

## MEETING OF THE SCHOOLS FORUM

Tuesday 15<sup>th</sup> October 2019, 1pm to 3pm  
at Whitmore High School

### AGENDA

Item	Title	Attachments
1	Apologies & Order of Agenda	
2	Election of Chair & Vice Chair	
3	Minutes of the Last Meeting – 2 July 2019	Attached
4	Matters Arising	
5	2020-21 Budget Setting & Formula Review	Report by Jo Frost attached
6	2019-20 DSG Budget Monitoring Q2	Report by Jo Frost attached
7	AOB	

Date of Next Meeting: 15 October 2019

#### Voting Members Circulation:

<b>Mike Baumring</b> (Headteacher-Kenmore Park Junior School)	<b>Patrick O'Dwyer</b> (Special Needs Service)
<b>Jo Daswani</b> (Headteacher-Whitchurch Primary School)	<b>Anna Smakowska</b> (Headteacher-Woodlands School)
<b>David O'Farrell</b> (Headteacher-St Bernadette's Primary School)	<b>Anne Monahan</b> (Headteacher-St Anselm's Primary School)
<b>Sue Hammond</b> (Chair) (Headteacher-Whitmore High School)	<b>Vacant</b> (Governor)
<b>Nigel Hewett</b> (AHGB Representative)	<b>Jonathan Watson</b> (Associate Headteacher – Whitefriars)
<b>Rebecca Hastings</b> (Headteacher-Cedars Manor School)	<b>Pam Virdee</b> (Headteacher-Longfield Primary School)
<b>Sue Maguire</b> (Headteacher-Hatch End High School)	<b>16-19 Representative</b> (Principals Harrow/Stanmore/St Dominic's)
<b>Rutinder Mahil-Pooni</b> (Headteacher-Kenmore Park Inf Sch)	<b>Jackie Halpin</b> (Headteacher-Hillview Nursery School)
<b>Paa-King Maselino</b> (Headteacher-The Helix Education Centre)	<b>Simon Arnell</b> (Principal – Avanti House Secondary School)
<b>Paul Gamble</b> (Headteacher-Harrow High School)	<b>Louise Browning</b> (Headteacher – Norbury School)
<b>Vacant</b> (PVI representative)	<b>Geraldine Higgins</b> (Headteacher-Sacred Heart Lang College)
<b>Clare Tarling</b> (Finance Director, Pinner High School)	<b>Vacant</b> (Governor)

#### Non-Voting Members Circulation:

<b>Cllr Christine Robson</b> (Portfolio Holder)	<b>Paul Hewitt</b> (Director of Children's Services)
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#### Copies to:

<b>Johanna Morgan</b> (Divisional Director, People Services)	<b>Barbara Worrall</b> (Schools Finance Manager)
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Future Meeting Dates  
19 November 2019  
14 January 2020  
10 March 2020  
5 May 2020  
7 July 2020

## SCHOOLS FORUM

### Minutes of the Meeting held on Tuesday 2 July 2019 at 1.00 pm at Whitmore High School

**Members Present:** Sue Hammond – Headteacher, Whitmore High School (CHAIR)  
Pam Virdee – Headteacher, Longfield School (VICE CHAIR)  
Mike Baumring - Headteacher, Kenmore Park Junior School  
Rebecca Hastings – Headteacher, Cedars Manor School  
Sue Maguire – Headteacher, Hatch End High School  
Nigel Hewitt – AHGB  
Anne Monahan – Headteacher, St Anselm’s Primary School  
Geraldine Higgins – Headteacher, Sacred Heart Language College  
Paul Gamble – Headteacher, Harrow High School  
Ian Noutch – Academy High School Finance Manager  
Christine Robson – Portfolio Holder, Young People & Schools  
Louise Browning – Headteacher, Norbury Primary School

**Officers in Attendance:** Jo Frost - Finance Business Partner

SH opened the meeting.

#### **1. Apologies and Order of the Agenda**

Apologies were received and accepted from:

Patrick O’Dwyer – Div. Director Education Services (Special Needs Services)  
David O’Farrell – Headteacher, St Bernadette’s Primary School  
Anna Smakowska – Headteacher, Woodlands School  
Rutinder Mahil-Pooni – Headteacher, Kenmore Park Infant School  
Keven Bartle – Headteacher, Canons High School

The order of the agenda was agreed.

