

NORFOLK SCHOOLS FORUM

AGENDA

Meeting on Wednesday 17 May 2023 09:00 – 12:30

Venue: Cranworth Room, County Hall

Members will be asked on the day for their permission to record the meeting to support the preparation of the minutes. The recording will be deleted once the minutes are approved.

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

09:00	1	Welcome and Introductions Apologies	Report	
09:05 – 09:15	2	Minutes of Last Meeting and Matters Arising <ul style="list-style-type: none">Schools Forum CommunicationsResult of recent ballot for Academy representatives		3 - 8
09:15 – 10:15	3	Strategic Planning: Local First Inclusion plan <ul style="list-style-type: none">Learning Strategy and Engagement <p>Please see separate paper</p>	Agreement	
10:15 – 10:45	4	Dedicated Schools Grant 2022/23 Outturn	Information /comment	9 - 22
10:45 – 11:05		Coffee		
11:05 – 11:30	5	Catering Contract – paper attached Simon Paylor to attend	Information /comment	23-24
11:30 – 11:40	6	Review 2022-23 Future Meeting Plan Paper attached		25
11:40 – 11:50	7	Any Other Business <ul style="list-style-type: none">Date of November meeting		
11:50	8	<u>Date of Next Meeting</u> 7 July 2023, 9.00am – 12.30pm, Easton College Audit Report Report from Norfolk Audit Services is attached for information. Unfortunately Teresa Sharman (Principal Client Manager) is unable to attend Schools Forum in May or July.	Information	26-27

Norfolk Schools Forum

Minutes of Meeting held on Wednesday 22 March 2023 in Cranworth Room
County Hall

09:00 – 12:30 hours

Present:

Adrian Ball, Diocese of Ely Multi Academy
Lacey Douglass
Bob Groome
David Hicks
Carol Jacques
Karen McIntosh, City College (Sub)
Peter Pazitka, SJB CMAT
Joanne Philpott, City of Norwich School
Sarah Shirras, St Williams Primary
Joanna Tuttle, Aylsham High School
Martin White, (Chair) Nebula Federation
Vicky Warnes
Katrina Warren, Unity Education Trust (Sub)
Rebecca Wicks, The Clare School
Jill Wilson (Sub)

Martin Brock
Michael Bateman

John Crowley

Marilyn Edgeley
Dawn Filtress
Sam Fletcher

Nicki Rider

Sara Tough

James Wilson

Representing

Academies
Early Years Representative
JCC
Academies
Maintained Nursery School
16 – 19 Representative
Academies
Academies
Primary Maintained Schools
Secondary Maintained Schools
Primary Maintained Governors
JCC
Alternative Provision
Maintained Special Schools
Primary Maintained Schools

Accountant (Schools, SEND & EY)
Assistant Director, SEND Strategic
Improvement & Early Effectiveness
Assistant Director, Learning &
Achievement
Admin Officer
Finance Business Partner
Interim Assistant Director,
Education Strategy &
Infrastructure
Assistant Director High Needs
SEND
Executive Director Childrens
Services
Director of Quality and
Transformation

Apologies:

Martin Colbourne, City College
Steven Dewing
Mike Grimble, Avenue Junior School
Glyn Hambling, Unity Education Trust
Clare Jones, Boudica Schools Trust
Howard Nelson, Diocese of Norwich

16 – 19 Representative
Academies
Primary Maintained Governors
Alternative Provision
Academies
Diocesan Board of Education

Sarah Porter, The Heart Education Trust
Rachel Quick, The Wherry School
Hayley Ross

Academies
Special School Academy
Special School Academy

1. Welcome and Apologies

The Chair welcomed Helen Bates the new Roman Catholic representative.

Apologies: Rachel Quick, Hayley Ross, Clare Jones, Steven Dewing, Sarah Porter, Glyn Hambling, Mike Grimble, Martin Colbourne, Howard Nelson.

Subs:

Karen McIntosh – 16 – 19 Representative

Katrina Warren – Alternative Provision,

Jill Wilson – Primary Maintained Schools

2. Minutes of last meeting and matters arising

Audits

Officers have been looking at how audits could be funded centrally this will go out to consultation and will be brought back to the July meeting.

National Pay Awards: Removal of point 1 from pay scales (update)

Noted that Peter Pazitka responded by email to request for comments.

This will be Option 2 and will go to payroll for April.

3. Strategic Planning: Local First Inclusion Plan (PowerPoint Presentation)

- School and Community Teams (including recruitment)
- Outline of KPIs

This is a standing item to provide regular update on the overall program and deep dive one aspect of the program each meeting. There will be a paper in advance for future meetings.

Context

Members of Schools Forum raised queries/made comments in the following areas:

- *Item 6.3 insufficient progress being made towards the authority reaching and sustaining an in-year balance.* Members said no details on what insufficient would be.

