

Schools Forum Agenda

Thursday, 26 September 2013

4.30 pm – 6.30pm , Committee Room 4 - Civic Suite

Lewisham Town Hall

London SE6 4RU

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3. Election Of the Vice Chair and Forum Membership	
To elect a new vice chair and discuss the appointment of an early years representative	
4. Absence Report	5 - 8
To consider the levels of absence in Lewisham schools including academies and to promote a discussion about good management of sickness that can be shared with all schools	
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To consider the service	
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7. Budget Report	17 - 30
To update the Forum on the setting of next years budget and to agree the approach to completing the draft individual school budget return required by the DFE. The paper considers the new formula changes the DFE now allow.	

8. Debtors Policy 31 - 43

To consider a debtors policy for schools particularly in relation to the collection of school meals money

9. Efficiency Review 44 - 51

The DFE have carried out a review of school efficiency to support schools to learn from the best and drive even better outcomes from the money that they spend. This paper considers the review and how to incorporate some of the thinking behind it into Lewisham.

10. Any Other Business

Dates of Future Meetings

12 December 2013

16 January 2014

20 March 2014

All meetings 4.30 to 6.30

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Monday 17th June 2013

Membership (Quorum = 40% i.e. 8)

✓ = present

✗ = absent

		Attendance
Primary School Headteachers		
Irene Cleaver	Athelney	✗
Steve Davies	Coopers Lane	✓
Liz Booth	Dalmain	✓
Paul Moriarty	Good Shepherd	✗
Helen Johnston	Launcelot	Apologies
Michael Roach	John Ball	✓
Nursery School Headteacher		
Nikki Oldhams	Chelwood	Apologies ✗
Secondary School Headteachers		
Anne Potter	Addey & Stanhope	✓
Bob Ellis	Conisborough College	✗
Erica Pienaar (Chair)	Prendergast	✓
Carolyn Unsted	Sydenham	✓
Special School Headteacher		
Lynne Haines	Greenvale	✓
Pupil Referral Unit Headteacher		
Liz Jones	Abbey Manor	✗
Primary & Special School Governors		
Keith D'Wan	Athelney	Apologies
Brian Lymbery (Vice-Chair)	Lucas Vale	Apologies
Mark Simons	Coopers Lane	✗
Secondary & Secondary Special School Governors		
Simon Nundy	Trinity	✗
Academies		
Declan Jones	Haberdashers' Aske's	✓
14-19 Consortium Rep		
Dympna Lennon	Addey & Stanhope	✗
Early Years Rep		
Vacant		
Diocesan Authorities		
Rev Richard Peers	Southwark of Diocesan Board of Education	Apologies
Michael Cullinane	Archdiocese of Southwark Schools Commission	✗

Observers		
Also Present		
Alan Docksey	Head of Resources	
Sue Tipler	Head of Standards and Achievement	
Dave Richards	CYP Group Finance Manager	
Hayden Judd	CYP Finance	
Kim Knappett	Teacher Union (ATL)	
Janita Aubun	Clerk	

Apologies for Absence

Apologies were received from Helen Johnston, Keith D'Wan, Brian Lymbery and Reverend Richard Peers.

1. Minutes of Meeting held on 28th February 2013

The minutes were agreed and signed by the Chair.

2. Matters Arising

Item 8. Debtors Policy

For further discussion at September Forum.

Schools Forum Action Summary

Absence data production – for review at September Forum.

High Needs Block Spending Review sub-group

The first meeting is due to be held on 26th June.

Value for Money Case Studies

Work has been undertaken by Sue Tipler.

3. School Capital – Targeted Capital Bid

Alan Docksey gave a verbal update. The outcome of our bid to the DFE for £32M is not expected before the end of June. FS felt that the number of bids will exceed the available funding.

4. End of Year Financial Position and Balance Control Mechanism

Dave Richards presented the report to review the schools carry forward balances as @ 31st March 2013 with options for capping schools. This report also considered the DSG position.

Schools balances have risen by a further £2.3M for the third year running.

Forum agreed the following recommendations:-

- Schools that have an excess balance as @ 31.3.12 and the balance has increased during 2012/13, will have a visit from Finance and a School Improvement Officer in conjunction with a Finance Governor to ensure there are appropriate plans to ensure the funding is spent. If it remains unspent at the year end (31 March 2014) it will be capped.
- Schools that have an excess balance but had not applied to exceed the cap, will receive a visit from Finance and a School Improvement Officer in conjunction with a Finance Governor, to ensure a suitable plan for the excess balance. If it remains unspent at the year end (31 March 2014) it will be capped.

- Schools to be sent a general letter informing them that where they may not have been capped previously, due to the economic climate presently, this may not be the case going forward.

The DSG showed £264k underspend at 31.3.13.

This will be carried forward and included in the High Needs Block.

5. Growth Funds/Schools Contingency Bid

Dave Richards presented the report to consider a bid against the growth fund. Bid is for funding for Trinity all through school which opens September 2013.

- Forum agreed the bid.

6. Budget Update

Dave Richards presented the report updating Forum on the DFE changes to funding for 2014/15, considered the latest budget position in relation to DSG levels and informed members on the schools budget monitoring returns.

Forum noted the following:-

- New funding requirements issued by the DFE.
- New level of the DSG is £249.7M
- School budget plans position.
- Schools that are likely to apply for a licensed deficit – Trinity, Sedgehill & Edmund Waller.

Forum agreed the following recommendations:-

- Postpone 11 July forum to September – date tbc
- Change 14 November forum to 12 December 2013.
- February meeting to be moved to 20 March 2014.
- £840K DSG extra funding to High Needs Block.
- £151K DSG extra funding to Early Years Block.

FS said that there is a review being undertaken on the central support funding and that any changes proposed, will be brought back to the Forum.

7. Schools Financial Value Standard (SFVS)

Report presented by Dave Richards to consider the tighter financial controls required by the DFE for the management of schools budgets and consider the steps to be taken in respect of non-compliance.

Forum agreed the following recommendations:-

- That the Director of Resources and Regeneration and the Director of Children and Young People send a joint letter to those schools who have not made a return.
This letter will require the SFVS is considered at the next governors meeting. If this does not happen, an internal audit may take place earlier than scheduled.
- The schools not achieving the SFVS will be required to undertake training in the performance of the standard and this will be at the expense of the Governing Body.

8. Future Chair/Vice Chair Appointments and Timing of Forum Meetings

Discussion for Forum to consider these appointments, following their retirement. Also discussed was the timing of future Forums.

Forum agreed:-

- Carolyn Unsted – Sydenham School Head nominated as future Chair. Vice Chair position is currently unfilled.
- Timing of future Forum meetings to revert to 4.30pm start time.

FS thanked Erica Pienaar on behalf of schools forum, schools and Lewisham for her work as chair of Forum; this was endorsed enthusiastically.

9. Any Other Business

Meeting closed 4.05pm

Date of next meeting 26 September 2013

SCHOOL FORUM ACTION SUMMARY – from School Forum held on 17th June 2013

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME / CURRENT POSITION
	Absence Data to be produced for non Lewisham payroll schools	Diane Parkhouse	to be reviewed at Forum 26/9/13

Monitoring of Sickness Absence in Schools Period 1/8/12 – 31/7/13 Summary Report

1. Purpose of the Report

- 1.1 This report sets out details of performance on sickness absence in Lewisham schools for the period 1 August 2012 to 31 July 2013. The data capture date was 13 August 2013. The data shows the reported sickness absence levels across Lewisham schools as a whole, as well as individual school performances. The scope of the data is restricted to those schools that remain on the Lewisham Council payroll; schools supported by external payroll providers are not included.
- 1.2 The average number of days lost due to sickness absence for the year ending 31 July 2013 was **7.73 days per employee**. In the previous year, ending 31st July 2012, the average number of days lost to sickness absence in schools was **7.67 days per employee**. This represents a 0.78% increase.
- 1.3 Excluding all long term absences the average number of days lost per employee was **3.57 days per employee**. In the corresponding period in the previous year this figure was **3.84 days**. This represents a 7% reduction.

2. Recommendation

2.1 Schools' Forum is asked to:

- Note the latest monitoring data to 31 July 2013 as detailed in the appended charts and listings (to be tabled at the meeting).
- Suggest any further actions to be taken to manage / reduce sickness absence.

3. Context

- 3.1 According to the CIPD 2012 Annual Survey Report on Absence Management, public sector workers had an average 7.9 days off due to sickness absence in the year. This compares to an average of 7.7 days across the whole of the UK workforce. The cost in the public sector averages £600 per employee per annum and factors included in the calculation of average cost are occupational sick pay, statutory sick pay, temporary cover, additional overtime costs and lost service provision.

4. Main Findings – Lewisham Schools

4.1 Secondary Schools Performance

4.1.1 During the period 1 August 2012 to 31 July 2013, the average sickness absence per employee was **8.03 days**. This compares to a figure of 7.44 days in the previous year – an increase of 8%.

4.1.2 The increase occurred as a result of the impact of long term absence cases at Sydenham and Bonus Pastor Catholic College. These cases are being dealt with through the formal process as are many other such cases in schools. It is anticipated that the upward trend over the last 12 months will be reversed in 2013/14. At both schools the short term absence rates are low.

4.1.3 A chart showing the performance of each school, during the latest reported 12-month period, will be tabled at the 26th September meeting.

4.2 Primary and Nursery Schools Performance

4.2.1 During the period 1 August 2012 to 31 July 2013, the average sickness absence per employee was **7.01 days**. This compares to a figure of 6.87 days in the previous year – an increase of 2%.

4.2.2 A chart showing the performance of each school during the latest reported 12-month period is attached.

4.3 Special Schools Performance

4.3.1 During the period 1 August 2012 to 31 July 2013, the average sickness absence per employee was **11.49 days**. This compares to a figure of 13.46 days in the previous year.

4.3.2 A chart showing the performance of each school during the latest reported 12-month period is attached – a reduction of 14.6%.

5 UK workforce comparisons

The annual Chartered Institute of Personnel and Development (CIPD) survey carried out in 2012 reported the following:

- Public sector average days lost per employee - 7.9 days
- Non-profit sector average days lost per employee - 8.2 days
- Education sector average days lost per employee - 9.2 days
- Health organisations average days lost per employee - 9.4 days
- Private sector average days lost per employee - 5.8 days

- UK workforce overall average days lost per employee – 7.7 days

6 Schools not on the Lewisham payroll

- 6.1** Academies and Lewisham schools with external payroll providers were asked to provide absence data for the purpose of comparison. These requests were sent to the following schools:

Prendergast (Vale, Hilly Fields and Ladywell Fields), Knights Academy, Tidemill Academy, Deptford Park, Sedgemoor, Rushey Green, Turnham, St Matthew Academy, Haberdashers Askes.

