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Meeting: North Northamptonshire Schools Forum

Date: Thursday 19th January 2023

Time: 1.00 pm

Venue: Remote Meeting via Zoom

***Vote required**

Agenda			
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02	Minutes of meeting held on 14 December 2022 and points arising/officer feedback	Chair	3 - 8
03	2022-23 DSG Budget Update - January 2023 (to follow)	Sariya Bi	--
04 *	2023-24 Proposed Scheme for Financing Schools	Salik Khan	9 – 46
05	2023-24 Dedicated Schools Grant Settlement and Other Grants	Yoke O'Brien	47 – 54
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08 *	2023-24 Early Years Block Budgets	Judy Matthews	67 – 86
09	2023-24 High Needs Block Budgets (to follow)	Nichola Jones	87 – 92
010	Homes for Ukraine Funding Proposal (verbal update)	Neil Goddard	--
011	Schools Forum Plan	Raj Sohal	--
012	Urgent Business	All	--

Adele Wylie, Monitoring Officer
North Northamptonshire Council



Proper Officer
13th January 2023

This agenda has been published by Democratic Services.
Committee Administrator: Raj Sohal

☎ 07500 607949

✉ rajvir.sohal@northnorthants.gov.uk

- Items 4* to 8* will require a decision vote at this January 2023 meeting.
- Items 9 to 11 Schools Forum to give a view of all consultations.

Future Meeting Dates:

- 15th March 2023
- 6th July 2023

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.

Agenda Item 2



Minutes of a meeting of the Schools Forum

Held at 1.00 pm on Wednesday 14th December 2022 as a Remote Meeting via Zoom

Present:-

Members

Paul Wheeler (Acting Chair)	Sandra Appleby
Victoria Bull	Laura Clarke
Rob Hardcastle	Siobhan Hearne
Marie Lally	Nikki Lamond
Annabel Moore	Angela Prodger
Jo Sanchez-Thompson	

Officers

Sariya Bi	Senior Finance Business Partner
Neil Goddard	Assistant Director – Education
Nichola Jones	Head of SEND
Salik Khan	Finance Business Partner
Yoke O'Brien	Strategic Finance Business Partner
Raj Sohal	Democratic Services Officer

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

Apologies were received from the following members: James Birkett, Lee Hughes (Annabel Moore attended as a substitute) and Robert Tite.

Two new members had also joined the Forum, as primary maintained representatives - Marie Lally (Earls Barton Primary School) and Victoria Bull (Higham Ferrers Junior School)

As the Chairman of the Forum was absent from the meeting, Paul Wheeler (Vice Chair) acted as Chair.

78 **Minutes of meeting held on 20 October 2022 and points arising/officer feedback**

RESOLVED that:

The minutes of the meeting held on the 20th October were agreed as an accurate record.

79 **2022-23 DSG Budget Update**

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

RESOLVED that: The report be noted.

80 Consultation Feedback to Proposed Changes to Scheme for Financing Schools

The Forum considered a report by The Finance Business Partner, which outlined the feedback received from the consultation relating to the proposed changes to the Scheme for Financing Schools.

During discussion, the principal points were noted:

- Members queried how many schools failed to submit returns to the local authority.
- One member queried whether, through the proposal, the local authority would provide support to schools who struggled to understand the process of submitting returns; rather than implement punitive measures, such as withholding funding.
- Members queried whether there had been consideration, within the proposal, of exceptional circumstances for schools, in preventing them from submitting returns on time.
- Members queried whether officers believed this process should be carried out monthly, rather than quarterly.

In response, The Finance Business Partner clarified that:

- When collecting returns from schools, the local authority had experienced issues with this process being carried out on a quarterly basis, rather than a monthly one. Nevertheless, schools largely complied.
- The local authority would provide support to schools before implementing any sanctions. Extenuating circumstances would also be taken into consideration. As long as clear communication was maintained, this would not be an issue.
- The local authority intended to make the process of completing returns as easy as possible for schools, to minimise workload.

The Chair of the Forum posited that it would be valuable for officers to include explicit wording around extenuating circumstances and support available to schools, relating to the submission of quarterly returns, in the proposal.

RESOLVED that: The Forum approves the implementation of the two clauses within the Scheme for Financing Schools to ensure robust reporting and monitoring.

81 2023-24 Mainstream Funding Formula Consultation and Proposal

The Forum considered a report by The Strategic Finance Business Partner, which outlined the issues the Forum would need to consider in making recommendations to Cabinet and Council concerning the mainstream funding formula for 2023-24.

During discussion, the principal points were noted:

- Members queried whether a surplus would be generated for the High Needs Block 2023/24, since a deficit was not brought forward in 2022/23 and funding was transferred from the Schools Block to the High Needs Block.
- Members queried whether the proposal put forward by the local authority was comprised prior to the government's announcement of additional funding.

In response, The Strategic Finance Business Partner clarified that:

- At the time of the meeting, officers had forecasted a £1M underspend (surplus) on the High Needs Block for 2023/24.
- The local authority had not yet received guidance from the DfE regarding how it would receive additional funding. The settlement was anticipated imminently.

RESOLVED that: The Forum approves:

- Adopting the 2023-24 ACA adjusted National Funding Formula values in setting the 2023-24 mainstream funding formula for schools and academies.
- Continuing to use the current local factors for split sites unless otherwise instructed by the DfE.
- Setting the Minimum Funding Guarantee at 0.5%
- No transfer to the High Needs Block in 2023-24
- Allocating all remaining funds in the Schools Block to the Growth Fund.

82 De-Delegation - Trade Union Facilities Time - 2022-23 Update and 2023-24 Budget Proposals

The Forum considered a report by The Assistant Director for Education, as well as trade union representatives in attendance at the meeting, which outlined North Northamptonshire Council's Recognition Agreement with trade unions. This agreement covered time off for trade union duties and activities in North Northamptonshire schools where the local authority was the employer.

The report also summarised NNC schools' pooled trade union facility time arrangements.

RESOLVED that: Maintained School Forum members approve:

- Pooling their facility time arrangements in 2023/24.
- De-delegating budgets to fund a pooled facility time arrangement.
- Setting a per pupil rate of £3.56.

83 De-delegation - School Effectiveness - 2022-23 Update and 2023-24 Budget Proposals

The Forum considered a report by The Assistant Director for Education concerning School Effectiveness, which was funded from the Central Schools Services Block of the DSG.

The report covered school effectiveness funding and reviewed impact, future priorities and recommendations for 2023-24.

RESOLVED that: The Forum approves the de-delegation rate of £12 per pupil for School Effectiveness.

84 2022-23 Exclusions Update and 2023-24 Exclusions Policy Proposals

The Forum considered a report by The Assistant Director for Education, which outlined the permanent exclusion clawback policy agreed at the North Northamptonshire Schools Forum meeting held on the 16th December 2021. The policy was in line with legislation and guidance in calculating clawback.

During discussion, the principal points were noted:

- Members queried whether the clawback sufficiently covered the cost of providing education for children who had been excluded.
- One member queried whether the proposed formulae for exclusion clawback included incentives for schools to retain students rather than excluding them.

In response, The Assistant Director for Education clarified that:

- Every individual case and circumstances were different and cost often depended on destination following exclusion. In general, the clawback did not cover the cost.
- The rates were not set to provide strategic direction but rather intended to be representative of schools' capital and their entitled clawback for the cost of exclusions.

RESOLVED that: The Forum approves the policy, as stated in the report.

85 2023-24 High Needs Update

The Forum considered a report by The Head of SEND, which outlined the overall arrangements and 2023/24 budget requirements for pupils in unit and mainstream schools, the SEN unit top up proposal and the mainstream top up funding proposal.

During discussion, the principal points were noted:

- Members queried what action the local authority was taking to assist schools in identifying high needs children in early years.

In response, The Head of SEND clarified that:

- The local authority had continued to work closely with schools in the early years sector, around diagnosis and support for students with special

educational needs. A paper would be brought to the January Forum meeting, which would break down SEN funding in detail.

RESOLVED that: The report be noted.

86 Homes for Ukraine Funding Proposal

The Forum considered a verbal update by The Assistant Director for Education, concerning Homes for Ukraine funding. The Assistant Director clarified that the local authority had received confirmation from central government regarding this funding and that it would be utilised directly for schools.

North Northamptonshire Council would work with West Northamptonshire Council, to ensure a consistent approach in relation to the allocation of funding. This funding would also only apply to children placed in schools through the Home for Ukraine scheme.

RESOLVED that: The update be noted.

87 Schools Forum Plan

The Democratic Services Officer introduced the item and highlighted the following:

- The next meeting of the North Northamptonshire Schools Forum would be held on the 19th January 2023.

RESOLVED that: The report be noted.

88 Urgent Business

There was none.

There being no further business the meeting closed.

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North Northamptonshire Schools Forum: 19 January 2023

Agenda Item 4

North Northamptonshire Council's Scheme for Financing Schools 2023-24

1 Background

- 1.1 It is incumbent upon each local authority to devise a Scheme for Financing Schools within the area. This scheme serves to define the financial relationship between the authority and the schools, thereby ensuring the proper financial management of said institutions.
- 1.2 The Scheme for Financing Schools established by local authorities 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 It is important that all schools are consulted regarding any amendments or additions to the financing scheme. This report serves to Schools Forum to note the content of the scheme for 2023/24 and to obtain the Forum's agreement for the publication of the scheme.

2 Changes to the Scheme for Financing School

- 2.1 The Department for Education's guidance did not necessitate any direct alterations to the financing scheme yet, however it is possible for them amend in 2023/24. The key change as per the outcome of December 2022 forum is the addition of the two clauses below;
 - **Provision of financial information and reports** - Schools are required to submit their Bank account and VAT returns on a monthly basis. In the event that a school fails to submit a required bank account return twice without providing a satisfactory explanation, it should be noted that funding may be withheld until the missing return is received. It is important for schools to stay current with their reporting obligations in order to avoid any potential delays in funding
 - **Submission of Financial Forecasts** - Schools are also required to submit budget monitoring returns on a quarterly basis. If a school fails to submit these budget monitoring returns twice without a satisfactory explanation, funding may be withheld until the return is received. It is important for schools to stay up-to-date with their reporting obligations in order to avoid any potential interruptions in funding.
- 2.2 These changes are set out in the Scheme for Financing Schools Document at Sections 2.2 and 2.10

3 Reason for the changes

- 3.1 In order to report on the Dedicated Schools Grant (DSG) 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. By receiving this information on a regular basis, North Northamptonshire Council will be able to fulfil its reporting obligations in a timely manner.

3.2 The timely receipt of school financial information also enables North Northamptonshire Council to effectively monitor and support schools facing financial challenges. By keeping track of this information on a regular basis, the council is able to take timely action as needed and keep the Schools Forum and the council's Executive informed about the financial status of schools. This helps to ensure that appropriate support is provided to schools and that any issues are addressed in a timely manner.

4 Recommendations for Schools Forum

4.1 Schools Forum approves the draft scheme for 2023/24 and note there might be changes if DFE update the guidance in year.

