Present -

Members:  
Special schools
Kt Khan, headteacher

Primary schools
Lisa Neidich, governor
Mary Walker, governor
Caroline Tyson, Headteacher
Asarena Simon, Headteacher
Stephen Hall, Headteacher

Secondary schools
Jane Heffernan, Headteacher
Simon Biggs, governor

Nursery schools
Ben Hasan, headteacher

Pupil Referral Unit
Richard Brown, headteacher

Academies:
Peter Hughes, Headteacher
Rita Krishna, governor

Non-schools members:
Sandra Hall, staff
Cathy Murphy

Observers:  
Cllr Antoinette Bramble

Local authority:  
Angela Scattergood, Head of Early Years and 0-19/25 Early Help
Ophelia Carter, Head of Schools Finance
Frank O'Donoghue, Head of Business Services
Jackie Moylan, Director of Finance (Children, Adults and Community Health)
Rachel Cowburn, LBH Pensions Team
Leah Begley, Clerk to the Forum

1. Welcome/Apologies for absence
1.1. The Chair reminded the Forum that observers were welcome to attend but would not be able to contribute to the meeting.
1.2. Members of the forum introduced themselves.
1.3. The Chair noted Lois Fowler had retired from her post as Borough Principal for the New City College and Linnia Khemdoudi now occupied the post.

1.4. Apologies for absence were received from David Lowry, Anne Canning and Linnia Khemdoudi. Noted Kristofer McGhee was not in attendance.

2. Declarations of interest

2.1. There were no declaration of interests noted.

3. Approval of minutes of the meeting of the Schools Forum held on 7 November 2017

3.1. Minutes were approved as an accurate record of the meeting.

Matters Arising (Schools Forum Action Log)

3.2. Free school meals – HLT’s Management Information Systems and Analysis team have been commissioned to provide an annual report on free school meal trends for Hackney on publication of the DfE Statistical First Release which provides national contextual data. This is expected November 2018. This report will be circulated to members once available.

3.3. Pensions - a report was provided to members outlining employer contribution rates, comparing rates between what is paid from the Hackney fund and what is paid in other boroughs. The report also gave the wider context of current issues, e.g. impact to funding levels, increase in life expectancy etc. and what impact this has on rates.

Noted there are two distinct rates paid as part of the total rate paid, the primary and the secondary rates (not different rates for different education). The primary rate covers the cost of pension benefits currently being accrued whilst the secondary rate is calculated to pay off any pre-existing shortfall over and agreed period of time. Both rates can be be impacted by economic conditions. Noted the employer rates payable are generally higher than other boroughs, however there is a downward trend in rates for Hackney. It was explained the cost of paying off the deficit is calculated to not only reduce the amount of deficit, but also to help ensure contribution rates would be lower for the future. The Council was taking a prudent approach to the deficit in Hackney to ensure rates are lower in the future.

Noted the approach taken by the Council had reduced rates from 36.9% to 34.9% for maintained and voluntary aided schools, with further reductions to 33% planned over the next 2 years. However, Forum should note that a survey had found that a number of London boroughs increased the employer contribution rate in April 2017.

It was queried whether Hackney schools, similar to academies, could make an additional contribution now to decrease the rate payable in future and to save in the long term. Rachel responded that for this to work schools would have to do this collectively and it would need to be agreed by the Council, as the maintained and voluntary aided schools pension pot was part of the same pot as the Council, and not separate like MATs. This could not guarantee a reduction in rates if only some schools joined. The joining schools would not benefit much and the remaining schools would not notice a benefit either. This approach being taken was chosen as LBH believed it is the simplest and fairest route for all.

