

# Schools Forum Agenda

Thursday, 19 June 2014

**4.30 pm – 6.30 pm**

Committee Room 4 – Civic Suite

Lewisham Town Hall

London SE6 4RU

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<b>Item</b>	<b>Pages</b>
1. Minutes of Last Meeting	1 - 6
2. Matters Arising	
3. End of Year Financial Position	7 - 18
To review the schools carry forward balance at the end of the financial year (as at 31 March 2013) and to consider whether any schools should be capped. It also looks at the final end of year position on the Dedicated Schools Grant.	
4. Budget Update	19 - 27
This paper looks at the latest notification of the DSG and discusses the recent Fair funding consultation and notes the consultation issued on converting non-recoupment academies to recoupment academies and amending the funding of local authorities for pupils in free schools from 2015-16.	
5. Investment Proposal For 19-25 PMLD Provision	28 - 32
This paper looks at an invest to save proposal for PMLD provision.	
6. Funding Reviews	33 - 35
It was agreed in December to have a rolling review of funding over the coming year rather than to leave all the decisions to the budget setting meeting.	
1. Paper 6 – Collaborative Funding	
2. Progress of the Lewisham Futures Board – verbal update	

7. Education Services Grant Consultation

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The DFE issued a consultation to consider how education services can be provided more innovatively and efficiently. The response is discussed in the attached paper.

8. Any Other Business

**Dates of Future Meetings**

25 September 2014

11 December 2014

15 January 2015 (reserve date if needed to discuss budget)

19 March 2015

All meetings 4.30 to 6.30

## LEWISHAM SCHOOLS FORUM

### Minutes of the meeting held on Thursday 20th March 2014

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

✓ = present

✗ = absent

		Attendance
<b>Primary School Headteachers</b>		
Irene Cleaver	Athelney	✓
Steve Davies	Coopers Lane	✓
Liz Booth	Dalmain	✓
Paul Moriarty	Good Shepherd	✗
Lisa Pearson	Torridon Infants	✗
Michael Roach	John Ball	Apologies
<b>Nursery School Headteacher</b>		
Nikki Oldhams	Chelwood	Apologies
<b>Secondary School Headteachers</b>		
Anne Potter	Addey & Stanhope	✓
Bob Ellis	Conisborough College	Apologies
David Sheppard	Leathersellers Federation	✓
Carolyn Unsted (Chair)	Sydenham	✓
<b>Special School Headteacher</b>		
Lynne Haines	Greenvale	✓
<b>Pupil Referral Unit Headteacher</b>		
Liz Jones	Abbey Manor	Apologies
<b>Primary &amp; Special School Governors</b>		
Keith D'Wan	Athelney	✓
Erica Pienaar	John Ball	Apologies
Mark Simons	Coopers Lane	✗
<b>Secondary &amp; Secondary Special School Governors</b>		
Simon Nundy	Trinity	✗
James Pollard	Addey & Stanhope	✓
VACANT	Special School	
<b>Academies</b>		
Declan Jones	Haberdashers' Aske's	Apologies
<b>16-19 Consortium Rep</b>		
Theresa Williams	LeSoCo	Apologies
<b>Early Years Rep</b>		
Cathryn Kinsey	Clyde Nursery	✗
<b>Diocesan Authorities</b>		
Rev Richard Peers	Southwark Diocesan Board of Education	✗
Stephen Bryan	Education Commission	Apologies

<b>Also Present</b>	
Hayden Judd	Principal Accountant – Schools Team
Alan Docksey	Head of Resources
Sue Tipler	Head of Standards and Achievement
Martin O'Brien	Sustainable Resources Group Manager
Dave Richards	CYP Group Finance Manager
Janita Aubun	Clerk
Kim Knappett	Teacher Unions (ALT)
Matthew Eady	Service Unit Manager – Estate Management

## **Apologies for Absence**

An apology was received from Michael Roach, Nikki Oldhams, Bob Ellis, Theresa Williams, Liz Jones, Erica Pienaar, Declan Jones, Stephen Bryan & Frankie Sulke.

### **1. Minutes of Meeting held on 12th December 2013**

The minutes were agreed and signed by the Chair.

### **2. Matters Arising**

No matters arising.

### **3. Energy Policy**

Martin O'Brien presented the Council's Energy Policy report 2014 -18 to Forum for invitation to comment and for approval.

Forum discussion regarding a mild winter and its implications. Suggestion also for widely publicised data to be made available on energy consumption. Martin O'Brien to supply this data for September 2014 Forum.

Recommendations were agreed by Forum which included:

- Target of 20% reduction in annual carbon emissions from buildings across the Council by March 2018.
- Target of 20% reduction in carbon emissions per pupil for schools by March 2018.

### **4. Catering**

Catering Contract and Universal Free Meals Reports – both presented by Matthew Eady to Forum for discussion.

- The Catering Contract report is a copy of the Mayor and Cabinet Report 19 March 2014 which is excluded from the press and public. In summary, all contracts relating to the provision of school meals expire April 2015. The Council has started the process for procuring a contractor to deliver school meals from May 2015 with a timetable set out in line with OJEU legislation requirements.
- Universal Free Meals report – Forum were invited to give their views on the planned price increase of paid meals to KS2 pupils and above. Dave Richards explained the impact of funding government grant being set at £2.30 and the reduction in recharge to schools for contract costs.

Recommendation that Forum note the report, and this was agreed.

## 5. Budget Monitoring

Report presented by Dave Richards for Forum discussion on the budget monitoring position of the central budgets within the DSG at end January and the schools budget monitoring returns at end December 2013.

School Balances - Indications are that the carry forward will be around £14m. Dave Richards will bring an up to date position to next Forum.

Schools Financial Value Standard (SFVS) – Lewisham did not meet the Standard last year. Forum were requested that they remind schools to return any outstanding which were due by 31 March 2014.

Mutual Funds - no change since last Forum.

Recommendations agreed by Forum:

- Forum note the report.
- Forum agree to transfer £362k new funding for delivery of the 2 year old entitlement to the early years block.

## 6. Budget Setting 2014/15

Report presented by Alan Docksey and Dave Richards to update the Forum on the final budget settlement and to agree the approach to completing the individual school budget return required by the DFE.

Issues discussed:

- Forum informed that the settlement for the schools block was broadly in line with expectations; schools budgets issued with funding rates fixed at the same level as the 2013/14 funding rates. The High Needs Block settlement was still outstanding.
- Big Lottery – bid being led by the Children’s Society supported by the local authority and CYP partner, which if successful, could mean extra funding between £30 - £50M over the next 10 years. The decision to provide support to the project of £200K was confirmed.
- Year 10 & 11 Students – 40 students in college and therefore not included on a school roll, consequently not funded in schools block. Proposal to take the funding from the high needs block was agreed but the issue of the missing students will be discussed with the Secondary Heads Consultative.

Capital Funding:

Alan Docksey informed Forum that The Department for Education have confirmed the devolved formula funding rates. They are as follows:-

	Per Pupil	Lump Sum
Nursery / Primary	£11.25	£4,000
Secondary	£16.88	£4,000
Special	£33.75	£4,000

The allocation for each local authority and VA school is based on the relative proportion of DFC paid to the schools in the respective local authority. Lewisham will pursue with the DFE how they make their allocations for Basic Need as there appears to be disparity between Boroughs in terms of when demand for places is identified and funded. .

Chair requested an update on the situation for September's Forum.

## 7. Cash Advances

Report presented by Hayden Judd to agree the re-profiling of cash advances to schools from 2014/15, so that the majority of a school's cash advance is advanced in April.

- To reduce the total number of cash advances (both scheduled and ad hoc), by providing more cash at the start of the year.
- The April 2014 cash advance would be equivalent to the level of spend from the school's bank account in the whole of the 2013/14.
- School bank balances would be reviewed in January 2015 and any additional advances required would be made.

Forum agreed all recommendations.

## 8. Scheme of Delegation and Schools Finance Manual

### Scheme of Delegation

- Adopt the changes to the Scheme as published by the DfE in that only Forum members representing maintained schools have a role in the approval of scheme changes.
- Schools can spend their budgets on pupils who are on the roll of other maintained schools including academies.
- The LA can charge costs to a school's budget where support has not been made, by the school, for a low need or high need SEN pupil.

### Schools Finance Manual

**To raise the purchasing thresholds:**

Required For Best Value	Proposed
No Quotes Required	£0 – £10,000

3 Quotes Required	£10,001 - £25,000
4 Quotes Required	£25,001 – £50,000
Tender	£50,001 – £100,000
Tender With LA Approval	over £100,000

Forum agreed the above recommendations.

## 9. Traded Services

Report presented by Alan Docksey – a paper which looked at the report which is being considered by the Children and Young People Select Committee. The report provided information on the services traded with schools and the work being undertaken to look at the future shape, level, and charges for services to be provided.

The report highlighted that Traded services will continue to do their SLA work until further notice.

The contents of the report were noted by Forum.

## 10. Items For Information

### Annual Internal Audit Report:

- This informative paper provided Forum with an overview of the findings and recommendations from the schools internal audit work undertaken in 2012/13.

The contents of the paper were discussed and officers were asked to continue to ensure governors were made aware of the recommendations that were being made by the auditors.

### Health & Safety Audit:

- This report provided a summary of the H&S audit work, their key findings and recommendations. Appendix A & B gave a detailed breakdown by school to aid managing health and safety.

Forum discussed and noted the report.

### Absence Report

- An absence update report was discussed at Forum. This discussed the fact that at Schools Forum in September, it was noted that there was a significant level of absence reported under the category 'details not provided'. To address, this the Corporate Council has set up a list of 15 wider but clearer reasons for absence with a letter being sent to schools before Easter to explain the reasons.

This report was noted.

## 11. Any Other Business

Discussion about Disclosure and Barring Service (DBS). Is a safeguarding issue and employment issue and that some school staff are not presenting their DBS clearances to the LA when requested as part of ensuring they are Safe to Recruit. Heads agreed to follow up with relevant staff when notified.

Kim Knappett recommended an on-line system which could be utilised once trained. Alan Docksey confirmed the Authority are in the process of introducing an on-line system.

Alan also suggested staff on Lewisham payroll's pay be stopped if they do not produce their clearance when asked for and Heads were supportive of this.

