



SCHOOLS FUNDING FORUM AGENDA

8.30 am

**Thursday
7 November 2019**

CEME

Members 18: Quorum 7

MEMBERSHIP:

Representative Groups

LA Maintained School Representatives:

Head Teachers (6): Emma Allen, Special
Margy Bushell, Primary
Kirsten Cooper, Primary
Georgina Delmonte, Primary
Harley Durrant, Primary
David Unwin-Bailey, Primary

Governors (2): Bernard Gilley, Primary
Dave Waters, Primary

Academy Representatives:

Primary (2) David Denchfield
Kate Ridley-Moy

Secondary (3) Simon London
Keith Williams
Denise Broom
Vacancy x3

Special (1) Gary Pocock

AP Academy (1) Ray Lawrence

**Non-School
Representatives:**

Early Years PVI Sector Mark Halls
(1)

Post 16 Vacancy

Diocesan Board Vacancy

Trade Unions (2): John Delaney/John McGill, Teachers
Peter Liddle, Support Staff

**For information about the meeting please contact:
David Allen
david.allen@haverling.gov.uk**

AGENDA ITEMS

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

2 TO AGREE THE NOTES OF THE MEETING HELD ON 25TH SEPTMBER 2019
(Pages 1 - 12)

Minutes attached.

3 MATTERS ARISING

4 SCHOOLS FUNDING 2020-21 (Pages 13 - 18)

Report and appendices attached.

5 HIGH NEEDS FUNDING 2020-21 (Pages 19 - 21)

Report and appendices attached.

6 CSSB 2020-21 (Pages 22 - 23)

Report attached.

7 EARLY YEARS FUNDING 2020-21

Item to follow.

8 NEXT MEETINGS

Future meetings have been arranged as follows:

17th December 2019

16th January 2020

19th march 2020

18th June 2020

All meeting to start at 8:30am at CEME

9 ANY OTHER BUSINESS

Andrew Beesley
Head of Democratic Services

Public Document Pack Agenda Item 2

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME 25 September 2019 (08:30-11am)

Present:

Representative Groups

Head Teachers:	Emma Allen, Special Maintained Margy Bushell, Primary Maintained Kirsten Cooper, Primary Maintained Georgina Delmonte, Primary Maintained David Denchfield, Primary Academy Hayley Durrant, Primary Maintained Vicki Fackler, Special Academy Ray Lawrence, AP Academy Keith Williams, Secondary Academy
Governors:	Bernard Gilley, Primary Maintained
Non-School Representatives:	Mark Halls, Early Years PVI Sector
Trade Unions:	John Delaney, Trade Union Peter Liddle, UNISON
LA Officers:	Trevor Cook, Assistant Director Education Services David Allen, Strategic Finance Manager Caroline Penfold, Head of Children, Adults and Disability Service Lee Clegg, Inclusions Team Leader and AP Commissioner (for Item 10) Paula McLoughlin, Insurance and Risk Manager (for Item 6)

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received for the absence of Dave Waters (LA Maintained Governor), Denise Broom (Secondary Academy), Simon London (Secondary Academy), David Unwin-Bailey (LA Maintained Head Teacher), Kate Ridley-Moy (Primary Academy) and Gary Pocock (Special Academy).

Vicki Fackler was substituting for Gary Pocock.

2 ELECTION OF CHAIR AND VICE-CHAIR

Keith Williams was unanimously elected as Chair.

Kirsten Cooper was unanimously elected as Vice-Chair

3 TO AGREE THE MINUTES OF THE MEETING HELD ON 13 JUNE 2019

The minutes of the meeting of the Forum held on 13 June 2019 were agreed as a correct record and signed by the Chairman.

4 MATTERS ARISING

The following matters arose from the minutes of the previous meeting:

- Minutes No. 7, the members noted the pupil capacity for a new Special School due to open in 2021/22 for 3 – 16 year olds had not been included in the report, it was stated that the new school would have a capacity of 60 pupils.

5 GOVERNMENT ANNOUNCEMENTS ON ADDITIONAL SCHOOL FUNDING

A report presented to the Forum gave details of the Prime Minister's announcements of a £14 billion cash boost for schools. This was an additional £2.6 billion of funding in 2020/21, with £700 million of this being for high needs, £2.2 billion in 2021/22 and £2.3 billion in 2022/23. This funding will cover the growth in the number of pupils and pay awards including the proposed increased starting salary of teachers to £30,000 by 2022/23. Primary Schools are to receive a minimum of £3,750 per pupil which is set to rise to £4,000 in 2021/22 and Secondary schools are to receive a minimum of £5,000 per pupil.

The minimum funding guarantee will be set at 0.5% per pupil and the gains cap will be removed with the core factors of the National Funding Formula (NFF) to rise by 4%. This will be a formulaic factor for pupil mobility instead of on the basis of historic spending for fairer allocations for all authorities and protection will be implemented for the pupil growth and falling rolls fund to ensure it doesn't reduce by more than 0.5% of the schools block allocation.

