

LEEDS SCHOOL FORUM

Meeting to be held in on
Thursday, 20th June, 2024 at 4.30 pm

MEMBERSHIP

Bradley Taylor, A, Primary Governors - Kirkstall Valley Primary
Kate Burton, E. Academy Reps – Alder Tree Primary
Rebecca White, B. Primary Heads, Sharp Lane Primary
Victoria McWalker, A. Primary Governors, St Margaret's Horsforth C of E
Stratis Koutsoukos, B. Primary Governors, St Nicholas Catholic Primary
Nick Tones, J. Non Schools, Schools JCC
Christopher Thornton, J. Non Schools 16-19 Providers
Simon Prinsep, E. Academy Reps, Abbey Grange CofE
Peter McQuillen Strong, J. Leeds Catholic Diocese
Gavin Hosford, E. Academy Reps - Green Meadows
Rachel Colbourn, E. Academy Reps - Bramhope Primary
Dave Kagai, A. Primary Governors - St Nicholas Primary
Sarah Talbot, E. Academy Reps - East Ardsley Primary
John Garvani (LSF), A. Primary Governors - Broadgate Primary School
John Hutchinson, B. Primary Heads - St Theresa's Catholic Primary
Peter Harris, B. Primary Heads - Farsley Farfield Primary
Julie Harkness, B. Primary Heads - Carr Manor Community school - Primary Phase
Emma Wraight, B. Primary Heads - Fieldhead Carr Primary
David Webster, C. Secondary Governors - Pudsey Grammar
Delia Martin, D. Secondary Heads - Benton Park
David Gurney, E. Academy Reps - Cockburn School
Rob Dixon, E. Academy Rep, Pudsey Waterloo Primary
John Thorne, E. Academy Reps - St Mary's Academy Menston
Joe Barton, E. Academy Reps - Woodkirk Academy
Russell Trigg, F. Governor East SILC
Dan Cohen (Leeds School Forum), J. Jewish Faith Schools

A G E N D A

Item No	Title	Lead	Time	Purpose
1.	APOLOGIES	Chair	16:30	For information
2.	SCHOOL FORUM MEMBERSHIP	Chair	16:35	For information
3.	MINUTES OF PREVIOUS MEETING <i>5 - 12</i>	Chair	16:40	For decision
4.	MATTERS ARISING	Chair	16:45	For information
5.	TRANSFER OF INSURANCE ARRANGEMENTS <i>13 - 20</i>	Lee Allen	16:50	For information
6.	DSG OUTTURN REPORT 23/24 <i>21 - 26</i>	Lucie McAulay	17:15	For information
7.	SCHOOL BALANCES OUTTURN 2023/24 <i>27 - 36</i>	Lucie McAulay	17:35	For information
8.	CLAWBACK OF EXCESS SCHOOL SURPLUS BALANCES 2022/23 <i>37 - 40</i>	Lucie McAulay	17:55	For information
9.	APPOINTMENT OF CHAIRPERSON 2024/25	Chair	18:15	For decision
10.	AOB	Chair	18:20	For information
11.	MEETING DATES FOR 24/25 AND FORWARD PLAN <i>41 - 42</i>	Chair	18:25	For information

12.	CLOSE		18:30	For information
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Leeds Schools Forum Meeting

Microsoft Teams Meeting
Thursday 22nd February 2024 at 16:30

Membership (Apologies in Italics)	
GOVERNORS	HEADTEACHERS
Primary (6 seats)	Primary (6 seats)
David Kagai St Nicholas	Peter Harris (Chair) Farsley Farfield
John Garvani Broadgate	Julie Harkness Carr Manor Community School
Victoria McWalker St Margaret's Horsforth	Emma Wraighte Fieldhead Carr
Stratis Koutsoukos St Nicholas	Rebecca White Sharp Lane
Bradley Taylor Kirkstall Valley	<i>Kate Cameron Calverley C/E</i>
Vacant	<i>Jane Astrid Devane Shire Oak C/E</i>
Secondary (1 seat)	Secondary (1 seat)
David Webster Pudsey Grammar	<i>Delia Martin Substitute Helen Williams Benton Park</i>
Special (1 seat)	Special (1 seat)
<i>Russell Trigg East SILC, John Jamieson</i>	Louise Quinn East SILC
Non School	Academies – Mainstream (11 seats)
<i>Christina Smith PVI Providers</i>	David Gurney Cockburn School
Vacancy	Katherine Somers Dixons Academy
Nick Tones Schools JCC	John Thorne St Mary's Academy Menston
Christopher Thornton 16-19 Providers	Joe Barton Woodkirk Academy
<i>Dan Cohen Jewish Faith Schools</i>	Rob Dixon Cockburn School
Peter McQuillen-Strong Catholic Diocese	Rachel Colbourn Bramhope Primary
	Sarah Talbot East Ardsley
	Kate Burton Alder Tree Primary
	Simon Princep Abbey Grange CofE
	Ailsa Hoyland Bruntcliffe Academy
	Vacant
Officers	
Tim Pouncey, Chief Officer Strategy & Resources	Academy – Special School (1 seat)
Louise Hornsey, Head of Service, Finance	Vacant
Chris Sutton, Admissions and Family Information Lead	
Lucie McAulay, Head of Service, Finance	Academy – Alternative Provision (1 seat)
Shirley Maidens, Finance	Vacancy
Dan Barton Deputy Director, Learning	Academy – Special Provision (1 seat)
	Mary Ruggles

	Title	Actions
1	Welcome and Apologies	
	Chair welcomed all and acknowledged apologies	
2	Schools Forum Membership	

2.1	<p>Vacancies remain for:</p> <ul style="list-style-type: none"> 1 x Primary Governor 1 x Alternative Academy vacancy 1 x SILC Governor 1 x Non-school representatives 	
3	Minutes of Previous meeting	
3.1	Agreed as accurate.	
4	Matters Arising	
4.1	<p>ACTION LM agreed to speak to LCC HR team to seek further guidance on the impact of shared parental leave. LM spoke to HR who informed LM of the following points:</p> <ul style="list-style-type: none"> • Shared parental leave is a statutory entitlement and any prevention of a school employee returning to work before a school closure period would be classed as discrimination. • Trade Unions are proactively supporting the statutory entitlement and employers should be careful about calling it a loophole. • HR are due to agree a new maternity and family leave policy and Trade Unions are keen for the policy to highlight the option for staff to return to work before school closure, however LCC are staying neutral about when leave is taken, so are not agreeing at this point. • HR have said that this is not a common occurrence at this moment and are keen for schools to have enough information through training and the new policy. • HR are also happy to discuss with Head teachers if they have any queries. 	
4.2	<p>Question was asked about whether there would be any implications for the maternity budget. LM advised that within the current criteria that was agreed within the schools Forum, this change does not fall into this; however, we may need to consider revisions to the future criteria and agree this with the Schools Forum.</p>	
4.3	<p>Question was asked about the £19K for support staff training and wanted to know what this is used for. Dave Clark advised that this is used for a contract with Trinity University to provide support staff training and that approximately 14 staff have been through this training.</p> <p>ACTION DC will provide more information on this to PH including a breakdown. DB provided a verbal update – in past years there has been a contract with Trinity, to provide training for support staff. This contract ended and LCC created a different model to provide training, however the staff member delivering the training left their post, so we now have a different offer which is available to all schools and now offered to all TA's and will be evaluated at the end of the year to determine if it is to continue, taking into consideration any feedback. Comment was made that the offer is not known to some schools, DB has agreed to take this back.</p> <p>ACTION DB will ask the Traded Team to look into the offer and ensure that is offered to all and is circulated.</p>	DB
5	Schools in Financial Difficulty: Terms of reference	
5.1	LM referenced the paper, that has been circulated with the agenda, which is to provide further clarity of the roles and remits of the panel in making recommendations on the clawback of excess balances, and school bids against the contingency fund.	
5.2	LM asked for other participants to join the panel, only members representing maintained schools can join the panel, if any other maintained members of the Schools Forum would like to be involved then to contact LM for more information.	

