



SCHOOLS FUNDING FORUM AGENDA

8.00 am

Thursday
9 February 2023

Room 233-234, CEME
Rainham

Members 17: Quorum: 7

MEMBERSHIP:

Representative Groups

LA Maintained School Representatives:

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

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

**Academy
Representatives:**

Primary (2): Steve Bowers
Kate Ridley-Moy

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

Special (1) Gary Pocock

AP Academy (1) Ray Lawrence

Schools Funding Forum, 9 February 2023

**Non-School
Representatives:** **Error! No document variable supplied.**

**Early Years PVI Sector
(1)** Mark Halls

Post 16 Vacancy

Decision Board Vacancy

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

**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 12 JANUARY 2023 (Pages 1 - 7)

To agree the notes of the meeting held on 12th January 2023 as a correct and accurate record.

3 MATTERS ARISING

4 EARLY YEARS FUNDING 2023-24 (Pages 8 - 21)

5 HIGH NEEDS FUNDING 2023-24 (Pages 22 - 24)

6 FUNDING FOR UKRAINIAN PUPILS (Pages 25 - 26)

7 NATIONAL TUTORING PROGRAMME GRANT 2022-23 (Pages 27 - 29)

8 NEXT MEETINGS

The next meeting has been arranged as follows:

15 June 2023

All meetings to be held at CEME at 8.00am (Room 233).

9 ANY OTHER BUSINESS

Zena Smith
Democratic and Election Services Manager

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM

Thursday 12th January 2023 (8.00 – 9.30am)

Present:

Representative Groups

LA Maintained School Representatives:

Primary: Kirsten Cooper (Chair)
Hayley McClenaghan
Chris Speller
Garth Tucker
David Unwin-Bailey

Special: Emma Allen

Governor: Dave Waters

Academy Representatives:

Primary: Chris Hobson

Secondary: Neil Frost
Scott McGuinness
David Turrell

Non-School Representatives:

Early Years PVI Sector: Emma Reynolds

Trade Unions: Peter Liddle

Non Members in attendance: Trevor Cook – Assistant Director for Education
Caroline Penfold – Head of CAD services
Nick Carter- Principal Finance Officer (Schools)
Angela Adams – Clerk, HGS
Cllr Oscar Ford

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

Apologies were received from Georgina Delmonte, Kate Ridley-Moy (Chris Hobson was substituting for K Ridley – Moy) and Denise Broom.

2 TO AGREE THE NOTES OF THE MEETING HELD ON 1st December 2022

The minutes of the meeting held on 1st December 2022 were agreed as a correct record.

3 MATTERS ARISING

There were no matters arising.

4 SCHOOL FUNDING FORMULA 2023-24

N Carter (NC) advised the Forum that the DfE had released the final funding figures for 2023-24, calculated using data from the October 2022 pupil census, on 17th December 2022. Following this, the funding formula for schools had been reworked in line with the outcome of the funding consultation held in November. The following was noted:

- Funding overall for the Borough had increased due to the pupil numbers increasing.
- Overall there was a 2.26% increase in funding per pupil
- Growth and falling rolls funding was £0.5m higher than anticipated. This was now just over £2m, therefore only £164,676 would have to be moved from the schools block to maintain funding rates for schools at the current level, instead of the £700K previously estimated.
- 0.5% (£1.1m) would be moved from the Schools Block to High Needs as agreed in the funding consultation
- With the minimum funding guarantee at 0.5%, the highest level permitted, and a gains cap of 2.6%, as agreed in the consultation, £900k would be left unallocated.
- It was possible to increase the gains cap to 3.15%. This would leave £92k unallocated, a reasonable level of reserve. The gains cap could be increased to 3.2% but this would leave a small reserve of £29k.
- Schools were capped to allow the movement of funding to High Needs

Individual school allocations calculated using October 2022 census data were circulated to the Forum. This included a comparison with the indicative figures used in the funding consultation. It was noted that some schools had a reduction in funding due to a fall in pupil numbers between October 2021 and October 2022.

It was questioned why the data showing the schools allocations was anonymised. In response it was noted that this was intended to ensure that discussions focussed on the principles of how funding should be allocated, rather than on sums going to specific schools.

Final funding figures would be released to LA maintained schools by 28th February. The EFSA usually released figures to academies at around the same time.

Possible changes by the DfE for 2024-25 in the discretion given to Schools

Forums in the allocation of funding growth and falling rolls remained a concern. Funding may be ring-fenced in future years. The reduction in the transfer required from the Schools Block, to maintain current funding levels for schools for growth and falling rolls, means the impact of ring-fencing could be less than previously thought.

T Cook (TC) advised colleagues that a report covering London showed that Havering was one of only three Boroughs that were projected to see an increase in pupil numbers at primary level up to 2026. TC advised that Pooneeta Mahadeo, Schools Organisation Manager, was meeting with clusters to discuss the future number of places required. D Unwin-Bailey (DUB) questioned if changes in numbers were reflected in the data used and it was noted they were.

The Chair stated that all schools were being asked to take pupils above the level of PAN. A number of the pupils joining came with additional needs and more funding should be available. NC stated that this topic had been discussed by the Forum in the past and funding was available where schools were asked to go above PAN in Reception, Year 1 and Year 2. Provision for this had been included in the fund for growth and falling roll.

The Forum

The Forum **agreed** that:

- (i) £1.108,990 is moved from the Schools Block to High Needs
- (ii) £164,676 is moved from the Schools Block to support pupil growth and falling rolls
- (iii) the Minimum Funding Guarantee is set at 0.5%
- (iv) a gains cap of 3.15% is set

5 MAINSTREAM SCHOOLS ADDITIONAL GRANT (MSAG) 2023 -24

NC advised that this funding was not anticipated and had been announced as part of the Government's Autumn (financial) Statement. £2 billion extra funding would be made available for school core budgets with £400m of this allocated to High Needs.