#### **2. Minutes of the Last Meeting held on 7 May 2019**

The minutes of the meeting held on 7 May 2019 were agreed

#### **3. Matters Arising**

SH raised a query about the recent consultation in respect of funding for EHCPs in mainstream schools and whether the baselining exercise carried out by the DfE in respect of the High Needs Block included the funding for the £6ks for EHCPs in mainstream schools.

JF explained that the report to Schools Forum had previously covered this and as the baseline was capped to the overall affordability of the DSG but Harrow was spending more than the allocation because of the contribution to the contingency. JF to provide a written response to SH email

ACTION JF

In response to POD’s action from the previous meeting JF gave an update on the matrix banding work and other SEN Strategy group work

There was an item included in this about considering proposals to address any negative impact the realignment of the £6k would have on schools with higher numbers of EHCPs

SM requested that this should be considered as a proportion of the whole school population and not just those with large numbers of ECHPs.

### **SEND Call for Evidence**

SH explained that the secondary headteachers had produced a response to the DfE's call for evidence and had circulated it to the group. Primary colleagues will be working on a response, led by Jo Daswani.

## **4. 2019-20 DSG Budget Monitoring**

JF introduced the report which set out the first quarter budget monitoring report for 2019-20.

The report highlights a projected HNB overspend of £3.690m and a small underspend on the Schools Block of £127k in relation to the Growth Fund.

### **Early Years**

JF explained that the current forecasts are to budget but an adjustment will be made to the budget in July to reflect the January 2019 census data. It is anticipated that there will be a likely reduction in respect of 3 & 4 year old and 2 year old funding due to a reduction in participation from the January 2018 to the January 2019 Early Years Census.

### **High Needs Block**

JF explained that the HNB budget had been set at a deficit of £3.3m to reflect the projected shortfall on the overall allocation for 2019-20. The projected overspend is now expected to actually be £3.6m.

JF explained that the forecasts included possible placements for known young people that could happen as well as some capacity for overall growth.

### **Growth Fund**

JF explained that there will be an underspend on the growth fund of £127k due to reallocation from the DfE for growth funding previously allocated to academies by the LA.

### **Contingency**

The report set out the likely impact on the contingency. There is still funding earmarked for clawback for adjustments in relation to the Early Years census and that the final figures should be known at the end of the Summer Term. Any funding not required can go back into the contingency.

Assuming that all of the Early Years funding is required there will be a possible contingency balance of £1.397m by the end of the financial year. The LA requested that Schools Forum consider using some or all of this to mitigate pressures on the High Needs Block.

JF explained that a decision would have to be made on this by the September or October meeting so that if any was required to be included in the School Funding Formula for 2020-21 this would have to be allocated in October. JF also explained that any unspent/uncommitted contingency would by default be offset against the High Needs Block deficit at the end of the year.

In respect of using some of the contingency to support the pressures on the HNB Schools Forum held a vote and unanimously voted not to use the contingency for this purpose.

A discussion followed about other possible use of the contingency.

The following options were considered

- Supporting schools with falling rolls/low pupil numbers
- Provide transitional funding to schools to mitigate the realignment of the £6ks for mainstream EHCPs from the HNB to the Schools Block
- Allocate to the Schools Funding Formula for 2020-21

It was agreed that the decision could not be made until the consultation on the EHCP banding matrix proposals were known. Schools Forum agreed to delay the decision until October.

## 5. **School Place Planning and Admissions**

JF introduced a report by Raj Parmar setting out the latest position for primary and secondary place numbers.

A discussion followed about secondary place numbers as the report is showing a possible pressure for Y7. A number of members expressed concern about expansion of secondary schools on a permanent basis to meet the current pressure which may have an adverse impact on those schools currently with vacancies and increase the overall number of school places available in future years which might not be needed. Secondary heads on Schools Forum agreed that all schools needed to work together to ensure this does not happen and if any expansion is required it should be done through bulge classes or infill rather than permanent expansion. SH agreed to raise this with all secondary heads.

