use in 2024-25 and show the changes between 2023-24 and 2024-25.

**Table 2 – NNC Proposed CSSB Expenditure for 2024-25**

Central School Services Block	2023-24	2024-25	Change
<b>Historical Commitments</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contribution to Combined Services (see Table 3)	639,677	244,742	(394,935)
Contribution to DSG High Needs Deficit	0	0	0
Pre-2013 Premature Retirement / Redundancy Costs	800,000	907,000	107,000
<b>Total Historical Commitments</b>	<b>1,439,677</b>	<b>1,151,742</b>	<b>(287,935)</b>
<b>Ongoing Responsibilities</b>	<b>£</b>	<b>£</b>	<b>£</b>
Admissions	499,208	507,517	8,309
Schools Forum	11,300	11,300	0
National Copyright Licences	321,279	380,000	58,721
Statutory and Regulatory Duties	1,010,000	1,010,000	0
Teacher's Pay and Pension Grant	5,467	5,467	0
<b>Total Ongoing Responsibilities</b>	<b>1,847,254</b>	<b>1,914,284</b>	<b>67,030</b>
<b>Total CSSB</b>	<b>3,286,931</b>	<b>3,066,026</b>	<b>(220,905)</b>

Note: +ve increase in expenditure -ve reduction in expenditure

2.9 Table 3 provides a breakdown of NNC's proposals for the use of the CSSB on Combined Services in 2024-25 and changes from 2023-24.

**Table 3 - NNC Proposed Combined Services Expenditure Budget**

CSSB DSG Contribution to Combined Service	2023-24	2024-25	Change
	<b>£</b>	<b>£</b>	<b>£</b>
School Standards & Effectiveness	466,150	71,215	(394,935)
Moderation	15,000	15,000	0
Northamptonshire Safeguarding Children Board	33,247	33,247	0
Educational Entitlement	125,280	125,280	0
<b>Total</b>	<b>639,677</b>	<b>244,742</b>	<b>(394,935)</b>

Note: +ve increase in expenditure -ve reduction in expenditure



### **3. Financial implications**

- 3.1 The 20% year on year reduction funding on historical commitments leaves a funding gap of £0.29m against the historical commitment's expenditure requirement in 2024-25.
- 3.2 This funding gap will need to be met by reducing the funding for Contribution to Combined Services by £0.395m. It is proposed that a further de-delegation for Education Functions is requested from maintained Primary, Secondary and Special Schools to meet this shortfall in funding for School Effectiveness going forward.
- 3.3 From 2022-2023, schools forums have been able to agree to de-delegate funding for local authorities' core school improvement activities in relation to maintained schools. In addition, since 2017-18, schools forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools. From 2023-24, the school improvement monitoring and brokering grant is no longer being paid to local authorities.
- 3.4 The ongoing 20% reductions on Historic Commitments Funding on CSSB will continue year on year i.e., a further reduction of £230K in 2025-26 and £184K in 2026-27.
- 3.5 It is also proposed that the funding for ongoing responsibilities is used as set out in Table 2.

### **4. Legal implications**

- 4.1 There are no legal implications arising from the proposals.

### **5. Risks**

- 5.1 The main risks arising should Schools Forum not agree with the recommendations are to find alternative sources of funding to support the existing commitments. Should this not be possible DSG CSSB Contribution to Combined Functions may have to cease. The criteria of what DSG CSSB can be spent on is set out in [The School and Early Years Finance \(England\) Regulations 2023](#)

### **6. Recommendations for Schools Forum**

It is recommended that the Schools Forum:

- 6.1 Note the ongoing reduction of 20% to historical commitments of the CSSB year on year.
- 6.2 Consider further de-delegation for Education Functions from maintained Primary, Secondary and Special School Budgets to meet this shortfall in CSSB funding.
- 6.3 Agree the use of Historical Commitment budget as set out in Table 2.
- 6.4 Agree the use of the available ongoing responsibilities budgets as set out in Table 2.
- 6.5 Agree the use of Contribution to Combined Services budget as set out in Table 3.

### **7. Next Steps**

- 7.1 Schools Forum members will be asked to agree to the final proposals for central expenditure following the DFE's December 2023 Finance Settlement in January



2024.

**Report Author:**

Officer name: Sariya Bi

Officer title: Senior Finance Business Partner – Children Services

Email address: [sariya.bi@northnorthants.gov.uk](mailto:sariya.bi@northnorthants.gov.uk)

This page is intentionally left blank



## North Northamptonshire Schools Forum: 2nd November 2023

### Agenda Item 11

#### De-delegation : Trade Union Facilities Time for Maintained Schools - 2024-25

#### **1 Background**

- 1.1 North Northamptonshire Council (NNC) has a Recognition Agreement with trade unions and this recognition agreement automatically covers schools within the North Northamptonshire area where the local authority is the employer (31<sup>1</sup> community, community special, voluntary controlled and local authority nursery schools).
- 1.2 For trade unions recognised to represent employee groups based within local authority-maintained schools (the 31 schools above, plus 9 voluntary aided and foundation schools), time off for trade union duties and activities is determined on an annual basis. In December 2022, Schools Forum members representing maintained schools voted to de-delegate a sum of their Post MFG Budget into a pooled trade union facility time arrangement for financial year 2023/24.
- 1.3 NNC schools pooled facility time arrangements for the current financial year (Apr'23 – Mar'24) at a rate of £3.56 per pupil, in line with the regional average for such deductions.

#### **2 Facility time – legal context**

- 2.1 Employees who are union representatives of an independent trade union recognised by their employer will be permitted reasonable time off during working hours to carry out certain trade union duties. Although there is no absolute right to take time off work, an employer should not refuse a reasonable request to do so.
- 2.2 Union representatives are entitled to request time off where the duties are concerned with:
  - negotiations with the employer about matters which fall within section 178(2) of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULR(C)A) and for which the union is recognised for the purposes of collective bargaining by the employer.
  - any other functions on behalf of employees of the employer which are related to matters falling within section 178(2) TULR(C)A and which the employer has agreed the union may perform.
  - the receipt of information from the employer and consultation by the employer under section 188 TULR(C)A, related to redundancy or under the Transfer of Undertakings (Protection of Employment) Regulations 2006 that applies to employees of the employer.
  - negotiations with a view to entering into an agreement under regulation 9 of the Transfer of Undertakings (Protection of Employment) Regulations 2006 that applies to employees of the employer.

---

<sup>1</sup> [Search results for " - GOV.UK \(get-information-schools.service.gov.uk\)](https://www.gov.uk/get-information-schools.service.gov.uk)

- the performance on behalf of employees of the employer of functions related to or connected with the making of an agreement under regulation 9 of the Transfer of Undertakings (Protection or Employment) Regulations 2006.

### **3 Department for Education non-statutory guidance**

The DfE [published guidance](#) on facility time for schools and stresses the importance of ensuring spending on facility time is as efficient as possible as well as transparent and accountable.

### **4 Benefits of de-delegation of budget into a pooled arrangement**

4.1 It ensures maintained schools & the Council meet their legal obligations:

- NNC will undertake the management and operation of the statutory consultation framework on behalf of maintained schools via the Children’s Services Directorate Consultative Forum (DCF) and Health, Safety & Wellbeing Forum (HSWF).
- Consultation on school transfer to Academy status.

4.2 Representation on employee relation issues (e.g., disciplinary, grievance):

- TU members are employees and value local representation.
- Local knowledge and understanding of local context to support local members.
- Cost effective TU representation.
- Enables consistency of local practice.
- Supports fast, efficient and informal resolution.

4.3 Least disruptive to education and cost-effective means of organising facilities time; ensures no single maintained school faces a disproportionate cost.

4.4 The majority of maintained schools do not employ staff elected as TU representatives.

### **5 Impact on schools of no de-delegation for a pooled arrangement**

5.1 Each individual school would be required to:

- Consult with all recognised trade unions on all employment and health and safety matters.
- Develop their own recognition agreement with trade unions and any collective approach to reaching agreements.
- Make their own arrangements for access to trade union representatives to represent employees and to manage facility time within the school.
- Experience potentially longer timeframes for resolution of employment relation issues

5.2 Benefits to schools provided from a trade union perspective are contained in [Appendix 1](#).

### **6 Recommendations for Schools Forum**

6.1 Maintained School Forum members are recommended to vote to pool their facility time arrangements in 2024/25 between maintained schools falling within North Northamptonshire.

6.2 Maintained School Forum members are asked to vote on whether to de-delegate budgets to fund a pooled facility time arrangement between maintained schools within North Northamptonshire.

6.3 Maintained School Forum members are asked to vote on a per pupil rate.

TU rep salary costs – proxy salaries are used to propose a per-pupil rate; actual costs depend on the salaries of the elected TU representatives.

- Number of maintained schools – may reduce due to conversions.
- Number of pupils on roll – NoR from Jan 2023 Census are used, but actual NoR figures will be used to charge schools under de-delegation.
- What a ‘reasonable’ amount of facility time is that schools should provide trade unions across maintained schools. The Trade Union Recognition Agreement provides guidance on a ratio of TU members: number of days facility time, but membership numbers are generally not shared by trade unions.

6.4 For the financial year 2023/24 the per pupil rate was set at £3.56, in line with the regional average for deductions. This equated to 4 full days facilities time, 2.5 teacher rep days and 1.5 non teacher rep. If the Forum decides to support a continued de-delegation, it can choose an appropriate rate for this. Two proposals for consideration are:

- 1 To retain the current level of per pupil funding at £3.56. This will reduce the level of facilities time due to inflationary pressures on staffing costs.
- 2 To increase the current rate of £3.56 in line with the teacher’s pay settlement of 6.5%, to give a new rate of £3.79 per pupil.

