

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

Thursday 15th June 2023 (8.00 – 9.30am)

Present: Representative

Groups

LA Maintained School Representatives:

Primary: Kirsten Cooper (Chair)
Hayley McClenaghan
Chris Speller
Angela Stallibrass
David Unwin-Bailey

Special: Emma Allen

Academy Representatives:

Primary: Chris Hobson

Secondary: Neil Frost
Scott McGuinness
David Turrell (Vice Chair)

Non-School Representatives:

Early Years PVI Sector: Beverley Nicholls

Trade Unions:

Non Members in attendance: Angela Adams – Clerk, HGS
Nick Carter- Strategic Finance Manager
Jacqueline Treacy- Senior Inspector (schools causing concern)

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received from Georgina Delmonte (Angela Stallibrass was substituting for G Delmonte), John Delaney, Garth Tucker, Trevor Cook and Denise Broom.

2 TO AGREE THE NOTES OF THE MEETING HELD ON 9TH FEBRUARY 2023

The minutes of the meeting held on 9th February 2023 were agreed as a correct and accurate record.

3 MATTERS ARISING

Colleagues noted that under minute 7 the funding rate for the National Tutoring Programme was now 50% with the schools topping up 50%.

There were no matters arising that had not been included elsewhere on the agenda.

4 LA MAINTAINED SCHOOLS BALANCES 2022–23

The Funding forum noted that balances had fallen but not as much as expected. The net balance was £3.9m which equated to 3.5% of the total income for 2022-23. N Carter advised that although the balances were down for a second year in a row, they were above what the 2019 level of £3.6m. The total of surpluses across all the schools for 2022-23 totalled £5.3m and the deficits came to £1.4m, resulting in the net balance of £3.9m.

It was noted that there were 15 schools in deficit at the end of the financial year, compared to nine at the end of 2021-22. Six schools had a deficit of between 5% and 10% of their total income. In response to a question about schools with a high carry forward, N Carter advised that all schools with a surplus balance were required to complete a 'Use of Balances' return. Those schools with very large balances were contacted to establish in more detail their intended use of the balances. If they previously carried forward a large balance and had indicated that this would be spent, they were asked why this had not happened.

The Forum's attention was drawn to appendix A (item 4) which compared income and expenditure for 2022-23 to 2021-22, the following was noted:

- High needs funding increased by 31%
- Pupil premium (PP) funding had also increased
- Income from lettings had increased
- Insurance claims had reduced but they were still above pre Covid levels
- Contributions to visits had increased although fund raising had decreased.
- All support staff costs had increased. Education support staff costs had increased due to the increase in the number of pupils with Education Health Care Plans (EHCP) and the pay award.
- Energy costs were 60% high than the previous year.
- ICT expenditure had decreased. David Unwin-Bailey thought that this was because schools did not have the money to spend.

The increase in agency staff costs, of £898,945 when compared to the previous year, was questioned. It was noted that the increase in the number of EHCPs has led to an increase in the need for support staff. If staff could not be recruited, or

were needed straight away, SEN agency staff were used to support the pupils.

It was noted that if a school had a persistently large carry forward the Local Authority (LA) could remove the excess from the school. The funding recovered, however, had to be distributed on a per pupil basis to all other schools. This would not significantly improve the budget position of the other schools. Schools could be saving for a large project but this should be highlighted to the LA at the end of the financial year.

The funding forum noted the report.

5 DEDICATED SCHOOLS GRANT (DSG) – YEAR END BALANCE 2022 -23

The funding forum noted that the DSG was overspent at the end of 2022-23 by £8.258m. The deficit was due to the costs of High Needs rising faster than the funding received. The formula used by the Government to calculate High Needs funding did not take into account the number of EHCPs.

- Early Years was underspent by £200k. It was anticipated this would be needed to fund an increase in the number of children attracting inclusion funding. Settings who had not previously applied for inclusion funding were now doing so.
- The Schools Block was underspent by £135k, although pupil growth was over spent by £31k. It was noted that Pupil Growth funding was used to support schools where Key Stage 1 classes had gone above 30 pupils. The funding given to schools was based on the cost of providing an additional teaching assistant. D Unwin- Bailey stated that his governors were not content with this, as the needs of the pupil joining were not known to the school. No additional funding is given for Key Stage 2 pupils going over number as the 30 per pupil class limit does not apply. The funding was welcome but the needs of the pupils were increasing.

N Carter confirmed that this funding was introduced at a time when schools going above number occurred only rarely. It is now much more frequent as the numbers joining Havering schools during the course of the academic year had increased markedly. It was also noted that if a pupil left the school, and the number in a class fell back to 30, the additional funding ceased.

The schools block underspend would be offset against the overspend in the High Needs Block.

- De-delegated budgets were overspent by £17k. Maternity leave funding had overspent by £135k. The Forum had previously agreed an increase in the sum de-delegated for maternity leave for 2023-24. The underspends on insurance and EAL would help offset the overspend on maternity leave. Funding for Trade Union Facility Time was underspent by £9k and would be carried forward to 2023-24.

- The High Needs Block was overspent by £3.9m bringing the cumulative overspend to £8.6m. There were 28% more EHCPs in January 2023 than there had been in January 2022. It was noted that it was now common for EHCPs to provide 32.5 hours support, which cost the LA £14k compared to £9k for an EHCP with 25 hours support. There were 1,000 pupils with EHCPs in schools and 300 of them had 32.5 hours of support.

Colleagues agreed that the Government needed to ensure they funded these needs properly.