Members noted in terms of special schools, pension costs for support staff have been a significant struggle, having a significant impact on special schools budgets with little support from the Council. Officers responded that the Council is aware on pressure on school budgets, however it has set rates that are prudent for the fund and affordable for employers to pay. The aim is to ensure rates decrease over time whilst maintaining the fund at a healthy level and not making drastic increases for schools. It was recognised this was a significant issue, particularly for special schools given the numbers of support staff. It was agreed consideration would be given to this area in future discussions and to understand why the pressure might be so much more significant in special school budgets. It was noted the available benchmarking data would assist in this area.
For Consideration:

4. Agreement of School Budgets 2018/19

4.1. The purpose of the report was to inform Forum members of the final schools funding formula for 2018/19. It was recommended that Forum members note the options presented to the HLT Senior Leadership Team (SLT) outlined in section 4.2, note the outcome of the disapplication request, and note the large roll variances as given in appendix A.

4.2. In November 2017, officers presented Forum members with a proposal to top slice the schools block by 0.5% to assist with the high needs pressure. This was not agreed by Forum and after subsequent deliberation, SLT chose to apply for the disapplication. The outcome of the request was received on 18 January and it was refused. Due to the late receipt of the decision regarding the disapplication, the LA proforma for submitting the budget to the ESA was returned on 24 January.

4.3. When modelling the schools budget formula, the aim was to maximise funding and minimise turbulence for schools. Table 2 set out the funding for each area (appendix A provided the table on a school by school basis) and detailed the remaining ‘headroom’ budget which was £1,883k. Noted the schools that have seen a reduction in funding are those who have lost pupil numbers.

4.4. To allocate the remaining headroom, officers proposed two options and in both options, the minimum funding guarantee protection was maintained at -1.5%. Model A offered a minimal transition into the National Funding Formula, retaining a clear link to the existing formula with transparent budget reductions for roll variances therefore this model was agreed by the Senior Leadership Team.

4.5. Noted appendix B illustrated the difference between the 2017/18 model to the one proposed.

4.6. Forum members agreed with the decision to opt for model A as it maintained a clear link with existing funding and created minimum turbulence in the system.

4.7. The Chair asked members for comments on the report. It was queried that as the DfE supported Forums judgement on the top slice decision, would this result in a potential further overspend as a result of the decision. Officer’s answered that in 2018/19, not transferring 0.5% from the schools block to the high needs block would indeed make the cost pressure that much worse.

4.8. Noted the high needs block deficit is across a range of issues, e.g. increase in numbers of children and young people eligible for an Education, Health and Care Plan’s (EHCP) and the transport budget which is also overspent. A high number of out of borough placements are still being utilised however this is reflective of the demographic and lack of in borough provision. Members felt enough action had not been taken to reduce the out of borough spend and didn’t feel there was compelling evidence to suggest otherwise. Officers were urged to re-look at this issue again. Members also felt the level of scrutiny of budgets for out-borough spend was not tough enough and the increase in spend from 2014-2018 demonstrated a lack of monitoring and challenge on contracts.

4.9. Members were asked to recognise the difference between cost pressures and overspend, e.g. from the new Code of Practice, the range of young people eligible for an EHCP increased from 5 - 19 to 0-25 years with no further funding. It was also noted that many actions have a long lead-in times and will not affect the budget for a considerable time, e.g. creating in-borough provision. Members expressed concern regarding the cut back in budget for children in maintained schools and stated investment made in borough should start in all schools, as well as special schools.

4.10. Officers clarified that SEND budget monitoring was intense given the risks of a needs led budget in which the number of EHCP’s has increased dramatically, with no further funding. Also parents and carers have a stronger voice in the choice of provision for their child and, coupled with the type of needs met in-borough provision, the service is sometimes unable to meet the needs and out of borough provision is the only solution. It was also explained that there are current consultations underway on increasing in-borough provision, e.g. the capital investment strategy. In response to a question regarding that lack of data, officers responded
that comprehensive reports on the analysis of the high needs population and deficit were produced which can be updated for this year for Forum members. 

Action: AL

4.11. Members queried how independent out of borough provisions are able to increase prices and whether effective negotiations are taking place with providers. Noted this situation becomes complex when taking into account the parent/carer choice and the lack of ability the LA has to challenge providers however the LA is undergoing reviews of various contracts.

