

Norfolk Schools Forum

Date: **Wednesday 10 July 2024**
Time: **9am**
Venue: **Cranworth Room, County Hall, Martineau Lane,
Norwich, NR1 2UA**

Membership:

Martin White (Chair)	Nebula Foundation
Adrian Ball	Diocese of Ely Multi Academy Trust
Helen Bates	Roman Catholic Church Diocese
Martin Colbourne	City College Norwich
Steven Dewing	Sapienta Education Trust
Lacey Douglass	Freelance Early Years Advisor
Mike Grimble	Avenue Junior School
Bob Groome	National Education Union
Glyn Hambling	Unity Education Trust
David Hicks	Synergy Multi Academy Trust
Carole Jacques	Earlham Nursery School
Clare Jones	Broad Horizons Academy Trust
Annette Maconochie	Sheringham Woodfields School
Joanne Philpott	Ormiston Academy Trust
Sarah Porter	The HEART Academy Trust
Hayley Porter-Aslet	Norwich Diocesan Board of Education
Rachel Quick	The Wherry School
Sarah Shirras	St. Williams Primary School
Joanna Tuttle	Aylsham High School
Daniel Thrower	Wensum Academy Trust
Vicky Warnes	National Education Union

Representing:

Maintained Primary Governors
Academies
Church Representative
16-19 Representative
Academies
Early Years Representative
Maintained Primary Governors
Joint Consultative Committee
Short Stay Schools
Academies
Nursery Schools
Academies
Special Schools
Academies
Academies
Church Representative
Special School Academies
Maintained Primary Schools
Maintained Secondary Schools
Academies
Joint Consultative Committee

Officers:

Michael Bateman	AD SEND Strategic Improvement and Early Effectiveness
Martin Brock	Accountant (Schools, Special Educational Needs and Early Years)
John Crowley	Assistant Director – Education, Intelligence and Effectiveness
Dawn Filtness	Finance Business Partner (Children's Services)
Samantha Fletcher	Assistant Director – Education Infrastructure and Partnerships
Nicki Rider	Assistant Director SEN and Alternative Provision Strategy and Sufficiency
Sara Tough	Executive Director of Children's Services
Andy Tovell	Assistant Director of Inclusion and Opportunity
James Wilson	Director for Sufficiency Planning and Education Strategy

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**

Laine Tisdall on 01603 222 053
or email committees@norfolk.gov.uk

Agenda

1. **Apologies for absence**
2. **Minutes** **Page 3**
To approve the minutes of the meeting held on the 17 May 2024
3. **Welcome from the Chair and Matters Arising**
 - Declaration of Interests Forms
 - Shared Parental Leave Working Group Update – verbal update
 - Summary of Schools Forum actions from 2023/24
4. **Local First Inclusion Strategic Planning** **To follow**
 - a) Local First Inclusion programme update
 - b) Steve Bush [CCS] - health collaborative, including NDD pathways
 - c) Element 3 Funding – update, including feedback from Workshop No. 3 (of 4)
5. **Scheme for Financing Schools (Changes) 2024/25** **Page 11**
6. **Future Building Maintenance for Maintained Schools** **Page 17**
7. **DSG Consultation Preparation 2025/26** **Page 26**
8. **Additional Schools Block Costs** **To follow**
9. **Forward Work Plan** **Page 32**
10. **Any Other Business**
11. **Date of Next Meeting**

A coffee break will be scheduled during the meeting, at the discretion of the Chair.

Date Agenda Published: 3 July 2024



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Norfolk Schools Forum

Minutes of the Meeting held on Friday 17 May 2024 at 9am in the Cranworth Room, County Hall

Present

Martin White (Chair)
Steven Dewing
Lacey Douglass
Mike Grimble
Glyn Hambling
Clare Jones
Joanne Philpott
Sarah Porter
Rachel Quick
Sarah Shirras
Matthew Smith
Joanna Tuttle
Vicky Warnes

Organisation

Nebula Federation
Sapientia Education Trust
Freelance Early Years Advisor
Avenue Junior School
Unity Education Trust
Broad Horizons Education Trust
City of Norwich School
The Heart Education Trust
The Wherry School
St. Williams Primary School
Sheringham Woodfields School
Aylsham High School
Joint Consultative Committee

Representing

Maintained Primary Governors
Academies
Early Years Representative
Maintained Primary Governors
Alternative Provision
Academies
Academies
Special School Academy
Maintained Primary Schools
Maintained Special Schools
Maintained Secondary Schools
Joint Consultative Committee

Local Authority Officers

Martin Brock	Accountant (Schools, Special Educational Needs and Early Years)
John Crowley	Assistant Director – Education, Intelligence and Effectiveness
Dawn Filtness	Finance Business Partner (Children's Services)
Sam Fletcher	Assistant Director – Education Infrastructure and Partnerships
Simon Paylor	Strategic Commissioner – Health and Disability
Nicki Rider	Assistant Director SEN and Alternative Provision Strategy and Sufficiency
Laine Tisdall	Committee Officer, Democratic Services
Sara Tough OBE	Executive Director of Children's Services
James Wilson	Director for Sufficiency Planning and Education Strategy

1. Apologies and substitutions

- 1.1 Apologies were received from Adrian Ball, Martin Colbourne, Carole Jacques, David Hicks and Bob Groome.

2. Minutes

- 2.1 The minutes of the meeting held on the 13 March 2024 were agreed as a true record of proceedings.

3. Matters Arising

- 3.1 The declaration of interest form, which was circulated to Forum Members in March, was to be reissued.
- 3.2 Local First Inclusion – Steve Bush from Cambridgeshire Communities Services was formerly invited to the July meeting of the Norfolk Schools Forum, to set out methods of collaborative working between health providers and schools.

- 3.3 A working group to discuss Shared Parental Leave was set up between Forum Members and officers, with the first meeting held W/C the 13 May 2024. An update from this working group was scheduled for a future meeting of the Norfolk Schools Forum.