## 7 **Next steps**

If Schools Forum vote to de-delegate budget to fund shared arrangements for facility time, then time off will be allocated based on the funds made available from schools delegating budget for facility time. This will be managed by NNC in consultation with the relevant recognised trade unions.

## 8 **Financial implications**

Without the Trade Union de-delegation, maintained schools will have to provide paid facility time within their school to release elected employee representatives from each of the recognised trade unions. It is likely to be more expensive and potentially disruptive to manage facility time directly than through a pooled arrangement funded through de-delegation.

## 9 **Legal implications**

9.1 The legal basis of facility time as set out in section 2 of the report applies to all employers, including those responsible for maintained schools, academies and free schools. The continuation of de-delegation enables maintained schools to meet these requirements and for those maintained schools where the NNC Recognition Agreement applies because NNC is the employer.

9.2 The regulations on decision making by Schools Forum are contained within the [Schools Forum Powers and Responsibilities Guide](#).

## 10 **Risks**

If facility time is not organised centrally, each trade union can press for the release of a union representative at each individual school. The training requirement for these

representatives could be significant, given the new role they would be expected to fulfil (e.g., employee, Health and Safety and Learning representative duties; attend training or learning activities; consultation and negotiation on employment related matters and the school's own HR policies).

- 10.2 There would be a risk of increased disruption in the school, for example, releasing a teacher from the classroom to accompany a member in a formal disciplinary/grievance/performance/individual consultation meeting.

**Report Author:**

Officer name: Neil Goddard

Officer title: Director of Education

Email address: [neil.goddard@northnorthants.gov.uk](mailto:neil.goddard@northnorthants.gov.uk)

## Appendix 1

### Extract from NNC's Trade Union Recognition Agreement (Section 7)

#### Trade Union Representatives - Schools

- 1.1. For trade unions recognised to represent employee groups based within local authority maintained schools, time off for trade union duties and activities is determined on an annual basis at Schools Forum, in accordance with school budget arrangements.
- 1.2. If schools vote to de-delegate budget to fund shared arrangements for facility time, then time off (in addition to core time for senior trade union representatives set out in 7.8) will be allocated based on the funds made available from schools delegating budget for facility time and relative proportion of trade union membership in the NNC schools participating in the shared arrangements:

<b>Trade union membership</b>	<b>Time-off allocation</b>
1 – 99	0.25 days per week
100 – 499	0.5 days per week
500 – 999	1 day per week
1000 – 1499	2 days per week
1500 – 1999	2.5 days per week
2000 – 2499	3 days per week
2500 – 2999	3.5 days per week
3000 – 3499	4 days per week
3500+	4.5 days per week

## Appendix 2

### Joint statement from the recognised trade unions (2023/24)

The Table below illustrates the value of de-delegated facilities' time and the impact if this was not in place. The consequence of not agreeing on facility time is that issues may escalate quickly and be resolved more slowly costing time and money.

With maintained schools having to outsource HR providers and Wages clerk duties, the local authority cannot monitor HR issues and may only get notified of serious cases. The facility time helps us to work more closely with HR providers and Head Teachers to resolve issues quickly and fairly.

#### Impact assessment on Schools facility time

Reason for contacting the Union	Action of the Caseworker with facility time	Potential outcome	IMPACT Without facility time
General Enquiries	Able to advise members of where they stand and what fair, informal actions to take	Able to resolve the matter early before they become an issue for the schools. E.g. This may be as simple as requesting a flexible working policy	Staff anxieties are raised which may impact on performance.  Working relationships and increased absence
Sickness / absence and Ill health retirement	Liaise between the school / HR Provider to get their perspective and enquire if there is any underlying cause i.e. a dispute.	Identify the reason for absence.  Work with the school and HR provides to offer support and a plan for returning to work.  E.g. Occupation Health reports  Mediation if there are working relationship issues.  Support a clear action plan to return to work.  Retaining good staff and maintaining a low staff turn over	Prolonged cost of sickness absence and cover  Staff being unsupported in being referred to Occupational Health  Potential unresolved work relationship issues  Staff leaving resulting in a higher turnover of staff, increase cost of agency staff and recruitment costs



<b>Reason for contacting the Union</b>	<b>Action of the Caseworker with facility time</b>	<b>Potential outcome</b>	<b>IMPACT Without facility time</b>
Disciplinary's	<p>Support the member through the process of any investigation</p> <p>Clarify the process with the school and HR Provider</p> <p>Advise members to be open and honest and enable them to give their version of events.</p> <p>Ensure a fair investigation process</p> <p>Work within the safeguarding procedures.</p> <p>Liaise with HR Provider</p>	<p>Unions can support the process and advise the member accordingly.</p> <p>Many schools are grateful that the staff members are supported by an independent person who can remain objective</p> <p>Any potential outcome of the disciplinary is fair and reasonable.</p> <p>Be available, usually at very short notice to pick up these cases and respond accordingly</p>	<p>More staff will go off on sick</p> <p>More staff may leave the employment before any further action is decided on.</p> <p>In cases of false accusations, this may result in good staff leaving under a cloud.</p> <p>Without the union facility time, the disciplinary process will be very much delayed with inevitably increase costs to the school</p>
Capability	<p>Support the member through the process</p> <p>Liaise with the School and HR Provider to get their perspective</p> <p>Ensure they are following the Policy and identifying the skills and behaviours expected and how the school will provide guidance and training for these.</p>	<p>Identify what the issues are and look to resolve them without going into a formal process</p> <p>Support the member through the process with outcomes of the person attaining the standard required and that the employer provides any additional support needed</p>	
Reasonable Adjustments	<p>Work with the school to identify any potential risk factors and hazards</p> <p>Identify individual risk assessments – with or without the support of occupational health</p>	<p>The school retains a valuable member of staff</p>	<p>Increased long-term sick</p> <p>Increase agency cover needed</p> <p>Increase staff turnover</p>

<b>Reason for contacting the Union</b>	<b>Action of the Caseworker with facility time</b>	<b>Potential outcome</b>	<b>IMPACT Without facility time</b>
TUPE Consultation /redundancy	<p>Be able to work with the timelines on consultation which are often very tight</p> <p>Reassure members of a fair process</p> <p>Alleviating member's anxieties and mistrust</p> <p>Look at ways in preventing compulsory redundancies</p>	<p>Ensure staffs questions are answered in both an open forum and in confidential 1:1 Consultations</p> <p>Represent member's personal circumstances in the negotiation particularly in requesting Voluntary redundancy</p>	<p>The delayed process to enable the consultation to be meaningful</p> <p>Without the facility, time union staff will be less available to attend 1:1 meetings.</p> <p>Increased chance of tribunal cases for unfair dismissal</p>

There is a definite impact of financial cost and staffing cost / resource at a time when it is difficult to retain and recruit good staff. Particularly support staff such as TA's.



## North Northants Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 12

#### 2024-25 De-delegation: School Effectiveness for Maintained Schools

#### 1 Background

- 1.1 The School Effectiveness Team (SET) is funded from the Central Schools Services Block of the Dedicated Schools Grant (DSG).
- 1.2 The current team has a Head of Service.
- 1.3 There is an Associate Head Teacher (AHT) whose purpose is to:
  - Lead and facilitate school improvement in schools causing concern and or.
  - To provide additional support within individual settings to facilitate rapid improvement, and/or.
  - Undertake the duties of the Head Teacher where a school may be experiencing leadership issues.
- 1.4 The team also consists of School Improvement Partners (SIPs) who work with Primary, Secondary, Governors and Early Years, (including schools with nurseries and our Maintained Nursery School (MNS) settings).
- 1.5 The SET provide essential services enabling SIPs and the AHT to provide direct support for maintained schools requiring specific targeted improvement including:
  - Provision of an Interim Head Teacher in a school through the AHT;
  - Coaching and mentoring for the Senior Leadership Team and Head Teacher where required by the AHT.
  - Middle leader development.
  - Head Teacher recruitment support for Governors and representation of a SIP on the recruitment panel to ensure that the process is carried out appropriately.
  - Brokerage of school- to-school support for schools needing to improve a specific aspect of their provision.
  - The initiation of a time limited Targeted Improvement Group (TIG) where more intensive 'team around the school' work is required.
  - Specific training and support for Governors; and
  - Working with external partners, such as the English Hub and the University of Northampton (UoN) for example, to further support schools.
- 1.6 This report covers:
  - School Effectiveness funding and review of Impact.
  - School Effectiveness priorities for academic year 2024-2025.

## 2 School Effectiveness Funding and Review of Impact

2.1 For 2023-2024 School Effectiveness de-delegation was approved by Northamptonshire Schools Forum in October 2022. The Forum agreed to continue with School Effectiveness de-delegated funding of £12 per pupil from Maintained Schools to create an estimated budget of £115, 800 for North Northamptonshire Maintained Schools in 2023-2024.