4.12. It was queried how planning could improve for children in early years settings in terms of putting together a plan of support in the initial stages of their education whilst involving parents in co-commissioning. A member echoed this statement and asked if Forum could request HLT to give an update on commissioning in a preventative model – what actions are being taken to address the need and prevention. Information was requested on the proportion of spend that was invested to mainstream support in contrast to what is invested in special schools.

Action: AL

5. Allocation Arrangements of Grants to Schools

5.1. The purpose of the report was to consult on arrangements for distributing grants to schools as required by regulations. Members were asked to note and endorse the arrangements and distributing grants to mainstream schools.

5.2. Members were asked if any issues or objections were raised. Noted no areas that had suffered dramatic difference other than pupil premium (Looked After Children).

5.3. Forum members noted and endorsed the arrangements.

6. Early Years National Funding Formula: Central Expenditure & Final Early Years Arrangements

6.1. The report was provided to members to consult on the financial issues in relation to arrangements for early years provision and to seek agreement to the proposed central spend on the Early Years Block provision for 2018/19. The arrangements and funding would be based on the outcome of the January 2018 census. Noted that this year was the final year of the Early Years National Funding Formula transitional arrangements.

6.2. Officers stated the funding for 3 and 4 year olds had reduced from £6.46 to £6.14 per hour and for 2018/19 will reduced further to £5.83, however numbers of children are increasing in this area. Noted the £6.50 per hr rate received for 2 year olds will not change therefore, the report focussed on 3 and 4 year old funding.

6.3. It was explained that 3 & 4 year old funding contained different elements including the funding for central management of the early years’ service within the DSG. In 2018/19, 95% of DSG has to be passported to settings, i.e. 95% of the hourly rate. This will include the inclusion fund (which the local authority (LA) sets) and a contingency (which was planned for in advance by LA). The remaining 5% can fund early year’s central activity.

6.4. Members’ attention was drawn to table 2 on page 2, which was the template for working out the central spend and passported rate to ensure compliance. Table 3 on page 3 noted £187m which is allocated through the formula, a contingency of £250k and a proposed inclusion fund of £982k. Officers were hopeful the universal rate would be maintained despite increasing numbers. Clarified the contingency would be distributed if a sharp rise in the numbers occurred in year and retrospective funding did not match this.

6.5. It was queried how some places will not be lost for children during the academic year when the capacity to top up additional hours is no longer available (which may affect the most vulnerable). Officers noted that within the inclusion fund, a small provision had been made for vulnerable children going through the MAT process. Members questioned for a child with an EHC plan whose parent/s are not in work – is there a route for a child to gain full time provision. Officers clarified there was no provision for this under the current guidance however
schools can offer this to parents and if they can pay to top up. Queried whether this would be reflected in the EHCP and noted the relevant officer would answer this query.  

Action: AL

6.6. Officers clarified the guidance states that the inclusion fund targeted children with emerging needs, rather than high needs, and therefore forms a bridge between EY and high needs; children with high needs would have their needs met through the high needs block. It will fund/build on additional support for children and will be published on the Local Offer on how schools and parents apply. Noted the funds support play groups and a funded worker scheme, however there was a need to ensure this service is best value for money.

6.7. Members agreed the inclusion fund was for children with learning needs, whose needs were not severe enough to gain an EHCP. Officers noted the fund was a finite pot of money and it was important to ensure as many children can access as support much as possible.

6.8. It was queried how many settings are enrolling 2 year olds. Action: AS to establish

6.9. Noted the 30 hour free child care uptake was positive in Hackney; an update will be provided to Schools Forum when the January census is published and scrutinised. Noted Hackney have not suffered any issues with the portal which could contribute to the positive uptake, unlike other boroughs.

6.10. Members noted the report and agreed to the proposed central spend.

For Information:

7. Consultations Update

7.1. The report provided an update on the following consultations:

- Eligibility for free school meals;
- Send funding arrangements;
- Free early years entitlements for 2 year olds under universal credit.

