

SCHOOLS FORUM MEETING

26th September 2019

14.00 to 16.00 Committee Room 6, Civic Centre, Uxbridge

Membership: Jim Edgecombe (Chair), Phil Haigh (Chair of Sub Groups), Ludmila Morris, Duncan Greig, Kris O’Sullivan, Tony Eginton, Jo Palmer, Liz Horrigan, John Goddard, Bob Charlton, Joan Greening, Tracey Hemming, Robert Jones, Peter Ryerson, Sudhi Pathak, Laurie Cornwell, Elaine Caffary, Lesley Knee, Helen Manwaring, Rachel Anderson, Sophia Shaikh, Sandra Voisey, David Patterson.

Shadow Reps/Observers: Rachel Blake, Debbie Gilder, John Buckingham, Graham Wells, Jenny Rigby.

Officers: Peter Malewicz, Graham Young, Dan Kennedy, Kate Boulter (Clerk)

AGENDA

	Item	Time	Lead	Update
1.	Apologies	14.05 – 14.10	KB	
2.	Membership Update	14.10 – 14.15	JE	Verbal
3.	Minutes of meeting held on 26 th June 2019 a) General b) Confidential	14.15 – 14.20	Chair	Report
4.	Matters arising from meeting on 26 th June 2019 a) School Place Planning Update b) Implications of Heathrow Expansion	14.20 – 14.30	DK DK	Verbal Verbal
5.	Feedback from sub-groups/working groups a) DSG b) High Needs	14.30 – 14.45	PH PH	Report
6.	Information Items a) Renewal of Energy Contract	14.45 – 14.50	PM	Verbal
7.	DSG Budget 2019/20 a) Month 4 DSG Monitoring Report	14.50 – 15.05	PM	Report
8.	DSG Budget 2020/21 a) Funding Announcement i) Schools Block ii) High Needs Block b) Disapplication Request i) MFG not to be included in per pupil funding protection determination ii) Transfer from the Schools Block to the High Needs Block	15.05 – 15.50	PM PM PM PM	Report Report Verbal Verbal
9.	AOB	15.50 – 16.00		

Schools Forum and Sub Group Planned Meetings 2019/2020

School's Forum Meetings 2019-20		
Meeting	Date & Time	Venue
Schools' Forum	Thursday 26th September 2019 at 14:00	Civic- Committee Room 6
Schools' Forum	Thursday 7th November 2019 at 14:00	Civic- Committee Room 4
Schools' Forum	Thursday 12th December 2019 at 14:00	Civic- Committee Room 6
Schools' Forum	Thursday 16th January 2020 at 14:00	Civic- Committee Room 6
Schools' Forum	Wednesday 25th March 2020 at 14:00	Civic- Committee Room 6
Schools' Forum	Thursday 21st May 2020 at 14:00	Civic- Committee Room 5
Schools' Forum	Tuesday 30th June 2020 at 14:00	Civic- Committee Room 6
Schools' Forum	Wednesday 23rd September 2020 at 14:00	Civic- Committee Room 6
Schools' Forum	Wednesday 21st October 2020 at 14:00	Civic- Committee Room 6
Schools' Forum	Thursday 10th December 2020 at 14:00	Civic- Committee Room 6

HILLINGDON SCHOOLS FORUM

Minutes of the meeting held on Thursday 26 September 2019 at 2pm at the Civic Centre

Voting members

NAME	ORGANISATION	ATTENDANCE
Maintained Nursery (1)		
Ludmila Morris	McMillan Early Childhood Centre	PRESENT
Maintained Primary - Schools (4)		
Rachel Anderson	Dr Triplett's School	PRESENT
Duncan Greig	Breakspear Primary School	PRESENT
Kris O'Sullivan	Deanesfield Primary School	PRESENT
Sophia Shaikh	Grange Park Junior School	ABSENT
Maintained Primary - Governors (4)		
Jim Edgecombe (CHAIR)	Whiteheath Junior School	PRESENT
Tony Eginton	Minet Nursery & Infant School and Hillside Junior School	PRESENT
Phil Haigh	Cherry Lane Primary School and Meadow High School	APOLOGIES
Jo Palmer	Hillside Infant School and Hillside Junior School	APOLOGIES
Maintained Secondary (1)		
Liz Horrigan	Harlington School	PRESENT
Maintained Special (1)		
John Goddard	Hedgewood School	PRESENT
Academies (9)		
Bob Charlton	Charville Primary School	PRESENT
Tracey Hemming	Middlesex Learning Partnership	PRESENT
Robert Jones	Haydon School	APOLOGIES
Helen Manwaring	Swakeleys School	ABSENT
Peter Ryerson	Guru Nanak Sikh Academy	PRESENT
David Patterson	Queensmead School	PRESENT
Sandra Voisey	Laurel Lane Primary School	ABSENT
(two vacancies)		-
Special Academies (1)		
Sudhi Pathak	Eden Academy Trust	APOLOGIES
Alternative provision (1)		
Laurie Cornwell	The Skills Hub	PRESENT
Private Voluntary & Independent Early Years Providers (2)		
Elaine Caffary	4 Street Nursery	APOLOGIES
Lesley Knee	Ruislip Methodist Preschool	APOLOGIES
14-19 Partnership (1)		
(vacant)		