<p>5.4</p> <p>5.5</p> <p>5.6</p>	<p>ACTION to contact LM at lucie.mcaulay@leeds.gov.uk for further information and to be involved in the panel.</p> <p>ACTION SIFD and Surplus Balances are the same panel, if anyone has any suggestions for a new name for the panel, please let LM know.</p> <p>LM was thanked for the report as it provides clarity around the panel.</p> <p>Question was asked around how other LA's compare to Leeds, LM advised that she is not aware of any other LAs that have similar TOR's.</p> <p>A forum member noted - having more representatives from academies results in a smaller pool of people you can choose from.</p>	<p>ALL</p> <p>ALL</p>
<p>6</p>	<p>DSG Monitoring Report</p>	
<p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p> <p>6.6</p> <p>6.7</p> <p>6.8</p>	<p>LM presented the DSG Monitoring report and it details the projected DSG budget position at the end of January 2024.</p> <p>Projecting an in year overspend of £3.08M equates to 0.59% of total DSG funding, this takes into account the: brought forward surplus of just over £7M. This will result in a year end projected surplus of £3.98M</p> <p>Highlights are:</p> <p>Schools block</p> <ul style="list-style-type: none"> • Projected underspend of £417K, due to saving of £409K against the Growth Fund • De-delegated budget projecting an underspend of £508K with £300K against the contingency fund <p>Early Years Block</p> <p>LM advised that there is some uncertainty as the January 2024 census data is not available yet. Final funding figures will be available in July 2024</p> <ul style="list-style-type: none"> • In year projected underspend of £938K • There was an increase in Early Years funding rates from September 2023, for which we received a supplementary grant. <p>High Needs Block</p> <ul style="list-style-type: none"> • At period 10 there is a projected an overspend of £4.47M after the transfer of £3.3M from the Schools Block • The main pressures relate to the SEN top ups to institutions, mainstream additional blocks, and the Out of Area (OOA) and residential placements. <p>Question was asked about what the £114K Invest to Save was spent on. SM advised that there is a post set up for a SEND EY coordinator and a consultant has been covering that post, though the consultant has now left. DB further advised that the post was created to support the EY team to signpost where there was a need at the Early Help stage. SM clarified that there is still a post budgeted for in 2024/25 at £97K, however the post is currently vacant.</p> <p>ACTION DB will find out whether the post is currently being advertised.</p> <p>Central Services Block</p> <ul style="list-style-type: none"> • Minor underspend of a projected £35K <p>Reserves</p> <ul style="list-style-type: none"> • Table at 6.1 highlights the reserve position. 	<p>DB</p>

<p>6.9</p> <p>6.10</p> <p>6.11</p>	<ul style="list-style-type: none"> • Projections indicate that there will be a surplus balance of £3.98M at the end of 2023/24. • De delegated reserves would have a surplus £708K, if there is surplus against the de delegated budget, there would be a proposal to repay this back to the maintained schools that contributed. <p>LM advised that School Forum are asked to note the recommendations within this report.</p> <p>Question was asked about the overspend on OOA and residential placements, this has fluctuated and has now gone back up, is there a reason for this? DB clarified that there is an increase in demand and not enough capacity internally, therefore resulting in, commissioning OOA placements. You can only add to provisions once or twice before you need to start looking at other buildings which explains the dip and rise.</p> <p>Further question was asked about whether any assumptions have been made around de delegated carry forward of £708K, LM & SM advised that no figures have been assumed as conversations are still ongoing. If there is significant surplus, then it could be refunded to schools.</p>	
<p>7</p>	<p>High Needs Budget</p>	
<p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p> <p>7.6</p>	<p>This report details the High Needs budget for 2024/25 and was approved by full council yesterday. High needs funding is estimated to be £127.65m in 2024/25.</p> <p>Highlights in the report:</p> <ul style="list-style-type: none"> • Base line was issued in December, and we are not expecting anymore. • A Minimum Funding Guarantee (MFG) of 0.5% has been set for special schools, in line with the MFG set for mainstream schools. • Leeds is still subject to Gains Limit factor, previously Cap on Gains so funding allocation for 2024/25 will be £2.9m less • Table at 2.14 details high needs income expenditure. <p>We continue to predict pressures on the high needs block.</p> <p>Question was asked about point, 2.4 inclusion rate of £732 & £734, it was confirmed by SM that these are the correct figures for special school settings as they are on a different rate to mainstream schools.</p> <p>Question was asked about the unit rates staying the same. SM advised that it is not recommend to increase mainstream schools at present. £696 is the current rate</p> <p>DB further advised that we don't receive enough money to increase to meet the costs of the provisions and the demand we have. SM also advised that the DfE said we can't change the £6k blocks. Comment was made by a forum member that not being able to increase the £6K and not having the unit rate increased it will cause pressures.</p> <p>DB advised that the Notional funding of £6k has been frozen, since then inflationary pressures have increased, and we must submit a balanced budget. TP said the total resource in the High Needs Block has gone up by £10.6m and it is because we have transferred in from school's block. Year on year the budget for commissioned and C&F provided services have gone down by around £1.1m and we have put that into the budget to passport to settings.</p>	

<p>7.7</p> <p>7.8</p> <p>7.9</p> <p>7.10</p>	<p>DB advised that we need to look at the best ways to present the budgets and should highlight to central government that high needs is a pressure.</p> <p>Question was asked, is there any proposal to address the additional blocks as we are not meeting national guidance. SM said have done some work but need to consult. This should go to minority schools, but Leeds gives to majority, there would need to be a consultation on this with schools.</p> <p>Update was requested on the timescale of 2.7 and the additional places. DB advised that this is currently being looked at and the LA are trying to identify spaces in buildings, or rent a space for 16years plus, we have a significant capital budget we can use. Some of our primary schools have space, so could we utilise this, we are looking at all these options. There is an acknowledgement that we know we need to build more provision.</p> <p>Question was asked that in 23/24 there was a balanced budget, did we identify savings? LM advised that no, we didn't and is reflected in the budget. Forum member confirmed that there have already been conversations around extra places with DB and GS and advised that the SILC principles will assist with these talks, and it is proving to be really positive.</p>	
<p>8</p>	<p>Early Years Funding</p>	
<p>8.1</p> <p>8.2</p> <p>8.3</p> <p>8.4</p> <p>8.5</p> <p>8.6</p>	<p>Chris Sutton presented the Early Years Block paper that comes to school forum every year for the proposed funding formula and rates for the funded Early Years entitlement. Schools' forum approval is sought for the use of the centrally retained portion of the funding.</p> <p>Key points for consideration:</p> <p>Extended entitlement</p> <ul style="list-style-type: none"> • 3- and 4-year-olds universal offer and the additional hour entitlements. • From this April there is an entitlement for eligible working parents of 2-year-olds • From September 2024 there is a new working parent entitlement for 9m – 2-year-olds. <p>Consultation with registered childcare providers in Leeds on the proposed funding formula took place between 8th January and 4th February 2024.</p> <p>The majority of the respondents were positive about the changes, some of comments made were:</p> <ul style="list-style-type: none"> • The difference of the funding rates between the 3 & 4-year-olds and the 2 years and below rates, • There is also concern from providers as they feel the sector is underfunded. • Providers expressed that providers were grateful to the LA that they were not intending to retain the 5% they are permitted to do as per the DfE guidance. <p>Point 2.2 of the report highlights the 3 & 4-year-olds rate is increasing by 28p per hour per eligible child. The LA is proposing to retain an additional 2p per hour for the centrally retained services, maintaining the same rate for their provision supplement, and increasing the SENDIF supplement for the first time in several years by 4p.</p> <p>Point 3.4 of the report highlights that the base rate is staying the same at £7.78 In previous years the LA has not centrally retained any of the 2-year-old funding, The team have worked hard to introduce supplements for the 2-year-olds.</p>	