School and Community Plans

Members of Schools Forum raised queries/made comments in the following areas:

- Concerns about recruitment and retention. One person out of an organisation could cause instability.
- Replacements don't exist, trained people not out there wanting to work in schools. These teams won't work if advising people to do things and no staff to respond.
- Negativity from headteachers not about this plan but about the staffing situation in schools
- Job scales are above what we can pay staff.
- You are offering more money for people doing the same job.
- Concerns at last meeting – nothing been done. Need collaboration to move forward.
- Need feedback to overcome perceptions
- Would be good to know how many staff in zones and how many schools that covers. Where are teams going to be based.
- Full teams in some areas, rather than partially staffed across the zones resulting in staff burn-out.
- Special schools, are these pre-determined, are they one of the risks subject to review

In response, the LA provided the following assurances / responses:

- Need to work collectively on how to support you
- There is a big workforce challenge collectively. Thinking of bringing colleagues together to think this problem through from a public sector point of view.
- We are looking at pay-scales and flexibility in job descriptions
- We need to be live to the unintended consequences of schools not having requisite staff to deliver – that then is us not fulfilling our statutory duty – exploration will be really helpful.
- Need to work collectively on how to support you
- We have a Team Manager for each of the zones. Hoping for an equal spread across the workers. We are looking at where we can get the biggest strategic hit- a fully staffed zone. Events planned for summer term to come out and talk to schools about current offer and future plans
- Two of Team Managers out of Ten are coming out of primary schools
- Six Team Managers from Children’s Services Five from Education (Two from primary schools, others not impacting on schools) Two from other backgrounds. Will communicate more on the teams as they build up
- Different recruitment approaches - secondments
- The authority is alert to the issue of impact if too many people apply from schools and is able to sequence start dates and talk about backfill.
- Feedback on how to overcome perceptions would be helpful. What communication would look like to help others understand what the thinking is behind the scenes.
- No zone lines break school clusters.
- DfE aware of risks to plan – we can have the two extra schools funded through their capital program- the council is underwriting this. One is ASD one is complex needs.
- Conversations with health – from April there will be a health and care collaborative
- Confirmation from DfE reporting will be tri-annual

Outlines of KPIs

Members of Schools Forum raised queries/made comments in the following areas:

- Recording number of managed moves
- Tribunals
- Suggest a small group of headteachers to talk about what needs to change – could be by zone
- Important no Educate Norfolk no headteacher leaders on Executive Board is an omission.
- Some of the KPIs completely out of our control – If Independent sector needed again could they be more expensive in the future?
- Independent schools coming down in price -would they consider using less qualified staff?

In response, the LA provided the following assurances / responses:

- We will have a range of ways to pick up feedback
- School Leads to look at improvements we have made, important – looking next week at having right groups set up.

- We need to assert that everything is in our control
- Independent schools are subject to Ofsted inspections.

4. Agree 2023-24 Plan

Members noted that most meetings were on a Friday.

Officers said they intended to involve Forum in devising the plan in order to give them greater/prior knowledge of up and coming key decisions.

Venues – members were happy to continue using committee rooms at County Hall as a meeting venue.

Action: It was agreed from January onwards to move two meetings to a Wednesday .

5. Dedicated Schools Grant (DSG): Final Pupil variations

Paper to inform Schools Forum of a change to the pupil variations variances for 2023/24 following revision of National Non-Domestic Rates.

No comments.

The paper was for information only.

6. Review 2022-23 Future Meeting Plan

The May meeting will be in the Cranworth Room County Hall. The intention is to book a room at County Hall for the July and future meetings.

7. School Forum Communications

Keen to enhance how we work together and communications in and out of Schools Forum. How to strengthen Forums strategic role – how we can collaborate across all strategic programs. We want to help you share the work of this group across the system. We are suggesting a one or two page strategic briefing after meetings giving key decisions discussed at the meeting. And ask for suggestions from members on how we can enhance working together.

Schools Forum members made the following comments:

- Depends on who the intended audience and what they want to hear. Work loads against intended impacts and someone writing something that people may not read.
- Perception that it will be NCC written – needs to come from Schools Forum not NCC.
- We have a fragmented system – anything to bring this together would be helpful.
- Lot of topics not relevant to Early Years – we could share minutes of EY Reference Group.
- Link to agenda and minutes in MI Sheet.
- Governors difficult to communicate with – newsletter would be helpful.
- We need to think about how we do consultation – roadshow to unpick what is in the consultation.
- Bullet Point memorandum

Officers said they will trial it to see how it goes - it can be Schools Forum branded

8. AOB

Early Years Funding

Schools Forum were given a short PowerPoint presentation to show the impact of the government announcements on Early Years and childcare made in the budget

statement. The slides are available on the Schools Forum website these will be updated as more information becomes available.