ACTION SH

## **Any Other Business**

Ian Nouch announced he is stepping down from Schools Forum in the future as he will no longer be working with Harrow schools. Schools Forum thanked Ian Nouch for his contribution to Schools Forum and wider support to schools over the past few years.

## **Next Meeting and Agenda Items**

The next meeting will take place on 10 September 2019 at Whitmore High School

The meeting closed at 2.30pm

## **Future Dates**

10 September 2019

15 October 2019

19 November 2019

14 January 2020

10 March 2020

5 May 2020

7 July 2020

Meeting:	<b>Schools Forum</b>
Date:	15 October 2019
Subject:	<b>Item 4: 2020-21 Budget Setting and Funding Formula Review</b>
Responsible Officer:	Jo Frost, Finance Business Partner – Children’s Services

## Section 1 – summary

1. This report is to update Schools Forum on the Education Skills & Funding Agency (ESFA) arrangements for Schools Revenue Funding for 2020-21
2. Schools Forum is asked to:
  - note the changes to the funding arrangements for 2020-21 as set out in the report
  - note that at the time of writing 2020-21 detailed funding implications or allocations have not been published.

## Section 2 - report

1. In 2018-19 the government introduced a new National Funding Formula for Schools, High Needs and the Central Schools Services Block. For the schools block this means that LAs will be funded on the basis of the aggregate of the national funding formula for all schools, academies and free schools in its area but the final formula for distribution will be determined by each Council following consultation with schools and Schools Forums. The ESFA has published a guidance report with regards to the funding arrangements for 2020-21.
2. In early October 2019 the ESFA will publish provisional allocations at LA level for the schools and HNBS. The schools block allocations will also show each LA’s final primary and secondary units of funding (PUFs and SUFs). ***At the time of writing this information has not yet been received.***
3. The final allocations will be notified to LAs in December 2019 based on pupil numbers on the October 2019 schools census. The Early Years Block will be determined by the separate national formula for early years.

## Summary of proposals for 2020-21

- In 2020-21 each LA will continue to set a local schools formula in consultation with local schools. The government has confirmed its intention to move to a single 'hard' national funding formula to determine every school's budgets. It will continue to work closely with LAs and other stakeholders in making this transition in the future.
- The minimum per-pupil levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The primary level will rise to £4,000 in 2021-22.
- Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula's core factors. Exceptions to this are that the free school meals factor will be increased at inflation as it is intended to broadly reflect actual costs. Premises funding will continue to be allocated at LA level on the basis of actual allocations in 2019-20.
- LAs will continue to set a MFG of between +0.5% and +1.84% per pupil as well as to use a gains cap.
- The ESFA will introduce a new formulaic approach to the mobility factor so that it allocates this funding fairly to all LAs rather than on the basis of historic spend.
- Growth funding will be based on the same methodology as last year. Transitional protection will continue to apply ensuring that no LA whose growth fund is unwinding will lose more than 0.5% of its 2019-20 schools block allocation.
- The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21. Rates that determine the 2020-21 allocations will be published in due course.
- LAs will continue to be able to transfer up to 0.5% of the schools block to other blocks of the DSG with schools forum approval. A disapplication will be required for transfer above 0.5% or where schools forum does not approve.

## Current Position

4. The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018-19.

5. 76% of schools responded to the consultation and 89% voted in favour of introducing the National Funding Formula from 2018-19. Harrow's funding formula now mirrors the NFF with the exception of the mobility factor which is currently allocated based on historical spend.

### **Schools Block Baseline Funding 2020-21**

6. The National Funding Formula generates a primary and secondary unit of funding (P/SUF). This is the per pupil funding of all Harrow schools based on the aggregate of the funding which the NFF has generated for each school. This funding forms the majority of funding in the Schools Block. There is also an allocation for premises and mobility and a further allocation for the growth fund.
7. At the time of writing the LA has not yet received the 2020-21 Primary and Secondary Units of Funding (P/SUF) and therefore the provisional total Schools Block allocation.