5 Next Steps

5.1 The next steps depend on the feedback given by Schools Forum voting members (maintained Schools representatives only) at this meeting, which could include publishing it on the NNC website.

6 Financial implications

6.1 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 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.

7 Legal implications

7.1 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.

8 Risks

8.1 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



Scheme for Financing Schools 2023/24

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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 (SSAF) 1998.

Under this legislation, local authorities determine for themselves the size of their schools' 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 schools' 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 schools' 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 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 schools' 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.

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.

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). 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 the submission of a monthly return except those connected with tax or banking reconciliations;

- Schools are required to submit their Bank account and VAT returns on a monthly basis. In the event that a school fails to submit a required bank account return twice without providing a satisfactory explanation, it should be noted that funding may be withheld until the missing return is received. It is important for schools to stay current with their reporting obligations in order to avoid any potential delays in funding.

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.

Requirement for schools to submit CFR returns annually.

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 opt to 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 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 31st 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. This is currently on the forms webpage in the "forms and notifications guide."

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.

Requirement for schools to submit budget plans by 1st May and no later than 30th June.

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.

Schools are also required to submit budget monitoring returns on a quarterly basis. If a school fails to submit these budget monitoring returns twice without a valid reason, funding may be withheld until the return is received. It is important for schools to stay

up-to-date with their reporting obligations in order to avoid any potential interruptions in funding.

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 primary, nursery 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.

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 NNC 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 31st 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.

Requirement for completion of detailed related party transactions return.

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, where relevant, the health and safety competence of contractors, taking account of NNC policies and procedures.

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

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

2.22 Spending for the purposes of the school

Under s50 (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.

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 roll 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
- 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 Schools Pay Dates

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

3.3 Interest Clawback

Schools that have their pay budgets advanced to their local bank account 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.

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

where

- (a) = the Bank of England base rate, (e.g. 0.1% for 2021)
- (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. 0.1% for 2020)
- (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. 1/13th 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. 0.1% for 2021)
- (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 by NNC.

All school accounts (excluding the school fund) must have “North Northamptonshire Council” or ‘NNC’ in their title in addition to the school 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.

A minimum of two cheque signatories are required for the local bank account; however, these do not have to be NNC employees.

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 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 uses 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.

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 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) reverts 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% on 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.

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 charge of School budget shares

6.1 General provision

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 6.4 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 carry out 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.
- (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 as a result 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 into 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 as a result 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.
- (21) Charges relating to the National Non Domestic Rates (NNDR) for the year.

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 into 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

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) and Public Private Partnerships (PPP)

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 Schools Forum to de-delegate funding.

Further details are contained in Section 9 of the Financial Management Handbook.

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 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. 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.

The LA will also delegate funds to meet governor expenses to the governing body of a school yet to receive a delegated budget if necessary.

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 (Human Resources for Schools Handbook).

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.

Costs incurred by NNC in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except as far as NNC has good reason for deducting those costs, or any part of those costs, from that share.

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 regarding 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 have to 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 into 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 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 NNC’s funding agreements requirements 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 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 make arrangements 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 as far 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 Criminal Records Bureau clearance 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, make arrangements 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.



North Northamptonshire Schools Forum: 19 January 2023

Agenda Item 5

2023-24 Dedicated Schools Grant Settlement and Other Grants

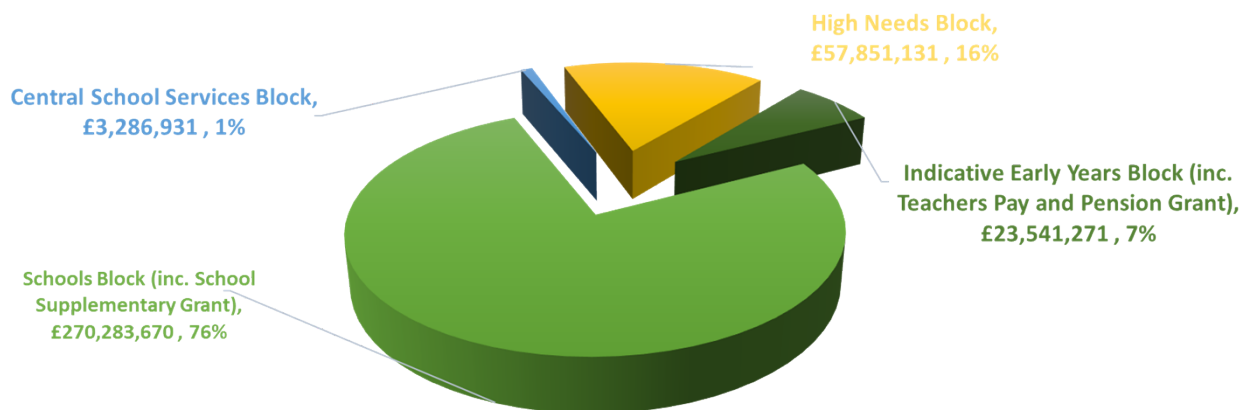
1 Background

1.1 This report sets out:

- Details of 2023-24 Dedicated Schools Grant Settlement
- Details of other grant funding

2 2023-24 Dedicated Schools Grant Settlement

2.1 The Department for Education (DfE) on 16th December 2022 published North Northamptonshire Council's DSG Settlement for 2023-24. Much of this was anticipated from announcements in July 2022. Final differences in the Dedicated Schools Grant announcements were largely attributed to using October 2022 pupil numbers. Details can be found on [Dedicated schools grant \(DSG\): 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/dedicated-schools-grant-dsg-2023-to-2024)



2023-24 DSG SETTLEMENT £354,963,003

2.2 The main difference, however, in the December announcement is the recognition of cost and demand pressures on schools and high needs budgets, which was announced by the Chancellor of the Exchequer in the 2022 Autumn Statement. The schools funding settlement reflects an additional £2bn nationally to boost the core schools budget.

2.3 This means that there is a new Mainstream Schools Additional Grant for mainstream schools estimated to be £9.090m and additional high needs allocation in the published High Needs Block DSG by +£2.320m.

2.4 The DfE have rolled the School Supplementary Grant into Schools Block and the Teacher Pay and Pension Grant into the 3 & 4 year old funding and Maintained Nursery Schools supplement of the Early Years Block in 2023-24.

2.5 Table A sets out the 2023-24 DSG settlement received against the 2023-24 Provisional National Funding Formula and the latest adjusted 2022-23 DSG Allocation.

Table A – 2023-24 Dedicated Schools Grant Settlement

Dedicated Schools Grant	2022-23 DSG Allocation	Schools Supplementary Grant	Teachers Pay Grant	Teachers Pension Employers Contribution Grant	Adjusted 2022-23 DSG Allocation	Provisional 2023-24 NFF Allocation	Provisional 2023-24 NFF Allocation change from 2022-23	% change	2023-24 DSG Settlement	2023-24 DSG Settlement change from 2022-23	% change
Schools Block (inc. School Supplementary Grant of £7.28m in 2022-23)	£254,876,162	£7,288,715	£0	£0	£262,164,877	£266,083,106	£3,918,229	1.49%	£270,283,670	£8,118,793	3.10%
Central School Services Block	£3,567,298	£0	£0	£0	£3,567,298	£3,272,723	-\$294,575	-8.26%	£3,286,931	-\$280,367	-7.86%
High Needs Block	£52,370,722	£0	£0	£0	£52,370,722	£55,147,981	£2,777,259	5.30%	£57,851,131	£5,480,409	10.46%
Indicative Early Years Block (inc. Teachers Pay and Pension Grant)	£22,271,483	£0	£73,682	£208,200	£22,553,365	£23,466,827	£913,462	4.05%	£23,541,271	£987,906	4.38%
Total DSG	£333,085,665	£7,288,715	£73,682	£208,200	£340,656,262	£347,970,637	£7,314,375	2.15%	£354,963,003	£14,306,741	4.20%

3 2023-24 Schools Block DSG

3.1 Table B sets out 2023-24 Schools Block DSG compared against adjusted 2022-23 Schools Block DSG.

Table B – Schools Block DSG

Schools Block	2022-23 DSG Allocation	Adjusted 2022-23 DSG Allocation	2023-24 DSG Settlement	Change	% Change
Primary schools unit of funding	£4,526	£4,526	£4,736	£209	4.63%
Number of pupils in primary schools	29,698	29,698	29,554	-144	-0.48%
Primary Schools Supplementary Grant		£3,786,531		-\$3,786,531	
Total Primary Funding	£134,414,152	£138,200,683	£139,954,445	£1,753,762	1.27%
Secondary schools unit of funding	£5,858	£5,858	£6,190	£333	5.68%
Number of pupils in secondary schools	19,971	19,971	20,494	523	2.62%
Secondary Schools Supplementary Grant		£3,502,184		-\$3,502,184	
Total Secondary Funding	£116,983,728	£120,485,912	£126,860,708	£6,374,796	5.29%
Premises factor, including national non-domestic rates (NNDR)	£1,795,380	£1,795,380	£1,822,977	£27,597	1.54%
Growth funding	£1,682,902	£1,682,902	£1,645,539	-\$37,363	-2.22%
Total Schools Block	£254,876,162	£262,164,877	£270,283,670	£8,118,793	3.10%

Note:

School Supplementary Grant has been rolled into the National Funding Formula which determines Schools Block.

Mainstream Schools will also receive a one off Mainstream Schools Additional Grant of £9.09M in 2023-24. This will be rolled into Schools Block in 2024-25.

3.2 As the DfE have rolled the School Supplementary Grant into Schools Block in 2023-24, the 2022-23 DSG allocation was adjusted to enable like for like comparison.

3.3 Schools Forum can decide to transfer up to 0.5% of Schools Block DSG to High Needs Block DSG without Secretary of State approval. Any transfers more than 0.5% from Schools Block DSG will need the approval of the Secretary of State.

- 3.4 Growth Fund can be set aside from Schools Block DSG to address growth in schools.
- 3.5 Falling Pupil Fund can also be set aside falling rolls using Schools Block DSG.
- 3.6 Schools Forum can decide to use Schools Block DSG to fund schools with split sites subject to the set criteria in the LA local funding formulae.
- 3.7 Schools Block DSG is used to finance Individual School Budgets. Details of the proposed 2023-24 Primary and Secondary School Budgets are set out in Agenda Item 6.
- 3.8 The schools operational guidance can be found at:
<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024/schools-operational-guide-2023-to-2024>

4 2023-24 Central School Services Block DSG

- 4.1 The central services school block provides funding to local authorities to carry out central functions on behalf of maintained schools and academies.
- 4.2 The block comprises of two elements: ongoing responsibilities and historic commitments.
- 4.3 Table C sets out DFE’s confirmed CSSB DSG Allocation for 2023-24.