Meeting closed 6.30pm

Date of next meeting 19 June 2014

### SCHOOLS FORUM ACTION SUMMARY – from schools forum 20<sup>th</sup> March 2014

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME/CURRENT POSITION
<b>3. Energy Policy</b>	Data on energy consumption to be produced.	Martin O'Brien	To be reviewed at September 2014 Forum



## End of Year Financial Position and the Balance Control Mechanism

### 1. Purpose Of The Report

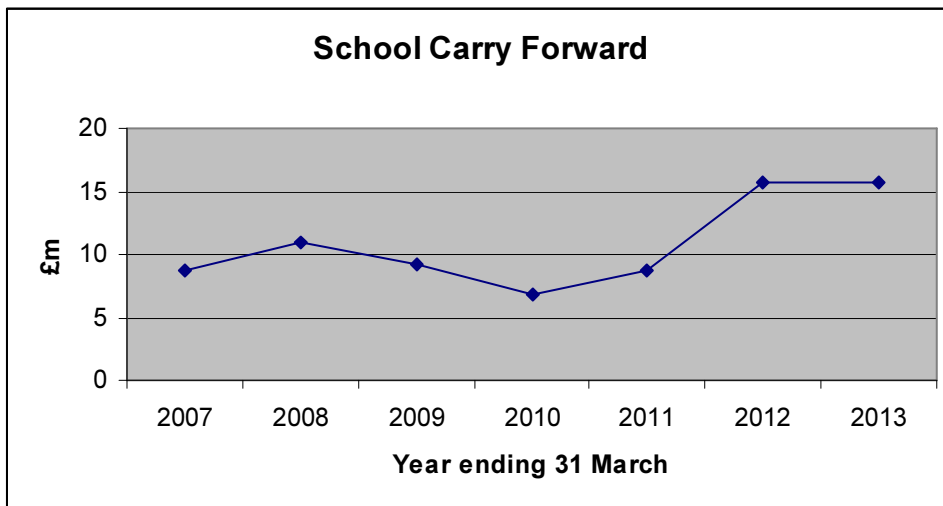
This report considers the schools' carry forward position at the end of the financial year and puts forward options for capping schools with excess balances. It then considers the final position of the Dedicated School Grant at the end of the financial year.

### 2. Recommendation

- i) The Forum note the balances held by schools
- ii) The Forum agree that all schools that had an excess balance last year (as at 31 March 2013) and where that balance has increased during the 2013/14 financial year, will
  - a) Have a specific letter about their carry forward
  - b) The balance will be capped
  - c) The funding will be released back to the school based on an appropriate budget plan showing how the excess balance will be spent or by demonstrating the expenditure has been incurred.
- iii) All schools to be sent a letter detailing the increase in balances and saying that while the capping mechanism has not been applied in the past, due to the national financial economic position this will not necessarily be the case in the future.
- iv) That the schools balance control mechanism remains in place but officers are asked to give consideration on how to further support schools with their financial management.
- v) The Forum note the underspend on the 2 years old grant.
- vi) The Forum agree to delay the decision on the mutual funds balance until the September meeting.

### 3. Schools Carry Forwards

**3.1** Appendix A contains a list of school carry forwards at the end of the 2013/14 financial year (31 March 2014). The total year end balances in schools was £15.7m. The balance at the end of the previous year also stood at £15.7m (31 March 2013). This has stopped the trend of recent years where the carry forward balance in schools was increasing. The amount of funds that are deemed as excess balances (8% of a schools budget in Primary and Special schools, 5% in Secondary) by schools has fallen from £5.5m to £4.7m



**3.2** The average percentage balance for Primary schools is 9% and 5% for Secondary Schools. For schools overall the percentage carry forward is 8%.

**3.3** Forum members are aware that surplus balances should not be seen as just a year-end issue. Instead, it should be integrated within the multi-year school budget planning and monitoring cycles. In order to ensure this and to avoid the process of challenge and claw back going beyond the summer term, we have a pre-authorisation process, whereby schools wishing to retain balances above the threshold have to apply before the end of the financial year to do so.

**3.4** 26 schools applied to exceed the capping limit before the end of the year. These were initially considered by the Head of Resources and the Group Finance Manager. A summary of the circumstances are presented in the appendix.

- 3.5** There are no schools who exceeded the capping limit and that did not apply this year to retain them.
- 3.6** There were nine schools that last year had an excess balance and the Forum asked that they be visited for discussion to take place on managing their balances down. Three of these schools though have increased their carry forward. Two of these can demonstrate they are for good reason. For the federated schools of Elfrida and Athelney, contractors were not able to undertake building works as the ground has been saturated with rain water over the winter while the works are underway, and will be completed. The costs will fall in 2014/15. At Adamsrill negotiations with contractors have not been concluded in the timescales expected. Due to the complications of the school places, the expansion work at John Stainer, has been delayed. The schools planned capital works run concurrently with the places expansion work and have consequently been delayed.
- 3.7** This year schools were also given an opportunity to highlight adjustments that they felt were not in the accounts but should be taken into consideration when the balances are reported. For example internal payments on PFI schemes, advancements of future years' federation funding and balances held on behalf of other schools. These adjustment are shown in Appendix A and total £1.9m. Taking these into account, the balance in schools would reduce to £13.9m
- 3.8** A short survey of London Authorities was undertaken by the finance team to see how many schools forum operate balance control mechanisms. Current returns indicate 50% of the borough's operate such controls. The Forum are asked to consider whether they want to continue with the balance control mechanism.

#### **4 Balance Control Mechanism and financial management**

- 4.1** There have been a number of issues highlighted in the press recently regarding poor financial management and probity in schools particularly in academies and free schools. It is suggested that rather than weaken the challenge made to schools, consideration needs to be given to how to help improve and strengthen their financial management further.

- 4.2** The balance control mechanism is not a means to take money away from schools but rather a way to encourage better financial management. The Forum agreed the continuation of the current scheme on 17 February 2011
- 4.3** The scheme of delegation describes how the balance control mechanism operates and is shown in Appendix B to this report. The scheme of delegation makes provision for capping of schools balances. Within the scheme there is provision to enable schools to agree plans for excess balances with the Authority.
- 4.4** The Balance Control Mechanism is in place to ensure funding is spent on those pupils within the school at the time the funding is allocated. It is not intended to be an interference with the running of the school, rather a means to ensure that there is adequate financial management. It approaches excessive balances from the point of view that children are missing out on the benefit of funds they are entitled to. It is designed to allow a flexible approach so as not to impose draconian measures on schools. The level of funding that should remain in reserves of schools will always be a matter of debate as will whether such a mechanism to control balances should be in place. The DfE have relied on the Schools Financial Value Standard to secure the proper financial management in schools.
- 4.5** Historically, local authorities were required by legislation to have a balance control mechanism in their local Scheme for Financing Schools. However, this rule was relaxed from 2012-13 when the Department for Education guidance stated that “a Scheme **may** contain a mechanism to clawback excess surplus balances. Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. The mechanism should, therefore, be focused only on those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area”.
- 4.6** In terms of judging local authority’s financial management of schools, the DfE use a trigger of at least 5% of schools holding balances of at least 15% of their budgets for five consecutive years, as a measure. While this has not currently been triggered in Lewisham, if balances remain at their current level this limit will be exceeded at the end of 2015/16.

- 4.7** One option would be to adopt the DfE's 15% trigger in the balance control mechanism.
- 4.8** The documents suggest that any LA 'caught' by the criteria will be 'approached' by the DfE and asked whether that is appropriate. What it doesn't make clear is what, if any, sanctions that approach might result in. The analysis of the data suggests that any resources should be targeted at those LAs caught by more than one criterion. The risk-based approach should also consider whether LAs have made appropriate risk-based interventions themselves and whether there are 'persistent offenders'.
- 4.9** It is suggested that rather than weaken the challenge made to schools, consideration needs to be given to how to help improve and strengthen their financial management further. It is proposed officers bring a report back to the Forum later this year.

## **5. Capping Of Individual Schools**

There are numerous ways a cap could be implemented and the Forum are asked to consider the current approach. The following list provides a number of options and makes comments about each one. This list is not intended to be exhaustive but highlights the most likely ways to implement a cap.

### **5.1 Individual judgement by officers on whether each school should be capped.**

#### **Comments**

- Applications are sometimes light on detail to make a full judgement on whether the school should be capped and clarification would need to be sought from the schools concerned.
- In line with scheme

**5.2 A blanket cap on all schools with excess balances with provisos.**

Once a school has spent the funding in line with their application to exceed the cap, the money will be returned to them. Any excess that is not spent would be retained and the views of Forum sought regarding use of the funds.

**Comments**

- Administratively heavy
- While this seems harsh it does give schools a year's grace to resolve their problem
- Strong message to schools that if the funding is not spent on those pupils it was provided for or intended purpose, it will be capped

**5.3 Schools with excess balances for two years are capped**

**Comments**

- This is in line with the scheme
- Arbitrary capping may deprive schools of essential funds.

**5.4 An individual school letter requesting an appropriate plan to spend the excess with the proviso that if it is not spent by the year end the school will be capped**

A letter to be sent to those schools that had an excess balance at the end of the previous year (2012/13) and have increased the balance during the 2013/14 financial year. The letter will say the funding has been capped but will be returned to the school on the basis of a financial plan or upon demonstration that the funding has been utilised as planned and agreed. At the end of the 2014/15 if the school still has an excess balance that is not spent, this would be retained and the views of Forum sought regarding use of the funds.

**Comments**

- This is a variation of 5.2 described above
- Administratively less heavy than a visit but potentially less effective
- While this seems harsh it does give schools a years grace to resolve their problem
- Strong message to schools that if the funding is not spent on those pupils it was provided for, it will be capped or lost

**5.6** It is a fine balancing act to decide which option to take. The trend of increasing balances means funding is not being spent on pupils it is intended for and this needs to be addressed. It is suggested that option 5.4 provide the most appropriate way forward while still giving the schools concerned 12 months to address the issues.

**5.7** It is important the all schools are aware of the issues and the latest position. It is therefore also recommended that all schools receive a letter explaining this.

**6. Dedicated Schools Grant Outturn**

**6.1** Excluding schools, the Dedicated Schools Grant showed a balanced position at the year end, apart from the 2 years old grant which has been carried forward.

<b>Dedicated Schools Grant</b>	<b>£'000</b>
Increased number of placements in the independent special school sector and colleges	823
Contingency allocation	-823
2 year old grant underspend due to fewer places provided than grant provided for	-2054
2 year old grant carry forward	2054
<b>Total</b>	<b>0</b>

The 2 year olds grant carry forward will be placed in a reserve which can be utilised by the Forum as needed. It is not proposed to make a decision on its exact use currently; in theory the intended use should be for 2 years olds but it can be used as an emergency buffer for the cost pressure being faced by the High Needs Block.

