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MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM Virtual meeting 18 June 2020 (8.30 - 10.50 am)

Present:

Representative Groups

**Head Teachers of LA
Maintained Primary
Schools:** Margy Bushell, Primary
Kirsten Cooper, Primary
Delmonte, Primary Maintained
Keith Williams, Academy

**Academy
Representatives:**

Primary Governors: Kate Ridley-Moy

**Secondary Head
Teachers:** Keith Williams (Chair)

Special Academies: Victoria Fackler

Early Years PVI Sector: Mark Halls

Trade Unions: John McGill, Teachers

LA Officers: Trevor Cook
Shabhaz Khan
Caroline Penfold
David Allen

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received from Emma Allen (special schools head teacher) Denise Broom (secondary governor) and Gary Pocock (special academies, Victoria Fackler substituting).

The resignation of Bernard Gilley, LA Maintained Governor representative was noted.

2 TO AGREE THE NOTES OF THE MEETING HELD ON 16TH JANUARY 2020

The minutes of the meeting of the Forum held on 16 January 2020 were agreed as a correct record.

3 MATTERS ARISING

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

Minute 27, Early Years Funding 2020-21. It was noted that it had been agreed that a meeting be arranged between Mark Halls and the Director of Children's Services. This had been cancelled due to the Covid-19 outbreak and would therefore be rescheduled.

4 SCHOOL BALANCES 2019-20

The Forum was advised that there was a worsening position for school balances which were at an all-time low of £2.3m. There were now no schools with balances greater than 15%. Two schools had deficits in excess of 10%, 15 between 5% and 10% and 6 between 0% and 5%. Of the 19 schools in deficit, 7 were in their first year and 1 school had been in deficit for 5 years.

Deficit recovery plans were required of all schools in this position and Governors were challenged on how it was planned to reduce expenditure. Schools with balances in excess of 10% were also challenged. The figures in the report did not include the impact of Covid-19. Schools had been asked to set budgets as normal in order to identify any probable losses of income against budgeted figures. The school with a five year deficit had experienced low class sizes but needed to manage its budget year in-year and estimate future pupil numbers.

The Strategic Finance Manager clarified that school balances of individual LA Maintained Schools were no longer public information as the position with Academies was not known.

The Forum noted the report.

5 DSG OUTTRUN 2019-20

The Funding Forum was referred to a revised item that had been circulated the previous afternoon. It was noted that DfE's Schools and Early Years Finance Regulations now required a deficit recovery plan to be produced for any level of deficit on the DSG account with updates given to the DfE as well as to Schools Forums. Previously, deficit recovery plans were required only for deficits of over 1% of DSG.

The balance of the Dedicated Schools Grant (DSG) showed an overall deficit of just over £1m, the first year that Havering had recorded a deficit. There had been an in-year overspend in high needs of £4.6m which had been partially reduced by a DSG underspend of £1.3m carried forward from 2018-19. There remained a £3.3m deficit however. Some offsets from underspends elsewhere in the DSG could also be made to reduce the final deficit to be carried forward to 2020-21. These were detailed on the agenda and included the following:

Early Years Block £472k

The balance of 2 year old and 3 & 4 year old funding of £257k

Savings from the central retention of £165k

A 50% reduction in the amount previously agreed for the new database of £50k

Schools Block £505k

Because of delays in the expected housing developments, the pupil growth fund had not been fully spent. The number of schools supported from the fund and the amounts allocated was detailed in an appendix to the agenda item.

De-delegation £9k

The trade union facility time budget had underspent by £9k.

Other de-delegation underspends would be returned to the contributing LA Maintained schools.

Central Schools Support Block £347k

School Partnership/Schools Causing Concern £146k

Central services £111k

School energy conservation projects £90k

Other DSG Funding £861k

Unallocated Early Years Block £788k

Balance of grants received £73k

These underspends reduced the final deficit to be carried forward to 2020-21 to £1.133m.

The Early Years representative felt it unreasonable that the use of such a high level of underspend within the Early Years Block was being used to offset the High Needs overspend and that the £788k of Early Years funding had not been allocated to early years. Officers felt that DSG funding streams should not be looked at in isolation and difficult decisions would have to be made about priorities. The £788k was a late allocation from the DfE that had not been factored into the funding of providers. There were also proposals later on the agenda to increase elements of early years funding. The Early Years representative felt that that the proposals would have a disproportionate impact on Early Years and that Early Years underspends should not be transferred to the High Needs block.

Commitments for 2020-21 were limited to the following:
Reimbursement to LA Maintained schools of de-delegated funding £49k
Retention for the new early years database £50k (reduced from £100k).

A report on the High Needs deficit and forecast for 2020-21 would be brought to the September meeting of the Forum. There were only limited changes that could be made to the High Needs block and it was therefore difficult to make savings. The continuing pressure on high needs was likely to lead to a further deficit by the end of the year. It would be necessary to review out of borough placements and two new case officers were therefore being recruited.

The Chair agreed to discuss high needs issues with secondary and primary heads and would also raise that there was vacancy for a representative from the secondary sector on the SEND board.

The Forum **AGREED** to the allocation of funding to offset the deficit in High Needs and to the commitments in financial year 2020-21 as shown in the revised report at agenda item 5. There were 6 votes in favour of the decision, 2 votes against and 0 abstentions. The Forum also noted the concerns raised re the Early Years sector.