4. Strategic Planning (inc. Local First Inclusion) Programme Update

- 4.1 Forum Members received the annexed report (4).
- 4.2 Officers introduced the report, which provided key extracts from Norfolk County Council's revised DSG plan. The plan was submitted to the Department for Education (DfE) on the 23 April 2024.
- 4.3 Officers introduced key elements of the report to the Schools Forum. A presentation was shown concurrently to the room:
- The Local First Inclusion (LFI) plan in Norfolk was built around the understanding that Special Education Needs (SEN) could be met in a mainstream educational environment.
 - Children's Services were currently 18 months into the current iteration of the plan. A significant level of additional funding and resource has been available to support the SEN cohort in schools. There had also been targeted investment in additional provision. It was stressed that the plan had now reached a critical point where the measurable impact of the LFI programme should be seen.
 - The number of students in Norfolk who were either in specialist education or excluded remained higher than the national average, which was a concern to Children's Services and being closely monitored.
 - Due to the increased pressures including ongoing high volume of EHCP/Special School referrals and increased costs of Element 3 funding, the LFI/Safety Valve plan was being renegotiated with the DfE.
 - The aim of Norfolk County Council remained to ensure the plan was working correctly so that students were in the right place, receiving the correct level of support. Officers stated that the next 12 months were critical to achieving this. It was stressed that the budget could not be overspent further. Collective leadership was required to ensure the aims were met. Officers expressed confidence that Children's Services could rise to the challenge to achieve the targets set out through working in collaboration with schools.
 - Due to the increase in demand, it was likely that an eight-year period was required to deliver an in-year balanced budget, with an in-year deficit of £50m currently forecast. The LFI was not expected to be in balance until 2030/31 and as a result, the cumulative deficit would increase significantly over this period. It was acknowledged that this was a challenging scenario, as the LFI was currently not compliant with the regulations set down by the DfE. Children's Services were in dialogue with the DfE regarding this, with it being felt that they were understanding of the underlying issues being faced. Further data was planned to be supplied to the DfE at the beginning of June 2024.
 - While the strategy remained unchanged, new elements were to be added to the LFI. Conversations were to take place to see if there were any ways of changing the way the partnership worked and delivered together. The presentation illustrated potential "before and after" changes. There was a need to move towards more collective ways of working between Children's Services and schools across Norfolk.

- Children's Services had developed a new data tool, which enabled officers to extrapolate data across Norfolk on various indicators to measure the performance of the LFI plan. An example dataset was shown to the Schools Forum and explained. Comparative analysis would inform Children's Services as to what was working and where improvements were required. It was stressed that while the tool was sophisticated, it had to be carefully used to ensure that incorrect conclusions were not reached.
- A new collaborative LFI model was scheduled to commence at the start of the 2024/25 school term in September 2024. Norfolk would be divided into fifteen zones, each having a local zone inclusion partnership which aimed to bring key personnel together around challenges faced by the LFI. The model ultimately aimed to help achieve the best outcomes for children while making the most efficient use of resources.
- New inclusion partnerships were to be formed between specialist schools and the mainstream, with the aim being to utilise expertise from the former setting to support mainstream inclusion of SEN students. At present, Norfolk under-utilised the dual registration model where students would be registered simultaneously with a specialist and mainstream school. There was scope to substantially expand dual registration in the coming years, with a revised approach to allocating specialist school places was due to commence in September 2024.
- A core part of the LFI programme was Element 3 funding. The budget had increased from £5.7m in 2018/19 to £36.6m in 2024/25. Financial pressures were identified, with Children's Services currently in negotiations with the DfE regarding the next steps to be taken. A £23m budget was set for 2023/24; however, the overall outturn was £35.3m. It was confirmed that NCC had submitted a draft revised plan to the DfE (23 April). Work was ongoing and therefore the range of proposed budget figures for Element 3 and other parts of the LFI programme were indicative, e.g. there was an illustration of budget increase for 2024/25 of around £36m and with this accounting for inflation. Presentation slides illustrated how Element 3 funding was being modelled for the remainder of the 2020s.
- It was stressed that Norfolk needed to live within its means while acknowledging that there had been significant investment over the prior couple of years. Sustainability was key to the success of the plan, as any further budget increases would likely undermine the credibility of the LFI with the DfE. As a result, changes were now required to the LFI model, to be implemented as rapidly as possible. A workshop was scheduled for Thursday 23 May 2024 to discuss and sketch out the next stages of Element 3. The Chair and several Forum Members agreed to participate.

4.4 The following points were raised and discussed:

- A Forum Member queried if Norfolk was the only local authority experiencing issues delivering a balanced budget. Officers stated that a number of local authorities were in the same position and part of the safety valve. While this was a national issue, it was stressed that there were local issues affecting Norfolk that could not be ignored. The trajectory was not expected to change following the General Election, likely to be called later in 2024. Officers confirmed that a number of items were being discussed with the DfE, particularly with regard to financial and policy objectives.

- A Forum Member commented there was a perception that the national narrative related to the reduction of services, but that Norfolk seemed to be increasing the level of provision by taking a more positive approach to the situation. Officers stated that communication was critical in this area.
- A Forum Member queried if schools needed to be proactive to solve issues or if wider local authority funding would be made available, citing comments from another local authority regarding their financial situation. Officers confirmed there would be funding available for the programme, a decision supported by local politicians. A point had been reached where the programme needed to be seen to be working.
- The Chair asked if there was any pressure on Children's Services to repay the DSG cumulative deficit. Officers stated there would be pressure as, ultimately, Norfolk County Council had to acknowledge the deficit on the balance sheet prior to any final resolution with the DfE.
- The Chair and Forum Members queried the concept of shared understanding, emphasising that this had to bring parents on board. Officers agreed this was important but currently inconsistent across the LFI. Improving shared understanding would enable Norfolk to be in a stronger position going forward.
- A Forum Member expressed concern regarding the various pressures faced by schools at present for children to achieve expected standards, stating this was exacerbated if teachers had a significant cohort of SEN students. There was also concern that there was a two-level judgement within schools, with teachers under scrutiny to meet SEND needs well, but this did not mean they were meeting age-related expectations. It was therefore important that schools and Children's Services challenged inspectors from OFSTED and celebrate the achievements of schools in Norfolk. Headteachers were currently facing a perfect storm of pressure from every direction, therefore meaning it was prudent that a pragmatic approach be taken. Concern was also expressed that it appeared Norfolk was taking the approach that schools would be taking on a number of local authority responsibilities on top of the pressures already being experienced. This would potentially result in resistance from the schools sector. Officers acknowledged the concerns raised, stating that it was critical to work collaboratively. However, the LA believed that there was clarity on the respective responsibilities of schools and Children's Services, as reflected in the current DfE SEND & AP Improvement Plan
- A Forum Member stated they were pleased about the introduction of dual registration for special school placements but requested clarity on the proposed timeline for satellite schools, given the pressures on them to balance their budgets. Officers stated that while there was no programmed timeline at present as this was a new development in the LFI programme, however, options would be worked up during the next academic year.
- A Forum Member stated there was need for message consistency across Norfolk, as it appeared that the actions of those on ground was different to what was in the strategy. Ensuring that everyone across the strategy was on-message was a matter of importance for Children's Services.