2.2 The work of the SET is focused upon Maintained Schools. The SET work with all schools regardless of their Ofsted outcome. Naturally, much of the intensive work is with schools that are Requires Improvement (RI) or Inadequate. The SET work with schools who experience any of the following where:

- The outcome of an ungraded inspection suggests, from the evidence gathered, that the inspection grade might not be as high.
- A school's provision for early reading and/or phonics is not sufficiently well developed or securely implemented.
- A school's curriculum provision requires improvement to be good.
- A school's data is below national average in one or more key measures or where data has declined significantly which may put them at risk of an adverse inspection.
- The school is at risk of an inadequate judgement or is given an inadequate judgement by Ofsted.
- The school is at risk of a Requires Improvement (RI) judgement or is given a RI judgement for a first, second or further times by Ofsted.
- Safeguarding is not effective as judged by the Local Authority or by Ofsted.
- Leadership and Management is a cause for concern, (including Governance).
- There are financial concerns.
- There are significant concerns with any / all the following:
  - Attendance
  - Behaviour
  - Exclusions
  - The number and type of complaints received by Ofsted about a school.

2.3 In 2022-2023 the SET were deployed as follows:

- Engaged intensively with 2 schools that escalated to a School Causing Concern (SCC) level of intervention, triggering bespoke significant support packages and regular monitoring and scrutiny of progress towards specific targets.
- Engaged in the TIG process with 2 schools, triggering detailed action plans and school to school support programmes of work. The AHT took the role of Head Teacher in one of these schools for 18 months from April 2021.
- Careful planning and delivery of the amalgamation of two schools, with an unwavering and significant focus on the quality of education prior to, during and after the merger. This work remains ongoing.
- Significant focus on several schools due to be inspected, ensuring that they were 'Ofsted ready.'
- Regular monitoring of schools at all levels.
- Leading on the statutory assessment and moderation training, deployment of moderators across the county in June 2023 and conducting unannounced monitoring visits of the Key Stage 2 Standard Assessment Tests (SATs) in May 2023 and the Phonics Screening Checks (PSC) in June 2023.

## 2.4 The **impact** has been:

- Overall, the number of Good and Outstanding maintained schools in North Northants at the end of July 2023 was 85%.
- This is partly because of the work that the SET have undertaken, collaboratively with Head Teachers, Senior Leaders and staff, converting RI schools to Good, or maintaining the good rating of schools which have needed higher than average levels of support.
- Of the pupils that attend maintained primary schools in North Northants, 89% of them are now attending Good/Outstanding maintained schools.
- Because of the work that the SET undertook, collaboratively with Head Teachers, Senior Leaders and staff in maintained primary schools last academic year, two schools at risk of being inadequate achieved an RI rating, some with good in certain areas.
- In summary, the overwhelming majority of inspections have all been favourable in the maintained primary schools supported by the DSG.
- Although many improvements are evident this year, standards overall in North Northants are below national and below that of East Midlands.
- It is important to note that whilst North Northants still sits below national in all areas, there were improvements in the maintained schools unvalidated data at the end of July 2023:
  - Early Years Foundation Stage (EYFS) Good Level of Development (GLD) data increased by 2% bringing it within 1% of the national figure.
  - The percentage of pupils passing the Year 1 PSC in June 2023 rose by 4% reducing the gap to national to 2%.
  - At Key Stage 1 (KS1) the Reading, Writing and Maths (RWM) combined percentage was broadly in line with NCER national; and
  - At Key Stage 2 (KS2) the Reading, Writing and Maths (RWM) combined percentage was up by 2% from the end of July 2022.

## 2.5 **Review of Last Year's 'Future Priorities':**

1. Plan bespoke school improvement priorities together in collaboration with schools, using locality data:
  - Work has begun in this aspect. Two groups have been formed in East Northants and in Wellingborough.
  - This is still in its infancy and will remain a priority for this academic year to be rolled out to all 4 locality areas.
2. Improve outcomes in reading, writing and maths at KS2 across North Northants.
  - Work together with maintained schools and MATS to improve outcomes for all pupils across North Northants, identifying good practice in locality areas. Unvalidated attainment headline data for North Northants is still below national but does show the following increases:
    - ❖ A 4% increase in GLD outcome overall compared to July 2022.
    - ❖ A 5% increase in year 1 pupils passing the PSC in June 2023.
    - ❖ A 3% increase in KS1 RWM combined attainment.
    - ❖ A 1% increase in KS2 writing attainment.
    - ❖ A reduction in the gap to national in KS2 reading.
  - Continue to focus on and improve the 'quality of education' (the curriculum) so that schools maintain an ambitious curriculum that is aspirational for all

pupils, where pupil knowledge is securely built over time and across phases of education.

- 85% of all schools in North Northants are Good and/or Outstanding, which is the highest percentage to date including data from the legacy council.
- Reduction in the achievement gap for disadvantaged pupils as this gap has not yet reduced significantly enough, and work will continue in this aspect.

2.6 It is currently estimated School Effectiveness resources will be fully utilised in 2024-2025. In the unlikely event that School Effectiveness is not fully utilised at the end of March 2024, the underspend would be rolled forward to be used in future years for School Effectiveness.

### **3 SET Priorities for 2023-2024**

- To develop and implement a new school effectiveness strategy.
- To ensure that all Local Authority Maintained schools are rated at least good.
- To improve educational outcomes for North Northamptonshire so that they are at least in line with the regional average.
- To ensure that appropriate provision is available for all children to support inclusion.
- To facilitate early intervention and high-quality curriculum development in the early years so that our youngest children are school ready.
- Work with providers to broaden Post 16 curriculum offer.
- Develop links between education providers and local business to ensure qualifications meet needs.

### **4 Proposed next steps**

4.1 The council intends to consult upon its intention to ask maintained schools' representatives to increase de-delegation for this purpose to £12.78 per pupil. This is a 6.5% rise in line with Teachers Salary increase.

4.2 It should be noted that school improvement contributions from the DSG, known as the Local Authority Monitoring and Brokering (LAMB) Grant, ceased in April 2023, meaning that that there is less resource in this area for the Local Authority.

4.3 The proposed increase in the amount per pupil will continue to help the LA to economically secure the continued provision of the services of the SET enabling the LA to be more agile in responding to the needs of schools as well as build relationships with the sector.

4.4 Further conversion of one primary school into an academy since the 2023-24 de-delegated budget was set meant that there is currently less resource in the pot to deliver the required services going forward. Council officers propose to include School Effectiveness de-delegation in the School Budget consultation with the following questions:

a. Do you agree with the proposal for de-delegation to be made for maintained primary schools to create a maintained school improvement grant?

If yes:

b. Do you agree with the proposed increased rate of £12.78 per pupil?

c. If no, what rate would you consider reasonable?

### **5 Recommendations**

5.1 Schools forum members are asked to agree the consultation proposals and questions or propose alternatives.

## 6 Financial implications

6.1 Should the consultation take place, Schools Forum will need to agree at its December meeting the de-delegation of £12.78 per pupil for maintained primary and secondary schools. This £12.78 per pupil will be deducted from the individual maintained schools' 2024-25 Post MFG Budget.

## 7 Legal implications

7.1 Under Schools Forum regulations, the responsible local authority has the power to propose to maintained schools to de-delegate funding from maintained schools' budgets with agreement of its schools forum or any direction by the Secretary of State for Education.

Function	Local authority	Schools forum	DfE role
De-delegation for mainstream maintained schools for: <ul style="list-style-type: none"><li>contingencies</li><li>administration of free school meals</li><li>insurance</li><li>licences/subscriptions</li><li>staff costs – supply cover</li><li>support for minority ethnic pupils/underachieving groups</li><li>behaviour support services</li><li>library and museum services</li><li>School improvement</li></ul>	Proposes	Maintained primary and secondary school member representatives will decide for their phase. Middle schools are treated according to their deemed status	Will adjudicate where schools forum does not agree LA proposal

## 8. Risks

8.1 The risk, should school's forum not agree the de-delegation, is that the authority will not have the resources required to support and challenge schools causing concern. This is likely to result, at best, in standards failing to improve or, at worst, poorer pupil progress and achievement.

### Report Author:

Your name: Jo Hutchinson  
Your title: Head of School Effectiveness North  
Email address: [jo.hutchinson@northnorthants.gov.uk](mailto:jo.hutchinson@northnorthants.gov.uk)  
Telephone number: 07872148239

This page is intentionally left blank





## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 13

#### 2024-25 De-delegation - Schools Insurance Service

## 1 Background

North Northamptonshire Council (NNC) accesses insurance cover via a procurement framework in collaboration with Solihull MBC and others called the Schools and Academies Insurance Framework (SAIF).

Schools insurance arrangements are currently de-delegated for all maintained primary and secondary schools with a traded option for nursery and special school settings. For those schools not de-delegated the insurance team provide insurance quotations for acceptance prior to arranging cover.

Schools currently benefit from an insurance programme that provides comprehensive cover for the risks associated with the services provided. The initial contract with Zurich Municipal commenced in 2021 and was for an initial period of three years, ending 31<sup>st</sup> March 2024, the agreement carries with it an option to extend for a further two years.

The purpose of this report is to seek agreement from Schools Forum for the continuation of de-delegated insurance services for schools for 2024-25 and to advise schools forum on the expected level of premium for core insurance covers.

## 2 The Schools Academy Insurance Framework (SAIF) Scheme offered by the Local Authority

### 2.1 Cover

As stated above the existing insurance arrangements have been in place since 2021 and are arranged via the Schools Academy Insurance Framework (SAIF). SAIF is operated by a group of local authorities and managed by Solihull MBC, the framework has been subject to a full procurement process and Zurich Municipal are the insurance provider to the framework.

Zurich Municipal have reviewed the performance of the insurance programme for schools within North Northamptonshire and at this stage can offer an extension for one year commencing on 1<sup>st</sup> April 2024, however due to factors discussed below they require an increased premium rate for the cover although this does remain £0.52 per pupil lower than the RPA alternative.