**7. Mutual Funds**

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

<b>Fund</b>	<b>Budget</b>	<b>End Of Year Spend</b>	<b>Balance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Growth Fund</b>	<b>2,161</b>	<b>2,231</b>	<b>-70</b>
<b>Contingency</b>	<b>1,222</b>	<b>89</b>	<b>1,133</b>
<b>Maternity Fund</b>	<b>823</b>	<b>734</b>	<b>89</b>
<b>Total</b>	<b>4,206</b>	<b>3,054</b>	<b>1,152</b>

**7.2** There are three options with the balance on these funds.

**7.2.1** The funding is returned to schools.

**7.2.2** Secondly, the Forum could take a cautious approach in the first instance and hold the funds until the financial position on the high needs block is clearer in the Autumn and make a decision in September on the funds' use.

**7.2.3** Finally, the Forum may wish to retain the funds to address issues with schools rolls falling, particularly in secondary schools, only for the roll to rise as the primary bulge comes through to the secondary sector.

The national changes made in 2013-14 are intentionally centred on the number and characteristics of pupils rather than the circumstances of schools, but a pupil-led system can cause difficulties where local authorities identify that number of places required will increase in the near future and therefore want to ensure that required schools remain viable in the short term.

The Department for Education recognise this and now allow local authorities, with the agreement of Schools Forum, to top-slice the DSG funding to create a small fund to support schools with falling rolls in exceptional circumstances. Currently the budget does not allow for this.

**7.3** In the light of the above it is proposed to bring a paper back to the Forum in September to make a decision on all three options.



## **8 Conclusion**

Schools still face challenging financial circumstances. Funding growth has already slowed, apart from the pupil premium which OfSTED require schools to demonstrate how they have spent. Hanging over the public sector remains the further tightening of funding settlements and the increased probability that the national ring fence of school budgets may not continue. On the other hand there is a level of resources that is lying dormant and not being utilised for the benefit of the children that it was provided for. In times of financial retrenchment the increasing levels of balances may encourage the Government to reduce funding for schools. While capping any school is regrettable, it should also be seen as a mechanism to drive the application of strong financial management controls. If funding is not spent on the pupils in the schools, it puts at risk their educational achievement.

Dave Richards

Group Finance Manager – Children and Young People

Contact on 020 8314 9442 or by e-mail at  
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**Balance Control Mechanism**

School	2013/14 Budget*	Pupil No's**	2012/13 Balance***	2013/14 Balance***	2013/14 Excess Balance	Balance As %age Of Budget	Valid Reason for Excess	2012/13 Excess Balance	Balance As %age Of Budget	Adjust For Accruals, Banker Funds, Etc.	2013/14 Capital Balance	2013/14 Letter?	2012/13 Visit?
Adamsrill Primary School	3,027,228	527	726,663	975,317	733,139	32%	Yes	517,630	28%	£ 20,000	-	Yes	Yes
All Saints' CE Primary School	1,041,709	211	14,685	44,142	-	-4%		-	1%		-		
Ashmead Primary School	1,549,194	276	89,734	107,126	-	7%		-	7%		-		
Athelney Primary School	3,168,522	464	879,845	653,496	400,014	21%	Yes	653,193	31%	£ 81,000	-		Yes
Baring Primary School	1,604,991	265	73,388	42,721	-	3%		-	5%		-		
Beecroft Garden Primary School	1,946,688	282	295,190	320,578	164,843	16%	Yes	163,787	18%	£ -	-		
Brindishe Lee Primary School	1,323,182	260	111,905	132,706	26,851	10%	Yes	11,963	9%	£ 41,848	-	Yes	
Childeric Primary School	2,818,735	422	164,177	263,753	38,254	9%	Yes	-	6%	£ 30,373	-	Yes	
Christ Church CE Primary School	1,434,128	222	109,705	52,399	-	4%		-	8%		-		
Cooper's Lane Primary School	3,015,690	496	172,413	193,951	-	6%		-	6%		-		
Dalmain Primary School	2,216,878	388	84,821	29,810	-	1%		-	4%		-		
Deptford Park Primary School	3,945,478	615	273,225	142,969	-	4%		-	7%		-		
Downderry Primary School	2,699,937	467	133,627	229,994	13,999	9%		-	5%	£ -	-		
Edmund Waller Primary School	2,377,304	446	21,387	45,629	-	2%		-	1%		-		
Elfrida Primary School	2,479,701	406	276,812	261,316	62,940	11%	Yes	89,839	12%		-		Yes
Eliot Bank Primary School	2,650,985	514	396,429	206,532	-	8%		204,209	16%		-		
Fairlawn Primary School	2,495,368	475	132,492	3,229	-	0%		-	6%		6,734		
Forster Park Primary School	3,065,414	479	629,082	501,082	255,848	16%	Yes	406,491	23%	£ 89,179	-		Yes
Good Shepherd RC Primary School	1,476,404	252	124,669	149,450	31,337	10%		12,216	9%	£ -	-	Yes	
Gordonbrock Primary School	2,954,647	545	386,231	368,733	132,361	12%	Yes	175,433	15%	£ -	-		Yes
Grinling Gibbons Primary School	1,853,733	280	172,822	213,283	64,984	12%	Yes	37,768	10%	£ -	76,090	Yes	
Haseltine Primary School	2,476,550	340	153,078	89,712	-	4%		-	7%		-		
Brindishe Green Primary School	3,721,598	597	114,247	138,537	-	4%		-	3%		-		
Holbeach Primary School	2,835,678	469	265,562	349,442	122,588	12%	Yes	42,009	10%	£ 129,573	-	Yes	
Holy Cross RC Primary School	1,294,992	235	90,738	94,269	-	7%		-	7%		-		
Holy Trinity CE Primary School	1,185,683	195	118,945	112,334	17,479	9%	yes	31,626	11%	£ -	-		
Horniman Primary School	1,110,381	234	131,781	31,036	-	3%		38,476	11%		-		
John Ball Primary School	2,471,562	493	55,505	62,915	-	3%		-	2%		-		
John Stainer Primary School	1,589,770	278	254,045	292,220	165,038	18%	Yes	137,700	17%	£ 5,969	44,442	Yes	Yes
Kelvin Grove Primary School	3,482,032	530	76,162	158,303	-	5%		-	3%		21,420		
Kender Primary School	2,041,778	315	127,816	144,351	-	7%		-	8%		40,000		
Kilmorie Primary School	2,408,584	400	247,016	193,418	731	8%		80,110	12%		69,476		
Launcelot Primary School	2,510,144	425	162,999	51,358	-	2%		-	7%		-		
Lee Manor Primary School	2,417,845	446	84,303	113,430	-	5%		-	4%		1,982		
Lucas Vale Primary School	2,215,345	365	22,633	224,831	47,603	10%	Yes	-	1%	£ 9,621	-	Yes	
Marvels Lane Primary School	2,489,762	393	125,620	136,723	-	5%		-	6%		-		
Myatt Garden Primary School	2,604,531	465	318,170	174,003	-	7%		129,986	14%		-		Yes
Our Lady and St Philip Neri RC Primary School	1,719,864	326	137,675	178,584	40,995	10%	Yes	12,065	9%	£ -	-	Yes	
Perrymount Primary School	1,731,649	221	159,292	113,969	-	7%		28,162	10%		-		
Rangefield Primary School	2,757,278	445	275,459	363,088	142,506	13%	Yes	73,900	11%	£ 108,222	-	Yes	
Rathfern Primary School	2,638,520	457	154,939	196,530	-	7%		-	7%		-		
Rushey Green Primary School	3,373,596	538	60,813	59,276	-	2%		-	2%		-		
Sandhurst Infant School	1,790,248	307	86,120	124,496	-	7%		-	5%		-		
Sandhurst Junior School	1,732,425	313	73,575	123,560	-	7%		-	5%		7,181		
Sir Francis Drake Primary School	1,391,588	202	226,237	162,829	51,501	12%	Yes	111,955	16%	£ 73,382	-		
St Augustine's RC Primary School and Nursery	1,243,642	217	27,272	58,422	-	5%		-	2%		-		
St Bartholomew's CE Primary School	1,677,941	300	76,608	45,811	-	-3%		-	5%		34,720		
St James Hatcham CE Primary School	1,303,205	209	67,078	82,807	-	6%		-	6%		-		
St John Baptist CE Primary School	1,171,352	211	73,918	38,126	-	3%		-	7%		-		
St Joseph's RC Primary School	1,624,025	276	21,991	90,084	-	6%		-	2%		-		
St Margaret's Lee CE Primary School	1,210,661	216	80,487	74,120	-	6%		-	7%		-		