- A Forum Member stated that while the new initiatives were to be welcomed, the local zone community partnerships appeared to be similar to the former “clusters” which were in operation the 2010s. Concern was expressed that Children’s Services needed to work at pace to get the initiative of the ground and that this proposal would cause further fragmentation of the strategy, given the pressures facing Children’s Services and schools in Norfolk. The Chair agreed with this, requesting further details to mitigate concerns regarding workload levels. A pragmatic approach was prudent given the current circumstances. Officers stated the detail would be set out over the next term. The partnerships would differ from the clusters as this would cut down bureaucracy to access services.
- A Forum Member asked how the zone community partnerships would be compared to each other, as there was the possibility that one zone may contain all of the best practices being utilised, while another zone could be considered weaker. Concern was expressed that this could lead to effective echo chambers limiting the amount of expertise that could be shared between zones. An officer stated that while the exact detail of the operation of the zones had yet to be finalised, collaborative work between zones was expected by Children’s Services as a cornerstone of the model.
- The Chair queried if the Element 3 workshop would enable the Schools Forum to challenge and contribute to LFI strategy. Officers confirmed this was the case, acknowledging that none of the available options were straightforward. The views of different Forum Members were required to scrutinise the positive and negative aspects of each option.
- A Forum Member expressed grave concern regarding the Element 3 funding needed to be agreed by the end of June 2024, as the budgets for schools and academies had to be finalised by the middle of July at the latest, leaving no time for a consultation to be held regarding any proposed changes. Officers clarified the situation, emphasising that there was no reduction in the budget. The funding envelope was being maintained at a higher level than first forecast, however, the overspend level did need to reduce.
- A Forum Member queried if the LA was considering devolved Element 3 funding for the 2025/26 academic year. Concern was also expressed that if it was the case, this would represent substantial change in a short time period, with a knock-on impact on schools to readjust to the new parameters. Officers stated a two-stage approach would be utilised, with some changes being introduced in September 2024 and this would be followed by Fair Funding consultation on any changes for April / September 2025.
- A Forum Member commented that school budgets were proving difficult to scope out, as it was uncertain that SEN funding would be available for the entirety of a three-year plan. School budgets were already under pressure.
- A Forum Member remarked that she was pleased to hear there were attempts being made towards a more equitable distribution of funding in Norfolk.

4.6 The Norfolk Schools Forum **RESOLVED** the following:

1. To **NOTE** the progress shared in relation to the EMS process, related 'stock-take' and DSG remodelling work submitted to DfE on 23rd April 2024.
2. To **COMMENT, SUPPORT and CHALLENGE** regarding the next steps plans for the Local First Inclusion programme, in particular, with a commitment to ensure strategic leadership to jointly achieve the revised and explicit aims of the LFI programme.
3. To **COMMENT, SUPPORT and CHALLENGE** regarding the Dedicated Schools Grant (DSG) remodelling work, in particular, with regard to Norfolk County Council's revised approach to Element 3 funding and allocation of specialist places; supporting the ongoing aim to meet needs of children and young people more effectively through early intervention without the need for Education, Health and Care plans where 'ordinarily available' funding, resources, support and guidance can be secured within SEN Support.
4. To **AGREE** to the formation of a sub-group to consider the detail of a revised approach to Element 3 funding, including expected arrangements for reporting back to Schools Forum.
5. To **CONFIRM** the appointment of representatives to the sub-group as referenced in Recommendation 4.

5. **Dedicated Schools Grant Final Outturn and Balances 2023-24**

- 5.1 Forum Members received the annexed report (5).
- 5.2 Officers introduced the report, which provided information regarding the overall Dedicated Schools Grant (DSG) outturn position for 2023/24, ahead of Norfolk County Council approving the final outturn position and balances at a meeting of its Cabinet in June 2024.
- 5.3 Officers introduced key elements of the report to the Schools Forum:
 - There was a net overspend of £43.136m during 2023/24. This was largely concentrated within the High Needs block; however, other blocks recorded small underspends which offset the net figure.
 - A £2m portion of Safety Valve funding from the DfE was received in 2023/24, with a further £5.5m contributed by the local authority.
 - As of the 31 March 2024, the cumulative DSG deficit on reserves stood at £81.513m.
 - The Schools Block recorded a (£0.161m) underspend as opposed to the approximately £600m budget. This was largely due to rate refunds, as rates had to be estimated at the start of the budget setting process. These were slightly overestimated for 2023/24. In addition, rate revaluations and credits received when schools converted to academies contributed to the underspend.
 - The Central block recorded a small underspend of (£0.005m), which was then reallocated to offset the DSG deficit.
 - The High Needs block overspend of £43.712m was due to the increased allocation in inclusion methods. A £25m overspend was originally anticipated, based on previous safety valve planning.
 - The Early Years block recorded an underspend of (£0.410m), which was then reallocated to offset the DSG deficit.

- School balances - there was an increase in the surplus balances of maintained schools' balances of £0.218m (after the deduction of £0.511m of surplus balances of schools that have converted since the end of the previous financial year). Deficit balances increased by £0.684m. The total level of balances held by maintained schools reduced by £0.466m overall.

5.4 The following point was raised and discussed:

- A Forum Member asked if the figures for Early Years were adjusted across the financial year as data was received. Officers confirmed the position in the report contained an estimate for July 2024, as it was expected that the DfE would request back £1.7m.

5.5 The Norfolk Schools Forum **RESOLVED** the following:

1. To **NOTE** the report.
2. To **NOTE** appropriate comments from Forum Members, to be shared with Norfolk County Council's Cabinet prior to their meeting in June 2024.

6. School Catering Update

6.1 Officers provided a verbal update on this item to the Schools Forum. The following key elements were highlighted:

- Different tender options were being considered, with several meetings with schools taking place to understand their needs.
- Merritt-Harrison were the successful bidder for the consultation, as they had previous experience working with Gloucestershire County Council. They were engaged between January and March 2024, culminating in direct visits to six schools over a two day period. The visits involved meeting with students along with school leaders. A survey went out to schools in December 2023 to canvass opinions. Some of the data collated was of sub-standard quality, however, enough was collated to inform decision-making going forward.
- One of the options available was to considering renegotiating contracts with Norse. This produced a mixed response; however, this was caveated that only a limited sample size was available (30 responses out of 109 surveys).
- The option for schools making their own arrangements, despite limited data available, produced a negative response.
- The competitive re-procurement option produced a split response, meaning there was no real democratic mandate to proceed. This option was considered risky, as there was a likelihood of schools not signing up prior to the contract going out to tender. In addition, there was a chance of there being limited or no bidders.
- Renegotiating the contract was not a risk-free option, as any renegotiation would need to be on the basis of new terms and a different relationship. The consultants developed a new service spec which could be utilised regardless of which option was taken.

6.2 The following points were raised and discussed:

- The Chair thanked Officers for their work towards resolving a complex situation.
- A Forum Member queried if there was any reference to host kitchens in the discussions with consultants, particularly with regard to schools that did not have their own kitchen facilities. Officers confirmed this was under consideration.
- A Forum Member commented that it appeared there were strong bidders and competitive tenders in the market place, stating that it would be worth investigating further into this.