In 2023-24 mainstream schools would be allocated funding through a Mainstream Schools Additional Grant (MSAG). MSAG would be allocated to LA maintained schools and academies to cover the period April 2023 – March 2024. Academies would receive further funding for April 2024 – August 2024. The funding is intended to support additional cost pressures. It will be distributed on a formula basis using pupil numbers, FSM Ever 6 numbers and a lump sum.

The total allocation for Havering is £7.5m, £ 1.4m more than the schools' supplementary grant received for 2022-23. One Forum member noted that the additional funding does not cover the cost of the support staff pay increase at their school, before considering the cost of the pay increase for teachers and rising energy costs.

It was noted that schools were one of the few areas to receive additional funding in the Autumn Review.

Pupil Premium (PP) funding for 2023-24 would increase by 5%. October 2022 census numbers would be used to calculate funding. DUB questioned what the rate for Looked After Children (LAC) was. In response it was noted that it was approximately £2k per LAC child, or £700 a term, and was determined by the Virtual Head Teacher based on the PEP submitted.

The Forum **noted** the report.

6 HIGH NEEDS FUNDING 2023-24

NC advised that since indicative figures had been presented in September there had been a £400k increase in High Needs funding following the Government's Autumn Statement. There was a requirement to ensure that special schools and pupil referral units (PRU) received a 3.4% increase in their total funding.

It was predicted that High Needs would overspend by £2.5m in year in 2022-23. The increase in funding was welcome but it did not match the 18% increase in the number of pupils with an Education Health Care Plan (EHCP) in the last year. C Penfold (CP) stated that the forecasts had been updated and although numbers continued to increase, the rate of increase was slowing.

It was agreed that the additional money was welcome. The Forum wanted to see the overall deficit in high needs spending reduce but additional funding still needed to be spent on the pupils.

TC advised that the Borough had been invited to join the Delivering Better Value (DBV) group by the DfE. The LA had fully engaged in the programme and had worked hard to provide the detailed data required for each pupil back to 2017. Training would follow and by June the LA needed to have identified priority actions to reduce the deficit in the High Needs Block. Schools would be involved in this process.

It was noted that other LAs were now putting into place things that Havering has already undertaken. TC advised that in June there would be an opportunity to bid for up to £1m of additional funding from the DfE. This funding was to be used to implement the priority actions identified and not to offset against the deficit.

75% of pupils in Havering with an EHCP were in mainstream schools. DUB stated that this was because there were not enough spaces in special schools. CP agreed that more places were needed in ARPS and special schools. A number of new ARPs were in the pipeline.

The number of special school places in Havering was out of step with other LAs. It was noted that the LA was looking at the establishment of a fifth special school with 300 places. An application had been submitted to the DfE. The fourth special school in Havering would be opening in September 2023 with 60 places.

E Reynolds (ER) questioned the High Needs provision for Early Years. In response it was noted that the LA had hoped to grow provision for Early Years High Needs but this had not come to fruition. The High Needs task and finish group would be examining funding rates for high needs pupils in Early Years.

The Forum **noted** the report.

7 CENTRAL SCHOOLS SERVICES BLOCK (CSSB) 2023-24

NC advised that this was the smallest of the four funding blocks. Funding for ongoing responsibilities was allocated to the LA on a per pupil basis. The element of the block for historical commitments was being reduced by 20% each year.

The indicative allocation for CSSB for 2023-24 had been presented to the Forum at their meeting on 22nd September 2022 and agreement reached as to how this would be spent. The final allocation was £33,834 higher due to an increase in pupil numbers. The cost of copyright licences administered by the DfE had, however, risen by £28,792 to £214,651. After funding this increase there would be a balance remaining of £4,861.

The Forum **noted** the report and **agreed** that:

£4,861 be held as a contingency.

8 EARLY YEARS FUNDING 2023-24

It was noted that unlike the other blocks funding for Early Years changed during the year in line with the pupils' hours. Funding for the summer term 2023 would be based on hours at the January 2023 census, Funding for the autumn term 2023 and spring term 2024 would be based on hours at the January 2024 census. The final funding for 2023-24 financial year would not be known until June 2024.

Funding for 2023-24, and the hourly rates that could be paid to providers, were calculated using estimated numbers.

The Forum were reminded that a Government Consultation in Early Years funding was held in summer 2022. As a result of this, funding for LAs would move back to being allocated on a formula basis, with the latest available dataset used in the calculations. The teachers' pay and pension grants (TPPG), previously paid separately to schools with nurseries, had been incorporated into the hourly funding rate received for 3&4 year olds.

The funding received by the LA was increasing by 49p for 2 year olds. The funding for 3&4 year olds was increasing by 7p as a result of the incorporation of TPPG and then by a further 6p. A total increase of 13p.

The incorporation of TPPG into the hourly funding rate for LAs raised the question of whether there should be a quality supplement in the formula used

to allocate funding to providers. This would enable the additional sum received for TPPG to be directed back to the schools that had previously received the separate additional grants. It was noted that there were 29 qualified teachers in the PVI sector, although they were unlikely to be members of the Teachers' Pension Scheme.

The funding for providers in 2023-24, and the contents of the 2023-24 funding consultation with providers, had been discussed at the meeting of the Early Years Provider Reference Group (EYPR) held on 10th January 2023. Following discussion at EYPRG there would be two options contained in the funding consultation.

In Option A funding is allocated to schools via a quality supplement at the indicative level of TPPG for 2023-24, i.e. schools receive the same funding as if the grants were continuing. In this option all of the additional £239,515 received for TPPG is allocated via the quality supplement. The hourly funding rate for 3&4 year olds would rise by 12p from £5.19 to £5.31.

In Option B funding is allocated to schools via a quality supplement at a level more closely matching the additional costs incurred by schools that the grants were intended to meet. This results in a lower sum of £141,280 being allocated to schools in place of TPPG. The reduced sum allocated to schools allows for an increase in the hourly funding rate for 3&4 year olds of 15p from £5.19 to £5.34. This option splits the additional funding for TPPG between direct funding for TPPG costs and an increase in the basic hourly rate. It also means that the protection / transition for schools in 2023/24 is tapered.