Balance Control Mechanism

	2013/14 Budget*	Pupil No's**	2012/13 Balance***	2013/14 Balance***	2013/14 Excess Balance	Balance As %age Of Budget	Valid Reason for Excess	2012/13 Excess Balance	Balance As %age Of Budget	Adjust For Accruals, Banker Funds, Etc.	2013/14 Capital Balance	2013/14 Letter?	2012/13 Visit?
St Mary Magdalen's RC Primary School	1,131,479	200	70,106	26,695	-	2%		-	7%		-		
St Mary's CE Primary School	1,517,910	237	83,588	100,840	-	7%		-	6%		-		
St Michael's CE Primary School	1,293,601	223	111,322	109,504	6,016	8%		6,019	8%	£ 15,712	11,288	Yes	
St Saviour's RC Primary School	1,341,334	223	23,105	49,885	-	4%		-	2%		-		
St Stephen's CE Primary School	1,423,469	249	76,876	76,821	-	5%		-	6%		-		
St William of York RC Primary School	1,315,793	250	90,385	101,851	-	8%		-	7%		-		
St Winifred's RC Nursery and Infant School	899,765	156	54,964	34,385	-	4%		-	6%		16,566		
St Winifred's RC Junior School	935,869	175	58,805	36,496	-	4%		-	6%		-		
Stillness Infant School	1,556,276	290	166,390	63,642	-	4%		47,352	11%		-		
Stillness Junior School	1,694,310	322	93,129	126,231	-	7%		-	6%		-		
Torridon Infant School	1,853,822	322	133,033	233,005	84,700	13%		-	8%	£ 46,428	-	Yes	
Torridon Junior School	2,069,993	357	93,247	66,924	-	3%		-	5%		8,614		
Turnham Primary School	2,942,897	499	102,564	383,295	147,863	13%	Yes	-	4%		-	Yes	
	<b>131,344,661</b>	<b>22,204</b>	<b>10,296,899</b>	<b>10,240,010</b>	<b>2,751,594</b>	<b>8%</b>		<b>3,011,889</b>	<b>9%</b>	<b>651,307</b>	<b>338,513</b>		
Prendergast Ladywell Fields College	6,796,692	883	425,389	458,288	118,454	7%	Yes	115,438	7%	£ 218,889	397,000		
Prendergast Vale College	4,097,011	483	534,549	411,215	83,454	10%	Yes	293,909	18%	£ 118,860	125,000		Yes
Trinity Lewisham School	4,865,157	538	- 574,918	- 102,470	-	-2%		-	-15%		13,615		
	<b>15,758,860</b>	<b>1,904</b>	<b>385,020</b>	<b>767,034</b>	<b>201,908</b>	<b>5%</b>		<b>409,347</b>	<b>3%</b>	<b>337,749</b>	<b>535,615</b>		
Addey and Stanhope School	5,193,790	598	312,787	230,157	-	4%		74,303	7%		-		
Bonus Pastor Catholic College	5,578,251	761	134,074	54,705	-	1%		-	3%		- 180		
Conisborough College	7,556,154	870	736,978	368,557	-	5%		388,201	11%		-		
Deptford Green School	8,213,497	941	42,266	69,461	-	1%		-	1%		-		
Forest Hill School	9,721,581	1,428	419,115	433,484	-	4%		-	4%		-		
Prendergast Hilly Fields College	5,709,627	881	690,474	347,784	62,302	6%	Yes	412,437	12%	£ 434,500	-		Yes
Sedgehill School	10,632,200	1,404	181,192	69,641	-	1%		-	2%		-		
Sydenham School	9,214,929	1,369	156,047	377,503	-	4%		-	2%		-		
	<b>61,820,029</b>	<b>8,252</b>	<b>2,672,933</b>	<b>1,951,292</b>	<b>62,302</b>	<b>3%</b>		<b>874,940</b>	<b>5%</b>	<b>434,500</b>	<b>- 180</b>		
Brent Knoll School	3,111,952	147	368,012	566,914	317,958	18%	Yes	119,810	12%	£ 29,745	-	Yes	
Drumbeat	5,527,541	154	1,065,906	1,484,966	1,042,762	27%	Yes	853,172	40%	£ 320,246	-		
Greenvale School	3,029,889	110	328,879	499,008	256,617	16%	Yes	99,231	11%	£ 114,852	-	Yes	
New Woodlands School	2,195,977	103	153,666	- 11,042	-	-1%		-	7%		-		
Watergate School	2,783,186	87	257,330	335,315	112,660	12%	Yes	35,174	9%	£ -	-	Yes	
	<b>16,648,546</b>	<b>601</b>	<b>2,173,793</b>	<b>2,875,161</b>	<b>1,729,997</b>	<b>17%</b>		<b>1,107,387</b>	<b>16%</b>	<b>464,843</b>	<b>-</b>		
Chelwood Nursery School	793,508	91	11,707	- 43,932	-	-6%		-	1%		-		
Clyde Nursery School	916,820	85	153,914	60,759	-	7%		79,632	17%		-		
	<b>1,710,328</b>	<b>176</b>	<b>165,621</b>	<b>16,827</b>	<b>-</b>	<b>1%</b>		<b>79,632</b>	<b>9%</b>	<b>-</b>	<b>79,632</b>		
Abbey Manor College	3,031,756	168	143,481	25,042	-	1%		-	5%		-		
	<b>3,031,756</b>	<b>168</b>	<b>143,481</b>	<b>25,042</b>	<b>-</b>	<b>1%</b>		<b>-</b>	<b>5%</b>	<b>-</b>	<b>-</b>		
	<b>230,314,180</b>	<b>33,304</b>	<b>15,837,748</b>	<b>15,875,366</b>	<b>4,745,801</b>	<b>2%</b>		<b>5,483,195</b>	<b>3%</b>	<b>1,888,399</b>	<b>953,580</b>		

\* Budget = XEFI = ISB plus Pupil Premium and other funding

\*\* Pupil No's - October Census N to 6th FTE

\*\*\* Excludes External Funds

### **Scheme of delegation - Balance Control Mechanism**

Surplus balances held by schools permitted under this scheme are subject to the following restrictions

The Local Authority will only agree amounts for the following purposes unless exceptional circumstances occur:

- Capital works.
- Savings made to make enhancements to new builds from the Building Schools for the Future programmes and Private Finance Initiatives.
- To cover funding shortfalls for future temporary drops in pupil numbers.
- Building up funds to dampen the effects of step increases in pupil numbers that occur in September but which are not funded until the next financial year.
- Single status.
- Holding the funds for joint schools collaboration project which run over more than one year.
- Accruals that should have taken place but it was not possible to action them in time for closing the accounts.
- Any administrative error in the accounts.

If a school has an excess balance at the start of the year, provides plans to spend the sum, but still has an excess at the end of the year, this will be automatically capped.

The total of any amounts deducted from schools' budget shares by the authority under this provision, are to be applied to the Schools Budget of the authority.

There is a right of appeal. An appeals panel of two School Forum members and the Executive Director for Children and Young People, or their representative, will sit to consider appeals against the decision of School Forum. The decision of the appeals panel will be final.

In determining the deductions above, the LA will expect to draw upon information in the School Improvement Plan, the Asset Management Plan and any other planning documents that the School Forum might agree over time. The process will be undertaken jointly between Finance and School Improvement Officers.

## Budget 2014 /15 update

### 1. Purpose of the Report

This report updates members on the changes announced by the Department for Education (DFE) to the schools funding system for next year (2015/16). It looks at the current notified level of the DSG following a number of changes made by the DFE for this current year and a final adjustment for last year. It also updates members on the budget returns received to date and the likely schools that will apply for a licensed deficit.

### 2 Recommendations

1. The Forum note the new funding proposals issued by the DFE
2. The Forum note the consultation on academy recoupable funding
3. The Forum note the new level of the Dedicated Schools Grant is £268.6m
4. The Forum note the latest position on the Universal Free Meals Grant
5. The Forum note the position on the school budget plans
6. The Forum note the schools that are likely to apply for a licensed deficit

### 3 School Funding Reforms

- 3.1 The DFE wrote to Local Authorities on 13 March 2014 with their planned changes to the schools funding system for 2015/16. This consultation sets out the Department for Education's proposal to allocate an additional £350m in 2015-16, to increase the per-pupil budgets for the least fairly funded local areas. The proposals would provide each local authority with a minimum level of funding for each of its pupils and schools. The DFE believe this will make the distribution of funding to local areas fairer whilst ensuring that no area receives a cut to its per-pupil budget. The consultation invites views on how to set these minimum funding levels, and how they will distribute the additional £350 million funding allocated. It builds on their belief that that the current school funding system is unfair and out of date.
- 3.2 The DFE plan to allocate the additional funding by setting minimum funding levels that a local authority should attract for its pupils and schools in 2015-16. If a local authority already attracts at least these minimum funding levels, then there will be no change in the funding received. If a local authority attracts less than these minimum funding levels for the

pupils and schools in its area, there will be an increase to its budget so that it meets those levels.

**3.3** They propose to set a minimum funding level for five pupil characteristics:

- a per-pupil amount
- pupils who are from deprived backgrounds;
- pupils who have been looked after, for example in foster care;
- pupils with low attainment before starting at either their primary or secondary school;
- pupils who speak English as an additional language.

In addition they will set:

- a minimum funding level for each school on top of its per-pupil funding – the lump sum
- a minimum funding level for small schools that are essential to serving rural areas - the sparsity sum which is not applicable in Lewisham

**3.4** The DFE then plan to raise the minimum funding levels for local authorities in areas with higher salaries in line with a 'hybrid area cost adjustment'. This takes account of both teacher salary and general labour market data

They are setting the minimum funding levels based on the average amounts from the 2013/14 budget figures. Of course with the area cost adjustment for London national averages they are lower than our own funding levels.

The levels suggested are as follows

- A basic per pupil amount – primary: £2,845; key stage 3: £3,951; key stage 4; £4,529
- Deprivation – between £893 and £1,974
- Looked after children – £1,009
- Low prior attainment – primary: £878; secondary: £1,961
- English as an additional language – primary: £505; secondary: £1,216
- A lump sum for every school – primary: £117,082; secondary: £128,189
- Additional sparsity sum for small schools vital to serving rural communities – up to £53,988
- An area cost adjustment to increase minimum funding levels in areas of higher cost

**3.5** Based on the above criteria Lewisham would not receive any extra funding. The Local Authorities that would receive extra funding are shown in Appendix A to this report.

- 3.6** Disappointingly there is no consideration in the consultation of the pressures faced by the high needs block and how fairer funding can be achieved in this area. At the recent Fair Funding Conference the DFE acknowledged that this is an issue to be addressed in arrangements for 2016/17 onwards.
- 3.7** At the time of writing this report the DFE have not published the outcome of the consultation but indications are that it will be implemented very much in line with the consultation proposals.

#### **4 Academy Recoupment Consultation**

- 4.1** This is mainly a technical document that looks at converting non-recoupment academies to recoupment academies and amending the funding of local authorities for pupils in free schools from 2015-16. Currently recoupment only applies to any Academy which opened from 2008 and had an LA maintained predecessor school.
- 4.2** In short, recoupable academy schools funding is built into the DSG while other academies funding is not. The consultation brings all academies into line so that all the funding passes through the DSG.
- 4.3** Amending the funding of local authorities for pupils in free schools

Local authorities receive their funding for a financial year (April to March) based on a lagged approach using the pupils who were on the previous October census. Most schools are also funded by local authorities on a lagged approach, but new and expanding schools can be funded on estimates in order to give them sufficient funding to operate while they are growing. Free schools are funded on this latter basis. In the future it is proposed that the expansion costs of free schools will be met from the growth fund established by Schools Forums.

- 4.4** Whilst the consultation looks sensible in simplifying the whole funding system appears to impose a free schools funding burden on the DSG without having provided any funding for it. Further details are needed on the operation of this proposal to ensure Local Authorities are not exposed to further financial burdens that are not funded.
- 4.5** If an school does become an academy whilst it would receive extra funding, this is to cover the extra duties that it will have to perform.

## 5. Dedicated Schools Grant 2014/15

Local Authorities received their final notification of the high needs block on 31 March 2014. The overall DSG settlement is as follows:

	Before Academy Recoupment	After Academy recoupment
	£M	£M
2014-15 schools block	201.464	182.563
2014-15 early years block	16.984	16.984
2014-15 high needs block	43.421	42.272
2014-15 total additions and deductions for non block funding	6.780	6.780
<b>T 2014-15 total DSG allocation</b>	<b>268.648</b>	<b>248.598</b>

This compares with the figure of £267.7m quoted at the last meeting. The extra funding relates to the High Needs block and covers some of the growth that we bid for.

There will be further adjustments to the level of the DSG during the year, particularly on the Early Year numbers, when the forecasts are revised to actual numbers.