This formula model based on lagged growth disadvantaged Havering and the allocation would reduce the Pupil Growth Fund to £1.63m from the current £2.5m. Options on funding schools for future pupil growth would be brought to the next meeting.

The forum was presented with the "Schools Revenue funding 2020 to 2021 Operational Guide September 2019" which was published by the Education & Skills Funding Agency (EFSA). The guide helps Local Authorities and Schools to plan the implementation of the funding system for the 2020/21

financial year. The EFSA will publish the NFF allocations to LAs in early October 2019. After that, the EFSA will then use the NFF to calculate the blocks within the Dedicated Schools Grant (DSG) and it will be allocated to LAs in December 2019.

The NFF will be updated with new factor values and other technical changes in 2020/21 and this will be detailed in the NFF technical note and policy documented due to be published in October 2019. In line with the forecast GDP deflator, the funding floor will be set at 1.84% to protect pupil-led per-pupil funding and will be based on the individual schools' NFF allocation in 2019/20. It was noted that the free school meals factor will stay at the inflation rate. There will be no NFF gains cap but LAs will still be able to use a cap for their local formulae for affordability.

The NFF will continue to pay the teachers' pay grant and the teachers' pension grant separately in 2020/21; the rates to be published by the EFSA in due course. The high needs funding floor will be set at 8% and the gains cap will be set at 17%. The guide states the government's intention to move to a single 'hard' NFF to determine every school's budget. The Forum noted that David Allen will present and explain the relationship between the minimum funding guarantee, the floor protection and the 4% factor increases (paragraph 9 of the guide) at the next meeting after the indicative funding allocations had been received from the DfE.

The guide states that LAs must continue to engage in open and transparent consultation with maintained schools and academies regarding any changes to the Local Funding Formula and any principles adopted and any movement of funds between blocks. The pre-16 formula must have sufficient time from the LAs processes for political approval before the APT deadline in January 2020.

The DfE will publish updated schools block databases in December 2019 where LAs must allocate at least 80% of the DSG funding through pupil-led factors (factors 18.1 to 18.7 listed on page 8 in the guide). The AWPU rate for primary age pupils must be at least £2,000 and there can be different rates for KS3 and KS4 age pupils with a minimum of £3,000 for each. LAs can use free school meals (FSM and FSM6), the income deprivation affecting children index (IDACI) or both to calculate their deprivation factor.

The guide shows the table below which sets out an equation to show the per-pupil funding of £3,750 for each individual primary school and £5,000 each individual secondary school.

$$\frac{(\text{number of primary year groups} \times \text{£3,750}) + (\text{number of KS3 year groups} \times \text{£4,800}) + (\text{number of KS4 year groups} \times \text{£5,300})}{\text{divided by}}$$

Total number of year groups

LAs can apply the prior attainment factor (which is optional) for primary pupils who are not achieving the expected level of development in the early years foundation stage profile (EYFSP) and secondary pupils who are not reaching the expected standard in KS2 at either reading, writing or mathematics. Since 2017/18, the EFSA have taken into consideration pupils who sat the harder KS2 tests to not allow that to negatively impact their results in the prior attainment factor in the mainstream formula.

The EFSA states they expect LAs to present any pupil variations to their Schools Forum as this may be expensive for the school's block. The minimum funding guarantee (MFG) model options will be presented to the Forum once the relevant data is available.

The deadline for LAs to submit an application to disapply the MFG for 2020/21 is 11 October 2019. Havering has submitted applications to disapply the MFG in the previous 3 years with all applications being turned down. Havering currently spends £2.5 million on MFG with £1 million of that in 2 secondary schools.

The LA would not be seeking movement between the DSG Schools and High Needs blocks because there should be sufficient funding in the new financial year due to the funding boost from central government. The DfE also requires LAs to have a recovery plan in place when the DSG is in deficit by more than 1%. The guide lists the services that may be held centrally and de-delegated on page 47, paragraph 250.

It was stated that Havering's DSG may end the financial year in deficit but will receive additional funding in the new financial year.

The Schools Funding Forum noted the report and appendices.

6 DFE CONSULTATIONS RELATING TO 2020-21 FUNDING

A report before the forum set out DfE proposals for LAs to implement the mandatory minimum per-pupil funding levels of £3,750 for primary schools (rising to £4,000 in 2021/22) and £5,000 for secondary schools. A second consultation paper proposed extending the Academies Risk Protection Arrangement (RPA) to maintained schools.

The consultation on mandatory minimum per-pupil funding levels showed exactly how the figures were to be calculated to ensure consistency across the country with questions on disapplication, possible negative impact and equitable treatment. David Allen would consult with finance colleagues before responding.

