

**MINUTES OF A MEETING OF THE
SCHOOLS FUNDING FORUM
CEME
18 January 2017 (8.30 - 11.55 am)**

Present:

Representative Groups

| | |
|--|--|
| Teachers: | Nigel Emes, Primary (Chairman) David Denchfield, Primary Academy Bill Edgar, Secondary Malcolm Drakes, Primary Kirsten Cooper, Primary Chris Hobson, Primary Simon London, Secondary Academy Gary Pocock, Special Academy Keith Williams, Secondary Academy (KW) |
| Governors: | Bernard Gilley, Primary Sheila Clarke, Primary Derek Smith MBE, Secondary |
| Non-School Representatives: | Joanna Wilkinson (Early Years PVI Rep) |
| Trade Unions: | John Giles, UNISON Ray Waxler, NUT |
| Observer: | Chris Vaughan, Champion School |

26 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received for the absence of Emma Allen, Tim Aldridge, Sue Imbriano, John McKernan, Margy Bushell and Maria Thompson. It was noted that Bryce Wilby had left Olive Academy so was no longer a member of the Schools Funding Forum.

27 TO AGREE THE NOTES OF THE MEETING HELD ON 22 SEPTEMBER 2016

The minutes of the meeting held on 22 September 2016 were agreed as a correct record and signed by the Chairman

28 MATTERS ARISING

Further to minute no. 15 of the meeting held on 22 September 2016, Free Schools funding arrangement. The Strategic Finance Manager (DA) informed the Forum that a response was submitted objecting to the funding arrangement that the EFA was to directly allocate funds from the DSG for the first year of free schools established through the centrally delivered process. However, the EFA intends to proceed as proposed.

Further to minute no. 20; item 7- Trade Union Facility Time, the Vice Chair (KW) updated the Forum that he was arranging a further meeting of the Trade Union Facility Time Working Group in the near future.

Correction on minute no. 17, the title of this item should read "Schools Revenue Funding 2017/18" not 2016/17.

29 YEAR 7 LITERACY AND NUMERACY CATCH UP PREMIUM

The Forum received a report further to a request from a secondary academy to bring to the attention of the Forum the difficulties caused by the Department *for Education's* mechanism for allocating the Year 7 literacy and numeracy catch-up premium to secondary schools.

The report outlined that in previous years, secondary schools have been allocated the Year 7 literacy and numeracy catch-up premium based on the pupils on roll at the October school census and recorded in the most recent key stage 2 assessment data as not having achieved level 4, 5 or 6 in reading or mathematics. £500 was allocated for each eligible pupil.

The report indicated that in 2016 to 2017, schools would receive the same overall amount of the Year 7 catch-up premium funding that they received for 2015 to 2016, which was adjusted to reflect the percentage change in the size of the Year 7 cohort, based on the October 2016 census.

The Forum was informed that in some schools the numbers of pupils meeting the criteria for catch up had increased considerably and as such the schools have to provide for more pupils without an increase in funding. Therefore, to manage the situation, some schools were therefore applying a lower threshold to ensure the grant was directed to pupils with the greatest need.

In terms of the main school formula funding, attainment at key stage 2 was taken into account in the prior attainment factor that allocated funding to schools.

The Forum noted the report and agreed for DA to respond to the academy.

30 LA BEHAVIOUR MANAGEMENT STRATEGIES FOR PRIMARY AGED CHILDREN

Paul Tinsley, Education Inclusion Manager and Virtual Head Teacher and Penelope Denny, Lead Professional, Attendance and Behaviour and Traveller Support Service presented this item.

The Forum received a report that informed of the arrangements for alternative provision for primary age pupils following the closure of the Havering Pupil Referral Service (PRS) and the offered through the In-Reach service.

The Schools Funding Forum had agreed that funding previously allocated to the PRS be reallocated to resource new models of provision. In the case of Primary school provision, it had originally been planned to resource a school based Assessment Unit for pupils who presented higher levels of challenging behaviour.

The report stated that Governors at the school ear-marked for the provision had decided not to proceed with the proposal and as such this necessitated an alternative approach to supporting schools for the current financial year.

The report outlined the challenges in managing the transition whilst the opportunities to work more effectively with the vulnerable children and families were explored.

The report noted that children were best educated within a mainstream school context, but it was clear that many Head Teachers favoured the need for 'off site intervention' facilities where behaviour in school escalated or when pupils commit serious 'one off' misdemeanours.

The Forum was informed that in the secondary sector, a new partnership with Olive Academies Trust and a range of other alternative providers was in place to support intervention.

The Forum noted that following the closure of the Havering Pupil Referral Service, the three staff formerly employed within the Primary PRU (Oglethorpe) had moved to the local authority and were employed in the Attendance, Behaviour and Traveller Support Team.