- Central Schools support was £12K underspent
- Other DSG funding showed £26k remaining. This was funding received from the DfE at the end of the financial year that had been passed on to schools at the beginning of 2023-24.

The funding forum noted the overspends from the 2022-23 dedicated schools grant and agreed the offsets against the High Needs deficit as presented.

6 SECTION 151 BUDGET SUBMISSION 2023 -24

The funding forum received the section 251 budget statements and the following was noted:

Funding forum colleagues questioned what was included under SEN support services, line 1.2.5. N Carter undertook to find this out.

ACTION: N Carter

Line 1.3.1 was central expenditure on Early Years entitlement- this was a retention for 3 and 4 year olds. N Carter advised that in the Early Years consultation document from January 2023 this had been broken down, a retention of 5% was permitted, however, only 4% had been retained.

Funding forum colleagues questioned what was included under Capital expenditure listed on page 4 of the section 251 report. N Carter undertook to find this out.

ACTION: N Carter

The funding forum noted the section 251 budget statements

7 COST PRESSURES IN EDUCATION SETTINGS

All colleagues were fully aware of the cost pressures on the schools and the following was noted from the report:

- There had been an increase in the number of maintained schools going into deficit when compared to the previous year.
- Additional funds had been provided by Government in the form of the Schools Supplementary Grant in 2022 -23. This had been included in NFF funding for 2023-24. Schools had found that the increase in funding had not been enough to cover the increase in costs.
- An additional £204m for Early Years had been announced in the March 2023 budget. This funding covered the period from September 2023. It was noted that Early Years funding was becoming a higher profile issue.
- Costs pressures included the teacher's pay increase of 5% last year with a potential 6.5% increase this year. How much funding would be received to support the pay increases was the issue. It was noted that maintained schools who brought the LA support package had been advised to allow for a 5% increase in their budget forecast for 2023-24.
- Support staff pay rises had also had a big impact on the cost pressures for the schools. There had been an increase of £2,229 on all salary points in 2022-23 and the same had been offered again this year. This figure had been included in the salary calculator for school budgets. The driver for these pay increases was the level of the Living Wage and recruitment issues. It was agreed that it was still difficult to attract staff to a demanding teaching assistant role when supermarkets paid the same rate.
- Energy - it was noted that the capped rate would reduce from July 2023 but as schools were usually on fixed term deals they would may not feel the benefit of the reduction straight away.
- Funding was an issue across all public services.
- Overall, nationally, schools were holding considerably budget surpluses which made the case for an increase in funding more difficult.

The funding forum noted the report.

8 EARLY YEARS- FUTURE ENTITLEMENT TO FUND PROVISION AND FUNDING CHANGES

The report outlined the funding for Early Years provision as it was known at the time. The report had been shared with the Early Years providers and rates had been agreed back in February 2023.

The total hourly funding for a child with 'complex needs' had been increased to £16.50 an hour to match that paid to schools for pupils with an EHCP.

Childcare grants would become available in the autumn term and an additional £204m would be distributed to LA's for funding for 2 and 3&4 year olds.

From September 2024 the Government planned to introduce wrap around care. 15 funded hours would be provided for working parents for children from 9 months old.

From September 2026 all schools would be required to provide wraparound care for children from 8am until 6pm, the age groups this covered was not known at this time.

Colleagues noted the proposed increases in funded hours.

The funding forum noted the report.

9 HIGH NEEDS FUNDING RATES 2023 -24 AND DELIVERING BETTER VALUE UPDATE

The Forum had agreed to delegate the final decision on funding rates for 2023-24 for High Needs support to the High Needs task and finish group.

The following funding rates had been agreed and were noted by colleagues:

- EHCPs were increased to £16.50 an hour after 10.3 hours.
- Complex needs funding in early Years was increased from £3.20 to £5.82 an hour.
- A table had been included in the report showing the special school rates, these had been increased for 2023-24 in line with the DfE funding requirements.

Delivering Better Value in High Needs (DBV) - Colleagues noted that the DfE were aware of the overspends in High Needs across the country. A Safety Valve Programme was in place, initially in 17 local authorities to review delivery with the aim of reducing costs. The DBV programme was being rolled out across 55 LAs including Havering. The final stage of the DBV support programme was for LAs to draw up bids for up to £1m to support the implementation of changes designed to deliver better value. A full report had been given to the Havering SEND executive board.

The DBV project examined projections of future numbers of pupils requiring high needs support across all settings, and the cost of providing this support if no changes were made (the unmitigated cost). Mitigations that could result in lower costs were then considered. Although in many LAs it may be possible to reduce the rate at which costs increased it was not always possible to reduce costs or to eradicate deficits.

Mitigations for reducing costs in Havering included:

- Creating greater parental confidence that pupils could be supported in mainstream schools. In order to do this staff would need training,

secondment opportunities offered and greater support provided from the centre.

- Creating additional SEN places. Another special school was needed together with more Additional Resources Provisions (ARPs). Additional ARP places were coming on stream including in the secondary sector. There was currently more provision than there has ever been but more was still needed. This would take time to provide.

The funding forum noted the report.

10 SCHOOL FUNDING MEETINGS ACADEMIC YEAR 2023 – 24

The following dates for meetings for the next academic year were noted by forum members, all meetings would start at 8am and would be held at CEME.

Thursday 21 September 2023

Thursday 19 October 2023

Thursday 30 November 2023

Thursday 11 January 2024

Thursday 8 February 2024

Thursday 13 June 2024

11 ANY OTHER BUSINESS

There were no items of any other business.

Meeting closed at 10:50