

SCHOOLS FORUM MEETING

30th June 2020

14.00 to 16.00 via Zoom

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: Graham Young, Dan Kennedy, Vikram Hansrani, Kate Boulter (Clerk)

AGENDA

	Item	Time	Lead	Update
1	Apologies	14.00 – 14.05	KB	
2	Minutes of meeting held on 21 st May 2020	14.05 – 14.15	Chair	Report
3	Matters arising from meeting on 21 st January 2020 a) LAC Placements b) Health Contributions to HN placements	14.15 – 14.30	GY VK	Verbal Defer
4	Feedback from sub-groups/working groups a) Early Years/DSG b) High Needs	14.30 – 14.45	PH PH	Verbal Verbal
5	Items Requiring Decision a) St Martin's Diseconomies b) Secondary Growth Contingency	14.45 – 15.30	GY GY	Report Report
6	Information Items a) DSG Month 2 Budget Monitoring b) Comparison of 2020/21 Budget to 2019/20 Outturn	15.30 – 15.55	GY GY	Report Report
7	AOB	15.55 – 16.00		

HILLINGDON SCHOOLS FORUM

Minutes of the meeting held on Tuesday 30 June 2020 at 2pm via videoconferencing

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	PRESENT
Jo Palmer	Hillside Infant School and Hillside Junior School	PRESENT
Maintained Secondary (1)		
Liz Horrigan	Harlington School	PRESENT
Maintained Special (1)		
John Goddard	Hedgewood School	PRESENT
Academies (9)		
Aftab Ahmed	Guru Nanak Sikh Academy	PRESENT
Bob Charlton	Charville Primary School	APOLOGIES
Tracey Hemming	Middlesex Learning Partnership	PRESENT
Robert Jones	Haydon School	PRESENT
Helen Manwaring	Swakeleys School	PRESENT
Catherine Modsell	Frays Academy Trust	PRESENT
Peter Ryerson	Guru Nanak Sikh Academy	PRESENT
David Patterson	Queensmead School	PRESENT
Sandra Voisey	Laurel Lane Primary School	PRESENT
Special Academies (1)		
Sudhi Pathak	Eden Academy Trust	PRESENT
Alternative provision (1)		
Laurie Cornwell	The Skills Hub	PRESENT
Private Voluntary & Independent Early Years Providers (2)		
Elaine Caffary	4 Street Nursery	PRESENT
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	PRESENT
Graham Wells	Colham Manor Primary School	NOT REQUIRED
Local Authority Officers		
Kate Boulter	Clerk	PRESENT
Steve Denbeigh	LA Finance	PRESENT
Vikram Hansrani	Assistant Director, SEND & Inclusion	PRESENT
Dan Kennedy	Director	PRESENT

Peter Malewicz	Finance Manager - Children and Young People Services	APOLOGIES
Sarah Phillips	Place Planning	PRESENT
Graham Young	Lead Finance Business Partner - School	PRESENT

		ACTION
1.	<p>INTRODUCTION & APOLOGIES</p> <p>The Chair welcomed attendees to the meeting, which was being held by videoconferencing using Zoom due to Covid-19. 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>MINUTES OF THE MEETING HELD ON 21 MAY 2020</p> <p>The minutes of the meeting held on 21 May 2020 were agreed as a correct record.</p>	
3.	<p>MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 21 MAY 2020</p> <p><u>Minute 3 – LAC placements</u></p> <p>GY confirmed that all residential LAC placements, both external and the Borough’s own provision, were with registered providers.</p> <p><u>Minute 6(f) – Healthcare contribution</u></p> <p>VH requested that this be deferred for discussion at the September meeting.</p>	VH
4.	<p>FEEDBACK FROM SUB-GROUPS</p> <p>The Forum NOTED the minutes of the DSG/EY Sub-Group held on 16 June 2020. There had not been a meeting of the High Needs Sub-Group since the last Schools Forum.</p> <p>The following issues from the DSG/EY minutes were highlighted:</p> <ul style="list-style-type: none"> The Group had discussed the financial impact of Covid on PVIs and concluded that struggling providers could benefit from business training to assist with sustainability. There was under spend in the Families in Need budget due to settings having been closed during lockdown, and the Forum supported the Group’s recommendation that this budget be used for business training. The DSG deficit was due to continuing increase in demand for high needs support which out-paced funding and the Group had asked the LA to provide an update to Schools Forum on the capital build and expansion of places in the Borough, as set out in the Sufficiency Plan. VH advised that an update would be provided at the September meeting of the Forum. Sarah Phillips advised that the LA was identifying urgent issues and meeting with schools that term. 	PR VH
5.	<p>ITEMS REQUIRING DECISION</p> <p>(a) ST MARTIN’S DISECONOMIES</p> <p>At its last meeting, the Forum had agreed to invite the Executive Headteacher of St Martin’s MAT to attend the DSG/EY meeting on 16 June 2020 to discuss St Martin’s request for diseconomies funding, which the LA had been negotiating with the school since September 2019. The Executive Headteacher had declined to attend and, in the absence of any further information, the Group had recommended to the Forum that the request as submitted be rejected on the basis that it was unreasonable compared with other schools’ budgets.</p> <p>The Forum considered reports showing the 2019/20 budget submission from St Martin’s, benchmarking against other schools, and which areas of St Martin’s budget the LA had highlighted for review. GY advised the Forum that:</p> <ul style="list-style-type: none"> It was a DfE requirement that the Schools Block growth contingency budget fund the gap between the funding formula and the school’s budget. For the last few years the total growth contingency budget had been around £0.5m and the majority of the funding had gone to St Martin’s. The funding request from St Martin’s for 2019/20 was £689K which represented a significant increase on the school’s previous requests, which had been around £400K annually. Following challenges from the LA, St Martin’s had reduced the funding 	

