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MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME

14 December 2017 (8.30 - 9.43 am)

Present:

Representative Groups

Head Teachers: Margy Bushell, Primary Maintained
Kirsten Cooper, Primary Maintained
David Denchfield, Primary Academy
Malcolm Drakes, Primary Maintained
Bill Edgar, Secondary Maintained
Nigel Emes, Primary Maintained (Chair)
Simon London, Secondary Academy
Gary Pocock, Special Academy
Keith Williams, Secondary Academy
Paul Phillips, AP Academy

Governors: Bernard Gilley, Governor, Primary Maintained

**Non-School
Representatives:** Joanna Wilkinson, Early Years/PVI Sector

Trade Unions: John Giles, UNISON
Paul Phillips, AP Academy

Also present:

David Allen, Strategic Finance Manager
Trevor Cook, Acting Assistant Director for Education
Emma Ferrey, SEND Project Manager
Victoria Freeman, Democratic Services Officer

35 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

There were no apologies for absence received.

36 TO AGREE THE MINUTES OF THE MEETING HELD ON 9TH NOVEMBER 2017

The minutes of the meeting of the Forum held on the 9 November 2017 were agreed as a correct record and signed by the Chairman.

37 MATTERS ARISING

There were no matters arising from the previous minutes, which were not covered elsewhere on the agenda.

38 EARLY YEARS FUNDING 2018-19

A revised report was circulated at the meeting. The Strategic Finance Manager explained that the 2017-18 financial year was the first year of the operation of a National Funding Formula for Early Years which introduced a number of changes to Early Years funding. Similar decisions now need to be made for 2018-19.

The 2018-19 funding arrangement proposals had been presented to the Early Years Reference group on the 28th November, to Early Years managers on 1st December and circulated to providers for consultation. A query was raised during the consultation period on funding that did not appear to be accounted for in the figures presented. The revised proposals showed that the sums required for contingencies were understated.

The funding rates for local authorities for 2018-19 were announced by the Department for Education on the 17th November 2017. Havering's rate would be £5.28 for 3 and 4 year olds and £5.66 for 2 year olds. The Local Authority must budget for a contingency for funding provision that was not picked up in the census, retain up to 5% for central functions, determine an amount for an inclusion fund, and decide which supplements to use and the basic hourly rate to be passed to providers. On the basis of current provision and trends, and applying the published hourly rate of £5.28, the Local Authority estimated the total funding to be £14,591,274 for 3 and 4 year olds, and £1,559,688 for 2 year olds.

It was proposed that:

- i) The Local Authority retains £730,000 (5%) centrally.
- ii) Retain £802,754 contingency for 3 and 4 year olds and £84,982 for 2 year olds provision.
- iii) The amount held in the Inclusion Fund is doubled, increasing the commitment from the Early Years Block from £50,000 to £100,000.
- iv) IDACI hourly rates based on school IDACI rates (subject to approval of the national funding formula for Havering schools), be applied.
- v) The basic hourly rates of £4.53 for 3 and 4 year olds and £5.35 for 2 years olds, be applied for 2018/19.

It was noted that the proposals above took into account the discrepancies raised during the consultation with the Early Years Reference group.

During discussion, concern was raised that the proposals would have a significant negative impact on nursery providers, who were already running at a financial loss. Further concern was raised that the consultation responses received did not provide an accurate reflection, as it was felt that

there had been an inadequate consultation period. It was requested that greater transparency be provided on the expenditure of the Inclusion Fund, targeted funding, and the effectiveness of funding.

Concern was noted that the contingency figure presented to the Early Years Provider Reference group and that presented at this meeting differed. The Local Authority agreed that allocations would be available on their website and updated monthly. It was requested that communication with providers be improved, that providers be given the opportunity to question funding, that information on Havering's strategy on expenditure be provided to the Early Years Provider Reference Group and that information is disseminated in a timely manner to allow sufficient consultation. It was agreed that a breakdown of the £730,000 expenditure for the Local Authority statutory and quality assurance functions, would be provided to the Early Years Provider Reference Group and that there would be scope to reassess.

In response to questioning, it was explained that the Early Years regulations states that 93% of total funding be passed through to providers. Next year, this percentage would rise to 95%, with the Local Authority retaining 5% of central services. Many LAs had planned significant savings to keep costs within the 5%. It was the perspective of some attendees that schools were paying for duplicate services.

A summary of responses from early years providers was tabled as follows:

No. of schools responding	46	40%
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	In agreement	Disagree
Q1. Increase of base rate for 3 & 4 year olds to £4.53	31 (67%)	15 (33%)
Q.2. Use deprivation as the only supplement	36 (78%)	10 (22%)
Q.3. Deprivation rates to mirror those used for schools	40 (87%)	6 (13%)
Q.4. Hold an contingency for in year provision for 3&4 yr olds	42 (91%)	4 (9%)
Q.5. Increase contribution to inclusion fund to £100k	34 (74%)	12 (26%)
Q.6. Retain 5% of funding for central services	34 (74%)	12 (26%)
Q.7. Increase base rate for 2 year olds to £5.35	38 (83%)	8 (17%)
Q.8. Hold a contingency for in year provision for 2 year olds	41 (89%)	5 (11%)

The Forum agreed the proposals as follows:

- i) To increase the basic hourly rate to providers to £4.53 (from £4.39) for 3 and 4 year olds.**
- ii) To have Deprivation as the only supplement to the basic rate.**
- iii) To bring the hourly IDACI rates in line with those used for the schools national funding formula (subject to approval of the NFF).**
- iv) To increase the basic hourly rate to providers to £5.35 (from 5.28) for 2 year olds.**
- v) To retain contingencies of £802,754 and £84,982 for 3 & 4 and 2 year olds respectively to fund in-year provision.**
- vi) To retain £730k (5%) for LA statutory and quality assurance functions.**
- vii) To increase the Inclusion Fund to £200k (from £100k) to be funded 50/50 from the DSG early years and high needs blocks.**

39 HIGH NEEDS STRATEGY 2017-22

Emma Ferrey, SEND Review Project Manager presented a report which consulted on the final draft of the High Needs Strategy 2017-2022 and which requested members note the findings of the High Needs Review.

