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MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME

14 September 2017 (8.25 - 11.10 am)

Present:

Representative Groups

Teachers:	Emma Allen, Special Margy Bushell, Primary Kirsten Cooper, Primary David Denchfield, Primary Academy Malcolm Drakes, Primary Nigel Emes, Primary (Chair) Paul Phillips, Olive AP Academy Jan Taylor, Primary Simon London, Secondary Academy Keith Williams, Secondary Academy (Vice-Chair)
Governors:	Bernard Gilley, Primary
Non-School Representatives:	Maria Thompson, Post 16 Joanna Wilkinson, Early Years/PVI Sector
Trade Unions:	John Delaney, NUT John Giles, UNISON

Also present:

David Allen, Finance Manager, LBH
Trevor Cook, Acting Assistant Director, Learning & Achievement, LBH
Emma Ferry, SEND Project Manager, LBH
Sue Imbriano, Project Manage Schools, LBH
Grahame Smith, Principal Inspector, LBH
Paul Tinsley, Head of Inclusion and Virtual Head, LBH

14 **APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Apologies were received from Bill Edgar and from Gary Pocock.

15 ELECTION OF CHAIR AND VICE-CHAIR

By unanimous agreement it was agreed that Nigel Emes should be elected as Chairman and that Keith Williams should be elected as Vice-Chair until the first meeting of the Autumn term 2018.

16 MINUTES

The open and exempt minutes of the meeting of the Forum held on 18 May 2017 were agreed as a correct record and signed by the Chairman.

17 HIGH NEED STRATEGY REVIEW

Emma Ferrey advised that meetings with focus groups had taken place over the summer. Parents were pleased with the overall level of support but felt more support was needed in preparing children for adulthood. Young people also wanted more access to mainstream activities.

A formal draft of the strategy would be available in late September although more work was needed to confirm priorities and funding. Consultation would take place in October 2017 with an Executive Decision expected in December 2017 and progress would be fed back to the Forum.

All high needs budgets nationally were under considerable pressure which meant that more affordable, local provision was being prioritised. A new Special Free School for Havering would open in September 2018. The financing of this and of the required additional resource provision in mainstream schools would be covered in the review paper.

More focus was needed on prevention when considering the mental health and wellbeing of young people. It had been difficult for officers to meet with health colleagues. Discussions had however taken place with the Council's Public Health service.

Members felt that there was not enough health support given to children entering primary school and that there were a large number of children in school with high needs. Sue Imbriano and Trevor Cook would escalate these issues with senior Council officers.

It was noted that schools were required to fund the first £6,000 of high needs support. This was supposed to buy 12 hours of support but this equated to a lower pay rate than that of a teaching assistant. Increasing this funding in Havering would cost a total of £570,000 and this would be brought to a future meeting of the Forum for a decision.

The Forum noted the position.

18 HIGH NEEDS BUDGET FORECAST 2017-18 AND PRESSURES FOR 2018-19

A history of High Needs block funding and expenditure was provided over the last four years. It was noted that available funding had gone up only slightly over the whole period under the Government's current methodology. There was, however, to be a new formula distribution as part of the National Funding Formula that would allocate additional funds of approximately £600k to Havering. The formula calculated an additional 8.2% for Havering but increases were capped at 3%. This increase was unlikely to meet all of the additional pressures.

A breakdown of expenditure was provided for 2018-19 which was forecast to overspend by £187,000. It funded a range of support for Havering pupils with SEND, pre and post 16, placed both in and outside the borough and also alternative provision including the AP Academy and though the inclusion service and virtual school for looked after children..

Good quality, local provision was being developed to avoid the higher costs of placing pupils outside of Havering. This included the new post 16 provision at the Avelon at Corbets Tey. The contingency for in-year Education, Health and Care Plans had been calculated using previous experience of requirements. Budgets for additionally resourced provision covered the £10k per place for non academies and top-up payments.