request to just below £550K in February 2020 and, in a letter received the previous day, St Martin's had advised the LA that it was looking at reducing the request further.

- The LA had paid St Martin's £200K diseconomies funding for 2019/20 and had put payments on hold pending resolution of the agreed amount.
- A Forum member, who worked for the MAT which included St Martin's, reported that the Executive Headteacher was working on the 2020/21 budget and had advised that it was looking much stronger and a reduced diseconomies request would be submitted for 2020/21. The 2019/20 diseconomies request had already been reduced at the request of the LA, and further reduction in the funding provided would have a significant impact on the school.

The Forum commented that:

- It recognised that St Martin's was fully entitled to diseconomies funding, however all schools were having to budget very carefully, and diseconomies requests needed to be reasonable and commensurate with other schools' budgets.
- The LA had challenged St Martin's submission which had resulted in the school submitting a reduced budget in February 2020. Since then the period to which the request related (2019/20) had included a significant period of lockdown when most schools were closed or operating on significantly reduced numbers. The budget submitted by St Martin's included £339K for supply teaching staff which seemed excessive for this period.
- St Martin's diseconomies request included for £150K MAT contribution. Benchmarking against other schools indicated an average MAT fee of 5% of GAG, which would be £60K for St Martin's.
- An acceptable proposal had not been received from St Martin's yet and the Forum **AGREED** that the LA and the school should continue to negotiate a reasonable proposal, for consideration by the Forum. The Forum further **AGREED** that no further payments should be made to the school until the matter was resolved.

(b) SECONDARY GROWTH CONTINGENCY

The Forum considered a report which included a business case from Swakeley's School for growth contingency funding from September 2020 for increase in Year 7 pupils:

- The Forum had agreed a revision to the Growth Contingency Policy for 2020/21 to include the allocation of funding to secondary schools that had agreed to accept pupils in Year 7 above their PAN in September 2020.
- Swakeley's School had expanded its Year 7 PAN from 180 to 240 in September 2018. The business case put forward by the school was that its expansion had helped the LA by providing more secondary places, and, had it not already increased its PAN, the school could have been chosen to accept more Year 7 pupils in September 2020 and would have been eligible for the growth contingency funding which other schools were receiving.

The Forum commented that:

- Swakeley's had not been entitled to any growth contingency funding for the PAN increase in September 2018 as the expansion was at the request of the school and not the LA. The school knew this when it chose to expand.
- The intake of pupils for September 2020 was within Swakeley's new PAN so did not meet the criteria for funding.
- A revision to the Policy would be required to enable the Forum to agree Swakeley's request for funding, and other schools which had voluntarily chosen to expand could request contingency funding on the same basis.
- Place planning needed to be managed carefully to ensure that expansion did not distort the distribution of pupil numbers and create empty places in some schools.

	<ul style="list-style-type: none"> Any decision to change the policy should ensure that it was applied fairly and not disadvantage any school. The Forum AGREED to revisit the matter in September. 	PH
6.	<p>INFORMATION ITEMS</p> <p>(a) DSG MONTH 2 BUDGET MONITORING</p> <p>The Forum considered the Month 2 budget monitoring report 2020/21:</p> <ul style="list-style-type: none"> The Dedicated Schools Grant (DSG) outturn position was an in-year overspend of £8,333k at Month 2, an increase of £1,158K on the budgeted deficit of £7,175K, due to ongoing pressures in the cost of High Needs placements where significant growth continued. The 2020/21 High Needs budget had been increased to take account of projected growth, but it was projected that when the current backlog in cases was added to the estimated in-year growth, the budget would be exceeded. When the £15,002K deficit brought forward from 2019/20 was taken into account, the cumulative deficit carry forward to 2021/22 was £23,335K. <p>The Forum commented that:</p> <ul style="list-style-type: none"> At the Cabinet meeting where the DSG budget was agreed, the Leader of the Council had indicated that the DSG deficit was a government matter and not something the Council had any control over. The DfE required LAs to have a Recovery Plan explaining the actions being taken to reduce the deficit, however, an in-year surplus would be required to reduce the deficit, and currently funding was not sufficient to cover the cost of demand for High Needs provision, resulting in an increasing deficit. The Forum looked forward to receiving an update from the LA on progress against the Sufficiency Plan at the next meeting. <p>(b) COMPARISON OF 2020/21 BUDGET TO 2019/20 OUTTURN</p> <p>The Forum NOTED a report which provided an analysis of the 2019/20 DSG outturn comparing the expenditure from the previous year to the budget agreed for 2020/21, which highlighted areas where the budget may not be sufficient in 2020/21 along with areas that required additional focus and monitoring. The Forum AGREED that the DSG/EY Sub-Group would consider the report in detail at its next meeting and use it as a basis for the Work Plan.</p>	VH
7.	<p>ANY OTHER BUSINESS</p> <p>None.</p>	
8.	<p>DATE OF NEXT MEETING</p> <p>Wednesday 23 September 2020 at 2pm.</p>	

