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## MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME

11 December 2014 (8:30 – 9:15 am)

### Present:

#### Head Teachers

Nigel Emes (Chair) (Primary)  
Kirsten Cooper (Primary)  
David Denchfield (Primary)  
Tim Woodford (Primary Academy)  
Bill Edgar (Secondary)  
Keith Williams (Secondary Academy)

#### Governors

John McKernan (Secondary Academy)

#### Non School Representatives

Maria Thompson, Post 16  
Joanna Wilkinson, Early Years PVI

#### Trade Unions

Ray Waxler, NUT  
Keith Passingham, NASUWT  
Pauline Lewis, UNISON

#### Officers in Attendance

Mary Pattinson (LBH)  
David Allen (LBH)

### 64 **APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Apologies for absence were received from Katrina Karwacinski (Early Years PVI rep) substituted by Joanna Wilkinson, Christine Drew, Margy Bushell, Simon London, Julian Dutnall, Tracey Walker and John Giles (Unison) substituted by Pauline Lewis.

Chris Hobson arrived at 9.10am.

### 65 **TO AGREE THE NOTES OF THE MEETING HELD ON 16TH OCTOBER 2014**

The notes of the meeting held on 16th October 2014 were agreed as a correct record and signed by the Chairman

66 **MATTERS ARISING**

There were no matters arising from the minutes of 16 October 2014.

67 **EARLY YEARS FUNDING RATES 2015-16**

Officers presented a proposal on the Early Years Single Funding Formula (EYSFF) this was the statutory mechanism for funding the free Early Education Entitlement (EEE) for 2, 3 and 4 year olds and applied to both Schools and the Private, Voluntary and Independent (PVI) sector including Child minders.

The EYSFF for 3 and 4 year olds currently included a Base Rate for 2, 3 and 4 year olds with Supplements for 3 and 4 year olds for Quality and Deprivation.

The Base Rate for 2 year olds for all settings was currently £6.00 per child, per hour. The current Base Rates for 3 and 4 year olds for Maintained Schools, Independent Schools, Academies and Free Schools were £4.03 per child, per hour. For Private and Voluntary settings and Child minders the Base Rate was £3.49 per child, per hour.

The current average England funding rate set by the Government for 2 year olds was £5.09 per child per hour. The borough had been able to maintain the funding rate settings of £6.00 per hour, as the Government funding received had been comparatively generous.

The report informed the Forum that whilst the funding rate had been less than £6.00, it had been based on the estimated number of qualifying children taking up the full entitlement for a full year and in addition Trajectory Funding had also been given to support the development of the entitlement.

However, from 2015/16, funding received by local authorities would be based on actual participation based on the DfE's January 2015 Annual Census, bringing this in line with the funding received for the EEE for 3 and 4 year olds.

The report advised that the DfE had confirmed that the indicative England average funding rate for 2 year olds would remain at £5.09 for 2015/16. The indicative rate for Havering was £5.28. This rate was the same rate as for neighbouring authorities such as Barking and Dagenham, Newham, Redbridge, Waltham Forest and Thurrock.

Based on 570 hours of provision in a year this reduction would amount to a loss of £410 to a provider per child. It was therefore proposed to move to the lower rate over 2 years with hourly rate of £5.64 in 2015-16. This would be funded by earmarking £231,000 of the forecast underspend in Early Years DSG in 2014-15.

The representative of the Early Years PVI sector was of the view that the proposed reduction concerning as a report in November 2014 by the pre-school learning alliance indicated that £5.97 was the average hourly cost of providing quality childcare for a 2 year old. Moving away from this rate had the potential to impact on quality for the 2 year olds taking up the offer in Havering. However, data extracted from the National Day Nurseries Association's Insight Report "February 2014" indicated that a rate of £5.28 was higher than the national mean of £4.77. She added that it was welcomed that Havering's proposal was to support providers in 2015 through a transition to the new rate.

The increase of 0.07p on the EEE 3-4 hourly rate whilst welcomed, was the first increase in a number of years. The National Day Nurseries Association's February "insight" report highlighted that the national mean of EEE funding being provided by Local Authorities across the UK as £3.77 for the PV sector. The proposed hourly base rate from Havering therefore still fell short of the the national mean. The representative from the Early Years PVI considered this to be disappointing and suggested that the EEE funded rate needed to be reviewed in 2015 as the government was pushing the PV sector to recruit graduates and deliver quality practise.

The Forum **unanimously agreed** the following recommendations:

**(i) Agreed the following Early Years Single Funding Base Rates for 2015/16:**

**2 Year Olds - £5.28**

**Schools (including Maintained, Independent, Academies and Free Schools) - £4.10**

**Private and Voluntary Settings and Child minders - £3.56**

**(ii) Agreed that the Supplements for Quality and Deprivation should remain at the current rates for 2015/16**

**(iii) Agreed a payment to settings of £205 per qualifying 2 year old child, based on the verified 2015 Spring Term Census**

**(iv) Note the introduction of an Early Years Pupil Premium for 3 and 4 year olds from April 2015**

**68 TRADED SERVICES**

The Forum was asked to consider a proposal to changes to the wording for the current Schools Financing Scheme.