Within this option cover is as currently provided to NNC schools with the policy continuing to provide a comparable level of core cover as the Risk Protection Arrangement (RPA).

Whilst the RPA offers some unlimited indemnity levels on liability insurances, which we do not consider are necessary, in the main the cover provided by the SAIF scheme is comparable and there are additional benefits these are summarised below.

- Business interruption cover for loss of revenue is not provided by the RPA, cover via the SAIF scheme includes £150k of revenue protection in the event of an insured loss with a 48 month indemnity period
- Business interruption cover for loss of data is not provided by the RPA, cover via the SAIF scheme is provided at a level of £25k
- Theft cover under the SAIF scheme is for all theft whereas the RPA cover is limited to theft incidents involving forceable entry/exit.
- The sum insured for works in progress cover via the SAIF scheme is higher than that provided by the RPA at £500k (RPA is limited to £250k). The cover is also flexible and can be extended as required for an addition premium. The RPA does not allow this, and cover would need to be purchased elsewhere in the event of a contract exceeding £250k in value.
- The sum insured for employee and third party dishonesty (fraud) via the SAIF scheme is higher than that provided by the RPA at £1m (RPA £500k).
- The sum insured for legal expenses via the SAIF scheme is higher than that provided by the RPA at £250k (RPA £100k).
- Additional optional covers not included within the RPA, engineering insurance cover and statutory inspection services, motor and motor occasional business use, are available via the SAIF scheme at an additional premium. Schools do not then need to source their own policies as would be the case if cover is taken via the RPA.

NNC schools are currently receiving all of the above.

## **2.2 Additional services**

In addition to the cover set out in 2.1 the Local Authority is able to provide schools the ability to access added value services provided by Zurich at no additional cost, these include:

Zurich Risk Advisor – a digital risk self-assessment, review and management tool which provides a structured self-assessment for the review and management of risks and allows users to access guides to manage risks.

- Safer Schools App – an online platform that enables schools, pupils and parents to access a wealth of resources to support safeguarding practices.
- Fika Mental Fitness Platform - aimed at school staff. Fika helps to facilitate positive team behaviours by strengthening core mental fitness skills with training that fits into the education working day.
- Webinars specifically for school audiences on topics such as property risk management and understanding liability insurance

Additionally, schools will have access to services provided by the Lead Authority Shared Services agreement between NNC and Cambridgeshire. This enables schools to access a dedicated contact provided by the insurance service that supports the Local Authority who will be able to provide guidance and support in respect of insurance queries and issues with claims.

## 2.3 Overview of the Standard Package and Additional Covers

The main insurance product is provided within a standard package at a per pupil price which is inclusive of insurance premium tax. The price per school will be updated in April 2024 to reflect the actual number of pupils for each school based on the previous October census, i.e., the 2024/25 price will be based on the October 2023 census.

Schools will need to take out additional cover for engineering and motor insurance. Engineering cover is mandatory when insurance cover is taken via the Local Authority due to the link to liability insurance but cannot be included in the de-delegated budget. This charge will therefore be invoiced to schools separately and will need to be funded from school budgets.

Motor insurance is optional and will need to be funded from school budgets.

The premium charge for engineering and motor is assessed based on the extent of equipment inspected and the number of vehicles so the price varies school to school. For the Local Authority policy this will be administered by the insurance team who will advise 2024/25 prices as part of the renewal process in due course.

## 2.4 Market Conditions

Zurich Municipal, like the rest of the insurance market, are seeing challenging market pressures such as building sums insured and claims inflation and the impact of global weather events which have increased loss costs and are placing significant pressure on the cost of reinsurance. This has meant that they are having to increase prices for the SAIF cover, however they have stated that their aim is to remain competitive against the RPA in terms of price whilst continuing to provide an enhanced service in partnership with Local Authority Insurance Teams.

SAIF scheme insurance premiums per pupil are set out in the table below, it is worth noting that the alternative for schools via the RPA has seen increasing costs during the period that NNC schools have been insured via the SAIF scheme whilst Zurich Municipal have worked hard to hold their premium per pupil for the last 2 years despite the market factors mentioned above. Future RPA costs have not yet been published but the increase in cost is a trend which could continue and is likely to see the RPA rate remain higher than the SAIF offering.

<b>Policy Period</b>	<b>SAIF Scheme Per Pupil Price</b>	<b>RPA Scheme Per Pupil Price</b>	<b>Difference Per Pupil</b>
2021/22	£17.75	£19.00	-£1.25
2022/23	£18.00	£21.00	-£3.00
2023/24	£18.00	£23.00	-£5.00

## 2.5 2024-25 Pricing

Zurich have advised that they expect to be offering a per pupil rate of £22.48 for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025. Whilst this is not yet formally set and is subject to approval by the SAIF group and senior underwriters within the insurer. The reason for the increase in price is as stated in 2.4.

As shown in the table below this is less than the price set by the RPA which is currently £23 per pupil for the period 1<sup>st</sup> September 2023 to 31<sup>st</sup> August 2024.

<b>Policy Period</b>	<b>SAIF Scheme Per Pupil Price</b>	<b>RPA Scheme Per Pupil Price</b>	<b>Difference Per Pupil</b>
2024/25	£22.48	£23.00*	-£0.52*

\*Note that the RPA price is only confirmed until 31<sup>st</sup> August 2024 at which point it may increase. The Zurich price is for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025.

## 3 Options available to schools

Due to the limited market for school insurance schools have two options for insurance cover, either to purchase cover via the Local Authority and the SAIF scheme or join the RPA.

In addition, Forum can determine that the schools insurance arrangement are either de-delegated or traded.

A de-delegated arrangement will allow schools to ensure continuity of insurance coverage and price certainty for the 2024-25 period without the need for schools to obtain quotations, complete lengthy proposal forms and provide underwriting information.

A traded option does allow schools the flexibility to join the RPA, if a traded option is selected the insurance service shall provide each school a personalised quotation for consideration. Schools will be required to formally approve the placement of their insurance and schools who select not to join or do not respond will not be insured by the SAIF scheme moving forward, in this case it is incumbent on the school to ensure they have appropriate cover in place that is no less comprehensive than the local authority scheme.

The insurance service is unable to confirm whether the cost of providing insurance cover as a traded service will be maintained at the levels put forward for the de-delegated approach.

As noted above engineering and motor cover is available outside of the de-delegated arrangement as a traded service.

The local authority preference is for schools to continue to participate in the SAIF scheme and it will not allow schools to procure insurance via any other route than either SAIF or RPA schemes.

## 4 Recommendations for Schools Forum

The Schools Forum are asked to note the available purchasing options for insurance:

Option 1 - The Schools Forum agree the de-delegation of the service to primary and secondary schools at £22.48 per pupil with the provision available to other types of school as a traded service. Schools will also need to buy in the traded elements of the insurance cover, namely Engineering, Motor and Occasional Business use.

Option 2 – The Schools Forum refuse the de-delegation of the service to primary and secondary schools at £22.48 per pupil and the provision of insurance cover through the local authority will become a traded service for all settings with no guarantee on cost.

Option 3 - Schools purchase via the RPA at a premium of £0.52 per pupil higher than the SAIF scheme offered by the Local Authority.

It is the authority's recommendation that the Schools Forum agree the de-delegation of primary and secondary schools with a traded service to nursery and special schools.

## **5 Next steps**

Following the vote by the Schools Forum, whether the service is de-delegated or offered on a traded basis, Insurance Service will contact all schools to collect the information required by underwriters to renew the cover with effect from 1<sup>st</sup> April 2024.

If the service is de-delegated this process will pick up the requirements of schools in terms of the optional motor covers.

Once terms are confirmed by the insurer Insurance Services will contact all schools to advise of the premiums for each area of cover as follows:

- Package (per pupil element)
- Engineering cover (mandatory with package)
- Engineering inspection (mandatory with package)
- Motor (optional)
- Occasional Business Use (optional cover relating to Staff Business Use of personal vehicles)

Schools using the traded service will need to confirm their purchasing decision upon receipt of a quotation.

Assuming de-delegation is agreed primary and secondary schools receiving quotations for motor and occasional business cover will need to confirm their purchasing decision.

## **6 Financial implications**

The Schools Forum is asked to note that the cover provided by the local authority is comparable to the RPA and offered at a lower price saving £0.52 per pupil.

## 7 Risks

The Schools Forum is asked to note that the market for school insurance cover is very limited.

Should continued use of the SAIF scheme decline insurers may decide to withdraw from the market which is likely to lead to the Local Authority being unable to offer an alternative to the RPA scheme therefore removing choice and competitive pricing.

### Report Author:

Officer name: Sarah McAnulty

Officer title: Underwriting Manager (Insurance Services)

Email address: sarah.mcanulty@westnorthants.gov.uk

Telephone number: 07850 854295



## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 14

#### Growth Fund and Falling Pupil Roll Fund 2024 -25

## 1 Background

- 1.1 The Pupil Growth Fund (PGF) provides the mechanism by which the Local Authority (LA) provides revenue funding to schools to employ the necessary staff to allow for the provision of new school places. The PGF is a key factor in ensuring that the LA can fulfil its statutory obligation of providing a sufficiency of school places in all areas of North Northamptonshire.
- 1.2 This report updates school forum members of the Growth Fund spend to date and the NFF Growth Fund and Falling Roll Pupils formula update for 2024-25.
- 1.3 A consultation will be set up to gather input and feedback on the proposed criteria for Growth Fund and Falling Rolls Fund.