8.7	They way the funding for 2-year-olds is now proposed, retaining the £7.78 now enables access to the additional funding for those children that can reach the deprivation and SENDIF supplement.
8.8	For the under 2-year-olds the team have harmonised the supplements with the 2-year-olds and take up will continue to be reviewed.
8.9	Comment was made that from the consultation, some providers want to go towards the lower end as the rate is higher and is that concern a real one? CS advised that for the paper they wanted to be honest and include comments, however, this is not a concern from the majority of the providers.
8.10	Question was asked about how we compare to other LAs, SM advised that the DfE have a complicated way of the calculations and do not provide data, but previously most LAs in our region, retain the 5%, Leeds don't retain the full 5%.
8.11	Question was asked about the decision for Leeds to retain less, CS advised that in previous years there has been a push to incorporate as much as possible into the base rate, CS advised that there are additional factors this year that have been considered.
8.12	Centrally retained. The report highlights the consequences if the lines are not approved, many of the functions performed by the service are statutory.
8.13	Table 5.6 The table contains 13 lines that need to be considered, highlights are: <ul style="list-style-type: none"> • SENDIF has doubled this is due to how we administer the process and the increase in work that we need to do. We need the additional resource to meet the requirements to make payments on time. • Northpoint, this service is not being commissioned anymore. • Additional of £761k of expenditure as per the last 3 lines on the table at 8.16. DB explained that Learning improvement service is traded however it no longer has enough subscribers as schools can no longer afford it, so this money will underwrite this service,
8.14	Question was asked if the Learning Improvement would be extended to schools providing for 2-year-olds, DB advised that, yes if they provide for EY.
8.15	Question was asked about the Safeguarding team and why do we have 50k that we didn't have before. CS advised that without this, settings would have to find this money for safeguarding advice, potentially at a higher cost and this could result in us as a LA losing those connections to settings. This is not a new post, but the funding is there to provide benefits to settings who otherwise would be unable to afford this service. <ul style="list-style-type: none"> • Item 6 and 7 the Deprivation supplement is staying the same for 3 and 4-year-olds and an introduction of the supplement for 2 and under 2-year-olds. There is significant demand for SENDIF and enable us to offer more support.
8.16	VOTING Forum members are asked to note the funding proposals and approve items 1 to 13 identified in table 5.6. Voting undertaken by all members in attendance.

Results of Early Years Funding Proposals 2024/25

	2023/24	2024/25	
Special Educational Needs Inclusion Team (SENIT)	£478,000	£495,000	14 for 0 against
Commissioned Service - Portage	£140,000	£173,000	14 for 0 against
Sensory Services	£166,000	£172,000	14 for 0 against
Education Psychology	£73,000	£76,000	14 for 0 against
Early Support and Inclusion (SENDIF)	£31,000	£72,000	14 for 0 against
Family Information Service	£114,000	£298,000	14 for 0 against
Family Services	£520,000	£538,000	14 for 0 against
Sufficiency	£42,000	£43,000	14 for 0 against
Commissioned Services - Northpoint Wellbeing (Leeds Counselling)	£60,000	£0	14 for 0 against
Learning Improvement (Original)	£208,000	£215,000	14 for 0 against
Learning Improvement (New)	£0	£435,000	14 for 0 against
Safeguarding Team	£0	£50,000	14 for 0 against
Contingency	£0	£276,000	14 for 0 against
Total	£1,832,000	£2,843,000	

8.17

All lines agreed.

9 Any Other Business

9.1

None
ACTION SIFD 27th February if anyone would like to join, let Peter know.
 LM will liaise with Liz Honeyman to let her know LQ would like to attend.

ALL

10 Forward Plan

10.1

The dates for upcoming Forums are yet to be agreed. The next meeting will be in June

11 Meeting Dates for 2023-24 and Forward Plan

11.1

Once dates are confirmed invites will be sent

DRAFT



Report of the Senior Head of Audit, Corporate Governance and Insurance - Strategy & Resources

Report to the Leeds Schools Forum

Date: 20th June 2024

Subject: Transfer of Insurance arrangements from LCC to Department of Education (DfE) Risk Protection Agreement (RPA) or alternate arrangements, cessation of the Service Level Agreement (SLA) & School Sickness & Absence Scheme (SSAS)

Report Author: Lee Allen – LCC Insurance Manager

Contact email: lee.allen@leeds.gov.uk

Executive Summary

The Department for Education (DfE) has a decade long established risk pooling scheme known as the **Risk Protection Agreement (RPA)** originally set up to provide a commercial insurance alternate arrangement for Academies (as they are separate legal entities and cannot be insured by Local Authorities), it was expanded to other Local Authority Maintained Schools (LAMS) in 2020 and as of January 2024 now has 50% of all Schools in England.

The “cover” provided is comparable if not better than that of the LCC Insurance programme with much lower excesses (nil in some cases). Application to the RPA is a simple process with no complicated lengthy proposal/declaration forms to fill in (**see Appendix C**). Some 25 LCC schools have already moved or are applying to move to the RPA. We anticipate the RPA will have all schools in England within 10 years or less.

The RPA charge per pupil/placement per year is less than that LCC charge for Insurance. LCC propose to stop providing insurance to all remaining schools with new arrangements to be in place with the RPA/alternate providers by the 1st April 2025.

Given the large insurance deductibles on LCC Insurance policies the Council provides schools with a **Service Level Agreement (SLA)** which covers sub excess claims that would otherwise be paid on the insurance policy. The overall aim of the agreement is to be cost neutral but overall (over the last 7 years) it has not managed to achieve this and is unsustainable given the financial pressures LCC face, however when schools move to the RPA/alternate arrangement then this scheme would be redundant and is proposed to cease on the 31st March 2025.

LCC also offer a **School Sickness & Absence Scheme (SSAS)** which allows schools to purchase sickness/absence cover for certain full and part time staff. The scheme covers all sickness absences that fall within the LCC sickness notification procedures. Premiums are

based on staff types and excess periods. As with the SLA the aim of the scheme is to be cost neutral but over the last 7 years has not achieved this. As schools leave LCC Insurance arrangements they can no longer take part in the SSAS and so again the scheme is not sustainable with the current financial challenges the Council faces and it is proposed to cease on the 31st March 2025 to marry with the RPA/SLA changes (as such the scheme would be offered for the first 7 months only of the 24/25 academic year subject to sufficient take up). Alternate staff sickness schemes are available via the RPA procurement solution.

Background

1. The DfE has a risk transfer pooling scheme known as the Risk Protection Agreement (RPA) which was originally set up in 2014 to support new Academies seeking viable insurance alternatives. In 2020 the scheme was opened up to Local Authority Maintained Schools (LAMS). As of January 2024, the RPA scheme now covers some 10,910 schools across England (50% of all schools). If the RPA continue to retain schools at their current rate and attract new ones at their current rate, then they will likely have all English schools within the next 10 years or less.
2. Whilst the RPA is not commercial insurance, we will use terms that are commonly understood in this report. The RPA charge a flat fee per pupil/placement per annum regardless of claims experience or risk circumstance (24/25 rate is £25 per pupil/placement), there are no complicated proposal/declaration forms to fill in nor are there any commissions/insurance premium tax (12%) to pay. In the majority of cases the RPA cover is equal or higher to that provided under the LCC Insurance Programme with much lower or nil excesses applying (**see Appendix G**). The RPA even provides cyber cover which LCC currently cannot secure. The RPA does not currently provide Motor or Engineering Inspection Insurance, but this can be secured by schools via the RPA Procurement solution. The RPA flat fee per pupil is lower than that LCC are charging (LCC charging rate for 24/25 is £35 per pupil/placement for Standard/PFI schools and £29 for C of E/Voluntarily Assisted). Over the last 10 years the RPA has built up a number of additional Risk Mitigation Services (RMS) which make it comparable to those provided by large Insurers/Brokers (**see Appendix B**).