The report outlined that currently, services were charged on the basis of an annual subscription and agreements with the Local Authority (LA) would be continuous unless schools advised the provider by 1st April that they no

longer wished to purchase the service. In order to assist schools in making their decisions by 31 December of the previous year, service providers must advise schools of any significant restructuring of their services or price increases above the rate of inflation.

Where a school had advised a provider that it no longer wishes to purchase the service, the service would continue at the previous year's price plus inflation until 31 August.

The term of any arrangement with a school to buy services or facilities from the LA would be limited to a maximum of three years from the date of the agreement and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of catering services an extension applied to five and seven years respectively.

Services provided for which expenditure was not retainable centrally by the LA under the Regulations made under section 46 of the Act, would be offered at prices which were intended to generate income which was no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools were charged differentially.

The report informed the Forum that the following notification clause on the portal currently existed:

- A school must give notice by 30 March as to whether it wishes to continue or discontinue the service for the full financial year ending 31 March of the following year.
- If a school did not give notice by 31 March, then the contract was deemed to be extended for the financial year ending 31 March of the following year.
- If a school gives notice between 1 April and 30 September (inclusive) that it did not want to continue the service for the following financial year, the service would discontinue on the following 31 March.
- If a school gave notice between 1 October and 31 March (inclusive) that it did not want to continue the service for the following financial year, the service would discontinue on the following 31 August.

It was proposed to make changes from 2015-16 which extended to 30 April the deadline for schools to confirm purchases of services and introduced an earlier opportunity for schools to advise the LA that they wished to discontinue services so they could end on 31<sup>st</sup> March rather than 31<sup>st</sup> August of the following year. The revised wording would be as follows:

For those services charged on the basis of an annual subscription, agreements with the LA would need to be completed by 30 April. In order to assist schools in making their decisions, by 31 December of the previous year, service providers must advise schools of any significant restructuring of their services or price increases above the rate of inflation.

Where a school had advised the LA's Business Support Team between 1 October and 30 April (inclusive) that it did not wish to continue the service for the following financial year, the service would discontinue on 31 August.

Where a school had advised the LA's Business Support Team between 1 May and 30 September (inclusive) that it did not wish to continue the service for the following financial year, the service would discontinue on 31 March.

The term of any arrangement with a school to buy services or facilities from the LA will be limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of catering services an extension applied to five and seven years respectively.

Service will be offered at prices which were intended to generate income which is no less than the cost of providing those services. The total cost of the service will be met by the total income, even if schools were charged differentially.

The report detailed the following proposed notification clause changes:

- A school must complete the purchase of services offered through annual subscription by 30 April.
- Where a school had advised the LA's Business Support Team between 1 October and 30 April (inclusive) that it did not wish to continue the service for the following financial year, the service would discontinue on 31 August.
- Where a school had advised the LA's Business Support Team between 1 May and 30 September (inclusive) that it did not wish to continue the service for the following financial year, the service would discontinue on 31 March.

Officers informed the Forum that the above changes were in line with the DfE Guidance for the Provision of Services that contained a provision limiting the term of any arrangement with a school to buy services or facilities from the authority to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services.

The Forum voted **unanimously** in favour of the proposed changes in the timetable for maintained schools to purchase Local Authority services, to take effect for 2015-16.

## 69 **SEND FUNDING CHANGES**

The Forum was informed that Local Authorities were invited to submit information on how the Department for Education (DfE) could work out ways in which to distribute special educational needs and disability (SEND) funding more fairly.

The Department was interested in any analysis of this data and conclusions that the Forum/interested parties may draw that would contribute to this

work. The Department was also be interested in any local evidence that would inform the national debate.

The report informed the Forum that in July, the Minister for Schools, had announced changes to the distribution of funding for mainstream schools within local authorities' Dedicated Schools Grant for next year to address some of the unfairness in the current allocations. The Minister did acknowledge that the Department would not have a completely fair education funding system until it had reformed the distribution of funding for pupils with high-cost SEND and that this would be a priority for reform during the next parliament.

While the reform was seen as making the funding fairer, any funding changes to be introduced must support the reforms to the wider system of support for children and young people with SEN and disability that were contained in the Children and Families Act 2014 and were currently being implemented by local authorities, schools and colleges.

The Forum was informed that there were no specific funding changes in mind, although there were plans for a distribution that was more formulaic, and less based on past levels of allocation that had become outdated and on local decisions on spending that had partly determined how much was allocated.

The Forum was invited to contribute to this work by providing answers to questions about how SEN funding can be distributed more fairly.

Officers would bring this item back to the Forum in context of LBH High Needs funding at a future meeting.

The Forum **noted** the Department for Education (DfE) call for evidence on Special Educational Needs funding.

70 **NEXT MEETINGS**

Date of next meeting as agreed, all to start at 8:30am at the CEME centre:

- 15 January 2015

71 **ANY OTHER BUSINESS**

No other business was raised.

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**Chairman**

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