Post-16 high needs provision covered 107 young people. 63 children received out of borough placements which were more expensive. More local provision was needed to reduce these costs and this would be covered by the strategy. The cost per child could be included in future versions of the report. Rates per child had been agreed across London.

It was hoped that parents would choose a revised Havering offer and bring their children back under local provision.

It was accepted that being more proactive with high needs children in early years could cut costs but members were frustrated by the constraints central government had placed on Councils and schools. Overspends were just for noting at this stage and would be closely monitored. Any changes to the current funding arrangements would be from April 2018 and officers confirmed that the reasons why parents had chosen to place some children out of borough had been investigated.

It was agreed that any comments on the High Needs Strategy review should be e-mailed to Emma Ferrey.

The Forum noted the forecast position on high needs expenditure for financial year 2017-18 and noted the range of pressures that are to be addressed within the High Needs review.

It had already been agreed to establish the Academy which would bring together all education sectors within Havering to develop education leadership and establish a clear pathway of progression. A bid for funding to the Department for Education had been unsuccessful and would be resubmitted at the appropriate time. The Local Authority had seconded a manager to work for two days a week on the project. A website for the new Academy would be developed but there was no budget beyond this.

The Schools Funding Forum agreed to allow the Local Authority and Steering Group to use £50k from the Schools Partnership Fund towards the establishment of the Academy, which will launch on 1 November 2017 and serve all schools and academies in Havering.

20 EDUCATION SERVICE GRANT REDUCTION

The Education Services Grant had ceased from September 2017 and there was a new provision that allowed the Local Authority to request a contribution from maintained schools to fund services provided to them. The ceasing of the grant had led to an overall funding gap of £1.157m in 2018-19 having taken into account the remaining sum of £589k for retained services and savings made of £590k. The Council was considering how to fund this and was now seeking the approval of the Forum to charge some costs of essential services to maintained schools.

It was noted that the Council was legally empowered to do this and that the matter could ultimately be referred to the Secretary of State if the Forum did not agree the proposal. The services covered were mainly financial services that the Council provided to schools such as accounting and pensions administration.

A full breakdown of the services to be charged was provided including £41k for asset management, £40k for monitoring of National Curriculum assessments. The charge of £251k for statutory and regulatory duties included budgeting and accounting and for HR services covering the residual costs of the Local Authority as an employer. A charge for HR services was challenged by EA on behalf of foundation schools.

A paper was in the process of being taken to the Council's senior leadership team covering what functions the Local Authority should deliver and a move to adopting a more commercial strategy.

Officers wished for ongoing work to result in greater efficiencies. The costings in the report related to the current level of services and costs would reduce if services were provided more efficiently.

The Forum agreed unanimously (voting was only open to representatives of maintained schools) that the allocation of Schools Block funding to maintain a range of LA services for 2018-19 be adopted as set out in the report at

£19.89 per pupil and £59.66 per place for special schools subject to the review of HR costs for special schools.

21 **NATIONAL FUNDING FORMULA**

It was confirmed that the details of the new funding settlement had still not been announced. The National Funding Formula would commence in 2018/19. This would allocate £1.3bn of funding across schools and high needs over the next two years with £416m next year and £884m in 2019/20. A full response to the consultation had been submitted from Havering. Funding would be protected for children with additional needs although it was uncertain how this would be done.

An indicative budget would still be set for schools and the Local Authority would still set the local formula in conjunction with the Schools Funding Forum. It remained unclear however how and when the extra money would be allocated.

The Forum noted the report.

22 **SCHOOLS REVENUE FUNDING 2018-19 - DFE OPERATIONAL GUIDANCE**

The Forum was taken through the new guidance document that had been released to help the Forum and the Local Authority plan the 2018/19 funding year. Changes to the funding system included the creation of a central school services block and an overall increase of 0.5% in funding through the schools and high needs blocks. The 2018/19 schools block would be ring-fenced although up to 0.5% could be transferred to other blocks. Options regarding the Minimum Funding Guarantee would be brought to a future meeting of the Forum.