Only Turnham (9.26 days per employee) and St Matthew Academy (7.91 days per employee) responded.

7 Reasons for absence

The main reasons for absence during the 2012/13 school year, which account for 70% of the total of all absences, are:

'Stress related'	13%
'Infection'	13%
'Musculo-skeletal'	11%

Reasons not reported / recorded 33%

8 Summary

Performance across schools overall has 'flat-lined' over the last 12 months.

Performance overall in primary and secondary schools has deteriorated – primary schools by 2%; secondary schools by nearly 8%.

Performance in special schools has improved by 14.6%

The CIPD 2012 Annual Survey Report on Absence Management gives an indication that overall Lewisham schools' performance compares favourably with the average absence rates drawn from the public sector organisations that contributed to the Survey. Human Resources will continue to lead on the development of good practice and generate new ideas to manage absence, where appropriate. However, to support a sustained reduction school leadership must continue to actively monitor sickness levels and take prompt action in appropriate cases within their schools to ensure attendance levels are improved / absence rates are reduced.

Appendices (to be tabled at the 26 September meeting)

- School to school comparison between performance in 2011/12 and 2012/13
- All schools bar chart – quartiles

Diane Parkhouse - HR Advisory Manager

Contact on 020 8314 6291 or by email at Diane.Parkhouse@lewisham.gov.uk

The future of the Occupational Health Provision in Lewisham

1. Purpose of this Report

The purpose of this report is to consider the future of the occupational health service and to promote a discussion amongst members of the type of service they would like to see.

2. Background

2.1 The Occupational Health Service provides medical advice to managers across the Council and to schools to support the process of absence management. The service also provides a range of occupational health orientated services and specific guidance to HR, managers and school leaders regarding current and potential staff.

2.2 These services include

- pre employment health assessments
- responding to medical referrals
- health surveillance for specific groups of staff
- co-ordination of specialist advice on specific issues

2.3 The current contract was let to OH Works Ltd in November 2010 for a 3 year period with an option to extend for a further 2 years to 31st October 2015. The contract is now due for renewal from 1st November 2013 with the option of extending the existing contract or retendering and awarding a new contract from this date.

2.4 It should be noted that the OH budget has been subject to significant budget savings requirements over the last 3 years and further budget reductions are anticipated in 2014/15.

3. Current Proposals

3.1 It is intended to extend the current contract until November 2014 whilst options are explored including a shared OH Service with other interested Local Authorities, Business will continue as usual until 31st March 2014. However, from 1st April 2014, due to further budget reduction requirements some impact may be felt in the form of longer waiting times for appointments as OH staff time will have to be reduced.

- 3.2 It will be essential therefore to ensure that staff are aware of the importance of keeping their appointments so that slots are not wasted. (Data on the level of school staff DNA is available).
- 3.3 Shared services with other Local Authorities may provide economies of scale but it is likely that this option could include telephone consultations and an off site doctor (at London bridge) for the more complex cases only.
- 3.4 This would be a huge cultural shift for Lewisham having always had on site OH specialists and it may be one that schools would not want to consider. However, OH services are particularly expensive and careful consideration will need to be given to the options available.
- 3.5 It should also be noted that the schools' workforce currently makes up approximately 57% of the Council as a whole.
- 3.6 Schools will be further consulted in the coming months as to the options available to them.

Diane Parkhouse - HR Advisory Manager
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Agenda Item 6

Schools Forum
26 September 2013
Item 6

Budget Monitoring report

1. Purpose of the Report

This report has three main purposes, it looks at the budget monitoring position of the Dedicated Schools Grant at the end of July, it considers the latest notification of the grant from the Department of Education and the financial position of the mutual funds held by the Forum .

2. Recommendation

- i) The Forum note the report
- ii) The Forum note the revised level of the DSG of £250.4m
- iii) The forum agree to the extra funding detailed in 3.2 be added to the early years block and be allocated to providers as appropriate

3. Dedicated Schools Grant(DSG)

3.1 The current budget is as follows

	Gross Expenditure	Govt Grants	Other Income	Internal Income	Net Budget
	£'000	£'000	£'000	£'000	£'000
Individual Schools Budget	224,368	-224,368	0	0	0
Central expenditure on education of children under 5s	17,068	-13,507	-381	-114	3,066
Provision for pupils with SEN (including assigned resources)	12,417	-20,439	0	0	-8,022
Education out of school	1,502	0	0	-60	1,442
Capital Expenditure from Revenue (CERA) (Schools)	36,908	-24,174	-1,378	-5,999	5,357
School-specific contingencies	4,219	-9,639	0	-1,633	-7,053
Other	5,031	0	0	-1,147	3,884
Academy Recoupment	-6,189	6,189	0	0	0
Total	295,324	-285,938	-1,759	-8,953	-1,326

- 3.2** In May a number of adjustments to the Dedicated Schools Grant were made and at the last meeting we discussed the latest notified to the Local Authority. The revised figure was £249.7m. There has been a further change since then and the latest figures is £250.4m. This change relates to the revision of the early year forecast pupil numbers to actual numbers in January 2013. A further change will be made to the DSG when the January 2014 actual numbers are know. This is expected to take place next April.
- 3.3** It is proposed that as the extra funding is for increases in children under 5 that this adjustment is held within the early years block and allocated out to providers as appropriate.
- 3.4** The government grants shown in table under 3.1 total £284.1m. The difference between this and the total dedicated school grant is shown below

	£m	£m
Dedicated Schools Grant		250.4
Less Academy Recoupment		6.2
DSG after recoupment		244.2
Additional Grants		
Post 16 funding	6.6	
Pupil Premium	11.0	
Private Finance Initiative	24.2	
Total		41.8
		286.0

4. Budget Pressures

- 4.1** The only budget pressure is within the High Needs Pupils Block were currently there are 101 pupils with SEN in independent provision which is an increase of 9 since March 2013. The resulting pressure is £942k which can be met from the contingency set aside by the Forum in previous years.
- 4.2** The age profile of this pupils are as follows

	Recent Cases	Overall Total
Primary age 5 -10	9.7	19.1
Secondary Age 11- 16	16.1	53.4
Post 16	1.0	31.7
Total	26.8	104.2

- 4.3** The increase of 9 pupils represents a increase in the number of placements mainly at Riverston and Baston House. Below is a summary of the schools where children are placed and the main needs of the children the school provides for

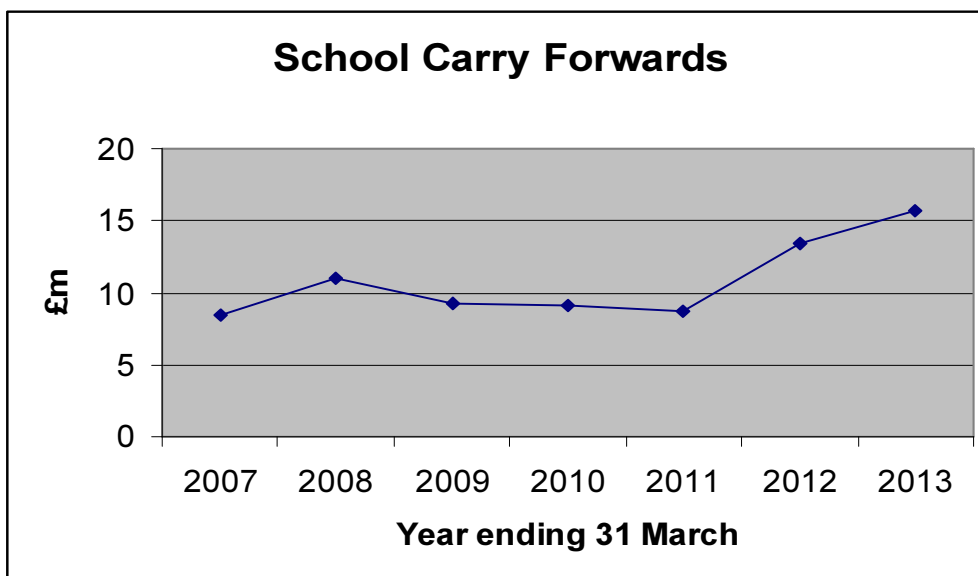
School	Recent Cases	Overall Total	Primary Need
Riverston	6.0	14	ASD
Baston House	9.7	13.3	ASD
Helen Allison	-	7.0	ASD
New School At West Heath	-	5.0	ASD
St Mary's Wrestwood		4.0	PMLD
Cavendish	1.7	3.7	BESD
Mary Hare	0.6	3.6	HI
Eagle House		3.4	SLCN
Other	8.7	50.2	
Total	26.8	104.2	

- 4.4** Subject to other funding uncertainties being resolved in a cost-neutral way, for example for post 16 high needs funding where student numbers and costs will not be clear until after September, the current forecast is that expenditure on the DSG, which is of course mostly delegated to schools, will be on budget.

- 4.5** While the budget pressure identified on SEN can be met this year from the contingency this is only a short term solution to the problem. The budgetary pressure is expected to increase over the coming months as the pupil numbers grow and funding does not keep pace with the growth. The national funding arrangements for high need children is such that no inflation is taking into account and only a partial allowance is expected for the growth in numbers. The impact of this needs to be addressed and further proposals are detailed in the budget paper (Item 8) of this meeting

5 School Balances

- 5.1** As at 31 March 2013 balances held by schools were £15.7m in aggregate, £2.3m higher than the equivalent figure a year before. The trend over the last six years is set out below.



5.2 There Schools' Forum noted at the meeting on 26 June 2013 that there are 32 schools with excess balances which total £5.5m in aggregate. The Schools' Forum identified nine of these schools as being of particular concern, which accounts for £2.8m, slightly more than half, of the excess balances. The Forum agreed to cap these schools' balances at the percentage levels set out above, but to release the funds back to the schools concerned on completion of a satisfactory budget plan. If those plans are not then delivered the excess balances will be distributed to other schools in 2014/15. Of the 9 schools mentioned above five of the schools have been visited and challenged about their spending plans and discussions with the rest of the schools will take place shortly

5.3 There are three schools that are likely to have a licensed deficit this year Trinity, Sedgehill and Edmund Waller. All schools have been working with officers over the Summer Term to agree recovery plans. These are being fined tuned and the applications for the license expect shortly.

