

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

Thursday 19th October 2023 (8.00 - 9.45am)

Present:

Representative Groups

LA Maintained School Representatives:

Primary: Kirsten Cooper (Chair)
Georgina Delmonte
Hayley McClenaghan
Chris Speller
David Unwin-Bailey

Special: Emma Allen

Academy Representatives:

Primary: Chris Hobson

Secondary: Neil Frost
Scott McGuinness
David Turrell

Non-School Representatives:

Trade Unions: John Delaney (Teaching staff union representative)
Peter Liddle (Support staff union representative)

Non-Members in attendance:

Anesta Broad	Clerk, HGS
Nick Carter	Strategic Finance Manager
Trevor Cook	Assistant Director of Education
Hany Moussa	Principal Education Finance Officer
Jacqueline Treacy	Senior Inspector (Schools Causing Concern)

1. APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Forum members were welcomed to the meeting.

Apologies were received from Hayley Durrant, Denise Broom, Emma Reynolds and Andy Smith who has joined the Forum as the representative for special academies.

2. TO AGREE THE NOTES OF THE MEETING HELD ON 21st SEPTEMBER 2023

The minutes of the meeting held on 21st September 2023 were agreed as a correct and accurate record.

3. MATTERS ARISING

3.1. The following matters arising were noted:

3.1.1. Schools funding (minute 6, refers): This item would be discussed under agenda item 6.

3.1.2. Trade union facility time (minute 9.2, refers): This item would be discussed under agenda item 8.

4. SCHOOLS FUNDING 2024 -25 REVISION BY THE DEPARTMENT FOR EDUCATION

Forum members were asked to note the revision to provisional allocations on schools funding for 2024-25.

N Carter explained that after releasing the funding blocks in July 2023, the Department for Education (DfE) had announced that there had been an error in their calculations. The initial figures released by the DfE contained an error in the calculation for growth that meant that the overall cost of the core schools budget was 0.62% greater than the funds available. The revision to funding represents a £2.1 million reduction in Havering's provisional funding allocation.

The basic entitlement factors that influenced the funding would rise by 1.4%. This was originally due to be a 2.4% rise. A change in the value of the Area Cost Adjustment for Havering has resulted in the year on year increase in factor value being slightly less than 1.4%.

The original and revised indicative funding for 2024-25, and the £2.1m decrease, was shown in a table included in the papers. As a result of the revision Havering would receive £49.32 less for each primary pupil and £62.38 less for every secondary pupil in the Schools Block of the Dedicated Schools Grant.

The NFF factor values for 2023-24 and 2024-25 were shown in Appendix A. The increase in the basic per pupil factor appeared larger because it included the

rolling in of the mainstream schools additional grant. When this was excluded the increase was only 1.25%. Forum members agreed that this was a very low increase. The minimum per pupil funding levels had also been reduced as a result of the DfE recalculation.

J Delaney indicated that unions were already planning strike action on this issue of funding for next year.

T Cook thanked N Carter and the Finance team for turning around the figures and reports quickly.

Forum members noted the report.

5. SCHOOLS FUNDING FORMULA OPTIONS FOR 2024-25

Forum members were asked to:

- 1) Consider the options presented on allocating funding to schools for 2024-25
- 2) Consider a transfer of funding from the Schools Block to the High Needs Block
- 3) Consider the funding of pupil growth and falling rolls
- 4) Agree the options that will form the consultation with schools on the 2024-25 funding allocations.

N Carter noted that there appeared to be two clear options. The range of options was limited as Havering had moved to using the National Funding Formula (NFF) factors and values when it was introduced in 2018. There was not an option to move away from using NFF factors and values and the Forum had previously agreed that these should be used for 2024-25.

All calculations shown were provisional, based on October 2022 census data and would be updated when the DfE released figures from the October 2023 data in December.

The two options that lend themselves to consideration were the same as for the last two years. The first option would be to transfer 0.5% of the Schools Block to High Needs, which was the maximum transfer that the Schools Forum were permitted to authorise. Based on current figures, if 0.5% were transferred from the School Block to the High Need Block, a gains cap of 2.4% would be required. The High Needs Block funded the hourly rate for EHCPs, ARPs and special schools. A 0.5% transfer to the Schools Block equalled approximately £1.15m based on the indicative figures. It was noted that taking the decision to move funding from one block to another would have consequences for schools.

C Speller raised a concern about the potential funding of bulge classes. N Carter confirmed that the Local Authority would fund bulge classes and it was recognised that schools could not be expected to accommodate bulge classes without

additional funding. This had been taken into account in the figures presented.