The Forum had previously agreed, on an interim basis, that a budget of £300k could be allocated to resource support services in relation to primary aged pupils at risk of permanent exclusion or who were permanently excluded. As a result, a new In Reach Service had been created to respond to primary school concerns where pupils were presenting with challenging behaviours, despite any intervention put in place by the school itself. In addition to the new support, a range of other support/intervention had been developed with indicative funding for each as follows:

- In Reach Support Team (£120k)

- Two Early Help Officers have been commissioned from the Early Help Service to support primary schools, especially where there are issues related to parenting.(£70k)
- An off-site Transition Programme has been established at Lambourne End to support schools where primary aged pupils require intervention (£60k)
- Development of an off-site classroom at the Ingrebourne Children's Centre (£7k)
- A partnership with two schools initially regarding funding places in their established nurture provisions or the use of their facilities. (£20k)
- Funding set aside for permanent exclusions (£23k). Some of this funding has been used to support primary schools in relation to pupils who were excluded but also to support schools to keep pupils at imminent risk of permanent exclusion. Primary IYFAP has been the moderator of this allocation of resource

The report indicated that Primary schools could also make application to the Social Inclusion Fund to support school based interventions with pupils at risk of exclusion.

Members of the Schools Funding Forum were generally in favour of early intervention to avoid the case of permanent exclusion in secondary schools.

The Forum noted the level of resource allocated for primary school behaviour support in the light of increasing demand on services and statutory responsibilities.

31 **OLIVE AP ACADEMY - REVISED FUNDING PROPOSAL**

The Forum was informed that the Local Authority had received a request from Olive Academy for an increase to the charges for KS3 and KS4 placements and also to increase the total place number.

The report detailed that at the time the agreement was reached with Olive AP Academy to provide alternative provision for KS3 and KS4 students with effect from 1 September 2016 the funding was agreed as follows and included in the Transfer Agreement.

| KS | Category | Places | Per place | Per pupil | Total charge | Total funding |
|-----|--------------|--------|-----------|-----------|--------------|---------------|
| KS3 | Exclusion | 6 | £10,000 | £5,000 | £15,000 | £90,000 |
| KS3 | Intervention | 19 | £10,000 | £5,000 | £15,000 | £285,000 |
| KS4 | Exclusion | 20 | £10,000 | £8,000 | £18,000 | £360,000 |
| KS4 | Intervention | 15 | £10,000 | £6,000 | £16,000 | £240,000 |

| | | | | | | |
|-------|--|----|--|--|--|----------|
| Total | | 60 | | | | £975,000 |
|-------|--|----|--|--|--|----------|

In addition, the Age Weighted Pupil Unit (AWPU) deducted from the budget of an excluding school would be passed to Olive based on the AWPU value pro rata to the date of exclusion and the end of the financial year (or normal date of leaving for the student's peer group).

The report informed the Forum that Olive Academy had reviewed its costs based on a revised curriculum model and staffing structure and the total funding allocated by the **Education Funding Agency** (EFA) and considered that place funding, LA top up, pupil premium and Education Services Grant was insufficient to meet its costs. Therefore a request had been made to the LA to increase the places on offer by four and also increase the top up funding.

| KS | Places | Per place | Per pupil | Total charge | Total funding |
|-------|--------|-----------|-----------|--------------|---------------|
| KS3 | 24 | £10,000 | £8,000 | £18,000 | £432,000 |
| KS4 | 40 | £10,000 | £8,000 | £18,000 | £720,000 |
| Total | 64 | | | | £1,152,000 |

The Forum was informed that a reduction of one KS3 place and an increase in five KS4 places resulted in a net increase of four places. The increase in funding would be £177,000 which would be allocated from the High Needs Block. It was also noted that once the EFA had accepted increase in the numbers. The EFA would fund £40,000 of this increase while the additional £137,000 would be funded from the High Needs Block.

The report stated that the revised funding would fund 3 classes of 8 students per class in KS3 and 5 classes of 8 students in KS4.

The Forum agreed the increase in the funding to be allocated to Olive AP Academy but requested that the Strategic Finance Manager (DA) monitor that value for money and quality of service be achieved.

32 DE-DELEGATION

Further to the approval of the Schools Funding Forum on the de-delegation of funding from the budgets of maintained schools for a range of central services permitted by the Schools Funding Regulations, the approval of the Forum was now sought for the de-delegation of funding for two additional services; the Attendance, Behaviour and Traveller Service and Central Insurance. Agreement on these was deferred from the last meeting pending a survey of views from head teachers of primary schools on the Attendance, Behaviour and Traveller Service and clarification on the expiry of the Borough's insurance contract.

The report detailed that at the request of the Forum, a letter was sent to the head teachers of primary schools to clarify if they wished to continue with the de-delegation of funding in 2017-18 for the Attendance, Behaviour and Traveller Service. Of the 29 responses received, 28 were in favour.

