

**MINUTES OF A MEETING OF THE  
SCHOOLS FUNDING FORUM**

**Myplace - Harold Hill**

**18 October 2012 (9.00 - 11.00 am)**

**Present:**

**Head Teachers**

Nigel Emes (Chair) (Primary)  
Christine Drew (Primary)  
Chris Hobson (Primary)  
Angela Winch (Primary)  
Carolyn Fox (Primary)  
Geoff Wroe (Special)  
Julian Dutnall (Secondary Academy)  
Keith Williams (Secondary Academy)

**Governors**

Joe Webster (Vice Chair) (Secondary)  
Sheila Clarke (Primary)  
Tracey Walker (Primary)  
John McKernan (Secondary Academy)  
Daniel Gricks (Secondary Academy)  
John Parker (Special)

**Non-School Representatives**

Maria Thompson (14-19 Partnership)

**Trade Unions**

Dave Thomas (UNISON)  
Keith Passingham (NASUWT)

Apologies were received from Margy Bushell (Primary), Ian Trafford (Primary), Julia Deery (Secondary), Alan Perry (Secondary Academy), Sarah Metcalf (PVI) and Trevor Sim (Vulnerable Children)

All decisions were taken with no votes against.

The Chairman welcomed members to the first public meeting of the Forum under new regulations and stated that whilst members of the public were very welcome to attend, they did not have the right to speak.

## 1 **SCHOOLS FORUM REGULATIONS 2012**

The Forum was notified by the Manager of School Finance that revised regulations covering the Forum had come into force on the 1<sup>st</sup> October 2012.

Forum members were asked to note that meetings were now to be held in public and that the Forum would need to consider if for some items, of a sensitive or confidential nature, exclusion of the public, under the Public Bodies (Admission to Meetings) Act 1960, would be required.

The Forum further noted that pupil referral units (PRUs) would now be a group that would require representation on the Forum. The PRUs had been invited to appoint a representative. Early years providers and a representative from the 14-19 partnership were also required, and LAs were to consider representatives from the Roman Catholic and Church of England dioceses. There were, for the latter two groups, representatives currently attending the Forum, however, a new regulation barring officers of the local authority involved in education services or under the management of the Director of Children's Services cast doubt on whether the current representatives were eligible to continue as members.

Other membership developments were that the Education Funding Agency would have observer status on Forum and non-school members, with the exception of the early years provider, would not be entitled to vote. Trade unions were confirmed as being non-school members for the purposes of the membership.

The Forum was advised of changes in the regulations regarding the procedure of the Forum both outside and inside of meetings. The Forum was now listed on Havering Council's website, with papers being published five days prior to any meeting. The Forum would now be clerked by a Committee Officer from Havering's Democratic Services department.

The Forum noted the changes to the Regulations.

## 2 **MEMBERSHIP**

The Forum was advised and noted that:

- (i) Julian Dutnall from Frances Bardsley School had replaced David Mansfield as an Academy representative from the secondary sector;
- (ii) the Pupil Referral Units had been asked to nominate a representative, and;
- (iii) prior to the next meeting a nomination would be sought from academies from the primary sector.

In discussion, Forum members were advised that owing to changes in legislation, the way in which PRUs were being funded would change. PRUs would have a delegated budget in 2013, which, given the local arrangement in Havering, would make the current setup of four PRUs difficult to function. The money, at present, was controlled by Havering and could be moved around flexibly between the four PRUs depending on demand. The new arrangements would mean that each PRU would have its own budget and would control it independently.

However, it was planned that the PRUs would be allocated money as one single unit and they would have one head teacher, who would then be able to move money around flexibly. The final decision on this had not been made and was subject to a formal decision.

The Forum noted the changes in membership.

**3 TO AGREE THE NOTES OF THE MEETING HELD ON 13 SEPTEMBER 2012**

The minutes of the meeting held on 13<sup>th</sup> September 2012 were agreed as a true and accurate record.

