

**MINUTES OF A MEETING OF THE  
SCHOOLS FUNDING FORUM  
CEME  
20 September 2018 (8.30 - 10.50 am)**

**Present:**

**Representative Groups**

**Teachers:** Margy Bushell, Primary Maintained  
Kirsten Cooper, Primary Maintained  
Georgina Delmonte, Primary Maintained  
David Denchfield, Primary Academy  
Nigel Emes, Primary Academy  
Vicky Fackler, Special Academy  
Jan Taylor, Primary Maintained  
Keith Williams, Academy

**Non-School  
Representatives:** Maria Thompson, Post 16  
Joanna Wilkinson, Early Years/PVI Sector

**Trade Unions:** John Delaney, NUT  
Peter Liddle, UNISON

**1 WELCOME TO NEW MEMBERS, APOLOGIES FOR ABSENCE AND  
ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Apologies for absence were received from Emma Allen (Special Academy), Simon London (Secondary Academy), Gary Pocock (Special Academy), Bernard Gilley (Primary Maintained) and John McGill (NASUWT).

Vicky Fackler was in attendance as a substitute for Gary Pocock.

Members welcomed Peter Liddle as the representative of UNISON on the Schools Funding Forum following the resignation of John Giles; Georgina Delmonte, who has replaced Malcolm Drakes as head teacher representative from cluster F; and Ray Lawrence as representative of the AP Academy.

Joanna Wilkinson declared an interest in that she was the Chair of Success for All Educational trust, which included the Royal Liberty School, Redden Court School and Sanders School.

**2 SCHOOL FORUM MEMBERSHIP**

The Schools Forums (England) Regulations 2012 require that schools' and academies' (including free schools) representatives on the forum should be broadly proportionate to the number of pupils in each sector.

The following issues had arisen due to academy conversions and changes in pupil numbers in Havering in each sector:

- 1) The current membership of the Forum allowed for one primary academy headteacher and one primary academy governor. Nominations would be sought from academies for a primary academy governor to serve on the Forum. In the meantime Nigel Emes and David Denchfield would represent primary academies.
- 2) There were no maintained secondary schools in the borough, therefore all representatives were from academies. The number of pupils attending secondary schools required six representatives. There were already three head teacher members (including one vacancy) so it was proposed that nominations be sought for three academy governors.
- 3) John McKernan, representative of Secondary Academies, had not be present at meetings for a significant period of time, therefore the Forum agreed that he be written to advising that his term of appointment had expired and that nominations be sought for a replacement secondary academy governor.

### **3 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-Chairman until the first meeting of the Autumn term 2019.

### **4 TO AGREE THE MINUTES OF THE MEETING HELD ON 10TH MAY 2018**

The minutes of the meeting of the Forum held on the 10 May 2018 were agreed as a correct record and signed by the Chairman.

### **5 MATTERS ARISING**

There were no matters arising from the minutes from the previous meeting which were not covered by items elsewhere on the agenda.

### **6 HIGH NEEDS FUNDING FORECAST 2018-19**

Members received a report which summarised the forecast expenditure for 2018-19 on high needs pupils and services.

Funding in support of the high need provision was funded to local authorities through the High Needs Block of the Dedicated Schools Budget (DSG). In 2016-17, Havering had increased its High Needs funding by £1.4m from transfers from other funding blocks which was built into the base allocation and in 2018-19, a one off £800,000 was allocated from the DSG underspend from previous years. A further £279,000 had been allocated to High Needs in 2018-19 from the DSG underspend carried forward from 2017-18.

The forecast expenditure as at September 2018, was for an overspend of £2m against a high needs block DSG allocation of £23.2m. Havering's allocation of high needs funding was under pressure each year not only from increasing numbers and complexity of needs, but also from the high cost placements in and out of borough provision. The insufficiency of funding to local authorities through the DSG High Needs Block was a national issue, with an increasing number of local authorities reporting year end overspends of their High Needs funding.

It was explained that the increase in expenditure of £149,000 in In-Borough Post 16 Top up was due to differing programmes of study being offered to those with more complex needs.

