

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

**9 November 2017 (8.30 – 10.35 am)**

**Present:**

**Representative Groups**

**Head Teachers:** Emma Allen, Special Maintained  
Margy Bushell, Primary Maintained  
Kirsten Cooper, Primary Maintained  
Bill Edgar, Secondary Maintained  
Nigel Emes, Primary Maintained  
Simon London, Secondary Academy  
Jan Taylor, Primary Maintained  
Keith Williams, Secondary Academy

**Governors:** Bernard Gilley, Primary Maintained

**Non-School  
Representatives:**

**Trade Unions:**

Officers present:

David Allen, Strategic Finance Manager  
Anthony Clements, Principal Democratic Services Officer  
Trevor Cook, Acting Assistant Director for Education

Observer:

Chris Vaughan, Campion School

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

Apologies were received from David Denchfield, Malcolm Drakes, Gary Pocock and Joanna Wilkinson. Chris Vaughan, The Campion School Business Manager was in attendance as an observer.

**30 TO AGREE THE NOTES OF THE MEETING HELD ON 14 SEPTEMBER 2017**

The minutes of the meeting of the Forum held on 14 September 2017 were agreed as a correct record and signed by the Chairman.

**31 MATTERS ARISING**

It was noted that information was still awaited on the Council's insurance contract which was due to be changing in July 2018.

**32 SCHOOL AND HIGH NEEDS FUNDING**

The Strategic Finance Manager explained that information on the national funding formula had now been received from the Department for Education (DfE). The final budget would need to be signed off by the Council and the Forum in January 2018 once final census data was received from the DfE in December 2017. A consultation paper would be sent to schools as soon as possible and schools would have until 11 December to respond.

Decisions on the national funding formula had been delayed due to the General Election but it had been announced that £1.3 bn of additional funding had been made available for high needs and for schools. The minimum per pupil funding level had also been announced with the gains cap being raised to 3% for the next two years.

There would be two transitional years with funding provided to schools directly by central government from 2020/21. A new funding block for central services had also been announced.

Early Years Block

The national funding formula (NFF) for early years was already in place for 2017-18 with an hourly rate to providers of £4.39. The Early Years Provider Reference Group would be consulted on changes for 2018-19 and responses reported back to the Forum to approve recommendations relating to this block at its next meeting.

Schools Block

Havering had been allocated a provisional total of £166m for this block under the national formula plus £5.4m for pupil growth, falling rolls, business rates and pupil mobility. The pupil growth amount had been increased by £160k above the £2.7m for 2017-18. The total provisional Havering allocation for 2018/19 would be £171m. This calculation of schools block funding was based on October 2016 census data and an additional £1.7m was anticipated due to the rise in the number of primary pupils in October 2017.

The operation of NFF was explained which showed a shift of funding out of AWPUs and lump sums to additional needs factors.

A new factor – Ever6 Free School Meals had been introduced, reducing the existing Free School Meals factor. The factor for Looked After Children had been removed from the national formula although more money for Looked After Children was anticipated in Pupil Premium Funding. Both prior

attainment and EAL funding had more than doubled against current Havering rates.

It was clarified that the disapplication of the minimum funding guarantee (MFG) had to be applied for if LAs wished to have an MFG above 0% and that the 2017 attainment data was not known at this stage to use in the school funding calculations.

### High Needs Block

This block had been significantly underfunded for several years and Havering was now seeing a more complex level of need that required support. There would be a 0.5% rise in the high needs allocation for all LAs although increases were capped at a 3% rise. In London, 26 of the 31 boroughs had overspent their 2016/17 high needs allocation. There would be a one-off opportunity in 2018/19 to transfer 0.5% of funding from the schools block to the high needs block.

It was noted that Havering's High Needs Strategy was currently being refreshed which identified additional funding pressures. The new formula for the distribution of funding from central to local government was explained including an allocation of £4,000 plus the Area Cost Adjustment for 303 high needs pupils in Havering special schools and proxy factors such as population growth and low attainment. The new formula was expected to provide additional high needs funding of £1,012,000.

### Central Services Block

The national formula indicated a reduction in this block for Havering of £26k to provide LA functions such as School Admissions and the National Copyright Licence.

### Options for Consultation

The minimum funding guarantee (MFG) varied between schools which in some cases was due to defunct grants that were embedded in per pupil funding. The LA had sought to disapply the MFG since 2013 but it had been refused by the DfE. Levels of deprivation and other additional needs factors were reasons for differences in schools' per pupil funding.