The meeting closed at 3.15pm.

LAC Residential Placements (Verbal)

All Residential placements for LAC are registered. Some are placed with external providers and some are in our own provisions that are also registered.

Briefing paper about proposed support for childcare settings

Proposal

To offer business support to childcare settings caring for disadvantaged children in order to assist their sustainability in the light of Covid-19.

Background

From 23 March 2020 childcare settings had to close except for providing places to keyworkers or to vulnerable children. They were allowed to reopen from 1 June for all children. However not all childcare settings have been able to reopen. Those that have reopened are often not operating at full capacity for a number of reasons eg lack of parental confidence in sending their child back to a childcare setting, staff who are shielding, the limitations on numbers from social distancing requirements.

The implications of the lockdown and the reduced places being delivered currently are that many settings are struggling financially and there is concern over how sustainable they will be next term. Even settings who have accessed the available government support schemes (such as the Job Retention Scheme) are experiencing financial difficulties. There is the risk that this will lead to childcare settings closing permanently. This may mean that there are not sufficient places for eligible two, three and four year olds and for vulnerable children who would have received free childcare places.

Proposed business support

In the Early Years component of the DSG, there is a budget of £138,700 to support childcare for vulnerable children (for the Families in Need Funding scheme). This budget is likely to be underspent in this financial year, given the closure of childcare settings for two months and the continued reluctance of some parents of vulnerable children to use childcare.

It is proposed that up to £40,000 of this budget would be used to assist childcare settings with business planning through the following measures:

- Offering all settings Information sessions to outline the key considerations, risks and possible actions childcare settings can take
- The development of tools for settings to assess financial performance

Once initial support had been offered to all settings, a fuller picture of the sustainability of the childcare sector in Hillingdon would be available and further bespoke support could then be provided in the light of the issues that emerge.

Growth Contingency – Diseconomies Funding (St Martin’s)

1. Introduction

The DfE places a requirement on the local authority to fund the difference between the funding generated by the school funding formula and the appropriate running costs of new and growing basic need academies. This difference in funding is diseconomies and it is funded from the Schools Block of the DSG, through the Growth Contingency Fund with the actual allocation of pupil growth funding a decision for Schools Forum. The Council is required to calculate an estimated budget for Basic Need Academy schools and work with each school to determine appropriate running costs. In 2019/20 the diseconomies requirement for the three basic need schools was estimated to be £500,000 with the majority of this relating to St Martin's which opened a year later than the other two schools and is still growing up to capacity.

2. Recommendation

That Schools Forum give a view on the request for diseconomies from St Martin’s for 2019/20 and draft a response to The Frays Academy.

3. Background

St Martin’s submitted a 2019/20 (Sep ‘19-Aug ‘20) draft budget to the local authority in July 2019 which indicated a diseconomies requirement of £689k, as detailed in the ‘I&E (original tab)’ at Appendix A. This is a significant increase on the £430k funding provided in the previous year.

Given the significant increase, local authority officers challenged the school on a number of areas of the budget. The DSG Monitoring sub-group were also asked to review the budget proposal in September 2019. This was in order to gain an objective view from Schools Forum members on the reasonableness of the expenditure, given that the allocation of diseconomies is a Schools Forum decision.

Following the sub-group meeting, officers met with representatives from the Trust, to discuss the budget and suggest the following areas that it was felt required further review, as outlined in the document sent to St Martin’s in October 2019 attached at Appendix B;

- Teaching staff structure,
- Support staff structure,
- SRP staff structure,
- Recruitment costs,
- Premises costs,
- MAT central charges

In February 2020 St Martin’s submitted a revised budget, as detailed in the ‘I&E (revised tab)’ at Appendix A. The revised budget reduced the diseconomies requirement by £130k, but the local authority still had concerns that the areas identified for review had not led to a sufficient reduction in the diseconomies requirement. This was outlined in a letter sent to St Martin’s in March 2020.

To date the local authority has not received a response from the school which officers consider reduces the budget gap by a sufficient enough amount.

4. Benchmarking

As part of the review of the St Martin's budget submission, benchmarking has been carried out to compare the planned expenditure with that of schools with a similar number of pupils. A summary of this benchmarking is attached at Appendix C.