6. Mutual Funds

The Schools Forum has a number of mutual funds that they manage on behalf of schools. At the end of the year any balances are returned to schools or rolled forward to the next year. The current position of the funds is described below,

Fund	Budget	Spent or committed to date	Balance
	£000	£000	£000
Growth Fund	2161	2264	-105
Contingency	1222	89	1133
Maternity Fund	838	746	92

6.1 Growth Fund

Currently a total of £2,128k of the growth fund has been allocated to schools and potentially there is further allocation that may have to be made of £138k.

The expenditure to date covers

- bulge classes in 14 schools (with schools taking between 15 and 60 additional places),
- permanent expansions in 12 schools (some new, some continuing) and
- continuing funding for resources in 45 schools (funding is paid each year as the new places move through the school).

6.2 Contingency

No further bids have been made since the last meeting of the Forum.

6.3 Maternity Fund

The Non-Sickness Supply scheme operated by the Schools HR team has paid out £327k of claims for the Summer Term. Looking at patterns from previous years, this leads us to estimate a total spend for the year of £746k which will on current forecasts create a surplus of £91k on the current budget of £838k. Further information will be available once the Autumn Term claims have been submitted.

Special schools, who are not able to de-delegate collectively via Schools Forum have all bought back into the scheme.

The Summer Term claims breakdown as shown in the table below.

Phase	Claim Type	Number	Amount	Average
Primary	Maternity	34	£196k	£6k
	Paternity	4	£7k	£2k
	Suspension	4	£22k	£6k
		42	£224k	£5k
Secondary*	Jury Service	4	£4k	£1k
	Maternity	10	£77k	£8k
	Paternity	5	£7k	£1k
	Suspension	1	£3k	£3k
		20	£91k	£5k
Special	Maternity	1	£13k	£13k
		1	£13k	£13k
		63	£328k	£5

* includes all-through schools

7 Conclusion

The budget monitoring position looks on the surface to be satisfactory but it is not. There are undoubted pressures in the high needs pupils costs. While we have been setting aside resources over the last few years and this has only bought us time, the critical point when these funds are no longer available is fast approaching. The budget paper for this meeting details the provisional position for next year and looks at how this maybe addressed and also considered the potential use of the balance on the contingency fund noted above in section 5.2

Dave Richards

Group Finance Manager – Children and Young People

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Budget Setting for 2014/15

1. Purpose of this Report

The purpose of this report is to set the scene for the Dedicated Schools Grant budget for next year and to agree whether any formula changes are desirable. This will then allow the funding rates to be set for the draft allocations for individual school budgets. It then looks at possible avenues to be explored to make savings to ensure the Dedicated Schools Grant will balance for next year.

2. Recommendations

- i) The funding rates for the Individual Schools Budget for 2014/15 be set provisionally at the levels of the funding rates for 2013/14.
- ii) The lump sum for primary and secondary schools remain at the same level.
- iii) Mobility is allocated partly on the basis of those schools whose mobility exceeds 10% and pupils numbers as described in option 3.
- iv) That an application be made to the DFE to allow estimated pupil numbers to be used for expanding school's.
- v) Officers bring proposals to the December meeting on savings to the early years block and the central budgets within the DSG.
- vi) The high needs sub group in their draft December report show how the estimated growth of £500k can be met from the High Needs Block.

3. Background

The DFE wrote to Local Authorities on 4 June 2013 with their planned changes to the schools funding system for 2014/15. In this letter they reiterated their desire to introduce a new national funding formula during the next spending review. The current planned changes followed their review of the changes made at the start of this year (April 2013). They believe taken together these new changes will further strengthen the funding reforms and help them move towards their ultimate aim of ensuring that pupils attract a more consistent amount of funding wherever they go to school in the country.

3.1 Timetable

The proposals include changes to the timetable Local Authorities and Schools Forum have traditionally operated and hence it is now necessary to start considering next year's budget. The new timetable is described below:

Date	Action
By 30 September 2013	Submission of any changes to lump sum variables to the DFE, so that they can be excluded from the Minimum Funding Guarantee.
	Requests to the DFE for exceptional premises factors
By mid October 2013	Schools Forum to approve provisional funding formula
	Local Authority political approval for provisional allocations
By 31 October 2013	Submission of provisional budgets to the DFE

The next meeting of the Forum takes place on the 12 December and at that meeting will need to consider the budget further in order to meet the further requirements of the DFE.

Date	Action
By mid January 2014	Schools Forum to agree final schools allocation
	Local Authority political approval for final allocation
By 21 January 2014	Final schools budgets to be submitted to the DFE
By 28 February 2014	Deadline for notification of maintained schools budget
BY 31 March 2014	Deadline for the education funding agency to notify academies of their school budgets

3.2 Regulatory changes affecting the ISB Formula and mutual funds held by Schools Forum

The following changes have been proposed by the DFE:

- Lump Sum - There is the possibility to have one amount for Primary Schools and a different amount for Secondary Schools.
- Amalgamating Schools - Schools that amalgamate will be allowed to retain the equivalent of 85% of their two former lump sums but for only one financial year following the merger.
- Primary Prior Attainment – The coming year's data will change as a result of changes to Early Years Foundation Stage(EYFS) assessment.
- Secondary Prior Attainment – The coming year's data will change from pupils achieving below Level 4 in English **and** Maths to those achieving below Level 4 in English **or** Maths. Except for those

pupils assessed in 2012 as the KS2 English assessment methodology was changed and now includes a reading test, a new grammar, punctuation and spelling test and teacher assessed writing - for these pupils this data will be used.

- Mobility – Funding will only be provided where mobility exceeds 10% and only for the amount by which it exceeds 10%

The detailed consideration of these are shown later in this report.

3.3 Applications to DfE for variations in the operation of the ISB Formula and the Minimum Funding Guarantee

- Changes In Age Range – The DfE expects LA's to apply to use pupil number estimates where a school is expanding its age range, rather than meeting the funding needs solely from the Growth Fund.

Details are shown later in this report.

4. Budget Setting

4.1 Headroom Projects

4.1.1 Over the past few years the Forum have considered requests to use the Dedicated Schools Grant to fund specific high profile projects. It was always intended that they should be reviewed regularly. The funding is built into the DSG budget and agreement of the Forum is needed to allow them to continue for next year. It is intended that at the meeting in December a more detailed discussion will take place on these projects.

4.1.2 At the December meeting it is possible that any new activities could be considered. In the light of the budget pressures detailed later in this report, funds to support new bids will either have to be found from existing projects or alternatively savings or funds delegated to schools.

4.1.3 The current activities funded from the central element of the DSG are as follows

Approvals from 2007/08	£k
Management support for capital builds	410

New Woodlands Outreach	160
Total	570

Approvals from 2008/09	£k
Teenage Mothers	30
Tutors for Primary LAC	100
Social Workers at New Woodlands / Abbey Manor College	90
Partnership Development	115
Total 2008/09	335

Approvals from 2009/10	£k
Tutors and Support for Key Stage 3 LAC	100
Social Workers - Support Services in schools	100
Mental Health Support Services in schools	100
Total	300

Approvals from 2011/12	£k
LENS Group / Pupil ambassadors	150

4.2. Budget pressures and sources of funding

There are a number of areas which will cause difficulties next year but there are possibilities to offset some of these

Pressures	£'000	
Independent school fees	1,000	
Growth in high needs pupils school places	500	
Early Years protection	800	
One off funding support from carry forward	500	This is the sum under pinning the current years budget
TOTAL	2,800	
Funding Sources	£'000	

Carry Forward	1,200
Increase in pupil numbers	200
Savings on central budgets	300
2013/14 contingency	500
TOTAL	2,200

4.3 Budget Pressures

4.3.1 Independent school fees

Since the start of the financial year there have been 9 new cases entering the independent sector. This will cost £1,000k.

4.3.2 Growth in High Needs Pupils

The pupil population stills continues to grow. However under the new funding regulations, the high needs block no longer grows in line with pupil growth. There will instead be a bidding process to the DFE. According to the latest documentation the High Needs Block will be capped and if one authority receives extra funding there will be less for others. The population growth is a burden across London and at the moment only broad assumptions can be made. Last year we received growth of £400k. It is anticipated that there will be a similar level next year. Of course there will be the financial impact of the children entering into high needs provisions that will not be met by this growth allocation. It is estimated that there will be an additional 53 high needs pupils (excluding children with statements in mainstream settings) next year. At average cost this is estimated to be £900k which will be offset by any growth, leaving a shortfall of £500k.

4.3.3 Early Years Protection

The DSG was adjusted in 2013/14 for the withdrawal of the top up for 3 to 4 year olds being received. Half was withdrawn in 2013/14 and in 2014/15 there will be no protection. This top-up ensured Local Authorities are funded for at least 90% of their 3 year olds regardless of the number of children taking up the entitlement. The withdrawal of this protection will mean there will be a shortfall next year of £800K.

4.3.4 One off support

Last year when the budget was set there was a shortfall in funding. A sum of £500k was taken from the carry forward and used to balance the budget.

4.4 Funding Sources

4.4.1 Pupil numbers

The DFE last have funded the growth in pupil number albeit at a lower level than in previous years. The growth is only now allocated to the schools block within the DSG. Most of the funding within this block is delegated to schools and will of course be allocated out. There is a small element that covers some of the central budgets and this is now available assuming that the central budgets in the DSG are cash frozen.

4.4.2 One off support

Over the past few years the schools Forum have been putting aside funding as it was known that the problem above was about to materialise. There is still £1,200k available to support the budget.

4.4.3 Savings in central budgets

As part of last year's budget process officers have been considering the effectiveness and delivery of the service level agreements funded out of the DSG. This includes the agreements with Abbey Manor College and Clyde Nursery School. Some of the discussions are at more advanced stages than others. While it is anticipated some savings will be made, the final outcome of discussions will be brought to the Forum in December. It is assumed for budget purposes that any savings will be from September 2014 and that they will be about £300k. A robust review will take place of all other central services to see if savings can be achieved.

4.4.4 Contingency

The budget monitoring papers shows that only £89k has been allocated from it although the growth fund is overspent. In reality it may be better to offset the one against the other so that we did not end up giving money back to schools and then charging them for the overspend on the growth fund. Overall there is currently a balance on the funds of £1,000K. Some of this will of course be allocated to schools over the coming months but on current trends there is likely to be at least a surplus in the region of £500k.