In view of the timescales for the allocation of funding in 2017-18, the Schools Funding Forum representatives of maintained primary schools were asked by email if they agreed to de-delegation. The Forum noted that of the 7 representatives eligible to vote, 4 were in favour and 3 were not in favour. The Local Authority had therefore included the de-delegation of funding in the process of setting of budgets for 2017-18.

At the last meeting it was understood that the borough's insurance contract was due to expire in December 2016 but it had now been extended until June 2018.

The Forum noted that in previous years the decision had been to de-delegate funding to retain insurance arrangements centrally and the decision now required to be made for 2017-18.

The charges for insurance cover related to Buildings & Contents and Employer & Public Liability.

The total cost for maintained primary and secondary schools in 2016-17 was £559,000 compared to £687,765 last year.

The Forum was informed that for LA maintained special schools would be invoiced directly for their share, as de-delegation was not permitted.

The proposed charges for maintained primary and secondary schools were as follows:

| | 2016-17 | 2017-18 |
|-----------|---------|---------|
| Primary | £31.50 | £28.28 |
| Secondary | £20.00 | £20.00 |

The Forum agreed:

- (i) To note the decision to de-delegate the funding from primary schools in 2017-18 for the Attendance, Behaviour and Traveller Service; and
- (ii) To approve the de-delegation of school insurance for maintained primary and secondary schools in 2017-18

The Forum received a report that outlined the decision of Ministers on the Local Authority's application to dis-apply the Minimum Funding Guarantee (MFG) for schools that continue to benefit from defunct grants within the per pupil funding.

At its meeting on 22 September, the Forum agreed to apply to the DFE for an exemption to the MFG in order that schools lose no more than 1.5% per pupil. The application was in relation to schools that in previous years received Excellence Cluster and Behaviour Improvement Programme Standards Fund grants and the inclusion of that grant in their per pupil funding continues to be protected at - 1.5% per pupil. In 2016-17 £1,187,110 of the DSG was allocated for this purpose.

The report informed that the application process required the LA to seek the views of the schools that would be affected and letters were sent to the head teachers of the three secondary schools and three primary schools. All six schools strongly objected and their views were represented in the application.

The Forum noted that the decision of the Minister was not to approve the application.

The Forum **noted** the reason:

"This does not allow the Minimum Funding Guarantee to work as it had been designed and is inconsistent with the move towards a National Funding Formula under which schools would receive protection against their current budgets, regardless of historic high levels of MFG."

34 **APPRENTICESHIP LEVY AND LOCAL GOVERNMENT PENSION RATES**

The Forum received a report that advised members of the Apprenticeship Levy that would be introduced from 1 April 2017 and also increases the Local Government Pension Employer Contribution rates.

The report detailed that from April 2017, the way apprenticeships were funded would change as part of a series of wider reforms to the apprenticeship system in England. Employers with a pay bill of more than £3m would be required to pay an apprenticeship levy. In England, employers who pay the levy would be able to access funding for apprenticeship training and assessment via a new Digital Apprenticeship Service.

The Forum was informed that the Local Authorities would be responsible for paying the levy in community schools they maintain where the LA employs the staff and pays National Insurance contributions (NICs). As in most other local authorities, Havering would pass the cost of the levy to the schools in the same way that employer National Insurance and superannuation was administered. Where the Local Authority was the

employer, schools would have access to funding for apprenticeship training, via the local authority's Digital Apprenticeship Service account.

The report detailed that as Foundation and Voluntary aided schools employed their own staff, the schools would be responsible for paying the levy. In the case of standalone Academies, the Trusts would be responsible for paying the levy where they were the employer responsible for paying Class 1 secondary NICs.

Multi-academy trusts (MATs) that employ the staff in their academies would be responsible for paying the required levy.

The report outlined that the financial impact of the apprenticeship levy on the school's budgets that was charged to employers at 0.5% of the payroll bill when it was above £3m. Details of how this would be charged are yet to be determined but for a school with a salary budget of £1m the additional cost was estimated at £5,000. Schools should account for this in their budgeting for financial year 2017-18. The 0.5% was to be charged on the basic salary cost only, excluding on costs.

The current Local Government Pension Contributions employer contribution was 26.2%, but from 1 April 2017, an increased rate would apply to the schools payroll as follows:

- 29.6% for 1 April 2017 to 31 March 2018
- 31.0% for 1 April 2018 to 31 March 2019
- 32.3% for 1 April 2019 to 31 March 2020

The report indicated that a combined financial impact on school budgets of the Apprenticeship levy and increase in pension contribution would increase the costs of staffing by approximately 1.5% in 2017-18, 2.0% in 2018-19 and 3.0% in 2019-20. The pay award for 2017-18 was estimated at 1%.

The Forum **noted** the report

35 **DSG ALLOCATIONS 2017-18**

The Forum received a report that summarised the final Dedicated Schools Grant settlement for financial year 2017-18.