**4 MATTERS ARISING**

*Primary School Expansion*

The Forum was advised that the final decision on Primary School Expansion had been agreed by Cabinet and was to go ahead. The work on Branfil School was to commence with further discussions due for the next round of expansion. The Forum would receive a paper outlining the plans.

**5 SCHOOL BALANCES 2011-12**

The Forum received a series of reports providing a detailed analysis and breakdown of school balances at the year-end 2011-12.

The Forum was informed that given the number of secondary schools that had converted to academy status, year on year analysis of trends was more difficult. There was, however, a rising balance trend in all sectors over a four year period, based on national research.

In Havering, 3 primary schools had overspent and 12 had balances that were underspent by 5%, 29 had underspent between 5-10% and 4 had underspent by 15%. In the secondary schools, 1 school had overspent and the remaining six had underspent by up to 10%. The Forum discussed how in the current financial climate schools had become very cautious about spending.

New guidance had been issued that changed the Government's view of the extent of underspend that was seen as acceptable by schools. For

secondary schools, any underspend over 5% was considered to be excessive, whilst this was 8% for primaries and 2% for academies. Ofsted had a position on this that suggested between 3-5% was a large underspend. Members were reminded that it was within the power of the Forum to take money away from schools with underspend of 5% for secondary schools and 8% for primaries.

Schools, generally, were saving capital budgets for infrastructure projects and this trend was typical. Members emphasised, that with the various changes and uncertainty still surrounding school funding and the allocation of budgets in the new education sector, it was the role of the Forum to ensure that the education of children was safeguarded.

## **6 EXCEPTIONAL FACTORS AND MFG EXCLUSIONS FOR 2013-14**

The Forum considered Havering's response to a letter from the EFA which offered local authorities the opportunity to apply for exceptional factors and MFG exclusions.

The Forum noted that Havering made no submissions for exceptional factors.

The request for exclusion to the 2012-13 baseline for transitional funding allocated in the second year of a bulge class where places had not filled was approved. This related to one school.

The request for an exclusion to the 2012-13 baseline for transitional funding allocated as part of the phasing out of Excellence, BIP and Deprivation funding was not approved. The MFG will therefore be calculated on schools' 2012-13 funding including this grant.

It was stated that the new formula did not guarantee budgets.

## **7 SCHOOL MEALS AND SCHOOL MILK**

The Forum discussed the implications of delegation of funding and responsibilities to primary and special schools.

Officers explained that this was maximum delegation for school meals and school milk, with no possibility of de-delegation. Currently, the funding for FSM was held centrally and claimed back for each school. Next year the money for FSM would have to be controlled by each school.

The Forum noted that in the future primary schools will need to consider what will be allocated for FSM, and members noted that the cost of FSM was rising each year, with a 14.7% rise this year. Primary schools had two options:

- Free meals would be provided by the LA and the school would then need to pay a bill monthly or termly for the service, or

- Schools would pay a fixed amount which would be based on costs in previous years.

It was suggested that the favourable option for all would be for primary schools to try and obtain a collective agreement. Some primary schools were operating with a surplus, some with a deficit. A group contract between all the primary schools was seen, broadly, as the favourable option. A decision would be needed by January 2013 for implementation in April 2013.

The Forum further noted that there would be other developments surrounding Havering catering with discussions as to whether the service would remain in the council or move outside of it.

For FSM, a one page report would be sent to all primary school head teachers for a decision to be taken at their next group meeting. Special schools would be included in the primary model. Members discussed that most primaries would like a collective decision. Funding would amount to roughly £860,000 which would be delegated to schools through the FSM formula. In maintained secondary schools, the funding was already delegated and was allocated through the deprivation factor.

Considering school milk, the Forum noted that there was a small budget to subsidise milk. All under-5s would continue to receive free milk whilst all other infant children would have subsidised milk, which reflected an attempt to ensure that the subsidy covered as wide as possible an age range. There would be an approximate £12 charge per term per child.