Schools Forum members made the following comments / responses:

- If we are not able to meet the expectations set out, who is accountable?
- Could NCC set up their own agency?
- What is the rate for funded 2 year olds to un-funded 2 year olds – could have an immediate impact.
- This is a prime opportunity for us to work together

In response, the LA provided the following assurances / responses:

- Sufficiency duty on LA – there are LAs not meeting sufficiency duty currently – and there have been no consequences to that. We do not know the implications for schools if they are unable to meet the expectations around wrap around childcare.
- Officers will consider the agency question
- Urgent for us to work out what demand will be
- Need to do a local analysis

9. Next Meeting

17 May 2023 09:00 – 12:30 the Cranworth Room County Hall

Schools Forum

Item No.4

Report title:	DSG Final Outturn and Balances 2022-23
Date of meeting:	17 May 2023

Executive summary

The overall DSG outturn position for all four blocks was £19.900m¹ overspent for 2022-23, including:

- an overspend within the High Needs Block of £21.197m,
- an overspend within the Schools Block of £0.171m,
- an underspend within the Early Years Block of (£1.460m), and
- an underspend within the Central Schools Services Block of (£0.007m).

The Dedicated Schools Grant deficit brought forward into the 2022-23 financial year was £53.976m. The LA received £28.000m of Safety Valve funding from the DfE towards the historic deficit in 2022-23. The combined cumulative year-on-year overspend on the Dedicated Schools Grant is now £45.877m as at 31 March 2023.

Maintained schools' balances have reduced from £17.684m as at 31 March 2022 to £15.797m as at 31 March 2023.

This paper is for information only with the NCC's Cabinet due to approve the final outturn position and balances in June. Comments from Forum are welcome and will be recorded and, where appropriate, shared with NCC's Cabinet.

1. Introduction

This report outlines the final outturn for the Dedicated Schools Grant for 2022-23.

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

The Dedicated Schools Grant funds the Schools Block, Central Schools Services Block, the High Needs Block, and the Early Years Block.

The Schools Block has two main elements, the amounts delegated to schools and the amounts held centrally for pupil related spending, this includes de-delegated budgets and growth fund. Once funding is delegated to schools any over or underspend is shown within school balances.

The Dedicated Schools Grant Budget and schools local funding formula for 2022-23 was agreed at Norfolk County Council's January 2022 Cabinet meeting. The agenda papers and minutes can be viewed at:

¹ All figures rounded to 3 decimal places

<https://norfolkcc.cmis.uk.com/norfolkcc/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1799/Committee/169/Default.aspx>

2. Variations on Dedicated Schools Grant Funded Budgets

The overall DSG outturn position for all four blocks was £19.900m² overspend for 2022-23, including:

- an overspend within the High Needs Block of £21.197m,
- an overspend within the Schools Block of £0.171m,
- an underspend within the Early Years Block of (£1.460m), and
- an underspend within the Central Schools Services Block of (£0.007m).

The deficit brought forward into the 2022-23 financial year was approximately £53.976m. The LA received £28.000m of Safety Valve funding from the DfE towards the historic deficit in 2022-23. The combined cumulative year-on-year overspend on the Dedicated Schools Grant is now £45.877m as at 31 March 2023.

2.1 Schools Block (inc. Centrally Retained)

The LA received £568.631m. A transfer of 1.5% from Schools Block to High Needs Block of £8.529m was made with the Secretary of State's agreement.

A top-slice was made for the growth fund of £0.500m, agreed by Schools Forum.

Schools Block funding of £559.602m was allocated to schools via the agreed funding formula for 2022-23, based on National Funding Formula methodologies as consulted on with schools and discussed with Schools Forum in autumn 2021.

Of the £559.602m allocated to schools, £0.974m was de-delegated from schools to be held centrally as agreed by Schools Forum.

At the end of the 2022-23 financial year, there was an overspend of £0.171m against the centrally retained Schools Block elements due to a combination of:

- an overspend on de-delegated budgets due to increased demand;
- higher demand from the growth fund than had been anticipated when setting the original growth fund budget;
- in-year savings from academy conversions due to academy rates relief;
- cancellation of a pupil variation for Hethersett VC Primary, no longer required;
- reimbursement from DfE in respect of a previous academy closure – West Raynham CE Primary;
- additional rates invoices/charges received during the year for maintained schools.

The £0.171m total overspend on the Schools Block has been transferred to the Dedicated Schools Grant reserve as part of the overall DSG deficit.

Variances against each of the de-delegated budgets are detailed in the 'Schools Block Centrally Retained' table below.

² All figures rounded to 3 decimal places

Table 1: Schools Block Centrally Retained*

	Approved Budget £m	Outturn £m	Over +/Underspend (-) £m	Over +/Underspend (-) as a % of the budget
Schools Block-Centrally retained items				
Growth Fund	0.500	0.611	0.111	22%
Supply Special	0.027	0.045	0.018	67%
Maternity	0.821	0.899	0.078	10%
Suspended staff	0.046	0.103	0.057	124%
Disabled staff	0.001	0.002	0.001	100%
Redeployment/Safeguarding	0.054	0.045	(0.009)	(17%)
Free Schools Meal Eligibility	0.025	0.025	0.000	0%
Prior year Rates increases		0.054	0.054	n/a
Pupil Variation cancelled		(0.100)	(0.100)	n/a
Reimbursements for academies		(0.039)	(0.039)	n/a
Centrally Retained Schools Block	1.474	1.645	0.171	12%

*All shown to 3 decimal places

2.2 Central Schools Services Block

The Central Schools Services Block underspent by (£0.007m) attributed to reduced meeting, expenses and printing/admin costs.

