

Public Document Pack

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM CEME

17 January 2019 (8.30 - 9.45 am)

Present:

Representative Groups

Teachers: Emma Allen, Special Maintained
Denise Broom, Secondary Academy
Margy Bushell, Primary Maintained
Kirsten Cooper, Primary Maintained
Georgina Delmonte, Primary Maintained
David Denchfield, Primary Academy
Nigel Emes, Primary Academy
Vicki Fackler, Special Academy
Ray Lawrence, AP Academy
Simon London, Secondary Academy
David Unwin-Bailey, Primary Maintained
Keith Williams, Secondary Academy

Governors: Bernard Gilley, Primary Maintained

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

Trade Unions: John Delaney, NEU
Peter Liddle, UNISON

24 **WELCOME TO NEW MEMBERS, APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Members welcomed Denise Broom as the academy representative of secondary schools and noted the appointment of Dave Waters as the governor representative of Local Authority maintained schools.

Apologies for absence were received from Gary Pocock (Special Academy), and Dave Waters (Primary Maintained). Vicki Fackler substituted for Gary Pocock at the meeting.

25 **TO AGREE THE MINUTES OF THE MEETING HELD ON 8 NOVEMBER 2018**

The minutes of the meeting of the Forum held on the 8 November 2018 were agreed as a correct record and signed by the Chairman, with an amendment to the typographical error whereby 'challenged' to be replaced with 'channelled' on page 4.

26 MATTERS ARISING

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

- Minute No. 21 Teachers' Pension Increase refers: The Department for Education had launched a survey on which institutions would receive funding for the increase in employer contributions. The funding would only apply to the financial year 2019-20 and the situation in subsequent years would be dependent on the spending review.

27 HIGH NEEDS FUNDING

Members received a report on Havering's allocation of funding for High Needs within the Dedicated Schools Grant (DSG) including the additional high needs funding that had been allocated by the Government for financial years 2018-19 and 2019-20.

The additional funding to Havering was £611,278 for each year. It was insufficient to meet projected costs but would reduce the amount of the forecast overspend in both years.

High needs allocations to local authorities were announced on the 18 December 2018 and Havering's allocation is shown in the table below with a comparison to 2018-19 funding:

	Actual 2019/20 high needs NFF allocations, excluding basic entitlement factor and import/export adjustments (£m)	Mid – 2019 age 2-18 ONS population projection	2019-20 ACA – weighted basic entitlement factor unit rate (£)	Actual 2019-20 number of pupils in special schools/ academies (headcount)	2019-20 import / export adjustments (based on January 2018 census and February R06 2017/18 ILR.) (£m)	Additional high needs funding (£m)	2019-20 provisional total high needs block (£m)
2019-20	23.649	55,566	4,348.33	355.5	-0.516	0.611	25.290
2018-19	22.298	53,591	4,348.33	342	-0.516	0.611	23.885
Difference	1.351	1,975	0.00	12.5	0.000	0.000	1.405

RESOLVED:

That the Schools Funding Forum noted the report.

28 SCHOOLS FUNDING 2019-20

Members received a report which sought the approval of the Schools Funding Forum to the formula and funding values on which Havering's schools and academies would be funded in the financial year 2019/20.

On the 8 November 2018, the Forum received a report on the Local Authority's estimate of the Schools Block DSG funding that was to be received for financial year 2019-20 for distribution to schools and

academies. It was agreed at that meeting that the fairest option would be to ensure that every school received the 0.5% per pupil increase with the gains cap set at a level that was affordable at 2% per pupil. The proposal was duly consulted upon with schools and no responses were received for the Forum to take into consideration. Therefore the Local Authority was proposing to apply the formula that was agreed on the 8 November 2018.

The final School's Block Settlement was received on the 18 December 2018, which confirmed that the proposals for a 0.5% per pupil increase and a gains cap of 2% per pupil could be implemented. The Schools Block funding settlement for 2019-20 is set out below:

Schools block primary unit of funding £	Schools block secondary unit of funding £	Schools block primary pupils	Schools Block secondary pupils	Sub-total Schools Block £	Pupil Mobility	Rates	Growth funding £	Total school's block £
4,054.28	5,494.97	22,118	14,447	169,055,649	63,051	2,098,445	2,498,944	173,716,089

The funding available for distribution to schools through the formula was £171,217,145. To fund all schools and academies on the national funding formula values, applying a 0.5% mfg and a 2% gains cap would cost £171,404,334. An allocation of £187,189 was therefore required from the contingency set aside to implement the national funding formula for a second year.