6.3 The Norfolk Schools Forum **RESOLVED** to **NOTE** the discussion

7. Norfolk Schools Forum Forward Work Plan

7.1 Officers introduced the current forward work plan to the Forum.

7.2 The following items were scheduled for the July 2024 meeting of the Schools Forum.

- LFI strategic planning
- Financing Schools scheme
- DSG consultation preparation
- Internal audit update.

7.3 The following point was raised and discussed:

- Forum Members suggested that a summary of the Schools Forums actions across the 2023/24 civic year may be prudent. This was **agreed** by Officers.

7.4 The Norfolk Schools Forum **RESOLVED** to **NOTE** the forward work plan.

8. Any Other Business

8.1 No other business.

The meeting closed at 12:17

Date of Next Meeting: Wednesday 10 July 2024 at 9am, to be held in the Cranworth Room, County Hall

**Martin White, Chair
Norfolk Schools Forum**



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Schools Forum

Item No: 5

Report title:	Scheme for Financing Schools (Updates) 2024/25
Date of meeting:	10 July 2024

Executive summary

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain.

Changes to the local scheme are periodically required based on revisions directed by the Secretary of State, or for local changes approved through Schools Forum. As preparation for autumn consultation with schools, this paper summarises the current areas of proposed change for Schools Forum Members awareness and understanding.

There are no directed revisions for 2024-25 for amendment in the local scheme, however there is a change to national guidance around the accounting for borrowing/leases.

In addition, the local authority also proposes to consult with schools on a change to the local scheme relating to purchasing cards/credit cards, and to update the scheme regarding the list of banks that may be used by schools.

Action Required: This paper is to allow Members to begin consideration of the issue and to provide comment to the LA to support and enable the preparation of consultation materials that the outcome of which will, in turn, be available to support the decision making of LA maintained Members as to updates to the Scheme for Financing Schools 2024/25.

1. Introduction

Local authorities are required to publish Schemes for Financing Schools setting out the financial relationship between them and the schools they maintain.

Guidance is provided to authorities listing the items that must, should or may be included, and is issued under the School Standards and Framework Act 1998.

The local scheme is updated in the following circumstances:

- **Directed revisions** – the Secretary of State may require the revision of part or any scheme. These revisions must be included in the local scheme using the text of the directed revisions;

- **Local revisions** – for changes other than directed revisions, local authorities must consult with all maintained schools in their area and receive approval of Schools Forum members representing maintained schools.

For reference purposes, the current scheme is available on the Norfolk Schools website:

<https://www.schools.norfolk.gov.uk/school-finance/scheme-for-financing-schools>

2. Proposed Updates

At this point in time, updates that the LA is proposing to consult on are detailed below, with the current draft of the proposed wording included in Annex A.

Prior to the autumn consultation, the LA will undertake a further high level review of the scheme with a view to bring any additional areas identified for consultation to Forum in September.

2.1 Borrowing by Schools (update to national guidance)

In the national guidance the following sections have been updated for 2024/25:

- Section 5.8: Borrowing by schools – the DfE have updated guidance on borrowing to reflect the introduction of International Financial Reporting Standard 16 (IFRS16) and the Secretary of State providing blanket consent to certain categories of finance lease
- Section 5.8: Borrowing by schools, first paragraph - the introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools and, in effect, all leases will be classified as finance leases for accounting purposes

It is proposed to update the local scheme wording in section **3.6 Borrowing by Schools** to include these national guidance updates reflecting current accounting practices for leases.

2.2 Borrowing by Schools (local updates)

The local authority proposes to change the wording of the local scheme in respect of the use of credit/purchasing cards to ensure VAT compliance at local authority level in sections **3.6 Borrowing by Schools** and **17 Use of Business Credit Cards** (Annex J of the scheme).

2.3 Restrictions on accounts (local updates)

The local authority proposes to update the list of banks shown in the local scheme that schools are permitted to use, removing Co-operative bank from the list due to them not meeting the LA's minimum credit rating requirements for treasury investments, in section **3.5.1 Restrictions on accounts**.

3. Consultation Requirements

The Government's statutory guidance [Schemes for financing local authority maintained schools 2024 to 2025 – GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/schemes-for-financing-local-authority-maintained-schools-2024-to-2025) states that, other than for directed revisions, local authorities must consult all maintained schools in their area and receive approval of the members of their Schools Forum representing maintained schools.

Therefore, the LA is proposing to consult with Norfolk's maintained schools on proposed changes alongside the autumn DSG consultation with all schools. This is to enable the LA to bring the local scheme into line with national guidance for 2024/25, and to update local elements.

If approved by the maintained Members of Schools Forum following consultation with maintained schools, these revisions will then be updated in Norfolk's Scheme for Financing Schools and an updated version of the document will be uploaded onto the Norfolk Schools Website.

Action Required: This paper is to allow Members to begin consideration of the issue and to provide comment to the LA to support and enable the preparation of consultation materials that the outcome of which will, in turn, be available to support the decision making of LA maintained Members as to updates to the Scheme for Financing Schools 2024/25.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper, please get in touch with:

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Martin Brock	01603 223800	martin.brock@norfolk.gov.uk



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Annex A: Draft proposed updates to Norfolk's local scheme

The proposed wording below is the current draft for consultation in the Autumn for reference purposes, in section order:

Updates to section in local scheme - 3.5.1 Restrictions on accounts

Current wording:

"Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies which are consistent with those specified in the authority's Treasury Management policy:

Santander UK

Bank of Scotland

Barclays Bank

Co-operative Bank

HSBC Bank

Lloyds/TSB

National Westminster

Royal Bank of Scotland"

Proposed wording (removing 'Co-operative Bank' from the list):

"Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies which are consistent with those specified in the authority's Treasury Management policy:

Santander UK

Bank of Scotland

Barclays Bank

HSBC Bank

Lloyds/TSB

National Westminster

Royal Bank of Scotland"

Updates to section in local scheme – 3.6 Borrowing by Schools

Current wording:

"Governing Bodies may borrow money only in exceptional circumstances and with the written permission of the Secretary of State.

No overdrafts are allowed and schools are only permitted to use business credit cards in line with Section 17 of the authority's Financial Regulations as set out in Annex K. However, the authority encourages the use of procurement cards by schools as these can be a useful means of facilitating electronic purchase and can enable schools to benefit from significant discounts.

The restriction on Governing Bodies does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing Bodies do not act as agents of the Authority when repaying loans.

Schools may use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving."

Proposed wording (updates for leases and procurement/credit cards):

"Governing Bodies may borrow money (including the use of finance leases) only in exceptional circumstances and with the written permission of the Secretary of State.

Under the Education Act 2002, and IFRS16 (International Finance Reporting Standard) all leases will be classed as finance leases for accounting purposes and, therefore, as borrowing, and will require the Secretary of State for Education's consent.