It was intended that the quality supplement would exist for one year only to provide protection for schools with nurseries before moving back to a single rate for 2024-25. However, as the funding formula was considered annually any decisions were, in practice, made for one year only.

The consultation would be undertaken with all Early Years providers, including childminders, there would be one vote per provision. The results of the consultation would be reported to the meeting of the Schools Funding Forum on 9th February 2022.

The wording of the consultation would be shared with the Early Years Provider Reference Group before it was sent out..

It was commented that the current funding rate of £5.19 for 3&4 year olds was insufficient given cost pressures and that Early Years felt like the forgotten sector. DUB stated that Early Years funding was discriminatory against maintained schools who had to employ a qualified teacher in their nurseries and that this would be the case until the Government changed the guidance.

9 NEXT MEETINGS

Future meetings had been arranged as follows:

9th February 2023

15th June 2023

Meetings to start at 8.00 a.m. at CEME, room 233.

10 ANY OTHER BUSINESS

There was no other business.

Meeting closed at 9:36

DRAFT

Agenda Item 4



Schools Funding Forum 9th February 2023

ITEM 4

Subject Heading:

Early Years Funding 2023-24

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

**All school and academy members and
the PVI representative**

SUMMARY

This report provides details of the consultation with early years providers on funding for financial year 2023-24, the outcome of which will be reported at the meeting.

RECOMMENDATIONS

The Schools Funding Forum agrees funding rates for 2023-24. Recommended rates will be determined following the closure of the funding consultation with providers. To be agreed:

- 1 (i) The basic hourly rate for 2 year olds
(ii) The level of the contingency held for 2 year old funding
- 2 (i) The basic hourly rate for 3 and 4 year olds
(ii) The hourly rate for inclusion funding
(iii) The level of a quality supplement to allocate funds to school in place of the teachers' pay and pension grants (TPPG)
- 3 Whether deprivation is retained as the only other supplementary factor and that the rates of funding continue to be aligned with the rates that are used for schools in the National Funding Formula
- 4 The level of the centrally retained budget for LA support

- 5 That the use of any underspend in the Early Years Block continues to be discussed with the Early Years Provider Reference Group before any proposals are brought to the Schools Funding Forum and before any decisions are made on its use.

REPORT DETAIL

Background

Early years education is funded through the Early Years Block of the DSG. Indicative allocations for 2023-24 were issued to local authorities on 17th December 2022 along with the final allocations for the other DSG blocks.

Following a funding consultation held in 2022, the Department for Education (DfE) has moved back to determining funding rates for local authorities funding via a formula. The formula will use the most recently available dataset. A new +1% year to year protection was introduced, together with a +4.9% gains cap.

The DfE has also implemented the proposal contained in the consultation to incorporate the teachers' pay and teachers' pension grants (TPPG) for early years into the funding formula. These were previously paid separately to maintained schools with nurseries.

The hourly funding rates for Havering for 2023-24 are:

- 2 year olds – increased by 49p from £6.03 to £6.52
- 3&4 year olds – increased by 7p from £5.59 to £5.66 for the inclusion of TPPG, then by a further 6p to £5.72

The Local Authority produced proposals for 2023-24 funding rates for providers. This included two options for the allocation of funds in place of TPPG for schools, each with a different funding rates for 3&4 year olds. The proposals were discussed with the Early Years Provider Reference Group (EYPRG) on 10th January 2023 and the Schools Funding Forum on 12th January 2023.

Funding Consultation

The consultation was held on-line with details sent to all private, voluntary and independent early years providers, and to schools with nurseries. The contents of the consultation are shown at Appendix A.

The consultation ran until 7th February 2023, so was still open when this agenda item was prepared. The intention was for the outcome of the consultation to be shared with EYPRG and the proposed funding rates then forwarded to members of the Schools Funding Forum for discussion and approval at this meeting.



**Consultation with Early Years
Providers on
Funding for Financial Year
2023-24**

Introduction

This consultation document proposes options for the allocation of funding to early years providers for the financial year 2023-24. Providers are asked to consider the proposals and respond back to the Local Authority for further consideration by the Early Years Provider Reference Group (EYPRG) and Schools Funding Forum.

Process

The consultation period will run until Tuesday 7th February 2023.

A summary of responses to the consultation will be reported to EYPRG and the Schools Funding Forum in week commencing 6th February 2023 and final decisions taken by the Local Authority before funding statements are issued for the 2023-24 financial year.

Responding to the Consultation

The online link to consultation is sent to all private, voluntary and independent early years providers and head teachers of schools with nurseries.

You can contribute your views to the consultation in the online link below:

<https://consultation.havering.gov.uk/education/fa4082fb>

If you require clarification on any point please email:

Education Finance at: education.finance@havering.gov.uk

Early Years Funding 2023-24

1. Early Years Funding 2023-24

Early Years education is funded through the Early Years Block of the DSG. As part of the DfE consultation, indicative funding rates were announced on 4th July 2022, which have remained unchanged as confirmed by the DfE in the indicative allocations for 2023-24, that was issued to local authorities on 16th December 2022, along with the final allocations for the other DSG blocks.

As part of the Autumn Spending Review 2021, funding for early years provision was increased by a further £180m. In the Autumn Spending Review 2022, for financial year 2023-24, central government announced an additional £20m in Early Years funding. This is applied via a year-to-year protections of 1%, and a gains cap for 3/4 year olds of 4.9%, and a gains cap for 2 year olds of 10.0%.

For 2023-24, Havering's rate for the 2 year old entitlement has increased by 8.1%, which is an increase of 49p in comparison to the 2022-23 rate. For the 3/4 year old entitlement, the increase is 1.1%, which is an increase of 6p.

The hourly rate for 3/4 year olds has been increased by an additional 7p following the rolling in of the teachers' pay and pension grants (TPPG) previously paid separately to school based nurseries. This has resulted in a total increase in the hourly rate for 3/4 year olds of 13p. Further details are given in Section 2.