4.5 Addressing the remaining Shortfall in funding

The remaining shortfall is £600k and Officers will bring back to the December meeting proposals for the Forum to consider on how this can be contained and consideration will be given to the following.

4.5.1 Early Years Block

As part of the funding shortfall is due to the loss of the early years protection, officers will consider whether savings can be made from this funding block and assess the impact.

4.5.2 The High Needs Block

The Schools Forum sub group on High Need pupils was originally set up to consider savings in this areas. They were requested to report back to the Forum in December on how savings could be made. It is proposed that they be asked to initially draw up plans to save £500k next year.

4.6 Schools Funding rates

If the Forum agree to the above, the proposed funding rates for the school formula can be at the same level as last year. Of course there will be a still an opportunity to revise these if needed at the December meeting.

The draft school funding rates for next year can be seen in Appendix A.

5. Regulatory changes affecting the ISB Formula and mutual funds held by Schools Forum

The following changes require consideration by the Forum for 2014/15

5.1 Lump Sum

- 5.1.1** The DfE are proposing to amend the regulations such that it will be possible to use two different lump sum amounts; one for primary schools and one for secondary schools.
- 5.1.2** When the Lewisham lump-sum was calculated (£131k) the amount previously delegated for “overhead” costs (non-teaching staff) was protected and distributed partly as the lump-sum and partly on the basis of pupil numbers (within the Basic Entitlement). The rates were “anchored” at the previous level for the smallest schools to protect the funding for those schools.
- 5.1.3** If we were to increase the lump-sum for secondary schools in order to reflect the size differential between primary and secondary to a greater degree, the additional funding would have to be found.
- 5.1.4** The modelling in Appendix B looks at two options; essentially they fund the increase from primary phase funding or fund the increase within the

secondary phase. Funding an increase of the secondary lump-sum to the maximum level of £175k from within the primary sector, would result in a transfer of funding from primaries of more than £450k. Funding an increase of the secondary lump-sum to the maximum level of £175k from the secondary sector Basic Entitlement would result in a transfer of funding from larger to smaller secondaries. The largest loss would be £18k and the largest gain would be £15k.

- 5.1.5** Given that the first model would result in an excessively large transfer of funding from primaries and the second would move funding to schools that have already been protected, it is recommended that the current single lump-sum be retained.

5.2 Primary Prior Attainment

Changes to the assessment of the EYFS mean that the coming year's data will consist of the number of pupils failing to attain a good level of development in the latest cohort and the number failing to achieve a score of 78 in the previous 5 years. The new data format will replace the old by one cohort each year.

It is recommended that the total funding available through this measure be maintained from 2013/14 to 2014/15 to protect schools from this change.

5.3 Secondary Prior Attainment

The coming year's data will change from pupils achieving below Level 4 in English and Maths to those achieving below Level 4 in English or Maths. Except for those pupils assessed in 2012 as the KS2 English assessment methodology was changed and now includes a reading test, a new grammar, punctuation and spelling test and teacher assessed writing. For these pupils this data will be used.

The DfE reports that this change is necessary as the number of pupils failing to achieve in both English and Maths has significantly reduced in recent years. It is recommended that the total funding available through this measure be maintained from 2013/14 to 2014/15 to protect schools from this change.

5.4 Mobility

From 2014/15, the data on mobility will exclude the first 10% of qualifying pupils. This means that schools with 9% and 11% mobility will be shown as having 0% and 1% mobility respectively. Funding will therefore only be provided where mobility exceeds 10% and only for the amount by which it exceeds 10%.

Modelling of three options is shown in appendix C. Option 3 is recommended as it avoids the turbulence of Option 1 and does not

result in a focussing of losses on those schools most in need, as Option 2 does.

5.5 Schools Forum Membership

A requirement for a representative from 16-19 providers replaces the need for a representative from the 14-19 partnership. The DfE lists the FE sector and SEN/LDD providers as eligible.

6. Other changes

The following changes are required by the DfE but do not need a decision by the Forum but they are described here for completeness.

6.1 Amalgamating Schools

Schools that amalgamate will retain the equivalent of 85% of their two former lump sums for one financial year following the merger. The DfE views this as removing the financial disincentive for schools to amalgamate.

6.2 First £6,000 Of SEN Needs

The requirement for schools to meet the first £6,000 of SEN needs has now been included in the regulations.

6.3 Post 16 Place-Led SEN Funding

Currently the place-led funding for SEN Units/Resource Bases/ Resourced Places and Special Schools is £10k per place for pre-16 and £10,977 for post-16. This is an unnecessary complication (with two place-led rates and two top-ups, but all adding up to the same total) and will come to an end in August 2014 when the place-led funding rate will become £10k at all ages.

6.3.1 Place Led Funding For SEN Units/Resource Bases/ Resourced Places

The £10k place-led funding represents the £6k low needs SEN element plus the £4k standard funding element. As this amount is paid in the form of the place-led funding, it should not be paid via the funding formula (in order to avoid double funding). In 2013/14 the number of pupils in units/bases/places was deducted from each school's roll before the formula funding was calculated. In 2014/15 it is the number of places that will be removed. This will have implications for units that carry vacancies as they will experience greater reductions in 2014/15.

6.4 Formula Notification Dates

The dates by which school budgets must be notified are changing from March 15th to February 28th for mainstream schools and March 28th for Special Schools and PRU's. 6th form funding is excluded from this requirement; the EFA normally notify schools and LAs of this at the very end of March. The deadline for notification of budgets to Academies has been confirmed by the Education Funding Agency as 31 March.

6.5 Unspent Balances On Growth Fund And De-Delegated Funds

Unspent balances on the Growth Fund should be recycled to schools and unspent de-delegated amounts can be carried forward to subsequent years.

6.6 Formula Requirements

Local Authorities are required to distribute 80% of their formula using pupil-led factors and to have primary and secondary Basic Entitlement rates in excess of £2,000 and £3,000 respectively.

Lewisham exceeds all of these requirements with over 90% of the formula based on pupil-led factors and primary and secondary Basic Entitlement rates of £3,595 and £4,952 respectively.

7. Applications to DfE for variations in the operation of the ISB Formula and the Minimum Funding Guarantee

Each year the DfE will provide a window during which LA's can apply for variations and exceptions in the operation of the ISB funding formula and the Minimum Funding Guarantee.

The DfE has made it clear that where a school is expanding its age range (Vale College, Trinity and Ladywell Fields), LA's should apply to use estimated numbers in the formula rather than channelling all the funding for the expansion through the Growth Fund.

8. Conclusion

As we know over the last few years there has been an increasing cost pressure for high needs pupils. This is proving difficult to manage and we are now seeing for the first time, the need to make savings to balance the Dedicated Schools Grants as the funding put aside over the last few years runs out. This one off funding is to a certain extent camouflaging the extent of the problem. Projecting figures forward, there is likely to be a shortfall in the order of £2m next year and this was behind the setting up of the high needs sub-group. It is essential

that their proposals are sufficient to meet this level of deficit in the future.

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Budget Report - Draft Funding Rates Appendix A

Draft Lewisham ISB Formula Rates 2014/15

	Primary £	Secondary £
Basic Entitlement	3,650.18	5,040.84
FSM Ever 6	1,112.11	1,493.44
IDACI Band 0	-	-
IDACI Band 1	61.99	109.35
IDACI Band 2	92.99	164.03
IDACI Band 3	116.23	205.03
IDACI Band 4	122.05	215.29
IDACI Band 5	122.05	215.29
IDACI Band 6	122.05	215.29
Mobility	236.89	404.77
Prior Attainment	1,340.11	3,166.01
EAL	636.47	1,156.96
Rent	Actual	Actual
NNDR	Actual	Actual
Split Site - 400m	33,000	33,000
Split Site - > 2 Year Groups	45,400	45,400

DfE Funding Rates

MFG	-1.50%	-1.50%
Pupil Premium	1,300	Unknown

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Budget Report - Lump Sum Modelling - Appendix B