Consultation had been carried out with a range of stakeholders, including parents and carers of children with high needs, clinical commissioning group staff and staff from children's and adults' services in the local authority. The Review was undertaken to evaluate the delivery of support and the provision for children and young people with high needs across all partners providing children's services. A study into the provision in early years, schools, alternative provision and post-16 provision, highlighted a large gap between what high need children achieve against their peers.

Members discussed the proposed changes which would take effect from April 2018, as detailed in the report. Concern was expressed regarding the different routes for a child with needs to be admitted to a particular school i.e. via a managed move, Special Educational Needs Panel or via the In-Year Fair Access Panel.

Further concern was raised regarding the need for staff to receive the appropriate training to support a child with particular needs and to ensure that the environment were enabled, however the financial package of support usually came after a child had been admitted to a school. The need for high needs to be distributed across schools was identified, as eventually a saturation point would be met and the standard of provision would decline. There was also a need for headteachers to challenge one another.

Trevor Cook advised that joint briefing sessions would be held in the new year on the legal framework of the Fair Access Protocol, Special Educational Needs and Admissions, and advice on how these teams work together. .

A proposed change in the strategy was to re-designate special schools, as appropriate and to reduce the number of pupils with moderate learning difficulties who attend special schools and enable special schools to support the growing numbers of children with more complex needs. It was explained that this would be addressed by increasing the amount of Alternative Resource Provisions (ARPs). The strategy and its review acknowledged the strain on accommodation and aimed to ensure continuity of greater parity across the borough and supported schools to challenge their peers. The positive recognition of daily strains on school accommodation was welcomed by members.

The need to reduce the process time for putting an educational healthcare plan in place was highlighted and concern was raised regarding the difficulties providers experience in sourcing an educational psychologist/Special Educational Needs Co-ordinator (SENCo) for Early Years and Key Stage 1 to assess a child, especially with a significant decrease in the number of area SENCOs in the Private, Voluntary and Independent Sector. It was explained that the strategy recognises that area SENCOs were not at full capacity, but this would change.

Members enquired why training had not been fully costed into the strategy. Emma explained that the cost for the first year would be met within existing training budgets via the CAD Service. It is expected that there will be clear savings in following years, from the reducing number of children and young people going out of borough for their education. Further budgets will be drawn up for subsequent years.

The final draft strategy would be consulted upon and the deadline for comments was the 19th December 2017. The strategy would be signed off by Executive Decision in January 2018 and the strategy and review would be published and available on the Local Offer from February 2018.

Resolved:

That the review on the Strategy, be noted and feedback be provided.

40 SCHOOLS AND HIGH NEEDS FUNDING 2018-19

The Strategic Finance Manager presented a report which asked members to consider responses to the local authority's consultation with schools, on schools and high needs funding and to approve the funding formula for the 2018-19 financial year. The consultation paper was sent to all headteachers on the 27th November and to Chairs and Vice Chairs of governing bodies on the 1st December. A document tabling the consultation responses was circulated at the meeting which were as follows:

No. of schools responding	19	23%
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	In agreement	Not in agreement/issue raised	No comment
Q1. Proposal to implement Schools NFF	18	1	0
Q.2. Proposal to move £800k into High Needs Block	18	1	0
Q.3 Central Services Schools Block	15	1	3

It was noted that one response received was not in agreement with the proposal to implement the schools national funding formula, and raised some issues with the proposals for High Needs funding the Central Services School Block. The consultee argued that although the need to benefit lower attainers was recognised, increasing funding to schools based on the number of pupils with lower prior attainment did not accord with their school's strategy and that they would be penalised by the funding formula. The consensus of those in attendance considered this response to be reasonable as there was no incentive for a school to otherwise achieve a good level of development at Early Years Foundation stage.

The Schools Funding Forum:

- i) Considered the responses to the consultation with schools.**
- ii) Agreed the proposal to implement the national funding formula for schools in financial year 2018-19.**

41 DE-DELEGATION OF CENTRAL INSURANCE 2018-19

The Strategic Finance Manager presented a report that requested Local Authority maintained school representatives to consider the de-delegation of funding for general insurance in the 2018-19 financial year. It was noted that the Forum had previously agreed to the de-delegation of funding to retain a range of local authority central services from those permitted by the Department for Education school funding regulations. The Council insurance contract would be re-tendered with a new contract taking effect from the 1st July 2018, and although the contract had not yet been awarded, schools were assured that the school's insurance cover had been included in the contract specification on the same terms as in the current contract and that the per pupil charge would reduce to £22.50 (from £28.50 in 2017-18).

Resolved:

That the Schools Funding Forum agreed to the de-delegation of funding for general insurance for financial year 2018-19 for LA maintained schools.

42 NEXT MEETINGS

Future meetings had been arranged as follows:

11th January 2018
22nd February 2018
22nd March 2018
10th May 2018
7th June 2018
5th July 2018

43 ANY OTHER BUSINESS

There was no other business raised.

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