The Forum was then presented with the consultation on "Extending the Academies Risk protection Arrangement (RPA) to Local Authority Maintained Schools (LAMS)". The RPA was launched for academies in 2014, on an opt-in basis, at a cost of £25 per pupil and this has been

reduced in 2019/20 to £18 per pupil after previous claims experience. Havering's insurance charge for schools in 2019/20 was initially £20.50 per pupil but was brought down to £15 per pupil by the end of the year and refunded to schools. It was proposed that schools could opt in individually or the School's Forum can agree de-delegation on behalf of all LA Maintained schools and money paid into the RPA. The forum noted that some academies do not opt into the RPA.

Paula McLoughlin, the Borough's Insurance and Risk Manager was in attendance and advised of the differences between the insurance cover available through the contract with Zurich and that available through the RPA. The Borough's insurance team helps with insurance claims, indemnity, support with making claims, liability claims, support when taken to court, risk management advice etc. which is not provided in the RPA arrangements. There is £125,000 deductible in the Havering contract with Zurich which gives leeway for the best decision to be made when defending claims. The rate is fixed for the first 6 years and there is a risk to the LA if schools pull out within those first 6 years. The Forum noted that there is not likely to be schools transferring to the RPA and that Zurich and the Borough provides excellent service and support. The Forum agreed that decisions on insurance cover should not be taken purely on price. David Allen would respond to the consultation

The Schools Funding Forum noted the report and appendices

7 CENTRAL SERVICES - DSG CENTRALLY RETAINED FUNDING 2020-21

It was noted by the Forum that the funding for central services was separate from the Schools Block and allocated to LAs through a 4th funding block, the Central Schools Services Block (CSSB). This block was for the ongoing central services such as admissions, which was previously top-sliced from the schools block. It also included the funding that was previously allocated for the retained duties element of the Education Services Grant (ESG).

The forum was then asked for approval the central retention of funding from the CSSB to continue to fund services as agreed in previous financial years. The votes were as follows on a table-by-table basis from page 25-27 of the main agenda pack:

Table 1 – It was noted that the budget of £180,000 for central licenses negotiated by the Secretary of State (such as the copyright license) is estimated to be the final figure in December although no Schools Forum approval was required.

Table 2 – It was noted that the £50,000 budget required to enable all schools to meet the infant class size requirement mostly went to a single school in the Borough with a half form of entry and the Admissions budget of £496,690 was a set amount that had not changed for several years. The Schools Funding Forum approved the retention of both sums by way of a unanimous vote.

Table 3 – The Forum noted that the contribution to the costs of responsibilities that local authorities hold for all schools is retained from the DSG having been transferred from the ESG. The amount available tends to be the balance of what remains in the CSSB once the budgets for the other areas are committed so is unlikely to increase. The Schools Funding Forum approved the central retention by way of a unanimous vote on the condition that the budget allocation for 2020/21 does not increase from the budget for 2019/20 of £569,870. If there is an increase then this would be brought back to the Forum for further discussion.

Table 6 – the Forum noted that the capital expenditure from revenue decided prior to April 2013 has ended, hence the value of £0 in the budget for 2020/21 and the contribution to combined budgets is the School Partnership Fund. The Forum approved the £200,000 School Partnership Fund by way of a unanimous vote

Table 7 – The Schools Funding Forum deferred decisions on Pupil Growth and Falling Rolls Funds to be presented at the next meeting due to insufficient data regarding the budget for 2020/21.

8 DE-DELEGATION OF FUNDING FROM MAINTAINED SCHOOLS 2020-21

The Forum noted that this report was for maintained schools only. The areas for which de-delegation was permitted were set out in paragraph 1 on page 30 of the main agenda pack.

The maintained schools representatives were asked to vote to approve the services to be de-delegated. The discussions, votes and results are as follows:

1. Contingency for Schools in Financial Difficulty – It was noted that criteria for a school in financial difficulty is if the school was in deficit in the previous financial year, forecasts a deficit for the new financial year and is again in deficit at year end after taking action to reduce costs. The forum supported 10 schools that met these criteria in the current year and the maintained schools voted to approve the budget to be provided through de-delegation of £11 per pupil by way of a unanimous vote.

2. Attendance & Behaviour – The Forum noted that the cost of buy-back at a similar level of service to that provided through de-delegation is £7,618. It was also noted that 86% of schools, based on 2019/20, would save money from de-delegation compared to buying services at a similar level. The maintained schools did not vote on this point pending a response to a query on the level of access to the service that was proportionate to the amount de-delegated per school. Because of the timetable for setting budgets, this may require wider consultation with schools.