Rates payable to the Local Authority in 2023-24 are shown in the table below:

| | 2 year olds | 3/4 year olds |
|----------|-------------|---------------|
| 2022-23 | £6.03 | £5.59 |
| 2023-24 | £6.52 | £5.72* |
| Increase | £0.49 | £0.13* |

* Please note that the proposed rate for 2023-24 includes 7p for the Teachers Pension and Pay Grants (TPPG) previously paid exclusively for mainstream schools with nurseries. The additional funding is therefore 6p.

As part of the original three year commitment in the Autumn Spending Review of 2021, there is a further £170m of additional funding due to the Early Years Block in 2024-25.

Early years providers in the private, voluntary and independent sector, and schools, continue to face considerable cost pressures. The National Living Wage rose by 6.6% in 2022 and is set to rise by a further 9.7% in April, whilst pay for most support staff in schools rose by 9.8% in the current financial year. The rise in energy costs are well documented but providers have also seen the cost of resources rising at unprecedented levels.

Against this background, a rise of just 1.1% in the funding rate received from central government is extremely disappointing. The local authority will continue to make representations to the Department for Education on the level of funding for early years at every opportunity.

2. Teachers Pay and Pension Grants (TPPG) transfer to Early Years Block

Following a higher than anticipated pay rise for teachers in September 2018 and an increase of 7.2% in the employers' contribution rate for teachers' pensions in September 2019, the DfE introduced a pay and a pension grant to support schools with the additional costs.

These were calculated on a per pupil basis with nursery pupil numbers included. In the 2021-22 financial year, funding for Year R – Year 11 was rolled into the national funding formula basic per pupil rate. Funding for nursery aged pupils, however, continued to be funded as separate grants paid to maintained schools with nursery classes.

For 2023-24 the pay and pension grant funding allocated for nursery pupils has been rolled (transferred) into the overall 3/4 year old entitlement allocated to the LA, identified separately in the initial allocations. If the additional funding resulting from this rolling-in is distributed as part of the basic hourly rate then all providers would receive a proportion, rather than just the maintained schools that formerly received the separate grants.

The operational guide for early years released by the DfE on December 2022 states the following:

“We encourage local authorities to use the quality supplement [one of the supplements to funding LA are allowed to include in local formulas] to distribute the additional funding they will receive because of the mainstreaming of the teachers' pay and pension grants.”

“As with all other supplements it is for local authorities to determine the appropriate metric for allocating funding.....However, we would encourage local authorities to consider the purpose for which the grants were originally introduced when designing their approach. They could continue to target the funding to take account of additional pressures that some providers might face, from, for example the need to pay employer contributions to the Teachers' Pension Scheme.”

In the indicative allocations for 2023-24, the additional funding received as a result of the rolling in of the pay and pension grants is £239,515. The sum received for 2022-23 via the teachers' pay and pension grants is £231,406.

3. Indicative DfE funding of Havering's Early Years Block funding 2023-24

Local authorities receive an initial allocation of Early Years funding for financial year 2023-24 based on the latest data available which was from the January 2022 Census.

Based on January 2022 data, Havering's initial allocation for 2023-24 is as below.

| 2 Year Olds | | | 3/4 Year Olds | | | Total Funding for distribution |
|--------------|-----------------|------------|---------------|-----------------|-------------|--------------------------------|
| Cohort (PTE) | Unit of funding | Allocation | Cohort (PTE) | Unit of funding | Allocation | |
| 533.34 | £6.52 | £1,982,105 | 6,002.89 | £5.72 | £19,571,824 | £21,553,929 |

This will be updated from the January 2023 Early Years census although the funding that a local authority's grant allocation based on that census is not adjusted until June/July. A local authority's initial allocation could, therefore, either increase for higher numbers of participation or reduce if lower.

4. Funding Supplement 2022-23

At the start of the 2022-23 financial year the funding rates for providers were set at £5.97 for 2 year olds and £5.19 for 3/4 year olds. Following an in-year review, using in-year providers' termly claims and updated projections for the remainder of the financial year, a supplement was introduced to allocate the underspend on the Early Years Block brought forward from the previous year. This took the form of an additional 10p on the hourly rate for 2 year olds and 3/4 year olds.

As this supplement was funded using the previous year's balance, the additional funding could not be guaranteed for 2023-24. Rates for 2023-24 would be dependent on the increase in the hourly rate received from central government.

5. Distribution to Providers

5.1 2 Year Olds Funding

The funding arrangements are straightforward as, unlike with 3/4 year olds, the grant is passed on fully to providers after the setting of a small contingency to fund any growth in the summer term.

Setting a small contingency will enable the LA to have a budget from which to fund any in year increase in hours not funded by the Government.

Proposal

- (i) It is proposed to pass on in full the central government increase of 49p, increasing the hourly rate for providers from £5.97 to £6.46.
- (ii) It is proposed to set a contingency of £77,673 that would enable a 4% growth in provision to be funded (an additional 21 PTE children above the projected numbers).

| | |
|-----|--|
| Q.1 | <i>Do you agree for 2 year olds that the 49p increase in the hourly funding rate received from central government is passed on in full, increasing the rate paid to providers from £5.97 to £6.46?</i> |
|-----|--|

| | |
|-----|--|
| Q.2 | <i>Do you agree for 2 year olds that a contingency is set that would enable a 4% increase in the number of hours to be funded?</i> |
|-----|--|

5.2 3 & 4 Year Olds Funding

Local authorities are required to allocate at least 95% of the grant to providers. Local authorities are also required to set the level of a SEN Inclusion Fund to meet low level or emerging special needs.

The remaining grant is to be allocated to providers through a formula. At least 88% of the funding must be distributed through a basic hourly rate with up to 12% through supplementary factors

Local Authority projected numbers used for Funding Options for 2023-24

The cohort size used in projections has been calculated by taking numbers currently shown in Synergy for the spring term. Where a provider has not yet supplied figures the autumn term numbers for that provider have been added. This means the final January 2023 figure, which will be used by the DfE to determine funding, is unlikely to be lower than the one used in projections, but may be higher.