The underspend of (£0.007m) has been transferred to the Dedicated Schools Grant reserve where it will partially offset the in-year overall DSG deficit.

Table 2: Central Schools Services Block*

	Approved Budget £m	Outturn £m	Over +/Underspend (-) £m	Over +/Underspend (-) as a % of the budget
Central Schools Services Block				
Education Boarding Pathfinder	0.100	0.100	0.000	0%
Schools Forum	0.030	0.023	(0.007)	(23%)
Termination of employment costs	0.065	0.065	0.000	0%
Admissions	0.487	0.487	0.000	0%
Director Education Projects	0.120	0.120	0.000	0%
ESG retained	2.289	2.289	0.000	0%
Centrally Teachers' TPG/TPECG	0.180	0.180	0.000	0%
Central Licences Scheme	0.694	0.694	0.000	0%
Central School Services Block	3.965	3.958	(0.007)	(0.2%)

*All shown to 3 decimal places

2.3 High Needs Block

The High Needs Block overspend at year end was £21.197m.

The High Needs Block had been initially set with a budget deficit of £17.924m for 2022-23 based on the LA's DSG Management Plan refresh as at January 2022 (i.e. the LA budgeted for higher expenditure than known DSG HN block income) due to ongoing pressures. This budget variance is included within the overall overspend figure for 2022-23 as it represents a shortfall in income compared to the original budget set.

The DSG Management Plan was subsequently updated in autumn 2022 for submission to the DfE as part of their Safety Valve programme and at that time the forecast deficit for 2022-23, including the cost of additional support across the system, had increased to £19.637m.

The final outturn of £21.197m for High Needs Block is therefore £1.560m higher than in the DSG Management Plan submitted to the DfE as part of the Safety Valve programme, however, the outturn on other DSG blocks has offset this by (£1.296m) and therefore the overall DSG outturn for all blocks is approximately £0.263m higher than expected in the final DSG Management Plan for 2022-23.

The largest variance during the year, for which additional costs were recognised and forecast as part of the updated autumn 2022 DSG Management Plan submission to DfE, was an increase in the costs of Element 3 funding for mainstream schools due to increasing demand and additional support to schools. The budget for Element 3 funding overspent by £6.345m, partly offset by an underspend of (£0.565m) against the Exceptional Circumstances budget with a new system of EHCP/SEN Support bandings introduced in 2022-23 to better support pupils' needs and to reduce the level of exceptional claims that need to be made.

Other significant areas of variance were:

- Special schools – underspent by **(£1.048m)**. The underspend is mainly due to a free-school adjustment in respect of new special schools of (£1.014m) made by the DfE in-year which had not been part of the original published DSG figures for 2022-23 and not included in budget-setting. Other adjustments to special schools in year totalled further net savings of (£0.034m).
- FE and Sixth Form Element 3 – overspent by **£0.477m**. Late funding claims received from providers, unexpectedly, after budgeting had been set led to the budget being underestimated compared to the demand for 2022-23. Also, an additional 40 learning hours for band 5 and T level students in 16-19 education increased the level demand and costs for the those with Element 3 support from the High Needs Block.
- Specialist Resource Bases – underspend of **(£0.633m)**. The LA had budgeted for additional SRB places estimated to be available during 2022-23. Whilst SRB provision has continued to grow during 22-23 but there has been some amendments to plans (revisions now built into the Local First Inclusion plan) and so there has been some underspend.

- Section 19 - overspend of **£0.520m**. The overspend is due to a combination of additional pupils (increased demand) and pupils being supported for longer than expected (for longer than a few weeks).
- Permanent Exclusions income – additional income of **(£0.462m)**. The additional income is from a combination of Permanent Exclusion charges to schools made under regulations and under local agreement that exceed the prudent budgeted amount.
- TPG/TPECG – underspend of **(£0.302m)**. The LA received funding for independent schools and offsets overall increases in costs of independent fees requested by independent providers (the spend occurs within the independent budget line). The funding received was budgeted for in the TPG/TPECG budget line, but the costs of any fee increases incurred are included within the independent budget line, hence there was an underspend showing against this budget line at year end. The budget-setting methodology has been changed from April 2023 onwards to only include costs that will be incurred directly against this budget line.
- Health & Social Care Levy – underspend of **(£0.307m)**. The Health and Social Care Levy introduced for 2022-23 was reversed during the same year. Allocations already made by the LA to Norfolk’s special schools as part of the budget share were honoured but no further allocations were made, or costs incurred in respect of other providers, from this budget. The budget has been removed from April 2023 onwards.
- DSG High Needs Block adjustments – additional income of **(£0.298m)**. The DfE recalculated the ‘import/export’ adjustment and TPC/TPECG allocations in-year.