There was a new company called 'Cool Milk' which offered to do all the administration around the distribution of milk. The service provided the opportunity for parents to pay for the milk online and this would go straight to 'Cool Milk'. A mailing would be going to all schools and there would be free fridges provided should they wish to take up the service. 'Cool Milk' was the market leader.

## **8 EXTENDED SCHOOLS**

The Forum considered the impact on locality arrangements of the delegation of extended schools and disadvantage subsidy funding from April 2013.

It was explained that combined budgets within the current category of contribution to £1.4 million was allocated via a joint arrangement for extended provision and this was given to six locality areas. This budget, members were told, would need to be delegated to schools from April 2013 which meant that the current locality arrangements would need to be reconsidered.

The distribution to localities, should schools wish to consider keeping this arrangement, would need to be worked out on a school by school basis. It

would be up to schools whether they wanted to contribute to locality arrangements. There was already one locality where the arrangement was that each school was given its own funding, so this area would not be affected, as other localities which did make use of the pooled budget.

For example, home school workers were typically funded through the locality budget which meant that the change would have staffing implications as the current arrangements could not maintain staff. This would mean redundancy with staff having to be employed by schools directly. The arrangement included academies.

Some localities which had built in a pot of money to cover employment costs for when this grant ceased. Information needed to be shared around with schools so that careful consideration could be given on how to proceed. There would be a letter to staff and localities, discussions would take place and HR would need to be involved in the discussions. It was important to retain continuity. As of 1 April 2013, the funding would be delegated directly to schools. This would mean a new era with schools needing to support one another and members considered it to be imperative that schools should keep shared arrangements.

## 9 **DE-DELEGATION**

Further to its previous meeting, at which the Forum agreed to defer various decisions on de-delegation, the Forum considered the responses received from schools regarding the LA offer to provide behavioural support and ethnic minority achievement services.

The Forum noted that for primary schools the responses had been as follows: for behavioural support services there had been 14 responses from primary schools with 11 saying 'yes' and 2 saying 'no' to de-delegation. For EMA there had been 12 saying 'yes' and 2 saying 'no'.

The Forum agreed de-delegation for both services as provided to primary schools.

For secondary schools, there had been two responses from six schools (two of these were likely to be academies) and 2 had voted against de-delegation with one voting for. The Forum agreed that the range of responses was not enough for it to make a decision and deferred the decision.

With regards Trade Union Facility Time, £200,000 was needed to fund the current provision, which was dependent upon academies to buy-in for facility time to continue. Feedback was awaited from secondary schools. All the unions had requested that the current provision continue. A 10 day training programme for union reps for casework would be required in each school.

## 10 **FUNDING BLOCKS - PROGRESS TO DATE**

The Forum noted the calculation of the three 2013-14 DSG funding blocks and noted that the High Needs block would also include funding for Post 16 LDD.

The Forum also noted that arrangements for the merging of funding for two year olds into the early years block had not yet been announced. The PVI sector and the maintained sector were affected.

The Forum considered the variations in budgets and funding blocks.

## 11 **SCHOOL BUDGETS 2013-14 - PROGRESS TO DATE**

The Forum was informed that the LA was required to submit a budget pro-forma to the EFA by the end of October setting out the formula it intends to use in 2013/14.

The key issues for Havering were:

- Increase amount for each pupil, the 'Basic Entitlement'
- Deprivation measured by a combination of FSM & IDACI data
- A lump sum of £150,000 for every school and academy
- SEN measured by prior attainment and topped up to ensure £6000
- LAC – the pupil premium would cover this.
- EAL, some delegation.
- There was to be a mobility factor for in-year movement.

Some schools, it was thought, could federate as this was seen as an effective way of allowing more flexibility of budgets for schools in areas. Federations of five or six schools were possible and this allowed for pooled budgets. Havering was to establish a protocol for federation.

## 12 **NEXT MEETINGS**

The next meeting of the Forum was due to take place on Thursday 6<sup>th</sup> December 2012 at CEME from 8.30 to 10.30am.

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**Chairman**

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