Numbers for the summer term 2023, autumn term 2023 and spring term 2024 have been calculated by looking at the average change in numbers from the January base in previous years.

Funding Options

The hourly funding rate is dependent on the approach taken in addressing the consolidation of the teachers' pay and pension grants into the Early Years block in 2023-24.

In line with the steer from the DfE, shown in section 2 of this document, the LA is proposing to introduce a quality supplement to distribute the additional funding. This would serve as protection (transition) for maintained schools who are losing the separate grant funding. When grant funding is removed it is usual to have a period of transition.

Two options for the allocation of funding have been considered, and we are seeking your views on them.

The first option directs all of the sum transferred from the mainstream schools TPPG (£239,515) back to eligible schools via a Quality Supplement. The base rate for 3/4 year olds and the rate for inclusion (SENIF) would increase by 12p an hour from £5.19 to £5.31.

The second option directs 60% (£141,280) of the transfer of the mainstream schools' TPPG back to those eligible schools via the Quality Supplement. This more closely matches the additional costs incurred by schools that the grants are intended to meet. The 3/4 year olds base rate and SENIF rate will both increase by 15p an hour, from £5.19 to £5.34.

Further details on the options are as follows:

- **Option A - Base Rate and SENIF Rate increased to £5.31, and transfer of all of the TPPG grant to mainstream schools via the introduction of a Quality factor**

It is proposed that the funding rate for 3/4 year olds and the SENIF Rate is increased to £5.31, in line with the agreement to match fund the two rates going forward, and all of the transfer of the TPPG be allocated via the Quality factor for those eligible schools.

Option A proposal is as follows:

| | | | | |
|--------------------|-----------------------|--------------------|-----------------------------|-----------------------|
| Proposed Base Rate | Increase in base rate | SEN Inclusion Fund | Hourly rate for SEN support | Quality factor (TPPG) |
| £5.31 | 12p | £417,685 | £5.31 | £239,515 |

- **Option B – Base Rate and SENIF Rate increased to £5.34, and transfer of £141,280 of the TPPG grant to mainstream schools via the introduction of a Quality factor**

In Option B, funding is allocated to more closely match the additional costs incurred by schools that the grants are intended to meet.

Using a teacher in the nursery who is paid on point 3 of the Upper Pay Spine and has a TLR of £4,892 (TLR2b), the additional costs that the TPPG is intended to meet, come to £5,504. Working on the basis that a 30 place nursery that has 28 children in the morning session and 28 children in the afternoon session should receive £5,504, an additional payment to all schools with nurseries can be calculated.

Using this methodology, £141,280 is required for the Quality factor to support the transition of this grant into the Early Years block.

The hourly rate for 3/4 year olds and SENIF could then rise to £5.34, an increase of 15p an hour in comparison to 22-23 base rate.

This option splits the additional funding received for TPPG between direct funding for TPPG costs and an increase in the basic hourly rate. It also means that the protection/transition for schools in 2023/24 is tapered.

The impact on individual schools is shown, anonymously, at Appendix A.

Option B proposal is as follows:

| Proposed Base Rate | Increase in base rate | SEN Inclusion Fund | Hourly rate for SEN support | Quality factor (TPPG) |
|--------------------|-----------------------|--------------------|-----------------------------|-----------------------|
| £5.34 | 15p | £420,044 | £5.34 | £141,280 |

| | |
|-----|---|
| Q.3 | <i>For 3/4 year olds, which option do you favour?</i> |
| | <i>Option A – Base Rate and SENIF Rate increased to £5.31, and transfer of all of the TPPG grant to mainstream schools via the introduction of a Quality factor</i> |
| | <i>Option B – Base Rate and SENIF Rate increased to £5.34, and transfer of £141,280 of the TPPG grant to mainstream schools via the introduction of a Quality factor</i> |

5.3 Supplementary factors

As well as the basic hourly rate, local authorities can also allocate funding through a limited range of supplementary factors. Up to 10% of the formula funding can be allocated through supplementary factors which can include:

- deprivation (mandatory supplement); local authorities must use this supplement to recognise deprivation in their areas,
- rurality or sparsity (discretionary supplement); to support providers serving rural areas less likely to benefit from economies of scale,
- flexibility (discretionary supplement); to support providers in offering flexible provision for parents; this could, for example, childcare wraparound care,

- out-of-hours provision, or to encourage a particular type of provider in an area (such as to meet a need for childminders in an area),
- quality (discretionary supplement); to support workforce qualifications, or system leadership (supporting high quality providers leading other providers in the local area), and
- English as an additional language (EAL) (discretionary supplement).

In Havering, following past consultations, only the mandatory deprivation factor is used. The LA has reviewed the feasibility and reliability of using other optional supplements and recommends, with the exception of a supplement for TPPG, that they are not adopted in 2023-24. A further review will be carried out for 2024-25.

It has been agreed previously that the funding rates allocated for deprivation align with those of schools, using the Income Deprivation Affecting Children Index (IDACI).

In September 2019 the Government released an update of the IDACI data. This showed a significant change in deprivation levels, particularly in London where it had reduced. To lessen the impact on funding, the DfE changed the basis on which pupils are assigned to the seven deprivation bands. This is now done on the basis of rank rather than score.

To lessen further the impact of the move from 2015 data to 2019 data, the DfE increased the National Funding Formula values for each band.