The report stated that on 20 December 2016, the DFE announced the DSG settlements for Local Authorities for the financial year 2017-18. Havering's allocation was set out in Appendix A across the Early Years, Schools and High Needs Blocks. The Forum was informed that the settlement figures were pre academy recoupment. The appendix also included a comparison of key data with other London LAs.

An explanation of the changes in grant from 2016-17 was given by DA. These included:

- increases in the Early Years Block which would be used to implement the Early Years National Funding Formula and the additional 15 hours from September 2017
- increases in the Schools Block for the inclusion of the Education Services Grant of £589k and for pupil growth
- increases in the High Needs Block for a technical adjustment relating to post 16 provision and some additional funding to reflect population growth.

The Schools Funding Forum **noted** the DSG settlement

36 EDUCATION SERVICES GRANT

The Forum received a report that outlined the changes to the Education Services Grant (ESG) in the financial year 2017-18 with part of the grant included for the first time in the DSG Schools Block.

The report informed that for 2017-18 only, Local Authorities were allocated a transitional general rate of £66 per pupil in maintained schools for the period April to August 2017. The initial allocation based on the number of maintained schools in Havering in November 2016 was £606,055. The first 50% instalment would be released on 30 April 2017 to take into account any schools that have become academies up to and including April. The second 50% instalment would take into account any school that had become academies up to and including 1 August. With consultation on academy conversion already published for some schools, the final transitional grant received by the LA will be less than the £606k.

The report informed that Havering's initial grant allocation for 2016-17 was £2,336,243 which had been used to fund LA statutory services. It was noted that by the end of the financial year the fund would have reduced to take into account academy conversions during the year.

The Forum noted that the £15 per pupil for retained duties would continue although it would be added to the Schools Block of the DSG and as a result it would be £589k more than in previous years. The approval of the Forum was being sought to allocate the funding to the LA in order to meet central costs.

The report informed the Forum that the transfer to the DSG would result in a shortfall against the £2.3m allocated in 2016-17 to meet central costs. Attention was drawn to the Learning and Achievement savings of £590k that had been identified in 2017-18 to reduce the shortfall. It was also noted that a reduction in service cost would reduce overheads charged to the service for corporate functions such as finance, ICT, HR and legal.

The report informed that the central services that were funded from the ESG were detailed in an appendix to the report and shown separate to all schools and academies and maintained schools.

The Forum noted that school improvement was not included in the list of services as a new £50m School Improvement Fund was to be introduced from September 2017 to support local authorities with their maintained schools. In addition, a further £140m Strategic School Improvement Fund was to be introduced for academies and maintained schools. The Forum was informed that the distribution mechanism for the Strategic School Improvement Fund was as yet unclear but Havering's indicative allocation from the School Improvement Fund was £100k.

The report detailed that the revised funding arrangements for 2017-18 and introduced options for local authorities in recovering the funding to meet the costs of statutory services.

These were:

- (i) To seek the approval of the Schools Funding Forum to allocate the retained duties element of the ESG that had been added to the Schools Block.
- (ii) To seek the approval of the LA maintained schools representatives of the Schools Funding Forum to de-delegate funding from the budgets of maintained schools to meet the cost of central services previously funded by the Education Services Grant.

Members of the Forum considered opinions to make representation to Members of Parliament to highlight the issue of the shortfall in schools funding.

The Forum were of the opinion that a joint approach be considered alongside neighbouring local authorities. The Strategic Finance Manager (DA) was to explore a collective approach.

The Schools Funding Forum:

- (i) agreed that the £589,000 ESG that was within the DSG Schools Block be allocated to meet LA statutory costs
- (ii) in the absence of further detail and consultation with head teacher colleagues were not able to agree the de-delegation of funding from maintained schools to support central costs relating to maintained schools

37 SCHOOLS NATIONAL FUNDING FORMULA - DFE 2ND STAGE CONSULTATION

The Forum received a report that outlined the second stage consultation on changes to the funding of schools through a national formula. The revised arrangements were to be introduced from 2018-19 with the direct funding of schools from the Government in 2019-20. The deadline for responses was

noted as 22 March 2017 and it was intended that the Forum consider a full response at the next meeting.

The report informed that the intention was that funding would be allocated directly to schools from 2019-20 through 13 different factors with the standard funding rates for all schools applied to each factor, adjusted for area costs.

Funding allocated through pupil-led factors was to be maximised so that as much funding as possible was spent in relation to pupils and their characteristics. This was not, however, achieved through the basic per pupil factor (AWPU) but through increases to the amounts allocated through the additional needs factors.

It was stated that there would therefore be significant differences between the current and proposed funding rates. 2018-19 was to be a transitional year in which the Government would allocate funding to LAs according to the new formula factors and funding rates but LAs may continue to determine individual schools' funding allocations through their local formula.

