

**MINUTES OF A MEETING OF THE  
SCHOOLS FUNDING FORUM  
CEME  
2 March 2017 (8.30 - 9.58 am)**

**Present:**

**Representative Groups**

**Head Teachers:** Margy Bushell, Primary  
Kirsten Cooper, Primary  
Malcolm Drakes, Primary  
Bill Edgar, Secondary  
Chris Hobson, Primary  
Ian Hogg, Special School Academy  
Sara Sankey, Primary  
Keith Williams, Academy (in the Chair)

**Governors:** Sheila Clarke, Primary  
Bernard Gilley, Primary

**Non-School  
Representatives:**

**Trade Unions:** John Giles, UNISON  
Ray Waxler, NUT

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

Apologies were received from Nigel Emes (Sara Sankey substituting) John McKernan, Simon London, Emma Allen and Gary Pocock (Ian Hogg substituting).

Eileen Hinds was welcomed to the meeting as the new representative for AP Academies.

The meeting was chaired by Keith Williams in the absence of Nigel Emes.

**44 MEMBERSHIP**

Noted that Derek Smith had resigned from the Forum. It was agreed that the Chair would write to Mr Smith thanking him for work during his time on the Forum.

Noted that Mr Smith may not be replaced on the Forum as there were now fewer Local Authority-controlled secondary schools. A report on the balance of the Forum membership would be brought to the next meeting.

**45 TO AGREE THE MINUTES OF THE MEETING HELD ON 18TH JANUARY 2017**

The minutes of the meeting held on 18 January 2017 were agreed as a correct record and signed by the Chairman.

**46 MATTERS ARISING**

Minute 38 – Schools and High Needs National Funding Formula – DfE 2<sup>nd</sup> Stage Consultation – It was confirmed that a presentation to head teachers on the implications of the DfE consultation had taken place on 30 January and a similar presentation to Chairs and Vice-Chairs of Governors had taken place on 31 January.

**47 SCHOOL BUDGETS 2017-18**

Final school budgets had been sent out on 28 February and the only changes had been an increase of £5 per pupil for all AWPUs and a reduction of £340 for IDACI band C. The gains cap had increased to 1.25% per pupil. Under the revised formula, 56 schools had received funding increases and 23 schools had funding decreases. Of the 56 schools with increases, 21 (all primary) had the gains cap applied of 1.25%. Of the 23 schools with decreases, 16 were less than -1.5%. Of the 7 which had reductions protected at -1.5% per pupil, 6 were the schools that had previous year grants embedded in their per pupil funding. Maintaining reductions at -1.5% was at a cost to the DSG of £1.15m.

59% of primary and 83% of secondary schools were funded between the gains cap of 1.25% and the Minimum Funding Guarantee of -1.5% which showed that the formula was working for more schools.

There were no changes to the top up element for high needs. The top up for the Pupil Referral Service had increased to £9,000 as agreed at the previous meeting of the Forum.

More schools were likely to be in deficit this year than ever before, primarily due to increases in salary costs. The Council was working with these schools on recovery plans. Budgets were due to be submitted by 2 May and it would be known at that point how many schools were budgeting for a deficit.

The Lead Member was aware of the situation and would discuss with the Leader of the Council if a draft letter from schools to Ministers on these issues could be supported. It was noted that Champion School had already written to local MPs and one Havering secondary school had asked parents

for a voluntary contribution which had been brought to the attention of local Councillors.

The Forum **NOTED** that schools had received their funding allocation for financial year 2017-18 and academies had received their funding statements from the EFA for their financial year commencing September 2017 based on the LA's formula.

#### 48 **TRADE UNION FACILITY TIME**

Havering schools had been asked to contribute £3.50 per pupil for Trade Union facility time which was higher than the London average. Members of the Forum felt that it was not transparent how this money was spent and the Forum was asked to decide whether to maintain or reduce this funding.

Union representatives explained that facility time had a legal basis whereby the employer was compensated for time taken off by staff for union work. The £3.50 per pupil charge ensured that schools met their legal obligation.

Members of the Forum felt it was essential that the use of these public funds was made more accountable and transparent. KW advised that the NASUWT had indicated that it would be completing, on a trial basis, a record of how the facility time was utilised in support of schools and staff over some broad headings. The NUT considered that to formally log hours as a data collection exercise was onerous and was not willing to record activities. This was challenged by members of the Forum who felt this was required.

Officers would bring to a subsequent meeting of the Forum all information available regarding Trade Union facility time charges. The NUT representative offered to share with the Forum the annual report he produced for his members.