In Havering, funding for IDACI is currently allocated at the same rate for schools and early years providers. If this were to continue for 2023-24, funding rates would be as follows:

| Band | Hourly rate | | Annual rate (38 weeks x 15 hours) | | % change |
|------|-------------|---------|--------------------------------------|---------|----------|
| | 2022-23 | 2023-24 | 2022-23 | 2023-24 | |
| A | £0.73 | £0.77 | £416.10 | £438.90 | 5.5% |
| B | £0.56 | £0.58 | £319.20 | £330.60 | 3.6% |
| C | £0.52 | £0.55 | £296.40 | £313.50 | 5.8% |
| D | £0.48 | £0.50 | £273.60 | £285.00 | 4.2% |
| E | £0.31 | £0.32 | £176.70 | £182.40 | 3.2% |
| F | £0.25 | £0.26 | £142.50 | £148.20 | 4.0% |
| G | £0.00 | £0.00 | £0.00 | £0.00 | 0.0% |

Using the revised rates and methodology with October 2022 pupil data, the required budget for 2023-24 would be £435,825.

| | |
|-----|---|
| Q.4 | <i>Do you agree that deprivation remains the only supplementary factor used in Havering's formula and the rates of funding continue to be aligned with the rates used in the schools' national funding formula?</i> |
|-----|---|

6. Central Retention

Local authorities are able to centrally retain funding to lead and support the Early Years sector to deliver excellent quality provision, and to administer the distribution of Early Years Funded Entitlement and related supplements system.

The centrally retained funding supports the Local Authority to deliver their various statutory duties relating to early years, and to ensure sufficient, sustainable, high quality, accessible early education and childcare.

Any reductions to the central retention which funds a range of services, may result in an increase in the cost of traded services to the sector, and a reduction in the range and amount of advice and support (including financial support) to providers. It is through these central services that we are able to take actions to mitigate any changes brought about by the DfE.

The centrally retained funding is used to fund a number of services and activities across all sectors including mainstream, private, voluntary, independent sectors, and childminders to promote quality and improve outcomes for children in Havering, including;

- Provide support and advice to settings in relation to quality of early education and childcare, Ofsted and statutory requirements, with a focus on settings that require improvement or inadequate, as well as providing targeted support around work with vulnerable groups.
- Transition as part of the COVID-19 recovery programme.
- Support and advice to settings in relation to support for children with SEND, with a particular focus on inclusion, quality and early identification of need.
- Meeting the Council's statutory duties to ensure a sufficiency of places for funded 2, 3 and 4 year olds across Havering.
- Monitoring and delivering sufficiency.
- Providing support, advice and to promote business sustainability.
- Individual commissioning of provision for the most disadvantaged families.
- Delivering census, compliance with DfE statutory guidance and requirements.
- Brokerage of places for vulnerable children and children identified as disadvantaged.
- Managing the funded entitlement by advising providers, processing, administering and making payments, including support for the Provider Portal.
- Delivering census.
- Maintenance and development of the Provider Portal and linked systems.
- Supporting communications and publicity, including promotional activities to support take-up of funded places, 30 hours, EYPP, Inclusion Fund, and DAF uptake.
- Implement a number of eligibility assessments, including the eligibility for free school meals of a pupil who is being provided with early years provision, the eligibility of a child for prescribed early years provision, or the eligibility of a child for the early years pupil premium.
- Strategic and operational leadership and management of the early years system and its finances.

The distribution set by the DfE for central retention means that an LA can only use a maximum of 5% for central support, and the remaining 95% is paid direct to providers. Havering actually retains less than the 5% maximum allowed by the DfE in order to make the most amount of funding available to providers.

For the current financial year, 2022-23, the central retention in Havering was reduced from £820k to £790k. The Local Authority is proposing at keeping the centrally retained budget at the current year budget of £790k for financial year 2023-24. This represents 4.04% of funding, well below the permitted 5%.

The breakdown of services funded from this are as follows:

| Service | Amount (£,000) |
|--|-----------------------|
| Early Years Quality and Assurance Team | 351 |
| Early Years Admissions | 196 |
| CAD Support | 79 |
| Early Years Commissioning and Organisation | 61 |
| Finance | 53 |
| Central Database Software – EYAM | 50 |
| Grand Total | 790 |

| | |
|-----|---|
| Q.5 | <i>Do you agree that the central retained budget for LA support remains unchanged at £790k?</i> |
|-----|---|

APPENDIX A - Impact on schools of proposed allocation of funding for TPPG 2023-24

| School | 2023-24 Sum received | 2023-24 Sum received | | | Difference |
|--------------|----------------------|----------------------|--|----------------|----------------|
| | OPTION A | OPTION B | | | |
| | £ | TPPG allocation £ | Additional in base hourly funding £ | Total £ | |
| School 1 | 6,844 | 4,264 | 752 | 5,016 | -1,828 |
| School 2 | 10,156 | 5,620 | 992 | 6,612 | -3,544 |
| School 3 | 8,610 | 4,942 | 872 | 5,814 | -2,796 |
| School 4 | 7,992 | 4,322 | 763 | 5,084 | -2,908 |
| School 5 | 8,144 | 4,961 | 876 | 5,837 | -2,307 |
| School 6 | 8,831 | 4,554 | 804 | 5,358 | -3,473 |
| School 7 | 13,026 | 7,946 | 1,402 | 9,348 | -3,678 |
| School 8 | 17,220 | 9,729 | 1,717 | 11,446 | -5,775 |
| School 9 | 14,527 | 8,392 | 1,481 | 9,872 | -4,655 |
| School 10 | 8,698 | 5,155 | 910 | 6,065 | -2,634 |
| School 11 | 10,156 | 7,171 | 1,265 | 8,436 | -1,720 |
| School 12 | 9,449 | 5,601 | 988 | 6,589 | -2,860 |
| School 13 | 14,571 | 8,915 | 1,573 | 10,488 | -4,083 |
| School 14 | 10,553 | 5,504 | 971 | 6,475 | -4,078 |
| School 15 | 7,506 | 4,554 | 804 | 5,358 | -2,148 |
| School 16 | 17,441 | 10,078 | 1,778 | 11,856 | -5,585 |
| School 17 | 8,831 | 5,330 | 941 | 6,270 | -2,561 |
| School 18 | 10,818 | 5,426 | 958 | 6,384 | -4,434 |
| School 19 | 9,935 | 5,969 | 1,053 | 7,022 | -2,912 |
| School 20 | 14,130 | 7,655 | 1,351 | 9,006 | -5,124 |
| School 21 | 13,026 | 8,508 | 1,501 | 10,009 | -3,016 |
| School 22 | 9,052 | 6,686 | 1,180 | 7,866 | -1,186 |
| Total | 239,515 | 141,280 | 24,932 | 166,212 | -73,303 |