Securing Property Insurance for schools is becoming increasingly challenging and expensive due an increase in insurer large losses, building repair and contents replacement inflationary factors and an ageing estate. By moving to the RPA the associated risk is transferred to HM Government via the DfE.

3. Schools are able to join the RPA/or make alternate arrangements as they wish and as of writing over 25 “LCC Schools” have done so or are planning to do so. This number will only increase and likely at a faster pace especially as DfE Audits point to the benefits of switching to the cheaper RPA alternate scheme.
4. Given the high excesses on most of LCC Insurance policies, LCC have provided for some time a Service Level Agreement (**see Appendix A**). The level of premium depends on the type of school as well as their claims experience in the previous year. The scheme will pay for school claims covered under the main LCC Insurance policy covers but below the Insurers deductible (less a token maximum excess). The aim being that the SLA premiums received will be sufficient to cover claims made under the scheme (cost

neutral). However, over the last seven financial years the scheme has not achieved an overall breakeven position.

5. Motor Insurance (compulsory cover) – this is currently not covered by the RPA and so schools would need to secure this cover via the RPA procurement solution (**see Appendix E**) where they have minibuses etc. Feedback from other Local Authorities and some LCC schools that have already moved have advised it has been relatively easy to secure this cover. The LCC Insurance Section/Insurers will assist in the provision of claims experience to each school with vehicle(s) as they will need this information to secure new cover.
6. Engineering inspections (compulsory cover) is also not provided under the RPA scheme but can be secured via the RPA procurement solution (**see Appendix E**). Examples of items that have to be statutory inspected at least annually are: - boilers, lifts, lighting gantries, exhaust systems, assistance hoists, stair lifts etc). The LCC Insurance Section/Insurers will assist in the provision of inspections currently being carried out per school as this detail will be needed to secure new cover.
7. LCC have also provided a School Sickness & Absence Scheme (SSAS) for an extended period. Schools have the option to purchase sickness absence cover for both full-time and part-time staff (some staff types are excluded namely Catering/Cleaning, Drivers & Escorts, Lunchtime Supervisors, Assistants and Dinner Money Collectors). The scheme covers all sickness absences that fall within the LCC sickness notification procedures.

The SSAS provides benefits for up to 190 term time working days for staff covered under the scheme (195 term time days less 5 statutory training days). Benefits are paid at a rate per day of absence for an agreed number of working days. As with the SLA the goal of the scheme is to be cost neutral, however over the last seven financial years the scheme has not managed to achieve an overall breakeven position (albeit significantly impacted by Covid-19 claims which the scheme would never have been designed for).
8. Claims – Given most claims are below LCC’s large insurance deductibles our in-house claims team deal with the majority of them directly or via Legal or external Solicitors/Loss Adjusters. The RPA have their own dedicated Claim Teams which will free up some much needed resource in our in-house team.

Conclusion and Recommendations

It is proposed that all remaining schools covered by the LCC Insurance Programme should transfer to the DfE RPA from the 1st April 2025 (or make their own alternate arrangements). Where they have Motor vehicles/Engineering Inspection requirements they can use the RPA procurement solution or seek alternate arrangements as they wish.

The SLA scheme is proposed to expire on the 31st March 2025 having become redundant and that the SSAS is proposed to expire on the 31st March 2025 having only been offered for the

first 7 months of the 2024/25 Academic Year (subject to adequate take up) with schools required to make their own arrangements via the RPA procurement solution or elsewhere from the 1st April 2025.

Schools will benefit from better cheaper overall cover and lower excesses overall with minimal effort on their part. LCC will benefit from reducing its overall risk profile, premiums/claims handling and payments and making it more attractive to future re-tendering.

From the new Academic Year, the Insurance Section will make contact with schools to provide information and answer any questions they have – they will also provide links to DfE webinars that are regularly run explaining the purpose of the RPA and how to join etc.

More information is also on the DfE RPA website (**see Appendix D**).

Lee J Allen ACII, Chartered Insurance Practitioner
Leeds City Council Insurance Manager – June 2024

Appendix (A – E)

(A) LCC Service Level Agreement Cover

Insurance Cover Provided

- School premises and their contents against losses arising out of the physical loss or damage caused by specific risks (see Appendix C for a list of the specific risks).
- Necessary additional expenditure reasonably incurred in order to maintain the delivery of education at the School following a fire (e.g. alternative accommodation).
- Claims for damages against the School for death, injury or disease made by employees or former employees. Payment will only be made if legal liability for negligence is proved.
- Any other claims for damages against the School for death, injury or loss of or damage to property. Payment will only be made if legal liability for negligence is proved.
- Claims for damages against the School for libel or slander. Payment will only be made if legal liability is proved.
- Claims for damages against the School for death, injury or loss of or damage to property arising out of the use of a motor vehicle owned by, hired by or loaned to the School and whilst being used on School business. Payment will only be made if legal liability for negligence is proved.
- Loss of School money from safes, premises or en route to bank.
- Theft of money or goods by employees of the School.
- Loss of or damage to "Work in Progress" when schools are extended or refurbished.
- Lump sum benefit for employees of the School disabled or injured by accident or assault whilst at work.

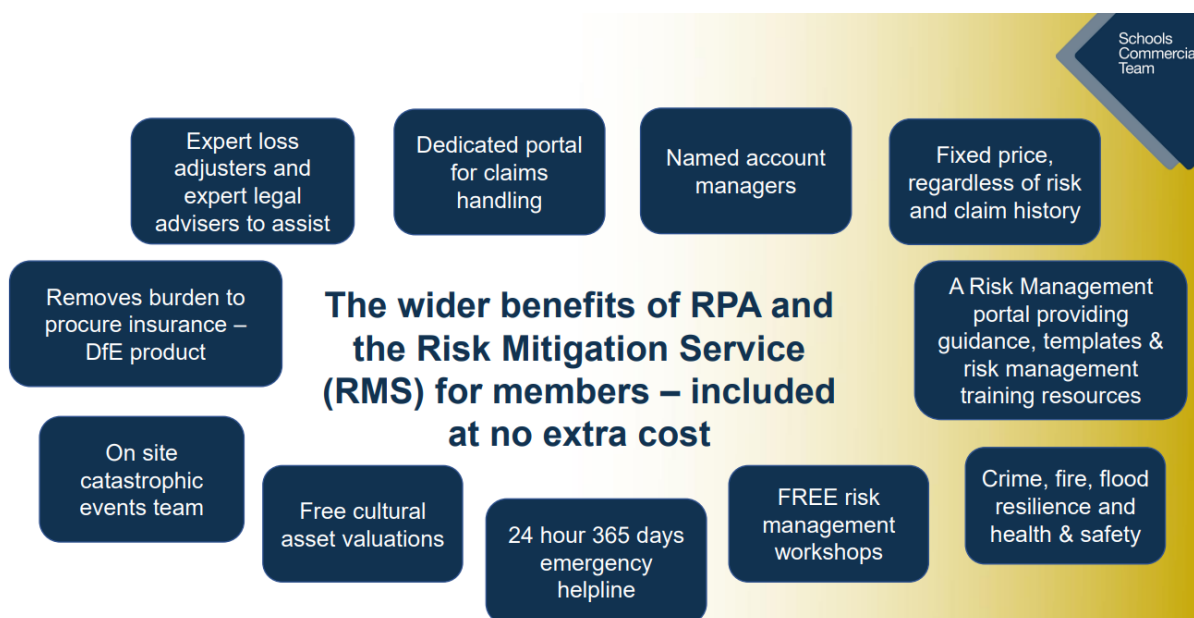
Additional Cover/Services Provided

- Balance of Risks
- School Journey Travel (including Winter Sports Cover)
- Comprehensive Motor Insurance (i.e. damage to own vehicles)
- Statutory Inspection of Boilers, Plant, Machinery, Lifts & Lifting Equipment, Local Exhaust Ventilation Equipment (LEVs)