## 2 Growth Fund Update 2023-24

- 2.1 The table presented below details the cumulative expenditure for Growth Fund in North Northamptonshire, categorised by region:

	Primary	Secondary
Corby	£ 66,116.00	£ 106,091.00
Kettering	£ 23,268.00	£ 189,625.00
Wellingborough	£ 79,859.00	£ 161,248.00
	<u>£ 169,243.00</u>	<u>£ 456,964.00</u>

The total spend to date is £626,207.

## 3 NFF Growth Fund 2024–25 Update

- 3.1 In 2024-25 growth funding for the local authority will be calculated using the same methodology as previous year, based on the growth in pupil numbers between the October 2022 and October 2023 census. Growth allocations will be communicated to each local authority within their DSG settlement. Growth fund can only be used to support growth in pre-16 pupil numbers to meet basic need, support additional classes needed to meet the infant class size regulation and to meet the costs of new schools (these are new schools identified from the latest census data).

- 3.2 The growth Allocation for each Local Authority will be determined based on the following criteria:
- a) **MSOA Identification:** Using school postcode information.
  - b) **Pupil Count:** The number of primary and secondary pupils in schools within each MSOA in the October 2022 and October 2023 school censuses.
  - c) **Growth Calculation:** At the MSOA level, the change in pupil numbers by subtracting the October 2022 primary count from the October 2023 primary count, and the same for secondary pupils. This calculation will result in a negative number for any MSOAs experiencing a reduction in pupil numbers between the two censuses.
  - d) **Aggregation of Growth:** The total of the growth figures for each MSOA within the LA will be used to determine the LA-level primary and secondary pupil growth.
  - e) **New School Identification:** Any new schools in the October 2023 census.

3.3 For 2024-25 local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment).

**The growth fund must not be used to support:**

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency.
- general growth due to popularity; this is managed through lagged funding. This includes cases where academies have admitted above pupil admission numbers (PAN) by their own choice.

3.4 Local authorities are responsible for funding growth needs for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria.

3.5 **Local authorities' growth funding criteria should contain clear objective trigger points for qualification and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.** This will be checked by ESFA for compliance with the annually made School and Early Years Finance (England) Regulations, to check that it provides a transparent and consistent basis for the allocation of funding, which may be different for each phase. All criteria will need to be captured in the APT return.

3.6 As a minimum local authority will have to provide funding to a level which is compliant with the following formula:

- primary growth factor value (£1,550) × number of pupils × ACA

3.7 In addition to the Criteria above NNC will open a consultation with members to discuss additional further compliant criteria such as:

- Temporary Increases in PAN.



- Cases where pupil numbers exceed specified thresholds.
- Support where a school or academy has agreed to provide an extra class to meet basic need in the area. (This is a mandatory requirement).
- Additional support where a school has extended its age range.

#### 4. Falling Rolls 2024-25 Update

4.1 For the first time the DfE will allocate **falling pupil roll funding** in the Schools Block to local authorities for falling rolls in 2024-25. Previously, all falling rolls fund spending was required to be met through a top slice from other Schools Block funding.

4.2 Local authorities are required to follow the new NFF requirements for falling rolls funding. Falling rolls funding will be distributed based on the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses.

4.3 **Local authorities will continue to have discretion over whether to operate a falling rolls fund.** Where local authorities operate a fund, they will only be able to provide funding where school capacity data 2022 (SCAP) shows that school places will be required in the subsequent three to five years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years.

4.4 The requirement that schools must be Ofsted rated 'good' or 'outstanding' to be eligible for falling rolls funding will no longer apply from the 2024-25 financial year.

4.5 **Schools forum will need to agree the criteria for allocation of falling rolls funding, this will need to be precise and clear and a clear formula for calculating allocations.** NNC will open a consultation with members to set the criteria this will include features such as:

- Where SCAP shows that school places will be required in the subsequent three to five years (this is a mandatory requirement).
- Where surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number.
- Where formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.
- the school will need to make redundancies to contain spending within its formula budget and it is expected (using SCAP data – detailed above) that these posts will need to be re-filled in the subsequent 3 to 5 years.

## **5. Recommendations for Schools Forum**

- 5.1 Schools Forum is recommended to confirm the establishment of a Falling Pupil Roll Fund subject to the funding allocations set by the DfE and the agreed criteria established via the consultation process.

## **6. Next steps**

- 6.1 If Schools Forum agree to establish the Falling Pupil Roll Fund, NNC will undertake a consultation process as per DfE Guidance.
- 6.2 A consultation will be set up to gather input and feedback on the proposed criteria for Growth Fund and Falling Rolls Fund.

## **7. Financial implications**

- 7.1 NNC will be funded for the falling pupil roll fund by the DfE based on the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses.
- 7.2 Falling rolls are measured at the Medium Super Output Area (MSOA) within each local authority – these are areas used by the ONS based on population data, which allow us to capture falling rolls in small geographical areas within local authorities. The falling rolls allocation for each local authority will be £140,000 per MSOA which sees a 10% or greater reduction in the number of pupils on roll between the two census years. This allocation will be subject to an ACA.
- 7.3 The 2024-25 Growth and Falling Pupil Roll allocation will be announced by the DfE as part of Schools Block in the December 2023 DSG Settlement.

## **8. Legal implications**

- 8.1 The legislation governing the Schools Forum powers and responsibilities is available at the link below. This outlines that deductions that require a vote by all Schools Forum members.

[Stat guidance template \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 8.2 For further information on the legislature for deductions please see [The School and Early Years Finance \(England\) Regulations 2023 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

## **9. Risks**

- 9.1 If Pupil Growth Fund is not established for 2024-25, NNC will not be able to fund previously agreed growth across the primary and secondary phases of education in North Northamptonshire and 'new and growing' schools will not receive budgeted for growth funding. This is likely to result in severe budget issues at several schools listed above, incur significant reputational damage and possible legal action against NNC by the schools involved.

9.2 Should a Pupil Growth Fund for 2023-24 be established but with insufficient budget to fund all required growth in North Northamptonshire, NNC may fail to fulfil its statutory obligations of providing a sufficiency of school places.

**Report Author:**

Officer name: Neil Goddard

Officer title: Director of Education

Email address: [neil.goddard@northnorthants.gov.uk](mailto:neil.goddard@northnorthants.gov.uk)

This page is intentionally left blank



## North Northamptonshire Schools Forum: 2nd November 2023

### Agenda Item 16

#### Permanent Exclusions Clawback Policy – 2024-25

## 1 Background

- 1.1 The purpose of this paper is to seek agreement to continue with the permanent exclusion clawback policy agreed at the NNC Schools Forum on Dec 14 2022. This policy is line with current legislation and guidance in calculating clawback.
- 1.2 It is the responsibility of the LA to clawback funding from schools and academies that permanently exclude pupils through an agreed policy.
- 1.3 This paper is brought to Schools Forum to ask for approval to consult and to raise awareness of the issue.

## 2 Main report section or sections

### 2.1 Legislation

[The School and Early Years Finance \(England\) Regulations 2023 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

Exclusion from maintained schools, academies and pupil referral units in England Statutory guidance for those with legal responsibilities in relation to exclusion, DFE, 2017

The Government have produced a summary of the legislation for permanent exclusions which is available on gov.uk the following are extracts from that document:

181. The local authority cannot require a maintained school or academy to make any additional payments following a permanent exclusion, other than the budget share deductions set out in regulations, or the payments which an academy must make under its funding agreement.

183. A local authority may ask an academy trust to enter an arrangement for the transfer of funding for a pupil who has been permanently excluded, on the same basis as if the academy were a maintained school. The academy trust may be obliged under its funding agreement to comply with such a request.

#### **Pupils permanently excluded from, or leaving, maintained schools**

**37.—(1)** Where a pupil is permanently excluded from a school maintained by a local authority (other than a special school, a pupil referral unit, or a place which the authority has reserved for children with special educational needs) (“the excluding school”) the authority must redetermine the excluding school’s budget share in accordance with paragraph (2).

(2) The excluding school's budget share must be reduced by  $A \times (B / 52) + C$  where—

(a) *A* is the amount determined by the authority in accordance with this Part that would be attributable to a pupil of the same age and personal circumstances as the pupil in question at primary or secondary schools maintained by the authority for the full funding period.

(b) *B* is either—

(i) the number of complete weeks remaining in the funding period calculated from the relevant date; or

(ii) where the permanent exclusion takes effect on or after 1st April in a school year at the end of which pupils of the same age, or age group, as the pupil in question normally leave that school before being admitted to another school with a different pupil age range, the number of complete weeks remaining in that school year calculated from the relevant date; and

(c) *C* is the amount of the adjustment made to the school's budget share under a financial adjustment order.

(3) Where a pupil has been permanently excluded from the excluding school and is admitted to another school maintained by a local authority (other than a special school, a pupil referral unit, or to a place which the authority has reserved for children with special educational needs) ("the admitting school") in the funding period, the authority must redetermine the admitting school's budget share in accordance with paragraphs (4) and (5).

(4) The admitting school's budget share must be increased by an amount which is not less than  $D \times (E / F)$  where—

(a) *D* is the amount by which the authority reduced the budget share of the excluding school, or would have reduced the budget share if that school had been maintained by the authority, except that any reduction in the excluding school's budget share made under a financial adjustment order must not be taken into account for these purposes;

(b) *E* is the number of complete weeks remaining in the funding period during which the pupil is a pupil at the admitting school; and

(c) *F* is the number of complete weeks remaining in the funding period calculated from the relevant date.

(5) In redetermining the admitting school's budget share, the authority may increase it by any amount up to the amount of the adjustment made to the excluding school's budget share under a financial adjustment order.