In order to make the schools more comparable, the income and expenditure for St Martin's has been adjusted to remove any of the SRP related items (this has indicated that the SRP is attributing approximately £130k to the budget shortfall). When considering the results of this benchmarking it should be taken into account that St Martins currently only has pupils up to Year 4, which it could be argued makes the benchmarking slightly skewed. The benchmarking data indicates the following;

- Formula Funding – The funding formula generates more per pupil funding at St Martin's than all three of the other schools. The reasons for this are probably linked to pupil demographics.
- Other Income – Two of the three comparator schools receive more additional income than St Martin's which could indicate that there are opportunities to generate more income which should be explored.
- Teaching staff – with the cost of the SRP teacher removed from the comparison, total teaching costs are still between £300-400k higher at St Martin's. Part of this difference will be as a result of the significant amount of supply employed at St Martin's
- Other staff – When the SRP staff are removed from the analysis, the total cost and per pupil cost is lower at St Martin's than the comparator schools.
- Premises costs – the expenditure on premises appears significant at St Martin's when compared with the other three schools.
- Supplies & Services – expenditure is lower at St Martin's than two of the comparator schools
- MAT fees – the three comparators are all maintained schools and therefore do not have to pay MAT fees. The benchmarking of MAT fees indicates that 5% of GAG is about the average and this would usually cover the cost of all central staff. If St Martin's applied 5%, this would reduce this budget to £60k.

5. Summary

Whilst the local authority accepts that there is a requirement to continue funding diseconomies at St Martin's, the amount of funding should be appropriate for the school to set a realistic budget. The current level of diseconomies required is significant and officers do not consider it an appropriate or viable level of funding.

St Martin's Budget 2019/20

Areas for Further Review

- A similar size school in terms of pupil numbers would generate funding of approximately £1.1m. St Martin's planned expenditure is £1.9m (excluding SRP). Even if all classes were full the funding generated would still result in significant shortfall when compared with planned expenditure. Why is there such a significant shortfall?
- Support staff structure - When I look at the staffing list, it indicates 14 mainstream LSAs for 9 classes (excluding Nursery). This appears to be a lot of LSAs given the number of pupils/classes
- PPA cover – a number of schools are now using high level LSAs (potential cost reduction £10k)
- SRP – The staff structure appears excessive with more staff in the unit than pupils. A similar sized ASD unit with similar cohort is currently costing approx. £204k to run (potential cost reduction £123k).
- Cleaning - £31k spend appears excessive. Has cleaning been reviewed? It could potentially be provided cheaper if contracted out (potential cost reduction £15k)
- SMSAs - £24k seem excessive. I have seen evidence of similar size schools spending just £7k (cost reduction £17k)
- Recruitment costs – £35k seems excessive
- MAT fees - 5% of GAG is about average and this would normally include the costs of Trust Consultants/School improvement partners as part of the top slice, not as an additional cost and I don't consider that these should be funded through diseconomies. In the case of St Martin's the central cost charges are approx. 14% of GAG (5% = approx. £60k, potential cost reduction £90k)
- Income generation – has any effort been made in using the building to generate lettings income?
- Has a restructure of classes been considered? There are six classes across Year groups 1, 2 & 3 but a total of 141 pupils, which may give scope for this?

Graham Young
October 2019



HILLINGDON
LONDON

DEDICATED SCHOOLS GRANT

GROWTH CONTINGENCY FUND POLICY

Last updated December 2019

1. Overview

This is the Growth Contingency Fund Policy of the Hillingdon Schools Forum.

This Policy will be reviewed on an annual basis.

It only provides revenue funding for eligible schools.

Where reference is made to a financial year this refers to the local authority's financial year which starts on 1 April and ends on 31 March.

2. Background

The School Funding Reform – Arrangements for 2013/14, set out criteria to allow Dedicated Schools Grant (DSG) funding to be retained centrally within a Growth Contingency Fund. The purpose of this fund will be to provide resources to schools (both Maintained and Academy) to support growth in pupil numbers to meet basic needs. It will be managed and controlled by the Schools Forum, who will also be responsible for the release of funds to schools based on the criteria as set out in this policy.

3. Policy Statement

Schools Forum will agree the amount of the Growth Contingency Fund each year, by the end of January, where the agreed amount will be deducted from the DSG prior to the determination of school budget shares. The amount agreed will constitute the fund to be used from the 1 April immediately following.

The Growth Contingency Fund will be ring-fenced and used only for the purpose for which it was intended as set out in Section 4 of this policy statement.

Growth Contingency funding can be withheld where it is evident that a school has not taken on the additional number of pupils relevant to the planned expansion.

The Growth Contingency Fund can be accessed by all Maintained and Academy primary, secondary and nursery Schools, but cannot be accessed by either Special Schools and Pupil Referral Units, as they receive funding directly from the High Needs Block, or Free Schools, University Technical Colleges, Old Style Academy Schools and Studio Colleges as their funding is managed directly by the EFA.