Other attendees (non-voting)

Independent Non-Maintained Special School		
Debbie Gilder	Pield Heath School	PRESENT
Shadow Representative (Maintained Primary - Schools)		
Rachel Blake	Whiteheath Infant School	NOT REQUIRED
Shadow Representative (Maintained Primary - Governor)		
John Buckingham	Glebe Primary School	NOT REQUIRED
Mr Graham Wells	Colham Manor Primary School	NOT REQUIRED
Local Authority Officers		
Kate Boulter	Clerk	PRESENT
Steve Denbeigh	LA Finance	PRESENT
Dan Kennedy	Director Housing Environment Education Performance Health & Wellbeing	PRESENT
Peter Malewicz	Finance Manager - Children and Young People Services	PRESENT

Graham Young	Lead Finance Business Partner - School	APOLOGIES
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		ACTION
1.	<p>APOLOGIES</p> <p>Apologies were accepted and recorded in the attendance list (above). The Chair confirmed the meeting was quorate and could proceed to business.</p>	
2.	<p>MEMBERSHIP</p> <p>There were two vacancies for Academy Representatives following the resignation of Joan Greening since the last meeting. A number of rounds of nominations over the past two years had failed to fill all vacancies, and the Forum had agreed at its last meeting that the Chair and Vice-Chair would identify candidates for co-option to fill the vacancies.</p>	JE/PH
3.	<p>MINUTES OF THE MEETING HELD ON 26 JUNE 2019</p> <p>The minutes of the meeting held on 26 June 2019, and the confidential annex, were agreed as correct records.</p>	
4.	<p>MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 26 JUNE 2019</p> <p><u>Minute 4 – Surcharge for Admissions</u> DK advised that the LA sought to work collaboratively with schools and he would pick up with headteachers the need for forward planning admissions changes to avoid burden on the Admissions team at its busiest periods. The LA would not consider surcharging schools at present.</p> <p><u>Minute 4 – Place planning</u> DK reported that the place planning consultant had met with primary headteachers and a number of them had indicated a desire to reduce or cap their school’s PAN. The LA had identified areas where a reduction in PAN would work whilst mindful of the need for a coordinated approach to ensure sufficient spaces across the Borough. The LA would be discussing proposals to reduce or cap PAN with individual schools. The requirement to consult meant that the earliest a permanent PAN reduction could be implemented was the 2020/21 academic year however a ‘soft’ cap prior to that would be possible.</p> <p>Projecting future place demand was challenging. The previous year had seen growth in secondary demand and a fall in primary demand, and overall net migration into the Borough. This year overall there was net migration out of the Borough. Private rental prices were driving families out of the Borough and parents were applying for selective grammar schools over the border into neighbouring boroughs. There needed to be flexible options for building extra capacity when needed.</p> <p>The Forum requested a further update on place planning at the next meeting.</p> <p><u>Minute 4 - Implications of Heathrow expansion</u> DK advised that a report on the Heathrow expansion would be considered by Cabinet that evening. The Council was against the expansion proposals and would be robust in its response to the consultation. The Council recognised the impact on schools in the area.</p> <p><u>Minute 5 – Deficit Recovery Plan (confidential annex)</u> PM reported that the DfE had received an FOI request which required it to provide</p>	DK