Table 3: High Needs Block*

	Final Budget £m	Outturn £m	Over +/ Underspend (-) £m	Over+ /Underspend (-) as a % of budget
High Needs Block				
Special Schools	46.711	45.663	(1.048)	(2%)
Independent Placements	47.150	46.966	(0.185)	<(1%)
FE and 6th form Element 3 funding	7.851	8.328	0.477	6%
Mainstream Schools' Element 3 funding	10.500	16.845	6.345	60%
Exceptional Circumstances	4.750	4.185	(0.565)	(12%)
Short Stay School	8.900	8.812	(0.088)	(1%)
Alternative Education	2.142	1.945	(0.197)	(9%)
Specialist Resource Bases	6.815	6.182	(0.633)	(9%)
Section 19 Costs	1.194	1.714	0.520	44%
Inter Authority Recoupment	1.230	1.042	(0.188)	(15%)
Inclusion and AP Support	0.527	0.524	(0.003)	<(1%)
Personal Budgets	0.300	0.557	0.257	86%
Contribution to Youth Offending Team	0.290	0.290	0.000	0%
Contribution to CAHMS	0.251	0.251	0.000	0%
Speech and Language Therapy	1.068	0.899	(0.169)	(16%)
Permanent Exclusions income	(0.500)	(0.962)	(0.462)	(92%)
SEN invest to save	0.307	0.304	(0.003)	(1%)
HNB Support Services ³	3.821	3.821	0.000	0%
PATHS Programme	0.111	0.111	0.000	0%
Moving and Handling	0.052	0.052	0.000	0%
Specialist Equipment	0.150	0.215	0.065	43%
TPG/TPECG	1.923	1.621	(0.302)	(16%)
Health & Social Care Levy	0.500	0.193	(0.307)	(61%)
Early Years Complex Needs	0.700	0.757	0.057	8%
Total Budget vs Expenditure	146.743⁴	150.314	3.571	2%
Plus: DSG Shortfall (for Deficit Budget set from Reserves)			17.924	
Less: DfE in-year Adjustments (import/export and final TPG)			(0.298)	
High Needs Block Budget Vs Final Outturn	146.743		21.197	14%

* All shown to 3 decimal places

³ High Needs Block Support Services includes: Services to Home Educators, Sensory Support, Learning Support, Access Through Technology, Critical Incidents, Specialist Learning Teachers and SEMH Practitioners.

⁴ Budget made up of: Final HN Block DSG income £120.588m plus 1.5% transfer from Schools Block of £8.529m, plus deficit budget of £17.924m set based on forecast of HNB requirement for 2022-23 (included in the budgeted figure), less DfE in-year import/export and final TPG adjustments totalling (£0.298m) not known at time of initial budgeting.

2.4 Early Years Block

The Early Years Block underspent by (£1.460m) which has been transferred to the Dedicated Schools Grant reserve as part of the in-year DSG deficit⁵. This outturn includes a final adjustment to the 2021-22 Early Years Block of (£0.133m), and a creditor for estimated clawback of DSG of £0.767m for the January 2023 Part Time Equivalent final adjustment which is expected to happen after year end in July 2023.

Table 4: Early Years Block*

	Approved Budget £m	DfE In-Year Adjustment £m	Jan'23 Creditor Adjustment £m	Final 22/23 EY Block Funding £m	Outturn £m	Over/underspend (-) £m	Over/Underspend (-) as a % of the Final EY Block Funding 22/23
Early Years Block							
2-Year-Old Place Funding	4.193	0.627	(0.436)	4.384	4.505	0.121	3%
3 and 4-year-Old funding	30.738	2.227	(0.292)	32.673	31.037	(1.636)	(5%)
EY Block Contingency 0.5%	0.209	0.000	0.000	0.209	0.000	(0.209)	(100%)
Maintained Nursery Classes	3.042	0.000	0.000	3.042	3.033	(0.009)	<(1%)
SEN Inclusion Fund	0.900	0.000	0.000	0.900	1.298	0.398	44%
Disability Access Fund	0.227	0.000	0.000	0.227	0.227	0.000	0%
Early years pupil premium	0.582	0.029	(0.039)	0.572	0.580	0.008	1%
Early Years Funded Services	1.819	0.00	0.000	1.819	1.819	0.000	0%
Initial 2022-23 Budgeted DSG	41.710	2.884	(0.767)	43.827	42.499	(1.328)	
DfE In-Year Adjustment	2.884						
Published DSG at March'23	44.594						
Estimated July'23 Adj for 2022/23	(0.767)						
Final 2021/22 EY Block Adj	0.133			0.133	0.000	(0.133)	n/a
Final Early Years Block	43.960			43.960		(1.460)	(3%)

*All figures are shown rounded to 3 decimal places

⁵ The regulations require the local authority to assess the deficit across the schools' budget. It is not permissible to split up the schools' budget, for example to say that a surplus on the schools, central services or early years block will not be used to offset the deficit on the high needs block.

The final EY Block allocation will be based on Part Time Equivalent (PTE) data as follows:

- 5/12th x January'22 census preceding financial year for the summer term,
- 7/12th x January'23 census within financial year for the autumn and spring terms.