3. EAL Service – The Forum noted that the cost of a similar level of service as that provided through de-delegation is £2,309 and, based on data from

2019/20, 63% of schools would save money from de-delegation compared to buying services at a similar level. The Forum also noted that since 2016, the English as an Additional Language (EAL) pupil population has risen from 17.5% to 22.6%. While discussing the impact of the EAL team, it was noted that the most underperforming ethnic group statistically is white British and schools needed more help than they currently receive. The maintained schools voted to approve the service to be provided through de-delegation of £38 per EAL pupil by way of a unanimous vote.

4. Free School Meals Eligibility – The maintained schools voted to approve the service to be provided through de-delegation of £9 per FSM pupil by way of a unanimous vote.

5. Insurance – It was advised to the forum that the figure for the maximum amount was reduced from £20.50 to £18 to match the RPA charge. The maintained schools voted to approve the service to be provided through de-delegation by way of a unanimous vote on the basis of the decrease to £18.

6. Maternity Insurance – The maintained schools voted to approve the service to be provided through de-delegation of £26 per pupil by way of a unanimous vote.

7. Trade Union Facility Time – The Forum noted the reduction of the cost per pupil from £5.70 in 2014/15 to £2.50 for the last 2 years following recommendations from the Trade Union Working Group. The amount of facility time affordable relies on buy-back from academies. The maintained schools voted to approve the service to be provided through de-delegation of £2.50 per pupil by way of a unanimous vote.

8. Central Education Services – The Forum noted that from an original allocation of £2.3 million, £589k had been transferred to the DSG and after reduction costs by £590k, there was a shortfall left of £1.2 million. It was agreed last year that LA maintained schools would pay a contribution of £17.90 per pupil to contribute for the statutory services and tasks that are carried out for them and not for academies. This agreement produced a contribution of £300k. The maintained schools voted to approve the service to be provided through de-delegation of £17.90 per pupil by way of a unanimous vote.

9 SPECIAL SCHOOLS FUNDING

The report presented to the Forum detailed the funding for the 3 current special schools and the provisional 4th special free school, scheduled to open after 2021.

The report detailed the number of places in each school including a special free school that has been DfE approved to cater for 60 pupils ranging from 3-16 years old who have severe or complex ASD or social, emotional and mental health difficulties. The report also notes of the DfE's recent approval for Forest Approach Academy to expand its age range from 4-16 years old

to 2-19 years old. It is noted that Corbets Tey is the only special school of the 3 to be maintained by Havering while Forest Approach and Ravensbourne School are special academies within the Lime Trust.

From their DSG High Needs block, the LA must fund £10k for the number of places at each special school/academy. The £10,000 is elements 1 and 2; element 1 is £4,000 equivalent to the Age Weighted Pupil Unit (AWPU) for mainstream schools pupils and element 2 is £6,000. A third element, a top up rate, is paid to the school for pupils with EHCPs by the LA that commissions the places for pupils. The EFSA will pay the £10k for the new special school.

Point 3.2 Current Matrix on page 46 in the main agenda pack includes a table for the current funding matrix and a "top up 2" element. The Forum noted that the top up 2 will be absorbed into the matrix and the number of bands within the matrix funding descriptors, will be reduced. The tables on page 48 of the main agenda pack outline the basis for revising the funding as the adult to pupil ratio for each of the matrix bands.

Consideration had also been given to benchmarking against the funding of special schools in other LAs, The maximum allocation that any LA uses it is formula is £36,230 with the lowest being £4,920. The Forum noted that it is difficult to benchmark Havering with other LAs because of differences in the designation of special schools.

The Forum noted that for the current financial year, Havering's High Needs Block is predicted to overspend by £1 million which would increase by £700k if implementing these changes from September 2019. It was stated that the current overspend may be rectified or at least reduced due to the higher funding level in the next financial year.

It was noted that special schools try to give vacant places to Havering pupils to reduce the costs of children being placed out of borough.

The report detailed the funding for each school based on the proposed matrix bands with a total increase in a full year of £1.2 million. The Forum voted to approve the revised funding levels to take effect from 1st September 2019 by way of a unanimous vote.

10 ELECTIVE HOME EDUCATION (EHE) TRANSFER OF FUNDING BETWEEN SCHOOLS

The report brought before the Forum proposed the transfer of funding between schools for Elective Home Education (EHE) pupils. Havering currently has 185 EHE pupils across all year groups. These pupils are not included in any census for DSG funding so Havering loses approximately £750,000.

When a pupil is removed from mainstream education for the purpose of EHE, AWPU funding stays at the school at which they were on roll. The proposed change is for the AWPU and Pupil Premium funding within that financial year from the date the pupil is taken off roll to be recovered by the LA to assist in re-engaging the pupil back into mainstream education, and that the AWPU and Pupil Premium funding is allocated to the admitting school from the date of admission to the end of the financial year.

The report detailed the lack of funding mainstream schools receive when an EHE pupil is referred back to the school. Some EHE pupils may be vulnerable, meaning the school will incur extra expenses to make reasonable arrangements for the pupil.