	documents sent to them by LAs as part of the Deficit Recovery Plan evidence, including items which had been submitted to the DfE in confidence and had not been shared publicly by the LA.	
5.	<p>FEEDBACK FROM SUB-GROUPS</p> <p>The Forum NOTED the minutes of the DSGWG held on 11 September 2019 and of the HNG held on 18 September 2019.</p>	
6.	<p>INFORMATION REPORTS</p> <p>(a) RENEWAL OF ENERGY CONTRACT</p> <p>The Forum was advised that a proposal to renew the energy contract, which around thirty schools currently bought into, would be considered by the Council. The Council sought to use suppliers that provided good value, however schools had the option to opt out if they did not wish to use the approved supplier.</p>	
7.	<p>DSG BUDGET 2019/20</p> <p>(a) MONTH 4 DSG MONITORING REPORT</p> <p>The Group considered a monitoring report on the DSG budget 2019/20:</p> <ul style="list-style-type: none"> • The overall position continued to worsen. There was an in-year overspend of £2,863k at Month 4, an adverse movement of £853k on the Month 2 position. This overspend was due to continuing pressures on the cost of High Needs and alternative provision placements. When the £8,492k deficit brought forward from 2018/19 was taken into account, the cumulative deficit carry forward to 2020/21 was £11,355k • There was £556K overspend in the Central School Services Block as a result of an increase in the number of young people accessing alternative provision, the educational contribution towards placements for looked after children, and a projected overspend in the Admissions team due to additional workload resulting from secondary population growth. • A year end variance of £4m was projected in the High Needs block and it seemed certain that the LA would have reason to submit a disapplication request for transfer of funds from the Schools Block for 2020/21. • The majority of maintained schools had submitted budgets for the 2019/20 financial year with an in-year deficit. Three maintained schools had set a deficit budget for 2019/20. • 31 out of 45 academy schools had an in-year deficit as at 31 August 2018. 6 academies were in deficit. <p>Members of the Forum commented that:</p> <ul style="list-style-type: none"> • Local authorities nationally were facing large deficits. The Government had not recognised the financial burden on schools' budgets of the changes that came with the Children and Families Act. • Hillingdon was placing a significant number of children in independent and out of borough placement due to a shortage of special provision in the Borough. The HNG had been discussing with the LA for some time plans to create more local provision by expanding current schools and creating satellite hubs, however additional places were unlikely to be available until at least September 2020. • A condition survey of one maintained special school had found temporary classrooms 	

	<p>to be at risk and it was possible that capacity could drop by up to 80, which would wipe out any growth in the system planned from the introduction of satellite hubs.</p> <ul style="list-style-type: none"> • Other actions designed to ease the cost burden were being implemented including the new SEND Pathway and restructuring of the Educational Psychology team. • The Forum recognised that post-19 young people with needs were entitled to educational support, however it remained unclear why this was funded from the schools budget. Under Social Care legislation, people were considered adults at age 18. The pressure from post-19 high needs was significant and a key contributor to the deficit. This point had been made in the Deficit Recovery Plan submitted to the DfE. • There was a need for a collaborative approach from the LA, schools and ESFA to maximise resources available for the benefit of all users. The Forum was concerned to hear that delays in finalising arrangements for the new build at Harlington School had already caused a year's delay in the facility opening, and there was a risk that the provision could be lost. • The Forum requested that modelling of the current Year 13 rolled on be carried out to help quantify potential future pressure, however, this would not capture people getting their first EHCP post-19. 	PM
8.	DSG BUDGET 2020/21	
	<p>The Group considered two reports which set out the impact of the Spending Review announcements on the Schools Block and the High Needs block:</p> <ul style="list-style-type: none"> • Schools across England would receive a significant cash boost, with investment of over £14 billion in primary and secondary education in the three years 2020/21 to 2022/23. • In 2020/21 only, there would be an additional £700 million for children with SEND. If this was distributed based on the current model, it was anticipated that Hillingdon would receive approximately £4.2m. This would go some way to cover the High Needs shortfall in 2020/21 but would not address the historical High Needs deficit. • As part of the Schools Block funding increase, every secondary school would receive a minimum of £5,000 per pupil in 2020/21. Every primary school would receive a minimum of £3,750 per pupil in 2020/21 and a minimum of £4,000 per pupil from 2021/22. Most Hillingdon schools were already above that level. • Implementation of the National Funding Formula would be progressed but no clear date had been set. • Additional funding of £1.5 billion for the next three years would fund additional pension costs for teachers. • There was no mention of additional funding to cover the teachers' pay rise so any funding increase may have to cover higher pay costs. • The announcement seemed geared towards addressing historic underfunding. London schools which already received higher funding were unlikely to receive a significant funding increase. • LAs would be permitted to transfer up to 0.5% from the Schools Block to the High Needs block. Transfer requests for more than 0.5% would require a disapplication request to be approved by the Secretary of State. • The LA had received no feedback from the DfE on its Deficit Recovery Plan. • The full funding model would be available in October. <p>Members of the Forum commented that:</p> <ul style="list-style-type: none"> • It appeared that the additional funding would only cover rising costs, particularly teachers' pay, and so was a 'stand still' budget for Hillingdon. • The additional funding, whilst welcome, did not address the fundamental causes of the deficit and would only ease pressure temporarily. 	