A creditor has been entered into the year-end accounts for the DSG adjustment that will take place in July 2023 based on the two census counts, which is estimated to reduce the final EY Block allocation for 2022-23 from £44.594m to £43.827m. A further (£0.133m) of income was received in the accounts due to an underestimate at the previous year end of the final 2021-22 EY adjustment received in July 2022, bringing the total income for the year to £43.960m.

The LA had planned the formula for 2022-23 based on the initial published allocation of £41.710m. Compared to the original DSG allocation and budget set, actual expenditure during the year was higher by £0.789m, at £42.499m, including:

- An overspend of £0.398m against the SEN Inclusion Fund (additional support to providers, to meet increased demand), £1.298m allocated compared to the budget of £0.900m.
- An underspend of (£0.209m) from the agreed 0.5% contingency (offsetting part of the Inclusion Fund overspend).
- Additional allocations of £0.312m to providers for 2-year-old hours based on hours taken up, with £4.505m allocated compared to the original budget of £4.193m.
- Additional allocations of £0.290m to providers for 3- and 4-year-old hours (PVI and nursery classes, with £34.070m allocated compared to the original budgets of £33.780m (3- and 4-year-old and maintained nursery classes)
- An underspend of (£0.002m) against the budget for EY Pupil Premium.

However, despite the additional allocations made to providers throughout the year for extra SEN support and extra hours distributed through the formula, the Early Years Block had an underspend of (£1.460m) overall at year end. This is due to additional funding for increased hours allocated by the DfE's funding methodology during the year being in excess of the additional hours that were claimed for by providers (the DfE allocated an additional £2.884m in-year, but it is estimated that they will claw back £0.767m of this DSG income in July 2023).

This underspend is caused by the DfE revised Part Time Equivalent (PTE) data calculation being higher than actual take up from providers during the year. Analysis of previous end of year balances (excluding during Covid for 2020-21 and 2021-22 which were funded on a different basis by the DfE) shows that the revised PTE estimate using the two January counts methodology is typically around 3-5% higher than the actual take up for three- and four-year-olds and around 3-4% lower than the actual take up for two-year-olds. It is this difference in funded hours from the January counts versus the hours claimed by providers during the year that has produced the underspend in 2022-23. We will work on how we can learn from this and take any opportunity to maximise funding allocated to providers in future funding formulae.

Further information is expected this term detailing the revised Norfolk funding rates from September 2023 following the government's spring budget announcement. We will bring an Early Years paper to the July's School Forum.

3. Schools Balances

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

Schools accounts have been closed; however, balances are in the process of being reconciled. This paragraph sets out in summary terms the position of Norfolk schools balances at 31 March 2023 and compares them with balances at 31 March 2022. The total of all maintained school balances is £15.797m.

Appendix 1 provides details of the Balance Redistribution Mechanism for information.

Table 5 compares the value of school balances at 31 March 2023 with 31 March 2022:

Table 5: School Balances – values of balances £000's

School type	at 31/03/2022			Balance b'fwd for schools Academised during year*	Balance b'fwd for schools Closed/ Amalgamated/ Federated during year	at 31/03/2023			Change between years	
	Surplus Balance (£'000)	Deficit Balance (£'000)	Total (£'000)			Surplus Balance (£'000)	Deficit Balance (£'000)	Total (£'000)	Surplus Balance (£'000)	Deficit Balance (£'000)
Nursery	252	0	252	0	0	298	0	298	46	0
Primary	15,112	551	14,561	324	0	13,205	784	12,420	-1,583	233
Secondary	144	0	144	0	0	24	0	24	-120	0
Special	2,711	0	2,711	0	0	3,046	0	3,046	335	0
Cluster	16	0	16	0	0	9	0	9	-7	0
Other	0	0	0	0	0	0	0	0	0	0
Totals	18,236	551	17,684	324	0	16,581	784	15,797	-1,330	233

The balances in the grey columns are no longer part of the overall balances but were included as at 31st March 2022. Therefore, the surplus balance figure as at 31st March 2023 has moved for LA maintained schools by (£1.330m) as follows:

Surplus Balances as at 31 st March 2022	£18.236m
Academies no longer within balances at 31 st March 2023	- £0.324m
Closed/Federated/amalgamated no longer in balances	- £0.000m
Balance as at 31 st March 2022 for comparison	£17.912m
Surplus Balances as at 31 st March 2023	£16.581m
Change of surplus balances between years	(£1.330m)*

*Figures shown rounded to 3.d.p

Table 6 shows the average level of positive and negative balances held by Norfolk schools analysed by school type as at 31 March 2023:

Table 6: Average balance per sector £000's

Type of school	Average Surplus Balance (£'000)	Average Deficit Balance (£'000)
Nursery	99	0
Primary	104	71
Secondary	24	0
Special	338	0
Clusters	9	0
Total	118	71

Table 7 shows the average value of balances by each type of school (the percentage of balances compared with the overall budget):

Table 7: Comparison of level of balance to budget share

Type of School	Position at 31/03/2023 (%)
Nursery	34.02
Primary	7.50
Secondary	0.28
Special	9.82
Clusters	0.00
All Schools	7.66