Principal Exceptions to Insurance Cover

- War Risks
- Nuclear Risks
- Wear and tear, depreciation, gradual deterioration
- Damage caused by vermin or insects
- Pollution or contamination of land
- Theft of moveable property in the open
- Storm damage to moveable property in the open

(B) Wider benefits of RPA membership



(C) How to sign up to the RPA

How to sign up to the RPA

The Super user/Approver will need to access your organisations DfE Sign in account to approve your access

1. From DfE Sign In go to 'Services' page. Go to 'Manage Users' from the tab at the top of the page and select the users name from the manage users screen
2. In the Manage Users screen. Select '**Add services**' from the right-hand list. **How to Add RPA to the users account.** Tick the box against the Online collections service. Check it is ticked and continue.
3. In Manage users screen, Select roles: Tick the box against the Risk Protection Arrangement, then continue. Review new services screen, check correct and submit.
4. Once you have completed all the onboarding steps RPA will be displayed in the list of services within DfE Sign In.
5. Continue through the service until you get to the 'Opt-in details' page. Input the date you need your school to join the RPA and indicate which membership rules you wish to apply.

(D) DfE/RPA website address for more information

[Join the risk protection arrangement \(RPA\) for schools - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

(E) RPA Procurement solution for Motor, Engineering inspections and staff sickness

[Get help buying for schools - a free procurement service for schools and multi-academy trusts - Get help buying for schools](#)

Appendix G – “Cover comparison”

"Cover" Type	RPA Max Limit	LCC Insurance Cover limit	RPA "Excess"	LCC Insurance Cover Excess
Public Liability	Unlimited	£40m	Nil	£500,000
Employers Liability	Unlimited	£40m	Nil	£500,000
Property Damage – Buildings & Contents	Unlimited	Each school has max reinstatement and contents figure so average could apply if underinsured and a claim is made	Various Max £1,000	£250,000
Business Interruption	£10m	£6m	£500 max	Range between £100,000 to £1.8m
Governors Liability	£10m	Ranges from £5m to £40m (incident dependant)	Nil	£500,000
Crime (dishonesty)	£500,000	£10m	£500 max	£500,000
Professional Indemnity	Unlimited	£5m	£1,000	£100,000
Money	Various, including cash on premises or in transit, £5,000	No cover	£100 max	No cover
Personal Accident	£100,000	£5,000 (student work experience only)	Nil	Nil
Legal expenses	£100,000	No cover	£500 max	No cover
Travel UK	Baggage £2,000, Cancellation £1,000	Baggage £2,500, Money £500, medical expenses £10m, cancellation £3,000	Nil	Range from £50 to £100
Travel Overseas	Baggage £2,000, Money £750, medical expenses £10m, cancellation £4,000	Baggage £2,500, Money £500, medical expenses £10m, cancellation £3,000	£50 baggage, nil otherwise	Range from £50 to £100
Cyber	£250,000	No cover	£2000 max	No cover

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Report of the Director of Children and Families Services

Report to the Leeds Schools Forum

Subject: Dedicated Schools Grant 2023/24 – Outturn Position

**Report authors: Lucie McAulay
(Head of Finance –Children and
Families)**

Contact number: 0113 3788766

**Shirley Maidens
Senior Financial Business Partner**

Contact number: 0113 3788532

1 Summary of main issues

- 1.1 This report is to inform members of Schools Forum of the outturn position on the Dedicated Schools Grant (DSG) for 2023/24.
- 1.2 This report shows an in year overspend of £1,795k, which represents 0.35% of the funding received. This is largely made up of overspends in the high needs block with underspends in the other blocks.
- 1.3 Schools Forum agreed to a transfer of £3.338m from the schools block to the high needs block in 2023/24.
- 1.4 Overall, the variation on general DSG is analysed as follows:

	Estimated Funding £000	Actual Outturn £000	Variance £000
Schools Block	(337,487)	337,070	(417)
Early Years Block	(59,218)	57,530	(1,688)
High Needs Block	(117,504)	121,426	3,922
Central Schools Services Block	(5,106)	5,084	(22)
Total In Year Overspend	(519,315)	521,110	1,795
Surplus b/fwd from 2022/23			(7,060)
Surplus at 31/3/24			(5,265)

2 Schools Block

- 2.1 The majority of the Schools Block is allocated to primary and secondary schools (ISB), with smaller amounts for de-delegated services and the growth fund. These budgets are subject to fluctuations in expenditure throughout the year. The projected costs and variances are summarised below:

	Budget £000	Outturn £000	Variance £000
DSG Income Due	(340,471)	(336,737)	3,734
Funding From Reserves	(750)	(750)	0
Individual Schools Budget	335,047	331,305	(3,742)
Growth Fund	980	571	(409)
	<u>(5,194)</u>	<u>(5,611)</u>	<u>(417)</u>
De-delegated budgets	5,694	4,703	(991)
Funding From Reserves	(500)	0	500
	<u>5,194</u>	<u>4,703</u>	<u>(491)</u>

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 2.2 When a school becomes an academy, funding payments are made directly by the Education and Skills Funding Agency (ESFA). For Leeds City Council this means that there is a reduction in grant income which is largely matched by reduced expenditure.
- 2.3 Overall, de-delegated services budgets are currently projected to be underspent by £991k. This is largely made up of an underspend of £585k on contingency, £144k on maternity costs, £65k on employees suspended from school and there was additional de-delegated income of £134k due to the technical adjustments made when a school converts to an academy.
- 2.4 As a result of the underspend on contingency, the budgeted transfer of £500k from reserves was not required.
- 2.5 The final position on the growth fund was an underspend of £409k.

3 Early Years Block

- 3.1 There was a high degree of uncertainty on the Early Years block during 2023/24, with the actual costs and variances within the block summarised below:

	Budget £000	Outturn £000	Variance £000
DSG Income Due	(57,538)	(59,386)	(1,848)
EY Supplementary Grant deficit		168	168
FEEE 3 & 4 Year Olds	47,038	47,971	933
FEEE 2 Year Olds	7,303	6,282	(1,021)
SEN Inclusion Fund	467	734	267
Early Years Pupil Premium	606	581	(25)
Disability Access Fund	292	130	(162)
Early Years Centrally Retained	1,832	1,832	0
	0	(1,688)	(1,688)

(note: a bracketed figure is an underspend and a positive figure an overspend)

3.2 The final funding adjustment in relation to 2022/23 has now been confirmed and has resulted in an additional £189k of income in 2023/24.

3.3 The hourly rate initially allocated in 2023/24 increased by 30p per hour for 2 year olds and 16p per hour for 3 and 4 year olds. The full increase for 2 year olds was passed onto providers. However for 3 and 4 year olds, the base rate has been increased to £4.92 per hour from £4.78 per hour in 2022/23. This means that £5.36 per hour is being utilised even though the funding received is only £5.28 per hour.

3.4 In July 2023, the government announced an increase in early years funding rates from September 2023. The increases for Leeds were as follows:

	Original Rate	Revised Rate	Increase
2 Year Olds	£5.87	£7.78	£1.91 per hour
3 and 4 Year Olds	£5.28	£5.40	£0.12 per hour
Early Years Pupil Premium	£0.62	£0.66	£0.04 per hour
Disability Access Fund	£828.00	£881.00	£53.00 per year

3.5 Local authorities received a supplementary grant to fund the increased rates. Indicative allocations were received, though the final amount due to each local authority will be calculated on the same basis as the standard early years funding methodology, which is that it will be based on January 2024 early years census numbers. For Leeds, £2,058k was initially received, though the expected January 2024 early years census means the eligible grant is expected to be £1,826k.

