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## MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM

17 September 2020 (8.30 - 11.20 am)

**Present:**

### **Representative Groups**

**Head Teachers of LA  
Maintained  
Schools:** Emma Allen  
Kirsten Cooper (Vice-chair)  
Georgina Delmonte  
Hayley Durrant  
Hayley McLenaghan, Primary  
David Unwin-Bailey, Primary

**Academy  
Representatives:**

**Primary Head  
Teachers:** David Denchfield

**Secondary Academies:** Denise Broom  
Keith Williams (Chair)

**Special Academies:** Vicky Fackler

**Early Years PVI Sector:** Mark Halls

**Trade Unions:** John McGill, Teachers

**LA Officers:** David Allen  
Nick Carter  
Anthony Clements  
Trevor Cook  
Caroline Penfold

### **15 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Apologies were received from Margy Bushell (Hayley McLenaghan substituting) John Delaney, Simon London and Kate Ridley-Moy.

It was noted that Vicky Fackler had replaced Gary Pocock as the representative for Special Academies.

One member of the press and one member of the public were also in attendance.

**16 ELECTION OF CHAIR AND VICE CHAIR**

The Forum agreed unanimously that Keith Williams should be elected as Chair until the first meeting of the autumn term 2021.

The Forum agreed unanimously that Kirsten Cooper should be elected as Vice-Chair until the first meeting of the autumn term 2021.

**17 TO AGREE THE NOTES OF THE MEETING HELD ON 18TH JUNE 2020**

The notes of the meeting of the Forum held on 18 June 2020 were agreed as a correct record.

It was agreed that meetings would in future start at 9.30 am. It was noted that David Allen would be retiring on 30 September and the Forum welcomed Nick Carter who would be taking over compilation of the Forum papers on an interim basis.

**18 MATTERS ARISING**

Minute 3 – the meeting between Mark Halls and the Director of Children's Services had not yet taken place. Efforts would be made to arrange this.

Minute 4 – David Allen would confirm when funding for Early Years providers would be received by the Local Authority.

Minute 5 – There were still vacancies for the primary sector to be filled on the SEND Board, the work of which also needed to be reviewed. Any representatives to fill the vacancies to be notified to Caroline Penfold.

**19 EARLY YEARS FUNDING 2020-21**

The Forum had previously agreed to increase the rate for providers from £4.80 to £5 per hour. The allocation of funding from the Government would not be revised this year as numbers could be lower at the January 2021 census due to the coronavirus pandemic.

Currently 61 providers met the criteria for support for reduced numbers due to coronavirus. Support had been given to providers that had opened during holiday periods, or who had taken children into their settings when other settings had closed.

The LA had received a funding adjustment of £700,768 based on numbers in the January census. This would be used to fund the additional costs above. The balance would be carried forward to financial year 2021/22. It was uncertain how the DfE would fund Early Years for 2021/22, if numbers in the January census were depleted due to coronavirus.

The Schools Funding Forum:

(i) Noted the funding arrangements for financial year 2020-21 following the DfE update of the DSG Early Years Block.

(ii) Noted the LA's arrangements for supporting providers during the Covid-19 pandemic.

## **20 HIGH NEEDS FORECAST 2020-21**

Spending for this area in 2020/21 was forecast to overspend by £4.6m against last years funding. Taking into account the deficit brought forward and forecast growth this increased to £6.7m. An increase in High Needs funding of £3.5m and a transfer of £0.5m for the Schools Block reduced the projected deficit to £2.7m.

The calculation above assumed that expenditure remains the same as last year. This was unlikely to be the case as expenditure on High Needs provision can vary significantly between years.

The High Needs overspend of £4.6m in 2019/20 was offset by the DSG underspend brought forward from the previous year and by underspends in other areas of the DSG. There remained, however, a deficit carried forward into 2020/21 of £1.13m

The Council was, therefore, required to submit a deficit recovery plan to the DfE. A template for LAs to construct a recovery plan had been received the previous day and would be brought to future meetings of the Forum.