These changes are hoped to encourage families and pupils back into mainstream education as currently the LA have minimal input with regards to EHE pupils. Havering is waiting on DfE guidance on how to prevent pupils leaving mainstream education for the purpose of EHE and how to route those pupils back in to school.

It was noted that in the summary of Havering Alternative Provisions table on page 54 of the main agenda pack, Olive Academy's places have been reduced from 64 to 40 with effect from 1st April 2020.

The Forum voted to approve the transfer of funds between schools for EHE pupils with effect from 1st September 2019 by way of a unanimous vote.

11 DFE CONSULTATION - FINANCIAL TRANSPARENCY OF LOCAL AUTHORITY MAINTAINED SCHOOLS AND ACADEMY TRUSTS

The report presented to the School Funding Forum provides detail on the recent consultation document issued by the DfE on improvements to the transparency of the financial health of LA maintained schools. The document is aimed at LAs and LA maintained schools.

Issue 1 proposed that if LAs fail to comply with two deadlines for financial data submissions the LAs' names will be published on GOV.UK.

Issue 2 details proposals on how to strengthen DSG annual assurance returns. The DSG assurance statement will include the number of schools with suspended budgets and notices of financial concern. This is to enable extra support to be provided to LAs that report a high number of suspended delegations or notices of financial concern.

Issue 3 proposes that LA maintained schools must provide the LA with 3-year budget forecasts. The Forum expressed concerns over this stating that many factors can affect a budget and a 3-year forecast for some LA maintained school is unrealistic, implausible and improbable. Only between 5 and 10% of Havering maintained school currently provide a 3-year budget forecast.

Issue 4 advises that academy trusts must currently report all Related Party Transaction (RPTs) to the EFSA in advance of the transaction taking place. Since April 2019, all academy trusts have to seek approval from the EFSA for RPTs of more than £20,000 and all payments under £20,000 must be declared. The Government have put forward 3 proposals;

1. Schools must append a list of RPTs in their Schools Financial Value Standard document.
2. All schools must report all RPTs, or RPTs above a certain amount, directly to the LA.
3. Schools must seek the permission of the LA to enter into any RPT above a certain amount.

Issue 5 raises the issue of the internal audit for LA maintained schools being too infrequent and proposes to change this so schools must be subject to an internal audit at least every 3 years.

Issue 6 outlines the proposal to strengthen the arrangements to help schools in financial difficulty. They plan to make a requirement that schools submit a recovery plan to the LA if their revenue deficit goes above 5%; through the DSG annual assurance return from the CFO, the Government wish to collect data on the number of recovery plans in each LA, or; request high level action plans from some LAs.

Issue 7 summaries the lack of transparency when it comes to reporting high pay for school staff. The Government states that there are currently discrepancies between public access to data with regards to high salaries in LA maintained schools and academies. Academy trust must currently disclose details of each staff member with a salary of over £100k in their published financial statements, specifically their FTE salary in £10k bands (e.g. £100k-£110k), their job role and description and whether they are focussed on curriculum or school business management. The Forum commented that the publication of salary information on a school's website would make it easier to identify the person whereas for academies, reporting is at Trust level.

Issue 8 proposed the publication of CFR statements of income and expenditure annually on their website.

The document details arrangements for LA maintained schools which are currently more rigorous than for academy trusts. LA maintained schools are required to annually complete the Schools Financial Value Standard (SFVS) which is signed by the Chair of governors and submitted to the LA. The Self-Assessment Tool will be made mandatory for all academy trusts with effect from the end of the 2018/19 academic year.

David Allen would consider a response to the consultation.

The Schools Funding Forum noted the report and appendices.

12 NEXT MEETINGS

The future meetings for the Schools Funding Forum have been arranged and agreed by the Forum. They are set out below:

7th November 2019
17th December 2019
16th January 2020
19th March 2020
18th June 2020

13 ANY OTHER BUSINESS

The exempt minutes of the meeting of the Forum held on 13 June 2019 were agreed as a correct record and signed by the Chairman.

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Schools Funding Forum 7th November 2019

ITEM 4

Subject Heading:**Schools Funding 2020-21****Report Author:****David Allen – Strategic Finance
Manager****Eligibility to vote:****All school and academy members****SUMMARY**

This report summarises the announcements of indicative DSG Schools Block funding for financial year 2020-21 and provides options on allocating the funding to schools and for meeting the cost of pupil growth and falling rolls.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) considers the range of options presented on allocating funding to schools for 2020-21
- (ii) considers the funding of a pupil growth and falling rolls fund
- (iii) agrees to a consultation with schools on an appropriate formula allocation or range of options and the funding of a pupil growth and falling rolls fund

REPORT DETAIL

1. Background

Financial year 2018-19 was the first year of the implementation of a “soft” National Funding Formula and for that year and 2019-20 Havering has used the NFF rates in calculating funding for its schools. For each of those years decisions have been

made by the Schools Funding Forum on the minimum funding guarantee (mfg) and the gains cap. For 2019-20, the mfg was set at +0.5% so all schools received an increase and a cap of 2% per pupil was applied to limit the gains of schools that would otherwise have received more.