	2013/14 Lump Sum Allocation	Model 1 Set Secondary Lump Sum At £175k And Fund Increase From Primary Lump Sum	Model 2 Set Secondary Lump Sum At £175k And Fund Increase From Secondary Basic Entitlement
PRIMARIES:	8,377,648	- 439,189	-
SECONDARIES:	1,047,206	352,794	- 22,354
ALL THROUGH SCHOOLS	392,702	106,983	22,354
RECOUPMENT ACADEMIES	392,702	- 20,587	-
TOTAL ALL	10,210,258	0	0
PRIMARIES:			
Adamsrill Primary School	130,901	- 6,862	-
All Saints' Church of England Primary School	130,901	- 6,862	-
Ashmead Primary School	130,901	- 6,862	-
Athelney Primary School	130,901	- 6,862	-
Baring Primary School	130,901	- 6,862	-
Brindishe Green Primary School	130,901	- 6,862	-
Brindishe Lee Primary School	130,901	- 6,862	-
Beecroft Garden Primary School	130,901	- 6,862	-
Childeric Primary School	130,901	- 6,862	-
Christ Church Church of England Primary School	130,901	- 6,862	-
Cooper's Lane Primary School	130,901	- 6,862	-
Dalmain Primary School	130,901	- 6,862	-
Deptford Park Primary School	130,901	- 6,862	-
Downderry Primary School	130,901	- 6,862	-
Edmund Waller Primary School	130,901	- 6,862	-
Elfrida Primary School	130,901	- 6,862	-
Eliot Bank Primary School	130,901	- 6,862	-
Fairlawn Primary School	130,901	- 6,862	-
Forster Park Primary School	130,901	- 6,862	-
Good Shepherd RC School	130,901	- 6,862	-
Gordonbrock Primary School	130,901	- 6,862	-
Grinling Gibbons Primary School	130,901	- 6,862	-
Haseltine Primary School	130,901	- 6,862	-
Holbeach Primary School	130,901	- 6,862	-
Holy Cross Roman Catholic Primary School	130,901	- 6,862	-
Holy Trinity Church of England Primary School	130,901	- 6,862	-
Horniman Primary School	130,901	- 6,862	-
John Ball Primary School	130,901	- 6,862	-
John Stainer Primary School	130,901	- 6,862	-
Kelvin Grove Primary School	130,901	- 6,862	-
Kender Primary School	130,901	- 6,862	-
Kilmorie Primary School	130,901	- 6,862	-
Launcelot Primary School	130,901	- 6,862	-
Lee Manor Primary School	130,901	- 6,862	-
Lucas Vale Primary School	130,901	- 6,862	-
Marvels Lane Primary School	130,901	- 6,862	-
Myatt Garden Primary School	130,901	- 6,862	-
Our Lady and St Philip Neri Roman Catholic Primary School	130,901	- 6,862	-
Perrymount Primary School	130,901	- 6,862	-
Rangefield Primary School	130,901	- 6,862	-
Rathfern Primary School	130,901	- 6,862	-
Rushey Green Primary School	130,901	- 6,862	-
Sandhurst Infant School	130,901	- 6,862	-
Sandhurst Junior School	130,901	- 6,862	-
Sir Francis Drake Primary School	130,901	- 6,862	-
St Augustine's Roman Catholic Primary School and Nursery	130,901	- 6,862	-
St Bartholomews's Church of England Primary School	130,901	- 6,862	-
St James's Hatcham Church of England Primary School	130,901	- 6,862	-
St John Baptist Southend Church of England Primary	130,901	- 6,862	-
St Joseph's Catholic Primary School	130,901	- 6,862	-
St Margaret's Lee CofE Primary School	130,901	- 6,862	-
St Mary Magdalen's Catholic Primary School	130,901	- 6,862	-
St Mary's Church of England Primary School	130,901	- 6,862	-
St Michael's Church of England Primary School	130,901	- 6,862	-
St Saviour's Catholic Primary School	130,901	- 6,862	-
St Stephen's Church of England Primary School	130,901	- 6,862	-
St William of York Roman Catholic Primary School	130,901	- 6,862	-
St Winifred's Catholic Infant and Nursery School	130,901	- 6,862	-
St Winifred's Catholic Junior School	130,901	- 6,862	-
Stillness Infant School	130,901	- 6,862	-
Stillness Junior School	130,901	- 6,862	-
Torridon Infant School	130,901	- 6,862	-
Torridon Junior School	130,901	- 6,862	-
Turnham Primary School	130,901	- 6,862	-
TOTAL PRIMARY	8,377,648	- 439,189	-
SECONDARIES:			
Addey and Stanhope School	130,901	44,099	13,345
Bonus Pastor Roman Catholic School	130,901	44,099	3,718
Connisborough College	130,901	44,099	- 294
Deptford Green School	130,901	44,099	- 1,791
Forest Hill School	130,901	44,099	- 18,372
Prendergast Hilly Fields College	130,901	44,099	13,559
Sedgehill School	130,901	44,099	- 16,607
Sydenham School	130,901	44,099	- 15,912
TOTAL SECONDARY	1,047,206	352,794	- 22,354
ALL THROUGH SCHOOLS			
Prendergast Ladywell Fields College	130,901	44,099	- 2,915
Prendergast Vale College	130,901	18,784	9,784
Trinity Lewisham	130,901	44,099	15,484
ALL THROUGH SCHOOLS	392,702	106,983	22,354
RECOUPMENT ACADEMIES			
Haberdashers' Aske's Knights' Academy - Temple Grove	130,901	- 6,862	-
Haberdashers' Aske's Hatcham College - Temple Grove	130,901	- 6,862	-
Tidemill Primary School	130,901	- 6,862	-
TOTAL RECOUPMENT ACADEMIES	392,702	- 20,587	-
TOTAL ALL	10,210,258	0	0

Schools Forum September 2013

Budget Report - Mobility Modelling Appendix C

	2013/14 Total Mobility Allocation £	Option 1 Allocate Old Funding Total Across New Data £	Option 2 Freeze Old Funding Rate And Recycle Remainder Using Pupil Numbers £	Option 3 Split Old Funding Total Between Mobility And Pupil Numbers Such That Average Mobility Incidence Are Same For Winners And Losers £
PRIMARIES:	436,251	5,126	1,305	2,426
SECONDARIES:	181,115	- 153,209	14,236	- 57,326
ALL THROUGH SCHOOLS	87,617	148,084	- 15,541	54,900
TOTAL ALL	704,983	-	0	0
PRIMARIES:				
Adamsrill Primary School	12,273	- 11,393	- 2,917	- 5,242
All Saints' Church of England Primary School	1,421	- 1,421	2,375	1,298
Ashmead Primary School	4,518	- 4,518	123	- 1,194
Athelney Primary School	17,904	39,311	- 2,427	11,024
Baring Primary School	4,876	- 4,876	- 432	- 1,693
Brindishe Green Primary School	18,402	8,770	- 3,236	3,759
Brindishe Lee Primary School	3,316	- 3,316	1,001	- 224
Beecroft Garden Primary School	9,617	26,783	- 1,550	3,409
Childeric Primary School	12,112	9,889	- 2,245	1,301
Christ Church Church of England Primary School	4,126	- 4,126	- 366	- 1,432
Cooper's Lane Primary School	8,362	- 8,362	112	- 2,292
Dalmain Primary School	4,637	- 4,637	2,110	196
Deptford Park Primary School	15,580	- 8,202	- 3,407	- 3,631
Downderry Primary School	11,634	- 2,098	- 2,478	- 2,039
Edmund Waller Primary School	4,501	- 4,501	3,145	976
Elfrida Primary School	8,830	- 8,830	- 1,471	- 3,559
Eliot Bank Primary School	6,899	- 6,899	1,683	- 752
Fairlawn Primary School	5,235	- 5,235	2,699	448
Forster Park Primary School	16,582	21,489	- 2,632	6,285
Good Shepherd RC School	1,919	- 1,919	2,417	1,187
Gordonbrock Primary School	9,729	- 9,729	- 68	- 2,809
Grinling Gibbons Primary School	4,120	- 4,120	684	- 679
Haseltine Primary School	11,033	21,299	- 1,846	3,216
Holbeach Primary School	11,844	- 4,177	- 2,581	- 2,666
Holy Cross Roman Catholic Primary School	1,435	- 1,435	2,379	1,297
Holy Trinity Church of England Primary School	5,922	14,922	- 1,111	499
Horniman Primary School	3,331	- 3,331	897	- 302
John Ball Primary School	8,173	- 8,173	481	- 1,974
John Stainer Primary School	6,659	- 45	- 1,470	- 1,693
Kelvin Grove Primary School	11,044	- 11,044	- 2,210	- 4,716
Kender Primary School	6,964	- 6,964	- 1,657	- 3,162
Kilmorie Primary School	8,659	- 8,659	- 1,553	- 3,569
Launcelot Primary School	9,712	- 8,800	- 2,308	- 4,138
Lee Manor Primary School	9,086	- 9,086	- 1,332	- 3,532
Lucas Vale Primary School	16,966	58,645	- 2,017	13,336
Marvels Lane Primary School	11,073	6,656	- 2,148	213
Myatt Garden Primary School	8,178	- 8,178	- 10	- 2,327
Our Lady and St Philip Neri Roman Catholic Primary School	3,120	- 3,120	2,421	849
Perrymount Primary School	4,668	- 4,668	- 1,034	- 2,065
Rangefield Primary School	14,001	14,152	- 2,439	3,102
Rathfern Primary School	16,108	25,515	- 2,478	6,909
Rushey Green Primary School	6,863	- 6,863	2,277	- 316
Sandhurst Infant School	2,431	- 2,431	2,462	1,074
Sandhurst Junior School	4,264	- 4,264	1,367	- 230
Sir Francis Drake Primary School	3,333	- 3,333	319	- 717
St Augustine's Roman Catholic Primary School and Nursery	1,658	- 1,658	1,976	945
St Bartholomews's Church of England Primary School	6,200	- 6,200	- 767	- 2,308
St James's Hatcham Church of England Primary School	2,858	- 2,858	597	- 383
St John Baptist Southend Church of England Primary	2,843	- 2,843	953	- 123
St Joseph's Catholic Primary School	4,326	- 4,326	712	- 717
St Margaret's Lee CofE Primary School	4,027	- 4,027	- 393	- 1,424
St Mary Magdalen's Catholic Primary School	2,428	- 2,428	1,260	214
St Mary's Church of England Primary School	5,922	5,316	- 1,236	- 781
St Michael's Church of England Primary School	3,790	- 3,790	222	- 916
St Saviour's Catholic Primary School	2,898	- 2,898	880	- 192
St Stephen's Church of England Primary School	3,080	- 3,080	1,076	- 103
St William of York Roman Catholic Primary School	1,665	- 1,665	2,527	1,337
St Winifred's Catholic Infant and Nursery School	474	- 474	1,991	1,292
St Winifred's Catholic Junior School	474	- 474	2,675	1,781
Stillness Infant School	1,485	- 1,485	3,534	2,110
Stillness Junior School	4,264	- 4,264	1,529	- 114
Torridon Infant School	2,862	- 2,862	2,518	991
Torridon Junior School	3,316	- 3,316	3,106	1,284
Turnham Primary School	10,220	- 10,220	- 1,386	- 3,892
TOTAL PRIMARY	436,251	5,126	1,305	2,426
SECONDARIES:				
Addey and Stanhope School	9,012	- 9,012	6,716	- 298
Bonus Pastor Roman Catholic School	9,651	- 9,651	11,001	1,791
Connisborough College	35,732	- 16,705	- 10,893	- 12,473
Deptford Green School	31,248	- 31,248	- 7,780	- 18,246
Forest Hill School	19,834	- 19,834	12,114	- 2,133
Prendergast Hilly Fields College	8,095	- 8,095	7,523	558
Sedgehill School	47,304	- 38,426	- 14,896	- 23,289
Sydenham School	20,239	- 20,239	10,451	- 3,235
TOTAL SECONDARY	181,115	- 153,209	14,236	- 57,326
ALL THROUGH SCHOOLS				
Prendergast Ladywell Fields College	50,596	75,709	- 11,536	37,809
Prendergast Vale College	7,472	- 7,150	3,017	- 934
Trinity Lewisham	29,548	79,524	- 7,022	18,024
ALL THROUGH SCHOOLS	87,617	148,084	- 15,541	54,900
TOTAL ALL	704,983	0	0	0

Average Mobility For Schools Losing Funding - Primary
Average Mobility For Schools Gaining Funding - Primary
Average Mobility For Schools Losing Funding - Secondary
Average Mobility For Schools Gaining Funding - Secondary

11%
5%
12%
4%
8%
8%
7%
7%

Debtors Policy

1. Purpose of the Report

To consider a debtors policy for schools.

2. Recommendation

- The Forum agree the debtors policy.
- The Forum agree to its incorporation into the finance manual.