Table C – Central School Services Block DSG

Central School Services Block	2022-23 DSG Allocation	2023-24 DSG Settlement	Change	% Change
CSSB unit of funding	£35.59	£36.91	£1.32	3.71%
CSSB pupil count	49,668.50	50,047.50	379.00	0.76%
Funding for Ongoing Responsibilities	£1,767,701.92	£1,847,253.23	£79,551.31	4.50%
Funding for Historic Commitments	£1,799,596.00	£1,439,677.00	-£359,919.00	-20.00%
Total Central School Services Block	£3,567,297.92	£3,286,930.23	-£280,367.69	-7.86%

- 4.4 Details of the proposed 2023-24 Central School Services Block Budget are set out in Agenda Item 7.

5 2023-24 High Needs Block DSG

- 5.1 Table F sets out 2023-24 High Needs Block DSG compared against 2022-23 High Needs Block DSG.

Table F – High Needs Block DSG

High Needs Block	2022-23 DSG Allocation	2023-24 DSG Allocation	Change	% Change
Total high needs elements in the funding floor and gains calculation	£45,822,048.00	£50,530,962.00	£4,708,914.00	10.28%
Basic entitlement factor (area cost adjusted) unit of funding	£4,683.87	£4,684.12	£0.25	0.01%
Number of pupils in special schools and academies	1,240.18	1,313.00	72.82	5.87%
Import/export adjustment (based on January 2022 school census and February R06 2021 to 22 individualised learner record)	-£1,542,000.00	-£1,542,000.00	£0.00	0.00%
Additional Funding for Special Free Schools	£370,967.00	£370,967.00	£0.00	0.00%
Hospital education, alternative provision teachers pay/pension and supplementary funding factor	£20,900.00	£20,900.00	£0.00	0.00%
High needs national funding formula for historical spend, proxy factors, and funding floor allocation	£45,822,048.00	£50,530,962.00	£4,708,914.00	10.28%
Additional high needs allocation	£1,889,965.00	£2,320,052.00	£430,087.00	22.76%
Total High Needs Block before deductions	£52,370,722.00	£57,851,131.00	£5,480,409.00	10.46%

Additional high needs funding

5.2 The DFE have announced an additional £2.32M of High Needs Funding as part of the 2023-24 High Needs Block DSG Settlement.

5.3 Nationally the high needs block of the DSG will benefit from an additional £400 million in 2023-24, through a top up to the DSG allocations. This is an increase of 4.6% to the high needs allocations announced in July 2022. The calculation of this additional high needs funding is set out in :

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124672/DSG_2023_to_2024_high_needs_allocations.ods

5.4 In 2023-24 local authorities are required to pass on a 3.4% funding increase to maintained special and alternative provision (AP) schools, and special and AP academies (including free schools), based on the number of places being funded in 2022-23. This requirement will be a condition of grant attached to the additional DSG high needs funding allocated to local authorities: <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2023-to-2024/dsg-conditions-of-grant-2023-to-2024>

5.5 Detailed guidance on implementing this requirement is published in the revised high needs funding 2023-24 operational guide: <https://www.gov.uk/government/publications/high-needs-funding-arrangements-2023-to-2024/high-needs-funding-2023-to-2024-operational-guide>

5.3 Detailed proposals for the 2023-24 High Needs Block expenditure are set out in the 2023-24 High Needs Block Budget Agenda Item 9.

6 2023-24 Early Years Block DSG

6.1 Table G sets out the DFE's Indicative Early Years Block Allocation for 2022-23 and 2023-24 based on January 2022 Census for North Northamptonshire Council. The final Early Years Block allocation will only be confirmed by the DFE in July after the end of the Financial Year based on the two previous January census.

Table G – Indicative Early Years Block DSG

Early Years Block			Adjusted 2022-23 DSG Allocation Jan 2022 Census	Indicative 2023-24 Allocation Jan 2022 Census	Change	Reason
Hourly rate for 3 and 4 year olds from early years national funding formula (£ / hr)	[A]		£4.66	£4.93	£0.27	£0.05 increase due to Teacher Pay and Pension Grant rolled into the 3 & 4 year old funding rate. The remaining £0.22 is the increase for 3&4 yo rate and TPPG in 2023-24
Number for 3 and 4 year old universal entitlement funding (part-time equivalent)	[B]		4863.76	4863.76	0.00	
Teachers Pay and Pension Grant	[Ba]		£200,935.00		£(200,935.00)	
Indicative funding allocation for universal entitlement for 3 and 4 year olds (£s)	[C]	= [A] * [B] * 15 hours * 38 weeks a year	£13,120,054.31	£13,667,651.98	£547,597.66	
Number for 3 and 4 year old additional 15 hours entitlement for eligible working parents (part-time equivalent)	[D]		2192.11	2192.11	0.00	
Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds (£s)	[E]	= [A] * [D] * 15 hours * 38 weeks a year	£5,822,683.00	£6,160,048.31	£337,365.31	
Hourly rate for 2 year old entitlement (£ / hr)	[F]		£5.62	£5.75	£0.13	Increase in 2 year old rate
Number for 2 year old entitlement funding (part-time equivalent)	[G]		707.21	707.21	0.00	
Indicative funding allocation for 2 year old entitlement (£s)	[H]	= [F] * [G] * 15 hours * 38 weeks a year	£2,265,477.00	£2,317,880.78	£52,403.77	
Hourly rate for EYPP (£ / hr)	[Ia]		£0.60	£0.62	£0.02	Increase in EYPP rate
Number for EYPP funding (part-time equivalent)	[Ib]		715.85	715.85	0.00	
Indicative funding allocation for early years pupil premium (£s)	[I]	= [Ia] * [Ib] * 15 hours * 38 weeks a year	£244,821.00	£252,982.00	£8,161.00	
Rate for DAF (£ / year)	[Ja]		£800.00	£828.00	£28.00	Increase in DAF rate
Number for DAF funding (part-time equivalent)	[Jb]		142.00	152.00	10.00	
Funding allocation for disability access fund (£s)	[J]	-[Ja] * [Jb]	£113,600.00	£125,856.00	£12,256.00	
Hourly rate for supplementary funding for maintained nursery schools (£ / hr)	[K]		£4.73	£5.31	£0.58	£0.42 increase due to Teacher Pay and Pension Grant rolled into the MNSS rate. The remaining £0.16 is the increase for MNSS and TPPG in 2023-24
Number for supplementary funding for maintained nursery schools (part-time equivalent)	[L]		335.96	335.96	0.00	
Teachers Pay and Pension Grant	[La]		£80,947.00		£(80,947.00)	
Indicative supplementary funding allocation for maintained nursery schools (£s)	[M]	= [K] * [L] * 15 hours * 38 weeks a year	£986,728.76	£1,016,850.13	£30,121.38	
Total early years block (£s)	[N]	= [C] + [E] + [H] + [I] + [J] + [M]	£22,553,364.07	£23,541,269.19	£987,905.13	

6.2 The DfE have rolled the Teacher Pay and Pension Grant into the 3 & 4 year old Funding and Maintained Nursery Schools Supplement of the Early Years Block in 2023-24. The 2022-23 DSG allocation was adjusted with the Teachers Pay and Pension Grant to enable like for like comparison.

6.3 Detailed proposals of the 2023-24 Early Years Block Expenditure and outcome of the Early Years Consultation are set out in the 2023-24 Early Years Block Budget Agenda Item 8.

6.4 The Early Years Entitlements block will receive a further £20million on top of the £180m of additional funding in 2023-24 compared to 2021-22 announced at the Spending Review. Local authorities will receive average funding increases of 3.4% for the 3 and 4-year-old free childcare entitlements and 4% for the 2-year-old entitlement as the early years national funding formulae are updated.

<https://www.gov.uk/government/publications/early-years-funding-2023-to-2024>

7 Mainstream Schools Additional Grant

7.1 In addition to the DSG, mainstream schools will receive an additional grant in 2023-24 – the Mainstream Schools Additional Grant. North Northamptonshire schools and academies will receive £9.090m in 2023-24.

7.2 Details on how this funding will be allocated, including funding rates and indicative allocations at local-authority level have been published at <https://www.gov.uk/government/publications/mainstream-schools-additional-grant-2023-to-2024>.

7.3 The MSAG will fund the following providers, for the 5 to 16-year-old age range:

- primary and secondary maintained schools
- primary and secondary academies and free schools

- all-through maintained schools
- all-through academies
- city technology colleges

7.4 The funding rates consist of the following 3 elements, which are based on factors already in the schools national funding formula:

- a basic per-pupil rate (with different rates for primary, key stage 3 and key stage 4)
- a lump sum paid to all schools, regardless of pupil numbers
- a per-pupil rate for pupils who are recorded as having been eligible for free school meals at any point in the last six years (FSM6), with different rates for primary and secondary pupils

7.5 When confirming the school-level allocations of the MSAG, DFE will apply an area cost adjustment (ACA) to the funding rates below to take into account geographical variation in labour costs. The ACAs will be those used for the schools national funding formula for 2023 to 2024.

7.6 The base funding rates will be:

- a basic per-pupil rate of £119 for primary pupils, including pupils in reception
- a basic per-pupil rate of £168 for key stage 3 pupils
- a basic per-pupil rate of £190 for key stage 4 pupils
- a lump sum of £4,510
- an FSM6 per-pupil rate of £104 per eligible primary pupil
- an FSM6 per-pupil rate of £152 per eligible secondary pupil

7.7 School-level allocations of this grant will be published in spring 2023. Maintained schools and academies will receive this funding from April 2023.

8 Pupil Premium

8.1 Funding rates for the pupil premium in the financial year 2023-24 will increase by 5%. Rates for 2023-24 will be:

- Primary FSM6 pupils: £1,455
- Secondary FSM6 pupils: £1,035
- Looked-after children: £2,530
- Children who have ceased to be looked after: £2,530
- Service children: £335

8.2 Pupil premium allocations and conditions of grant for 2023-24 will be published by the DFE in spring 2023.

9 Other Grants

9.1 Information about other grants for 2023-24 will be issued during 2023.

10 Recommendations for Schools Forum

10.1 Schools Forum are asked to note the 2023-24 DSG Settlement figures for North Northamptonshire Council.

11 Next steps

11.1 The LA will set the 2023-24 DSG Budgets based on the 16th December 2022 DSG settlement.

12 Financial implications

12.1 Schools need to be aware of all the latest funding allocated by the DFE so that they can make timely decisions with Schools Forum and their Governing Body.

13 Legal implications

13.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2022. It is important to ensure decisions are made within the regulations set.

14 Risks

14.1 There is the risk that an adverse financial decision may be made by Schools Forum. There is also the risk that decisions made could be ultra vires.

Report Author:

Officer name: Yoke O'Brien

Officer title: Strategic Finance Business Partner – Children Services

Email address: yoke.obrien@northnorthants.gov.uk

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Agenda Item 6



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North Northamptonshire Schools Forum: 19 January 2023

Agenda Item 6

2023-24 Schools Block Budgets

1 Introduction

1.1 This report sets out the:

- 2023-24 Schools Block DSG Allocation for Schools Forum to note.
- proposed 2023-24 Mainstream Primary and Secondary School Budgets for Schools Forum to agree to recommend to North Northamptonshire's Executive and Council for approval.
- proposed Growth Fund Budget for Schools Forum to agree to recommend to North Northamptonshire's Executive and Council for approval.