4. Purpose

The purpose of the Growth Contingency Fund will be to provide financial recompense to schools throughout the relevant financial year (1 April to 31 March) to cover the cost of agreed and planned growth as a result of the following:

- a) The school has expanded
- b) The school is a new school
- c) Secondary schools have agreed to accept pupils in Year 7 above their Published Admission Number (PAN)

5. Criteria

Funds will be released to schools from the Growth Contingency Fund based on the following criteria:

Expanding Schools

- The Local Authority has to agree, in advance, before the start of the financial year, and no later than 31 March of each year, which schools will or are expected to expand.

- Schools Forum agrees the schools that will be funded from the Growth Contingency Fund as part of the Dedicated Schools Grant budget setting process. This to be agreed in advance, before the start of the financial year, and no later than 31 March of each year.
- Where a school is expected to expand but has not been agreed by the local authority at the start of the financial year, funds will only be released by the Schools Forum once confirmation from the local authority has been received.
- Where a school expands without the Local Authority's and Schools Forum consent, the school will have to submit a written request to Schools Forum, providing a business case for the need in the growth and the required release of funds. This does not however guarantee the release of funds.

New Schools

- The Local Authority has to agree, in advance, before the start of the financial year, and no later than 31 March of each year, the funding for new schools.
- Schools Forum agrees the schools that will be funded from the Growth Contingency Fund as part of the Dedicated Schools Grant budget setting process. This to be agreed, in advance, before the start of the financial year, and no later than 31 March of each year.
- This only applies to those schools that have always been included within the funding formula and new Basic Need Academy schools.
- The funding cannot be accessed by, Free Schools, University Technical Colleges, Studio Colleges and Old Style Academy Schools, where the EFA already makes pupil adjustments to the Funding Formula for these schools.

Accepting Pupils above the Year 7 PAN

- The Local Authority has to agree, in advance, before the start of the financial year, and no later than 31 March of each year, which schools will or are expected to accept more Year 7 pupils than their PAN.
- Schools Forum agrees the schools that will be funded from the Growth Contingency Fund as part of the Dedicated Schools Grant budget setting process. This to be agreed in advance, before the start of the financial year, and no later than 31 March of each year.
- Where a school is expected to accept more Year 7 pupils than their PAN but has not been agreed by the local authority at the start of the financial year, funds will only be released by the Schools Forum once confirmation from the local authority has been received.

- Where a school accepts more Year 7 pupils than their PAN without the Local Authority's and Schools Forum consent, the school will have to submit a written request to Schools Forum, providing a business case for the need in the growth and the required release of funds. This does not however guarantee the release of funds.

6. Funding

Funding from the Growth Contingency Fund will be allocated to schools based on the following calculations:

Expanding Schools

- a) The determination of funding for expanding schools will be based on the following:
 - i. Funding will be based on a class size of 30 pupils (a form of entry),
 - ii. Each form of entry (class size of 30 pupils) will attract the average sector total AWPU for each child (this to be determined by dividing the total AWPU funding by the total number of pupils in Primary and Secondary schools),
 - iii. Funding will be calculated pro rata based on a start date of 1 September (7 months), or 1 January (3 months).
- b) Where a school has agreed to expand prior to the start of the financial year, the full years funding will be released at the beginning of the financial year and included in the first Cash Advance, paid in line with the monthly cash advance instalment profile.
- c) Where a school agrees within the current financial year to expand, the full years funding will be released one month after Schools Forum have agreed to fund the expansion and included in the Cash Advance payment instalment profile from the relevant date.

New Schools

- a) The determination of funding for New Schools will be based on the following:
 - i. Funding will only be provided to those schools that have always been included within the funding formula, or are new Basic Need Academy schools,
 - ii. The funding cannot be accessed by Free Schools, University Technical Colleges, Studio Colleges and Old Style Academy Schools, where the EFA already funds on estimates and makes pupil adjustments to the Funding Formula for these schools,
 - iii. Start up funding will be provided for each new year group based on a class size of 30 pupils (one form of entry), less the funding received through the funding formula.
- b) For a new school not in its first year of opening, the full years funding will be released at the beginning of the financial year and included in the first Cash Advance, paid in line with the monthly cash advance profile.
- c) For a new Basic Need Academy school, set up funding will be released based on an agreed profile between the provider and the Council, with the first payment being released in the April cash advance.

Accepting Pupils above the Year 7 PAN

- a) The determination of funding for schools that accept pupil numbers above the Year 7 PAN will be based on the following:
 - i. Funding will be based on the actual number of pupils accepted by a Secondary school above the relevant Year 7 PAN,
 - ii. Each pupil above the Year 7 PAN will attract the Secondary average AWPU rate for each child (this to be determined by dividing the total AWPU funding by the total number of pupils in Secondary schools),
 - iii. Funding will be calculated pro rata based on a start date of 1 September (7 months), or 1 January (3 months).
- b) Where a school has agreed to expand prior to the start of the financial year, the full years funding will be released at the beginning of the financial year and included in the first Cash Advance, paid in line with the monthly cash advance instalment profile.
- c) Where a school agrees within the current financial year to expand, the full years funding will be released one month after Schools Forum have agreed to fund the expansion and included in the Cash Advance payment instalment profile from the relevant date.