2. DSG Schools Block 2020-21

Indicative funding for 2020-21 through the DSG Schools Block has been announced by the DfE as shown in the table below with comparable data from 2019-20.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers (October 2018)	Secondary pupil numbers (October 2018)	Schools NFF Funding £
2020-21	4,252	5,654	22,118	14,447	175,731,700
2019-20	4,054	5,495	22,118	14,447	169,055,649
Diff	198	159	0	0	6,676,051

The total Schools Block funding also includes the following:

	Rates (NDR)	Mobility £	Growth & falling rolls funding £	Sub total £	Total School Block Funding £
2020-21	2,306,789	0	1,630,363	3,937,152	179,668,851
2019-20	2,098,445	63,051	2,498,943	4,660,439	173,716,088
Diff	208,344	-63,051	-868,580	-723,287	5,952,763

The Schools Block funding will be updated in December using pupil numbers from the October 2019 census.

Pupil Growth & Falling Rolls- the DfE funding of £1.63m will be insufficient to meet the costs of growth and falling rolls on the current basis. Options are considered in the section below.

3. School Funding Options

At this stage, all calculations are based on October 2018 data. These show the sums that each school would receive if there were no changes in pupil numbers or other data since October 2018 but using the 2020-21 formula.

Once the revised data is received in December, the LA will apply the NFF funding factors for each school to the data from the October 2019 census and until that is received it is not possible to calculate final figures. Minor changes may need to be made to any decisions made prior to the final calculations being made.

Given that the LA is using the national funding formula factors and rates to allocate funding to schools, the options to consider relate to the minimum funding guarantee and gains cap to be applied within the formula. The gains cap is applied to schools that would otherwise receive a higher per pupil increase. This will be determined by the level of affordability once the amount required for MFG is calculated. Options will be tabled at the meeting.

In allocating funding to schools LAs need to ensure that minimum pupil levels are met of £3,750 for primary schools and £5,000 for secondary schools. LAs are also able to set a minimum funding guarantee (MFG) of between +0.5% and +1.84%. This means that for the schools that if the formula allocates a school less per pupil than it currently receives, it will be protected at the level of the MFG.

The NNF funding values for 2020-21 are attached at Appendix A.

The additional funding available is demonstrated in the table below.

	£
Funding available for allocation through the formula	178,038,488
Funding in 2019-20 updated for increased NFF rates	174,506,849
Additional funding available	3,531,639

Example of how to allocate the funding

Cost of increasing gains cap to 4% (from 2% in 2019-20)	1,995,952
Balance	1,535,687

4. Pupil Growth and Falling Rolls Fund

In 2019-20 the DfE introduced a formula through which to allocate growth funding to LAs. This is based on multiplying the difference between the October data in one year to the previous year and multiplying that difference by £1,370 per primary pupil and £2,050 per secondary pupil. These arrangements based on lagged data do not support LAs with a growing number of pupils.

LAs are protected from large reductions in their funding so they do not lose by more than 0.5% of the total Schools Block DSG. Havering benefits from these arrangements although the funding has been significantly reduced.

2018-19	£3.3m
2019-20	£2.5m
2020-21	£1.6m

Havering's formula for allocating growth funding is as follows:

Primary

Single form of entry expansion or bulge class

28 pupils x AWPU £2,972.35 x 7/12 (Sept – March) = £48,548

This is repeated as the cohort moves through the school to recognise the need to open an additional class and appoint additional staff until the school has reached its new PAN in every year group.

It is expected that bulge classes will fill and therefore funded the following year by the pupils on roll but if they do not fill the funding is protected up to 28 pupils.

Secondary

Expansion or bulge class

Smaller increases in numbers are expected to be absorbed into existing classes. This is reflected in the pupil numbers funded as follows, using an example of an increase in PAN from 180 to 210.

Increase = 30 less 1 pupil absorbed into each of the existing 6 classes = 24 to be funded

24 pupils x AWPU £4,179.54 x 7/12 (Sept – March) = £58,514

This is repeated as the cohort moves through the school to recognise the need to open an additional class and appoint additional staff until the school has reached its new PAN in every year group.

For 2020-21 it is estimated that the costs will be as follows:

Primary

New expansions in September 2020	4 x	£48,548	=	£194,192
Expansions from previous years	8 x	£48,548	=	£388,384
New bulge classes in September 2020	7 x	£48,548	=	£339,836
Unfilled bulges from previous years	8		=	£112,949
Infant class sizes			=	<u>£50,000</u>
				£1,085,361

Secondary

New expansions in September 2020	1 x	£58,514	=	£58,514
Expansions from previous years	8 x	£58,514	=	£441,290
New bulge classes in September 2020	0			
Bulges from previous years	1		=	<u>£41,795</u>
				£541,599

TOTAL GROWTH £1,626,960

This budget must also fund schools with falling rolls

The DfE regulations require this to be good and outstanding schools only and when the capacity is likely to be filled in 3 years.