3.6 There had been concerns that this approach could cause a financial pressure in 2023/24 as additional funding will be for 7/12ths of the year (58.33%) with payments made to providers are based on the number of school weeks in each term. For 2023/24, the autumn and spring term count for 25 out of 38 weeks (65.79%). This did materialise, with an overall shortfall of £168k. The conditions

of grant for this funding state that any overspend should be funded from the early years block. As a result, the overspend has been added into this block.

- 3.7 The January 2024 early years census is used to calculate funding due for 7 months of the year (September to March). These census totals are not expected to be confirmed by the ESFA until July / August 2024. Estimates have been made of the expected number, but if the final census numbers are different, any impact will be in 2024/25.

4 High Needs Block

- 4.1 The costs and variances within the High Needs Block are summarised in the table below:

	Budget £000	Outturn £000	Variance £000
DSG Income Due	(117,035)	(117,504)	(469)
Funding Passported to Institutions			
- SILC and Resource Provision Places	14,610	14,789	179
- Out of Area and residential placements	14,821	16,918	2,097
- Alternative Provision (including AIP's)	5,228	5,208	(20)
- SEN Top-ups to Institutions	67,631	69,846	2,215
- Mainstream additional places (£6k blocks)	5,225	6,108	883
- Additional high needs places	0	0	0
- Education provision for mental health beds	100	50	(50)
Commissioned Services			
- Hospital & Home Tuition	2,604	2,563	(41)
- PD & Medical Service	97	97	0
Children's Services			
- SEN Support Services	4,216	4,307	91
- Children missing out on education	482	454	(28)
- Management of high needs services	234	234	0
- SEN adaptations	229	181	(48)
- Invest to Save budget	1,000	113	(887)
Other items			
- Prudential borrowing for SEMH provision	558	558	0
	0	3,922	3,922

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 4.2 As detailed in the table above, there was an overspend of £3,922k on the High Needs Block. These projections are also following the transfer of £3,338k from the schools block to the high needs block. If this had not been agreed, the high needs block would have been £7,260k overspent. As detailed in paragraph 4.8, increased funding due to mainstream settings compared to 2022/23 is projected to be £5,531k more than the block transfer.

- 4.3 DSG income due is £469k more than budgeted following a minor change in the import / export element of the funding calculation and changes to deductions for payments to academies and an adjustment in relation to the deduction of places for the new special free school that opened in September 2023. £121k of this increased income offsets part of the increase in resource provision places.
- 4.4 Out of area and residential placements was £2,097k overspent. This is as a result of an increase in the number of high needs pupils in external residential placements and unregulated placements. The education element of these placements is charged to the high needs block.
- 4.5 SEN top-ups to institutions was overspent by £2,215k. Within this, the largest increase is in top-ups paid to mainstream schools (£2,701k). This is largely due to more high needs pupils in mainstream schools.
- 4.6 Another impact of the increase in SEN top-ups to mainstream schools is that the budget for the additional £6k blocks paid to schools who have a higher number of SEN pupils than their notional SEN budget covers. To reflect the increase in high needs pupils in mainstream schools, the budget previously earmarked for additional high needs places has been moved to this budget. As a result, this budget was £883k overspent due to an increased number of SEN pupils within schools meeting the criteria for additional £6k blocks. Overall, this means that mainstream schools are projected to receive £8,869k more than in 2022/23 which is £5,531k more than the block transfer.
- 4.7 There was a combined underspend in the services provided by Children and Families of £872k. The majority of this is due to the Invest to Save budget which has largely not been spent during 2023/24.

5 Central School Services Block

5.1 This block provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England. CSSB is split into funding for historic commitments and funding for ongoing responsibilities.

5.2 The projected costs on this block are:

	Budget £000	Projection £000	Variance £000
DSG Income Due	(5,106)	(5,106)	0
Historic Commitments	515	515	0
Ongoing Responsibilities	4,591	4,569	(22)
	<u>0</u>	<u>(22)</u>	<u>(22)</u>

(note: a bracketed figure is an underspend and a positive figure an overspend)

5.3 The minor underspend is due to savings in the Admissions Service.

6 2023/24 Reserves

6.1 The table below shows the position as at 31st March 2024 as a result of all the variances detailed above.

	General £000	De-delegated £000	Total £000
Balance b/fwd from 2022/23	(7,060)	(1,950)	(9,010)
Refund of de-delegated reserves		1,250	1,250
2023/24 Variances			
- Schools Block	(417)	(491)	(908)
- Early Years Block	(1,688)		(1,688)
- High Needs Block	3,922		3,922
- Central Schools Services Block	(22)		(22)
Balance c/fwd to 2024/25	(5,265)	(1,191)	(6,456)

6.2 As previously reported to Schools Forum, a refund totalling £1,250k has been made to all schools that contributed to the de-delegated surplus at the end of 2022/23. There is currently a surplus balance of £1,191k on de-delegated reserves, of which £500k is required to fund the de-delegated contingency budget in 2024/25. This leaves an unallocated balance of £691k. It is proposed that £400k of this balance is refunded back to schools pro-rata to the amount of income contributed to these services.

6.3 The conditions of grant for the Dedicated Schools Grant requires that any local authority with an overall deficit on its DSG account at the end of 2023/24 financial year must be able to present a plan to the DfE for managing their future DSG spend. However as the DSG is currently projected to be in surplus, this is not currently required.

7 Recommendations

7.1 Schools Forum is requested to note the overspend on General DSG of £1,795k which will be taken off the surplus on General DSG brought forward from 2022/23. This will make the current cumulative surplus of £5,265k with projected de-delegated surplus balances standing at £1,191k.



Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 20th June 2024

Subject: Maintained school and extended school balances outturn 2023/24

Report Author: Rosie Harrison

Contact telephone number: 01133788679

Summary of main issues

1. At the end of 2023/24, there was a net surplus balance of £26.96m for maintained schools and extended schools, which is a decrease of £6.3m compared to 2022/23 (£33.2m). Within this, balances for schools have decreased by £6.7m from a surplus of £26.2m at the end of 2022/23 to £19.6m at the end of 2023/24.
2. Although there was an overall surplus of £19.6m for schools at the end of 2023/24, within this some schools have been operating with deficit balances. The number of schools with a closing deficit balance at the end of 2023/24 was 38, an increase of 2 from 2022/23. The value of the deficit balances has increased by £0.1m during 2023/24, to a closing balance of £4.2m. Schools with projected deficit balances above £10k or 3% of their budget share are being asked to submit a deficit action plan detailing how the budget will be brought back into balance.
3. There are 6 schools where balances have remained greater than the applicable surplus balance threshold over three successive financial years. There are 5 primary schools and 1 secondary school and they will be asked to complete an application if they wish to retain their excess surplus balance.
4. The administration and management of surplus and deficit balances is carried out by the Local Authority in accordance with the requirements of the Leeds Scheme for Financing Schools.

Recommendations

5. Schools Forum is asked to note the 2023/24 school and extended school balances, and the work ongoing to consider both clawback of excess surplus balances and review deficit action plans.

1 Background information

- 1.1 Year-end balances for maintained schools and extended schools roll forward to the following year, subject to clawback of funding in some cases where excess surplus balances are held.
- 1.2 The excess surplus balance threshold was reduced from 15% to 8% from the financial year 2022/23. The previous threshold applicable to financial years up to and including 2021/22 was 15%. School balances are subject to clawback where the surplus balance, as a percentage of the Individual Schools Budget, has been over the applicable percentage threshold for three consecutive years (over 15% end of 21/22 and over 8% end of 22/23 and 23/24). The Individual Schools Budget is the sum of the Dedicated Schools Grant (DSG) and funding provided from the Education and Skills Funding Agency for post-16 expenditure.
- 1.3 Surplus balances held by AIPs are also subject to clawback. Other balances held by schools for extended services are not subject to clawback by the local authority, as they are not directly funded through the DSG.
- 1.4 Schools with projected deficit balances above a certain threshold are required to submit a deficit action plan detailing how the budget will be brought back into balance.