### **Mobility**

8. In 2018-19 and 2019-20 mobility funding has been allocated to the LA based on the actual distribution of funding in 2017-18.
9. Schools eligible for the mobility factor are those which have more than 10% of pupils starting outside the normal school entry dates.
10. In 2019-20 23/54 of schools in Harrow receive funding through this factor.
11. In 2019-20 the LA received £980k for the mobility factor (based on spending levels in 2017-18) however distributed £1.4m of funding through this factor. This was in order to maintain the historic per pupils rates (primary £2980.90 and secondary £2668.82) paid to schools. This was affordable in the context of the overall funding formula because (in part) the LA set a minimum funding guarantee of -1.5%.
12. However the government intends to introduce a new formulaic approach to funding mobility. The new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils starting in January. This methodology also excludes pupils who joined in the summer term after the summer census or pupils who joined in October before the autumn census.

13. There is a risk that Harrow generates less funding through this factor than in previous years. This is because historically Harrow has generously funded the per pupil funding in the factor compared with other LAs.
14. Whilst there will be no changes to the eligibility of pupils/schools the funding available to distribute through this factor may be reduced.

### **Premises**

15. These continue to be allocated on an historic basis. Premises factors relate to business rates. This could potentially be a risk if business rates increase between years and funding is not allocated to reflect this.

### **Growth Fund**

16. For 2020-21 the growth funding which is within the schools block, will be calculated using the same methodology as in 2019-20 based on growth in pupils numbers between the October 2019 and 2019 censuses.
17. In 2020-21 there will be an uplift in the per pupil rates used in the growth factor. LAs that received growth funding protection in 2019-20 will continue to receive protection in 2020-21.
18. Growth funding can only be used to:
  - Support growth in pre-16 pupil numbers to meet basic need
  - Support additional classes needed to meet the infant class size regulation
  - Meet the costs of new schools
19. Growth funding may not be used to support:
  - Schools in financial difficulty
  - General growth due to popularity; which is managed through lagged funding
20. The growth fund may not be the most appropriate source of funding for growing schools and LAs should vary pupil numbers where there is growth in growing schools which do not have pupils in every year group.
21. Despite the change to the allocation of growth funding, LAs are not expected to change the method of allocating funding locally.
22. LAs are required to produce criteria on which any growth funding is to be allocated and this must be agreed by Schools Forum. The ESFA will check the criteria for compliance with the regulations.



23. The current growth fund for primary expansions and bulge classes allocates £63k lump sum to each school in the September which expand/take a bulge class. This figure is approximately based on the 2017-18 primary school AWPU of £3,268 plus a small sum for resources & equipment, pro-rated for September to March when the pupils will be included in the following financial year's schools budget.
24. The final growth fund will be based on pupil data from the October 2019 census.
25. Funding will be allocated to LAs based on the actual growth in pupil numbers in the previous year. This will ensure that over time LAs are funded on the basis of actual growth rather than historic spending decisions.
26. Growth will be measured at middle layer super output area (MSOA) levels as these are small enough geographical areas to detect 'pockets' of growth within LAs. Growth will be measured by counting the increase in pupil numbers in each MSOA between the two most recent October censuses. Only positive increases in pupil numbers will be included, so an LA with positive growth in one area and negative growth in another will not be denied growth funding.
27. For each LA the growth factor will allocate:
- An amount per each primary and secondary growth pupil (£1,370 and £2,050 respectively in 2019-20)
  - A lump sum for each brand new school that opened in the previous year (£65,000 in 2019-20)
  - Each sum will be subject to an Area Cost Adjustment (ACA)
  - Protection will be applied so that no LA will see a reduction of more than -0.5% of the overall 2018-19 schools block funding
28. The ESFA does not expect LAs to use these rates in their local arrangements for funding growth and LAs should continue to make decisions about growth funding locally. The ESFA does not anticipate that LAs spending on growth will necessarily match precisely the sum allocated to them for growth and in which case the overall schools block can continue to be top-sliced to create the level of growth funding required.

### **Minimum Funding Guarantee (MFG)**

29. LAs will continue to set an MFG to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics to flow through.

30. In 2020-21 the allowable range will be between +0.5% and +1.84% per pupil. This means that all schools will gain at least +0.5% per pupil compared with 2019-20 funding. **The final MFG will be subject to consultation and to affordability of the overall DSG.**

31. In 2019-20 the MFG was restricted to an allowable range of -1.5% and +0.5%. Harrow set an MFG of -1.5% meaning that a number of schools received a reduction of per pupil funding of -1.5% compared with 2018-19.