3. Background

- 3.1** At the Schools Forum meeting on the 28 February members considered a possible approach to debt collection. At that time members asked amongst other things for Officers to consider whether the level of debt threshold suggested was appropriate and to survey members about the level of debt within their own schools.
- 3.2** The number of surveys returned were small (seven); the average level of debt in the schools making the returns was £567. If this is replicated it would indicate across all schools the level of debt would be £30k. It is true though one school did account for 45% of the debt in the sample. The average debt per case was £9 and there were two cases of debt over £100 and 4 further cases where debt had reached £54.
- 3.3** The Governors are responsible for ensuring that there is proper management of the financial matters of the school including the collection of monies due to the School. A draft policy that schools can use if they so wish is shown in Appendix A. This policy covers the elements of financial control relating to the collection of income from debtors. It describes the procedures and processes for ensuring that the maximum level of income due to the school is received, and where this is not possible, to state the process for agreeing and writing off bad debts.
- 3.4** It is based on the principle that where possible the payment for all goods and services supplied by the school should be collected in advance or 'at the point of sale'.
- 3.5** It relies on schools taking all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures, commensurate with the size and nature of the debt, have been taken to recover it.
- 3.6** The example school's debt recovery policy observes the relevant financial regulations and guidance set out in the 'Scheme for Financing Schools' and any other legal requirements.

4 School Meals Debt Policy

- 4.1** The collection of outstanding debt on school meals is a sensitive issue. It is possible for each school to draw different conclusions as to when the provision of meals should be stopped due to non-payment. Set out below is an approach that could be taken which is based upon good practice. The intention is not necessarily to say it should be adopted but to help facilitate a discussion amongst members on the contents of the policy and agree a recommended approach that schools can adopt if they so wish.

This policy has been written to help schools adopt a consistent approach to debt and its collection. It provides clarity and consistency in managing debt and will also help parents clearly understand what is expected of them. Any flexibility should be in the context of how it works for a school not in the way parents want it to work for them.

- 4.2** There have been many discussions around whether a child should be refused a meal in school if they have not paid. In reality a school meals service is no different than any other business and the meals must be paid for by someone. The expectation is that all meals will be paid for in advance and thus debts will not accrue.
- 4.3** Any debt recovery system that works best is a 'zero tolerance' approach. It may seem a very hard stance in a school where there has been a culture of debt tolerance. Although this will be tough to implement it should become easy to maintain once parents realise schools can only offer free meals to children whose parents qualify for the FSM entitlement. Every other meal must be paid for.
- 4.4** A 'zero debt policy' sounds harsh but any debt will fall on the school and will take funding away from the education of the children. On the other hand we have the potential for children to go hungry and the implications that may have.

4.5 Establishing a debt policy

Schools should first discuss this policy with staff and agree its debt policy with governors. Once agreed, schools should make parents aware of this policy. This could be by including it in one or more of the following:

- A letter to parents
- The school's newsletter
- The school brochure
- The school website

This will ensure that all parents get the same message in a consistent way. This should be done at least once each year, more often when it is first introduced.

All parents should be provided with a copy of the policy when their child joins the school.

An example policy and letters to parents are shown in Appendix B. The school should have a very clear policy on Dinner Money Arrears and money collection. It is expected that schools meals will be paid in advance, if a child as a one off is unable to pay through forgetting their dinner money then a meal will still be provided. If this continues for more than 10 days then the meal will be stopped and the child expected to bring sandwiches or be taken home for lunch.

- 4.6** Without a strict code of no meal is provided, a debt will arise at some stage. Suggested below are three stages of monitoring, with timescales for action, to ensure that all money is paid on time and is not allowed to accumulate in arrears:

Stage 1 – Fees that have run into one week of arrears

A letter to the parents / carers will be sent by the school, informing them of their outstanding balance, and a deadline for payment.

Stage 2 – Fees that have run into arrears of two weeks

A letter informing parents of their outstanding balance and the school's intention to add a 10% administration charge on the outstanding amount will be sent, with a deadline for payment.

Stage 3 – FINAL STAGE – Fees that have run into arrears of roughly 10 weeks or £100 the debt will then be passed to the council to consider collection and enforcement. Schools could ask the council to pursue debts on their behalf at a lower level but there would be a fee involved.

5. Conclusion

There should be a clear policy within schools of a zero tolerance to debts. Otherwise there will be less funds to spend on the education of the remaining children within the school. This policy is more difficult when we have the sensitive issue of schools meals and the potential for stopping a meal and a child possibly going hungry. It is important though to avoid a situation where debts mount up.

Dave Richards

Group Finance Manager – Children and Young People

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Dave.Richards@Lewisham.gov.uk

School **Debt policy**

1. General requirements

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- the Governing Body will not write-off any debt belonging to the school which exceeds £1,000.

Any sums above £1,000 will be referred to the Head of Resources, Director of Children and Young Peoples Services for approval for write-off.

The formal agreement of the Local Authority's Director of Finance and Resources (Section 151 Officer) will be obtained before a debt exceeding £1,000 is written off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).

Debts greater than £5,000 can only be written off by the Executive member for Finance on advice of the section 151 officer.

- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- the school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the Council's debt recovery team to consider taking legal or other action to recover the debt.
- the school will NOT write-off any debt belonging to the Local Authority or another party, e.g. debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the Local Authority.

In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.

2. **Acceptable 'credit period'**

The Governing Body must determine the length of time they deem to as an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities; for example;

- School lettings;
- School Meals;
- Trips and activities.

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings policy'. However, in order to ensure a consistent approach and demonstrate transparency, the 'acceptable' period for each activity should be stipulated in this policy.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. **Reporting of outstanding debt levels**

The Headteacher will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the [relevant committee](#).

The [Headteacher / Finance Committee / Governing Body](#) will review the level of outstanding debts every [month / quarter / term](#) to determine whether this level is acceptable and whether action to recover debts is effective.

(Monitoring of outstanding debts may be differentiated by type, e.g. if school meal debts prove more of a problem than those for lettings of premises then the frequency and degree of monitoring should reflect this).

4. **Debt Recovery Procedures**

4.1 Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied.

- (a) An invoice should be issued for the full amount in order to officially set up the debt;

Where invoices are raised they should state the date by which payment is due [date/month/year](#).

- (b) In all other cases, such as;
- correspondence with parents, etc. the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year.
 - payment for items purchased should be sent to the school office by date/month/year.
 - If payment is not forthcoming the process detailed in 4.1(a) should be applied.
- (c) A record of all charges for goods and services will be maintained detailing:
- type of good/services supplied;
 - value;
 - date(s) good/services supplied; and;
 - the identity of the 'debtor', e.g. child, parent, hirer, etc.

5. Verbal and Written Reminders

5.1 Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

5.2 *Initial 'overdue payment' reminder*

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone.

In general, the *School Secretary / Administrator / Bursar / Finance Assistant* will notify the parent/guardian after having built up a good relationship with the parents.

The date of the initial reminder should be recorded.

5.3 *First 'overdue payment' reminder letter*

A formal reminder letter should be issued 2 weeks after the informal *reminder / the date of supply*.

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

The date of the initial reminder should be recorded.

5.4 **Second 'overdue payment' reminder letter**

A second reminder letter will be issued 2 weeks after the First Reminder Letter.
The date of the initial reminder should be recorded.

6. **Failure to respond to reminders / settle a debt**

If after 2 reminders, a response or payment is not received, a letter will be sent to the debtor advising them that the matter will be referred to the Council's Legal Services Section.

At the discretion of the [Governing Body / Finance Committee / Headteacher](#) the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the [Governing Body / Finance Committee](#)

7. **Negotiation of repayment terms**

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

However, if people are unable to pay;

The School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debt – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the [Governing Body / Finance Committee / Headteacher](#).

A record of all such agreements entered into will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

The [Head teacher / Finance Committee / Governing Body](#) will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the [Governing Body / Finance Committee](#)

8. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the [Head teacher / Finance Committee / Governing Body](#) will decide whether to seek to recover such costs from the debtor.

The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt.

This decision and its basis will be recorded and reported to the [Governing Body / Finance Committee](#)

9. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools.

Write-off of any debt requires the written approval of the [Finance Committee / Governing Body](#) up to a maximum of £1000.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

10. Policy Review

This policy will be reviewed and approved annually by the [Finance Committee and reported to the Full Governing Body](#).

Signed:

Chair of Finance Committee

Date:

Signed:

Chair of Full Governing Body:

Date:

RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date (<i>where applicable</i>).	Reason for write-off (<i>including brief details of measures taken to secure payment - as appropriate</i>).	Authorisation of write off – <i>name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.</i>

Stage 1

Dear Parent / carer

Draft - School Meals Debt Policy for Parents

As from xx/xx/xxxx School has adopted a NO DEBT policy relating to the provision of school meals

If debts are incurred, then the school budget has to pay for them. This means that money which should be spent on the children's education is used to pay for debts incurred by parents. I am sure every parent will agree that this is unacceptable and we request that all parents give this policy their full support.

I am sure you would not take your child out for a meal and expect them to be given food without paying; the same applies at school. If parents believe that their children may qualify for entitlement to Free School Meals please contact the parent helpline number on 020 8314 6221. It is open 10am-4pm Monday to Friday.

Alternatively you can use the online application at

www.lewisham.gov.uk/freeschoolmeals

This allowance is a statutory right and it is important that you use it if you qualify. We will help you all we can with your application. You should also be aware that securing your free entitlement increases the funds available to your school.

Parent/s Carers must pay in advance for their children / children's school lunch using any of the methods of payment outlined below:

Children will not be provided with a school lunch unless it is paid for, except for those that are entitled to free school meals. If a parent genuinely forgets to pay in advance, the school may grant a debt allowance of 5 meals. However these must be paid for and any future meals must be paid for in advance.

If the debt is not cleared, parents must either provide a packed lunch or maybe take the child home for lunch. In a case when a debt payment is not received nor a packed lunch provided, the head teacher will phone the parent to ask them to come to school with the money. Otherwise they must provide sandwiches before lunch time or arrange to take their child home for lunch.

If payment of the debt is not received, the Headteacher reserves the right to begin legal proceedings against parents to recover the debt and ask you to attend a meeting to discuss the matter.

We hope that by implementing this debt policy we are able to help parents manage school dinner money better and at the same time ensure that all money that is for children's learning, is available.

If you have any concerns please don't hesitate to contact me.