	<ul style="list-style-type: none"> Local authorities nationally were facing large deficits. The Government had not recognised the financial burden of the changes that came with the Children and Families Act. There was a perception that schools held large surpluses, however the vast majority of this was held by academies and was exempt from clawback under current rules. The Council's External Auditors were considering qualifying the Council's accounts as the cumulative DSG deficit looked certain to rise above £10 million. Many councils were in a similar position. The Deficit Recovery Plan had contained a proposal to re-base the MFG and recalculate going forward, and this seemed imperative to ensure some schools did not receive disproportionate historical funding. The Forum acknowledged that it would not be possible to set a balanced budget for 2020/21 even with the additional High Needs funding and therefore the LA was likely to make a disapplication request for transfer in excess of 0.5%. Due to the timescales for submitting a diapplication request, the Forum AGREED that an additional meeting of the DSGWG would be organised for October to consider the budget position and proposals in the Deficit Recovery Plan. 	PM/KB
9.	<p>ANY OTHER BUSINESS</p> <p>None.</p>	
10.	<p>DATE OF NEXT MEETING</p> <p>The next meeting of the Schools Forum would be held in the Civic Centre on Thursday 7 November 2019 at 2pm.</p>	

The meeting closed at 3.25pm.

Dedicated Schools Grant (£2,863k overspend, £853k adverse)

1. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £2,863k at month 4, an adverse movement of £853k on the month 2 position. This overspend is due to continuing pressures in the cost of High Needs and alternative provision placements. When the £8,492k deficit brought forward from 2018/19 is taken into account, the cumulative deficit carry forward to 2020/21 is £11,355k.

Table: DSG Income and Expenditure 2019/20

Original Budget	Budget Changes	Funding Block	Month 4			Variance (at Month 2)	Movement from Month 2
			Revised Budget	Forecast Outturn	Variance		
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(278,655)	(414)	Dedicated Schools Grant Income	(279,069)	(279,069)	0	0	0
215,155	0	Schools Block	215,155	215,075	(80)	0	(80)
24,821	107	Early Years Block	24,928	24,916	(12)	0	(12)
3,173	14	Central School Services Block	3,187	3,742	555	348	207
35,506	293	High Needs Block	35,799	38,199	2,400	1,662	738
0	0	Total Funding Blocks	0	2,863	2,863	2,010	853
0	0	Balance Brought Forward 1 April 2018	8,492	8,492			
0	0	Balance Carried Forward 31 March 2019	8,492	11,355			

Dedicated Schools Grant Income (nil variance, no change)

2. The DSG has been adjusted to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment was based on the January 2019 census and includes a retrospective change to the 2018/19 funding, as well as a recalculation of the 2019/20 Early Years block funding. This has resulted in an increase to the Early Years block allocation following an uptake in the number of eligible children accessing the additional hours free entitlement. There has also been an amendment to the High Needs block allocation following confirmation of the import/export adjustment for 2019/20 which updates funding to reflect the local authority in which pupils with SEND are resident.

Schools Block (£80k underspend, £80k favourable)

3. The Schools Block includes all funding paid directly to mainstream schools as part of their delegated budget share, including the funding recouped by the ESFA and paid to mainstream academies.
4. There is also a growth contingency fund which is funded from the Schools Block. Schools that are expanding, in agreement with the local authority, to meet basic need pupil population growth, receive additional funding to provide financial recompense to schools throughout the relevant financial year to cover the cost of this agreed and planned growth.
5. Schools Forum took the decision to withhold growth contingency allocations for two schools due to insufficient projected pupil growth in September 2019. Based on projected Reception class numbers for September, it is therefore anticipated that there will be an underspend relating to this allocation, however, officers are still in negotiation with one school on the level of diseconomies of scale funding that is being requested, which could significantly affect this position.