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Agenda Item 5



Schools Funding Forum 9th February 2023

ITEM 6

Subject Heading:

High Needs Funding 2023-24

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All Forum members

SUMMARY

This report provides details of the topics considered by the High Needs task and finish group in the current funding cycle

RECOMMENDATIONS

That the Schools Funding Forum notes the report and the work of the High Needs task and finish group, and agrees that final decisions on funding can be taken at the group's meetings

REPORT DETAIL

Background

At the meeting held on 20th October 2022 the Schools Funding Forum agreed to the re-establishment of a High Needs task and finish group to consider the options for the use of high needs funding. The work of the group is ongoing with meetings held immediately after those of the Forum. Two meetings have been held so far in this funding cycle, with a third to take place on 9th February 2023.

High Needs Funding 2023-24

Havering received £36.33m in the High Needs Block of the Dedicated Schools Block for 2022-23 with a further £1.03m transferred from the Schools Block following

consultation with schools. The total available was £37.36m. Havering received an additional £1.76m High Needs funding following the Government's Autumn Statement bringing the total High Needs Block to £40.83m, with a further £1.11m transferred from the Schools Block. The total available for 2023-24 is therefore £41.94m, £4.58m more than for 2022-23.

Expenditure from the High Needs Block is projected to exceed funding by £2.47m in the current year reducing the effective additional sum available for 2023-24 to £2.11m

Topics considered by the High Needs task and finish group

Funding uplift for special schools and the AP academy

For 2023-24 special schools, PRUs and AP Academies will receive a minimum 3% funding uplift (in comparison to 2021-22) plus an additional funding allocation equivalent to 3.4% of their total place and top-up funding. This is to be funded by local authorities from their High Needs Block and follows the announcement of an additional £400m (£1.76m for Havering) for High Needs in the Autumn Statement.

The estimated cost for the existing three special schools and the AP academy in Havering is £889k.

New free special free school and additional ARPS

The new free special school, which forms part of the Unity Schools Partnership Trust, is due to open in September 2023. The estimated cost to the High Needs budget in the 2023-24 financial year is £732k.

New ARPs are due to open at St Edward's CE Primary, Bower Park and Harris Academy Rainham with the number of places in the ARP at Clockhouse Primary also increasing. The exact cost in the 2023-24 financial year will depend on how the filling of ARP places is phased but is estimated at £350k.

Funding in support of Education Health Care Plans

Funding in support of pupils with EHCPs was increased for 2022-23 from £14.00 per hour payable after 11 hours to £16.00 per hour payable after 9.6 hours. The number of pupils with an EHCP has risen by 18% in the last year with an increasing number of pupils receiving support for 32.5 hours.

When costs were modelled in January 2022, using EHCP hours at that time, the estimated cost of the increase in funding rate was £1.92m. Current projections are that costs for 2022-23 will be £3.61m higher than in 2021-22. Projections for 2023-24, using the current rate of £16.00 per hour, show a further rise of £2.02m.

A rise of £1.00 in the hourly funding rate for schools adds £1.09m to the total cost of supporting EHCPs.

Early Years – Complex Needs

Where an early years pupil has an EHCP the provider receives an additional £3.20 per hour Complex Need funding. The cost of this is met from the High Needs Block and not the Early Years Block. Providers will also be in receipt of the basic £5.19 per hour funding for a 3&4 year old, inclusion funding of £5.19 per hour plus the 10p per hour supplement.

The hourly rate for Complex Needs was set at £3.20 per hour for 2020-21 and has remained at that level. The task and finish group discussed a rise to £4.00 per hour which is estimated to cost an additional £53k.

Central Support for High Needs

Central support for high needs was discussed by the task and finish group and it was recognised that the creation of additional posts, such as a further area SENCO, could be a cost effective way of providing additional support for high needs. The LA will carry out work to identify which additional posts would have the greatest impact. No provision has been made in central budgets for the cost of pay awards for staff funded from the DSG High Needs Block for a number of years. This needs to be addressed. A notional increase in funding of £243k was included in calculations.

Additional interim high needs provision

Following discussion, it was agreed that the LA would examine the feasibility of creating a new interim provision for pupils with very high and complex needs. It is not yet possible to estimate a potential cost should this go ahead.

It should be stressed that no decisions have yet been made. Further discussion will take place at the next meeting of the task and finish group on 9th February 2023. Estimated costs as outlined above are shown below. Additional costs exceed the additional funding available by £2.18m.

| Topic | Cost £000s |
|---|--------------|
| 3.0% MFG + 3.4% uplift for special schools and AP academy | 889 |
| New free special school | 732 |
| Additional ARP places | 350 |
| Increase in cost of supporting EHCPs | 2,023 |
| Increase in EY complex needs funding rate | 53 |
| Funding for additional central support | 243 |
| Additional interim high needs provision | - |
| Total cost | 4,290 |
| Additional funding available | 2,110 |
| Cost in excess of available funding | 2,180 |



Schools Funding Forum 9th February 2023

ITEM 6

Subject Heading:

Funding for Ukrainian pupils

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All Forum members

SUMMARY

This report provides details of funding allocations for schools for pupils who entered the UK under the Government's Homes for Ukraine scheme.

RECOMMENDATIONS

That the Schools Funding Forum notes the report.

REPORT DETAIL

Background

The Department for Education has made a grant available to local authorities for the provision of education for children aged 2 to 18 who have entered the UK via the Homes for Ukraine route. The grant does not cover children who have entered via other schemes such as the Ukraine Family Scheme.