6 **EARLY YEARS FUNDING 2020-21**

The Funding Forum was referred to a revised item that had been circulated the previous afternoon.

It was noted that a consultation had taken place with the early years sector to raise the hourly rate. Government funding for early years had increased by 8p per hour. As a result of the consultation the arrangements for early years funding would be as follows:

increase in the hourly rate for 2 year olds from £5.60 to £5.68

increase in the hourly rate for 3 & 4 year olds from £4.80 to £4.90

increase in the central retention from £800k to £820k

retain deprivation as the only supplementary factor

SEN Inclusions Fund to be £200k and support funded at £3.50 per hour

Since the consultation, the LA had calculated an estimate of the Early years Block that was likely to be received for 2020-21 on the basis of the January 2020 census. It was expected that there would be a rise of £1.1m in DfE grant to meet the costs of funding additional early years places.

On the basis of these figures, the basic hourly rate for 3 & 4 year olds could be increased by a further 10p to £5.00. In addition, the hourly rate for support from the SEN Inclusion Fund could increase from £3.50 to £4.90 from a fund of £300k (increased from £200k).

The 10 per hour rise would be treated as a one-off until the DfE could give some confirmation of funding that may be affected by reduced numbers of participation arising from COVID-19. The proposals would also increase the

inclusion rate. The Early Years representative reminded officers of the responses from the consultation in which providers wanted the maximum amount passed through on the hourly rate as they were facing higher salary costs due to the rise in the minimum wage. Officers stated the estimated additional funding would achieve both a further increase to the hourly rate and an increase to the SEN Inclusion Fund to support children with additional needs.

The Forum **AGREED** the proposed funding arrangements as shown at part 1 of the revised report at agenda item 6. There were 8 votes in favour with 0 against and 0 abstentions.

The Forum also **AGREED** the further increases in the hourly rate for 3 & 4 year olds and the SEND inclusion fund hourly as shown at part 2 of the revised report at agenda item 6. There were 8 votes in favour with 0 against and 0 abstentions.

7 **SCHOOLS FUNDING 2020-21**

Anonymised data gave details of funding for primary and secondary schools in Havering. This included the new formula factor of a minimum funding level cost so that all primaries and secondaries received a minimum amount of £3,750 for primaries and £5,000 for secondaries. Three primaries and one secondary had needed top ups to reach this level. Caps to funding were shown and MFG costs. Fewer secondaries had been capped than primaries.

Overall the MFG had cost Havering £847k. It depended on schools' own data whether funding for deprivation levels went up or down. Officers advised that the capping of schools funding did not directly relate to the schools showing a deficit.

The Forum noted the report.

8 **SUPPORT TO SCHOOLS FOR COVID-19 COSTS**

Officers advised that there was only a very limited range of costs that schools could claim from the DfE for e.g. additional cleaning costs if a case of Covid-19 was suspected. Officers had requested further funding from the DfE but this had not been forthcoming. Claim forms were due to be issued to schools in July. There was also a cap on the amount an individual school could claim and schools could raise issues direct with the DfE if they wished.

Options for allocating some additional funding for schools from the Partnership Fund were also circulated with option B in the papers being the preference of officers. This would be looked again in September following the re-opening of secondary schools.

Schools would be expected to continue paying existing contracts and any contracted Local Authority services could still make charges on schools. A school representative requested more detail on what services her school was paying Havering Catering Services for.

The Economic Development team would be contacted to explore any other sources of funding particularly in support of the re-opening of early years sector.

The Forum **AGREED** to approve the allocation of Covid-19 funding to schools as shown at option B of appendix C to the report at agenda item 8. There were 8 votes in favour with 0 against and 0 abstentions.

9 **CHANGES TO IDACI DEPRIVATION DATA**

The 2019 update on income deprivation affecting children had been received too late to include in the 2020/21 formula but would be used for 2021/22. The data had shown lower levels of deprivation for almost every Havering school. This equated to a £32k average loss for primary schools and £82k for secondaries. Maximum losses in Havering were £95k for primaries and £217k for secondaries.

The loss of deprivation funding through the formula would mean that more schools would be on the MFG and officers would take this up with central Government to ascertain if there would be a transition period or if the funding rates would be increased. Any responses received from the DfE would be brought to the next meeting of the Forum. The overall impact on the DSG would be an approximate £3m fall in the allocation for Havering. The impact on these figures of the Covid-19 outbreak would also be raised with the DfE by officers.

The Forum noted the report.

10 **SCHOOL ENERGY CONTRACTS**

The Local Authority energy officer explained that the previous school procurement framework had been terminated by the Council on 31 March 2020. The Council had now joined the LEP LASER Framework from 1 April 2020 to 30 September 2024. Schools had been given the option to opt out of the framework but most had chosen to continue.

The framework was run by Kent County Council who ensured a competitive tariff and legal compliance. Officers added that they wished to bring the new service to the attention of schools as this was a significant contract.

The Forum noted the report.

11 **SCHOOLS PARTNERSHIP/SCHOOLS CAUSING CONCERN FUND IN 2019-20**

12 **SUPPORT FOR SCHOOLS IN FINANCIAL DIFFICULTY**

13 **NEXT MEETINGS**

The next meeting of the Forum had been arranged for 17 September 2020 at 8.30 am. It would be confirmed nearer the time if the meeting would be held virtually.

14 **ANY OTHER BUSINESS**

None

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