2 Background

2.1 In July 2022, the Department for Education announced a set of key figures and operational guidance for the Schools Block National Funding Formula to allow local authorities and schools to plan for budgets in 2023-24.

2.2 Schools Forum worked through the changes to Schools Block and the funding formula during the autumn term including full consultation with all schools in November 2022.

2.3 Pending the release of North Northamptonshire Council's 2023-24 DSG Settlement, Schools Forum at the December 2022 meeting have agreed the following recommendations:

- The adoption of the 2023-24 ACA adjusted National Funding Formula values in setting the 2023-24 mainstream funding formula for schools and academies.
- The formula to continue to use the current local factors for split sites unless otherwise instructed by the DfE.
- The Minimum Funding Guarantee to be set at 0.5% (the maximum allowed).
- To consider whether to transfer from Schools Block to the High Needs Block in 2023-24 at the January 2023 meeting.
- After which all remaining funding in Schools Block will be allocated to the Growth Fund.
- The de-delegation of £3.56 per pupil for Trade Union Facilities Time and £12 per pupil for School Effectiveness for Maintained Primary and Secondary Schools.

- 2.4 Subsequently, in December 2022, the DfE confirmed the schools funding settlement for 2023-24. As promised in the 2022 Autumn Statement, this included a one-off Mainstream Schools Additional Grant (MSAG) of £9.090m in 2023-24 only. As this funding will be incorporated into core budget allocations for 2024-25 for primary, secondary, and all-through schools, this will mean the funding being rolled into the schools national funding formula for 2024-25. This additional funding recognised the reversal of the employer contributions to national insurance (1.25% of pay) to school funding levels as well as increasing inflation on staffing, energy costs and other school cost pressures. Schools will have the flexibility to prioritise their spending of the MSAG to best support the needs of their pupils and staff and address cost pressures.
- 2.5 This report sets out the proposed budget plan and formula for 2023-24 in the context of the decisions already made by Schools Forum and the available funding.
- 2.6 Final decisions on the funding formula for schools are for Executive and Council to determine in February 2023, but the proposals they will consider are the ones which Schools Forum have developed over the last few meetings. This report seeks Schools Forum's views on the final proposals before they are considered by Executive and Council.

3. 2023-24 Schools Block DSG Allocation

- 3.1 The DfE announced the 2023-24 DSG Funding Settlement on 16th December 2022. The Schools Block reflected the Primary and Secondary Units of Funding advised in July 2022, updated to reflect the pupil numbers in the October 2022 census. The LA also received an Authority Proforma Tool (APT) (the mechanism for calculating and reporting mainstream formula budgets for 2023-24), which reflected October pupil and other data. The LA must submit a completed APT by 20th January 2023, subject to political ratification to the Education Skills Funding Agency (ESFA).
- 3.2 The process is that Schools Forum decides on those aspects of the DSG arrangements that are theirs to decide (e.g., Minimum Funding Guarantee, Growth Fund, Falling Rolls Fund) but other matters, including the overall funding and the formula itself are formally for the LA to determine. Schools Forum is invited to make a recommendation to Executive about the Schools Block. In turn, Executive makes recommendations to full Council in February 2023, where final decisions are made.
- 3.3 **Table A** sets out the 2023-24 Schools Block DSG allocation compared against 2022-23 DSG. They reflect a headline of 4.63% increase per Primary pupil and 5.68% increase per Secondary pupil, but most of this increase is through the inclusion of the School Supplementary Grant from 2022-23 into the main formula. There has been a decrease in the number of primary school pupils by 144 pupils (-0.48%) and an increase in secondary school pupils by 523 pupils (+2.62%) in North Northamptonshire as at October 2022 census.
- 3.3 Funding for premises factor including funding for National Non-Domestic Rates have increase by £27,597 (+1.54%).
- 3.4 Funding for Pupil Growth have decreased by £37,363 (-2.22%)
- 3.5 The DfE have rolled in the School Supplementary Funding in 2022-23 into the National Funding Formula for 2023-24 which is why Schools Block needs to be rebased in order to make an accurate comparison.

3.6 Following the 2022 Autumn Statement, the DFE will also be paying a new one-off grant in 2023-24 called Mainstream Schools Additional Grant (MSAG) to mainstream schools only. The DFE will release further school level details in Spring 2023. This grant will be rolled into Schools Block from 2024-25.

Table A – Schools Block DSG

Schools Block	2022-23 DSG Allocation	Adjusted 2022-23 DSG Allocation	2023-24 DSG Settlement	Change	% Change
Primary schools unit of funding	£4,526	£4,526	£4,736	£209	4.63%
Number of pupils in primary schools	29,698	29,698	29,554	-144	-0.48%
Primary Schools Supplementary Grant		£3,786,531		-£3,786,531	
Total Primary Funding	£134,414,152	£138,200,683	£139,954,445	£1,753,762	1.27%
Secondary schools unit of funding	£5,858	£5,858	£6,190	£333	5.68%
Number of pupils in secondary schools	19,971	19,971	20,494	523	2.62%
Secondary Schools Supplementary Grant		£3,502,184		-£3,502,184	
Total Secondary Funding	£116,983,728	£120,485,912	£126,860,708	£6,374,796	5.29%
Premises factor, including national non-domestic rates (NNDR)	£1,795,380	£1,795,380	£1,822,977	£27,597	1.54%
Growth funding	£1,682,902	£1,682,902	£1,645,539	-£37,363	-2.22%
Total Schools Block	£254,876,162	£262,164,877	£270,283,670	£8,118,793	3.10%

Note:

School Supplementary Grant has been rolled into the National Funding Formula which determines Schools Block.

Mainstream Schools will also receive a one off Mainstream Schools Additional Grant of £9.09M in 2023-24. This will be rolled into Schools Block in 2024-25.

3.7 **Table B** sets out the DFE's calculation for the Growth Funding.

Table B: Composition of the Growth Factor in the Schools Block 2023-24

Sector	No of NNC's *MSOAs with schools (out of 40)	No with growing pupil numbers	Fte pupils total in growing MSOAs	Rate (including ACA of 1.00329) £	Allocation 2023-24 £
Primary	39	17	186.5	£1,525.0008	£284,412.65
Secondary	17	15	563.5	£2,282.48475	£1,286,180.16
New school allocation					£74,945.76
Total Growth Allocation 2023-24					£1,645,538.57

*MSOA: Middle Super Output Area

Middle-Layer Super Output Areas (MSOAs) are a [statistical geography](#) created for the [Census of England and Wales](#). In 2021 there are 7,264 MSOAs in England and Wales, with a typical population of 7,000-10,000 people. Each MSOA sits within a local authority, and each local authority is divided into between one and 132 MSOAs depending on how many people live there.

3.8 The DFE's Growth funding calculation is based on the difference in the number of pupils between October 2022 and October 2021 Census. Each school belongs to a MSOA. The increased positive difference implies that there is growth for that school therefore growth in their respective MSOA. As Growth funding is only allocated based on October Census, new schools with expected new pupils arriving would not have been included in the Growth funding allocation. That is why growth funding had reduced by £37,363 (-2.22%) from 2022-

23 despite the opening of the six new classes in North Northamptonshire in September 2023.

4. Setting the 2023-24 Primary and Secondary Schools Budget

4.1 The National Funding Formula (NFF) factor values adjusted for North Northamptonshire Area Cost Adjustment of 1.00329 were used. The factor values used are illustrated in **Table C**.

Table C – North Northamptonshire National Funding Formula Factor Values

NNC NFF Funding Factors	2023-24 NNC Funding Rates ACA adjusted by 1.00329
Minimum Per Pupil Funding Levels - Primary	£4,405.00
Minimum Per Pupil Funding Levels - KS3	£5,503.00
Minimum Per Pupil Funding Levels - KS4	£6,033.00
Primary basic entitlement	£3,405.17
KS3 basic entitlement	£4,800.74
KS4 basic entitlement	£5,410.74
Primary / Secondary FSM	£481.58
Primary FSM6	£707.32
Secondary FSM6	£1,033.39
Primary IDACI F	£230.76
Primary IDACI E	£280.92
Primary IDACI D	£441.45
Primary IDACI C	£481.58
Primary IDACI B	£511.68
Primary IDACI A	£672.20
Secondary IDACI F	£336.10
Secondary IDACI E	£446.46
Secondary IDACI D	£622.04
Secondary IDACI C	£682.24
Secondary IDACI B	£732.40
Secondary IDACI A	£933.06
Primary EAL3	£581.91
Secondary EAL3	£1,570.15
Primary mobility	£948.11
Secondary mobility	£1,364.47
Primary LPA	£1,158.80
Secondary LPA	£1,755.76
Primary lump sum	£128,421.12
Secondary lump sum	£128,421.12
Primary sparsity	£56,485.23
Secondary sparsity	£82,169.45
Middle-school sparsity	£82,169.45
All-through sparsity	£82,169.45
PFI (RPIX) %	Not Applicable
MFG	0.50%

4.2 There will be two new and growing schools opening in September 2023. Stanton Cross Primary School will be opening two new Reception classes (60 pupils) and Weldon Village Academy will open four new Year 7 classes (120 pupils). As the pupils for these schools have yet to arrive when October 2022 Census was collected, North Northamptonshire did not receive any funding in Schools Block for these new pupils in the 2023-24 Schools Block DSG Allocation. However, the ESFA expects NNC to build these two schools into NNC's Local Authority's Proforma Tool when setting the 2023-24 mainstream school budgets.

4.3 After applying Schools Forum December 2022 decisions to:

- Adopt the 2023-24 ACA adjusted National Funding Formula values in setting the 2023-24 mainstream funding formula for schools and academies for NNC
- Continue to use the current local factors for split sites unless otherwise instructed by the DfE
- Set the Minimum Funding Guarantee at 0.5% (the maximum allowed)

only £336,883.68 of Schools Block funding remained.

4.4 Schools Forum have the option to decide on either:

For Decision:

Option 1: Put it the remaining £336,883.68 in Pupil Growth Fund Budget in Schools Block (preferred option) or

Option 2: Transfer the remaining £336,883.68 from Schools Block to High Needs Block which equates to 0.12% of Schools Block.

4.5 Should Schools Forum wish to transfer more than £336,883.68 to either Pupil Growth Fund or High Needs Block, Schools Forum will need to consider either setting the budget with 0% MFG or capping and scaling the school budgets to enable setting a substantial Growth Fund Budget or /as well as be able to transfer up to 0.5% From Schools Block to High Needs Block.

4.6 NNC's Schools Forum considered the option of setting the MFG at 0% in the December 2022 meeting. It was decided that the extra funding released was minimal in the overall budget. If the MFG was to be set at 0%, only £367,187.63 remains of the Schools Block for available use. This option would only release an extra £30,303.95.

4.6 The outcome of the running NNC's Schools Funding Formula indicated that the minimum per pupil level funding protected 18 Primary schools totalling £1,295,697 and 1 Secondary school totalling £172,331.