Yours sincerely

Head Teacher

Stage 2

Draft first letter to parents having an outstanding debt

xxxxxxx Primary School

Parent or carer of xxxxxxxxxxxxxxxx

Xxxxxx

Xxxxxx

Xxxxxx

Xxxxxx

xxxxxx

Our records show that you have not paid dinner money for your child
xxxxxxxxxxxxxx Class: xx

As at 01/01/2013 your account is showing a debt of **£xxxx**

Please arrange for this money to be paid within 5 working days, once the debt is cleared please ensure the account is always in credit.

You have x ways to pay:

1. In person to the School Bursar
2. Send a cheque to the school

The cost of a school meal is £x.xx per day - £xx per week.

If you have any queries regarding these arrears, please contact the school office immediately.

Yours sincerely

Headteacher

Stage 3

Draft second letter to parents having an outstanding debt

xxxxxxx Primary School

Parent or carer of xxxxxxxxxxxxxx

Xxxxxx

Xxxxxx

Xxxxxx

Xxxxxx

xxxxxx

01/01/2013

Our records show that you have not paid dinner money for your child
xxxxxxxxxxxxx Class: xx despite a previous written reminder and a telephone
call.

As at xx/xx/xxxx your account is showing a debt of £x

Please arrange for this money to be paid within 5 working days,
You have 2 ways to pay:

1. In person to the School Bursar
2. Send a cheque to the school

Since non-payment for school meals affects the quality of service we offer to the
children, the school reserves the right to begin legal proceedings to recover the
debt and to inform social services of our concerns that you are not providing a
meal for your child at lunch time.

If you have any queries regarding these arrears, please contact the school office
immediately.

Yours sincerely

Headteacher

Review of efficiency in the schools system

1. Purpose of this Report

The purpose of this report is to consider the recent document published by the DFE on school efficiency and facilitate a discussion on how schools achieve better efficiency.

2. Recommendations

- The Forum note the DFE report.
- That Forum members encourage their collaboratives to feedback practical case studies on value for money.
- A benchmarking club is set up to consist of School Admin Officers and Local Authority Officers with the purpose to collect examples of good practice amongst schools on value for money projects and to share these with all schools.

3. Background

3.1 The Department for Education has published a review of school efficiency. They undertook the review as they wanted to make sure that schools do their part in securing value for money in public spending. They wanted to support schools to learn from the best and drive even better outcomes from the money that they spend. The review identified seven key characteristics of the most efficient schools, which are detailed in paragraph 4 below.

3.2 There are many tools available to heads and governors to help determine how to secure better value for money. If anything maybe too many. Recently we considered and held discussions with schools regarding the research undertaken by the Sutton Trust in relation to the pupil premium. The Sutton Trust analysed different types of expenditure and linked them to the number of months improvement in children outcomes. A pictorial representation of their findings is shown in Appendix E to this report.

4. The review of efficiency in the schools system

The full DFE report can be found on the following website

<https://www.gov.uk/government/publications/review-of-efficiency-in-the-schools-system>

The latest DFE research describes what they feel to be the seven key characteristics of the most efficient schools. They conclude these schools:

- 4.1 Deploy the workforce effectively**, with a focus on developing high quality teachers. It is accepted that teacher quality is proven to be the single most important feature of successful education systems. The DFE feel the most efficient schools they visited, invest a great deal of effort to get the staffing structures right, recruiting the right people and ensuring that they are continually supported to improve.
- 4.2 Make use of evidence to determine the right mix of teaching and education support staff.** The DFE found that, particularly in the secondary phase, high attaining schools tend to spend proportionately more on teaching staff and proportionately less on education support staff than their lower attaining peers. This was still the case even when comparing schools in similar circumstances and with similar pupil intakes. However, the way schools deploy support staff is also important, with the potential to have a significant and positive impact on pupil outcomes if used in line with the evidence on what works.
- 4.3 Employ or have access to a skilled school business manager who takes on a leadership role.** They state that there is strong evidence that the employment of a high quality school business manager (SBM) can enable schools to save significant amounts of money. In all the schools we visited the SBM plays a prominent role.
- 4.4 Make good use of financial benchmarking information to inform the school's own spending decisions.** Schools that use benchmarking information to compare themselves to similar schools, and who act on what they find, manage to generate significant savings.
- 4.5 Make use of school clusters**, sharing expertise, experience and data, as well as accessing economies of scale when making shared purchases. All the schools that they visited that were part of some kind of cluster arrangement, they felt there was clear evidence that schools can drive far-reaching efficiency savings by working together with other schools.
- 4.6 Manage down back office and running costs.** The DFE feel there remains considerable variation in the amount that similar schools spend on running costs, such as energy or premises. The most efficient schools drive these costs down through improved procurement practices and a greater focus on value for money.
- 4.7 Have in place a strong governing body and leadership team** that challenges the school's spending. A governing body that is willing to

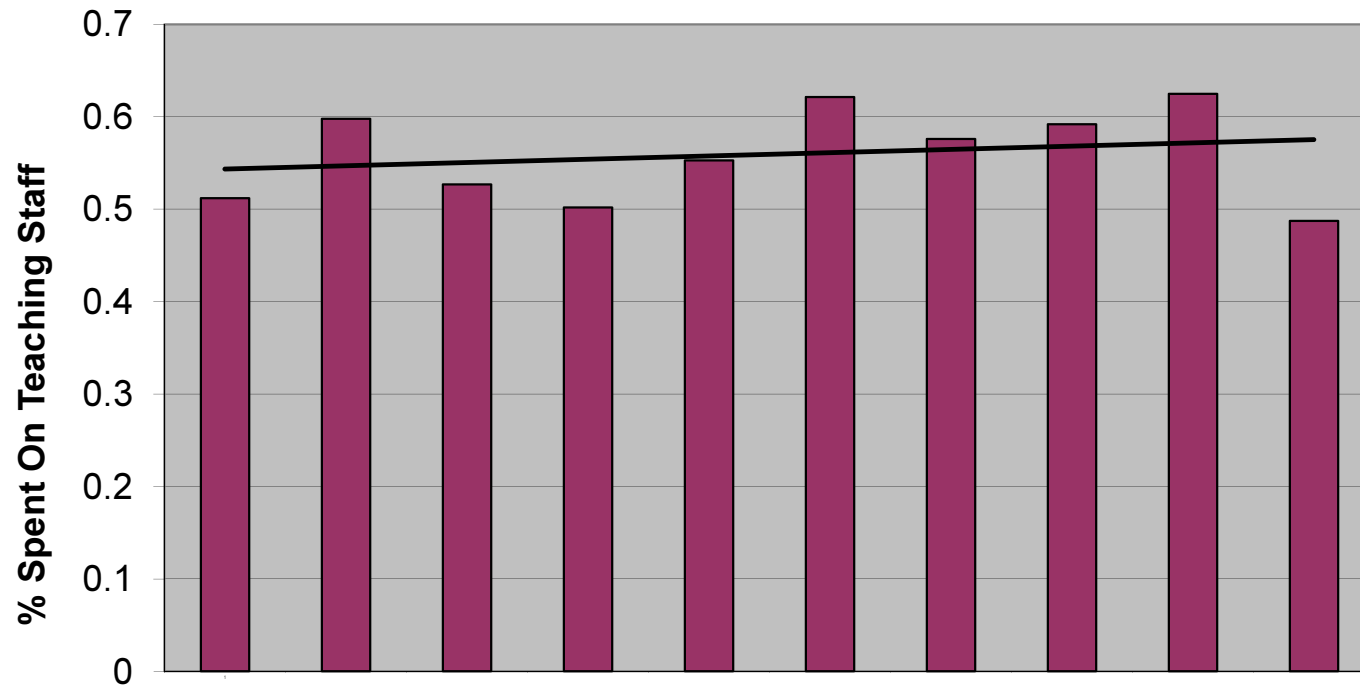
challenge schools on their use of workforce, their use of benchmarking information and the other aspects drawn out above, is a vital factor in encouraging greater whole-school efficiency. Where this is supported by a strong leadership team that is open to and welcoming of this challenge, schools can make significant efficiency gains.

- 4.8** The findings are probably not surprising as they surround similar themes that have been discussed widely in the past. The importance though is that Governing bodies and Headteachers are considering them when setting their school development plans and school budgets and ask themselves challenging questions.
- 4.9** The DFE in this report produced a number of graphs to compare spending patters in high and low performing schools. Their conclusion being that high performing schools spend more on teaching staff than they do on education support staff. This ties in with the Sutton Trust research. The graphs have been recreated for Lewisham schools and are attached in the appendices(A to D) to this report. While there is not such a marked correlation, if you apply a trend line to the graph it does broadly support this argument.

5 The next steps

- 5.1** We plan to send out our own benchmarking data at the end of this month and will include details of the findings of the DFE report together with some of the graphs on spending on teaching and education staff. We will encourage governors to review their spending patterns as they build next years budget.
- 5.2** It is important that there is sharing and co-ordination of good practice where a school has already made efficiency gains. One vehicle for this deliberation would be the collaboratives. Alternatively a group of School Admin Officers work with Local Authority Officers could be set up to discuss practical ways to increase value for money in schools. This would be originated and supported by officers who would report back to the Forum in the Spring.
- 5.3** An alternative avenue would be to equip school business managers to use benchmarking data and other sources to identify areas where some schools do well and for them to bring ideas to your management teams which are relevant to your school.
- 5.4** Perhaps Forum can initiate the process by forming a sub group of Heads who would bring examples of developments they have undertaken in school that have led to improved efficiency or effectiveness in the use of resources. The group could be asked to produce two or three examples of case studies for Forum consideration that could then be promoted with all schools?