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#). Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. However, from time to time, the Secretary of State may introduce limited schemes to meet broader policy objectives.

No overdrafts are allowed, and schools are not permitted to use interest bearing credit cards. However, the authority encourages the use of procurement cards by schools in line with Section 17 of the authority's Financial Regulations as set out in Annex J as these can be a useful means of facilitating electronic purchase and can enable schools to benefit from significant discounts.

The restriction on Governing Bodies does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts.

These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing.

Governing Bodies do not act as agents of the Authority when repaying loans.

Schools may use any scheme that the Secretary of State has said is available to schools without specific approval.

This provision does not apply to loan schemes run by the local authority.”

Updates to Annex J in local scheme – 17 Use of Business Credit Cards

Proposed change of heading from “17 Use of Business Credit Cards” to “17 Use of Purchasing/Credit Cards”.

Current Wording:

“17.1 The use of credit cards must be approved by the Governing Body.

17.2 Cards can only be obtained from the school’s approved bankers and the credit card limit must not exceed £3,000.

17.3 All applications for staff use must be approved by the Headteacher and use by the Headteacher approved by the Chair of Governors or Chair of the Finance Committee. All approved users must complete a certificate stating that they understand the rules for usage.

17.4 Cards will normally be securely stored in the finance office with a register recording its use. It must not be used to obtain cash or for personal transactions. Users will be responsible for obtaining an appropriate VAT invoice. The account will be paid in full at the end of each period and a termly report made of the use of cards.

17.5 The school will notify Children’s Services Finance immediately of any loss or irregularity.”

Proposed wording:

“17.1 The use of credit cards is not permitted by the local authority.

17.2 The use of purchasing cards is encouraged. No interest charges should be incurred by the school, with balances fully cleared on a monthly basis.

17.3 All applications for staff use must be approved by the Headteacher and use by the Headteacher approved by the Chair of Governors or Chair of the Finance Committee. All approved users must complete a certificate stating that they understand the rules for usage. Schools choosing to use the NCC purchasing card must follow the corporate guidance.

17.4 Cards will normally be securely stored in the finance office with a register recording its use. It must not be used to obtain cash or for personal transactions. Users will be responsible for obtaining an appropriate VAT invoice. The account will be paid in full at the end of each period and a termly report made of the use of cards.

17.5 The school will notify Children’s Services Finance immediately of any loss or irregularity.”

Schools Forum

Item No: 6

Report title:	Future Building Maintenance for Maintained Schools
Date of meeting:	10 July 2024

Executive summary

The current 'BMP5' scheme for building maintenance in LA maintained schools is due to end at 31 March 2025 and, therefore, consideration needs to be given as to any future scheme and / or alternative approach.

As preparation for Schools Forum Members, this paper summarises the current 'BMP5' scheme for building maintenance in schools, including risks of rising costs and future sustainability of the scheme due to academisation and offers a potential alternative; the charging of maintained mainstream schools' budgets, that could be considered as part of the autumn DSG consultation with schools. The paper explains the limitations of an alternative approach being only available for maintained mainstream schools, potentially with a buy-back option needing to be retained for nursery schools, post-16 pupils and special schools.

Action Required: This paper is to allow Members to begin consideration of the issue and to provide comment to the LA to support and enable the preparation of consultation materials that the outcome of which will, in turn, be available to support the decision making of LA maintained Members regarding future arrangements.

1. Introduction

The local authority currently operates a Building Maintenance Partnership (BMP5) for all maintained schools.

The BMP5 is a project to help schools manage delegated building repairs, maintenance and legislative and statutory responsibilities. The current financial year is the final year of the project which covered 2020-2025.

BMP5 is a collective, non-profit making building maintenance project owned by member schools and is managed on behalf of the member schools by the BMP Board.

Schools pay an agreed premium for membership of the BMP and NPS Property Consultants Ltd (the property services provider) manage all maintenance requirements.

The BMP5 project was the fifth scheme offered to all maintained eligible Norfolk Schools and commenced on 1st April 2020 for a 5-year period.

The aims of the Partnership are:

- To relieve schools of the need to manage the majority of building maintenance issues.
- To relieve schools of the responsibility to arrange compliance servicing and testing.
- To provide peace of mind for schools with regard to major building or engineering plant failure.
- To simplify the division of responsibilities between the school and the LA.

2. BMP5 Membership Options

Two levels of membership were offered to maintained schools at the start of the project:

- **Full Membership**, which includes the compliance provides a comprehensive service of maintenance and revenue (not capital) repairs to all building elements.
- **Compliance Membership**, to ensure legal requirements are met, and only covering the servicing and testing of mechanical and electrical installations together with statutory inspection and tests. No resulting repairs or general maintenance is funded for this level of membership.

School Governors will have decided whether to subscribe to the BMP5 scheme (either full or compliance membership) as part of the Services for Schools (S4S) offer in March 2020.

The options for managing maintenance presented to maintained schools in the BMP5 prospectus were as follows:

Full Membership	Compliance Membership	Retain the funding and manage the responsibility within the school
<ul style="list-style-type: none"> • Join the collective project developed and owned by Norfolk schools. • Pay an agreed premium for repairs and maintenance based on the per-pupil funding the school receives. • Transfer the liability, responsibility and financial risk to the BMP (Programme Manager). 	<ul style="list-style-type: none"> • Pay an agreed premium to utilise service contractors and specialists appointed from the NCC contractor frameworks in accordance with NCC procurement procedures • Transfer the responsibility to meet all recommended Statutory and legislative Health and Safety requirements for Mechanical and 	<ul style="list-style-type: none"> • Accept responsibility and accountability for all maintenance of the school's property. • Maintain the building in a safe and operational condition and carry out all legislative and statutory servicing and testing works to NCC Corporate and DfE Standards. • There is no automatic County Council financial assistance for

<ul style="list-style-type: none"> • Be assured that Statutory and legislative Health and Safety requirements for Mechanical and Electrical installations and maintenance requirements will be managed. • Pass the responsibility for keeping financial records to the BMP Programme Manager who will ensure that audit requirements and Norfolk's financial regulations are met • Access to the BMP5 Contingency fund for unforeseen or high value or exceptional maintenance need 	<p>Electrical installations to the BMP.</p> <ul style="list-style-type: none"> • Compliance members are required to meet all costs of repairs arising from Servicing and Testing using a contractor of their choice. <p>Note - Compliance Membership does not include any repairs that may arise from Servicing and Testing. NPS Property Consultants Ltd can arrange for contractors to provide quotations for identified repairs for schools approval to proceed.</p> <p>There is no access to the Contingency fund for the Compliance service</p>	<p>repairing school buildings so school managers must accept the risk of having to meet large items of expenditure when they arise.</p> <ul style="list-style-type: none"> • Provide and maintain sufficient financial records to meet audit requirements and NCC's financial regulations. • Provide information as requested by the LA on the school's plan for managing repairs and maintenance of the school's property
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The BMP5 2020-2025 prospectus is available at [Building maintenance partnership - Norfolk Schools and Learning Providers - Norfolk County Council](#) and explains the current levels of cover in more detail, including the various terms and conditions. It also sets out the way in which the scheme is managed by a BMP Board that is made up of Headteachers, Governors, Officers from Norfolk County Council and NPS Property Consultants Ltd.