(6) Where a permanently excluded pupil is subsequently reinstated by the governing body of the school, the school's budget share must be increased by an amount which is no less than  $G \times (H / I)$  where—

(a) *G* is the amount by which the authority reduced the school's budget share under paragraph (2).

(b)  $H$  is the number of complete weeks remaining in the funding period during which the pupil is reinstated; and

(c)  $I$  is the number of complete weeks remaining in the funding period calculated from the relevant date.

(7) Paragraphs (1) and (2) also apply where a pupil leaves a maintained school (other than a special school, a pupil referral unit, or a place which the authority has reserved for children with special educational needs) for reasons other than permanent exclusion and is receiving education funded by a local authority other than at a school which is maintained by that authority.

(8) For the purposes of paragraph (2)(a), the amount attributable to a pupil is the sum of the amounts determined in accordance with the authority's formula, by reference to pupil numbers rather than by reference to any other factor or criterion not dependent on pupil numbers except that where a sixth form grant is payable in respect of the pupil in question, the amount attributable to that pupil in the funding period is £4,542 in respect of the period within the funding period up to and including 31st July 2023 or £4,642 in respect of the period within the funding period beginning on 1st August 2023.

(9) Where a pupil in respect of whom a pupil premium is payable has been permanently excluded from a school maintained by a local authority ("the excluding school"), the local authority must redetermine the excluding school's budget share in accordance with paragraph (10).

(10) The excluding school's budget share must be reduced by  $J \times (K / 52)$  where—

(a)  $J$  is the amount of the pupil premium allocated to the excluding school for the funding period in respect of that child; and

(b)  $K$  is either—

(i) The number of complete weeks remaining in the funding period calculated from the relevant date; or

(ii) Where the permanent exclusion takes effect on or after 1st April in a school year at the end of which pupils of the same age, or age group, as the pupil in question normally leave that school before being admitted to another school with a different pupil age range, the number of complete weeks remaining in that school year calculated from the relevant date.

(11) Where a pupil in respect of whom a pupil premium is payable has been permanently excluded from a school maintained by a local authority and admitted to another school maintained by a local authority ("the admitting school") in the funding period, the authority must redetermine the budget share of the admitting school in accordance with paragraph (12).

(12) The admitting school's budget share must be increased by an amount which is not less than  $L \times (M / N)$  where—

(a)  $L$  is the amount by which the authority reduced the budget share of the excluding school or would have reduced the budget share had that school been maintained by the authority.

(b)  $M$  is the number of complete weeks remaining in the funding period during which the pupil is a pupil at the admitting school; and

(c)  $N$  is the number of complete weeks remaining in the funding period calculated from the relevant date.

(13) Where a permanently excluded pupil in respect of whom a pupil premium is payable is subsequently reinstated by the governing body of the school, the school's budget share must be increased by an amount which is no less than  $O \times (P / Q)$  where—

(a)  $O$  is the amount by which the authority reduced the school's budget share under paragraph (10).

(b)  $P$  is the number of complete weeks remaining in the funding period during which the pupil is reinstated; and

(c)  $Q$  is the number of complete weeks remaining in the funding period calculated from the relevant date.

(14) Paragraphs (9) and (10) also apply where a pupil in respect of whom a pupil premium is payable leaves a maintained school for reasons other than permanent exclusion and is receiving education funded by a local authority other than at a school which is maintained by that authority.

(15) For the purposes of this regulation—

(a) "the relevant date" is the sixth school day following the date on which the pupil has been permanently excluded; and

(b) "a financial adjustment order" means an order for the adjustment of a school's budget share made under regulation 25(5)(b) of the School Discipline (Pupil Exclusions and Reviews) (England) Regulations 2012(1) in respect of the exclusion of the pupil from the excluding school.

### **3. Future options**

#### **3.1 Proposed Policy**

To continue to align the LA policy with current legislation and government guidance with respect to funding clawback for pupils who are permanently excluded.

### **4. Recommendations for Schools Forum**

For Schools forum to approve consultation on the policy as set out in this paper.

### **5. Next steps**

- a) To include these proposals in schools' consultation process.
- b) Schools Forum in December to receive outcome of consultation.
- c) For Schools Forum to approve agreed policy.



## 6 Financial implications

The clawback is used to support pupils in Alternative Provision. The cost of Alternative Provision in 2022-23 was £1,411,487.

**TABLE 1** shows the formula factors that is used in the calculation of the clawback based on latest 2024-25 NFF schools' funding formula factor values (subject to change every year). Pupil Premium Grant rate provided is the 2023-24 rate. It will be updated with the 2024-25 rate once it is announced by the DfE.

**TABLE 1 2024-25 Funding Formula Factor rates used to calculate the clawback**

	Primary (Years R-6)	Key Stage 3 (Years 7- 9)	Key Stage 4 (Years 10-11)
AWPU	£3,574.15	£5,039.13	£5,680.30
FSM	£491.67	£491.67	£491.67
FSM6	£822.80	£1,204.09	£1,204.09
IDACI Band A	£682.32	£948.22	£948.22
EAL 3	£592.01	£1,590.40	£1,590.40
Mobility	£963.27	£1,350.09	£1,350.09
low prior attainment	£1,173.99	£1,781.05	£1,781.05
Pupil Premium 23/24 Rate (to be updated with 2024/25 Rate)	£1,455.00	£1,035.00	£1,035.00

## 7 Legal implications

7.1 Legal implications are discussed above as the paper is about aligning practices with the legislation for permanent exclusion budget clawbacks from schools and academies.

## 8 Risks

8.1 If schools forum does not agree with the proposed changes to the policy LA is not adhering with legislation.

### Report Author:

Officer name: Neil Goddard

Officer title: Assistant Director of Education

Email address: [neil.goddard@northnorthants.gov.uk](mailto:neil.goddard@northnorthants.gov.uk)

This page is intentionally left blank



## North Northamptonshire Schools Forum 2<sup>nd</sup> November 2023

### Agenda Item 16

#### Early Years Update 2023-24

**Note the update on the childcare reforms set out in the Chancellor's Spring 2023 budget announcement and subsequent information from DfE**

## 1 Background

- 1.1 In the government's spring budget, the Chancellor announced transformative reforms to childcare for parents, children, the economy and women. By 2027 to 2028, this government will expect to be spending in excess of £8bn every year on free hours and early education, helping working families with their childcare costs.
- 1.2 By September 2025, working parents will be able to claim 30 hours of free childcare a week, over 38 weeks of the year, all the way through from nine months up to their child starting school. This paper sets out the timescales and updates from the DfE on how a phased approach will achieve these reforms outlined below:
- i. **Changes to Early Year Funding:** 30 hours childcare for every child over the age of 9 months with working parents/carers by September 2024, where eligibility will match the existing 3 and 4 year old 30 hours offer.
  - ii. **Changes to 'Wrap around Care':** Local authorities and schools will be given more funding to set up what is known as 'wrap around care.'
  - iii. **Changes to Early Years Staff Ratios:** From September 2023, one member of staff will be allowed to look after five 2 year olds, up from four 2 year olds which is the current rule.
  - iv. **Changes to the Early Years Foundation Stage Framework (EYFS):** The DfE are proposing changes to the EYFS framework to make it more practical for different types of EYFS providers. A consultation to collect views of Local Authorities and Providers with a closing date of 26 July 2023 is currently available.

## 2. Early Years Updates – Changes to Early Years Funding Entitlements

### 2.1 30 hours free funding for every child over the age of 9 months

Eligible working parents of 3 and 4 year olds already get 30 hours a week of free childcare. The increased offer will be rolled out in stages to allow childcare providers time to be able to implement the changes ensuring that places that are needed are available across each Local Authority (LA) when the offers are introduced.

- i. From April 2024, working parents of 2 year olds will be able to access 15 hours of free childcare.
- ii. From September 2024, 15 hours of free childcare will be extended to offer children from the age of 9 months for eligible working parents.

- iii. From September 2025, working parents of children aged nine months and upwards will be entitled to 30 hours free childcare per week right up to their child starting school.
- iv. As per the existing offer, depending on provider, these hours can be used over 38 weeks of the (during term time) or up to 52 weeks if fewer hours are used per week.

## **2.2 Introduction of enhanced Wrap around care:**

- 2.2.1 The expectation is by September 2026, most primary schools will be able to provide their own before and after school care. Wrap around care is outside of normal school hours, so that parents/carers of school age children can access childcare in their local area from 8am 6pm. This could include breakfast clubs and after school clubs.
- 2.2.2 Schools and local authorities will receive £289m in funding for a 'pathfinder' to increase the supply of wraparound care, so that parents/carers of primary school age children can drop their children off between 8am and 6pm tackling the barriers to working caused by limited availability of wraparound care.

## **2.3 Changes to ratios of staff:**

- 2.3.1 From September 2023, one member of staff will be allowed to look after five 2 year olds, up from four 2 year olds which is the current rule. DfE are increasing the number of children a member of staff can look after to assist with the need for new childcare places when the funding offer is enhanced to include children from 9 months old.
- 2.3.2 This will bring England in line with Scotland and other comparable countries. These changes to ratios are optional and intended to give providers more flexibility in how they run their businesses as well as increase capacity in a setting.