2 Main issues

2.1 Summary of balances

- 2.1.1 During 2023/24 school balances have decreased overall by £6.3m, to £26.96m.
- 2.1.2 Balances specifically for schools have decreased from a surplus of £26.2m at the end of 2022/23 to £19.6m at the end of 2023/24. Primary school balances have reduced by £5.2m. Feedback from schools indicates that this is due to the impact of pay increases, energy and wider inflationary costs in addition to reducing pupil numbers, and rising SEND need. Secondary school balances decreased by £0.6m. SILC balances have reduced by £0.9m.

Table 1 – Year end balances for maintained schools and extended school services

Note: negative figures are surpluses/increases and positive figures and deficits/reductions.

	2020/21	2021/22	2022/23	2023/2024	Movement 22/23 to 23/24
	£000	£000	£000	£000	£000
Primary	-26,767	-26,227	-16,205	-11,030	5,175
Secondary	-4,500	-7,736	-7,888	-7,300	588
SILCs	-2,203	-3,072	-2,140	-1,232	908
Sub Total Schools	-33,470	-37,035	-26,233	-19,563	6,671
School-led Extended Services	-2,512	-3,113	-3,745	-4,312	-567
Area Inclusion Partnerships	-319	-617	-1,161	-1,381	-220
Clusters	-2,395	-2,525	-2,096	-1,703	393
Total surplus balance	-38,696	-43,290	-33,235	-26,961	6,277

2.2 Individual school balances

2.2.1 Balances for individual schools are attached at Appendix 1. This shows balances at the end of 2023/24 compared with 2022/23. Schools are listed by phase with the highest percentage deficits first.

2.2.2 The table below provides an analysis of school surplus and deficit balances with further commentary in the sections that follow.

Table 2 – Year end surplus and deficit balances for maintained schools

Note: negative figures are surpluses and positive figures are deficits

	2022/23		2023/24		Movement	
	£000	No.	£000	No.	£000	No.
School surplus balances	-30,342	138	-23,782	132	6,560	-6
School deficit balances	4,109	36	4,217	38	108	+2
Total	-26,233	174	-19,565	170	6,668	-4

* Reduction of 4 schools due to academy conversions, whose net balances were £373k surplus at the end of 2023/24.

Surplus balances

2.2.3 In accordance with the rules set out in the Leeds Scheme for Financing Schools there are 40 schools where surplus balances are above 8% of the school budget share at the end of 2023/24. This is a decrease from 79 schools as at the end of 2022/23.

2.2.4 There are 6 schools where balances have remained greater than percentage threshold over three successive financial years. They have been asked to complete an application if they wish to retain this excess balance. These applications will be considered by the Deputy Director of Learning, a representative from finance and a representative member from Schools Forum.

2.2.5 The remaining 40 schools that have balances over the 8% threshold are not subject to clawback as the balance has not been over the threshold for 3 consecutive years. As with 2022/23, due to the high number of schools in this category these schools have not been required to identify how this surplus balance will be utilised.

2.2.6 For information, 5 schools had excess surplus balances clawed back for 2022/23. The total amount clawed back was £41k and this has been used to reduce schools' de-delegated contribution towards the contingency budget in 2023/24.

Deficit balances

2.2.7 Although there was an overall surplus of £19.6m for schools at the end of 2023/24, within this some schools have been operating with deficit balances. The number of schools with a closing deficit balance has increased by 2 since the end of 2023/24, with a total of 38 schools (22%)

carrying forward a deficit from 2023/24. The value of the deficit balances has increased by £0.1m during 2023/24, giving a closing deficit balances value of £4.2m.

2.2.8 Of the 38 schools in deficit:

- 3 are below £10k
- 12 are between £10k and £50k
- 19 between £50k and £250k
- 4 are between £250k and £500k

2.2.9 Of the 38 schools in deficit at the end of 2023/24, 1 is in overall surplus including their extended balances.

2.3 Deficit balance procedures

2.3.1 Work is currently ongoing to develop action plans for 2024/25 with the remaining schools in deficit. The Finance Team will be working alongside the Children and Families Directorate to identify the nature and level of support these schools require and provide any challenge necessary. To facilitate this the Deficit Action Plan Group meets monthly to discuss schools in deficit and to agree actions; this comprises officers from Children & Families, Finance and HR.

2.3.2 Finance officers work closely with schools to support them with their budgets, to explore reasons for the deficit position and provide guidance and support for schools in identifying actions that may be taken. Depending on the issues faced by particular schools this support has included such things as joint working across council teams to meet with schools, support with benchmarking to explore potential areas for savings, more frequent budget monitoring visits and attendance at relevant governing body meetings. The council will continue to provide this support and challenge and will consider what level of additional monitoring may be required for particular schools.

2.3.3 The Leeds Scheme for Financing Schools sets out that the following actions are available to the council when a school is in deficit:

- Requiring that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school.
- Requiring that an appropriately trained/qualified person chairs the finance committee of the governing body.
- Placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the council.
- Requiring regular financial monitoring meetings at the school attended by council officers.
- Requiring a governing body to use the council's financial management systems.
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share (e.g. by requiring a school to submit income projections and/or financial monitoring reports on such activities).

- If a school does not comply with the approved action plan and fails to clear the deficit within the agreed period, financial delegation could ultimately be removed as empowered under Section 51 of the School Standards and Framework Act 1998.

2.3.4 The Local Authority has also accessed additional support through the DfE School Resource Management Advisor (SRMA) scheme. This is a free service where the Local Authority can request the deployment of an SRMA to visit a school and assess the financial position, with a view to making efficiency recommendations. 11 SRMA deployments have taken place in 2023/24, with several planned for 2024/25. The SRMA recommendations can form part of a school's deficit action plan where appropriate.

2.3.5 Once a school has been served with an academy order, the Finance Officers will work with the school to reduce the risk of any deficit balances increasing. This includes carrying out checks to ensure that expenditure relating to the new academy is not recorded against the school's accounts. Where a deficit balance reverts to the council, we will review what lessons can be learned to reduce the risk of this occurring again in future.

2.3.6 The Finance Services to Schools team also has arrangements in place to share any concerns over a school's financial position with relevant senior leaders and teams across the council. Good practice will also continue to be shared with other local authorities and the ESFA through regular regional meetings.

2.4 **Extended services accounts**

2.4.1 Schools hold £7.4m of balances in extended services accounts. This is held in three broad areas as follows:

- Extended Schools Facilities (£4.3m in 2023/24, compared to £3.7m in 2022/23) - This is the balance on the running of community facilities such as children's centres, wraparound childcare, before and after school clubs and sports development partnerships.
- Clusters (£1.7m in 2023/24, compared to £2.1m in 2022/23) – This is the balance held by lead schools on behalf of clusters of schools.
- Area Inclusion Partnerships (£1.38m in 2023/24, compared to £1.16m in 2022/23) – This is the balance held by the lead or host school on behalf of the Area Inclusion Partnerships.

3 **Recommendations**

3.1 Schools Forum is asked to note the 2023/24 school and extended school balances and the work ongoing to consider both clawback of excess surplus balances and to review deficit action plans.

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Appendix 1 - School and Extended School Balances as at 31st March 2024

Notes:
Deficits are shown as positive figures, and surpluses are negatives
Schools and clusters shaded in grey have converted to academies or closed during 2023/24

Main data table with columns for School Name, Balances at 31st March 2023, Balances at 31st March 2024, and Change in Balances. Includes sub-headers for Delegated and Community Facilities, Area Inclusion Partnerships, Clusters, and Total Extended Services.