Havering's formula is as follows:

PAN x 85% minus NOR in YrR/Yr3/Yr7 x AWPU x 85%
Plus
PAN x 85% minus NOR in Yr1/Yr4/Yr8 x AWPU x 50%

It is estimated that this will cost £254,000 in 2020-21

Havering also has local arrangements that support primary schools that have significantly and consistently low numbers in some year groups. It is estimated that this will cost £580,000 for 12 schools.

Total funding requirement	£2,461,000
DfE Funding allocation	£1,630,363
Shortfall	£830,597

It should be noted that all of the above calculations are based on 2019-20 AWPU values. If increased by 4% to match the 2020-21 AWPU values, the shortfall would increase to £929k.

The options for consideration are to either reduce the amount of funding allocated to all or some of the categories above, to top slice the Schools Block by £830k or a combination of a reduction and a lower top slice. These will be included in the range of options that will be tabled at the meeting.

NATIONAL FUNDING FORMULA RATES

	2019-20	
	national rates	ACA @ 1.08204
AWPU (Primary)	2,746.99	2,972.35
AWPU (KS3)	3,862.65	4,179.54
AWPU (KS4)	4,385.81	4,745.62
FSM (Primary)	440.00	476.10
FSM (Secondary)	440.00	476.10
Ever6 FSM (Primary)	540.00	584.30
Ever6 FSM (Secondary)	785.00	849.40
IDACI Band A (Primary)	575.00	622.17
IDACI Band B (Primary)	420.00	454.46
IDACI Band C (Primary)	390.00	422.00
IDACI Band D (Primary)	360.00	389.53
IDACI Band E (Primary)	240.00	259.69
IDACI Band F (Primary)	200.00	216.41
IDACI Band A (Secondary)	810.00	876.45
IDACI Band B (Secondary)	600.00	649.22
IDACI Band C (Secondary)	560.00	605.94
IDACI Band D (Secondary)	515.00	557.25
IDACI Band E (Secondary)	390.00	422.00
IDACI Band F (Secondary)	290.00	313.79
Low Attainment (Primary)	1,022.00	1,105.84
Low Attainment (Secondary)	1,550.00	1,677.16
EAL (Primary)	515.00	557.25
EAL (Secondary)	1,385.00	1,498.63
Mobility		
Lump Sum (Primary)	110,000.00	119,024.40
Lump Sum (Secondary)	110,000.00	119,024.40

2020-21	
national rates	ACA @ 1.08204
2,857.00	3,091.39
4,018.00	4,347.64
4,561.00	4,935.18
450.00	486.92
450.00	486.92
560.00	605.94
815.00	881.86
600.00	649.22
435.00	470.69
405.00	438.23
375.00	405.77
250.00	270.51
210.00	227.23
840.00	908.91
625.00	676.28
580.00	627.58
535.00	578.89
405.00	438.23
300.00	324.61
1,065.00	1,152.37
1,610.00	1,742.08
535.00	578.89
1,440.00	1,558.14
875.00	946.79
114,400.00	123,785.38
114,400.00	123,785.38

Difference		
National	LBH	%
110.01	119.04	4.0%
155.35	168.09	4.0%
175.19	189.56	4.0%
10.00	10.82	2.3%
10.00	10.82	2.3%
20.00	21.64	3.7%
30.00	32.46	3.8%
25.00	27.05	4.3%
15.00	16.23	3.6%
15.00	16.23	3.8%
15.00	16.23	4.2%
10.00	10.82	4.2%
10.00	10.82	5.0%
30.00	32.46	3.7%
25.00	27.05	4.2%
20.00	21.64	3.6%
20.00	21.64	3.9%
15.00	16.23	3.8%
10.00	10.82	3.4%
43.00	46.53	4.2%
60.00	64.92	3.9%
20.00	21.64	3.9%
55.00	59.51	4.0%
4,400.00	4,760.98	4.0%
4,400.00	4,760.98	4.0%

Schools Funding Forum 7th November 2019

ITEM 5

Subject Heading:

**High Needs Funding 2020-21 and Year
End Forecast 2019-20**

Report Author:

**David Allen – Strategic Finance
Manager**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcements of indicative DSG High Needs Block funding for financial year 2020-21 and provides a year end forecast of expenditure for 2019-20.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the additional High Needs Block funding for financial year 2020-21
- (ii) notes the year forecast of expenditure for financial year 2019-20

REPORT DETAIL

1. Background

In 2018-19 the DfE implemented a National Funding Formula for the allocation to local authorities of high needs funding through the DSG although the funding has not kept pace with the increasing number of children with Education Health and Care Plans or the increased complexity of need.

