

Appendix A

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME 18 September 2014 (8.30 - 10.20 am)

Present:

Head Teachers	Nigel Emes (Chair) (Primary) Margy Bushell (Primary) Kirsten Cooper (Primary) David Denchfield (Primary) Chris Hobson (Primary) Bill Edgar (Secondary) Simon London (Academy) Keith Williams (Academy) Tim Woodford (Academy)
Governors	Daniel Gricks (Academy) Tracey Walker (Primary)
Non-School Representatives	Maria Thompson (Post 16)
Trade Unions	Ray Waxler, NUT Keith Passingham, NASUWT John Giles, UNISON
Officers in Attendance	David Allen (LBH) Mary Pattinson (LBH) Anthony Clements (LBH)

36 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies for absence were received from Emma Allen (substitute for Geoff Wroe), John McKernan, Christine Drew and Katrina Karwacinski.

37 TO AGREE THE NOTES OF THE MEETING HELD ON 13 JUNE 2014

The notes of the meeting held on 13 June 2014 were agreed as a correct record and signed by the Chairman.

38 MATTERS ARISING

Item 27 – SEND Reform refers

It was noted that to meet the requirements of the Children & Families Act 2014, the new structure in Learning and Achievement had begun operating from 1 September this year.

39 ELECTION OF CHAIRMAN AND VICE CHAIRMAN

Nigel Emes was re- elected as Chairman unanimously.

Keith Williams agreed to serve and was appointed as Acting Vice-Chairman pending a formal nomination being discussed at the Havering Secondary Partnership.

40 MEMBERSHIP

The following changes to membership of the Forum were noted:

1. That Kirsten Cooper, head Teacher of Nelmes Primary School had been appointed as Head Teacher representative for primary cluster D.
2. That Christine Drew had been appointed as representative of the Pupil Referral Unit in place of Noel McNab.
3. That John Giles had been appointed as UNISON rep in place of Dave Thomas. Pauline Lewis was the named substitute.
4. The vacancies of two primary school governors and a special governor.
5. That Trevor Sim, representative of vulnerable children, had retired. The Schools Forum regulations no longer required this category of representation and the LA was therefore not proposing to seek a replacement. The Forum also put on record its thanks for Trevor Sim's work over the last 30 years.

41 SECTION 251 OUTTURN 2013-14

The statement of LA expenditure in 2013-14 against section 251 budget headings was received.

There were few significant variances between outturn and the original budget. The Forum was given explanations of variances on the some budget lines as follows:

1.0.1 Individual Schools Budget – £65m underspend. The original budget is expressed as the total funding allocated to schools and academies through the funding formula whereas the expenditure is for maintained schools only. The difference of £65m is the amount recouped by the EFA for allocation to academies.

1.1.1 Contingencies – £198k underspend. This was the amount delegated by maintained schools to support schools in financial difficulty. No schools qualified for support.

1.2.1, 1.2.2 & 1.2.3 Top up funding - £200k underspend. The budget in 2013-14 (total £11.8m) needed to be sufficient to meet expenditure in the first year of operation of the new arrangements for High Needs

1.3.1 Central expenditure on under 5s - £1.1m underspend. The budget for 2 year old provision was originally included in this budget line but expenditure was recorded in line 1.0.1

1.4.10 Pupil Growth - £800k overspend. The original budget of £1m had already been identified as insufficient and during the year the Funding Forum had agreed additional funding from the DSG carry forward

1.8.1 DSG for 2014-15 This line showed the £1.68m that had been carried forward. The Forum had agreed at a previous meeting how the funding should be allocated and officers would check that the £400k earmarked for schools had been distributed.

The rest of the statement showed year end variances against core (no DSG) budgets.

The Council's Chief Finance Officer was required to certify that he was satisfied that the Dedicated Schools Grant (DSG) was allocated to schools. Auditors had, however, made an adverse comment on the reporting of capital spend in maintained schools. Coding by schools would be monitored as a result. Schools had also been reminded of the difference between capital and revenue. There had been no fraud cases reported in schools.

Havering would not be subject to further checks through the additional criteria to the DSG assurance system relating to general under of overspend of the DSG unless 5% of schools had a surplus of more than 15% for 5 years.

The budget line concerning retirements/redundancy related to ill health retirements of school keepers. Academies funded this item themselves.

42 **SCHOOL CARRY FORWARD BALANCES**

All schools with significant carry forwards had been followed up and the Forum considered a confidential paper. Many carry forwards were due to delayed building projects or the need for expansion or bulge classes which had altered original plans for use of balances. A reduction in devolved capital funding and appointment of a new head teacher may also result in a carry forward. Some schools needed the carry forward to balance their budget but they needed to understand that this was only one-off income.