Early Years Block (£12k underspend, £12k favourable)

6. Two year old funding has been adjusted to reflect the number of children accessing the free entitlement recorded on the January 2019 census. This has resulted in a decrease in funding of £140k relating to 2019/20. This potentially could cause an additional pressure in the Early Years block if the number of children accessing the free entitlement increases, as any funding adjustment will be based on numbers recorded in the January 2020 census.
7. The 3 and 4 year old funding for both the universal and the additional free entitlement has also been adjusted in July following the January 2019 census. As anticipated the funding allocation has increased as the number of children accessing the additional free entitlement has increased significantly over the past year. There was also a retrospective adjustment relating to 2018/19, however, this was lower than anticipated.

Central School Services Block (£556k overspend, £208k adverse)

8. The overspend is as a result of an increase in the number of young people accessing alternative provision. The local authority currently commissions fifty places at the in-borough alternative provision setting and the historic trend is for numbers at the start of the academic year to be below this number before gradually building up. Currently numbers accessing this provision are already in excess of the commissioned number, resulting in an additional cost pressure. As a result of this, the local authority are working with the provider to review the number of commissioned places.
9. There is also a projected overspend in the Admissions team, where the additional workload as a result of the growth in the secondary pupil population along with a secondment covering a maternity, has resulted in a cost pressure.
10. In addition there is a continuing pressure on the educational contribution towards placements for looked after children. These placements are generally high cost out of borough residential placements, and if the setting is providing education, a proportion of the cost is funded from the DSG.

High Needs Block (£2,400k overspend £738k adverse)

11. There continues to be significant pressure in the High Needs Block in 2019/20, with an increase in the number of pupils with SEN resulting in an overspend of £2,400k being projected at month 4. Putting this into context, the Department for Education recently released the latest SEN 2 Data analysis, which indicates that across England the number of pupils with a plan has grown from a baseline of 287,290 plans in 2016/17 to 353,995 plans in 2018/19 an increase of 66,705 plans over the two year period, equivalent to an increase of 23%. Additionally, the proportion of the pupil population that have a plan has increased from 3.31% in 2016/17 to 4.1% in 2018/19. There is an expectation that this trend will continue into 2019/20.
12. There is a projected overspend in expenditure on the placement of pupils with SEN in independent or non-maintained schools. Due to a continuing lack of capacity in-borough, there is a requirement to place pupils in more costly school placements, with seventeen children commencing new placements in Independent special schools from September 2019. This is resulting in significant additional pressure on the High Needs block.

13. There was a further increase in the cohort of post-16 SEN placements in 2018/19. This increase is expected to continue in the current year, though at this stage the projection does not include detail of all September 2019 placements as the full cost implication is not yet known.
14. There has been an increase in the number of mainstream schools applying for exceptional SEN funding to address the needs of pupils before and during the EHCP process. The increase is a consequence of the increasing complexity being seen in some cases with schools needing additional resource in order to maintain the placement in mainstream provision.
15. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Extra Support Funding (ESF) as an alternative to the allocation of statutory funding for children with SEN who experience significant barriers to learning. This funding allows schools to access funding quicker to enable them to intervene early and have the greatest impact. The current projected spend on ESF in 2019/20 is £325k.

School Academy Conversions

16. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education & Skills Funding Agency (ESFA). Schools can convert at any point in the year, once they have converted, a number of adjustments are required to realign the DSG income budget and the amount delegated to maintained schools. The local authority has not been made aware of any academy conversions planned for the current financial year. In Hillingdon the last time that a school converted to an academy was in September 2017, when two schools converted.

Maintained School Balances & Budgets

17. A review of balances at the end of the 2018/19 financial year identified two schools which ended the year in deficit. Additionally 13 schools had an in year deficit. Any schools that fall into deficit are subject to more focused monthly monitoring by LA officers to ensure that everything possible is being done to address the situation.
18. Maintained schools ended the 2018/19 financial year with a cumulative closing surplus balance of £12.3m (revenue & capital). This was a £2.2m increase from the previous year total. Despite the relatively healthy total balance, there is a wide spread across individual school balances, with a number of schools having low balances that are expected to experience financial difficulties in 2019/20 due to reductions in pupil numbers and funding not keeping up with actual year-on-year increases in costs.
19. The table below provides an update on the financial position of schools maintained by the Council (this excludes academy schools), based on school outturns for 2017/18 and 2018/19.