For the current financial year, 2017-18, the funding formula had ensured that 56 schools gained in their per pupil funding and 23 had decreases.

For 2018-19, a range of options were presented (A to I) with various permutations of national funding formula rates and current LBH formula rates and for some factors rates that were neither NFF nor LBH.

Under option A (the NFF) all schools would gain at least by 0.5% per pupil with 42 schools capped at a 3% increase, 17 receiving the MFG of 0.5% and 19 with increases between 0.5% and 3% per pupil.

The Strategic Finance Manager confirmed that the Local Authority's recommendation was to move to the NFF in 2018-19 as this gave the best result for schools. It was noted that the overall formula worked better for schools in areas of high deprivation.

Option A would reduce the primary: secondary funding ratio for Havering from the current 1:1.34 to 1:1.31 which was closer to the national average of 1:1.29. Some of the options did not address this.

The Forum agreed unanimously that the LAC factor should no longer be included in the main formula as it was not in the NFF (so option B would no longer be considered).

It was noted in the funding models that any funding reductions related to falls in the numbers of pupils at a given school not the operation of the funding formula. The falling rolls fund continued to be allocated by the DfE but this was only available to schools rated good or outstanding.

It was suggested that option F which essentially left the existing formula unchanged could be suggested to schools as a possible alternative option. Figures for per pupil funding would be added to the consultation document. It was agreed that options A, E and F should be presented to schools and that the Strategic Finance Manager would arrange a meeting with all head teachers in order to discuss the proposals.

The Forum was clear in that it was the principle that should be decided upon rather than the impact on individual schools and that Option A (the NFF) achieved the highest level of funding for the greatest number of schools.

#### High Needs Transfer Proposal

The Strategic Finance Manager explained that an overspend of the High Needs block was expected in 2017-18 and the revised high needs formula would not be sufficient to meet an increasing level of need in 2018-19. There was a need to reduce numbers of out of borough placements by increasing local provision to give better choices for parents. The new Havering Special School would assist with this but this would not now open until September 2019.

The funding pressures were attached, to be funded from the additional £1m expected from the revised High Needs formula and the transfer of £800k. These included: an additional £50k of early needs funding; a review of the special schools matrix funding due to the increasing complexity of needs in special schools; additional alternative provision at the Olive AP Academy for pupils at risk of permanent exclusion; an increase in the hourly rate for EHCP top up funding for schools, the funding of local post 19 provision; and an increase in Additionally Resourced Provision in mainstream schools.

It was proposed that 0.5% of the schools block should be transferred to the high needs block. This would not affect the proposed allocations to schools that had been discussed at the meeting as it would be funded from a contingency held to support transition to the NFF.

Officers added that the high needs review had recently been completed and it was clear that the numbers of SEND children were not spread equally across schools. It was intended to introduce more incentives to increase the number of mainstream children in SEN schools. The transfer of £800k between the schools and high needs blocks was agreed unanimously. It was further agreed that a business plan of the impact of the transfer over the next 2-3 years would be brought to the Forum.

Issues of capital funding for additionally resourced provision would need to be considered as would the confidence of parents in using local provision. Successful bids for the new Special School were due to be announced between mid-February and Easter 2018.

#### Consultation

It was felt that the document was too lengthy and complex for consultation and without detailed explanation and the Forum requested that a shorter summary document should be produced. The Strategic Finance Manager would organise meetings with head teachers to present the consultation proposals.

The Forum:

- (1) Noted the issues arising from the national funding formula for schools and high needs
- (2) Approved the consultation paper for circulation to all schools with the additional recommendations that the paper be made shorter and that a meeting with all Head Teachers be arranged.
- (3) Approved the transfer of £800k from the Schools Block to the High Needs Block in 2018-19
- (4) Approved the submission of a request to the ESFA to apply a minimum funding guarantee of greater than zero.

### **33 NEXT MEETINGS**

Future meetings arranged as follows:

14 December 2017

11 January 2018 (this date was agreed by the Forum in order to meet the DfE deadline on the submission of the agreed funding formula for 2018-19).

22 February 2018

22 March 2018

10 May 2018

7 June 2018

5 July 2018

34     **ANY OTHER BUSINESS**

There was no other business raised.