32. In 2019-20 there was also no cap on gains so that any school that was due to gain in the funding formula could gain up to 100%. This will continue in 2020-21, subject to affordability.

33. It should be noted that the MFG does not protect school budgets from fluctuations in pupil numbers.

### Provisional Timetable

Date	DfE or ESFA activity	Local authority activity
3 October 2019	School census day.	School census day.
11 October 2019		Deadline for submitting provisional disapplication request
20 November 2019		Deadline for submitting final disapplication requests
20 November 2019	School census database closed.	
Mid-January 2019		Schools Forum consultation and political approval required for final 2020 to 2021 funding formula.
21 January 2020		Deadline for submission of final 2020 to 2021 APT to ESFA.
29 February 2020		Deadline for confirmation of schools budget shares to mainstream maintained schools.

## Contact

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Meeting:	<b>Schools Forum</b>
Date:	15 October 2019
Subject:	<b>Item 5: 2019-20 DSG Budget Monitoring</b>
Responsible Officer:	Jo Frost, Finance Business Partner – Children’s Services

## Section 1 – summary

1. This report is the 2019-20 budget monitoring report for the Dedicated Schools Grant (DSG)
  - Schools Block
  - Early Years Block
  - High Needs Block
  - Centrally retained and de-delegated budgets

## Section 2 – report

2. The total notified DSG budget after recoupment for academies and high needs places as at Q2 is £128.924. This is a reduction in budget reported at Q1 due to recoupment for schools which converted to academies in May 2019. A summary of funding blocks and forecast expenditure is shown at Table 1.
3. There is a projected overspend on the High Needs Block of £4.096m and a projected underspend on the Schools Block (growth fund) of £127k.

**Table 1 – DSG budget and forecast 2019-20**

Block	2019-20 Budget £'000	2019-20 Forecast £'000	Variance £'000
Central	£1,225	£1,225	£0
Early Years	£18,211	£18,211	£0
High Needs	£30,949	£35,046	£4,097
Schools	£78,539	£78,413	<b>-£127</b>
<b>Total</b>	<b>£128,924</b>	<b>£132,894</b>	<b>£3,970</b>

## **Early Years Block**

4. In 2019-20 the current Early Years Block is £18.211m. This has been updated for the adjustment for pupils recorded on the January 2019 Early Years Census. There is a net increase of £711k for the DSG budget in 2019-20. This is made up of an increase of £984k for 3&4 year old participation offset by a reduction for 2 year olds of £257k and Early Years Pupil Premium of £15k.

### **3&4 year old provision**

5. A new local funding formula was introduced in 2017-18. At quarter 2 the projection indicates that there could be an underspend on this budget however it is included in the forecast as a balanced budget as the final outturn will depend on claims from providers.
6. The current budget for 2019-20 is based on the January 2018 and 2019 Early Years Censuses. It was updated in July to reflect the January 2019 Early Years Census. As reported to Schools Forum in May 2019, as part of the 2018-19 outturn report, it was anticipated that there would be a reduction in participation between January 2018 and 2019. This would mean that there would be a retrospective clawback of funding for 2018-19, in 2019-20, which was earmarked to be funded from last year's underspend held in the contingency.
7. However there was an overall net increase in the take up of the number of hours and there has actually been an additional one off sum allocated to the DSG in 2019-20 of £289k in respect of 2018-19. This will be added to the contingency as shown in Table 4 below.

### **2 year old provision**

8. In 2019-20 the hourly rate paid to providers remains at £5.92. Participation in 2018-19 was lower than the number of children which the budget was based on. This means that there has been a reduction in budget for 2019-20 to reflect this. In addition there has been a clawback of funding for 2018-19, in 2019-20, which was earmarked to be funded from last year's underspend held in the contingency.
9. The clawback figure in respect of 2018-19 is £159k and will be funded from the contingency as shown in Table 4 below.

