

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

Thursday 12th January 2023 (8.00 – 9.30am)

Present:

Representative Groups

LA Maintained School Representatives:

Primary: Kirsten Cooper (Chair)
Hayley McClenaghan
Chris Speller
Garth Tucker
David Unwin-Bailey

Special: Emma Allen

Governor: Dave Waters

Academy Representatives:

Primary: Chris Hobson

Secondary: Neil Frost
Scott McGuinness
David Turrell

Non-School Representatives:

Early Years PVI Sector: Emma Reynolds

Trade Unions: Peter Liddle

Non Members in attendance: Trevor Cook – Assistant Director for Education
Caroline Penfold – Head of CAD services
Nick Carter- Principal Finance Officer (Schools)
Angela Adams – Clerk, HGS
Cllr Oscar Ford

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received from Georgina Delmonte, Kate Ridley-Moy (Chris Hobson was substituting for K Ridley – Moy) and Denise Broom.

2 TO AGREE THE NOTES OF THE MEETING HELD ON 1st December 2022

The minutes of the meeting held on 1st December 2022 were agreed as a correct record.

3 MATTERS ARISING

There were no matters arising.

4 SCHOOL FUNDING FORMULA 2023-24

N Carter (NC) advised the Forum that the DfE had released the final funding figures for 2023-24, calculated using data from the October 2022 pupil census, on 17th December 2022. Following this, the funding formula for schools had been reworked in line with the outcome of the funding consultation held in November. The following was noted:

- Funding overall for the Borough had increased due to the pupil numbers increasing.
- Overall there was a 2.26% increase in funding per pupil
- Growth and falling rolls funding was £0.5m higher than anticipated. This was now just over £2m, therefore only £164,676 would have to be moved from the schools block to maintain funding rates for schools at the current level, instead of the £700K previously estimated.
- 0.5% (£1.1m) would be moved from the Schools Block to High Needs as agreed in the funding consultation
- With the minimum funding guarantee at 0.5%, the highest level permitted, and a gains cap of 2.6%, as agreed in the consultation, £900k would be left unallocated.
- It was possible to increase the gains cap to 3.15%. This would leave £92k unallocated, a reasonable level of reserve. The gains cap could be increased to 3.2% but this would leave a small reserve of £29k.
- Schools were capped to allow the movement of funding to High Needs

Individual school allocations calculated using October 2022 census data were circulated to the Forum. This included a comparison with the indicative figures used in the funding consultation. It was noted that some schools had a reduction in funding due to a fall in pupil numbers between October 2021 and October 2022.

It was questioned why the data showing the schools allocations was anonymised. In response it was noted that this was intended to ensure that discussions focussed on the principles of how funding should be allocated, rather than on sums going to specific schools.

Final funding figures would be released to LA maintained schools by 28th February. The EFSA usually released figures to academies at around the same time.

Possible changes by the DfE for 2024-25 in the discretion given to Schools

Forums in the allocation of funding growth and falling rolls remained a concern. Funding may be ring-fenced in future years. The reduction in the transfer required from the Schools Block, to maintain current funding levels for schools for growth and falling rolls, means the impact of ring-fencing could be less than previously thought.

T Cook (TC) advised colleagues that a report covering London showed that Havering was one of only three Boroughs that were projected to see an increase in pupil numbers at primary level up to 2026. TC advised that Pooneeta Mahadeo, Schools Organisation Manager, was meeting with clusters to discuss the future number of places required. D Unwin-Bailey (DUB) questioned if changes in numbers were reflected in the data used and it was noted they were.

The Chair stated that all schools were being asked to take pupils above the level of PAN. A number of the pupils joining came with additional needs and more funding should be available. NC stated that this topic had been discussed by the Forum in the past and funding was available where schools were asked to go above PAN in Reception, Year 1 and Year 2. Provision for this had been included in the fund for growth and falling roll.