The Chair was keen to maintain a good working relationship with the Trade Unions and asked officers to investigate the costs of reducing the level of payment schools made for facility time. It was also **AGREED** that the officers would write to those schools that had not paid into the fund.

It was **AGREED** that the Trade Union Facility Time Working Party would look at what evidence was available for how the funding for Trade Union facility time was being spent. The reporting proposals from the NASUWT would also be considered by the working party.

#### 49 **SCHOOL NATIONAL FUNDING FORMULA - RESPONSE TO THE DFE 2ND STAGE CONSULTATION.**

It was noted that the Lead Member for Children and Learning was in agreement with the proposed response to the consultation and officers felt

that the new national funding formula was unfair as it resulted in reduced funding for 72% of Havering secondary schools and 22% of Havering primary schools. The proposed change to the primary to secondary funding ratio to 1:1.29 was also not supported as this would also result in reduced funding for Havering secondary schools.

The proposed funding through additional needs factors was supported but officers had concerns that this would lead to a reduction in funding through AWPUs and lump sums. The proposed weighting for these factors was also likely to reduce funding for Havering secondary schools due to the good KS2 scores in Havering. The lump sum proposed would be a reduction for all Havering schools and it was also felt that there should be a widening of the proposed sparsity funding criteria to protect small schools.

A further concern was that, with significant school expansions planned in Havering, the lagged pupil growth data proposals would mean that funding for expansions would not be received until the following year.

The principle of a funding floor was supported but there was concern that the proposed floor of -3% in addition to an 8% real terms reduction would cause significant problems for Havering schools. It was felt that the funding floor should continue to not be applied for new and growing schools.

Officers agreed that the Minimum Funding Guarantee should continue and that other cost pressures as a result of Government policy should also be taken into account such as changes to National Insurance and pension contributions. It was also suggested that the funding floor for the central school services block be set at -1.5% in line with the Minimum Funding Guarantee. Officers added that the funding formula itself was set at a national level.

The proposed response to the consultation was **AGREED** by the Forum.

50 **HIGH NEEDS NATIONAL FUNDING FORMULA - RESPONSE TO DFE 2ND STAGE CONSULTATION.**

With a 0% cap on losses, no Local Authorities would lose out under the proposed formula. Havering would in fact gain by 8.2% but this would be capped at 3%. Officers felt that the high needs funding was not keeping pace with the pressures of a rising population.

It was felt that the basic entitlement of £4,000 per pupil was reasonable although it was not possible to comment on the weightings proposals as no alternatives had been given. Officers felt there should be more flexibility in the proposals to allow Schools Funding Forums to decide on the balance between school and high needs blocks. There was also pressure on schools due to their need to fund the first £6,000 of high needs costs.

It was noted that the future of Schools Funding Forums nationally would be reviewed during the current financial year.

The proposed response to the consultation was **AGREED** by the Forum.

51 **SCHOOLS IN DEFICIT CONVERTING TO ACADEMIES**

It was noted that a converter academy was one that had developed via an application from the school's governing body whereas a sponsored academy had been placed with a sponsor by the Secretary of State. For a converter academy, the Local Authority was required to determine the level of surplus within 4 months of conversion and then pay this to the Academy Trust within a further month. A capital surplus could not be offset by the Local Authority against a revenue deficit. If a converter had a deficit balance, this would have to be carried forward.

In the case of a sponsored academy with a surplus, this would depend on the nature of the intervention but any surplus was usually passed on to the academy. If a sponsored academy had a deficit, this usually remained with the Local Authority. Work would be undertaken with the school to manage the risks of its budget deficit increasing.

For federated schools, it would be necessary to agree how much of the federated budget relating to each school would go into the Academy Trust. It would be necessary to resolve who funded any deficit on the conversion of a sponsored academy and it was suggested that the Forum could agree a contingency to pay these deficits if additional funding became available. Current schools with deficits were mainly due to having lower pupil numbers.

The Forum **AGREED** by 9 votes to 0 (with 6 abstentions) to support in principle a centrally retained fund to allocate to schools in deficit but with specific principles and guidelines to be agreed by the Forum.

52 **ACADEMY CONVERSIONS AND SPONSORS**

The Forum noted that Royal Liberty School had, with effect from 1 February 2017, joined Redden Court as part of the Success For All Educational Trust.

53 **NEXT MEETINGS**

Dates for future meetings of the Forum would be circulated by officers.

54 **ANY OTHER BUSINESS**

The Chairman asked for thanks to be recorded to the Strategic Finance Manager and his team for their work in the calculation and issuing school budgets for 2017-18 and for supporting the Forum.