Within the additional £2.6 billion to be added to the DSG in 2020-21 there is a £780 million additional to the national High Needs Block. The impact on Havering is shown below.

This report also includes a forecast of 2019-20 high needs expenditure against the funding available.

2. DSG High Needs Block 2020-21

Indicative funding for 2020-21 through the DSG High Needs Block has been announced by the DfE as shown in the table below with comparable data from 2019-20. The High Needs NFF uses 11 different factors but only the pupil population factor is shown below as, along with historic spend, this distributes the largest proportion of funding.

	Aged 2 – 18 Pupil Population Estimate	£	Increase
2020-21	56,908	29,404,318	
2019-20	55,566	25,332,390	
Difference	1,342	4,071,928	16.07%

This is the second highest percentage increase in London although, per pupil, Havering remains the lowest funded in London.

As shown below, Havering is currently spending approximately £3.5m above its allocation so the additional funding next year is unlikely to be available to fund new initiative or developments.

3. High Needs Forecast 2019-20

Appendix A shows the funding available for High Needs related expenditure in 2019-20 and the current forecast of expenditure across the range of provision within Havering. Added to the DfE funding allocation this year is £1.19 million, one-off funding from a DSG underspend carried forward from 2018-19.

High Needs Forecast 2019-20**Funding allocation before recoupment****Available funding after recoupment**

£000
25,322
21,640

Havering Special Schools
Expenditure on therapies etc
Out of Borough Maintained Special Schools
Revised In-Borough Primary Top-up
Out of Borough Mainstream Primary
Expenditure on alternative tuition + therapies
In year EHC Plans
Total Primary High Needs funding
Revised In-Borough Secondary Top-up
Out of Borough Mainstream Secondary
Expenditure on alternative tuition + therapies
In year EHC Plans
Total Secondary High Needs funding
Schools with high nos. of pupils with SEN
Additionally Resourced Provision
In-Borough Post-16 Top-up
In-Borough Post-19 Top-up
Out of Borough Post-16
Expenditure on Post-16 Tuition
Total Post-16
Non-Maintained & Independent Special Schools Pre-16
Non-Maintained & Independent Special Schools Post-16
Early Years Inclusion Fund
Alternative Provision
Central support teams
Total

Estimated Expenditure	No of Pupils/Places supported			
	Pre 16		Post 16	
	£000	Apr-Aug	Sep-Mar	Apr-Aug
7,518	260	248	48	52
107				
405	23	26		
3,508	447	410		
183	26	23		
260				
108		45		
4,060	473	478		
1,700	238	269		
210	24	24		
517				
29		12		
2,456	262	305		
327				
1,164	84	99		
560			99	107
763			93	66
168				12
1,492			192	185
2,768	53	44		
929			13	8
50				
2,540				
1,389				
25,205	1,155	1,200	253	245

High Needs allocation after recoupment
DSG underspend from 2018-19
Total funding available
Forecast overspend

21,640
1,190
22,830
2,375

Agenda Item 6



Schools Funding Forum 7th November 2019 ITEM 6

Subject Heading:

**Central Schools Services Block (CSSB)
2020-21**

Report Author:

**David Allen – Strategic Finance
Manager**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcement of indicative DSG Central Schools Services Block (CSSB) funding for financial year 2020-21.

RECOMMENDATIONS

That the Schools Funding Forum notes the allocation of CSSB for 2020-21.

REPORT DETAIL

1. Background

As part of the introduction of a Schools and High Needs National Funding Formula in 2018-19 the DfE also introduced a fourth funding block, the CSSB. Prior to indicative allocations being received, at their last meeting the Schools Funding Forum agreed how the CSSB was to be allocated as shown below

2. CSSB 2020-21

Indicative funding for 2020-21 through the DSG Schools Block has been announced by the DfE as shown in the table below with comparable data from 2019-20.

	Ongoing responsibilities			Historical commitments	Total CSSB
	Pupil nos.	Per pupil £	£	£	£
2020-21	36,565	35.20	1,287,134	229,992	1,517,126
2019-20	36,565	35.23	1,288,167	287,490	1,575,657
Difference	0	0.03	-1,034	-57,498	-58,532

At the meeting held on 25th September 2018 the Schools Forum agreed the following allocations:

	2020-21 £
Copyright licences	180,000
Admissions	496,690
Schools Forum	43,250
LA responsibilities to all schools	569,870
Historic commitments	200,000
Total	1,489,810

Indicative allocation	1,517,126
Difference	27,316

Until the cost of the national copyright licences has been provided and the CSSB updated for October 2019 pupil numbers it will not be possible to consider how any additional funding can be allocated.