School Type	Total Number of Schools	Number of Schools In Deficit 2018/19	Value of Deficit 2018/19 £000	Number of Schools In Deficit 2017/18	Value of Deficit 2017/18 £000
Nursery	1	0	0	0	0
Primary	49	1	13	3	83
Secondary	2	1	3,233	1	2,475
Special	2	0	0	0	0

Total	54	2	3,246	4	2,558
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20. It is known that 6 academy schools out of a total of 45 schools are also in deficit as at 31 August 2018. This is an increase of 2 on the previous years' position. Additionally, 31 of these schools had an in year deficit.
21. The majority of maintained schools (91%) have submitted budgets for the 2019/20 financial year with an in-year deficit, resulting in an anticipated budgeted reduction in school revenue balances of £6.0m for 2019/20. This is a concern, as the use of balances is one-off and continued in-year deficits are unsustainable in the medium term. The table below summarises the budgeted revenue balances position for maintained schools. However, based on the outturn position and the trend over the last few years, it is highly likely that the reported position for Primary schools will not be as high as those reported;

School Type	Total Number of Schools	Value of Balances 01/04/2019 £000	Budgeted Balances 31/03/2020 £000	In-year Movement 2019/20 £000
Nursery	1	180	157	(23)
Primary	49	11,989	6,677	(5,312)
Secondary	2	(2,878)	(3,407)	(529)
Special	2	1,860	1,736	(124)
Total	54	11,151	5,163	(5,988)

22. There are currently 20 maintained schools that are RAG risk rated red as a consequence of their current financial position and are therefore being more closely monitored. Three of these schools have set a deficit budget, where the local authority will be asked to agree for them to set a licenced deficit budget, with the remainder having set a balanced budget but with very low balances, meaning that any significant unplanned change in expenditure could result in the school being in a deficit position. In addition there are a number of schools which are of concern as they are currently projecting to be in deficit by the end on 2020/21. These schools will be closely monitored and given support to identify areas of the budget that may need to be reviewed in order that a balanced budget can be set for next year. Additionally, the Schools Finance team will continue to work with all maintained schools to monitor budgets for 2019/20.
23. Red rated schools are all subject to monthly monitoring, (the Scheme for Financing Schools requires schools to submit quarterly monitoring reports to the local authority), and closer scrutiny by the Schools Finance team officers, with some receiving additional support and guidance with budget and cash-flow monitoring.

24. Introduction

It was announced at the end of August 2019, that Schools across England are set for a significant cash boost, with investment of over £14 billion in primary and secondary education between now and 2022/23. There will be a three year settlement for schools and the funding that has been announced is £2.6 billion for 2020/21, £4.8 billion for 2021/22, and £7.1 billion for 2022/23 compared to 2019/20.

Further detail was provided on 9 September 2019, and the Schools Revenue Funding 2020 to 2021 Operational Guidance was issued soon after.

This report provides an interpretation of these announcements on the impact on Hillingdon Schools Funding for 2020/21.

25. Recommendation

Schools Forum are asked to:

- i) Note this report
- ii) Consider what steps to take when reviewing the budget for 2020/21

26. Background

Funding Announcement

The announcement made on 9 September 2019 provides further clarity on how the additional funding will be distributed, the key points are as follows:

- i) The Government have confirmed that they will move towards a hard National Funding Formula, but have not confirmed when they expect to do so.
- ii) It also confirms that the National Funding Formula will be used as the basis to distribute the additional funding and importantly have clarified that this will address historic underfunding and move towards a system where funding is based on need.
- iii) Minimum funding levels will be set for 2020/21 at £3,750 for Primary and £5,000 for Secondary. This will be a requirement within the Funding Formula.
- iv) There will be a 1.84% per pupil funding floor.
- v) Formula Core Factors will be increased by 4%.
- vi) There will be no gains caps in the funding formula.
- vii) The Minimum Funding Guarantee will be set at between +0.5% and +1.84%.
- viii) The Mobility Factor will be allocated based on a formula rather than historic spend, with the eligibility threshold set at 6% (in previous years this has been 10%).
- ix) Schools Forum can agree a block transfer up to 0.5% of the Schools Block, anything above this will need Secretary of State approval.