10733	JESS Cluster	£0	£0	£0	-£197,512	-£197,512	-£197,512				-£164,357	-£164,357	-£164,357	£0	£0	£0	£33,155	£33,155	£33,155
10763	Morley Childrens Services Cluster	£0	£0	£0	-£166,672	-£166,672	-£166,672				-£150,630	-£150,630	-£150,630	£0	£0	£0	£16,042	£16,042	£16,042
10762	Pudsey Cluster	£0	£0	£0	-£46,487	-£46,487	-£46,487				-£39,251	-£39,251	-£39,251	£0	£0	£0	£7,236	£7,236	£7,236
10754	Rothwell Cluster	£0	£0	£0	-£170,991	-£170,991	-£170,991				-£177,682	-£177,682	-£177,682	£0	£0	£0	-£6,691	-£6,691	-£6,691
10756	Seacroft/Manston Cluster	£0	£0	£0	-£72,416	-£72,416	-£72,416				-£58,449	-£58,449	-£58,449	£0	£0	£0	£13,967	£13,967	£13,967
10764	SILC Cluster	£0	£0	£0	-£81,546	-£81,546	-£81,546				-£62,138	-£62,138	-£62,138	£0	£0	£0	£19,408	£19,408	£19,408
Total Clusters		£0	£0	£0	-£2,096,176	-£2,096,176	-£2,096,176	£0	£0	£0	-£1,703,048	-£1,703,048	-£1,703,048	£0	£0	£0	£393,128	£393,128	£393,128
TOTALS FOR ALL SCHOOLS, AIPs & CLUSTERS		-£26,233,030	-£3,746,448	-£1,161,040	-£2,096,176	-£7,003,664	-£33,236,694	-£19,562,843	-£4,312,406	-£1,380,890	-£1,703,048	-£7,396,344	-£26,959,188	£6,670,187	-£565,958	-£219,850	£393,128	-£392,680	£6,277,506



Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 20th June 2024

Subject: Clawback of Excess School Surplus Balances 2022/23

Report Authors: Lucie McAulay
Head of Finance –Children and
Families

Contact number: 0113 3788766

Summary of main issues

- 1 This report is to provide members of schools forum with an update on the clawback of excess surplus school balances 2022/23 and 2023/24.
- 2 The Leeds Scheme for Financing Schools currently states that if a school has held a balance of above 8% of school budget share for 3 or more consecutive years, the excess balance can be subject to clawback by the council.
- 3 A total of 24 schools exceeded the clawback threshold at the end of 2022/23 with the excess surplus balance totalling £1.98m.
- 4 An initial decision was made to clawback a total of £977k from across 12 schools. There were a series of challenges raised by these schools and as a result a further review of the original applications was considered and individual meetings were held with the schools. A final decision was made by the Deputy Director of Learning to clawback a total of £41k.
- 5 There are 6 schools that have exceeded the clawback threshold at the end of 2023/24 with the excess surplus balance totalling £557k.
- 6 The clawback process has been revised for 2023/24 to ensure more transparent, consistent and timely for decision making.

Recommendations

- 7 Schools Forum is asked to note the contents of this report.

1 Background information

- 1.1 The Leeds Scheme for Financing Schools currently states that if a school has held a balance of above 8% of school budget share for 3 or more consecutive years, the excess balance can be subject to clawback by the council. Prior to 2022/23 the threshold had previously been 15%, the threshold was reduced to 8% as agreed by Schools Forum in January 2022 but not applied retrospectively.
- 1.2 At the end of 2022/23 there were 24 schools with a balance in excess of the threshold and subject to potential clawback. The total value of these excess balances was £1.98m.
- 1.3 As per the previous year all 24 schools were asked to complete a statement which detailed the reasons why the schools had an excess surplus balance and their intended use of this balance over the forthcoming year. Schools were asked to provide detailed evidence such as plans and quotes for major projects in support of their application.
- 1.4 These applications and supporting evidence were initially reviewed by a panel of school forum members who put forward recommendations to clawback a total of £1.02m from across 13 of the 24 schools.
- 1.5 These recommendations and the original applications were then considered by officers from within the Childrens and Families directorate and an initial decision was made by a Chief Officer within Childrens and Families. The initial decision was to clawback a total of £978k from across 12 schools ranging from £4k to £268k per school.

2 Main issues

- 2.1 The 12 schools subject to clawback raised a series of challenges to both the process and the justification for the clawback decisions. The main areas of challenge were:
 - The transparency of the recommendation and decision-making process
 - The timeliness and delays in the making and communicating of decision
 - The consistency of decisions made
 - Poor communication and updates throughout the process
 - Lack of opportunity to appeal to the initial decision or to address challenges to the original applications
- 2.2 At a meeting with the head teachers of the schools in a clawback position, the Deputy Director of Learning agreed to meet each school individually to allow them the opportunity to represent and address any challenges to their original applications submitted to retain their excess clawback balances.
- 2.3 The Deputy Director of Learning and a representative from the Schools Finance Team have subsequently met with all of the 12 schools subject to clawback to review their original application to retain their excess surplus balance.

- 2.4 Following this process a final decision was taken by the Deputy Director of Learning and written confirmation has been sent to all affected schools.
- 2.5 The final decision is that 5 schools will now be subject to partial clawback of their excess surplus balance with a total clawback value of £41k.

Clawback of Excess Balances 2023/24

- 2.6 As at the end of 2023/24 there are 6 schools who have now held a balance of above 8% of school budget share for 3 or more consecutive years. The total value of these excess balances is £552k ranging from £13k to £253k per school.
- 2.7 Following the challenges and issues raised with the clawback process for 2022/23 the process has been revised for 2023/24 to ensure more transparent and timely decision making.
- 2.8 The schools liable for clawback have been notified and provided with a copy of the updated guidance (attached as appendix A) and asked to complete a statement to detail why the school has an excess balance and if there is an intended use of that balance during 2024/25.
- 2.9 Following the submission of completed statements the schools will be invited to meet with a panel including the Deputy Director of Learning, a representative from Finance and a representative member from Schools Forum. During this meeting the schools will be able to discuss their individual application to retain their excess balance and respond directly to any questions or concerns raised by the review panel.
- 2.10 Subject to these review meetings a final decision will be made and schools will be notified prior to the end of the summer term.

3 Recommendations

- 3.1 Schools Forum is asked to note the contents of this report.

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Schools Forum forward plan 2024/25

Schools Forum date	Driver for date	Agenda items	Purpose	Responsible officer	Comments
Thursday 20/06/2024	No external requirements	School balances 2023/24 outturn	Information	Lucie McAulay/Rosie Harrison	
		DSG 2023/24 outturn	Information	Lucie McAulay/Shirley Maidens	
Thursday 03/10/2024	Get views from SF before consultation	DSG budget monitoring 2024/25	Information	Lucie McAulay/Shirley Maidens	
		School funding update 2025/26, including consultation plans	Information	Lucie McAulay	
		DSG Medium Term Financial Strategy 2025/26 - 2029/30	Information	Lucie McAulay	
Thursday 14/11/2024	Assume consultation the week before and after half term then need time to clear reports before SF. Disapplication deadline usually 20th November, SF	School funding formula arrangements 2025/26, including any transfers of funding between the DSG blocks	Decision and consultation	tbc - Rosie Harrison	
Thursday 16/01/2025	APT deadline usually XX Jan, SF needs to be before this. Final funding figures received from ESFA at end of Dec. Need as much time as possible at start of Jan to do modelling before SF meeting.	Final school funding arrangements 2025/26	Information	Lucie McAulay	
		De-delegation 2025/26 decision	Decision	tbc - Rosie Harrison	
Thursday 27/02/2025	Approval of EY funding by SF before end of Feb. Can't hold SF meeting during half term.	Free Early Education Entitlement rates and centrally retained funding 2025/26	Decision and consultation	Chris Sutton	
		High Needs Budget 2025/26	Information	Lucie McAulay / Shirely Maidens	
		DSG budget monitoring 2024/25	Information	Lucie McAulay/Shirley Maidens	

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