## High Needs Block

10. The High Needs Block budget is £30.949m after recouplement of place funding for academies/free schools and post 16 institutions and including the 0.25% transfer from the Schools Block (£414k) agreed for 2019-20 and the additional High Needs funding announced by the Government in December 2018 (£606k in 2018-19 and 2019-20). It is currently forecasting to overspend by £4.097m.
11. In 2018-19 the Government introduced a High Needs National Funding Formula which has generated funding which is £2.9m lower than the actual budget allocated to High Needs in 2017-18. This is partially due to the fact that the 50% of the overall allocation is based on previous years' HNB allocations, rather than the actual spending on HNB.
12. The LA has set a deficit budget based on projected spend and numbers of children and will need to fund this from future years' DSG allocations or a transfer from the General Fund. Any changes to SEND funding or provision for young people would be subject to consultation with relevant stakeholders.
13. There is a significant and growing shortfall within the HNB across London. A recent survey showed that London boroughs had a total shortfall of £78m in 2017-18 compared with HNB allocations, with 32 out of 33 boroughs reporting a shortfall. Up until now, some boroughs, like Harrow, have been able to contain this within the overall DSG by transferring funding between blocks and/or using brought forward contingencies whilst other boroughs are already reporting DSG deficits. However the introduction of the HNB NFF and restrictions on block movements has highlighted more clearly the significant level of underfunding in respect of High Needs.
14. While the DSG formula does include proxies for high need through deprivation and other measures, and does reflect changes in pupil numbers and general 2-18 population, it does not recognise increasing incidence of SEND.
15. The 2019-20 High Needs Block is set out at Table 2 below which includes the budget, forecast spend, variance and the number of pupils in both Q1 and Q2 of 2019-20.

**Table 2 – High Needs Block 2019-20 Quarter 2**

<b>Provision Type</b>	<b>2019-20 Budget</b>	<b>Q2 Forecast</b>	<b>Variance</b>	<b>No. Pupils</b>	<b>Q1 Forecast</b>	<b>Count</b>
Independent & NMSS Day & Residential Provision	£6,574	£6,741	£167	158.40	£6,461	148.27
Independent Specialist Provision	£1,299	£1,384	£85	32.67	£1,470	32.46
EHCPs in Out Borough Mainstream Schools	£614	£628	£15	97.76	£614	97.78
FE Colleges	£1,740	£2,188	£448	234.45	£1,909	206.07
Other LA Special Schools	£2,359	£2,418	£59	132.00	£2,442	139.31
Early Years SEN Provision	£356	£356	£0	63.42	£356	56.88
EOTAS & Alternative Provision	£265	£265	-£0		£290	
Harrow Maintained Special Schools	£8,860	£8,763	-£96	400.00	£8,860	400.00
Pupil Referral Unit	£1,437	£1,437	£0	74.00	£1,437	74.00
PFI Special Schools	£449	£449	£0		£449	
Sensory Teams	£1,151	£1,151	£0		£1,151	
SEN Transport	£187	£187	£0		£187	
Therapy	£773	£773	£0		£773	
EHCPs in Harrow Academies	£2,838	£2,838	£0	258.00	£2,838	258.00
Harrow Academies ARMs Units	£683	£615	-£68	73.58	£683	73.58
Harrow Academies Special Schools	£1,003	£933	-£70	80.00	£943	80.00
EHCPs in Harrow Maintained Schools	£2,678	£2,990	£312	232.00	£2,690	212.00
Harrow Schools ARMs Units	£988	£928	-£59	55.42	£988	55.42
<b>BUDGETED DEFICIT</b>	<b>-£3,306</b>	£0	£3,306		£0	
<b>Total</b>	<b>£30,949</b>	<b>£35,046</b>	<b>£4,097</b>	<b>1,891.69</b>	<b>£34,540</b>	<b>1,833.77</b>

16. The forecast as at quarter 2 is a predicted overspend of £4.097m. There are still a number of provisional forecasts as not all of the changes for September are known or confirmed and this in particular applies to the post 16/19 budgets.

### **Independent & Non Maintained Special Schools (INMSS)**

#### **Day Provision**

17. The forecast as at quarter 2 is an overspend of £246k. The majority of in-borough provision is full and therefore any growth in pupil numbers is increasingly placed out of borough. The forecast also includes the full year effect of last year's growth which started in September 2018 and projections of growth for September 2019.
18. There has been an increase of £281k since Q1 as a result of a number of movers in.
19. The forecast includes further possible placements this academic year totalling £254k.