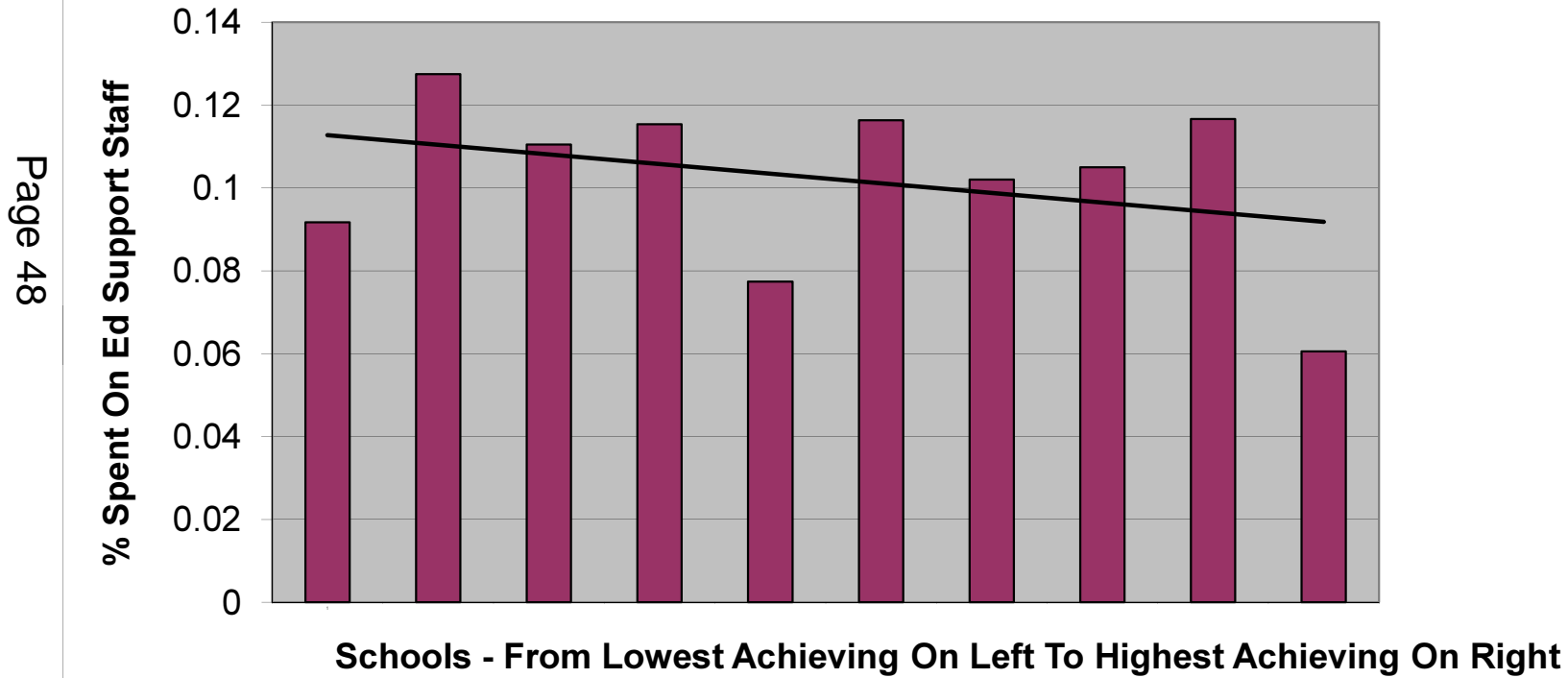
Secondary Schools - % Of Budget Spent On Teachers - Sorted By Pupil Attainment



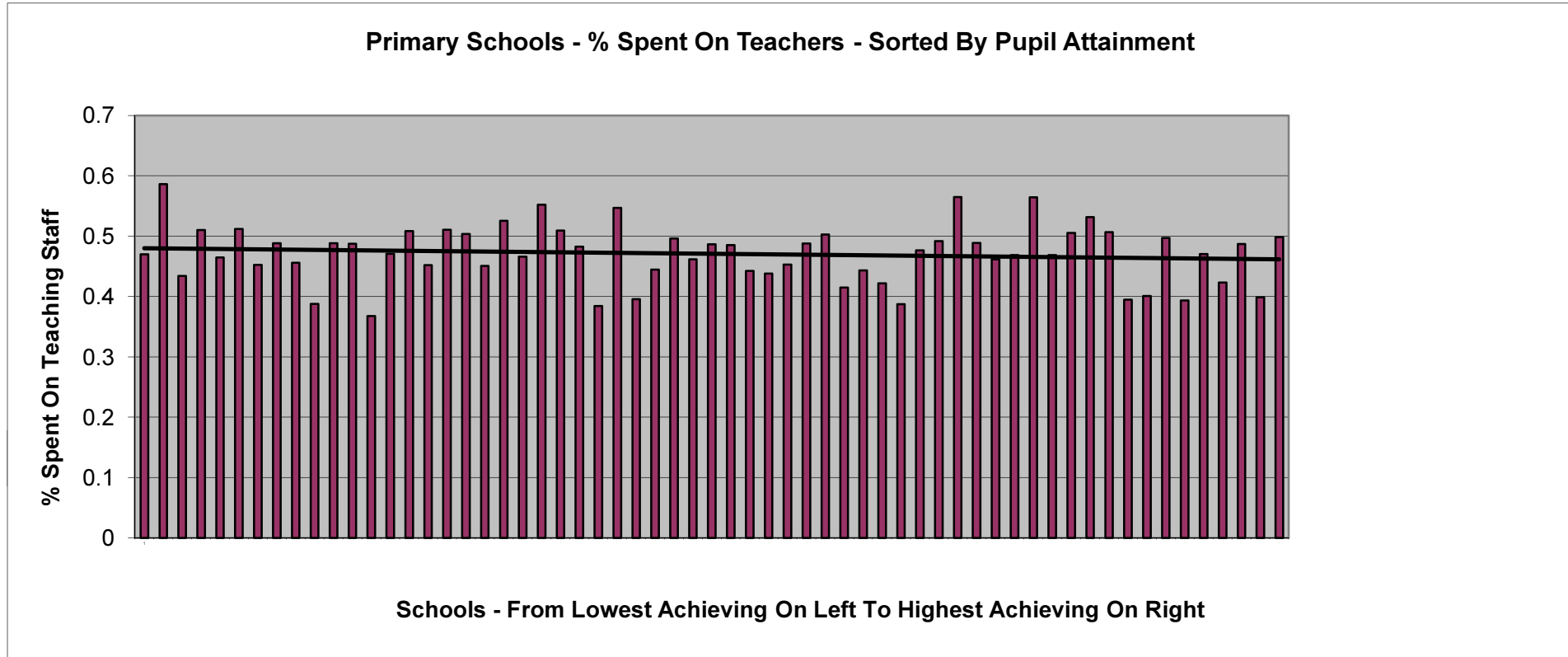
Schools - From Lowest Achieving On Left To Highest Achieving On Right

Note: Achievement is based on pupils With 5+ A* To C GCSE's (inc Eng & Maths)

Secondary Schools - % Spent On Education Support Staff - Sorted By Pupil Attainment

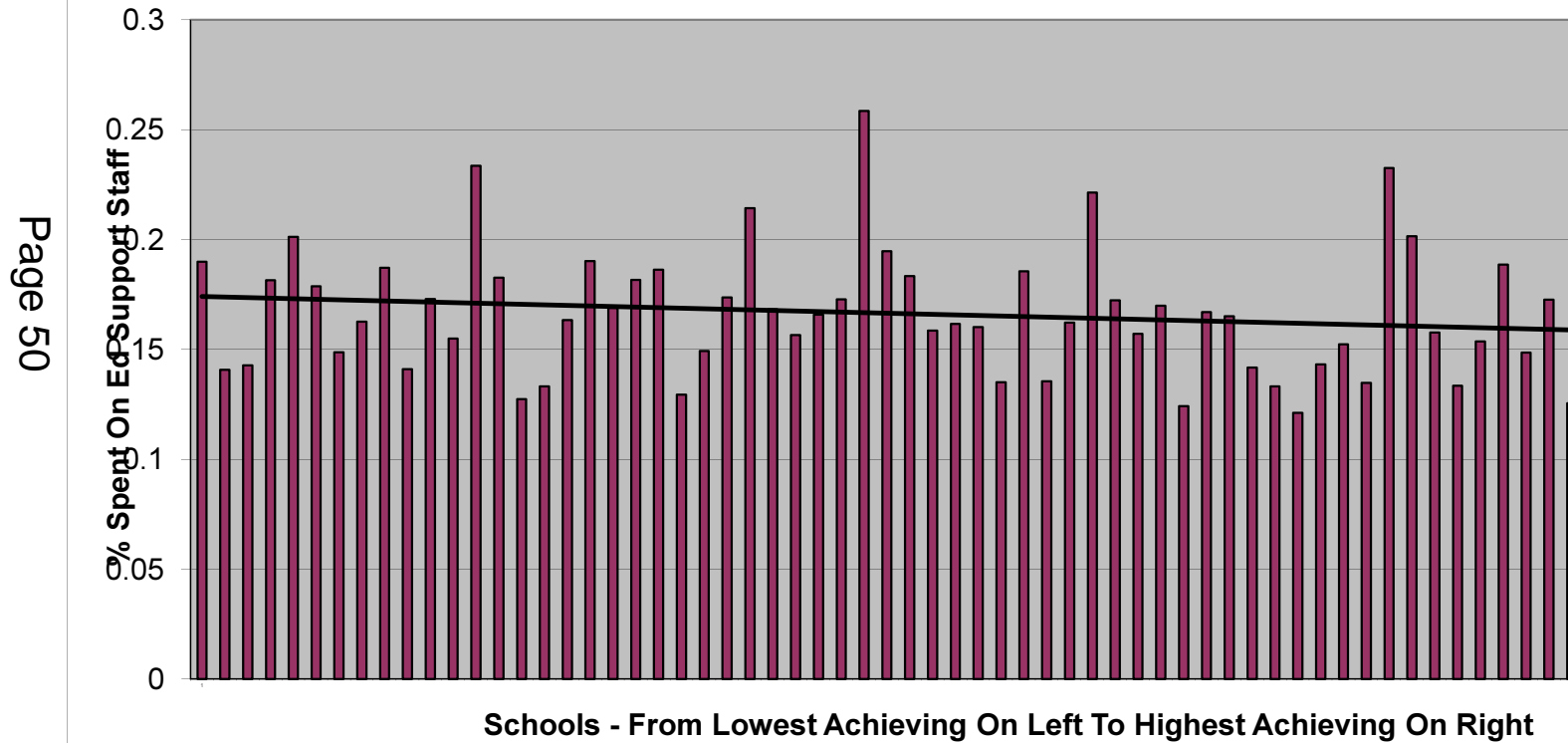


Note: Achievement is based on pupils With 5+ A* To C GCSE's (inc Eng & Maths)



Note:- Achievement is based on the percentage of children Achieving Level 4 In English And Maths

Primary Schools - % Spent On Education Support Staff - Sorted By Pupil Attainment



Note:- Achievement is based on the percentage of children Achieving Level 4 In English And Maths

Findings of the Sutton Trust review of the spending on the pupil premium

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