## **2.4 Changes to Early Years Foundation Stage**

- 2.4.1 The Early Years Foundation State (EYFS) framework sets the standard early years providers must meet to ensure that children.
  - Learn
  - Develop well
  - Are kept healthy and safe
- 2.4.2 The DfE are proposing changes to the EYFS framework to make it more practical for different types of EYFS providers. These changes aim to:
  - offer providers more flexibility
  - reduce known burdens
  - enable practitioners to provide high-quality early education
  - make it easier for practitioners to join the workforce and progress their careers.
- 2.5 A consultation was undertaken over the summer to collect views of Local Authorities and Providers with a closing date of 26 July 2023, the outcome to be published in the autumn.
- 2.6 It is acknowledged the pressure these changes will place upon the whole Early Years sector and therefore are currently planning a sector wide survey to be released in the autumn to collect data across the sector regarding the new funding offer and increased eligibility.
- 2.7 The outcome of this survey will result in feedback to School Forum and Senior leaders on the current sustainability and sufficiency in our Local Authority. The information from this exercise should enable us to identify areas where sufficiency is an issue and work with providers to increase the take up to meet the new demand.

2.8 As more information and guidance is released from the DfE information update sessions will be offered to the early years sector to ensure the changes are understood and wherever possible providers can be supported to implement any pending changes.

### 3. Changes to the Early Years Funding Block

#### 3.1 Supplementary grant for early years funding rate increase for 2023-24

The DfE announced in the 2023 Spring Budget that they would be providing additional funding of £204 million in 2023-24 and £288 million in 2024-25. This is for local authorities to increase the amount of funding paid to childcare providers for the existing childcare entitlement offers and other early years funding streams.

3.2 For 2023-24 this funding is allocated to each local authority through a new standalone top-up grant instead of the normal route through the Dedicated Schools Grant (DSG). This is to help reduce complexity and support local authorities to pass the additional funding on to their childcare providers from September in a timely manner. This will be known as the Early Years Supplementary Grant (EYSG).

3.3 The additional funding is to increase the funding rates for the current 2 year old entitlement and the 3 & 4 year old entitlements. On receipt of full confirmation from the DfE, the uplift in payment will be implemented from the October 2023 payment run and back dated to include the funds due from 1 September 2023. The uplift will appear as a standalone supplement to the existing funding rate for 1 September 2023 to 31 March 2024 with the uplift forming part of the base rate on hourly rates from 1 April 2024.

3.4 The changes to base rates to include the uplift will be announced to Local Authorities towards the end of the Autumn block, usually November. A Funding Rate Consultation for 2024-25 will be undertaken during December and will be reported in January School Forum.

3.5 Table 1 highlights the funding rate for Early years supplementary grant.

**Table 1 – Early years Supplementary Grant Rates**

Funding rates 2023-24 EYSG	2023-24 NNC's Existing rate (April to March)	2023-24 EYSG rate (September to March)	2023-24 effective combined rate (September to March)
2-year-olds	£5.75	£1.87	£7.62
3- and 4-year-olds	£4.22	£0.30	£4.52
EYPP	£0.62	£0.04	£0.66
DAF	£828	£53	£881
Deprivation	£0.31	£0.00	£0.31
Notional SEN	£0.03	£0	£0.03
MNS including TPG	£5.31	£0.31	£5.62

#### **4. Recommendations for Schools Forum**

- 4.1 Schools Forum are asked to note the Early Years Update.
- 4.2 Schools Forum are asked to note the updates on introduction of Early Years Supplementary Grant Funding in 2023-24 which has been included in the existing 2023-24 Early Years Block Funding rates with effect from 1<sup>st</sup> September 2023.
- 4.3 The Early Years Supplementary Grant Funding will be included in the Early Years Block DSG in 2024-25.

#### **5. Next steps**

- 5.1 This paper is to update Schools Forum on the Early Years Block in preparation for the December and January meeting when key decisions need to be made.

#### **6. Financial implications**

- 6.1 The financial information contained in this report is for information and consultation at this stage. A further report will be brought back to Schools Forum in December detailing the various decisions that need to be made in terms of amounts held for central expenditure, SEN Inclusion and the various funding rates for 2, 3 and 4 year old entitlement, deprivation,

#### **7. Legal implications**

- 7.1 Schools Forum need to ensure that all the various sectors are adequately represented to ensure all decisions made are valid.

#### **8. Risks**

- 8.1 This is an information report for Schools Forum of potential changes made to Early Years Block by the DfE for 2024-25 to enable Schools Forum to make well informed decisions in the coming December and January meetings.

#### **Report Author:**

Officer name: Judy Matthews  
Officer title Strategic Lead Family Hubs and Early Years  
Email address: [judy.matthews@northnorthants.gov.uk](mailto:judy.matthews@northnorthants.gov.uk)



## North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023

### Agenda Item 19

#### Notional SEND

#### 1 Background

- 1.1 The Notional SEN Allocation is an indicative amount that should be sufficient for the reasonable costs that may be incurred by schools in supporting pupils with SEND. As per the attached guidance, schools should understand how the amount has been calculated and when it might be appropriate to seek additional resources.

[The notional SEN budget for mainstream schools: operational guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/the-notional-sen-budget-for-mainstream-schools-operational-guidance)

#### 2 Main report section or sections

- 2.1 DfE have identified that in some cases schools the call on a school's Notional SEND budget is significantly greater than the funding available. This can be because the school is particularly inclusive, has low pupil numbers or is growing. In response to this, LAs in consultation with the School's Forum can opt to implement an additional allocation to make up this shortfall.
- 2.2 In order to calculate this additional funding, it would be reasonable to expect that up to 80% of the Notional SEN Budget be used to meet the first £6,000pa of provision for students with an EHCP (with the remaining 20% for general SEN). If this approach were taken in NNC for 2023/24, four schools have been identified four schools' additional resources would be allocated as set out in 6.1 below.
- 2.3 Given the pressure on schools as a result of the increasing number of EHCPs, NNC would support the implementation of a Notional SEND Sufficiency factor on the basis set out above.

#### 3 Future options

- 3.1 There are no plans to revise the Notional SEN calculation used locally, however, national changes may have to be reflected in the operation of this factor in future years.

#### 4 Recommendations for Schools Forum

- 4.1 It is proposed that on the placement of an EHCP pupil in a school, a calculation will be made to assess whether 80% of Notional SEND is sufficient to meet the £6,000 initial funding. Where this is not the case, a payment will be made to cover this shortfall.
- 4.2 Example:      No of EHCP's = 5 x £6,000 = £30,000  
                         Notional SEN = £25,000  
                         80% for EHCP = £20,000  
                         Shortfall against expected £6k spend = £10,000

#### 5 Next steps

- 5.1 If Schools Forum agree to fund the shortfall as identified for the four schools identified in 23/24 and any schools in future years, this additional top up will be paid from the High Needs Block.

## 6 Financial implications

6.1 The schools / costs relating to 2023/24:

NAME	Current No of EHCP's	Notional SEN	80% Notional SEN	£6k Spend Expectation	Notional SEN Shortfall
Windmill Primary School	22	£128,553	£102,843	£132,000	-£29,157
Great Doddington Primary School	7	£47,355	£37,884	£42,000	-£4,116
Mears Ashby Church of England Primary school	5	£24,514	£19,611	£30,000	-£10,389
Stanton Cross Primary School	5	£20,209	£16,167	£30,000	-£13,833
<b>TOTAL</b>					<b>-£57,495</b>

## 7 Legal implications

7.1 This proposal is in line with DfE regulations relating to Notional SEND funding.

### 8.1 Risks

8.1 Without additional financial support, the pressure on provision of SEN resources significantly increases.

### Report Author:

Officer name: Neil Goddard

Officer title Assistant Director Education

Email address: neil.goddard@northnorthants.gov.uk





North  
Northamptonshire  
Council

**North Northamptonshire Schools Forum: 2<sup>nd</sup> November 2023**

**Agenda Item 18**

**High Needs Update 2023-24 & Proposed High Needs Place Changes for 2024-25**

## **Key Message**

The Forum is asked to:

- note the SEND delivery programme update.
- note High Need Block forecast deficit for 2023-24
- note the High Needs Places proposed to be commissioned for 2024-25
- note the legislative requirements that encompass a DSG High Needs Block Deficit

### **1. SEND delivery programme update**

- 1.1 The financial monitoring of the High Needs Block has improved through systems created by the High Needs Funding Manager. There is a vastly improved audit trail of approved spend which is tightly monitored. Funding decisions are made by Decision Making Groups and are recorded with clear dates of reviewing. There are some areas of monitoring that require further improvements however, such as interim transport agreements.
- 1.2 The local authority continues to invest in earlier preventative support in the form of outreach support to mainstream schools. At a primary level there is a comprehensive offer of support coming from the LA's SEND Support Service, Maplefields outreach and Rowan Gate outreach. The services are well coordinated. At a secondary level SEND Support Services and Maplefields Outreach are currently in place and the local authority is considering options for enhancing this offer.
- 1.3 There is continued improvement of engagement with the sector including half termly SENCO meetings, SENCO conferences, Meet the Team parent events. There has been recent training from the EHC team on the phased transfer process and annual reviews and these have been well attended by the sector.
- 1.4 The local authority is moving away from special arrangements for funding in mainstream schools and are instead using a banding system for all top up funding. Training on the banding was delivered to SENCOs in September. It is felt that the banding system allows for more transparency to mainstream top up funding. A banding system remains in place for all Early Help Locality Funding requests.