An adjustment was notified on 22 May 2014 to last year's figures. The early year's block finally stood at £16,933k, a reduction of £51k. This will be accounted for in the new financial year as it was too late to adjust the previous years figures.

## 6. School Budget Plans

**6.1** The date for schools to submit their budget plans to the Local Authority was the 31 May 2014. Currently we have received returns from 75% of the schools. Those schools that have not made a return will be written to shortly. The returns that have been received are being analysed.

**6.2** It is expected that at least two primary schools will apply for a licensed deficit as well as one secondary school. Trinity had a licensed deficit in place from last year but good progress has been made and the financial position is better than expected at this stage of the their recovery plan.

There are a small number of schools where we still need to confirm their budget plans or we will seek clarification of the budget figures. .

**6.3** Further details will be brought to the Forum once all returns have been received and checked.



## 7. Universal Infant Free School Meals (UIFSM)

**7.1** The Government is providing a new grant to fund the universal infant free school meals (UIFSM) offer to provide free school meals to all pupils in reception, year 1 and year 2. Further details on how the grant will operate has now been received. The grant cannot be held centrally by local authorities. A school may agree to use their UIFSM grant allocation to contribute to a central local authority provision, but the grant must be allocated to each school first, in order for them to take that decision.

**7.2** Each school has received a draft notification of their grant. This is based on an estimate which will be revised later. In accordance with DFE guidance a final allocation for academic year 2014 to 2015 will need to be calculated in May 2015 based on actual numbers. The funding will be passed to schools in July. This will only be for the first 7 months of the academic year. A second payment will be made in the new financial year. This will avoid schools having large amounts of income in advance which would inflate, artificially school balances.

**7.3** The following table provides more details on how the central contract operates and how the charge to schools will be reduced.

**7.4** In principal the operation of the account is simple, a payment is made to Chartwells for the cost of providing the meals. To offset this there are then three main income sources:

1. The income from parents through meals paid for
2. A charge to schools for free meals provided
3. A charge to schools for the balance.

**7.5** The following provides an example of the account in operation

Income	Current Contract			New funding arrangements		
	Meal Numbers	Amount Per pupil	Total £'000	Meal Numbers £'000	Amount Per pupil	Total £'000
Paid Meals	1,100	£1.80	1,980	500	£1.80	900
Charge to schools						
Free Meals	900	£1.80	1,620	900	£1.80	1,620
Paid Meal	1,100	£1.50	1,650	500	£1.40	700
Government grant				1,000	£2.30	2,300
<b>TOTAL</b>	<b>2,000</b>		<b>5,250</b>	<b>2,400</b>		<b>5,520</b>

<b>Expenditure</b>					
Payment made to contractors - Reception and Year 1 and Year 2 children	900	£2.63	2,363	1,300	£2.30 2,990
Payment made to contractors Key stage 2 children	1,100	£2.63	2,888	1,100	£2.63 2,530
<b>TOTAL</b>	<b>2,000</b>		<b>5,250</b>	<b>2,400</b>	<b>5,520</b>
Balance			0		0

**7.6** In some respects the actual mechanics are not so simple as the above example excludes some of the other items going through the account such a kitchen maintenance and secondary meals provision

**7.7** The important change is that the charge to schools will reduce as a result of the receipt of government grant and paying a lower rate to the contractor for KS1 FSM. It is estimated that this will equate to 10p per meal.

## **8. Conclusion**

While the consultation on fairer funding for school is disappointing locally, it is not unexpected that the government would seek to bring LAs up to average funding with limited available funding.

The level of the DSG is now more settled. The position of not receiving notification until the 31 March is not helpful for planning purposes and nationally a debate is being held to resolve this. More detailed monitoring will take place over the next few weeks and with a fuller update, concerning the high needs block, will be provided at the next meeting.

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## Annex B: Indicative changes to local authority funding in 2015-16

1. Figure B1 below lists the 62 authorities that would receive additional funding under our indicative minimum funding levels, assuming 2014-15 pupil numbers<sup>1,2</sup>. The minimum funding levels may change when we have final confirmation of LA's 2014-15 local funding formulae.

**Figure B1: Indicative changes to local authority funding in 2015-16**

Local Authority	Actual 2014-15 funding		Indicative funding under minimum funding levels proposal		Indicative increase in funding under minimum funding levels proposal	
	Funding per pupil	Total funding	Funding per pupil	Total funding	Percentage	Total
Bromley	£4,082	£169.6m	£4,543	£188.7m	11.3%	£19.1m
Cambridgeshire	£3,950	£294.3m	£4,225	£314.8m	7.0%	£20.5m
Brent	£5,066	£190.7m	£5,416	£203.9m	6.9%	£13.2m
Sutton	£4,360	£124.7m	£4,637	£132.6m	6.4%	£7.9m
Northumberland	£4,244	£166.2m	£4,513	£176.8m	6.4%	£10.6m
South Gloucestershire	£3,969	£137.5m	£4,217	£146.1m	6.3%	£8.6m
Shropshire	£4,113	£143.6m	£4,368	£152.5m	6.2%	£8.9m
Merton	£4,534	£98.6m	£4,812	£104.7m	6.1%	£6.0m
Croydon	£4,559	£208.6m	£4,830	£220.9m	5.9%	£12.4m
Bournemouth	£4,154	£79.2m	£4,393	£83.8m	5.8%	£4.6m
Buckinghamshire	£4,040	£275.4m	£4,263	£290.5m	5.5%	£15.2m
Cheshire West and Chester	£4,129	£173.6m	£4,352	£183.0m	5.4%	£9.4m
Leicestershire	£3,995	£339.7m	£4,197	£356.9m	5.1%	£17.2m
Warwickshire	£4,079	£281.3m	£4,267	£294.3m	4.6%	£13.0m
Devon	£4,156	£358.1m	£4,345	£374.3m	4.5%	£16.2m
Surrey	£4,096	£548.8m	£4,282	£573.5m	4.5%	£24.8m
Bury	£4,230	£111.1m	£4,418	£116.1m	4.5%	£5.0m
Norfolk	£4,334	£432.9m	£4,494	£448.9m	3.7%	£16.0m
North Lincolnshire	£4,316	£95.0m	£4,469	£98.4m	3.5%	£3.4m
Westminster	£5,663	£88.2m	£5,862	£91.3m	3.5%	£3.1m

<sup>1</sup> The figures in the table above have been calculated on the basis of 2014-15 pupil numbers (using the October 2013 school census). For 2015-16 we intend to use data from the October 2014 school census.

<sup>2</sup> The methodology for calculating the indicative funding, as a total and per pupil, is set out in the worked example on page 6.

Local Authority	Actual 2014-15 funding		Indicative funding under minimum funding levels proposal		Indicative increase in funding under minimum funding levels proposal	
	Funding per pupil	Total funding	Funding per pupil	Total funding	Percentage	Total
Derbyshire	£4,245	£405.0m	£4,392	£418.9m	3.4%	£14.0m
Poole	£4,007	£68.3m	£4,142	£70.6m	3.4%	£2.3m
Redbridge	£4,668	£199.7m	£4,823	£206.3m	3.3%	£6.6m
Rutland	£4,087	£20.9m	£4,214	£21.5m	3.1%	£0.6m
Gloucestershire	£4,203	£316.0m	£4,331	£325.6m	3.0%	£9.6m
Herefordshire	£4,306	£90.9m	£4,430	£93.5m	2.9%	£2.6m
Stoke-on-Trent	£4,507	£145.1m	£4,634	£149.2m	2.8%	£4.1m
Windsor and Maidenhead	£4,325	£77.5m	£4,440	£79.5m	2.7%	£2.1m
Central Bedfordshire	£4,144	£145.7m	£4,253	£149.5m	2.6%	£3.8m
Cheshire East	£4,077	£186.7m	£4,180	£191.4m	2.5%	£4.7m
Cumbria	£4,449	£269.2m	£4,560	£275.9m	2.5%	£6.7m
Suffolk	£4,241	£370.1m	£4,347	£379.3m	2.5%	£9.2m
Swindon	£4,102	£117.7m	£4,203	£120.5m	2.5%	£2.9m
Salford	£4,551	£131.2m	£4,658	£134.3m	2.3%	£3.1m
Bracknell Forest	£4,187	£62.6m	£4,284	£64.1m	2.3%	£1.4m
North Yorkshire	£4,338	£316.5m	£4,435	£323.7m	2.2%	£7.1m
Wiltshire	£4,213	£249.1m	£4,305	£254.5m	2.2%	£5.4m
Reading	£4,454	£71.1m	£4,547	£72.6m	2.1%	£1.5m
Northamptonshire	£4,189	£395.2m	£4,265	£402.4m	1.8%	£7.2m
Worcestershire	£4,231	£291.5m	£4,302	£296.4m	1.7%	£4.9m
Blackpool	£4,459	£80.2m	£4,530	£81.4m	1.6%	£1.3m
Durham	£4,573	£281.1m	£4,643	£285.4m	1.5%	£4.3m
Cornwall	£4,397	£285.0m	£4,451	£288.5m	1.2%	£3.5m
Telford and Wrekin	£4,367	£97.0m	£4,419	£98.1m	1.2%	£1.1m
Medway	£4,352	£161.1m	£4,402	£163.0m	1.2%	£1.9m
Hertfordshire	£4,320	£670.3m	£4,365	£677.3m	1.0%	£6.9m
Somerset	£4,278	£273.2m	£4,320	£275.9m	1.0%	£2.7m
Lincolnshire	£4,329	£392.0m	£4,370	£395.7m	0.9%	£3.7m
Dorset	£4,167	£202.3m	£4,204	£204.1m	0.9%	£1.8m
Peterborough	£4,490	£124.7m	£4,513	£125.3m	0.5%	£0.6m
Barnsley	£4,459	£126.7m	£4,478	£127.3m	0.4%	£0.5m
Bedford	£4,466	£101.0m	£4,484	£101.4m	0.4%	£0.4m

Local Authority	Actual 2014-15 funding		Indicative funding under minimum funding levels proposal		Indicative increase in funding under minimum funding levels proposal	
	Funding per pupil	Total funding	Funding per pupil	Total funding	Percentage	Total
Plymouth	£4,364	£140.1m	£4,380	£140.6m	0.4%	£0.5m
Isle of Wight	£4,489	£69.6m	£4,504	£69.9m	0.3%	£0.2m
East Riding of Yorkshire	£4,258	£177.9m	£4,271	£178.5m	0.3%	£0.5m
West Berkshire	£4,359	£95.2m	£4,372	£95.5m	0.3%	£0.3m
Walsall	£4,643	£183.3m	£4,655	£183.8m	0.3%	£0.5m
Milton Keynes	£4,440	£167.3m	£4,448	£167.6m	0.2%	£0.3m
Oxfordshire	£4,274	£333.1m	£4,281	£333.6m	0.1%	£0.5m
Barnet	£4,988	£214.3m	£4,994	£214.5m	0.1%	£0.2m
Hillingdon	£4,820	£187.0m	£4,824	£187.2m	0.1%	£0.2m
Derby	£4,544	£154.4m	£4,546	£154.4m	0.0%	£0.1m

# Agenda Item 5

Schools Forum  
19 June 2014  
Item 5

## Investment to provide Post 19 PMLD Places

### 1. Introduction

- 1.1 The High Needs Block within the DSG is subject annually to an underlying overspend of £2M. The Schools Forum has set up a working group to deliver proposals to manage the budget back to a balance.
- 1.2 Officers in conjunction with Greenvale Special School have developed a proposal to extend the age range of the school and to provide 20 places for 19-25 year olds with PMLD.
- 1.3 The proposal is expected to generate an annual revenue saving for the DSG of £270K. This would, however, require an estimated capital expenditure of £1.2M. The proposal would offer a pay-back period of 5 years.