The estimated expenditure for Alternative Provision was £2,462,000, an increase from £2,303,000 the previous year. The Olive Alternative Provision (AP) Academy was funded for 64 places, and The Bridge Medical Provision for 20 FTE pupils.

In response to questioning, it was confirmed that the expenditure from the Early Years Inclusion Fund had been communicated to the Early Years Provider Reference Group and assurance was provided that future expenditure would continue to be communicated to the group.

Concern was expressed that a consequence of the overspend had led to children's needs not being fully met. A document was being compiled that sought to set out clearly the local authority's funding arrangements and expenditure, and the context, highlighting in particular the significant pressure on Children's Services. The report would be presented to the Forum and subsequently to the Children and Learning Overview and Scrutiny Committee. Members agreed to support the report and encouraged other educational establishments to follow suit.

The Schools Funding Forum noted the forecast position on High Needs expenditure for the 2018-19 financial year.

## **7 SCHOOL AND HIGH NEEDS FUNDING 2019-20**

Members received a report which summarised the DFE's decision on arrangements for funding schools, high needs and central services in 2019-20, the second year of the national funding formula for schools, high needs and central services and considered the likely impact on Havering and any action that might be taken.

The indicative funding allocations to Local Authorities were based on the application of the primary and secondary units of funding through the National Funding Formula to October 2017 census data.

The provisional National Funding Formula 2019-20 schools block funding was £173,643,254, an increase of £1,434,390 on 2018-19, although this

was subject to revision following the introduction of a new formula for Pupil Growth which was likely to disadvantage Havering.

The rates allocation to local authorities through the premises factors was based on the 2017-18 estimates. Since then, the rates multiplier had increased and there had been several revaluations for expanded schools, for which backdated charges of approximately £230,000 had been received during 2018-19 without the budget to fund them. The Local Authority was in discussion with the Education and Skills Funding Agency on how this and future increased costs were to be funded.

In line with the approach and commitments set out last year, three key aspects of the schools national funding formula were being updated in 2019-20:

- Within the schools block, the government would provide for at least a 1% per pupil increase for each school in 2019-20 through the national funding formula compared to their 2017-18 baseline.
- The minimum per pupil funding levels had increased to £3,500 for all primary schools and £4,800 for all secondary schools.
- The gains cap had increased so that schools could attract gains of up to 6.09% against their 2017 to 2018 baselines.

The following policy changes had been made to the 2019-20 national funding formula:

- Pupil growth funding would be allocated to local authorities on a formulaic basis.
- The primary low prior attainment factor value had reduced to £1,022 to balance the increase in the cohort.
- IDACI band C had been slightly increased so that it provided a higher funding rate than band D, with increases of £30 per eligible primary pupil and £45 per eligible secondary pupil.

The following changes had been made to the arrangements for calculating local formulas to support local authorities to mirror the national funding formula:

- A new funding floor factor to enable local authorities to mirror the increase of 1% per pupil against 2017 to 2018 baselines.
- Enabling local authorities to mirror the sparsity taper used in the national funding formula (not applicable to Havering).
- There was no longer a need to set a weighting for primary low prior attainment because all results had been assessed under the new framework.
- The authority pro forma tool (APT) cap now had the functionality to vary the capping and scaling to apply the alternative gains gaps used in the national funding formula.

The minimum funding guarantee (MFG) for schools would continue and local authorities would continue to have the flexibility to set a local MFG between -1.5% and +0.5% per pupil.

Pupil growth funding would be allocated to local authorities based on the actual growth in pupil numbers they experienced the previous year. The measurement of growth would be by counting the increase in pupil numbers between the two most recent October censuses. Protection would be applied so that no local authority's growth allocation would fall by more than -0.5% of their overall 2018-19 school block funding. This would be a significant issue for Havering given the growing pupil population and the funding that Havering was currently able to allocate to schools with permanent expansions and bulge classes and guarantees of funding where classes do not fill. The London Councils had been made aware of the views of the Local Authority.