Table 8 compares the number of schools with surplus and deficit balances at 31 March 2023 with 31 March 2022:

Table 8: School Balances – number of schools

School type	at 31/03/2022			No. of schools Academised during 2022-23	No. of schools Closed/ Amalgamated/ Federated during 2022-23	as at 31/3/2023			Change between years	
	Surplus Balance	Deficit Balance	Total			Surplus Balance	Deficit Balance	Total	Surplus Balance	Deficit Balance
Nursery	3	0	3	0	0	3	0	3	0	0
Primary	139	4	143	5	0	127	11	138	-7	7
Secondary	1	0	1	0	0	1	0	1	0	0
Special	9	0	9	0	0	9	0	9	0	0
Cluster	1	0	1	0	0	1	0	1	0	0
Other	0	0	0	0	0	0	0	0	0	0
Totals	153	4	157	5	0	141	11	152	-7	7

The number of LA maintained schools with deficits at 31st March 2023 has increased by 7 from 4 schools to 11 schools, and the number of LA maintained schools with surplus balances compared to 31st March 2022 has reduced by 7 from 148 schools (153 less 5 in-year academy converters to deduct from the 31/3/22 data for comparison) to 141 schools.

4. Financial Implications

Overall, the Dedicated Schools Grant was overspent by £19.900m in the 2022-23 financial year.

The deficit brought forward into 2022-23 was approximately £53.976m. The LA received £28.000m of Safety Valve funding from the DfE towards the historic deficit in 2022-23.

The combined, cumulative year-on-year overspend on the Dedicated Schools Grant which is carried forward to the 2023-24 financial year is now £45.877m.

Maintained schools' balances have reduced from £17.684m as at 31 March 2022 to £15.797m as at 31 March 2023.

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:

Officer Name:	Tel No:	Email address:
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If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix 1: Balance Redistribution Mechanism

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

The legitimate purposes that balances may be held for are:

- Surpluses derived from sources other than the budget share e.g. contributions from parents for school trips where expenditure will not be incurred until the following year or surpluses arising from providing community facilities
 - As there will be no general contingency limit, a level of redistribution will be introduced if the school cannot provide sufficient evidence to justify its surplus. The Local Authority will reserve the right where schools have consistently built up significant excessive uncommitted balances to redistribute if deemed appropriate.
 - Voluntary Aided schools are allowed to hold revenue monies to fund governors' liabilities towards DfE grant aided capital works. Evidence of the cost and timing of the project will be required to support this.
 - Surpluses derived from Pupil Premium funding - this would mean that, for the purposes of calculating the contingency sum of 8% of the final budget share, the Pupil Premium would be excluded, but would be shown as a separate category in its' own right.
-
- The amount of Pupil Premium allowed to be carried forward should not exceed the sum received in that financial year.
 - The Analysis of Surplus Revenue Balances form would be pre-populated, after the year-end closure of accounts, with the maximum sum allowed under this category for each school.

Any balances falling outside these categories will be returned to the Authority for redistribution to schools. The actual balances each school has at the end of 2023/24 and subsequent financial years will be analysed and any surplus over and above monies falling into one of the legitimate categories above will be redistributed in the following financial year.

Building Maintenance Fund:

- For mainstream schools that do not contract into BMPP the total amount lodged should 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 BMPP 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.

Schools Forum

Item No. 5

Report title:	Schools catering group contract
Date of meeting:	17 May 2023

Executive summary

To update the Schools Forum on plans for the commissioning of Norfolk's Schools Catering contract commencing 1st April 23.

For information and endorsement of next steps

Background

The council has a duty to ensure that there is provision for all children in maintained schools to receive a school meal. The Local Management of Schools legislation gives governing bodies the freedom to choose their own catering provider for their school.

However, due to the many smaller primary schools in Norfolk, and in particular those with no cooking facilities of their own, the Council fulfils its legal obligations and ensures provision is available to all schools, irrespective of size and available facilities, by negotiating a group catering contract.

Current arrangements

The Council currently has a group contract with Norse Eastern Limited to provide catering services to maintained primary schools. It contains in the region of 119 schools (this number has likely decreased), and is worth approximately £6m pa. The nutritional standards, quality and value for money of the contract is monitored and reported upon by a Catering Board.

Maintained primary schools may opt into the contract by signing a Service Level Agreement with Norse but must leave if they convert to academy status. There is no obligation for maintained schools to opt into the contract, and they are free to choose an alternative supplier or provide their own meals if they wish.

The contract was due to expire on 31 March 2023. An individual Cabinet Member decision was taken on advice to extend the contract by 1 year rather than engage in a further 3 year contract:

- To allow time for further exploration of the market, given food price volatility;
- To mitigate against the risk of loss of supply.

Objective

- To ensure quality nutritious provision is available to all schools, irrespective of size and available facilities, by negotiating a group catering contract that has robust performance management and provides good value for money.

Key Risks

- Unpredictable escalation of food costs may reduce the quality or financial viability of the provision without respective price rises.
- Fewer schools engaging in the group contract is likely to make the contract less profitable and less attractive to alternative providers.
- Limited interest from alternative providers may impact on achieving best value.