The document covered the detail of the new funding factors, the minimum funding guarantee and the regulations around central retention and delegation.

The guidance document also included the timetable for submission of data to the ESFA. . Approval of the final budget would be needed by 19 January 2018.

The Forum noted the guidance.

23 **CENTRAL SERVICES DSG CENTRALLY RETAINED FUNDING**

The Forum was requested to agree central retention of these budgets as detailed in the report. This included budgets for the administration of the Forum itself and approval of the continuation of the partnership budget.

There was no change in the amount of pupil growth funding requested. Funding for good and outstanding schools with falling rolls was being reduced to £400k on condition that the reduction of £100k from 2017-18 could be recycled in the funding formula for all schools.

The Forum agreed unanimously to the central retention of the budgets in 2018-19 as shown below.

<ul style="list-style-type: none">• Funding to enable all schools to meet the infant class size requirement	£25,000 (inc in pupil growth)
<ul style="list-style-type: none">• Admissions• Servicing of Schools Forum• Contribution to responsibilities that local authorities hold for all schools	£499,734 £43,250 £589,000
<ul style="list-style-type: none">• Early years block provision	£730,000
<ul style="list-style-type: none">• Any brought forward deficit on de-delegated services which is to be met from the overall schools budget	£61,000
<ul style="list-style-type: none">• Capital expenditure funded from revenue (i.e. no new projects can be charged to the central schools budget)• Contribution to combined budgets (School Partnership Fund)	£87,490 £200,000
<ul style="list-style-type: none">• Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy	£2,700,000
<ul style="list-style-type: none">• Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years	£400,000

The Forum also noted the need to retain centrally approximately £161,580 for national copyright licences.

24 DE-DELEGATION

The following items were agreed unanimously by the Forum to be de-delegated:

1. Contingency to support maintained schools in financial difficulty – this had reduced to £200k due to the lower numbers of maintained schools.

2. Attendance and behaviour – It was noted that attendance was a growing issue and suggested that the Local Authority should be more proactive around parents taking family holidays during term time.
3. EAL service – This had reduced from £109 to £62.85 per pupil.
4. Free school meals eligibility.
5. Maternity Insurance - Noted that this was £25 rather than as stated in the report.
6. Trade Union Facility Time – This had been reduced to £2.50 per pupil.
7. A decision on de-delegation of insurance would be brought to a future meeting of the Forum.

25 **SCHOOL FINANCING SCHEME**

A report proposed a change to the terms and conditions that would allow schools to give the three months notice to terminate the agreement for service provision.

The Forum agreed unanimously an amendment to the Scheme for Financing Schools to reflect the proposed new contractual framework, including specific changes to the exit terms under which schools or the Council may terminate the agreement for service provision and the mutual obligations of Schools and the Council under the agreement.

26 **ACADEMY CONVERSION AND SPONSORS**

It was noted that, on 1 September 2017, Scargill Infant, Scargill Junior and Whybridge Junior Schools had joined together to form the Hornchurch Academy Trust.

27 **NEXT MEETINGS**

Future meetings had been arranged as follows:

9 November 2017
14 December 2017
25 January 2018
22 February 2018
22 March 2018
10 May 2018
7 June 2018
5 July 2018

All meetings would start at 8.30 am at CEME. It was noted that the January 2018 meeting may have to be brought forward in order to meet the DFE deadline on the submission of the agreed funding formula for 2018-19.

28 **ANY OTHER BUSINESS**

Teachers' Pay Award - It was noted that the Council was recommending a pay award rise of 2% across scales 1-6 with 1% for all other teachers' grades in line with the recommendations of the Review Body. The maximum part year cost per school of implementing this would be £4k.

Apprenticeship Levy – More clarity was needed on the amount schools had in their digital account. It also needed to be clarified who would be the schools' contact for the apprenticeship process and the Forum agreed that this would be the head teacher in the first instance.