The Forum

The Forum **agreed** that:

- (i) £1,108,990 is moved from the Schools Block to High Needs
- (ii) £164,676 is moved from the Schools Block to support pupil growth and falling rolls
- (iii) the Minimum Funding Guarantee is set at 0.5%
- (iv) a gains cap of 3.15% is set

5 MAINSTREAM SCHOOLS ADDITIONAL GRANT (MSAG) 2023 -24

NC advised that this funding was not anticipated and had been announced as part of the Government's Autumn (financial) Statement. £2 billion extra funding would be made available for school core budgets with £400m of this allocated to High Needs.

In 2023-24 mainstream schools would be allocated funding through a Mainstream Schools Additional Grant (MSAG). MSAG would be allocated to LA maintained schools and academies to cover the period April 2023 – March 2024. Academies would receive further funding for April 2024 – August 2024. The funding is intended to support additional cost pressures. It will be distributed on a formula basis using pupil numbers, FSM Ever 6 numbers and a lump sum.

The total allocation for Havering is £7.5m, £ 1.4m more than the schools' supplementary grant received for 2022-23. One Forum member noted that the additional funding does not cover the cost of the support staff pay increase at their school, before considering the cost of the pay increase for teachers and rising energy costs.

It was noted that schools were one of the few areas to receive additional funding in the Autumn Review.

Pupil Premium (PP) funding for 2023-24 would increase by 5%. October 2022 census numbers would be used to calculate funding. DUB questioned what the rate for Looked After Children (LAC) was. In response it was noted that it was approximately £2k per LAC child, or £700 a term, and was determined by the Virtual Head Teacher based on the PEP submitted.

The Forum **noted** the report.

6 HIGH NEEDS FUNDING 2023-24

NC advised that since indicative figures had been presented in September there had been a £400k increase in High Needs funding following the Government's Autumn Statement. There was a requirement to ensure that special schools and pupil referral units (PRU) received a 3.4% increase in their total funding.

It was predicted that High Needs would overspend by £2.5m in year in 2022-23. The increase in funding was welcome but it did not match the 18% increase in the number of pupils with an Education Health Care Plan (EHCP) in the last year. C Penfold (CP) stated that the forecasts had been updated and although numbers continued to increase, the rate of increase was slowing.

It was agreed that the additional money was welcome. The Forum wanted to see the overall deficit in high needs spending reduce but additional funding still needed to be spent on the pupils.

TC advised that the Borough had been invited to join the Delivering Better Value (DBV) group by the DfE. The LA had fully engaged in the programme and had worked hard to provide the detailed data required for each pupil back to 2017. Training would follow and by June the LA needed to have identified priority actions to reduce the deficit in the High Needs Block. Schools would be involved in this process.

It was noted that other LAs were now putting into place things that Havering has already undertaken. TC advised that in June there would be an opportunity to bid for up to £1m of additional funding from the DfE. This funding was to be used to implement the priority actions identified and not to offset against the deficit.

75% of pupils in Havering with an EHCP were in mainstream schools. DUB stated that this was because there were not enough spaces in special schools. CP agreed that more places were needed in ARPS and special schools. A number of new ARPs were in the pipeline.

The number of special school places in Havering was out of step with other LAs. It was noted that the LA was looking at the establishment of a fifth special school with 300 places. An application had been submitted to the DfE. The fourth special school in Havering would be opening in September 2023 with 60 places.

E Reynolds (ER) questioned the High Needs provision for Early Years. In response it was noted that the LA had hoped to grow provision for Early Years High Needs but this had not come to fruition. The High Needs task and finish group would be examining funding rates for high needs pupils in Early Years.

The Forum **noted** the report.

7 CENTRAL SCHOOLS SERVICES BLOCK (CSSB) 2023-24

NC advised that this was the smallest of the four funding blocks. Funding for ongoing responsibilities was allocated to the LA on a per pupil basis. The element of the block for historical commitments was being reduced by 20% each year.