Proposal

- **Issue a PIN** (Prior Information Notice) to signal commercial need to providers (May 23).
- **Meet with potential providers** to test the market and gather information, alongside targeted stakeholder engagement and benchmarking (May – June 23).
- **Produce options appraisal and recommendations** for procurement of the new contract (June 23), i.e. proceeding with Norse as a 'controlled entity' or going out to open tender.
- **Present options and analysis** to Children's Services Leadership Team and the Schools Forum (July 23) to inform decision making on next steps.

If the contract goes out to tender, procurement would likely follow three stages:

1. Preparation of procurement documents (July – August '23)
2. Open Procurement (Sept – Nov)
3. Mobilisation ahead of 1st April 2024 (Dec 23 – March 24)

SCHOOLS FORUM FORWARD PLAN – 2022/23 Academic Year

I – Information

D- Decision

	Autumn Term			Spring Term			Summer Term	
30/9/22 (Friday)	September (Face-to-face, Easton College)		27/01/23 (Friday)	January (Face-to-face, Easton College)		17/05/23 (Wed)	May (Cranworth Room, County Hall)	
09:00 – 12:00	DSG Management Plan Update and Safety Valve Programme	D	09:00 – 12:00	Election of Chair/Vice Chair	D	09:00 – 12:00	Dedicated Schools Grant 2022/23 Outturn	I
	Provisional DSG Allocations for 2023-24 and Fair Funding Consultation for Mainstream Schools' Formula	D		Review Membership	I		Annual Audit Report (Norfolk Audit Service)	I
	Early Years Funding Consultation	D		Proposed Schools Budget including central costs	D		Strategic Planning (inc. Local First Inclusion)	I
	Central Schools Services Block: info on LA services	I		Pupil variations 2023-24	I		Catering contract update	I
				DSG Safety Valve update and additional 1% transfer vote	D			
				Early Years Consultation	D			
				Notional SEN	I			
16/11/22 (Wed)	November (Face-to-face, Easton College)		22/03/23 (Wed)	March (County Hall)		07/07/23 (Friday)	July (Easton College)	
09:00 – 13:00	Early Years Block 2023-24 Funding Formula Update	I	09:00 – 12:00	Strategic Planning (Local First Inclusion)	I	09:00 – 12:00	Updates on Scheme for Financing Schools (Financial Regulations)	D
	Schools Block (inc. consultation outcomes and Schools Block transfer)	D		Agree 2023-24's plan	D		Strategic Planning (inc. Local First Inclusion)	I
	De-delegation/CSS Block	D		Final pupil variations (if changed from January)	I		Fair Funding, Special Schools, and Early Years Consultation Preparation	D
	Notional SEN	D		National Pay Award	D		Early Years Funding	D
	DSG Safety Valve (standing item)	I		Schools Forum Communications	D			

Schools Forum

Report title:	Norfolk Audit Services – School Traded Audits and Thematic Audits
Date of meeting:	17 May 2023

Executive summary

For information only.

This report is to update the School’s Forum on the traded school audits and thematic audits that have been carried out by Norfolk Audit Services during 2022/23.

Background

Norfolk Audit Services (NAS), as the County Council’s internal auditors, carry out an annual programme of themed audits, visiting a representative sample of schools and sharing common findings and examples of good practice with all schools via Management Information (MI) Sheets.

The Local Authority strongly recommends that the outcomes of these audits are considered by School governors and leadership teams and any necessary actions taken, to address any improvements required for each School. Any issues and proposed actions should be discussed by the relevant Committee of the Governing Body for approval, monitoring and evaluation. Question 20 of the SFVS also refers to schools considering recommendations made from these types of audits.

During 2022/23, we completed 22 traded school audits and one thematic audit on Payments to Individuals (Staff and Suppliers). The MI Sheet has been published for this audit.

Traded audits have resulted in recommendations around the following which are regularly made in reports: -

- Not raising purchase orders for all goods and services
- Not checking the employment status for tax purposes on individuals engaged by the School to carry out work
- Not having a full asset register in place or keeping this up to date
- Not completing the annual independent check of the assets on the asset register or getting this certified
- Not obtaining Governor approval for payments in line with the limits stated within the Schools’ Finance Policy

- Not security marking items of high value or those deemed to be attractive and portable.
- Staff being reimbursed by BACS payments for items that they purchased which are not always authorised prior to purchase and should not be necessary for staff to purchase from their own monies.

The following recommendations are increasingly appearing in reports: -

- Some instances where three written quotes are not always obtained in line with the School's Finance Policy for items.
- Some instances of not recording income received adequately for example, using the Banking Sheets to support monies banked and insufficient staff involved in the income cycle overall.
- Some instances of writing passwords / PIN numbers down and keeping these with the cards or in places where other can access them.
- Some instances of approvers not being a person who is senior in authority to the purchasing cardholder or at a similar authority level, to enable effective challenge to take place on transactions made.
- Some instances of the Proposal Form for capital spend not being completed and submitted for approval from capital funding allocated to the School.

For information only.