### 2. Recommendation

- 2.1 The Schools Forum is asked to support the use of £1.25M of DSG-CERA in order to reduce the revenue costs of the High Needs Block within the DSG.

### 3. Proposal

- 3.1 To meet the demand for post 19 Specialist Provision Greenvale's Governing Board proposal to undertake consultation to extend the age range of its pupils up to 25 years of age.
- 3.2 Subject to completion of school organisation requirements in making a prescribed alteration extending the age range, it is then proposed that Greenvale will provide education and training for up to 20 post 19 pupils with Profound Multiple Learning Difficulties (PMLD), with effect from September 2015.
- 3.3 Greenvale school does not have the space and facilities within its current building to meet the increase in numbers for post 19 and the needs of these pupils. It is proposed that there is Capital Investment to renovate House on the Hill, to accommodate the post 19 Greenvale pupils and that this is funded from DSG-CERA

### 4. Background

- 4.1 The majority of students with special educational need and disabilities over the age of 19 years can have their education and training provision needs met in a mainstream setting. For a small number of students with high levels of special

educational need and disabilities over the age of 19, their education and training needs can only be met by a Specialist Provider.

- 4.2** Lewisham Council currently has 31 students, aged 19 or over but under 25, who, have been assessed as being eligible for Specialist Provision as their assessed needs cannot be met by mainstream provision.
- 4.3** Currently all the Independent Specialist Provision for students with high levels of need are located outside of Lewisham Borough. Lewisham Council currently sends its high needs students to 12 different Independent Specialist Providers. The nearest Independent Specialist Provider is in Bromley, which is where 12 of Lewisham Council's 31 high needs students attend. The other Independent Specialist Providers are in Hampshire, Hertfordshire, Kent, Somerset, Surrey, Lincolnshire, Sussex, Devon, and Northamptonshire.
- 4.4** Under the current Education Funding Agency funding arrangements, high needs students over the age of 19 years with special educational needs and disabilities, who have been assessed as eligible for Specialist Provision will be entitled to three years education and training provision, which will be reassessed every year.
- 4.5** The High Needs Sub Group report that went to the School Forum on the 12<sup>th</sup> December 2013 reviewed the costs of High Need Students and highlighted the costly impact that Independent Specialist Provision was placing on the high needs budget. The report noted that the ability to manage this financial pressure now and in the future is limited due to not having the appropriate provision within the borough to meet the pupils additional needs.
- 4.6** The report also highlighted that current forecasts show that this is unlikely to be a short term issue but rather a longer term one. Further problems are also expected due to the expanding pupil population and the consequential increase in the number of pupils with high needs.
- 4.7** House on the Hill is a single storey building arranged around two external courtyards. Lewisham Council converted the building from offices in 2003 to a residential building. House on the Hill is a Lewisham asset that is currently leased to Action for Children to provide a residential overnight short break service to disabled children and young people with high levels of need, who have been assessed by the Children with Complex Needs Service as needing this service.
- 4.8** Renovating House on the Hill to accommodate a new specialist provision for high needs students with special educational needs and disabilities to have their education and training needs met will provide Lewisham Council with the potential to manage high needs specialist provision more effectively and reduce the spend on the high needs budget. It has been estimated that this proposal could achieve an estimated saving of £12k per place per year on Independent Specialist Provision placement costs. It is proposed that the new specialist provision would accommodate 20 places at full capacity, which would represent a saving of £240k per annum on the high needs budget.

- 4.9** The proposed new specialist provision will also enable the young people and their families to have more choice and opportunity to continue receiving education and training within their home borough. It will also better support the young people's transition into adulthood and enable them to develop friendships and networks of support within their home borough. This will also have the potential to achieve savings in the adults general fund if they subsequently stayed within borough. It is also envisaged that some of the young people who have to take residential placements due to the location of Independent Specialist Provisions would be able to stay in their own homes and travel to and from their homes on a daily basis. This would provide the council with the potential to achieve savings by reducing the number of residential placements both within Children's and Adults services.
- 4.10** The Council has already committed to a renovation of the building to improve the facilities for short breaks provision at an estimated cost of £500k for which there is a capital grant available to meet the costs. The proposed capital works would be extended to include a renovation to make available suitable accommodation for the post 19 PMLD provision. The proposed total cost of works for the whole site is £1.75M.
- 4.11** After the Short Breaks Grant contribution of £500K then there remains a balance of £1.25M to fund. The reduced cost of Post 19 provision will accrue to the DSG and it would therefore be appropriate to fund the expenditure from the accumulated DSG-CERA funds. Given the pressure on the provision of school places, it is not possible to divert capital resources from the Basic Need Grant. Also, it is estimated that there will be a shortfall in September 2016 of £19.3M to fund places expansion.
- 4.12** Renovating House on the Hill to accommodate education and residential use will require an application for change of use from Planning. Advice from initial conversations with Planning suggests that this should be approved .

## **5. Financial Implications**

### **5.1 Capital**

- 5.1.1** The total cost of the Short Breaks and PMLD provision is estimated at £1.75M. There is capital grant of £0.5M to fund the Short Breaks work leaving a balance of £1.25M.
- 5.1.2** Given that the revenue benefits of the investment will be seen in terms of reduced High Needs spending within the DSG it would be an appropriate investment for the DSG to make. Each year Schools Forum sets aside £1.2M for capital purposes, historically to deal with emergency maintenance works in schools. In 2014-15 £1.5M was agreed to fund the summer maintenance programme given the pressure on other grant resources to meet the school places demand. The unallocated balance on the fund currently is £2.6M, thus this investment can be afforded and leave a sufficient sum for any emergency works.



## **5.2 Revenue**

- 5.2.1** The investment in PMLD provision is expected to generate a revenue saving of £270K per annum including estimated transport savings. This gives a pay-back period of 5 years. This is a reasonable period of pay back for this type of works. The short breaks investment has the potential to reduce current costs by 40% subject to the outcome of the retendering of the service delivery contract at House on the Hill

## **6. Legal Implications**

- 6.1** Section 15ZA requires local authorities to secure enough suitable, full and part time, education and training opportunities to meet the reasonable needs of the following people in its area:
- young people who are over compulsory school age but under 19; and
  - learners aged 19 and over, but under 25 who have (or should have had) a learning difficulty assessment under section 139A or 140 of the Learning and Skills Act 2000 but the duty does not extend to, persons subject to a detention order.
- 6.2** In securing education and training opportunities, local authorities must take account of people's ages, abilities and aptitudes; any learning difficulties they may have; the quality of the education or training; and the locations and times at which those opportunities are provided. In performing these functions local authorities also act with a view to encouraging diversity (in both type of provider and provision) and increasing opportunities for young people to exercise choice.
- 6.3** Under provisions contained in the recently enacted Children and Families Act 2014 and which come into force on 1<sup>st</sup> September 2014 and will be subject to transitional arrangements, the statutory assessment process for assessing special educational needs will continue. However, it will in future need to be co-ordinated across education, health and care. Statements of special educational needs for children and young people will cease and be replaced in due course by a new single multi-agency assessment and care plan, to be referred to as an Education, Health and Care Plan.(EHC Plan) The age range for children and young people who might be eligible for a EHC Plan will extend from 19 to 25 years. Consequently the new EHC Plan will span from 0 -25 years.
- 6.4** With the additional prospective responsibilities in relation to SEN provision as required by the Children and Families Act 2014 the governing body of Greenvale Special School propose to make a prescribed alteration to change the upper age limit to 25 years old. The expansion of the school onto an additional site no longer requires a formal statutory process to be followed.; however the usual principles of public law requiring the need to act rationally, taking into account all relevant considerations and following a fair procedure must be adhered to. The governing body will also need to ensure that the

additional new provision is genuinely a change to the existing school and is not a new school.

- 6.5** Section 80 of the School Standards and Framework Act 1998 provides that a Governing Body of a maintained school is responsible for deciding whether or not to provide part time education for pupils over compulsory school age or full time education suitable to the requirements of persons who have attained the age of 19; but the governing body of a community or foundation special school shall not determine to provide or cease to provide, such education without the consent of the local authority.

## **Funding Reviews – Collaborative Funding**

### **1. Purpose Of This Report**

- 1.1. The report is provided to enable Forum members to decide on the proposal to pass Collaborative funding directly to schools rather than to Banker schools.

### **2. Recommendations**

- 2.1. That the former Standards Funds Collaborative funding which is currently delegated to schools in the ISB formula and de-delegated under the heading “Contingency” prior to being passed to banker schools, not be de-delegated in the 2015/16 financial year, with the effect of leaving the funding with individual schools.
- 2.2. That the Collaborative SEN funding which is currently passed to banker schools be delegated to individual schools instead, from the 2015/16 financial year onwards.

### **3. Background – Former Standards Funds**

- 3.1. The 2012/13 funding reforms implemented by the DfE reduced the types of funding that authorities could retain centrally and required the delegation of a number of budgets that had previously been centrally retained.
- 3.2. Where it wished to, Schools Forum could decide to de-delegate funds in a limited number of areas and this decision was taken where it was felt appropriate.
- 3.3. One of the areas of spend which did not fit into any of the DfE’s definitions of funds allowed to be retained was the former Standards Funds funding which was being passed to Collaboratives via banker schools. (Note – some secondary schools operate alone rather than in collaboratives or federations).
- 3.4. This funding had previous been devolved to schools as under the “Excellence in Cities” and “Extended Services” headings of the Standards Funds.
- 3.5. The current process for getting this funding to schools involves a number of steps.
- 3.6. Step 1 – The funding is part of the ISB, so it forms part of the ISB Share calculations prior to the start of the year and is journalled to schools as part of the year’s funding.