7.2. Noted the SEND funding consultation response was due to go to Cabinet in March. Schools Forum members will be notified of the outcome at the next meeting if a decision had been reached.

Action: AL

7.3. Forum members had no comments on the report and noted its contents.

8. Raising Achievement in Primary Schools: Evaluation of Interventions for Under-achieving groups

8.1. The report provided informed members of the schemes funded with money allocated by Forum. It provided an evaluation of the interventions used and actions going forward.

8.2. Members felt the impact of the intervention was less than satisfactory, in particular with the Turkish/Kurdish/Turkish Cypriot (TKTC) projects. It was noted that outcome and gap measures were in part used in place of progress measures for this cohort. In particular progress on reading was felt to be unsuccessful.

8.3. Forum noted it should be a priority to raise the proportion of pupils reaching the expected standard in English and maths from 50% (Hackney average is 71%) as this was low.

8.4. Members felt the proposed actions for 2017-18 were generic actions that should already be in place and that more needed to be done to address the lack of impact of the interventions noted with the report.

8.5. A separate report was tabled noting attendance data for the projects. Forum felt the attendance data was concerning.

8.6. The Chair noted that Forum members will be asked to agree funding for this area in the future and whilst keen to support vulnerable groups, need to be reassured plans are robust going forward. Therefore more detailed work was required to secure the funding in the future.
8.7. Officers stated feedback would be provided to the relevant HLT leads.

9. **Traded Services Update (previous action)**

9.1. The Chair stated the report was requested to clarify whether there was a cross subsidy into traded services which subsidised promoting traded services. It was also stated the report was illustrative of the level of trading in response to a question at the last meeting and was confidential due to its content.

9.2. The report provided members with an overview of traded services income for HLT and an indication of the value of traded services and where traded income is generated from.

9.3. In terms of the budget planning, forecast income is planned on expected traded activity. Overall, services that do trade have to cover the costs of trading and therefore no profit is made. An example of this is within the IT services, where schools were previously spending heavily on IT services however this has reduced significantly in the last 2 years and therefore the service undertook a restructure to reduce size of team to match forecast income. Some services will make a small loss and some will make a margin, but overall the traded income should cover cost with a small surplus.

9.4. The budget of approximately £5-£6m supports 80-90 staff who also support education services elsewhere; this resource would not be available otherwise and reductions in this area would negatively impact the whole servicer offer to schools.

9.5. Noted the method in which the budget is set means there is no cross subsidy as the service changes in response to needs and income. Members queried how costs were defined and allocated e.g. running costs of building/IT. Noted this was through a traded service costing models/methodology which includes an on-costs which are in fact fixed costs for an organisation the size of the Council.

9.6. Members felt it was still unclear whether there was a level of cross subsidy and where this would be. Officers clarified that traded service income was one of a number of income streams that funded education services, alongside core responsibilities funding and various grants. However, the 100% ring-fencing of the schools block precluded any cross subsidy of other LA activities, including trading. Also, Forum’s financial oversight is in respect of the DSG and traded services is outside of the remit of Schools Forum which makes reporting more difficult other than as an information item as accountability for this was to the Council.

9.7. Some members felt more information was required on traded services income as it had a brief for considering value for money so a holistic picture can be gathered on the costs that make up each service and where there is a shortfall of funding from. Officers confirmed traded services was a not a commercial operation but a cost neutral service, with the appropriate amount of staff and resource matched to income. If the funding for traded services reduced, therefore the income reduces, and necessary cut backs are made. However, the objective is to retain staff through trading as all contribute to Education Services as a whole.

9.8. Members felt there was not enough information within the report to determine if other boroughs are not benefitting at the expense of Hackney schools. Agreed further discussion would be taken offline between the Chair and Officers.  

**Action: RB/FOD**

9. **Further meetings**

9.1. The following meeting dates were noted by members:

- 25/04/18
- 20/06/18

10. **Any other business**

10.1. None.