The report indicated that the funding received by the LA would therefore be the aggregate total of each school's notional budget having applied the new national funding rates, the MFG of -1.5% and a gains cap of 3%. The 2018-19 Schools Block would be ring-fenced although it would still be possible to transfer funding from the Schools Block into the High Needs Block with local agreement.

The report also noted that it was also proposed that ratio of funding between primary and secondary phases be moved to the national average of 1:1.29. Havering's ratio is currently 1:1.35.

The report informed the Forum that the combination of these changes would lead to gains and losses for individual schools, so protections and gains caps have been included in the new arrangements. The minimum funding guarantee would continue to be applied to ensure that no school loses by more than 1.5% per pupil each year to a maximum of 3% and gains would be capped at 3% in 2018-19 and at a further 2.5% in 2019-20.

The report outlined the following Formula Design Proposals

- Maximising the proportion of funding allocated through pupil-led factors

The proposal was to allocate 91% through pupil-led factors. The funding allocated through premises-related factors would therefore reduce where possible. Funding for premises factors would be maintained in the first year and further consideration given for the hard national funding formula. The amount allocated for lump sums, would however reduce.

- Basic amount for every pupil

The amount allocated through the basic amount per pupil (AWPU) would reduce slightly from £24.4 billion in 2016-17 (77% of the total) to £23.3 billion (73%). The report indicated that stepped rates would continue between primary, KS3 and KS4, reflecting the current national position. No LA funds primary more than secondary and three quarters increase their per-pupil funding with each key stage.

In the current system, LAs could choose to include a 'reception uplift' to capture additional pupils who arrive after the October census, as applied in Havering. The proposal was to remove this factor.

- Additional Needs Factors

The current additional needs factors were to continue as follows: deprivation, low prior attainment and EAL. Funding for additional needs is to be increased from £4.1 billion (13%) to £5.8 billion (18%) as the government was keen to invest in these areas in order to promote social mobility and support schools in raising the attainment of pupils from deprived backgrounds and those who are just about managing.

Deprivation was to be the biggest additional needs factor, accounting for £3.0 billion (9.3%). Three factors were to be used: FSM eligibility, Ever 6 FSM eligibility and IDACI (Income Deprivation Affecting Children Index). Low prior attainment was a strong predictor of pupils' later attainment therefore funding was allocated to enable schools to give extra support. The funding allocated was £2.4 billion (7.5%) compared to 4.3 % in the current system. The funding would enable schools to support all children who need to catch up with their peers, this factor directs funding to schools likely to be supporting pupils with special educational needs.

The primary schools, data from the Early Years Foundation Stage Profile would continue to be used as a basis for funding.

The secondary schools, KS2 test results would be used but adjusted for pupils taking the new, more challenging assessment. The factor may be refined in the future to take account of pupils in the lowest 10% or 20%.

The report detailed that English as a second language would also continue for pupils who have entered the state education system during the last 3 years. The factor would attract 1.2% of the total schools block compared to 0.9% in the current system. Three quarters of the EAL funding was to be directed to primary schools reflecting the higher proportion of EAL pupils in that sector. Further work was to be carried out on this factor to include the level of English proficiency recorded in the census of each EAL pupil.

It was also noted that a mobility factor was currently applicable as the Government was seeking views on the costs incurred by schools on pupils who join in-year rather than the normal admission dates. In the meantime, funding would be allocated on an historic basis. It was stated that in

Havering, 16 primary schools received funding through the factor ranging from £192 to £8,708 (total £64k) and one secondary school (£1,711).

- School-led factors

It was indicated that the Lump sums would continue but reduced to £110,000. The reduced sum would affect smaller schools that were more reliant on an element of funding that was not driven by pupil numbers. The lower lump sum reflects the Government objective to encourage schools to share services and functions where possible. Schools in more remote areas were likely to receive additional support through the sparsity factor.

The report stated that there was no Havering school that had qualified for the funding in previous years.

- Area Cost Adjustment

The Forum was informed that Havering applied the national funding rates to each school's data, therefore the total would be uplifted by an area cost adjustment. The cost was calculated to reflect variations in the labour market costs and variations in the teaching workforce, in Havering the ACA was 1.0809.

- Growth factor

The national funding formula would also include a growth factor in order that it was responsive to significant changes in pupil numbers that were not recognised by lagged funding. In 2018-19 funding for growth would be allocated on the basis of historic spend. The favoured approach would be to fund Local Authorities on a lagged basis on the actual pupil number increases in every school between the two previous years. The funding would be allocated to an LA on a per pupil basis although it would be the year after the growth had occurred. It would be for LAs to manage their total growth funding.