#### **Residential Provision**

20. The forecast as at quarter 2 is an overspend of £22k. There has been an overall reduction in the number of children placed in residential school provision over the past few years. It is anticipated that the numbers in 2019-20 will remain similar to 2018-19 at around 13/14. The forecast includes 4 further possible placements this academic year totalling £230k.

#### **Independent Specialist Provision**

21. The forecast as at quarter 2 is an overspend of £85k. There is expected to be fewer young people placed in ISPs this financial year however the expenditure is higher than last year as the average cost per place has increased by about £13k. This is because the increasing complexity of young people's needs means they are being placed in increasingly more expensive provision. The forecast includes 2 further possible placements this academic year totalling £90k.

#### **Out of Borough Education Health Care Plans**

22. This budget funds top up funding for EHCPs for Harrow pupils in other local authority mainstream schools and academies. The forecast as at quarter 2 is a small overspend of £15k.



### **Further Education Colleges**

23. The forecast as at quarter 2 is an overspend of £402k. At this point in the year it is still difficult to estimate the forecast for the full financial year until more clarity is available in relation to college placements from September. Young people are still moving around, needs being assessed and places formally commissioned. It is anticipated that there will be significant growth in college places in particular Harrow College and therefore the forecast includes further possible placements this academic year totalling £377k.

### **Other local authority special schools**

24. This budget funds top up funding for Harrow pupils in other local authority special schools. The forecast as at quarter 2 is an overspend of £59k.

25. In previous years the LA has benefited by placing pupils in other LA special schools since the place funding (£10k) has to be paid by the host LA and only the top up is paid by the child's resident LA. However, in 2017-18 the ESFA has begun to calculate import/export adjustments on an annual basis. Therefore place funding for any Harrow pupils placed in other LA special schools will be recouped and paid to the host LA.

### **Early Years SEN Provision**

26. The forecast at quarter 2 is a balanced budget. This budget commissions places at Herga nursery schools and Chatter Tots Pre School Language Unit and provides an ARMs type unit at Hillview nursery school. In addition this budget provides funding for EHCPs for 3 and 4 year old nursery age children accessing PVI provision.

### **Education Other Than At School (EOTAS) & Alternative Provision**

27. The forecast at quarter 2 is a balanced budget. The budget funds young people with high needs who are educated outside of a school setting including young people who are receiving medical treatment in a medical facility for example for mental health issues and accessing education at the provision. The responsibility for the education funding lies with the local authority through the high needs block regardless of whether the young person has a statement or EHCP. The budget is also required to fund education placements for Looked After Children who are educated in alternative or other non-mainstream provision.

### **Harrow Maintained Special School Budgets & The Helix**

28. The forecast as at quarter 2 is an underspend of £70k. This budget funds the place funding and element 3 top up funding for the three maintained special schools and The Helix.
29. The underspend relates to clawback of funding for vacant places and funding from other LAs for out of borough pupils in Harrow special schools. Adjustments have been made for the previous spring and summer terms only.

### **Harrow Academies Special Schools**

30. The forecast as at quarter 2 is an underspend of £70k due to clawback of top ups for out of borough pupils. This budget funds top up funding for places in Harrow special academies. Place funding has been recouped by the ESFA from the Council and is paid to the academy directly.

### **PFI Schools**

31. PFI affordability gap funding for the three maintained PFI schools

### **Sensory Teams**

32. The forecast as at quarter 1 is that the service will spend within budget.

### **SEN Transport**

33. This is an agreed and fixed amount of funding from the DSG to contribute to SEN home to school transport.

### **Therapy**

34. The forecast as at quarter 2 is that the service will spend within budget. The budget funds the Speech and Language Therapy contract with London North West Healthcare NHS Trust. In addition there is funding for adhoc therapy packages to individual children. The forecast is based on the agreed contractual values as well as an allowance for adhoc therapy packages.

### **Harrow Schools & Academies Costed Statements/EHCPs**

35. The forecast as at quarter 2 is an overspend of £312k due to a significant increase in EHCP funding required compared to the estimate when the budget was set in February.