- 3.7. Step 2 – As a de-delegated item, schools are informed of the charges to bring this funding back to the centre prior to the start of the year with the journal being actioned once the year has started.
- 3.8. Step 3 – The Collaborative allocations for each school are calculated using the same data as the ISB. These individual allocations are aggregated to create allocations per Collaborative which schools are notified of at the same time as their ISB share. These amounts are journalled to the banker schools early in the year.
- 3.9. Step 4 – The banker schools submit requests to the Schools Finance Team to transfer amounts from them to Collaborative members in line with decisions made by the members. The majority of schools receive the amount of funding that was their individual Collaborative allocation.
- 3.10. In short, for most schools we give the funding to the schools, take it away, give it to the bankers, take it away and give it to the schools.
- 3.11. The proposal is that paragraph 3.10 should read, “We give the funding to the schools”.
- 3.12. This would mean that the process would stop at Step 1; the funding would be delegated to schools as part of there ISB Share as is already the case.
- 3.13. Schools would still be able to work collaboratively and would still be able to pool budgets, but the majority of schools, who already end up with a formula generated allocation at the end of the process, would in future receive this funding months earlier and without the additional work that the current process requires.

#### **4. Background – SEN Funding**

- 4.1. This funding is provided for low need/high incidence SEN and was formerly provided to schools at Matrix levels 3 to 5.
- 4.2. This funding is not delegated and de-delegated as it forms part of the SEN budget, which the DfE allow to be held centrally. This means that only Steps 3 and 4 above apply in the case of this funding.
- 4.3. Or, we calculate the amount for individual schools, aggregate it and give it to the banker schools, take it away from the banker schools and give it to the individual schools (with the majority of schools receiving the initial calculated amount).

- 4.4.** If adopted the proposal would see the funding delegated to schools as part of their ISB share based on the same indicators used in the collaborative calculations.
- 4.5.** Schools would still be able to work collaboratively and would still be able to pool budgets, but the majority of schools, who already end up with a formula generated allocation at the end of the process, would in future receive this funding months earlier and without the additional work that the current process requires.
- 4.6.** For both types of funding, Collaboratives that wish it, could continue to be provided with a notification of the amount of Collaborative funding in the same way as they are currently.

## **Savings to the Education Services Grant for 2015 to 2016: consultation document**

### **1. Purpose of the Report**

The DFE has issued a consultation document to consider how education services can be provided more innovatively and efficiently. The purpose of this report is to consider the draft consultation response to the DFE

### **2. Recommendation**

The forum note the response

### **3. Background**

- 3.1** The Education Services Grant (ESG) is a per-pupil grant paid to both local authorities and academies. The DFE consultation looks at how education services can be provided more innovatively and efficiently. Within the current settlement figures the ESG will be reduced by 20% next year.
- 3.2** The current rate for ESG paid to local authorities is £113 per pupil for community schools and £424 and £481 per place in alternative provision and special schools respectively.
- 3.3** Academies receive the same basic rate per pupil but also receive transitional protection of £27 per pupil in the academic year 2014/15, bringing their rate up to £140 per pupil.
- 3.4** In addition to the basic ESG rate, local authorities received an additional £15 per pupil for all pupils attending a state-funded school (regardless of whether it is a maintained school or an academy). This is to enable local authorities to fulfil the statutory duties that do not transfer to academies.
- 3.5** The grant is un-ring fenced and does not necessarily relate to the spending in each Local Authority
- 3.6** The service covered by this grant are
  - Education welfare service
  - School improvement
  - Asset management - education
  - Statutory/ Regulatory duties - education
  - Central support services
  - Premature retirement cost/ Redundancy costs

➤ Monitoring national curriculum assessment

**3.7** Lewisham currently receives a grant of £4.8m

**3.8** The document draws on field research that the DFE has undertaken in a small number of authorities. It looks at how services can be delivered in different ways particularly through collaboration. It considers whether schools are better placed to commission and pay for some services. The main thrust of the paper is to challenge Local Authorities on why they cannot reduce spending to the median level or to the lowest quartile level of other local authorities. The financial information is drawn from Local Authorities' S251 statement and it is apparent that there is some significant variation in the survey completion. While this is less important for the calculation of the median it seriously undermines the lower quartile figures as potential targets for expenditure; in some places LAs appear able to deliver statutory activities at nil cost or with a surplus of income over cost.

**3.9** The full consultation document can be found on

<https://www.gov.uk/government/consultations/savings-to-the-education-services-grant-for-2015-to-2016>

**4.** The draft response is shown in Appendix A to this report

## **5 Conclusion**

The consultation paper is essentially a manifesto for LAs to charge schools for a range of activities that are considered LA responsibilities, as a way to reduce LA expenditure to the level of funding DFE have proposed to make available for ESG in 2015/16. The paper promotes shared services but for activities that are at the heart of being a LA shared service approaches may not be suitable.

In some LAs the expenditure on services intended to be funded by ESG is ring fenced to the amount of the grant. In Lewisham the ESG has been treated as part of the overall finances for the running of the LA and efficiencies and reductions sought as part of a whole Council approach. The approaches set out in the ESG consultation are part of those being employed by the futures board in its endeavour to identify the expenditure reduction of £95m of which the ESG reduction in 2015/16 is a part.

Dave Richards

Group Finance Manager – Children and Young People

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**Department  
for Education**

**Consultation Response Form**

**Consultation closing date: 19 June 2014  
Your comments must reach us by that date**

**Savings to the Education Services Grant for  
2015-16**



If you would prefer to respond online to this consultation please use the following link: [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

<b>Please tick if you want us to keep your response confidential.</b>	<input type="checkbox"/>
Reason for confidentiality:	

Name:	
Please tick if you are responding on behalf of your organisation.	<input type="checkbox"/>
Name of Organisation (if applicable): Lewisham Schools Forum	
Address: Laurence House	

Catford  
SE6 4RU

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please mark the box the best describes you as a respondent.

<input type="checkbox"/>	Maintained schools	<input type="checkbox"/>	Academies	<input type="checkbox"/>	Local authorities
<input type="checkbox"/>	Governors	<input type="checkbox"/>	Bursars	<input type="checkbox"/>	Parents
<input checked="" type="checkbox"/>	School forums	<input type="checkbox"/>	Trade union organisations	<input type="checkbox"/>	Other

Please Specify:

In responding to the questions in this consultation, we ask you to pay particular attention to any potential impacts on the protected characteristics set out in the Equality Act 2010 (sex, race, disability, age, religion or belief, sexual orientation, pregnancy and maternity, and gender reassignment).

### School Improvement

- 1 a) How could the clarification of the role of local authorities in school improvement in Section 4.2 help local authorities to make savings?

Comments:

Clarification needs to be given about the expectations of school improvement offer in light of the new Ofsted inspection framework and the new regional arrangements for supporting school improvement in academies. An understanding of these expectations will enable LAs to ensure they have the appropriate capacity to address those expectations and undertake what they and schools locally agree upon for school improvement. It will also enable decisions to be taken about activities that are no longer expected to be performed by LAs nor inspected by OfSTED.

The benchmarking data provided demonstrates a wide range of costs without an understanding of what lies behind those figures. The data does not reveal where authorities only perform intervention activities and those that have extensive trading activities and where school improvement responsibilities have been passed to schools. There appears to be some evidence that the latter may be generating a surplus from it which is offsetting other centrally managed costs. It may well be some of statistics are skewed by the costs of school improvement being located in schools' budgets.

Missing within the ESG is the need for an area cost adjustment to reflect the additional cost of London weighting and the need to be able to retain staff in London where costs of living (housing) are increasingly problematic.

- 1 b) Is further clarification or guidance from the Department on the role of the local authority in school improvement needed in order to have a clear set of expectations?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

Yes. In order to ensure to match expectations and accountability there needs to be further guidance. This needs to be match to the resources provided through the ESG.

- 1 c) In addition to the examples set out in Section 3.2 of the consultation document, how else could local authorities provide school improvement more efficiently?

Comments:

School improvement could be provided by collaborations of local authorities with sharing of services for school improvement work such as Tri-Boroughs arrangement. Intervention work could be done through such mechanisms but there is a need to be able to act quickly once the decision to intervene has been made. It is not clear if school collaborative arrangements would always be able to act in this way.

- 1 d) What level of saving is it possible for your local authority to make on school improvement? If cost pressures on school improvement have changed recently, please describe below.

Comments:

The current arrangements of funding school improvement via a straight per pupil allocation across the country takes no account in London of the area cost adjustment thus making savings more difficult. Rather than view this purely as a savings exercise clarity needs to be provided on the expectations especially with failing schools before it is possible to take a view whether savings are possible. However we believe our service is at a level for intervention work that further savings would be possible only if it was assumed a lesser level of intervention would be needed in the future.

- 1 e) If your local authority's expenditure is above the median (£31 per pupil) for this service, can you help us understand why this is?

Comments:

In the data for the period shown our costs were above the median however in 2014/15 they will some 16% below that benchmark as a result of measures planned some time ago.

- 1 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (up to £19 per pupil)?

Comments:

At this time we believe that would provide insufficient funding for the level of school intervention activity that needs to be undertaken.

## Statutory and regulatory duties

2 a) Which statutory and regulatory duties require greater clarification or guidance?

Comments:

Some of the statutory and regulatory duties overlap with other ESG heading and other functions of local authority as they are multi dimensional organisations. There will always be a certain level uncertainty at where cost of some services has been shown. They could be here or under the more specific headings

It is therefore difficult to set targets for this area in isolation from other areas. Given the costs will reflect how a Local Authority has organised its services and there activities relating to the core function of the local authority, it raises some doubts about how practically these costs can be shared across local authorities boundaries

2 b) In addition to the methods set out in the case studies in Section 3.2, how else could local authorities fulfil statutory and regulatory duties more efficiently?

Comments:

The most likely way to make savings is by persuading schools to meet some of these costs when purchasing related services via service level agreements. Collaboration with other LAs is another route to pursue efficiencies however as work undertaken by the senior leadership of the LA is key in delivering some of these responsibilities then in reality collaborative arrangements may only be practicable in built up urban areas.

- 2 c) What level of saving is it possible for local authorities to make on statutory and regulatory duties? If cost pressures on statutory and regulatory duties have changed recently, please describe below.

Comments:

As the level of spending varies by LA then its not possible to make a single generic response to this. The current arrangements of funding via a straight per pupil allocation of the country takes no account in London of the area cost adjustment which makes savings more difficult to deliver. The role of local authorities in managing and supporting the schooling system has been subject to significant pressure due to the demand for places in schools and the system wide work with the local community to identify and deliver acceptable solutions. Similarly the annual changing of the funding system and arrangements for schools is above and beyond the level required for maintenance of the system.