4.7 The Minimum Funding Guarantee of 0.5% further protected another 7 Primary schools in ensuring every North Northamptonshire school and academy received at least a 0.5% increase. This totalled £37,818.

4.8 As North Northamptonshire recognises that many of our schools are struggling to balance its budgets in the current challenging and difficult economic climate, it is proposed that Schools Forum should set MFG at 0.5% which is the maximum allowed by the DfE and use the remainder of funding on one of the two options proposed above in paragraph 4.4.

- 4.10 North Northamptonshire is also not asking for a transfer to High Needs Block in 2023-24 but may do so should the need arise in future years.
- 4.11 Whilst the final decision of the Schools Funding Formula belongs to the LA, it is preferable that Schools Forum consider, agree, approve, and advise the LA the direction it should take.
- 4.12 Schools Forum is therefore asked to consider and agree the adoption of one of the two options be used as 2023-24 Mainstream Schools Funding Formula basis to set the 2023-24 Schools Block Budget.

5 Recommendations for Schools Forum

5.1 Schools Forum are asked to note the contents of the report.

5.2 **Schools Forum are asked to:**

- a) approve that the Minimum Funding Guarantee to be set at 0.5% for 2023-24**
- b) indicate their support for the funding formula for 2023-24 as set out in section 4**
- c) consider and agree one of the two options to be adopted in the setting of the 2023-24 Mainstream Schools Funding Formula for submission to the ESFA as North Northamptonshire Council's APT for 2023-24 in paragraph 4.4.**
- d) approve the de-delegation of £3.56 per pupil for Trade Union Facilities Time and £12 per pupil for School Effectiveness for Maintained Primary and Secondary Schools.**
- e) identify any points they may wish to convey to Executive as part of their deliberations on the DSG budget for 2023-24.**

6 Next steps

6.1 The LA will set the 2023-24 Primary and Secondary School Budget on the APT with the decisions made by Schools Forum.

6.2 In the event of Schools Forum failing to reach a consensus decision, the LA will proceed to adopt the option it thinks is the fair and equitable option namely Option 1 where there is a growing need for Pupil Growth Fund in North Northamptonshire Schools.

7 Financial implications

7.1 Schools need to be aware of the decisions made by Schools Forum so that they can advise their respective Governing Body in setting their Individual School Budgets.

8 Legal implications

8.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2022. It is important to ensure decisions are made within the regulations set.

9 Risks

- 9.1 Whilst there is the risk that the financial decision is made by Schools Forum may be detrimental to a group of schools, the final decision would be in the interest of North Northamptonshire schools overall.

Report Author:

Officer name: Yoke O'Brien

Officer title: Strategic Finance Business Partner – Children Services

Email address: yoke.obrien@northnorthants.gov.uk

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Agenda Item 7



North
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North Northamptonshire Schools Forum 19 January 2023

Agenda Item 7

2023-24 Central School Services Block Budgets

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 2023-24
- 1.2 There is a £280,368 decrease in the available amount for central expenditure largely due to the 20% reduction in the historical element of the Central Schools Services Block (CSSB).

2 Central School Services Block (CSSB)

- 2.1 CSSB covers funding allocated to LAs to carry out central 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 which is formula driven nationally via a per pupil rate currently multiplied by October 2022 pupil census data.
 - b) funding for historic commitments allocated at levels carried forward from previous years. The DfE have been reducing the historic commitments funding from 2020-21 by 20% per annum. This reduction has been applied to the 2023-24 CSSB funding.
- 2.3 NNC received a provisional allocation of £3,286,930 in 2023-24 compared to £3,567,298 in 2022-23 which is a reduction of £280,368.

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 12.

- Below, you will see the LA's 2022-23 CSSB funding baseline and the change in funding under the 2023-24 DSG Settlement.

- At the top of the page are the baseline and 2023-24 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 2023-24 as a result of the 2023-24 DSG Settlement.

- Funding for ongoing responsibilities will be allocated on a per-pupil basis. No LA's per-pupil funding for 2023-24 will fall more than 2.5% compared to its 2022-23 per-pupil funding.

Cell colour guide
User Input
Calculation
Explanation

Please select your local authority from the drop down menu

North Northamptonshire

Table 1: 2023-24 funding for historic commitments

2022-23 baseline for historic commitments	£1,799,596	This shows the 2022-23 LA allocation for historic commitments.
NFF funding for historic commitments	£1,439,677	This shows what the LA will receive for historic commitments in 2023-24.

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

2022-23 baseline for ongoing responsibilities	£1,767,702	This shows the LA's allocation for ongoing responsibilities in the 2022-23 DSG allocations.
2023-24 total funding for ongoing responsibilities	£1,847,253	This shows what the LA would provisionally receive for ongoing responsibilities in 2023-24.
Percentage change in per pupil funding in 2023-24	4.50%	This shows the percentage change in what the LA would provisionally receive per pupil in 2023-24 compared with the 2022-23 baseline for ongoing responsibilities.

2.4 Table 1 shows the differential in CSSB funding in 2023-24 against the 2022-23 allocation.

Table 1 – NNC's CSSB Funding

Central School Services Block	2022-23 DSG Allocation	2023-24 DSG Settlement	Change	% Change
CSSB unit of funding	£35.59	£36.91	£1.32	3.71%
CSSB pupil count	49,668.50	50,047.50	379.00	0.76%
Funding for Ongoing Responsibilities	£1,767,701.92	£1,847,253.23	£79,551.31	4.50%
Funding for Historic Commitments	£1,799,596.00	£1,439,677.00	£-359,919.00	-20.00%
Total Central School Services Block	£3,567,297.92	£3,286,930.23	£-280,367.69	-7.86%

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 3.71%. However there was an increase of 379 pupil in North Northamptonshire. As a result North Northamptonshire received a 4.5% increase for ongoing responsibilities.

2.6 Table 2 shows NNC's current use of the CSSB funding in 2022-23, together with proposals for its use in 2023-24 and changes from 2022-23. Ongoing responsibilities has been uplifted by 3.7% in 2023-24.

Table 2 – NNC’s Proposed CSSB Expenditure Budget

Central School Services Block	2022-23	2023-24	Change
Historical Commitments	£M	£M	£M
Contribution to Combined Services	0.64	0.64	0.00
Contribution to DSG High Needs Deficit	0.17	0.00	-0.17
Pre-2013 Premature Retirement / Redundancy Costs	0.99	0.80	-0.19
Total Historical Commitments	1.80	1.44	-0.36
Central School Services Block	2022-23	2023-24	Change
Ongoing Responsibilities	£M	£M	£M
Admissions	0.48	0.50	0.02
Schools Forum	0.01	0.01	0.00
National Copyright Licences	0.28	0.32	0.04
Statutory and Regulatory Duties	0.88	1.01	0.13
Teacher’s Pay and Pension Grant	0.01	0.01	0.00
Contribution to DSG High Needs Deficit	0.11	0.00	-0.11
Total Ongoing Responsibilities	1.77	1.85	0.08
Total CSSB	3.57	3.29	-0.28

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

2.6 Table 3 provides a breakdown NNC’s proposals for the use of the CSSB on Combined Services in 2023-24 and changes from 2022-23.

Table 3 – NNC’s Proposed Combined Services Expenditure Budget

CSSB DSG Contribution to Combined Service	2022-23	2023-24	Change
	£M	£M	£M
School Standards & Effectiveness	0.44	0.47	0.03
Moderation	0.01	0.01	0.00
Northamptonshire Safeguarding Children Board	0.03	0.03	0.00
MASH	0.03	0.00	-0.03
Educational Entitlement	0.13	0.13	0.00
Total	0.64	0.64	0.00

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 £0.36M against the historical commitments expenditure requirement in 2023-24.

- 3.3 This funding gap will be met by not contributing to High Needs Block Deficit by £0.17M and by reducing contribution to Pre 2013 Premature Retirement / Redundancy Cost by £0.19M in 2023-24. This will need to be reviewed every year by North Northamptonshire Council.
- 3.4 The ongoing 20% reductions on Historic Commitments Funding on CSSB will continue year on year i.e. a further reduction of £0.29M in 2024-25, £0.23M in 2025-26 and £0.19M in 2026-27.
- 3.5 Having paid off the 2020-21 DSG High Needs Block deficit brought forward from Northamptonshire County Council in 2021-22, there is no longer a need for CSSB to continue to contribute to High Needs Block for the legacy High Needs Block deficit.
- 3.6 It is proposed that the remaining funding available is used for Statutory and Regulatory Duties.

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 is to find an alternative source of funding to support the existing commitments as the DSG CSSB is set by the DFE.

6 Recommendations for Schools Forum

- 6.1 **Schools Forum members are asked to agree the Central Expenditure for the proposed 2023-24 Education Functions to be funded from the CSSB as per Table 2 and 3 which were brought to Schools Forum in October 2022 as part of Schools Funding Consultation.**

7 Next Steps

- 7.1 Once agreed by Schools Forum, the Central School Services Block budget will form part of NNC's 2023-24 DSG Budget Proposal for Full Council approval in February 2023.

Report Author:

Officer name: Yoke O'Brien

Officer title: Strategic Finance Business Partner – Children Services

Email address: yoke.obrien@northnorthants.gov.uk

Agenda Item 8



North
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North Northamptonshire Schools Forum 19 January 2023

Agenda Item 8

2023-24 EARLY YEARS BUDGETS - INDICATIVE ALLOCATION

This report provides information on initial 2023-24 early years budgets announced in December 2022 by the DFE and the methodology for allocating funding to providers.

FOR DECISION

1. Introduction

North Northamptonshire Council (NNC) is required to consult with Schools Forum on the proposed arrangements for the Early Years Funding Formula for Private, Voluntary, and independent settings (PVI), Childminders and Maintained Nursery Sector (MNS) funded providers.

- 1.1 The ESFA published initial 2023-24 early years budgets in December 2022. These budgets are currently based on the January 2022 census.
- 1.2 Budgets for 2023-24 will be further updated during 2023-24 to take account of more recent census data once this is available.

2. 2023-24 Indicative Early Years Block Funding

- 2.1 The DFE published the 2023-24 Indicative Early Years Block Funding Allocation in December 2022 and is set out in **Appendix A**.
- 2.2 The changes made to the 2023-24 are as follows:
 - Teachers Pay and Pension Grant rolled into the 3 & 4 year old funding rate.
 - Teachers Pay and Pension Grant rolled into the Maintained Nursery School Supplement rate.
- 2.3 Appendix A illustrates the change between 2022-23 and 2023-24. The 2022-23 Early Years Block Allocation in Appendix A have been adjusted to include the Teachers Pay and Pension Grant to enable a comparison of the funding for two years as a consequence of the Teachers Pay and Pension Grant being mainstreamed in with the 3 & 4 year old Funding and Maintained Nursery School Supplement of the Early Years Block DSG.
- 2.4 Prima facie it would appear that the 3 & 4 year old and Maintained Nursery School Supplement funding rates have increased significantly. However, this is misleading as Teachers Pay and Pension Grant has been mainstreamed into Early Years Block.