A breakdown of High Needs costs was presented. It was noted that 26 children were in out of borough special primary schools at a cost to the Council of £422k. In-borough primary schools received a total of £3.9m in Top-up funding from the High Needs block.

The cost of secondary High Needs provision included 24 children attending schools in other boroughs. £369k was forecast to be spent on alternative tuition and therapies.

Total High Needs block expenditure was around £27.5m.

In Early Years provision, an additional £3.20 per hour was received by providers for a child allocated an EHCP. Concerns were raised that the Early Years sector could not afford to give the required support. This was to have been the focus of the planned meeting between Mark Halls and the Director of Children's Services. It was noted that the daily rate for SEN providers had increased from £3.40 to £4.90 and that a high percentage of the funding the LA receives had been passed on to providers. A Forum member felt that this funding still fell well short of the £14 per hour received by schools for children with an EHCP.

A Council officer stated that proactive action was taken on areas of overspend such as therapies, tutors and alternative provision. Consideration

was being given, for example, to reducing the number of spot purchases of therapies. Officers would report back to the Forum on opportunities to reduce spending as part of the DSG deficit recovery plan. The costs of SEN provision were increasing, however, and there was no timescale for the completion of the Government SEND review.

The Forum felt that the cost of placements in Non Maintained Special Schools and Independent Provision was far too high. Some placements listed were for the same child changing schools, due in particular to the closure of the Anderson School.

The LA strategy was to grow ARPs in Havering, particularly in primary schools where early investment could bring positive results. The planned new special school was needed, although this was unlikely to be ready before 2022.

Members felt that more investment was needed in ARPs. Some schools had been advised that they could not have this facility and officers clarified that this was sometimes due to the close proximity of other ARPs. A map of ARPs and related facilities in Havering could be shared with the Forum by Caroline Penfold. It was important to work with parents in order to obtain their confidence in the local provision. Some of the children attending provision out of borough lived on the borough's boundary.

Members remained concerned about rising costs of out of borough provision and transport as well as the delay with the special school. This was likely to have a cost impact on schools in the future and the strategy for this should be included in the recovery plan. Officers responded that the delay in the special school had been due to delays in land transactions and other property matters. Any recovery plan could involve difficult options such as reducing payments to schools. Officers would look at the experience in other boroughs where deficits were worse and bring proposals to the November or December meeting of the Forum. It was emphasised that there were no specific proposals at this stage.

The Forum noted the forecast of high needs expenditure for financial year 2020-21.

## **21 DFE SUPPORT TO SCHOOLS FOR COVID-19 COSTS 2020-21**

Payment had been received from the DfE for some schools who had claimed money for exceptional costs for Covid-19. This had been passed onto schools. The first tranche of funding for the Coronavirus catch-up premium was expected to be released in the autumn and this would also be passed on to schools once it was received.

The Government view was that schools receiving public funding should support existing contracts and services in areas such as catering. Charges received by schools for free meals provided by Havering Catering during the summer term were based on charges for the previous year, adjusted for the

numbers of free school meals entitlement. Meals had been charged at a reduced rate.

Future charges to schools would be based on the reduced number of meals now being provided.

Officers agreed that a collective approach was needed as regards levels of DfE funding for additional costs arising from the coronavirus pandemic. Help was needed as these costs could not be absorbed into day to day school expenditure. It was suggested that data should be collected from schools and academies on their Covid-related expenditure so far and that Nick Carter would send a questionnaire to schools on this.

A member added that there were many Covid costs that schools had incurred not covered by additional funding made available so far. It was uncertain whether the Government would increase the maximum amount that a school could claim when they were given a second opportunity to submit claims.

The Forum noted the additional funding provided by the DfE.

## **22 SCHOOLS FUNDING 2021-22**

Details of funding increases were included in the meeting's papers. Teachers' pay and pension grants would be absorbed into National Funding Formula rates; they would no longer be separate. The DfE stated that school funding through the National Funding Formula was increasing on average by 4%. There had also been an increase in minimum per pupil level of funding.