A carry over in excess of 8% was considered high for primaries while the equivalent figure for secondaries was 5%. These targets had originally been set by the DfE and had been retained in Havering even though they were no longer statutory. The equivalent target for Academies was thought to be 12%. For some schools 2013-14 was the first year that there was a high carry forward balance and the main concern of officers was schools with regular high carry forward balances.

It was felt that some projects were questionable, for example spending £76k on leadership development. Some schools had also recorded high expenditure on i-pads. It should be expected that expenditure of this nature would be part of a clear strategy for schools rather than an unplanned opportunity to spend one off sums of money. The Council did have a balance control mechanism which could be used to claw back funding and reallocate this to other schools and this needed to be clarified.

It was felt that there was a danger of 'panic buying' associated with the carry forward balance and that the Forum could help with changing this culture over time. There was a risk that schools were seen to be well-funded and it was felt that high carry forwards did not give a good impression.

It was agreed that David Allen would write to Chairs of Governors asking how they challenged carry forward balances and also asking if previous expenditure plans had been followed. The sustainability of plans for new staff funded from carry forwards would also be challenged. The Council's balance control mechanism would also be mentioned in any letter.

All schools would also be written to regarding carry forward balances and the percentage thresholds for carry forwards would be checked.

43 **SCHOOLS IN FINANCIAL DIFFICULTY**

The Forum considered a confidential paper on schools that were in financial difficulty due to lower than expected roll numbers. Schools with a more than 8% carry forward had been excluded as had the two Academies. Schools had also been excluded that had already been supported for pupil growth. It was clarified that Academies were eligible for falling rolls funding but not for financial difficulties funding which was met from de-delegatd budgets from maintained schools.

The criteria for schools with falling rolls were agreed as submitted with the addition of a clearer paragraph on the eligibility of Academies.

44 **FAIRER FUNDING OF SCHOOLS - DFE FUNDING ARRANGEMENTS FOR 2015-16**

Officers explained that the school funding reforms were aimed to make funding based more on the needs of pupils. Havering had not, however, received any allocation from the additional £350m of funding. Place led

funding for alternative provision had been increased from £8k to £10k per place. This would however mean a reduction in the top up element to the Pupil Referral Service.

There would be no change to high needs funding for 2015/16 although it was planned to move towards a more formulaic approach to this area. There was also a pupil premium for 3 and 4 year olds included those attending schools with a nursery. It was confirmed that no Havering schools came under the rural school criteria based on distance to the next nearest school.

Academy funding would be simplified with the top line DSG allocation now including pupils in free schools with this funding recouped by the DfE. The Council was also no longer required to budget for the carbon reduction commitment as this would be deducted at source.

Overall, there were no significant changes in the funding arrangements for 2015/16.

45 **SCHOOLS REVENUE FUNDING 2015-16 - OPERATIONAL GUIDANCE**

Local Authorities were required to consult with Maintained and Academy Schools on changes to local funding arrangements. Havering complied with all the principal funding factors such as basic entitlement, deprivation, prior attainment and Looked After Children. Other factors such as split sites, London fringe and exceptional premises were not used in Havering as yet.

The Havering primary:secondary ratio was 1:1.36 compared to an average of 1:1.27. This indicated that Havering secondary schools were more generously funded than the national average. No school could lose more than 1.5% of funding under the formula in 2015-16.

The SEND reforms had been introduced in September 2014 and on required greater collaboration between Local Authorities and institutions to agree pupils' packages. It was suggested that an item on this, to include worked examples of the use of personal budgets, could be included on a future agenda for the Forum. SEN projections could also be discussed at a future meeting.

The Forum noted that an initial funding submission to the DfE was required by 31 October 2014.

46 **DFE CONSULTATION ON THE SCHOOL AND EARLY YEARS FINANCE REGULATIONS 2014**

It was noted that a DfE consultation on changes to the regulations had been launched with a response deadline of 17 October.

47 EXCEPTIONAL FACTORS AND MFG EXCLUSIONS FOR 2015-16

It was noted that the deadline for submitting applications to the DfE for exceptional factors and MFG exclusions was 30 September 2014 and that the Local Authority was not proposing to submit applications for exception. The Forum was reminded that there were some schools that continued to benefit from historical Excellence Cluster and Behaviour Improvement Programme grant. The new funding formula factors allocated these schools less than they had received in previous years but were protected by the Minimum Funding Guarantee on a -1.5% per pupil reduction. A previous application to the DfE for an exemption had been rejected.

48 LBH CONSULTATION WITH SCHOOLS

The Forum considered a draft consultation paper for schools on 2015-16 funding. It reminded schools of changes in 2014-15 such as a reduction in , the secondary attainment rate had due to a change in the data used and the introduction of a LAC factor. The criteria for SEN had also changed As regards and fewer schools were able to call on a High Needs headroom allocation.

For 2015-16 local authorities could only now bid to the DfE for additional funding for significant growth in high needs numbers. There were no changes proposed for early years, other than the introduction of the pupil premium. It was noted that there were large groups of Looked After Children from other boroughs.