3. North Northamptonshire Council's Early Years National Funding Formula Consultation

- 3.1 In December 2022 North Northamptonshire consulted with the Early Years Sector on the proposed changes to the EYNFF funding formula upon which the DfE were consulting nationally.

- 3.2 The main purpose of the consultation was to seek the views of providers in setting the 2023-24 funding rates as well as determining how to address the issue of School and Academy providers Teachers Pay and Pension Grant being mainstreamed in the 3 & 4 year old funding rate.
- 3.3 The outcome of the consultation with LA comments can be found in **Appendix B**. The total number of responses received were 44. The responses were considered and are reflected in the budget proposals outlined in **Appendix C**.
4. **North Northamptonshire Proposed 2023-24 Early Years Block Budget**
- 4.1 **Appendix C** sets out the Proposed 2023-24 Early Years Block Budget for North Northamptonshire Council.
- 4.2 The proposed rates for the different funding streams are shown in Table 1 below.

Table 1 – North Northamptonshire Proposed 2023-24 Early Years Funding Rates

NNC Budgets - £m	2023/24 Funding	2022/23 Funding	Change
Disadvantaged 2YO Entitlement Base Rate – 15 hrs	£5.75 per hour	£5.42 per hour	+£0.33 per hour
Universal Entitlement (3/4YO) Base Rate – 15 hrs	£4.22 per hour	£4.13 per hour	+£0.09 per hour
Extended Entitlement (3/4YO) Base Rate – 30 hrs	£4.22 per hour	£4.13 per hour	+£0.09 per hour
Notional SEN (Reduction is reflected in increase in SENIF funding)	£0.03 per hour	£0.08 per hour	-£0.05 per hour
EYNFF ((3/4YO) Deprivation Supplement	£0.31 per hour	£0.30 per hour	+£0.01 per hour
EYNFF ((3/4YO) Quality Supplement (TPPG for Schools and Academies only) – 15 hrs	£0.05 per hour	N/A	+£0.05 per hour
Early Years Pupil Premium (3/4YO) Rate – 15 hrs	£0.62 per hour	£0.60 per hour	+£0.02 per hour
Disability Access Fund (3/4YO)	£828.00 per Child per year	£800.00 per child per year	+£28:00 per child per year
Maintained Nursery Supplement (3/4YO) including TPPG – 15 hrs	£5.31 per hour	£5.15 per hour	+£0.16 per hour
SENIF Funding for Low and Emerging Needs	£300,000	£160,996.55	+£139,003.45

3 & 4 Year old Funding

- 4.3 The DFE took the decision to mainstream the Teachers Pay and Pension Grant previously paid to nursery classes in schools and academies with the 3 & 4 year funding to combine a single funding rate for local authorities in 2023-24. To address this move North Northamptonshire will revise NNC's EYNFF to include a Quality Supplement for schools and academies.
- 4.4 The DFE confirmed that North Northamptonshire Council's Early Years National Funding Formula (EYNFF) for 3 & 4 year olds funding rate will increase from £4.66 to £4.93 in 2023-24. The EYNFF

rate is multiplied by the total number of children expected to access 15 or 30-hours of free childcare across the borough to produce the universal and working family entitlement budgets.

- 4.5 Local authorities are required to pass at least 95% of their 3 & 4 year old funding from Government to early years providers to deliver the universal and extended entitlements - 30 hours. This is referred to as the hourly 'pass-through' rate.
- 4.6 Local authorities can retain 5% of their 3 & 4 year old funding from the Government to support the provision of central early years related services (£991,385.01).
- 4.7 From the remaining 95% funding budgets are then set aside for:
- The Base rate (£4.22)
 - Notional SEN (£0.03)
 - the Deprivation Supplement (£0.31) - passed on as a supplement to those IDACI bands A-F and calculated at 10% of the hourly pass-through rate
 - the Quality Supplement (£0.05) - passed on as a supplement to support workforce qualifications or system leadership (supporting high quality providers leading other providers in the local area)
 - the SEN Inclusion Fund (SENIF) and
 - the Contingency funding (to manage fluctuations in numbers not captured in the census data – e.g. peaks in summer months that are no longer apparent by the time of the next census)

2 year old funding

- 4.8 The proposed 2023-24 budget for 2 year olds has changed from a flat rate to forming part of the National Funding Formula in line with the DFE's national rate rise from £5.42 to £5.75.

Early Years Pupil Premium and Disability Access Fund

- 4.9 Budgets for Early Years Pupil Premium (EYPP), Disability Access Fund (DAF) shown in Table 1 above are ringfenced and therefore excluded from the above hourly rate calculations. EYPP has increased by £0.02p per hour and DAF has increased by £28.00 per child per year for 2023-24. These budgets are also intended to support provision for 3 to 4-year olds only.

Maintained Nursery School Supplement

- 4.10 There has been an increase in MNS funding for NNC as detailed in **Table 1**. This increase will be reflected in payments to maintained nurseries only. Maintained nurseries are not eligible for the Quality Supplement in the 3 & 4 Year old funding as the DFE have included their Teachers Pay and Pension Grant as part of the Maintained Nursery School Supplement funding rate.

5. Special Educational Needs Inclusion Fund (SENIF)

- 5.1 Given the anticipated increase in emerging needs for children born during the pandemic and to ensure that needs are identified as early as possible we will continue to use these funds to support funded 2-year-olds with SEND.
- 5.2 SENIF funding is intended as a contribution towards supporting providers to address the needs of individual and groups of children with low level and emerging SEND and given the increase in the number of children presenting at settings with needs because of the pandemic the current amount of £160,996.55 is insufficient to address the emerging needs of Early Years children. We propose to remove 5p of the current 8p notional SEND payment and utilise the £139,003.45 to make a total of £300,000 as the overall amount available for SENIF funding in 2023-24. This will enable settings to apply for funding for more children ensuring their needs are met at the earliest opportunity. The

remainder 3p Notional SEND will be monitored over the coming year to ascertain how many children with SEND are in each setting and are benefitting from this payment.

- 5.3 The current High Needs Block Funding support and processes will remain for severe/complex and long-term need, for example children with an EHCP who require additional resources including targeted adult support we will be introducing SENIF Plus for funded children whose needs are not currently met by SENIF or EHCP funding. A copy of the guidance is attached for reference. A total of 500k has been allocated from the High Needs Block Funding to support children in the early years in 2023-24.

6. Recommendations

- 6.1 Schools Forum is asked to note the funding and methodology used to arrive at the budgets and hourly rates of the Early Years Block budgets in 2023-24 as set out in Appendix A and C.
- 6.2 Schools Forum is asked to note and approve the budget set aside for SENIF and acknowledge the reduction of Notional SEND by 5p to support settings to receive a swift response and access to funds ensuring children with low and emerging needs are supported quickly and that more children can be supported appropriately. The remaining 3p Notional SEND to be monitored over the coming year to ascertain the number of children with SEND in each setting.
- 6.3 Schools Forum is asked to note and approve the change in NNC's EYNFF to include the Quality Supplement for Schools and Academies Teachers Pay and Pension Grant.
- 6.4 Schools Forum is asked to approve the following funding rates and levels of funding for 2023-24:

NNC's 2023-24 Early Years Funding Rates	2023-24 Rate
Disadvantaged 2YO Entitlement Base Rate – up to 15 hrs	£5.75 per hour
Universal Entitlement (3/4YO) Base Rate – up to 15 hrs	£4.22 per hour
Extended Entitlement (3/4YO) Base Rate – up to an extra 15 hrs	£4.22 per hour
Notional SEN (Reduction is reflected in increase in SENIF funding)	£0.03 per hour
EYNFF (3 & 4 year olds) Deprivation Supplement for eligible pupils	£0.31 per hour
EYNFF (3 & 4 year olds) Quality Supplement for Schools and Academies TPPG – up to 15 hrs	£0.05 per hour
SENIF Funding for Low and Emerging Needs	£300,000
5% Centrally Retained	£991,385.01
Early Years Pupil Premium (3/4YO) Base Rate – up to 15 hrs	£0.62 per hour
Disability Access Fund (3/4YO)	£828.00 per Child per year
Maintained Nursery Supplement (3/4YO) including TPPG – up to 15 hrs	£1,016,850.13 to be split between the 4 Nursery Schools

- 6.5 Schools Forum is asked to note the increase in funding for maintained nursery schools for 2023-24. The scrutiny review on the maintained nursery supplement is due to be concluded and will

make recommendations to the Executive (expected February 2023). Confirmation of the allocation to each nurse will be confirmed thereafter.

Report Authors:

Officer name: Judy Matthews

Officer title Early Years Strategic Advisor

Email address: judy.matthews@northnorthants.gov.uk

Officer name: Yoke O'Brien

Officer title Strategic Finance Business Partner – Children Services

Email address: yoke.obrien@northnorthants.gov.uk

Background Papers:

Appendix A: DFE 2023-24 Early Years Block Initial Allocation – 16th December 2022

Appendix B: Summary of Local Authority EYNFF consultation December 2022

Appendix C: Proposed 2023-24 NNC's Early Years Block Budget

DFE 2023/24 Early Years Block Initial Allocation – 16th December 2022

Appendix A

Early Years Block			Adjusted 2022-23 DSG Allocation Jan 2022 Census	Indicative 2023-24 Allocation Jan 2022 Census	Change	Reason
Hourly rate for 3 and 4 year olds from early years national funding formula (£ / hr)	[A]		£4.66	£4.93	£0.27	£0.05 increase due to Teacher Pay and Pension Grant rolled into the 3 & 4 year old funding rate. The remaining £0.22 is the increase for 3&4 yo rate and TPPG in 2023-24
Number for 3 and 4 year old universal entitlement funding (part-time equivalent)	[B]		4863.76	4863.76	0.00	
Teachers Pay and Pension Grant	[Ba]		£200,935.00		£(200,935.00)	
Indicative funding allocation for universal entitlement for 3 and 4 year olds (£s)	[C]	= [A] * [B] * 15 hours * 38 weeks a year	£13,120,054.31	£13,667,651.98	£547,597.66	
Number for 3 and 4 year old additional 15 hours entitlement for eligible working parents (part-time equivalent)	[D]		2192.11	2192.11	0.00	
Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds (£s)	[E]	= [A] * [D] * 15 hours * 38 weeks a year	£5,822,683.00	£6,160,048.31	£337,365.31	
Hourly rate for 2 year old entitlement (£ / hr)	[F]		£5.62	£5.75	£0.13	Increase in 2 year old rate
Number for 2 year old entitlement funding (part-time equivalent)	[G]		707.21	707.21	0.00	
Indicative funding allocation for 2 year old entitlement (£s)	[H]	= [F] * [G] * 15 hours * 38 weeks a year	£2,265,477.00	£2,317,880.78	£52,403.77	
Hourly rate for EYPP (£ / hr)	[Ia]		£0.60	£0.62	£0.02	Increase in EYPP rate
Number for EYPP funding (part-time equivalent)	[Ib]		715.85	715.85	0.00	
Indicative funding allocation for early years pupil premium (£s)	[I]	= [Ia] * [Ib] * 15 hours * 38 weeks a year	£244,821.00	£252,982.00	£8,161.00	
Rate for DAF (£ / year)	[Ja]		£800.00	£828.00	£28.00	Increase in DAF rate
Number for DAF funding (part-time equivalent)	[Jb]		142.00	152.00	10.00	
Funding allocation for disability access fund (£s)	[J]	= [Ja] * [Jb]	£113,600.00	£125,856.00	£12,256.00	
Hourly rate for supplementary funding for maintained nursery schools (£ / hr)	[K]		£4.73	£5.31	£0.58	£0.42 increase due to Teacher Pay and Pension Grant rolled into the MNSS rate. The remaining £0.16 is the increase for MNSS and TPPG in 2023-24
Number for supplementary funding for maintained nursery schools (part-time equivalent)	[L]		335.96	335.96	0.00	
Teachers Pay and Pension Grant	[La]		£80,947.00		£(80,947.00)	
Indicative supplementary funding allocation for maintained nursery schools (£s)	[M]	= [K] * [L] * 15 hours * 38 weeks a year	£986,728.76	£1,016,850.13	£30,121.38	
Total early years block (£s)	[N]	= [C] + [E] + [H] + [I] + [J] + [M]	£22,553,364.07	£23,541,269.19	£987,905.13	