The Local Authority was exploring the option of estimating growth in the main schools' funding formula which would mean that growing schools would receive AWPU and other per pupil funding for the additional pupils within the main formula allocation.

The provisional National Funding Formula 2019-20 high needs block funding was £24,624,757, an increase of 5.8% from the previous year. It was expected that this allocation would decrease when adjustments were made in December 2018 for the number of pupils in Havering's special schools as at the October census and also for imports/exports. There would be a further adjustment for imports/exports in the summer term 2019 of £6,000 per pupil.

Since the cessation of the Education Services Grant (ESG), the allocation of £15 per pupil for 'retained duties' had transferred to the Dedicated Schools Grant (DSG) as part of the Central School Services Block (CSSB). The actual CSSB unit of funding for ongoing functions was £35.23 per pupil, an increase of 0.20% from the previous year. Havering's actual funding for historic commitments was £287,490 (£200,000 to support school partnerships and £87,490 for a 15 year old energy contract for three secondary schools). The provisional National Funding Formula 2019-2020 Central School Services Block was £1,568,294.

The Forum approved the following:

	<b>2018-19 Budget £</b>	<b>2019-20 estimate £</b>
National copyright licences negotiated centrally (approval not required)	171,443	174,475
School Admissions	496,290	496,290
Servicing of Schools Forum	43,250	43,250
Balance for central services	567,329	566,789

Total	1,278,312	1,280,804
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Historic commitments	287,490	287,490
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Total	1,565,802	1,568,294
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The Forum noted the changes in the national funding formula for schools and high needs for 2019-20.

#### 8 **CENTRAL SERVICES DSG CENTRALLY RETAINED FUNDING 2019-20**

Members received a report which sought the Forum's approval for the central retention of funding from the Designated Schools Grant to continue the support and services as agreed in previous financial years.

The Forum agreed the central retention of the budgets in 2019-20 as detailed in the report.

#### 9 **DE-DELEGATION OF FUNDING FROM MAINTAINED SCHOOLS 2019-20**

The Forum received a report which sought the approval of the Schools Funding forum for the de-delegation of funding to maintain the provision of a range of central services permitted by the School's Funding Regulations.

The Forum was requested to agree the following services for de-delegation:

**Contingency for Schools in Financial Difficulty** – For 2018-19 the de-delegation per pupil was £11.24 for maintained primary schools and the remaining two secondary schools. This generated a budget of £207,637. The Forum agreed the funding through de-delegation as below:

	Primary
Formula Factor	AWPU
Amount	£11.00
Total	£186,000

**Attendance and Behaviour** – The Forum agreed the funding below which was required through de-delegation from maintained primary schools:

Formula Factor	AWPU	FSM	IDACI C	IDACI B	IDACI A	Low Attainment	
Amount	£2.00	£17.00	£15.00	£45	£300	£9.00	
Total	£33,758	£33,116	£18,276	£49,927	£1,500	£44,912	£181,489
2018-19	£2.74	£23.63	£47	£0	£490	£9.11	£196,610

**EAL Service** – Members were requested to agree the funding set out as below through de-delegation from maintained primary schools:

Formula Factor	EAL 3
Amount	£49.00
Total	£110,000
2018-19	£62.85

During discussion, it was felt that schools should have the option of buying into a traded service agreement for the EAL service, as they considered that schools had significant experience in-house and should have the option of purchasing additional support. The service was mainly a traded service, however, de-delegated funding would ensure a continued network and available support team and the economies of scale would allow maintained schools to access support that would otherwise be at a higher cost. Any underspend would be redistributed back to schools.

Members requested that they be provided with costings if the EAL service were a fully traded service and data informing of the extent of the buy-back from academies. Additional information should be directed to cluster chairs.