7. Year End Procedures

A full reconciliation will be undertaken at the end of January each year, to determine the over or under allocation of the Growth Contingency Fund. Any balances (surplus or deficit) will be factored into the determination of the Dedicated Schools Grant for the following financial year.

Business Case for Growth Contingency Funding

School Name	Swakeleys School For Girls
Address	Clifton Gardens Hillingdon UB10 0EJ
Telephone No	01895 251962
E Mail address	hmanwaring@swakeleys.org.uk
School Status	Secondary Academy
Application made on behalf on the school by	Mrs Helen Manwaring
Designation	Business Manager

Purpose of application :

To receive funding for an additional 60 students in Year 7 following the school increase in planned numbers from 180 to 240 from September 2018.

Background and context

Swakeleys School for Girls is and has been an over-subscribed secondary provision for many years and we have a waiting list in excess of 250 for Year 7 each year and over 600 on the waiting list across the remaining year groups. In November 2017, the school took occupation of a purpose built 8 form entry new build with expanded provision at Post 16, funded by the Education Funding and Skills Agency (ESFA). In September 2018, the planned admission numbers for Year 7 increased from 180 to 240. In February 2018, the school made application to the Growth Contingency Fund due to the expansion, of an additional 60 pupils in Year 7 but the application was refused. The school did not receive any funding for the additional 60 pupils in the Academic Year 18-19 which resulted in a loss of revenue in excess of 300k and will carry that loss each year until September 2023, when the school is full.

Application

The school continues to be over-subscribed and is full for September 2020 with 274 applications on the waiting list for Year 7.

We understand that it was necessary for LB Hillingdon to commission "Bulge classes" for 145 places within neighbouring schools for 2020-21 due to a shortage of secondary places in year 7, and that School's Forum has agreed Growth Contingency Funding for these places.

In arriving at the "bulge" place numbers, Swakeley's additional 60 places was taken into account. It is for this reason and only equitable and fair that Swakeley's should receive Growth Contingency funding for the 60 pupils due to arrive in year 7 in September.

We are not seeking to have Growth Contingency back-dated to 2018.

Summary

The school contends that the 60 places are required within the Borough and they should therefore be funded.

Secondary Growth Contingency

1. Introduction

A Growth Contingency Fund is allocated each year by Schools Forum, from the Schools Block of the DSG. This funding is for expanding primary and secondary schools and new basic need academy schools, including schools that have permanently expanded and will take on additional pupils in September 2020 and schools that are planned to expand for the first time in September 2020. Due to significant anticipated growth in secondary pupils, there was a revision made to the policy in 2020/21 to include the allocation of funding to Secondary schools that have agreed to accept pupils in Year 7 above their Published Admission Number (PAN) in September 2020.

Swakeley's school expanded in September 2018, increasing its Year 7 PAN from 180 to 240. The school is now requesting that they receive growth contingency from September 2020 for the subsequent increase in Year 7 pupils.

2. Recommendation

That Schools Forum consider the business case from Swakeley's School for Girls and either;

- (i) Reject the application for funding, or
- (ii) Approve the application for funding. This will require a change to the Growth Contingency Fund Policy

3. Background

Permanent Expansion

The Growth Contingency Policy outlines when an expanding school is eligible for growth funding and determines that in order to receive funding the following criteria must be met;

- (i) The Local Authority has to agree, in advance, before the start of the financial year, and no later than 31 March of each year, which schools will or are expected to expand,
- (ii) Schools Forum agrees the schools that will be funded from the Growth Contingency Fund as part of the Dedicated Schools Grant budget setting process. This to be agreed in advance, before the start of the financial year, and no later than 31 March of each year,
- (iii) Where a school is expected to expand but has not been agreed by the local authority at the start of the financial year, funds will only be released by the Schools Forum once confirmation from the local authority has been received.

Accepting Pupils above the Year 7 PAN

Due to the growth in secondary school pupils, Schools Forum agreed to revise the Growth Contingency Fund policy for 2020/21 to include funding for schools that accept pupil numbers above the Year 7 PAN.

The local authority has worked with secondary schools to establish how the expected growth in secondary school pupils might be met. In commissioning extra Year 7 places from 2020 the LA discussed projected growth with HASH and invited proposals - but did not progress them all. Some secondary Headteachers were very disappointed, as they too had waiting lists of over 200 - but their geographical location would not help the expected numbers and would have impacted on the rolls of nearby schools. It is the LA duty to coordinate necessary extra places that are reasonably accessible - for boys and girls - whilst minimising negative impacts on other schools. This was also true with primary bulge classes.