The Dedicated Schools Grant for Havering in 2021/22 would be £193m (excluding pupil growth), an increase of 2.35% in the allocation per pupil. This did not include Early Years or High Needs funding.

Details of the impact of changes to IDACI deprivation funding were discussed. Funding would now be calculated based on a lower super output area's ranking. The impact of this change on (anonymised) individual schools was shown. The effect on individual schools varied depending on whether funding was capped or not.

Details of the increases in formula rates were shown. It was noted that the minimum funding level was the same across the country which disadvantaged London schools. This would be raised with the DfE and London Councils.

Funding allocated in the school's budget share for free school meal numbers was based on the number of children on roll rather than in attendance, so absence through Covid would not impact on this.

Officers added that there had been more than 100 applications for elective home education due to Covid but work was in progress to reduce this and keep children on the school roll for the October census.

The Forum:

- (i) Noted the announcements on schools funding for 2021-22 and the likely impact of the funding arrangements on Havering schools;
- (ii) Agreed to apply the national funding formula rates when calculating schools funding for 2021-22 by 8 votes to 0 (no abstentions).

**23 HIGH NEEDS FUNDING 2021-22**

Indicative funding for 2021-22 through the High Needs block was presented. There had been a rise in funding for 2021/22 of 10.5%. Allowing for the roll in of pay and pension grants this fell to 9.3%.

Consideration was needed around how the funding previously received as separate pay and pension grants could be passed to High Needs providers. A report on this would be brought to a future meeting of the Forum.

The Forum noted the additional High Needs Block funding for financial year 2021-22.

**24 CENTRAL SCHOOLS SERVICES BUDGET (CSSB) 2021-22**

This funding block had been announced for 2021/22 and it was noted that the funding was for a very limited range of services, such as the work of the School Admissions Team and support to the Forum. The amount available for schools causing concern had been reduced by the DfE.

The Forum:

- (i) Noted the allocation of CSSB for 2021-22;
- (ii) Agreed the request to retain funding for central statutory services by 8 votes to 0 (no abstentions).

**25 DE-DELEGATION OF FUNDING FROM MAINTAINED SCHOOLS 2021-22**

The Forum was advised of the services proposed for de-delegation in 2021-22. These services were provided to LA maintained primary schools.

The level of service provided for attendance and behaviour support would continue to be monitored.

LA maintained school representatives agreed, by 6 votes to 0 (no abstentions) for:

1. The de-delegation of funding for the following services:
  - (i) Contingency to support schools in financial difficulty
  - (ii) Attendance & Behaviour
  - (iii) EAL
  - (iv) Free school meals eligibility
  - (v) Insurance
  - (vi) Maternity insurance
  - (vii) Trade Union Facility Time
2. The de-delegation of funding in support of LA central services for maintained schools.

## **26 FINANCIAL TRANSPARENCY OF LOCAL AUTHORITY MAINTAINED SCHOOLS**

A number of decisions had been taken by the DfE following a consultation on strengthening the financial transparency of Local Authority maintained schools.

These included the following:

- The publishing of the details of Local Authorities who fail to comply with three or more deadlines in one year. This will go ahead.
- The requirement for maintained schools to provide LAs with a three year budget. This will be required from 2021-22.
- The requirement for schools with a deficit greater than 5% to submit a recovery plan. This will be required for deficits measured at 31 March 2021.
- The proposal to require schools to report all Related Party Transactions (RPTs), or RPTs above a certain threshold, would not be taken forward.
- The proposal that every maintained school be subject to an internal audit at least every three years would not be taken forward.
- Information on the number of recovery plans required in each LA would be collected.
- A requirement for maintained schools to publish the number of individuals earning in excess of £100k per year on school websites. This would come into effect from 1 January 2021.

The Forum noted the decisions taken by the DfE on financial transparency and the next steps for schools and the local authority.

## **27 NEXT MEETINGS**

The next meeting of the Forum would be held on Tuesday 3 November at 9.30 am.

28     **ANY OTHER BUSINESS**

Members of the Forum paid tribute to David Allen for whom this was his last meeting before his retirement.