### **Harrow Schools & Academies ARMs Units**

36. The forecast as at quarter 2 is an underspend of £127k. The underspend relates to clawback of funding for vacant places and funding from other LAs

for out of borough pupils in Harrow special schools. Adjustments have been made for the previous spring and summer terms only.

## Growth Fund

37. The growth fund has been primarily established for Additional Class Funding for planned increases in PAN for the Primary Expansion Programme. Schools taking a bulge class or expanding permanently will receive £63k per class to cover the period September to March until the additional pupils are funded in the following year's budget through the census. In addition, funds have been added for expansion funding for schools extending the age range, in year bulge classes in the second year and funding for schools with varying rolls.

**Table 3 – Growth Fund**

Category	Budget £'000	Forecast £'000	Variance £'000
Primary Expansion Funding	£1,312	£1,312	£0
Licences	£165	£165	£0
Varying Rolls Fund	£121	£121	£0
Extension of Age Range	£102	£102	£0
<b>Sub Total</b>	<b>£1,700</b>	<b>£1,700</b>	<b>£0</b>
Recoupment from ESFA for academies growth	£127	£0	-£127
<b>Budget 2019-20</b>	<b>£1,827</b>	<b>£1,700</b>	<b>-£127</b>

## Primary School Expansion Funding

38. £1.312m is earmarked for schools taking expansion classes from September 2019. Included in this budget is also a contingency for additional bulge classes in other year groups that may be required in 2019-20. The underspend relates to clawback of bulge class funding where the bulge has moved out the top of the school and the assumption that the additional in year bulge classes will not be required this financial year.

39. As part of the budget setting process the LA is required to allocate primary expansion funding for academies for a full academic year. The element that relates to April 2020 to August 2020 is then reallocated back into the DSG via recoupment. This is therefore additional to the anticipated schools budget available and will be an underspend in the growth fund of £127k.

## Contingency

40. The anticipated impact on the contingency in 2019-20 is shown in Table 4 below.

**Table 4 – contingency**

<b>Description</b>	<b>Non Earmarked £'000</b>	<b>Earmarked £'000</b>	<b>Total £'000</b>
Contingency opening balance 2019-20	£1,270	£1,344	£2,614
Allocated to Schools Funding Formula 2019-20		-£900	-£900
Proposed Earmark for Clawback EY	£444	-£444	£0
Actual 2018-19 EY 2 year old clawback	-£159		-£159
Actual 2018-19 EY 3&4 year additional funding	£289		£289
2019-20 Schools Block Underspend	-£127		-£127
2019-20 High Needs Block Overspend			£0
<b>Proposed carry forward for 2019-20</b>	<b>£1,718</b>	<b>£0</b>	<b>£1,718</b>

41. The balance brought forward for 2019-20 is £2.614m. Of this, £900k has already been allocated in the Schools Funding Formula for 2019-20 and is included in school budgets this year. A further £444k was earmarked for retrospective claw back for Early Years for 2018-19. However there is an overall net increase of £130k rather than a reduction, as set out in paragraphs 5-9 above, which has increased the contingency as well as released the £444k back into the contingency.

42. The expected underspend in the growth fund of £127k can also be added back into the contingency. This takes the total anticipated balance at 31<sup>st</sup> March 2020 to £1.718m.

43. At its meeting in July 2019 Schools Forum discussed several options for use of the contingency.

- Supporting schools with falling rolls/low pupil numbers
- Provide transitional funding to schools to mitigate the realignment of the £6ks for mainstream EHCPs from the HNB to the Schools Block
- Allocate to the Schools Funding Formula for 2020-21
- Contribute to pressures in the High Needs Block

44. At the time of writing there are no further announcements about anticipated per pupil funding for 2020-21 and therefore it has not been possible to model school budgets for 2020-21. Without this information it is difficult to

understand the impact of next year's budget and how this additional contingency funding will contribute. There are a number of variables that will impact on the overall affordability of any of these options.

45. However Schools Forum at this meeting will need to make an in principle decision regarding this fund so that it can be included in any modelling for 2020-21 as and when further details on funding are announced.

46. As explained at the July meeting any uncommitted or un-earmarked funding in the contingency at the end of March 2020 will automatically default to offset any overspends in the High Needs Block.

## **Section 3 – contact details**

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