3. Costs of BMP5 Membership

BMP membership is charged at the amount set out in the Services for Schools contract, made up of a fixed element and a per pupil cost based on the schools recent pupil head count census, except for special schools which are funded on a site area basis (m²).

The current costs for the 2024-25 financial year (full membership) are as follows:

	Per Pupil	Fixed	Area (m ²).
Nursery Schools	n/a	£5,418.00	0
Primary	£110.43	£5,418.00	0
Secondary	£164.18	£40,640.00	0
Sixth Form	£164.18	£60,961.00	0
Special	£0.00	£0	£18.34

Compliance membership is charged at 30% of the rates shown above.

The scheme currently has 107 full members and 3 compliance members.

The total 2024-25 premiums, as of April 2024, were £3.218m, but this will reduce during the year with Academisation.

4. Rising costs of BMP5 Fund

Rising costs have meant that the Scheme, as it was set out at the start of the 5-year period, was costing more to deliver than was affordable and NPS was making a loss.

NPS Head of Operations approached the Board and Children's Services to consider what could be a way forward and the following options were put forward to bring it back within an affordable cost:

- To deliver the service but with some key elements of maintenance provided via the Norse FM service with a reduced surveyors' input
- For the scheme to continue as set out at the outset, and Children's Services to underwrite any shortfall of the scheme based on evidence produced by NPS and invoiced on that basis.

It was judged, with Headteacher and Governor input from the Board Members, that the surveyors (with their professional background) provided a critical input into the scheme's delivery. As a result, this was taken forward as a proposal for consideration to Children's Services Capital Priorities Group and then to Executive Director of Children's Services at the start of 2023, for a decision to underwrite the additional fees for the work from external funding.

This is an ad hoc monthly amount, based on the quantum of work undertaken in the period. The decision was based on a 'worst-case' estimate of £200,000 per annum, and a total of £400,000-£500,000 across the remaining period of BMP5.

The real costs have been below the original forecast; in the last financial year, 2023/24, the costs were £66,800, and the total since January 2023 is £86,000.

However, this should be considered alongside increasing calls on condition funding. Over time, flexibility has reduced through the 'perfect storm' of reduced Devolved Formula Capital over the past decade, along with the reducing number of schools eligible for the BMP and attempts to keep the BMP affordable. As a result, Children's Services condition funding has been making increasing contributions to the capital maintenance for maintained schools within its Estate, with increased investment in smaller projects. In particular, it is the high-cost capital items such as roof and boiler replacements where additional investment has been essential.

5. Existing Building Maintenance Fund (Schools)

Schools that are not in BMP5 can use Building Maintenance Fund (Schools) instead to ensure that sufficient funds for maintenance are set aside outside of balances carried forward. The fund is operated by the Local Authority.

For mainstream schools that do not contract into BMP5, the total amount lodged can be up to a maximum of £650 per pupil on roll at the time of the previous October Census, or £360,000, whichever is the lower.

For special schools that do not contract into BMP5, the total amount lodged can be up to a maximum of £815 per place at the time of the previous October Census.

Schools with community assets that are required to have a sinking fund for regular repair and maintenance of those assets e.g. swimming pools, Multi-Use Games Areas (MUGAs) etc, may also lodge funds in Schools Building Maintenance Holding Account.

Once lodged, funds cannot be returned to the school. The funds can only be used to fund building maintenance expenditure.

6. Future options

As the BMP5 Scheme draws to a close, consideration needs to be given to the offer for future years to enable schools and the LA to meet their duties.

There are statutory duties in relation to maintaining schools buildings, and these are set out below:

- Ensure that school buildings meet minimum standards (s543 Education Act 1996 and School Premises Regulations 1999)
- Maintain school premises (s22 School Standards and Framework Act 1998)

A potential BMP6 Scheme is currently being developed with a view to offering to governing boards of Maintained Schools.

However, the BMP Board and LA Officers are aware that there will come a point in time, as academisation continues, where the scheme is unviable due to the reducing number of maintained (community, VC and VA schools) that are able to benefit from this arrangement.

Therefore, an alternative of charging schools' budget shares is being considered and a summary of what this might look like is set out below. It should be noted that this is illustrative at this stage to support consideration of the options. Further detail would be provided in due course to enable decision making in the Autumn.

6.1 A possible alternative: BMP Fund Charges to Maintained Schools' Budgets

The DfE's current guidance for schools' funding [Schools operational guide: 2024 to 2025 – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/schools-operational-guide-2024-to-2025) allows for responsibilities held by local authorities for maintained schools to be funded from maintained schools budgets, with agreement of the maintained schools' Members of Schools Forum. The LA could not implement such a deduction from mainstream schools' budgets without the approval of Schools Forum.

Key points to note with any such option would be:

- The amount entered has to be a single per-pupil rate for pupils aged 5 to 16 years old, for all mainstream maintained schools (it cannot be separated into primary and secondary phases)¹.
- This approach would significantly limit the modelling of how overall costs (variable and fixed) can be met from the combination of differently sized schools in Norfolk ranging from 13 pupils to 574 pupils in maintained primary schools and with 1,133 pupils in the maintained secondary school.
- In practice, if agreed by the relevant maintained Schools Forum Members, a deduction from schools' budgets could be made through Authority Proforma

¹ Source: 2024-25 Authority Proforma Tool

Tool as part of 'Education Functions'; this would reduce the budget shares of mainstream schools to pay for the functions listed above.

- Since the charge would be made through the APT for mainstream schools, this option is not available for nursery schools, post-16 pupils or special schools, that currently form part of the BMP5 Fund.

Appendix A contains an illustration of the potential per-pupil rate of such an arrangement to support consideration of the issue. It should be noted that further work is required to fully 'work-up' this option for consultation and decision making.

An alternative arrangement for nursery schools, post-16 pupils and special schools would be needed, as it is neither de-delegation nor chargeable through the APT for responsibilities held under education functions for maintained schools. A buy-back option may be possible instead and this option can be explored further by the LA ahead of consultation.

6.2 Summary of Options

For illustrative information at this stage, a summary of the potential advantages and disadvantages of a BMP6 arrangement or charges to maintained budgets is provided below. This is not intended to be exhaustive and further work will continue to fully prepare this information for consultation in the Autumn.