It was agreed by Schools Forum that the determination of funding for this secondary growth would be as follows;

- (i) Funding will be based on the actual number of pupils accepted by a Secondary school above the relevant Year 7 PAN,
- (ii) Each pupil above the Year 7 PAN will attract the Secondary average AWPU rate for each child (this to be determined by dividing the total AWPU funding by the total number of pupils in Secondary schools),
- (ii) Funding will be calculated pro rata based on a start date of 1 September (7 months), or 1 January (3 months).

Swakeley's School

The expansion of Swakeley's School was at the request of the school and not the Local Authority and the school applied directly to the DfE for funding for new school buildings as part of the Priority School Building Programme. Therefore the expansion at Swakeley's School does not meet the criteria to be eligible for growth contingency funding as an expanding school.

When Swakeley's expanded in September 2018, they increased PAN and therefore the current intake of year 7 pupils is within the new PAN. Therefore Swakeley's School does not meet the criteria to be eligible for growth contingency funding as a school accepting pupils above the year 7 PAN.

The policy indicates that where a school expands without the Local Authority's and Schools Forum consent, the school will have to submit a written request to Schools Forum, providing a business case for the need in the growth and the required release of funds. Swakeley's have now submitted a business case, (attached at Appendix B), requesting funding for the increase in pupil numbers, which Schools Forum need to consider.

4. Summary

If Schools Forum take the decision to agree to fund this expansion then there would be a requirement to further revise the Growth Contingency Policy. This could also result in other primary and secondary schools which have expanded, not at the request of the local authority, to request additional funding. Currently all the secondary and half the primary schools, control their own admissions and so can choose to temporarily or permanently increase their PAN, but know that they will not get funding for the extra pupils until the next October.

If the rules change and any school (primary or secondary) could expand and get funding there could be a free-for all which would unexpectedly decrease the roll of some other schools and affect their budgets and staff planning, leading to a sense of unfairness.

DSG Month 2 Budget Monitoring Report 2020/21

Dedicated Schools Grant (£8,333k overspend)

1. The Dedicated Schools Grant (DSG) outturn position is an in-year overspend of £8,333k at month 2, this is an increase of £1,158k on the budgeted deficit of £7,175k. This overspend is due to ongoing pressures in the cost of High Needs placements, where significant growth continues. The budget for High Needs was increased for 2020/21 to take account of projected growth, but it is projected that when the current backlog in cases is added to the estimated in-year growth, the budget will be exceeded. When the £15,002k deficit brought

forward from 2019/20 is taken into account, the cumulative deficit carry forward to 2021/22 is £23,335k.

Table: DSG Income and Expenditure 2020/21

Original Budget	Budget Changes	Funding Block	Month 2		
			Revised Budget	Forecast Outturn	Variance
£'000	£'000		£'000	£'000	£'000
(296,926)	0	Dedicated Schools Grant Income	(296,926)	(296,926)	0
231,400	0	Schools Block	231,400	231,331	(69)
25,401	0	Early Years Block	25,401	25,401	0
3,270	0	Central School Services Block	3,270	3,270	0
44,030	0	High Needs Block	44,030	45,257	1,227
7,175	0	Total Funding Blocks	7,175	8,333	1,158
		Balance Brought Forward 1 April 2020	15,002	15,002	
		Balance Carried Forward 31 March 2021	22,177	23,335	

Dedicated Schools Grant Income (nil variance)

- The DSG will be adjusted in June to reflect the actual uptake of the free entitlement for eligible two, three and four year olds. This adjustment will be based on the January 2020 census and will include a retrospective change to the 2019/20 funding, as well as a recalculation of the 2020/21 Early Years block funding.
- There will also be an amendment to the High Needs block allocation following confirmation of the import/export adjustment for 2020/21 which updates funding to reflect the local authority in which pupils with SEND are resident.

Schools Block (£69k underspend)

- 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.
- 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 throughout the relevant financial year to cover the cost of this agreed and planned growth.
- Schools Forum took the decision to withhold growth contingency allocations for one school due to insufficient projected pupil growth in September 2020 and therefore there will be an underspend relating to this allocation. The growth contingency policy has been amended for 2020/21 in order address the growth in secondary pupils. Schools will be funded for any Year 7 pupils which are above the Published Admission Number (PAN). £480k was set aside for this purpose, with the actual funding requirement will not be known until actual numbers on roll are confirmed.

7. The growth contingency also funds diseconomies of scale funding for new basic need academy schools and officers are still waiting on further details from one school on the level of diseconomies of scale funding that is being requested, which could still affect the final position.

Early Years Block (nil variance)

8. Two year old funding will be adjusted in July to reflect the number of children accessing the entitlement based on the January 2020 census.
9. The 3 and 4 year old funding for both the universal and the additional free entitlement will also be adjusted in July following the January 2020 census. There is an expectation that the funding allocation will increase as the number of children accessing the additional free entitlement has increased over the past year. The projections will be revised once the impact of the funding adjustments is known.