Academies were now funded on the same formula factors as maintained schools. Options modelling for the funding formula would be an agenda item at the October meeting of the forum.

Generally, there were few changes for 2015-06 fundng.

One changes would affect 16 schools that had received a transitional allocation for SEN headroom but this was no longer allocated in 2015-16 and would be put back into the high needs block.

A further £100k had initially been requested for centrally held budgets but there were now more bulge classes expected in 8 schools as well as the Rainham expansion. It was agreed to increase the budget for pupil growth and infant class size from £2.5m to £2.7m. The budgets agreed for central retention were as follows:

Pupil Growth/Infant Class sizes	£2,700,000
Falling Rolls Fund	£500,000
Contribution to combined budgets (Schools supporting schools and SCC)	£236,000
Admissions and Appeals	£499,734

Servicing Schools Forums	£42,250
Termination of Employment Costs	£39,421
Capital Expenditure from revenue	<u>£87,490</u>
Total	£4,104,895

National Copyright Licence £115,000

Including:

Copyright Licensing Agency (CLA)
Music Publishers Association (MPA)
Newspaper Licensing Authority (NLA)
Education Recording Agency (ERA)
Motion Picture Licensing Company (MPLC), and
Filmbank Distributors Ltd. (for the PVSL)

Officers would check the cost of appeals for Academies which were believed to be around £138 per appeal. It was felt that the numbers of appeals were unlikely to reduce from current levels.

A number of services were de-delegated for maintained primary and secondary schools. Further details would be given to the Forum on insurance costs. It was noted that insurance could not be offered to Academies as this would be on a commercial basis. Trade union facility time had now gone to a £4 per pupil rate, reducing costs from £200k to £146k. It was confirmed that not all monies had been received as yet.

The attendance service was well regarded but there was poor feedback on the behaviour service and the quality of support offered. It was agreed that David Allen should write to heads regarding their views on the attendance and behaviour service and that their views would feed back into the final decision on de-delegation. Splitting the service would mean a reduction in attendance support. Feedback on the ethnic minority achievement service was good and it was agreed to continue to de-delegate this to the Local Authority.

It was agreed to de-delegate for primary schools the following services – EAL, free school meals eligibility, licenses/subscriptions, maternity cover, trade union facility time and support for schools in financial difficulty. Bill Edgar would consult with secondary colleagues before deciding on de-delegation for maintained secondary schools.

49 **ACADEMY CONVERSIONS**

It was noted that Pyrigo Priory School was to be an Academy from 1 January 2015. Eight (of 59) primaries and 14 (of 18) secondaries would then be Academies.

The Oasis Romford and Drapers Mayfield Free Schools were expected to open in September 2015. It had not been possible to find an alternative site for the Oasis Academy before the start of the current school year.

50 **EDUCATION SERVICES AND COUNCIL BUDGET**

The Education Service Grant had been £113.17 per pupil in 2014/15 and would reduce to £87 per pupil in 2015/16. The Grant for Academies in 2014/15 was £140 per pupil. £27 per pupil transitional protection would be lost but Academy budgets would not be reduced overall by more than 1%. The total grant for Havering would reduce from £3.2m to £2.6m but further reductions were likely due to the new Academies.

As regards the borough position, £40m had been taken out of the education budget over the last four years. The new savings plans for another £60m of savings were now in the public domain and would be considered, along with any alternative proposals from opposition groups at a meeting of Cabinet on 24 September. There would be public and staff consultation following this.

The overall £60m saving had been reduced to £45m by removing all increases to budgets for growth as well as increases for inflation. The current plans covered the next two years and there was still a budget gap for the following two years.

Specific proposals included changing the peppercorn rent on the Stubbers Centre to a market rent. The new way of working at the music school would also be expanded. The older people's social care budget would be reduced by £8m while there would be fewer children's social care teams to support schools. There would no longer be any youth support for secondary schools and there would also be a reduction in support for early help and troubled families.

Management costs in catering were being reviewed and a lot of savings were being made in SEN teams. There would also be a review of staff terms and conditions but this would not include maintained schools.

Restructures would take place in each Learning & Achievement team. This would take place for the school organisation team in October 2014, for the support for vulnerable children team in November 2014 and for finance and HR teams in January 2015. Dialogue would be needed with schools supporting the most vulnerable children. It was accepted that schools were also under pressure and there would be more SEN children in schools receiving less support.

Work was being undertaken on future school numbers and demand, given the changing demographics of the borough.

It was requested that any rumours schools hear regarding restructures etc be e-mailed to the Head of Learning & Achievement in order that the correct information could be given.

51 **NEXT MEETINGS**

The next meeting would be held on Thursday 16 October at 8.30 am at CEME. Dates for spring and summer 2015 had not been set at this stage.

52 **ANY OTHER BUSINESS**

There was no urgent business raised.

Chairman