- 1.5 There continues to be a challenge in keeping up with the demand to provide Educational Psychology advice for statutory assessments in a timely way. The Educational Psychology Service have need to scale back all traded work with schools to urgent work only. The LA has been trialling the use of commissioned Educational Psychologists to support with statutory assessments, but early indications are that this will not be a long-term solution.
- 1.6 Permanent recruitment within the Education, Health and Care team is underway. This will provide the service with much needed stability and enable them to continue to develop and improve services. Requests for statutory assessment this quarter remain high with 213 new requests being made totalling 186 new EHCP's.
- 1.7 The Sensory Impairment Service continue to provide a service to West Northants Council. The proposal to move to a traded model from the West Northants School's Forum has not yet progressed.
- 1.8 September has seen the opening of 4 new units: Mawsley Community Primary School, Thrapston Primary School, Wollaston School and Croyland Nursery School and Day Nursery. This has increased the capacity of unit places by 48. The number of places with the current special schools has increased from 1196 in September 2022 to 1265 in September 2023.

## 2. HNB projected spending 2023-24

### Current overall position statement for projected spend for the HNB 2023-24

	Original Budget 23-24	Revised Budget July 23-24	Forecasted Spend	Variance
SENDIF Plus	250,000	250,000	750,000	500,000
NNC Special School Place Funding	12,170,833	12,170,833	12,387,500	216,667
NNC Special School Top Ups	12,911,625	12,911,625	14,961,961	2,050,336
NNC Special School Special Arrangments	965,907	965,907	122,313	(843,594)
NNC Special School Top Up Protection	193,567	193,567	193,567	0
NNC Special School TPG&TPECG	852,804	852,804	854,190	1,386
NNC Special School 3.4% Additional Grant	805,897	805,897	805,897	0
NNC SEN Units Occupied Place Funding	1,695,333	1,695,333	1,461,000	(234,333)
NNC SEN Units Top Ups	1,098,500	1,098,500	1,493,539	395,039
AP Free Schools Place Funding	190,000	190,000	190,000	0
AP Free Schools TPG&TPECG	12,539	12,539	0	(12,539)
Post 16 Top Ups in FE Colleges	1,953,207	1,953,207	1,700,000	(253,207)
Hospital Education Services	100,000	100,000	0	(100,000)
Non Maintained & Independent SEN Unit Top Up	190,430	190,430	103,635	(86,795)
Out of County Special Topups	1,620,986	1,620,986	1,530,960	(90,026)
Non Maintained & Independent Special Top Up	8,914,853	8,914,853	12,127,000	3,212,147
Non Maintained & Independent Mainstream Top Up	440,707	440,707	332,173	(108,534)
Out of County Mainstream Top Ups	313,062	313,062	515,749	202,687
Mainstream Top Ups	7,537,801	7,537,801	8,000,000	462,199
Alternative Provision	2,650,000	2,650,000	2,650,000	0
Educational Entitlement Team	543,416	543,416	543,416	0
Specialist Support Service	649,979	649,979	649,979	0
Northamptonshire Parent Partnership Service	30,000	30,000	30,000	0
Sensory Impairment Provision	970,685	970,685	970,685	0
Direct payments	190,000	190,000	356,555	166,555
Therapies	40,000	40,000	65,000	25,000
Support For Inclusion	105,000	105,000	105,000	0
Outreach Services	454,000	454,000	720,441	266,441
Import Export adjustment		(102,000)	0	102,000
Additional Funding for special free schools		176,000	0	(176,000)
	<b>57,851,131</b>	<b>57,925,131</b>	<b>63,620,560</b>	<b>5,695,429</b>

### **3. High Needs Places 2024-25**

- 3.1 The identified need for specialist High Needs places in North Northamptonshire continues to increase. This is causing ongoing pressure on the availability of appropriate placements. As a result, the number of higher cost independent and non-maintained school places being commissioned is also increasing.
- 3.2 A SEND sufficiency strategy was completed in the 2022-23 financial year which showed the need to create additional local capacity to meet need and reduce costs. In response, NNC has increased the number of Special School and SEND unit places commissioned year on year. A bid for a Free Special School was submitted, but was unsuccessful, and feedback is awaited on a further bid for a new AP provision.
- 3.3 For the 2024-25 academic year, further increases in local places are proposed as set out below:

**North Northants Council School's Forum November 2023**  
**Proposed 2024/25 High Needs Place Changes**

<b>Special Schools</b>	Sept 22	Sept 23	Sep-24
Chelveston Road	57	91	125
Friars Academy	148	154	154
Isebrook SEN Cognition & Learning College	248	254	254
Kingsley School	162	156	156
Maplefields Academy	117	114	114
Red Kite Academy	143	144	144
Rowan Gate Primary School	233	264	264
Wren Spinney Community School	88	88	88
<b>Total</b>	<b>1,196</b>	<b>1,265</b>	<b>1,299</b>

--

<b>Resourced Provision/Units</b>	Sept 22	Sept 23	Sep-24
Beanfield Primary Academy	58	55	55
Corby Business Academy	77	77	100
Croyland Primary School	8	8	8
Denfield Park Primary School	14	14	14
Kingswood Secondary Academy	14	14	14
Mawsley Community Primary School	0	9	18
Park Junior School, Wellingborough	10	7	7
Studfall Infant	18	18	18
Studfall Junior Academy	23	24	24
Thrapston Primary School	0	12	24
Wollaston School	0	8	12
Woodnewton - a Learning Community	10	8	8
Croyland Nursery School and Day Nursery	0	10	12
Greenfield Primary School	0	0	30
<b>Total</b>	<b>232</b>	<b>264</b>	<b>344</b>

- 3.4 Forum are asked to note and comment on these proposals as part of the definition of the use of HNB funding in 2024-25.
- 3.5 Work is ongoing to identify opportunities to create further capacity with a particular focus on SEMH secondary special school provision.
- 3.6 In the coming year the SEND Sufficiency Strategy will be updated and presented to Frum. This will form the basis of a further action plan with the aim of balancing need with provision.

#### **4. Key areas of work for the coming period**

- To further embed the SEND whole school support and provision set out in the SEND delivery programme.
- To complete a spending review
- To update SEND Sufficiency Strategy

#### **5. Future options**

- 5.1 The DfE's DSG Management Plan must be completed as an urgent priority.
- 5.2 Enter into discussions with the DfE to address this deficit. The DfE is running 3 programmes offering direct support in respect of the effectiveness and sustainability of local authorities' high needs systems, which together will work with all local authorities. They are:
- the Safety Valve Intervention programme,
  - the Delivering Better Value in SEND (DBV) programme and
  - ESFA support programme.

The aim of all 3 programmes is to secure sustainable management of local authorities' high needs systems.

- 5.3 Keeping Schools Forum updated regularly about the local authority's DSG account and plans for managing it, including high needs pressures and potential savings.

#### **6. Recommendations for Schools Forum**

- 6.1 The Forum is asked to:
- note the SEND delivery programme update.
  - note High Need Block forecast deficit for 2023-24
  - note the High Needs Places proposed to be commissioned for 2024-25
  - note the legislative requirements that encompass a DSG High Needs Block Deficit

- 6.2 NNC's Corporate Leadership Team will need to urgently meet to discuss the strategy of addressing the deficit of NNC's High Needs Block.
- 6.3 Schools Forum is asked to consider ways of addressing the deficit.
- 6.4 Advice will need to be sought from the DfE as to potential ways of addressing the growing High Needs Block deficit.

## **7. Next steps**

- 7.1 The next steps depend on strategy proposals by North Northamptonshire Corporate Leadership Team, the feedback given by Schools Forum voting members at this meeting and advice from the DfE.

## **8. Financial implications**

- 8.1 North Northamptonshire Council (NNC) High Needs Block has taken NNC's DSG into a DSG Deficit position. There are legislative regulations that govern the operations of DSG once a DSG deficit is identified.
- 8.2 The DfE has made changes to the regulations, now incorporated into the [School and Early Years Finance \(England\) Regulations 2023](#) in regulation 8, regulation 39 and schedule 2, to give statutory backing to a new process for handling DSG deficits. The options available to NNC are:
- carry all the deficit forward to set against the schools budget in the next financial year; or
  - carry part of the deficit forward to set against the schools budget in the next financial year and carry the rest of it forward to the following financial year; or
  - not set any of the deficit against the schools budget in the next financial year, but carry all the deficit forward to the following financial year.

## **9. Legal implications**

- 9.1 Operation of High Needs Block DSG must comply with the legislative guidance as set out in [School and Early Years Finance \(England\) Regulations 2023](#) in regulation 8, regulation 39 and schedule 2, to give statutory backing to a new process for handling DSG deficits.
- 9.2 The [DSG conditions of grant](#) also sets out that any local authority with an overall deficit on its DSG account at the end of the financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the department and cooperate in handling that situation by:
- providing information, as and when requested by the DfE about its plans for managing its DSG account in the 2023-24 financial year and subsequently.

- providing information, as and when requested by the DFE about pressures and potential savings on its high needs budget.
- meeting with DFE's officials, as and when they request to discuss the local authority's plans and financial situation.
- keeping Schools Forum updated regularly about the local authority's DSG account and plans for managing it, including high needs pressures and potential savings.

## 10. Risks

10.1 NNC's High Needs Block must operate within the parameters set out in:

- [School and Early Years Finance \(England\) Regulations 2023](#) in regulation 8, regulation 39 and schedule 2, which gives statutory backing to a new process for handling DSG deficits and
- [DSG conditions of grant](#).

If this is not complied with, there is a risk that decisions made will be ultra vires.

### Report Author:

Officer name: Charlotte Franks  
Officer title: Interim Head of SEND and Vulnerable Groups  
Email address: [charlotte.franks@northnorths.gov.uk](mailto:charlotte.franks@northnorths.gov.uk)