N Carter highlighted that when initial indicative allocations for 2023-24 were calculated a gains cap of 2.6% was required to facilitate a transfer of 0.5% from the Schools Block to the High Needs Block. However, when the final funding allocation was announced in December 2022, it had been possible to increase the gains cap to 3.15%.

The second option would involve having no pre-set transfer from the Schools Block to High Needs and no gains cap. After allowing for a £500k transfer to growth and falling rolls, there would be a balance unallocated of £301,286 that would be available to transfer to the High Needs Block.

The Minimum Funding Guarantee could be set between 0.0% and 0.5%. Formula modelling showed that reducing the MFG from 0.5% to 0.0% would reduce the sum allocated through the formula by only £103k. Forum members were referred to the data for individual primary and secondary schools shown in the report.

N Carter confirmed that for falling rolls funding, if a school fell more than 30 pupils below the Pupil Admission Numbers (PAN), they were funded to the next multiple of 30, not up to the PAN.

The Chair stated that budgets across the board were getting tighter, yet realistically schools needed high needs funding to be at least be maintained at current levels. The Forum needed to consider if either solution would contribute to reducing the overall deficit on high needs funding and how comfortable members would be taking these options out to their colleagues.

T Cook highlighted that without the transfer, growth on the hourly rate could not be sustained without going further into deficit. When high needs spending was reviewed as part of the DfE's Delivering Better Value Programme the first question local authorities were asked was whether they had carried out a transfer.

C Speller noted that these actions would result in schools having less money to spend on pupil learning. Some schools would gain and others would take a loss. The Chair highlighted that the level of EHCPs coming into reception years had increased across Havering and was not likely to be levelling off soon. Whilst there was variation between schools, many primary schools were being affected similarly by the growth in EHCPs.

H Moussa joined the meeting at this point.

The Chair queried if there were other options that could be considered. N Carter confirmed that as Havering already used the NFF factors and values, and could not move away from them, this gave limited options. Essentially, the key decision would be centred around how much to move out of the Schools Block.

Forum members agreed that for some schools, the options presented would not be perceived as a real choice and queried whether a limit could be introduced so that schools would not lose too much funding as a result of the cap. N Carter commented that this would necessitate the cap being set at a lower level to make the allocation of funding affordable.

Schools had been anonymised in Appendix A, but when the consultation was set out schools would be informed which was their school. The numbering used in anonymisation had been changed from previous years

The Chair noted that some schools were impacted more by the cap, however, the October 2023 census data was required to calculate the exact outcome of the allocation. All forum members were asked to encourage the schools in their networks to review the proposal options, to respond to the consultation and to bring their feedback to the Forum on 30th November.

Forum members queried what would happen if Havering schools refused both options. T Cook explained that the overall deficit on the Dedicated Schools Grant was increasing year on year. It needed to be demonstrated to the DfE that the Local Authority was doing everything possible to mitigate the deficit. Both the Local Authority and the DfE had the power to enforce the proposed options.

Forum members commented that schools would be agreeing to transfer funding to the High Needs Block in good faith and increasing the high needs funding rates for schools would be the aim. The two true choices seemed to be either increase the rates or decrease the deficit. The deficit was currently projected to be £15m at the end of the financial year. The more that the deficit increased, the less difference the £1m transfer seems to make to its reduction. Should the £1m be spent directly on the children rather than on reducing the deficit given that the impact on the deficit would be small.

Forum members agreed that the decision needed to consider not just the short term, but also the longer term impact on the deficit and provision. There was increasing need in mainstream with more pupils requiring one to one support. There were insufficient ARP places so children were staying in mainstream. Whilst bulge classes had been avoided as far as possible, they were starting to be reintroduced, which was a concern. There were also schools who have dropped their PAN. The demand for places had been highest in Year 2 and 3 in the Romford and Hornchurch areas.

The local authority had not planned for surplus places which meant there were no spare pupil places for the growth that had happened in some areas of the borough. A growing number of housing developments in the borough had contributed to the demand for school places, and would likely continue with more builds finishing soon, including on the old Decathlon site. The request to form bulge classes at this point in the school year was concerning.

Forum members:

- 1) Noted the options presented on allocating funding to schools for 2024-25**
- 2) Noted the proposal to transfer funding from the Schools Block to the High Needs Block**
- 3) Noted the funding of pupil growth and falling rolls**
- 4) Agreed the proposed options would form the consultation with schools on the 2024-25 funding allocations.**

ACTION: All forum members

6. NOTIONAL SEN FUNDING 2024-25

Forum members were asked to:

- 1) Agree to revise the calculation of notional SEN budgets to include 100% of funding for Low Prior Attainment
- 2) Agree that consideration of how inclusion funding (headroom) should be calculated was delegated to the High Needs task and finish Group

Forum members were asked to note the details in the report.