	Advantages	Disadvantages
BMP6 (individual school decision)	<p>Choice for individual schools in how they manage building maintenance, including use of the BMF (Schools) Fund</p> <p>Charging methodology can include fixed and variable elements</p> <p>Charging methodology can be applied to nursery schools, post-16 pupils and special schools</p>	<p>Different approaches to maintenance by individual schools</p> <p>Rising costs have not been met by current scheme charges, which may result in a more cautious approach to charges required in the future to enable the fund to be sustainable.</p> <p>Sustainability of the scheme in for future years is less certain as more maintained schools become academies.</p>
Charge maintained budgets (Forum decision)	<p>Common approach for all maintained mainstream schools</p> <p>Ensures sustainability of maintenance fund for all</p>	<p>Choice taken away from individual schools with decision made by maintained Schools Forum reps for all maintained schools</p>

	<p>mainstream maintained schools</p> <p>Charge per-pupil can be reviewed each year to meet rising costs</p> <p>Primary schools up to 170 pupils are likely to be charged less</p> <p>Secondary school would be likely to be charged less</p>	<p>Charging methodology can only be based on a per-pupil amount</p> <p>Primary schools over approximately 170 pupils are likely to be charged more</p> <p>Charging methodology cannot be applied to nursery schools, post-16 pupils and special schools (a buy-back option to be considered)</p>
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Action Required: This paper is to allow Members to begin consideration of the issue and to provide comment to the LA to support and enable the preparation of consultation materials that the outcome of which will, in turn, be available to support the decision making of LA Maintained Members regarding future arrangements.

Annex A: Illustrative Per-Pupil Rate for a Charge on Maintained Budgets

Based on 158 maintained primary schools with 28,982 pupils and 1 maintained secondary school with 1,133 pupils aged 5-16 in the current APT, at the current prices of the BMP5 scheme the total charges into the fund would be £4.283m:

	Fixed Element (£)	Per-Pupil Element (£)	Total Cost (£)
Primary (158 schools)	856,044	3,200,482	4,056,526
Secondary (1 school)	40,640	186,016	226,656
Total (159 schools)	896,684	3,386,498	£4,283,182

To achieve the same level of income using only a per-pupil rate through the APT for all mainstream schools, the charge would require a rate of £142.23 per-pupil.

As an illustration, this would lower the cost for primary schools of up to 170 pupils, and increase costs for primary schools above 170 pupils. It would also lower the total cost for the secondary school.

It should be noted that the BMP5 costs do not cover the shortfall for rising costs, as discussed earlier in the paper. Therefore, the charges required through maintained budgets, or the cost of joining a BMP6 scheme, are likely to have a higher starting point.

Inflation would also need to be taken account of, resulting in a higher cost.

Schools Forum

Item No: 7

Report title:	DSG Consultation Preparation 2025/26
Date of meeting:	10 July 2024

Executive summary

In the autumn, the Local Authority will be undertaking the annual consultation with schools and settings in relation to the Dedicated Schools Grant funding arrangements for the 2025/26 financial year.

This paper sets out the proposed arrangements for the DSG Consultation with mainstream schools (often referred to as 'Fair Funding Consultation'), including proposed dates and key items to be included in the consultation documents, and current LA expectations regarding Early Years and Special Schools consultation.

Action required:

- **School Forum Members are asked to discuss and comment on the key elements identified to be consulted upon, based upon the current information available to the LA, including identification of any additional elements;**
- **Schools Forum Members are also asked to discuss and comment on the proposed consultation arrangements, including providing a view:**
 - **on how information is provided to achieve the greatest engagement, including how consultation sessions are structured;**
 - **on the preference of online consultation sessions, face-to-face consultation sessions, or a mixture of both.**

1. Introduction

The Local Authority is beginning preparations for its annual DSG consultation (often referred to as 'Fair Funding consultation') for the autumn term for mainstream schools' funding.

In previous years, the LA has also undertaken consultations with Early Years settings and Special Schools in relation to elements of their respective funding formulae. Please see sections 4 and 5 for the current LA view of potential consultation for these sectors.

At this stage, the LA is preparing on the basis that there will be no significant amendments to funding and / or consultation requirements in relation to the DSG following the General Election.

2. Mainstream Schools Consultation Topics

Particular topics proposed to form part of the consultation for mainstream schools' 2025/26 funding are:

- **DSG block transfer** - The movement of 1.5% of Schools Block DSG funding to High Needs Block DSG in the 2025/26 financial year, planned as part of the Local First Inclusion (LFI) programme to reduce the level of DSG deficit. Schools Forum Members will be asked to vote on 0.5% block transfer at the 13th November 2024 Schools Forum meeting, following collation of consultation feedback from schools, and will also be asked whether they support a further 1% block transfer to be requested via a disapplication to the Secretary of State (the deadline for a disapplication is to be confirmed, and is usually around 18th November).
- **Funding formula** – Options for local arrangements for mainstream schools' funding formula, taking into account any information or changes in National Funding Formula requirements for 2025/26 from the DfE. The LA usually expects to receive information from the DfE mid-late July for changes to the local/National Funding Formula for the following year, although, this timescale could be affected by the results of the general election. Feedback from the consultation will be collated and presented to Schools Forum for their recommendation at the November Schools Forum meeting. The final funding formula will be decided by the local authority, taking consultation feedback and Schools Forum recommendations into account.
- **Falling Rolls** – Falling Rolls may form part of the consultation for 2025/26. The LA has discretion over whether or not to propose a Falling Rolls fund, but if proposed by the LA, Schools Forum Members will be asked to agree both the value of any fund and its criteria for allocation. A Falling Rolls fund can only be used to provide funding where the SCAP (School Capacity Survey) data shows that school places will be required in the subsequent 3 to 5 years. The LA is considering the potential impact of a Falling Rolls fund and will bring a view regarding whether a consultation is required to the September 2024 Schools Forum meeting.
- **LFI engagement** – In December 2023, Norfolk entered the enhanced monitoring and support (EMS) process within the DfE Safety Valve programme due to a number of key financial targets within the plan needing to be adjusted. In the meantime, we have continued to implement the programme of work within LFI and a key element of this is the Element 3 funding. The LA intends to engage and consult schools through the autumn DSG consultation process regarding outline options for medium/long term changes for Element 3 funding (to be introduced April / September 2025) and these follow on from the interim changes that being introduced from September 2024.
- **Shared Parental Leave (SPL)** – Work has been undertaken with Members of Schools Forum to consider the potential for de-delegation of SPL for maintained mainstream schools, in order to gauge schools' support, or otherwise, for a centrally operated fund to meet costs of SPL that, if agreed, would be de-

delegated from budget shares for the 2025/26 financial year. The feedback from the consultation will help the maintained representatives of Schools Forum to make their decisions on de-delegation. As with all de-delegated budgets, if de-delegation is proposed by the LA, the final decision will be made by the maintained Schools Forum representatives at the November Schools Forum meeting.