- A comparison of LBH funding rates and those of the national funding formula was in the following table:

| | 2016-17 LBH rates | 2019-20 national rates | ACA @ 1.0809 | Lower | % | Higher | % |
|------------------------------|----------------------|------------------------------|-----------------|------------|-------|--------|------|
| Reception Uplift | 3,074.06 | 0.00 | 0.00 | | | | |
| AWPU (Primary) | 3,074.06 | 2,711.64 | 2,931.01 | -143.05 | -5% | | |
| AWPU (KS3) | 4,542.03 | 3,797.29 | 4,104.49 | -437.54 | -10% | | |
| AWPU (KS4) | 4,740.43 | 4,311.59 | 4,660.40 | -80.03 | -2% | | |
| Ever6 FSM (Primary) | 0.00 | 540.00 | 583.69 | | | 583.69 | 100% |
| Ever6 FSM (Secondary) | 0.00 | 785.00 | 848.51 | | | 848.51 | 100% |
| FSM (Primary) | 1,252.32 | 980.00 | 1,059.28 | -193.04 | -15% | | |
| FSM (Secondary) | 2,260.66 | 1,225.00 | 1,324.10 | -936.56 | -41% | | |
| IDACI Band 1 / F (Primary) | 0.00 | 200.00 | 216.18 | | | 216.18 | 100% |
| IDACI Band 2 / E (Primary) | 125.00 | 240.00 | 259.42 | | | 134.42 | 108% |
| IDACI Band 3 / D (Primary) | 275.00 | 360.00 | 389.12 | | | 114.12 | 41% |
| IDACI Band 4 / C (Primary) | 615.00 | 360.00 | 389.12 | -225.88 | -37% | | |
| IDACI Band 5 / B (Primary) | 630.00 | 420.00 | 453.98 | -176.02 | -28% | | |
| IDACI Band 6 / A (Primary) | 645.00 | 575.00 | 621.52 | -23.48 | -4% | | |
| IDACI Band 1 / F (Secondary) | 0.00 | 290.00 | 313.46 | | | 313.46 | 100% |
| IDACI Band 2 / E (Secondary) | 125.00 | 390.00 | 421.55 | | | 296.55 | 237% |
| IDACI Band 3 / D (Secondary) | 275.00 | 515.00 | 556.66 | | | 281.66 | 102% |
| IDACI Band 4 / C (Secondary) | 615.00 | 515.00 | 556.66 | -58.34 | -9% | | |
| IDACI Band 5 / B (Secondary) | 630.00 | 600.00 | 648.54 | | | 18.54 | 3% |
| IDACI Band 6 / A (Secondary) | 645.00 | 810.00 | 875.53 | | | 230.53 | 36% |
| LAC | 1,000.00 | 0.00 | 0.00 | -1,000.00 | -100% | | |
| Low Attainment (Primary) | 489.22 | 1,050.00 | 1,134.95 | | | 645.73 | 100% |
| Low Attainment (Secondary) | 802.89 | 1,550.00 | 1,675.40 | | | 872.51 | 109% |
| EAL (Primary) | 232.67 | 515.00 | 556.66 | | | 323.99 | 139% |
| EAL (Secondary) | 734.73 | 1,385.00 | 1,497.05 | | | 762.32 | 104% |
| Mobility (Primary) | 240.56 | n/a | n/a | | | | |
| Mobility (Secondary) | 534.88 | n/a | n/a | | | | |
| Lump Sum (Primary) | 150,000.00 | 110,000.00 | 118,899.00 | -31,101.00 | -21% | | |
| Lump Sum (Secondary) | 175,000.00 | 110,000.00 | 118,899.00 | -56,101.00 | -32% | | |
| Sparsity | 0.00 | n/a | n/a | | | | |

The Forum received additional information on the impact on Havering and on individual schools at the meeting.

Following a brief discussion the Forum agreed to organise a funding formula specify meeting to consider the impact of the proposals on schools funding, and arrangements for wider consultation with head teachers and governors to inform a response to the consultation.

- A comparison of LBH funding rates and those of the national funding formula was in the following table:

| | 2016-17 LBH rates | 2019-20 national rates | ACA @ 1.0809 | Lower | % | Higher | % |
|------------------------------|----------------------|------------------------------|-----------------|------------|-------|--------|------|
| Reception Uplift | 3,074.06 | 0.00 | 0.00 | | | | |
| AWPU (Primary) | 3,074.06 | 2,711.64 | 2,931.01 | -143.05 | -5% | | |
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| Ever6 FSM (Primary) | 0.00 | 540.00 | 583.69 | | | 583.69 | 100% |
| Ever6 FSM (Secondary) | 0.00 | 785.00 | 848.51 | | | 848.51 | 100% |
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| FSM (Secondary) | 2,260.66 | 1,225.00 | 1,324.10 | -936.56 | -41% | | |
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| IDACI Band 3 / D (Primary) | 275.00 | 360.00 | 389.12 | | | 114.12 | 41% |
| IDACI Band 4 / C (Primary) | 615.00 | 360.00 | 389.12 | -225.88 | -37% | | |
| IDACI Band 5 / B (Primary) | 630.00 | 420.00 | 453.98 | -176.02 | -28% | | |
| IDACI Band 6 / A (Primary) | 645.00 | 575.00 | 621.52 | -23.48 | -4% | | |
| IDACI Band 1 / F (Secondary) | 0.00 | 290.00 | 313.46 | | | 313.46 | 100% |
| IDACI Band 2 / E (Secondary) | 125.00 | 390.00 | 421.55 | | | 296.55 | 237% |
| IDACI Band 3 / D (Secondary) | 275.00 | 515.00 | 556.66 | | | 281.66 | 102% |
| IDACI Band 4 / C (Secondary) | 615.00 | 515.00 | 556.66 | -58.34 | -9% | | |
| IDACI Band 5 / B (Secondary) | 630.00 | 600.00 | 648.54 | | | 18.54 | 3% |
| IDACI Band 6 / A (Secondary) | 645.00 | 810.00 | 875.53 | | | 230.53 | 36% |
| LAC | 1,000.00 | 0.00 | 0.00 | -1,000.00 | -100% | | |
| Low Attainment (Primary) | 489.22 | 1,050.00 | 1,134.95 | | | 645.73 | 100% |
| Low Attainment (Secondary) | 802.89 | 1,550.00 | 1,675.40 | | | 872.51 | 109% |
| EAL (Primary) | 232.67 | 515.00 | 556.66 | | | 323.99 | 139% |
| EAL (Secondary) | 734.73 | 1,385.00 | 1,497.05 | | | 762.32 | 104% |
| Mobility (Primary) | 240.56 | n/a | n/a | | | | |
| Mobility (Secondary) | 534.88 | n/a | n/a | | | | |
| Lump Sum (Primary) | 150,000.00 | 110,000.00 | 118,899.00 | -31,101.00 | -21% | | |
| Lump Sum (Secondary) | 175,000.00 | 110,000.00 | 118,899.00 | -56,101.00 | -32% | | |
| Sparsity | 0.00 | n/a | n/a | | | | |

The Forum received additional information on the impact on Havering and on individual schools at the meeting.

Following a brief discussion the Forum agreed to organise a funding formula specify meeting to consider the impact of the proposals on schools funding, and arrangements for wider consultation with head teachers and governors to inform a response to the consultation.

The Forum received a report that outlined the DFE second stage consultation on changes to the funding of schools and high needs. The revised funding arrangements for high needs were to be introduced from 2018-19. The deadline for responses to the consultation was stated as 22 March 2017 and it was intended that the Forum consider a full response at its next meeting.

The report informed that the intention was to introduce a national formula for high needs that would allocate funding to Local Authorities on a more transparent and equitable basis. The proposed building blocks and factors were in the new formula detailed in the report.

The report outlined the following Formula factors

- Historic spending
- Remaining funding formula factors
- Population factor
- Deprivation, low attainment, health and disability factors
- Adjustments to reflect geographical costs, cross-border placements and the funding floor

The proposals also covered the following:

- Funding increases under the high needs formula
- Local flexibility in the funding arrangements
- Funding of special units and resourced provision
- Special school funding
- Non-maintained and independent special schools
- Changes to SEN and disability funding for colleges and other FE institutions

The Strategic Finance Manager (DA) informed the Forum that the LA would be objecting to aspects of the proposed formula.

The Schools Funding Forum **agreed** to consider the impact of the proposals on high needs funding and the arrangements for wider consultation with head teachers and governors to inform a response to the consultation at a meeting to be arranged.

39 **SCHOOLS REVENUE FUNDING 2017-18**

The Forum received a report that summarised the decisions of the DFE on data changes to be used by Local Authorities in the calculation of school budgets for 2017-18 and the proposed options on the values to be applied to the formula factors. The report informed that the deadline for final budget submission to the DFE was 20 January 2017.

The Forum noted that the final *Dedicated Schools Grant* (DSG) allocations for 2017-18 have been received from the DFE. The allocation included the

Schools' Block from which the LA allocated school budgets. The Schools' Block allocation to Havering was £169.915 million.

The amount included a figure of £589k of the transferred Education Services Grant (ESG) which had previously been allocated to the Local Authority towards the cost of statutory duties.

The report confirmed that Forum at its meeting on 22 September 2016, had agreed to the central retention of budget for the following responsibilities permitted by the school finance regulations:

| Centrally Retained DSG | 2017-18 |
|---|------------------|
| School Partnerships | 200,000 |
| School Admissions | 499,734 |
| Servicing of Schools Forums | 43,250 |
| Falling Rolls Fund | 500,000 |
| Capital expenditure from revenue (DERA) | 87,490 |
| Pupil growth / Infant class sizes | 2,700,000 |
| National Licences | 164,789 |
| Total | 4,195,263 |

The Forum noted that the school data to which the funding formula was applied were taken from the October 2016 census. The report appended the permitted factors and data sources as appendix A.