- 2 d) Do you think that the Department needs to change its expectations of local authorities with regard to statutory and regulatory duties in order for savings to be realised? If so, how?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

This document sets out the duties under statutory and regulatory to a great level of detail. So much so that with the multi dimension nature of local authorities it would be unrealistic for the services to be costed at this level.

Costs have to be split between the education and the remainder of management of the children's service and corporate functions. Given the costs will reflect how a Local Authority has organised its services it raises some doubts about how practically these costs without impacting on non education services can be reduced in isolation.



- 2 e) If your authority's expenditure is above the median (£48 per pupil) for this service, can you help us understand why this is?

Comments:

Non applicable

Not applicable

- 2 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£6<sup>1</sup> to £28)?

Comments:

### Education welfare services

- 3 a) Why do you think there is such significant variation in spending on education welfare?

Comments:

Lewisham performance figures show secondary attendance benchmarking low overall against other London and inner London authorities. Primary performance figures have been consistently high. Both phases have shown reduced overall and persistent absence year on year. Persistent absence is defined as missing 15% or more sessions. The latest figures published by the DfE, for autumn 2012 and spring 2013, showed Lewisham was 4th best among London authorities in

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<sup>1</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

terms of overall absence in primary schools, and 8th best in terms of primary persistent absence. Lewisham was ranked 24th in terms of secondary overall absence and 25th in terms of secondary persistent absence. Comparisons were with 33 London boroughs. Nationally, we are in the top quartile for both secondary and primary overall absence.

A response to poor absence performance can be to recruit more staff to work with the young people not attending school and their families. The growth in the school population is a significant additional burden which may lead LAs to increase spending in this area.

The increased focus on fining parents for non-attendance of their children is a further factor that can impact resourcing levels.

Finally, the extent to which schools contribute to service costs through charges or undertaking the work themselves

3 b) How do you think local authorities could provide this service more efficiently?

Comments:

The service that is currently provided is as follows

Preparing court cases

Court appearances

Training on court procedures

Tracking of attendance of vulnerable groups

Children missing not on roll or excluded

Support or challenge

Attendance checks on poorly performing schools

Monitoring performance checks although schools can buy in further support

Expenditure reduction can be achieved by a reduction in the scope of service to focus on court related work and for schools to be responsible for more of the case work with individual pupils and their families.

3 c) What level of saving could your local authority make to education welfare? If cost pressures on education welfare have changed recently, please describe below.

Comments:

In 2013/14 and 2014/15 the LA has implemented changes that will reduce the expenditure on the service by £500k. This is to be achieved through a concentration on court related work that schools cannot undertake and by schools entering into a traded service for support or by undertaking the work themselves.

3 d) Is further clarification or guidance from the Department needed about our expectations in respect of education welfare services? If so, why?

Yes

No

Not Sure

Comments:

3 e) If your authority's expenditure is above the median (£14 per pupil) for this service, can you help us understand why this is?

Comments:

The service that currently remains

Preparing court cases

Court appearances

Training on court procedures

Tracking of attendance of vulnerable groups

Children missing not on roll or excluded

Support or challenge

Attendance checks on poorly performing schools

Monitoring performance checks although schools can buy in further support

See the response to 3c above as to how expenditure is being reduced.

The savings would need to be made around the support and challenge of school

3 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (£0 to £9)?

Comments:

The savings would need to be made around the support and challenge of schools

We would question how realistic the lower quartile figures are as a target for spending. We are surprised that a Local Authority can operate this service at no cost when there is still a statutory function of court proceedings that schools cannot pursue. The retained

duties from academies convey a duty on Local Authorities in this respect. If this is not the case or it can be delivered through schools then we believe further clarity is needed. LAs that show as having no expenditure are known to us as having a significant service.

Alternatively we wonder whether the costs are being passed to schools. If so a fuller analysis of the figures would be needed to determine whether this is a more efficient and effective way to deliver services.

- 3 g) Do you agree that the duties required for this service are fulfilled by local authorities, and therefore should be covered by the local authority retained duties funding (set out in Section 6)? If not, which aspects do academies hold responsibility for and should therefore be paid for by the standard ESG rate?

<input checked="" type="checkbox"/>	Agree	<input type="checkbox"/>	Disagree	<input type="checkbox"/>	Not sure
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Comments:

### Central support services

- 4 a) Are there any reasons why local authority expenditure on central support services could not be significantly reduced, if not stopped altogether? Please give details below.

Comments:

Our figures are below the median

- 4 b) If you do not think this could be stopped altogether, how much of a saving could local authorities make to these services? If cost pressures on central support services have changed recently, please describe below.

Comments:

A significant element of our costs here is the free school meals eligibility service where the economic position, the growth in primary age population and the use of FSM eligibility for the two year old offer have all provided additional pressures on the system. With current requirements these could not be ceased at the present time.

If there was a data exchange with DWP for FSM eligibility for all pupils in the area then parents could simply be notified of eligibility without having to go through an application process. This would be similar to arrangements for the two year old child care offer where DWP provide the list of eligible parents for the LA to contact to secure access to the entitlement.

- 4 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

Yes

No

Not Sure

Comments:

- 4 d) If your authority's expenditure is above the median (£6 per pupil) for this service, can you help us understand why this is?

Comments:

Our expenditure is at the median level and is expected to fall below it as staffing efficiencies through different It are pursued. 4b sets out the pressures on the service.

- 4 e) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£10 to £1)?

Comments:

Given the fact that the benchmarking data includes LAs that make a surplus from providing these services then the lower quartile would not appear to be a reliable or credible figure to use as a target for reduced expenditure. To arrive at this position it would be seen as acceptable to charge schools for parents securing FSM eligibility for their children.

### **Asset management**

- 5 a) Which services are your local authority funding under the 'Asset Management' heading?

Comments:

This cover asset management planning, delivery of the school maintenance programme, checking of schools performance of statutory maintenance, asbestos management on school sites.

5 b) Could your local authority join up asset management relating to education with asset management across all local authority services, if this is not already happening?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

There are links with the other Council asset management services and the cost reflects the appropriate level of the education element. Further integration of education and corporate assets support services is being developed.

5 c) Are there reasons why local authority expenditure on asset management, under the standard ESG rate, could not be significantly reduced if not stopped altogether? If cost pressures on asset management have changed recently, please describe below.

Comments:

The authority is responsible for the long term maintenance of its community



schools and needs to undertake asset management responsibilities to fulfil this. Including organising periodic building surveys as no suitable national alternative is yet available.  
A similar role is expected to be performed in respect of VA schools through coordination of the LCVAP programme.

- 5 d) If you do not think this could be stopped altogether, how much could local authorities save by delivering this service in a different way?

Comments:

Some responsibilities could be transferred to schools in terms of annual survey data maintenance. However the incidence of long term maintenance is not one that schools could easily manage on their own. Similarly organising LCVAP programme across four organisations is not one that could be passed to schools individually.

- 5 e) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

Yes

No

Not Sure

Comments:

Yes, clarity of the role of the Local Authority needed to be provided

- 5 f) If your authority's expenditure is above the median (£7 per pupil) for this service, can you help us understand why this is?

Comments:

Internal Note

Current average is £16 per pupil

The costs are above the national median as it incorporates an element for the cost of wages in London and the growth needed in primary places

- 5 g) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£1<sup>2</sup> to £3)?

Comments:

This would mean we would need to make a surplus of £30k or at a maximum cost £100k. Again we would question the credibility of the lower quartile figure as a target in this instance.

### **Premature retirement costs/ redundancy costs (new provisions)**

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<sup>2</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

6 a) Are there any reasons why schools could not take financial responsibility for redundancies? Please give details below.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

6 b) If you are a local authority that is funding early retirement, why are you not requiring schools to do so?

Comments:

There is a small element, that in certain cases, we do not believe it is always appropriate to charge the school for redundancy costs resulting from the creation of federative arrangements or school intervention activity.

6 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

**Therapies and other health-related services**

- 7 a) Given the high needs budget that local authorities have, and the improved joint working between health and education authorities which should result from the provisions within the Children and Families Bill, are there any reasons why funding for therapies and other health-related services should continue from ESG? If cost pressures on therapies and other health-related services have changed recently, please describe below.

Comments:

Therapies costs are not decreasing and if they were not able to be accounted for under this heading they would be a charge against the high needs block of the DSG i.e. the costs would be shunted from one part of the system to another. If it is felt they are more properly as DSG responsibility the funding should be moved to the DSG not deleted.

- 7 b) Is there a need for further clarification or guidance from the Department about what local authorities are expected to provide in terms of therapies and other health-related services. If so, why?

Yes

No

Not Sure

Comments:

This would be useful

- 7 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

### Monitoring National Curriculum assessment

8 a) What level of savings could local authorities make to this service?

Comments:

The cost is currently only £1 per pupil so is insignificant

8 b) If cost pressures on monitoring national curriculum have changed recently, please describe below.

Comments:

8 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

8 d) Given that some local authorities are charging for this service and not incurring any net expenditure, is this something your local authority could do? If not, please help us understand why.

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

There needs to be further clarity on the expectations of whether LA's should undertake this duty

**How the savings will affect academies**

- 9 a) What level of saving could your academy make by adopting some of the strategies we have set out in Section 5 of the consultation document?

Comments:

n/a

- 9 b) Can you provide any additional examples of methods that academies can use to increase value for money from the ESG funding?

Comments:

n/a

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9 c) What would be the consequences of a less generous protection in 2015/16 for academies against losses in ESG than the protection offered in 2014/15?

Comments:  n/a
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9 d) What would be the consequences of reducing the academies rate of ESG to the local authority rate in 2015/16?

Comments:  n/a
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**The local authority retained duties funding**

10 a) What further savings could your local authority make from:

- i) education welfare services;
- ii) asset management; and
- iii) statutory and regulatory duties

As covered by the local authorities retained duties funding?

If cost pressures on the local authority retained duties have changed recently, please describe below.

Comments:

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10 b) Is further clarification or guidance about these duties from the Department needed in order to have a clear set of expectations? If so, why?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:
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Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

<b>Please acknowledge this reply.</b>	<input type="checkbox"/>
E-mail address for acknowledgement:	

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [aileen.shaw@education.gsi.gov.uk](mailto:aileen.shaw@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed responses should be sent to the address shown below by 19 June 2014

Send by post to: Emily Barbour, Funding Policy Unit, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT

Send by e-mail to: [esg.CONULTATION.education.gsi.gov.uk](mailto:esg.CONULTATION.education.gsi.gov.uk)