- **Building Maintenance** – Information provided elsewhere on this paper within the 'Future Building Maintenance for Maintained Schools' paper earlier on this agenda.
- **Internal Audit assurance for LA Maintained Schools** – During the consultation last Autumn, LA maintained schools were asked about the possibility of top-slicing the DSG to fund internal audit work rather than the current arrangements. Following feedback and consideration of this issue by the relevant School Forum Members, it was agreed to remain with the status quo. However, it was acknowledged that further consideration needed to be given as to how the LA ensures that it can obtain the statutory assurance that it needs and Governors have the assurance that they need. The LA has considered this further and anticipate an alternative offer to be consulted alongside the Autumn DSG consultation. Further, high-level information is provided in Annex A.

3. Mainstream School Consultation Sessions

The autumn DSG consultation is planned to be run for the period 1st October – 24th October.

The LA will publish a consultation document alongside technical papers, where appropriate, to enable schools / Trusts to see the impact of proposals upon themselves and the wider school community.

It is proposed that consultations briefings for schools should be held on the following dates:

- 1st October 10:30-12:30
- 2nd October 14:00-16:00
- 7th October 14:00-16:00
- 17th October 16:00-18:00
- 22nd October 10:30-12:30
- 23rd October 16:00-18:00

These could be online sessions, face-to-face sessions, or a mixture of both.

Schools Forum Members are asked to provide a view on

- **how information is provided to achieve the greatest engagement, including how consultation sessions are structured;**
- **on the preference of online consultation sessions, face-to-face consultation sessions, or a mixture of both.**

4. Early Years

At this stage, the LA are not expecting any significant changes to the funding allocations beyond the uplifts across the different age groups, that can be 'passed through'.

Where an LA proposes to make changes to the funding formulae it used during the previous financial year that will affect early years providers, it must first consult Schools Forum and early years providers.

LA Officers have discussed the potential need for consultation with the Early Years Funding Consultative Group. The group was of the view that the key principles were consulted on and agreed last autumn, with them adopted into the 2024-25 funding formula.

Therefore, it is not expected that consultation with the whole sector will be required ahead of the 2025/26 funding formula as no changes are currently anticipated.

5. Special Schools

The formula was last reviewed and implemented for the 2022/23 financial year following substantial review work between the LA and special schools, with an expectation that it would be reviewed again in 3-5 years' time.

Inflationary and Minimum Funding Guarantee uplifts have been applied to the top-up values since the review in line with regulations and the LFI DSG plan.

There was further consultation on a specific issue ahead of 2024/25 formula but the preference of Forum, having considered the responses to the consultation, was that no change was made. The LA subsequently agreed that the formula would remain unchanged.

At that meeting, the LA did indicate that they would commit to further review ahead of 2025/26 funding formula. However, since that Forum meeting the HNB deficit position has significantly worsened, and the LA remains in dialogue with the DfE with the aim of agreeing a revised Safety Valve plan.

At this stage, this means that additional HNB funding cannot be committed to increase funding for special schools, and the LA has not had the resource available to undertake such a review.

The LA would consider the possibility of a review during 2025/26 that particularly considers the additional costs that have been caused due to support staff pay increases, if DSG recovery progress is positive and the LA can commit sufficient resource to undertake the work. However, given the Safety Valve programme, the LA are not in a position at this stage to commit additional funds at this stage, and any review may need to consider the factors and values for distribution rather than an increase in the overall envelop.

Therefore, at this stage, the LA are not intending to consult on the special school funding formula in the autumn DSG consultation.

Action required:

- **School Forum Members are asked to discuss and comment on the key elements identified to be consulted upon, based upon the current information available to the LA, including identification of any additional elements;**
- **Schools Forum Members are also asked to discuss and comment on the proposed consultation arrangements, including providing a view:**
 - **on how information is provided to achieve the greatest engagement, including how consultation sessions are structured;**
 - **on the preference of online consultation sessions, face-to-face consultation sessions, or a mixture of both.**

Annex A: LA Maintained Internal Audit Assurance

Currently, Norfolk Audit Services provides assurance to the Council's Audit and Governance Committee and the Section 151 Officer that schools have adequate Risk management, Internal Controls and governance arrangements.

The Section 151 Officer can then be assured to confirm such to the Education and Skills Funding Agency (ESFA) in their annual return.

Audits are part of the overall assurance framework for maintained schools.

Having reflected upon the feedback from schools, including via the DSG consultation in Autumn 2023, an alternative approach is being considered that could be adopted that could ensure best value for both the LA and school governors.

Such an approach would separate out:

- (i) the delivery of the 'minimum' assurance requirements for schools for the LA that could be achieved through the use of lean and agile auditing approaches that could be funded through a small top-slice of the DSG for maintained schools;
- (ii) and, arrangements for any services required above the agreed minimum assurance requirements that governors could engage to support them to meet their duties and level of assurance that they require on a school by school basis.

SCHOOLS FORUM FORWARD PLAN – 2024/25 Academic Year

I – Information & Discussion D- Decision

	Autumn Term			Spring Term			Summer Term	
20/9/24 (Friday) 09:00 – 12:00	September (Cranworth Room CH) Strategic Planning (inc. Local First Inclusion) Provisional DSG Allocations for 2025/26 and Fair Funding Consultation for Mainstream Schools' Formula Early Years Funding Consultation Annual Audit Report (Norfolk Audit Service)	 I D D I	24/01/25 (Friday) 09:00 – 12:00	January (Cranworth Room CH) Election of Chair/Vice Chair Review Membership Strategic Planning (inc. Local First Inclusion) Proposed DSG Budget including central costs Pupil variations 2025/26 Next year's plan	 D D I D I I	16/05/25 (Friday) 09:00 – 12:00	May (Cranworth Room CH) Strategic Planning (inc. Local First Inclusion) Dedicated Schools Grant 2024/25 Outturn Annual Audit Report (Norfolk Audit Service)	 I I I
13/11/24 (Wednesday) 09:00 – 13:00	November (Cranworth Room CH) Strategic Planning (inc. Local First Inclusion) Early Years Block 2025/26 Funding Formula Update (inc. consultation outcomes) Schools Block (inc. consultation outcomes and Schools Block transfer) De-delegation/Central Schools Services Block	 I D D D	19/03/25 (Wednesday) 09:00 – 12:00	March (Cranworth Room CH) Strategic Planning (inc. Local First Inclusion) Final pupil variations (only if changed from January)	 I I	09/07/25 (Wednesday) 09:00 – 12:00	July (Edwards Room CH) Strategic Planning (inc. Local First Inclusion) Updates on Scheme for Financing Schools (Financial Regulations) Dedicated Schools Grant Consultation Preparation	 I D I