1. Universal Entitlement and Extended Entitlement (30 hours) – 3 and 4 year old base rate

Early indications are that North Northamptonshire will remain on the minimum funding floor rate per hour allocated to the Local Authority for every 3 and 4 year old. There are a number of options open to Local Authorities depending on the outcome of the National Consultation and until the allocation and guidance is received, we are unable to finalise and confirm the rates for North Northamptonshire.

Centrally Retained Funds

Local Authorities are permitted to retain up to 5% of funding allocated through the 3 & 4 Year old funding of the Early Years Block of the Dedicated Schools Grant (DSG) to pay for central services, statutory duties, and Local authority Early Years compliance. North Northamptonshire currently retains approximately 5% of the budget for this purpose

Question: Do you agree that North Northamptonshire should continue to retain up to and not more than 5% for central expenditure to be reviewed annually?

● Yes	17
● No	13
● Undecided	14



2. Teachers Pay and Pensions Grant (TPPG)

The National Consultation sought views on the proposal to mainstream the Early Years elements of Teachers Pay and Pension Grant funding (TPPG), into the hourly rate for 3 and 4 year olds, bringing Early Years in line with Schools. TPPG is currently paid to Schools in addition to the hourly rate in the form of a grant.

Guidance from the Department for Education (DfE) is as follows: *"We encourage local authorities to continue to use this funding to support some of the costs for which the grants were originally introduced... We would encourage LAs to consider using this supplement to take account of additional pressures that some providers might face, from the need to pay employer contributions to the teachers' pension scheme."*

North Northamptonshire therefore proposes to continue to ringfence the equivalent amount (from 2022-23) of TPPG for Early Years Provision in Schools and pay this as a grant calculated annually (should the national consultation result in an approval to mainstream the early years elements of Teachers Pay and Pension Grant funding, into the hourly rate).

Question: Do you agree with the proposal to ringfence the equivalent amounts for TPPG in line with government advice and pay as a funding supplement to School based provision?

● Yes	18
● No	7
● Undecided	19



3. 2 Year Old Funding (2YO)

For 2023-2024 the rate for 2 year olds could change from a flat rate to being part of the National Funding Formula. If this change is not made North Northamptonshire will pass on the full amount as per usual funding processes.

Question: Do you agree that North Northamptonshire continue to maintain a 100% pass through rate of 2 year old funding to all providers should the rate not fall under the national Funding Formula rules?



4. Early Years Supplementary Funding 2023 - 2024

North Northamptonshire Council allocates a percentage of the funding received to support Early Education Places in the form of:

1. Early Years Pupil Premium (EYPP)
2. Deprivation Funding
3. Disability Access Funding (DAF)
4. Notional SEND
5. Special Educational Needs and Disabilities Inclusion Fund (SENIF) and Special Educational Needs and Disabilities Inclusion Fund PLUS (SENIFP)

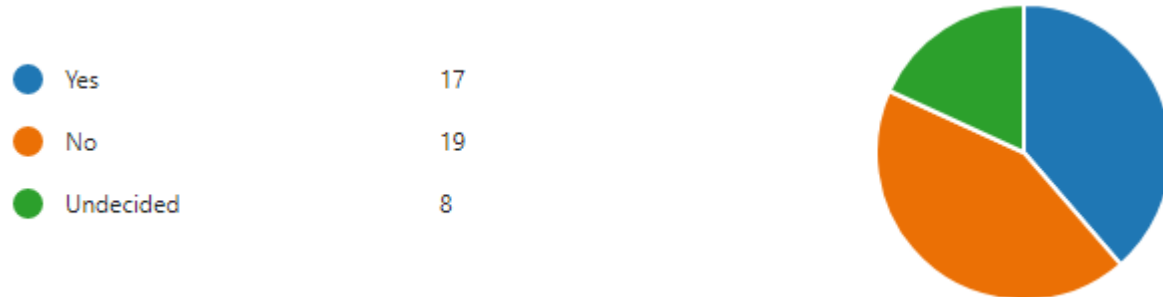
Early Years Pupil Premium is currently paid at a rate of £0.60 per hour per eligible child and is funded alongside the hourly rate for 3 and 4 year old children. It is not proposed to make any changes to this process or funding amount.

Deprivation Fund is currently paid at a rate of £0.30 per hour per eligible child and is funded alongside the hourly rate for 3 and 4 year old children. It is not proposed to make any changes to this arrangement, however based on the funding allocation the amount funded is subject to change.

Disability Access Funding (DAF) is currently funded at £800 per child per application year and is funded alongside the hourly rate for 3 and 4 year old children. It is not proposed to make any changes to this process or funding amount.

Notional SEND is currently paid at £0.08 per hour per child for all children. We propose to remove the 8p notional SEND payment and utilise this funding to increase the overall amount available for Special Educational Needs and Disabilities Inclusion Fund (SENIF) in 2023/24. This will enable our sector to apply for funding for more children ensuring their needs are met at the earliest opportunity.

Question: Do you agree that North Northamptonshire remove the £0.08 Notional SEND to increase the amount of funds available to support children who meet the SENIF criteria?



5. Special Educational Needs and Disabilities (SENIF) and Special Educational Needs and Disabilities Plus (SENIFP) is currently paid in 3 bands for children with low level and emerging special educational needs and disabilities taking up a funded place in North Northamptonshire.

Band A-SENIF Group Funding

Up to £500 per child per Funding Block

Band B – SENIF Individual Application

Up to £1000 per child per Funding Block

Band C- SENIF Individual Application

Lower level – Up to £1500

Higher Level – Up to £3,300 per child's year

Maximum number of applications – 3 per child in their funding year**

We propose to remove the 'Higher level' element of Band C to introduce a **Special Educational Needs and Disabilities Plus (SENIFP)** process and payment for children with severe and complex needs taking up a funded place in North Northamptonshire for 2023/24. This will enable our sector to apply for targeted adult support and equipment/resources/adaptations to ensure more children with severe and complex needs are met at the earliest opportunity.

Proposed band changes to Band C and introduction of new Band D

Band C- SENIF Advanced Individual Application

Lower level – Up to £1500 per child's year

Band D - Targeted Adult Support for individual children and equipment/resources/adaptations

Up to **£3300** per child per child's year

Question: Do you agree that North Northamptonshire remove the Higher Level element of Band C to increase the amount of funds available to support children who meet the SENIFP criteria?

● Yes	24
● No	3
● Undecided	17



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6. Do you agree that North Northamptonshire create and fund a process for Special Educational Needs and Disabilities Plus (SENIFP) for children with severe and complex needs taking up a funded place in a North Northamptonshire setting or childminder

● Yes	30
● No	2
● Undecided	12



Proposed 2023-24 NNC's Early Years Block Budget

Appendix C

Description	2022-23	2023-24	Change	2023-24 Indicative Budget	% allocated
EYNFF (3 & 4 year olds) Base Rate per hour	£4.13	£4.22	£0.09	£17,527,652.74	88%
EYNFF (3 & 4 year olds) Notional SEN Rate per hour	£0.08	£0.03	-£0.05	£208,662.54	1%
EYNFF (3 & 4 year olds) Deprivation Supplement Rate per hour	£0.30	£0.31	£0.01	£500,000.00	3%
EYNFF (3 & 4 year olds) Quality Supplement (TPPG for Schools and Academies only)		£0.05	£0.05	£300,000.00	2%
SEN Inclusion Fund - 3 & 4 Year Olds (Mandatory) - Funding allocated from EY Block				£300,000.00	2%
SEN Inclusion Fund Plus - Funding allocated from HN Block on application				£0.00	0%
Early years contingency funding - 3 & 4 Year Olds				£0.00	0%
95% EYNFF (3 & 4 year olds) paid to Providers				£18,836,315.28	95%
5% EYNFF (3 & 4 year olds) Centrally Retained by NNC				£991,385.01	5%
Total 3 & 4 year old Funding	£4.66	£4.93		£19,827,700.29	100%
2 year old entitlement per hour	£5.42	£5.75	£0.33	£2,317,880.78	
Early Years Pupil Premium per hour	£0.60	£0.62	£0.02	£252,982.00	
Disability Access Fund per child per year	£800.00	£828.00	£28.00	£125,856.00	
Maintained Nursery Schools Supplementary Funding including TPPG	£5.15	£5.31	£0.16	£1,016,850.13	
2023-24 Indicative Early Years Block Budget				£23,541,269.19	

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Early Years Block Budgets 2023/24

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Update for School Forum – 19th January 2023

Appendix



North
Northamptonshire
Council

Early Years Funding Block 2023/24

Introduction:

The ESFA published initial 2023-24 early years budgets in December 2022. These budgets are currently based on the January 2022 census and reflect the outcome of the consultation that took place during the summer on updating and making technical improvements to the EYNFF to set the hourly funding rates for 2023/24

The outcome of the consultation has resulted in the following changes:

- Use of more up to date and accurate data which underpins both formulae
- Mainstreaming of the Teachers Pay and Pension Grant previously paid to nursery classes in schools and academies with the 3 & 4 year funding to combine a single funding rate for local authorities in 2023-24.

To address this move North Northamptonshire will revise NNC's EYNFF to include a Quality Supplement for schools and academies.

North Northamptonshire Consultation December 2022

In December 2022 North Northamptonshire consulted with the Early Years Sector on the proposed changes to the EYNFF funding formula upon which the DfE were consulting nationally.

The main purpose of the consultation was to seek the views of providers in setting the 2023-24 funding rates as well as:

- Determining how to address the issue of School and Academy providers Teachers Pay and Pension Grant being mainstreamed in the 3 & 4 year old funding rate
- Removal of 8p notional SEND to increase SENIF funding
- Introduction of SENIFP for children with additional and more complex needs
- Retention of the 5% pass through rate

Funding rates 2023/24

The DFE confirmed that North Northamptonshire Council's Early Years National Funding Formula (EYNFF) for 3 & 4 year olds funding rate will increase from £4.66 to £4.93 in 2023-24. The EYNFF rate is multiplied by the total number of children expected to access 15 or 30-hours of free childcare across the borough to produce the universal and working family entitlement budgets.