**Free School Meals Eligibility** – The Forum agreed the funding below which was required through de-delegation:

	Primary
Formula Factor	FSM
Amount	£9.00
Total	£17,613

**Insurance** - The Forum agreed the funding below which was required through de-delegation from maintained primary schools:

Formula Factor	AWPU
Amount	£20.50
Total	£346,000
2018-19	£22.50

**Maternity Insurance** - The Forum agreed the funding below which was required through de-delegation from maintained primary schools:

	Primary
Formula Factor	AWPU
Amount	£26.00
Total	£439,000

**Trade Union Facility Time** – A working group of the Schools Funding Forum had previously considered issues raised in a Department for Education advice and guidance document and made comparisons of costs with other Local Authorities. The decision was made to reduce the amount of facility time and therefore the costs to schools and academies.

The total funding received from de-delegation and from academies would generate a budget that would determine the total facility time that was allocated to trade unions based on the proportion of their membership. The proposed funding required through de-delegation was:

	Primary
Formula Factor	AWPU
Amount	£2.50
Total	£42,200

The Trade Unions highlighted the increasing operational difficulties due to financial constraints and increased workload. Members agreed that the working group be reinstated to reconsider the funding.

**Central Education Services** - The Forum agreed that a contribution of £17.90 per pupil be made from local authority maintained schools towards the cost of statutory services and specific tasks that were carried out for them that were not for academies. This would secure £302,000 to maintain services.

#### 10 **SCHOOL FINANCING SCHEME**

The Forum received a report which requested representatives of Local Authority Maintained Schools to consider the Schools Financing Scheme for 2018-19.

The Forum approved the Schools Financing Scheme for the 2018-19 financial year and for 2019-2020, subject to any directed changes from the Department for Education.

#### 11 **TEACHERS PAY AWARD**

The Forum received a report which anticipated the announcement of the detail following the announcement of the teachers' pay award for September 2018 including the arrangements for the element of the award that was to be funded from Government grant.

In July 2018, the Department for Education announced an investment of £508 million to fund the 2018 teachers' pay award. The pay award was announced as 3.5% for classroom teachers, 2% for those on the upper pay range and 1.5% for those in leadership positions.

The Forum noted the arrangements for grant funding the teachers' pay award.

#### 12 **BEHAVIOUR AND INCLUSION**

Members received a report which set out the funding that was allocated from the High Needs Block to support pupils with challenging behaviour.



The report recommended that some changes were proposed to the current funding arrangements to reduce the demand on the High Needs Block, to ensure the monitoring of pupils who were currently being home educated, to increase school contributions to placements in alternative provision and to withdraw funding from schools for pupils taken off roll.

The Forum asked for all schools to be consulted on the following proposals:

- i. To deduct the AWPU + 10% from schools that remove pupils from their roll following decisions to home educate as set out in 3.1 of the report.
- ii. To amend the calculation of the contribution of schools who place pupils in alternative provision as set out at 3.2 of the report.
- iii. To deduct the AWPU + 10% from schools that remove pupils from their roll following permanent placement at The Bridge medical needs provision as set out at 3.3 of the report.
- iv. To note the charge to schools of £6,000 per term for pupils placed temporarily at the Bridge medical needs provision above its funded place number as set out at 3.3 of the report.
- v. To support the managed moves process, following successful placements, the Local Authority retains the difference between the value of the AWPU deducted from the exiting school from the start of the 8 week trial period and the funding allocated to the admitting school from the end of the 8 week trial period as set out at 3.4 of the report.

### **13 ACADEMY CONVERSIONS AND SPONSORS**

Members noted that the following schools converted to academy status since the last meeting:

Gaynes	Loxford Schools Trust	1 July 2018
Sanders	Success For All Educational Trust	1 September 2018
Hacton Primary	Empower Learning Academy Trust	1 September 2018
Dame Tipping Primary	LIFE Education Trust	1 September 2018

### **14 NEXT MEETINGS**

Future meetings had been arranged as follows:

8<sup>th</sup> November 2018  
13<sup>th</sup> December 2018  
17<sup>th</sup> January 2019

**Schools Funding Forum, 20 September  
2018**

7<sup>th</sup> March 2019  
13<sup>th</sup> June 2019

All meetings to start at 8.30 a.m. at CEME.