N Carter explained that within the school main formula funding there was a proportion of funding deemed to relate to the provision of support for SEN. The Local Authority was responsible for calculating the amount of this notional budget with reference to the funding formula factors. As part of the move to a direct NFF the DfE wanted more uniformity across local authorities and expected notional SEN funding to support whatever SEN needs schools may have.

A move to a national formula for calculating the notional SEN had been included in the DfE funding consultation on the move to a direct NFF. The percentages of funding used in Havering's calculation of NFF had remained unchanged for several years as the DfE had not indicated that any increase in the Schools Block had been related to SEN funding.

The level of notional SEN in Havering was ranked 149th out of 153 local authorities. A calculation of Havering's notional SEN funding per other SEN (i.e. not EHCP SEN) pupil came to £790. The median value for all LAs in England was £4,349.

There was a correlation between levels of deprivation and SEN.

Forum members agreed that if more money is spent by schools in support of EHCPs, above the level of funding received for this, then there is less money available to spend on other children. There was a wide variation in EHCP numbers across schools.

An examination of the factor values attributed to notional SEN in other local authorities showed that 100 of the 152 now attributed 100% of low prior attainment funding to notional SEN. If Havering were to attribute 100% of low prior attainment to notional SEN, then funding per other SEN pupil would average £3,168. This fell within the DfE target range of £3,000 - £3,500.

Forum members pointed out that if a pupil did not reach the expected levels at Foundation Stage Profile this did not automatically mean they were a SEN pupil. 100% of low prior attainment funding should not, therefore, be attributed to notional SEN. It would be difficult and complicated to achieve a perfect formula. Links with deprivation should be considered. A change to the notional SEN would require Forum approval. T Cook and N Carter agreed to bring alternative proposed to the next meeting of the Forum on 30th November 2023. A final decision would need to be made by December 2023.

ACTION: N Carter

N Carter explained that the calculation of inclusion funding (headroom) had been based on the number of pupils with an EHCP at each school and the notional SEN. If the value of the notional SEN was increased this would need to be reviewed. Alternative models had been looked at by the LA and would be presented to the Task and Finish Group. A logical formula had been devised that resulted in a similar distribution of funding.

- 1) The Forum did not agreed to revise the calculation of notional SEN budgets to include 100% of funding for Low Prior Attainment**
- 2) The Forum agreed that consideration of how inclusion funding (headroom) should be calculated could be delegated to the High Needs task and finish group**

7. HIGH NEEDS BUDGET FORECAST 2024 -25

Forum members were asked to

- 1) Note the year forecast of expenditure for the financial year 2023-24

N Carter outlined the projected high level income and expenditure figures. The projected expenditure was £46.3m, against £38.8m income. This would result in an in-year deficit of £7.5m, and a cumulative deficit of £16.0m taking into account the deficit brought forward from the previous financial year.

It was confirmed that the Compass Academy special school had opened in September, accounting for the large rise in special school funding. The cost of primary school EHCP top-ups had increased by £3m. The cost of secondary school top-ups had increased by £1.6m. The number of EHCPs within Early Years had tripled over the past year, which was reflected in increased expenditure.

It was noted that the DfE used 2016-17 high needs expenditure in the calculation

of funding to LAs.

TCook explained that an accounting override meant that currently overspends on the Dedicated Schools Budget (DSG) remained within the DSG and did not impact on the Local Authorities stated level of balances. This override, however, would only remain in place for the next two years. K Cooper queried how the decisions of the School Forum would affect Havering's financial position. N Carter confirmed that currently the DSG deficit was ring fenced outside of the Council's General Fund.

Forum members noted the year forecast of expenditure for financial year 2023-24.

8. DE-DELEGATION OF FUNDING FOR CENTRAL SERVICES 2024-25

K Cooper advised that items for de-delegation were still being discussed by clusters, with views to be brought to the next meeting.

LA maintained primary school representatives on the Forum were asked to consider the de-delegation of funding for Trade Union facility time. This had not been brought to the Forum at the previous meeting. Forum members were asked to consider, with clusters, de-delegation at the current level and with an increase of 6.5% in line with the rise in teachers' pay. Appendix A outlined what was provided through de-delegation.

Forum members representing LA maintained primary schools were asked to go back to their clusters to discuss and consult.

ACTION: All forum members

It was noted that J Delaney and T Cook were working on a document to be circulated to academies who were asked to purchase the provision of Trade Union Facility Time.

9. NEXT MEETINGS

The following dates for the rest of the rest of the academic year were noted:

30 November 2023
11 January 2024
8 February 2024
13 June 2024

Meetings to start at 8:00am at CEME room 233 or 235.

10. ANY OTHER BUSINESS

No other business was raised.

Meeting closed at 9.36am.

DRAFT