The report outlined the following changes to the data sets used in previous years:

- Income Deprivation Affecting Children Index (IDACI)

The following table below detailed the differences between 2015-16 to 2017-18 in relation to Havering:

| IDACI Score | IDAC I band 2016/ 17 | % pupils in each band (2015-16) | % pupils in each band (2016-17) | IDAC I band 2017/ 18 | % of pupils in each band (2017-18) |
|---------------|----------------------|---------------------------------|---------------------------------|----------------------|------------------------------------|
| Less than 0.2 | 0 | 56% | 50% | G | 49% |
| 0.2 - 0.25 | 1 | 7% | 15% | F | 15% |
| 0.25 - 0.3 | 2 | 13% | 12% | E | 12% |
| 0.3 - 0.35 | 3 | 13% | 17% | D | 9% |
| 0.35 - 0.4 | | | | C | 8% |
| 0.4 - 0.5 | 4 | 10% | 6% | B | 7% |
| 0.5 - 0.6 | 5 | 1% | 0% | A | 0% |
| 0.6 - 1 | 6 | 0% | 0% | | |

- Prior Attainment

The report added that because of the more challenging tests at KS2, a national weighting of 49% had been applied to reduce the data used for funding purposes. The data for pupils in Years 8-11 was based on the previous KS2 SATs.

The Funding Forum was presented with a number of options on the funding rates to be applied to the formula factors for 2017-18. These were as follows:

Option A

The same rates as in 2016-17 but with a reduction in Band C IDACI and a 1% gains cap

Option B

The NFF rates and a 3% gains cap

Option C

The NFF rates but retaining the LAC factor and a 1% gains cap

Option D

Moving half way towards the NFF rates and a 1% gains cap

For each option it was made clear from handouts which schools gained and which lost but were protected by the minimum funding guarantee.

The Schools Funding Forum **agreed** to implement Option A as the rates to be applied to the schools formula funding factors for 2017-18.

This meant that there was £302k unallocated which the Forum agreed could remain as a contingency for further consideration of a contribution to central costs following the removal of the Education Services Grant.

40 **EARLY YEARS FUNDING 2017-18**

The Forum considered a report that summarised the proposed changes to the funding rates and other aspects of early year's education funding in Havering following a consultation with the Early Years Provider Reference Group.

The report informed that a **Department for Education** (DFE) consultation on the proposed changes was presented to the Forum at its meeting on 22 September 2016 and the Government response to the consultation was received from the DFE in December 2016.

The intention of the changes was to create a strong and sustainable early years funding system that was fair and transparent. It was stated that the National funding formula would allocate funding for 3 and 4 years old entitlement both for the existing 15 hour entitlement and the new 30 hour entitlement for working parents to be introduced from September 2017.

The report indicated that following the consultation, the revised funding arrangements for 2017-18 would be as follows:

- a new early years national funding formula from April 2017 that would increase Government funding rates in 80% of local authorities;
- a minimum funding rate of at least £4.30 per hour for every local authority;
- a requirement for Local Authorities to pass 95% of their funding to providers;
- additional funding, worth £55m per year, to support maintained nursery schools until the end of the Parliament (2019-20);

- a new Disability Access Fund worth £615 per child per year to support disabled three and four-year-olds to access their early years entitlement; and
- a requirement for all Local Authorities to have Inclusion Funds to channel additional support to children with Special Educational Needs.

Following a brief discussion the Forum:

1. Agreed the recommendations of the Early Years Provider Reference Group in implementing the requirements of the early years national funding formula as follows:
 - (i) from the total early years funding received, retain £730,000 for central functions relating to early years from 2017-18 to produce a pass-through rate to providers of 95%
 - (ii) to retain a contingency of £403,000 from the 95% pass-through rate to meet the costs of funding provision that is unfunded from January census data
 - (iii) to include a supplement for deprivation within the single funding formula at an hourly rate that is consistent with the rates used for primary schools
 - (iv) that no other supplements are included in the single funding formula (NB – see para 2 below)
 - (v) that £50,000 is allocated to a social inclusion fund from early years funding to match the £50,000 held in the high needs block
 - (vi) that the rate for disadvantaged 2 year olds be £5.28 and a contingency held of £103,000 to meet the costs of funding provision that is unfunded from January census
2. Agreed that further work be carried out by the LA on supplements for Quality and EAL for consideration of inclusion in the single funding formula for 2018-19.
3. Agreed a base rate of £4.39 per hour.
4. Agreed that the funding of the deprivation supplement should match the revised deprivation rates used in the schools formula for primary schools as agreed by the Schools Funding Formula

41 ACADEMY CONVERSIONS AND SPONSORS

The Forum noted:

- I. Benhurst Primary School became an Academy on 1 October 2016 as part of the Life Academy Trust.

- II. The Albany School (a secondary academy) became part of the Partnership Learning Trust on 1 December 2016.

42 **NEXT MEETING**

The Schools Funding Forum agreed to meet on Thursday 2 March 2017.