Central School Services Block (nil variance)

10. The published DSG budget allocations confirmed a 20% decrease in the Central School Services Block provided for historic commitments. This resulted in a £265k reduction in funding, though this was partly off-set by £51k of additional funding for pupil growth. The reduction in funding resulted in a budget shortfall for the services funded by the Central School Services block adding to the pressure which has led to an overall deficit DSG being agreed for 2020/21. At month 2 the Central School Services block is projected to be in line with budget.

High Needs Block (£1,227k overspend)

11. There continues to be significant pressure in the High Needs Block in 2020/21, with an overspend of £1,227k being projected at month 2. The growth in the number of pupils with an EHCP continued throughout 2019/20 resulting in a £5,229k High Needs overspend at outturn. This is despite a transfer of £3,500k from the Schools Block in 2019/20 to address High Needs pressures.
12. In 2020/21 Schools Forum did not agree a transfer of funding from the Schools Block, a decision supported by the DfE. Therefore, even though High Needs funding increased by £5,289k in 2020/21, there was no alternative but to set a deficit budget for 2020/21. The projected position at month 2 takes into account the full year financial impact of the growth in EHCPs to the end of 2019/20 and an estimate for future growth throughout 2020/21. The assumptions currently indicate that the High Needs growth built into the budget for 2020/21 will be exceeded by £1,227k.
13. The current academic year has seen a further increase in the number of in-borough special schools that are now over their commissioned place number. Where a special school is over its planned place number there is a requirement to fund for the additional places plus the agreed top-up funding which is placing additional pressure on the High Needs block.
14. Due to a continuing lack of capacity in-borough and across other local authority provision, there is a requirement to place pupils in more costly school placements, with an increase in

the number of children that commenced new placements in Independent special schools in the current academic year. This is resulting in significant additional pressure on the High Needs block. There is an expectation that this will become the only route that the Council will be able to take until more provision is created locally.

15. There was a further increase in the cohort of post-16 SEN placements in 2019/20 and this has put additional pressure on the 2020/21 High Needs budgets with the potential that placements for young people with SEN can continue to be funded up to the age of 25.
16. In addition to the cost of pupils with an EHCP, the High Needs Block is now funding Early 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. Whilst the expectation is that this might reduce total costs in the long-term, we are yet to see the financial impact of this.

School Academy Conversions

17. 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.
18. 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

19. Maintained schools ended the 2019/20 financial year with a cumulative closing surplus balance of £10.7 m (£10.0m revenue and £0.7m capital). This was a £1.6m decrease 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 2020/21 due to reductions in pupil numbers and funding not keeping up with actual year-on-year increases in costs.
20. A review of the balances at the end of the 2019/20 financial year identified five schools which ended the year in deficit. Additionally 36 schools (66.7%) 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.
21. 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 2018/19 and 2019/20;

School Type	Total Number of Schools	Number of Schools In Deficit 2019/20	Value of Deficit 2019/20 £000	Number of Schools In Deficit 2018/19	Value of Deficit 2018/19 £000
Nursery	1	0	0	0	0
Primary	49	4	168	1	13

Secondary	2	1	3,466	1	3,233
Special	2	0	0	0	0
Total	54	5	3,634	2	3,246

22. It is known that 6 academy schools out of a total of 45 schools are also in deficit as at 31 August 2019. This is the same number of academy schools which were in deficit in the previous year. Additionally, 21 academy schools had an in year deficit.
23. A full review of 2020/21 budgets for maintained schools is currently underway. The deadline for the submission of these has been extended given the current COVID-19 situation and the difficulties some schools have had in preparing budgets and convening Governing Body meetings to approve budgets. However, the indications are that the majority of maintained schools will submit a budget with an in-year deficit, resulting in an anticipated budgeted reduction in school revenue balances for 2020/21. This is a concern, as the use of balances is one-off and continued in-year deficits are unsustainable in the medium term.
24. 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. These schools are either in deficit or have managed to 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 2021/22. A full update on the 2020/21 budgeted position for maintained schools will be given as part of the Month 3 monitoring report.

Comparison of 2020/21 Budget to 2019/20 Outturn

1. Introduction

Analysis of the 2019/20 DSG outturn has been carried out in order to compare the expenditure from the previous year to the budget agreed for 2020/21. This has been completed in order to highlight areas where the budget may not be sufficient in 2020/21 along with areas that require additional focus and monitoring.

2. Recommendation

Schools Forum are asked to:

- i) Note the contents of the attached appendix
- ii) Consider which areas of the DSG budget require focus as part of the DSG work-plan for 2021/22

3. Background

The attached appendix compares the 2020/21 budget with the 2019/20 outturn, at cost centre level, within the Central Schools Services, Early Years and High Needs blocks. This identifies areas where the budget has been increased to reflect actual expenditure and projected future growth. It also highlights areas where the budget for 2020/21 may not be sufficient. These areas will require close monitoring and possible management action during the year.

Schools Forum may find this a useful tool in order to determine what areas that they wish to focus for any future review within the DSG work-plan.