The grant funding for local authorities is as follows:

| Phase | Funding rate for the year £ | Arrived in summer term | | Arrived Sept - Nov | Arrived Dec - Feb |
|-------------|--------------------------------|------------------------|-------------------------|--------------------|-------------------|
| | | Initial payment £ | Balance of funding £ | £ | £ |
| Early years | 3,000 | 750 | 2,250 | 1,500 | 750 |
| Primary | 6,580 | 1,645 | 4,935 | 3,290 | 1,645 |
| Secondary | 8,755 | 2,189 | 6,566 | 4,378 | 2,189 |

Havering is allocating the whole sum received for a child to the school that they are attending. The sum for a full year is notably higher than the basic per pupil funding for pupils of school age. For 2022-23 these rates are KS1&2 - £3,488, KS3 - £4,917, KS4 - £5,542. Additional funding for early years matches that for a 15 hour per week pupil, but this is additional to the funding the child will attract from the settings termly census claim.

Funding will also be provided to support those children attending alternative provision, principally Year 11 pupils.

The DfE state that the funding per pupil amounts include support for children with special educational needs and disabilities (SEND).

The allocations for schools are as follows:

| Phase | Funding rate for the year £ | Summer term £ | Autumn term £ | Spring term £ |
|-------------|--------------------------------|------------------|------------------|------------------|
| Early years | 3,000 | 750 | 1,125 | 1,125 |
| Primary | 6,580 | 1,645 | 2,468 | 2,467 |
| Secondary | 8,755 | 2,189 | 3,283 | 3,283 |

The number of pupils who arrived prior to 1 September is as follows:

| Phase | Summer term | Autumn term | Spring term |
|-------------|-------------|-------------|-------------|
| Early years | 0 | 2 | 1 |
| Primary | 15 | 19 | 19 |
| Secondary | 9 | 15 | 15 |

The LA has distributed funding for the whole financial year to schools for these pupils.

Confirmation of numbers for the third quarter is awaited from the Department for Levelling Up, Housing and Communities (DLUHC).



Schools Funding Forum 9th February 2023

ITEM 7

Subject Heading:

**National Tutoring Programme (NTP)
Grant 2022-23**

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All School and Academy members

SUMMARY

This report provides information on the National Tutoring Programme Grant for the 2022-23 academic year and the clawback of School Led Tutoring Grant for the academic year 2021-22

RECOMMENDATIONS

That the Schools Funding Forum notes the report

REPORT DETAIL

Background

The National Tutoring Programme (NTP) provides primary and secondary schools with funding to spend on targeted academic support. On 31 March 2022, the Department for Education (DfE) announced plans to simplify the programme for the 2022-23 academic year. These plans involve providing £349 million of core tutoring funding directly to schools and giving them the freedom to decide how best to provide tutoring for their pupils.

The overall approach to the NTP in the 2022-23 academic year is to put schools in charge of designing and delivering a tutoring offer that suits the needs of their pupils. It is for schools to determine which pupils should receive tutoring. The DfE state that schools should prioritise their Pupil Premium cohort for tutoring, in line with the NTP's

objective of supporting disadvantaged pupils, but may also consider offering tuition to other pupils where appropriate.

Funding allocations for 2022-23 academic year

For the 2022-23 academic year, funding allocations are calculated based on the number of Pupil Premium eligible pupils each school has. Allocations have been calculated based on 102% of Pupil Premium pupils. When the scheme was introduced last year funding was calculated based on 60% of Pupil Premium numbers and it was originally intended that funding for schools would continue to be based on 60% of numbers for 2022-23.

For the 2022-23 academic year mainstream pupils will receive a minimum of £162 per eligible pupil. This is calculated as 60% of £18.00, the notional hourly cost of a tutor, for a 15 hour course. $£18.00 \times 60\% = £10.80$ per hour, $£10.80 \times 15$ hours = £162.00. Non-mainstream schools will receive a minimum of £423, calculated as 60% of £47.00, the notional hourly cost of a tutor, for a 15 hour course.

NTP funding can be used to fund 60% of the total cost incurred by schools in delivering tutoring. 40% of the cost must be met from other sources. As an example, a school receiving £6,000 NTP funding will need to ensure that it has spent at least £10,000 on tutoring to avoid a clawback of funding.

Schools will also need to ensure they have funded at least the school's anticipated hours of tuition to avoid a clawback. Schools will be funded at a maximum of £10.80 per hour x the total number of tuition hours delivered. Where one tutor is working with three children that counts as three hours.

For all tutoring delivered in the 2022-23 academic year, schools must record the total cost incurred and the number of tutoring hours delivered, which they will be required to report to the DfE via a funding return in summer 2023.

Clawback of 2021-22 School Led Tutoring Grant

The DfE has clawed back funding from a number of schools in Havering that were not expecting this to happen. This appears to be the case countrywide. Schools can no longer access their on-line submissions to check the entries they made. The DfE has stated that an email was sent to all schools where funding would be clawed back showing details of the year end statement submitted.

For LA maintained schools, the LA received a list of schools with the sums to be clawed back, but no further details. A request was made to the DfE to forward the calculations used. In response they cited the methodology used but have not sent the figures.

The guidance given on the School-led tutoring year end statement for 2021-22 includes the following:

We use the data from the Year-End Statement to calculate the total amount of overpayment and, if necessary, recover this, where a school has:

- *funded less than a school's anticipated hours of tuition*
- *delivered the expected hours of tuition below the £18 average*

We will not recover any money if a school has:

- delivered the expected hours of tuition at the average £18 rate*
- delivered above the expected hours of tuition below the average £18 rate, providing that the total funding allocation has been spent on tuition.*

The ESFA calculates this overpayment by finding an average hourly cost using the total amount spent divided by the number of hours delivered. If this average is £18 per hour or above £18 per hour, we fund £13.50 for each hour delivered. If the average is below £18, in academic year 21-22 we only fund 75% of the average total cost up to a school's allocation. We calculate this by multiplying the average hourly cost by the total number of hours delivered.

For students/ education providers that receive the higher rate of funding of £47 per hour, the same calculation applies except for the amount that the department will fund, which is £32.25.

A question on the clawback of School Led Tutoring Grant 2021-22 has been tabled for the termly DfE / LA liaison meeting on 10th February 2023.