- Local authorities are required to pass at least 95% of their 3 & 4 year old funding from Government to early years providers to deliver the universal and extended entitlements - 30 hours. This is referred to as the hourly 'pass-through' rate.
- Local authorities can retain 5% of their 3 & 4 year old funding from the Government to support the provision of central early years related services (£991,385.01). From the remaining 95% funding budgets are then set aside for:
 - The Base rate (£4.22)
 - Notional SEN (£0.03)
 - the Deprivation Supplement (£0.31) - passed on as a supplement to those IDACI bands A-F and calculated at 10% of the hourly pass-through rate
 - the Quality Supplement (£0.05) - passed on as a supplement to support workforce qualifications or system leadership (supporting high quality providers leading other providers in the local area)
 - the SEN Inclusion Fund (SENIF) and
 - the Contingency funding (to manage fluctuations in numbers not captured in the census data – e.g. peaks in summer months that are no longer apparent by the time of the next census)



Funding rates 2023/24

NNC Budgets - £m	2023/24 Funding	2022/23 Funding	Change
Disadvantaged 2YO Entitlement Base Rate – 15 hrs	£5.75 per hour	£5.42 per hour	+£0.33 per hour
Universal Entitlement (3/4YO) Base Rate – 15 hrs	£4.22 per hour	£4.13 per hour	+£0.09 per hour
Extended Entitlement (3/4YO) Base Rate – 30 hrs	£4.22 per hour	£4.13 per hour	+£0.09 per hour
Notional SEN (Reduction is reflected in increase in SENIF funding)	£0.03 per hour	£0.08 per hour	-£0.05 per hour
EYNFF ((3/4YO) Deprivation Supplement	£0.31 per hour	£0.30 per hour	+£0.01 per hour
EYNFF ((3/4YO) Quality Supplement (TPPG for Schools and Academies only) – 15 hrs	£0.05 per hour	N/A	+£0.05 per hour
Early Years Pupil Premium (3/4YO) Rate – 15 hrs	£0.62 per hour	£0.60 per hour	+£0.02 per hour
Disability Access Fund (3/4YO)	£828.00 per Child per year	£800.00 per child per year	+£28:00 per child per year
Maintained Nursery Supplement (3/4YO) including TPPG – 15 hrs	£5.31 per hour	£5.15 per hour	+£0.16 per hour
SENIF Funding for Low and Emerging Needs	£300,000	£160,996.55	+£139,003.45



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High Needs Block Funding Allocation

Key Message

The Forum is asked to note:

- The High Needs Block allocations for NNC for 2022/23 of £52,370,723 and 2023/24 £57,851,131.
- The allocation of these budgets over both financial years and the projected outturn for 2022/23.

1. Background

In December 2022, a school's forum paper was presented sharing current and projected spending for units and mainstream top up funding. This paper provides an overview of the projected end of financial year spend for special, independent and alternative provision. It also includes an indicative budget breakdown of the High Needs Block expenditure for the 2023/24 financial year. The summary table presented at the end of the report combines the funding projections for all specialist support and provision for SEND children and young people.

2. Special School Provision

2.1 There are currently eight special schools serving the children and young people in North Northamptonshire. As part of the disaggregation of North and West Northamptonshire the North Northamptonshire local authority has undertaken significant work to ensure the appropriate sufficiency and governance arrangements are now in place to meet the needs of those children with complex learning difficulties within the borough needing a special school placement. This includes:

- reviewing the top-up funding and special arrangements across all special schools
- financial tracking for all pupils through half termly monitoring meetings with special school head teachers
- the half termly monitoring meetings are also improving the engagement with special school head teachers with a link professional assigned to make regular contact to ensure ongoing communication
- greater transparency for schools of their top up funding breakdown through the introduction of termly reporting

- liaison meetings to plan for transition in 2023 are taking place and parental preferences managed centrally to ensure alignment of pupil need and 'right' provision.

2.2 Total numbers and funding being committed for special school placements for 2022/23 2023/24

School	22/23 Place No's	22/23 Place Funding	22/23 Top Up Funding	Total 22/23 Forecast	23/24 Place No's	23/24 Place Funding	23/24 Top Up Funding	Total 23/24 Draft Budget (inc 3%)	Out of Area Children
Chelveston Road	29 (57 from Sept)	£453,333	£312,287	£765,621	57 (91 from Sept)	£768,333	£623,838	£1,392,172	8
Friars	141 (148 from Sept)	£1,450,833	£1,419,426	£2,870,259	148 (154 from Sept)	£1,515,000	£1,784,476	£3,299,476	5
Isebrook	254	£2,540,000	£2,529,234	£5,069,234	254	£2,540,000	£2,668,431	£5,208,431	6
Kingsley	162	£1,620,000	£1,718,420	£3,338,420	162 (156 from Sept)	£1,585,000	£1,804,144	£3,389,144	2
Maplefields	114 (117 from Sept)	£1,157,500	£1,216,178	£2,373,678	117 (114 from Sept)	£1,152,500	£1,338,229	£2,490,729	25
Red Kite	141 (146 from Sept)	£1,439,167	£1,806,953	£3,246,120	146 (144 from Sept)	£1,448,333	£1,911,724	£3,360,058	2
Rowan Gate	212 (232 from Sept)	£2,236,367	£2,514,312	£4,750,979	232 (264 from Sept)	£2,506,667	£2,963,583	£5,470,250	5
Wren Spinney	79 (89 from Sept)	£848,333	£1,414,947	£2,263,280	89 (88 from Sept)	£884,167	£1,631,413	£2,515,579	9
3.4% Additional Grant								£889,438	
TOTAL		£11,745,833	£12,931,757	£24,677,591		£12,400,000	£14,725,838	£28,015,277	
Maplefields Outreach				£108,033				£186,000	
Rowan Gate Outreach				£208,000				£268,000	
TOTAL				£316,033				£454,000	
TOTAL ALL SPECIAL				£24,993,624				£28,469,277	

3. Independent special school funding

3.1 There are currently 181 children and young people attending independent schools in North Northamptonshire. As part of the disaggregation of North and West Northamptonshire, North Northamptonshire local authority has undertaken significant work to ensure appropriate arrangements are in place to ensure the appropriate allocation of children with an Education Health Care Plan placed in independent provision. This includes:

- the development of an accurate list of children, costs and sites.
- the introduction of a decision making group for agreeing new placements
- the appointment of a team lead to oversee the placements process; negotiate placement rates; sign off invoices.
- in recent months 700k has been identified and is being retrieved for overpayments to the sector
- desk top reviews have been undertaken for the majority of providers, and now form the basis of the quality assurance framework for assessing the quality of teaching and learning.
- first school site monitoring visit was undertaken in November

3.2 Total numbers and funding being committed for independent school placements for 2022/23 and 2023/24

Provision Type	Current No of Children Placed	22/23 Forecast	Initial No of Placements 23/24	No of Children Year 11+	23/24 Draft Budget
Special	159	£9,158,575	159	21	£9,516,266
Mainstream	21	£403,318	21	13	£440,707
Non-Maintained	4	£162,243	4	1	£190,430
TOTAL	184	£9,724,136	184	35	£10,147,403

- The above figures do not include the education share of any residential placements
- The forecasts are based on current placements only but not adjusting for any potential leavers – this will likely not be enough of a buffer for new placements
- An estimated 5% increase on fees has been included

4. Alternative Provision

4.1 There are currently 7 alternative providers (including home tuition) serving 117 children and young people in North Northamptonshire. The local authority is aware of the challenges of the specialist provision and as part

of the disaggregation of North and West Northamptonshire the North Northamptonshire local authority has undertaken significant work to ensure the appropriate sufficiency and governance arrangements are in place to meet the needs of those children with complex learning difficulties within the borough needing an alternative school placement. This includes:

- individual fact-finding meetings with the main three AP providers undertaken in the summer term.
- initial visits were undertaken in September and October to ensure quality of provision.
- on- site monitoring visits set for the spring term
- an SEMH outreach team was implemented in the autumn term to support primary schools in the early identification in intervention of children with SEMH
- work is underway, working initially with Brookweston trust, to pilot in-house provision for children and young people with SEMH. The pilot is expecting to commence in April 2023
- further trusts have been identified and initial meetings have taken place to develop proposals for in-house provision.

4.2 Total numbers and funding being committed for alternative provision for 2022/23 and 2023/24

Provision Name	DfE Registered	Key Stage	Qualifications	22/23 Basic Cost	23/24 Draft Budget
CE Academy	Yes	3 & 4	Up to GCSE	£525,000	£500,000
Progress Schools	Yes	3 & 4	Functional skills, BTEC, iGCSE	£450,000	£400,000
Youth Works	Yes (pre perm-ex)	Year 9-11	Functional, vocational, iGCSE	£0	£50,000
On Track	Yes	3 & 4	Up to GCSE	£0	£80,000
Spires Academy	Yes	1 & 2	KS2 SATS	£225,000	£320,000
NSTC	No	3	Return to school support	£50,000	£50,000
Refocus	Yes	Year 9	Functional, vocational	£150,000	£250,000
Teaching Personnel	N/A	All	N/A	£400,000	£200,000
SEMH School Provision Development				£200,000	£400,000
Contingency					£400,000
TOTAL				£2,000,000	£2,650,000

5. Committed spend from the HNB for 2022/23 and projected spend from the HNB for 2023/24

Budget	22/23 Budget	22/23 Forecast	23/24 Draft Budget
Early Years	£500,000	£250,000	£250,000
Mainstream Top Up's	£5,597,869	£6,950,658	£7,301,174
Mainstream SEN Units	£4,503,939	£2,453,162	£3,255,605
Special Schools	£25,121,121	£24,993,624	£28,469,277
Out of Area	£1,270,500	£2,246,565	£1,934,038
Independent	£7,765,359	£9,924,136	£10,147,403
Alternative Provision (inc out of county)	£3,938,717	£2,545,545	£2,650,000
Post 16 Top Up's in FE Colleges	£2,810,380	£1,806,392	£1,909,554
Hospital Education Services	£200,000	£100,000	£100,000
Education Entitlement Team	£268,416	£268,416	£268,416
Specialist Support Services	£374,979	£374,979	£374,979
MASH	£14,415	£14,415	£0
AP Free Schools	£202,539	£202,539	£190,000
Northamptonshire Parent Partnership Service	£9,791	£9,791	£30,000
Sensory Impairment Provision	£970,685	£970,685	£970,685
Transfer from Schools Block	-£1,274,381	-£1,274,381	£0
Transfer from CSSB	-£268,573	-£268,573	£0
Tri-part Residential Placements	£0	£750,000	£0
Import/Export Adjustment	£364,967	£0	£0
TOTAL	£52,370,723	£52,317,953	£57,851,131

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