The indicative allocation for CSSB for 2023-24 had been presented to the Forum at their meeting on 22nd September 2022 and agreement reached as to how this would be spent. The final allocation was £33,834 higher due to an increase in pupil numbers. The cost of copyright licences administered by the DfE had, however, risen by £28,792 to £214,651. After funding this increase there would be a balance remaining of £4,861.

The Forum **noted** the report and **agreed** that:

£4,861 be held as a contingency.

8 EARLY YEARS FUNDING 2023-24

It was noted that unlike the other blocks funding for Early Years changed during the year in line with the pupils' hours. Funding for the summer term 2023 would be based on hours at the January 2023 census, Funding for the autumn term 2023 and spring term 2024 would be based on hours at the January 2024 census. The final funding for 2023-24 financial year would not be known until June 2024.

Funding for 2023-24, and the hourly rates that could be paid to providers, were calculated using estimated numbers.

The Forum were reminded that a Government Consultation in Early Years funding was held in summer 2022. As a result of this, funding for LAs would move back to being allocated on a formula basis, with the latest available dataset used in the calculations. The teachers' pay and pension grants (TPPG), previously paid separately to schools with nurseries, had been incorporated into the hourly funding rate received for 3&4 year olds.

The funding received by the LA was increasing by 49p for 2 year olds. The funding for 3&4 year olds was increasing by 7p as a result of the incorporation of TPPG and then by a further 6p. A total increase of 13p.

The incorporation of TPPG into the hourly funding rate for LAs raised the question of whether there should be a quality supplement in the formula used

to allocate funding to providers. This would enable the additional sum received for TPPG to be directed back to the schools that had previously received the separate additional grants. It was noted that there were 29 qualified teachers in the PVI sector, although they were unlikely to be members of the Teachers' Pension Scheme.

The funding for providers in 2023-24, and the contents of the 2023-24 funding consultation with providers, had been discussed at the meeting of the Early Years Provider Reference Group (EYPR) held on 10th January 2023. Following discussion at EYPRG there would be two options contained in the funding consultation.

In Option A funding is allocated to schools via a quality supplement at the indicative level of TPPG for 2023-24, i.e. schools receive the same funding as if the grants were continuing. In this option all of the additional £239,515 received for TPPG is allocated via the quality supplement. The hourly funding rate for 3&4 year olds would rise by 12p from £5.19 to £5.31.

In Option B funding is allocated to schools via a quality supplement at a level more closely matching the additional costs incurred by schools that the grants were intended to meet. This results in a lower sum of £141,280 being allocated to schools in place of TPPG. The reduced sum allocated to schools allows for an increase in the hourly funding rate for 3&4 year olds of 15p from £5.19 to £5.34. This option splits the additional funding for TPPG between direct funding for TPPG costs and an increase in the basic hourly rate. It also means that the protection / transition for schools in 2023/24 is tapered.

It was intended that the quality supplement would exist for one year only to provide protection for schools with nurseries before moving back to a single rate for 2024-25. However, as the funding formula was considered annually any decisions were, in practice, made for one year only.

The consultation would be undertaken with all Early Years providers, including childminders, there would be one vote per provision. The results of the consultation would be reported to the meeting of the Schools Funding Forum on 9th February 2022.

The wording of the consultation would be shared with the Early Years Provider Reference Group before it was sent out..

It was commented that the current funding rate of £5.19 for 3&4 year olds was insufficient given cost pressures and that Early Years felt like the forgotten sector. DUB stated that Early Years funding was discriminatory against maintained schools who had to employ a qualified teacher in their nurseries and that this would be the case until the Government changed the guidance.

9 NEXT MEETINGS

Future meetings had been arranged as follows:

9th February 2023

15th June 2023

Meetings to start at 8.00 a.m. at CEME, room 233.

10 ANY OTHER BUSINESS

There was no other business.

Meeting closed at 9:36

DRAFT