The Government have confirmed that the APT model will be distributed in October 2019.

The funding announcement comes on top of an additional £1.5 billion for the next three years to fund the additional pension costs for teachers. This will be allocated to schools based on number of pupils.

There will also be a Supplementary Fund available for schools to apply for where the grant allocation falls short of the actual pension cost increase between September 2019 and March 2020 by more than 0.05% of overall budget

The £14 billion investment will ensure that pay can be increased for all teachers, with salaries for new teachers set to rise to £30,000 by 2022/23, under government plans for the biggest reform to teacher pay in a generation.

Interpretation – Impact on Hillingdon Schools Funding

As the Council has not been provided with their allocation, officers have tried to interpret the impact of the points mentioned in the announcement on Hillingdon Schools Funding.

In overall terms the key points to note are the Governments intent to address historic underfunding, the removal in the funding formula of a gains cap and the setting of a minimum per pupil level of funding rate for Primary and Secondary. These points indicate that a significant proportion of the funding will be used to increase the funding of those schools that are below the minimum funding levels.

An analysis of Hillingdon Schools indicates that the majority of schools per pupil level of funding is above the minimum levels. This then suggests that Hillingdon Schools funding will increase by between 1.84% (the published floor) and 4% (the published increase that will be applied to the core funding factors).

Ignoring the Growth Contingency, Hillingdon's Total Individual Schools Budget for 2019/20 was £213,772k. Based on the interpretation set out in the paragraph above, it is therefore expected that Hillingdon's Schools Funding will increase by at least £3,933k (the minimum increase of 1.84%) and could be up to £8,551k (the 4% increase in core funding factors). Although, potentially the upper amount could be higher as the figures quoted are minimum increases.

It is important to note that this additional funding does not include any adjustment for pupil demographic growth (positive or negative).

Although the announcement confirms additional funding for the Teachers Pensions increase, it does not provide any clarity on the funding of the Teachers Pay award for 2019/20 and thereafter. This could imply that the additional funding has been factored into the £14 billion new funding.

One other important point to note is the requirement to set a positive Minimum Funding Guarantee (MFG) of between +0.5% and +1.84%. By definition this would then protect those schools that already receive MFG, rather than move those schools closer to their true per pupil funding level.

27. Next Steps

Schools Forum will need to consider what action it now needs to take in light of the additional funding being announced and the intent to move towards a hard National Funding Formula. This could include the following:

- i) To undertake a review of the funding factors and align them closer to the National Funding Formula, especially as the core factors will increase by 4%.

- ii) To undertake a review of the current MFG levels of funding provided and the impact that having a positive MFG in 2020/21 will have on all schools.
- iii) Consult with schools on the level of funding to be transferred from the Schools Block to the High Needs Block, which currently stands at £3,499k.

Funding Announcement 2020/21 – High Needs Block Funding

28. Introduction

It was announced at the end of August 2019, that an additional £700 million will be provided for children with Special Educational Needs and Disabilities (SEND) in 2020/21.

This report provides an interpretation of this announcement on the impact on Hillingdon's high Needs Budget for 2020/21.

29. Recommendation

Schools Forum are asked to:

- iii) Note this report
- iv) Consider what steps to take when reviewing the budget for 2020/21

30. Background

The announcement made at the end of August 2019 confirms that the Government will provide additional funding of £700 million for children with Special Educational Needs and Disabilities (SEND) in 2020/21. However, unlike Schools Funding, which confirms additional funding for the next three years, the increase in High Needs funding is for one year only.

If this additional funding is distributed on the same basis as the additional High Needs Block funding for 2018/19 and 2019/20 then Hillingdon should receive approximately £4.2m. This will go some way to cover the High Needs shortfall in 2020/21 but does not address the historical High Needs deficit.

Additionally, based on the latest monitoring position, which is projecting an overspend of £2.4 million in the High Needs budget, with an expectation that this position will adversely move over the coming months, there is likely to be a requirement to retain the transfer of £3,499k from the Schools Block in 2020/21, and there could also be a need to increase this further.

31. Next Steps

Schools Forum will need to consider what action it now needs to take in light of the additional funding being announced across the Schools Block and High Needs Block, with a particular focus on the required level of funding that will need to be transferred from the Schools Block to the High Needs Block, which currently stands at £3,499k.