In 2018-19, Havering set a budget of £2.7m for pupil growth and £0.4m for Good and Outstanding schools with falling rolls. Applying the same formula as in 2018-19, the estimated costs of growth arising in 2019-20 could be met from within the revised allocation. LA officers expressed concern that the DFE allocation would be insufficient in future years once the protection element of the formula dropped out.

RESOLVED:

That the School Funding Forum agreed that the Local Authority adopted the national funding formula rates for the funding of schools and academies in financial year 2019-20 and also ensure that all schools receive a minimum funding guarantee of 0.5% per pupil with gains capped at 2%.

29 **EARLY YEARS FUNDING 2019-20**

Members received a report which considered the Local Authority proposals for the funding of providers of early years education in financial year 2019-20 following notification by the Department for Education of indicative funding allocations and consultation with providers.

The DfE funding rate for Havering was £5.28 for 3 and 4 year olds and £5.66 for 2 year olds, the same as in 2018-19. On the basis of current participation and anticipated growth, the Local Authority estimated that £16,946,754 funding would be received for 3 and 4 year olds in the 2019-20 financial year, and £2,179,151 for 2 year olds.

In 2018-19 the amount of funding retained centrally was within the 5% permitted at £730,000. With an increase in participation in 2019-20 the financial value of the 5% had also increased. During 2019-20 it was intended that the software supporting the submission and management of data would be reviewed which would increase the central costs. Therefore an additional £70,000 was requested from the central retention. Early Years Providers expressed disappointment that the funding would not go back into early years provision and believed that the funding for new software should be budgeted for elsewhere.

As the DSG Early Years Block was allocated on the basis of a January census and estimates had to be made on the hours of provision to be funded that were not captured in the census. It was proposed that £572,057 be retained as contingency for 3 and 4 year olds and £100,100 for 2 year olds provision. In response to concerns, it was explained that any unspent contingency would be communicated at the various forums at the year end and that any underspend would be contained in early years.

Due to increasing pressures on the High Needs Block, it was proposed that the contribution to the Inclusion Fund be reduced from £100,000 to £50,000 and that the contribution from the Early Years Block be increased from £100,000 to £150,000.

Havering had only used deprivation as a supplementary factor to allocate funding to providers, other than through the basic rate. It was estimated that £500,000 of funding would be allocated through the deprivation factor, well within the 10% permitted through supplements.

It was proposed that the basic hourly rate of £4.65 for 3 and 4 year olds and £5.40 for 2 year olds be applied for 2019-20. It was estimated that 2 and 4 year olds would cost a total of £14,924,700 and £2,079,035 for 2 year olds. In response to some points made in the consultation it was explained that the Local Authority were restricted by the central government settlement in the amount they could fund providers but had ensured that any increases that were affordable and directed through the base rate funding for the 2 year old and 3/4 year old entitlement. The Local Authority was supportive of all providers, and were in continuous dialogue with central government on funding pressures across all educational establishments in the Local Authority. It was noted that early years providers would welcome any increase in the basic rate due to the difficulties in delivering quality provision on the current basic rate.

In response to questioning, it was explained that the majority of providers did not want to pay for special educational needs training but would prefer

the training to be funded by the Inclusion Fund. It was raised that some providers invested less than others in special educational needs and concern was raised regarding the negative impact that this had on primary schools and vulnerable children and the potential impact on secondary schools.

The Early Years Providers Reference Group would be meeting on the 13 February 2019 to discuss the consultation and it was agreed that their feedback would be considered at the next meeting of the Forum.

RESOLVED:

That the Schools Funding Forum agreed the proposals as follows:

- i) To increase the basic hourly rate to providers to £4.65 (from £4.53) for 3 and 4 year olds.**
- ii) To continue to use Deprivation as the only supplement to the basic rate**
- iii) To continue to set the hourly IDACI rates so they are in line with those used for the schools national funding formula.**
- iv) To retain contingencies of £572,057 (from £803k) and £100,100 (from £85k) for 3 & 4 and 2 year olds respectively to fund in-year provision.**
- v) To retain £800k (5%) for LA statutory and quality assurance functions**
- vi) To retain the Inclusion Fund at £200k but reduce the contribution from the DSG high needs block from £100k to £50k.**

30 NEXT MEETINGS

Next meetings:

Future meetings ad been arranged as follows:

- 7th March 2019
- 13th June 2019

All meetings to start at 8.30 a.m at CEME.

31 ANY OTHER BUSINESS

There was no other business.

This page is intentionally left blank