

# Schools Forum Agenda

Thursday, 10 December 2015

**4.30 pm – 6.30pm**, Committee Room 1 - Civic Suite  
Lewisham Town Hall  
London SE6 4RU

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Item	Pages
<b>1. Apologies and Acceptance of Apologies</b>	
<b>2. Minutes of the Meeting 1 October 2015</b>	1 - 6
<b>3. Matters Arising</b>	
<b>4. Budget Overview</b>	
This item will be a presentation to the Forum on the overall budget of the Council and the Dedicated Schools Grant.	
<b>5. Changes to Services to Schools</b>	7 - 27
This paper will look at the proposed changes to services for school. It will also consider the charges for the music and catering services (and the return of catering balance) as well as the longer term strategic direction of the traded services.	
<b>6. Medium Term Financial Strategy</b>	28 - 34
This paper looks at the longer term position on the DSG and seeks agreement to set up a task group to assist with the response to the likely consultation of the new national funding formula and to help schools in making the changes that may be required to ensure they have a balanced budget.	
<b>7. High Needs Sub Group - Annual Report</b>	35 - 89
To receive the report of the sub group and consider the high needs budget for 2015/16.	
<b>8. Budget Monitoring Report</b>	90 - 96

To consider the current budget monitoring position and the returns by the schools who exceed the balance control mechanism at the end of last year.

**9. Dedicated Schools Grant Budget Report 2016/17** 97 - 112

To agree the DSG budget for next year and to agree the approach to completing the individual school budget return required by the DFE.

**10. Item 10 Sustainable Technologies** 113 - 115

The report will seek approval that when sustainable technologies are procured by the Council for schools in this case Photovoltaic Cells (solar panels), the benefits will be shared between the Council and the school. In relation to solar panels the Council will receive the Governments subsidy through the Feed In Tariff (FIT) and the school will benefit from the reduced kwh unit tariff (this is normally in the region of 3-5 pence per kwh).

The Council will utilise the income as a contribution to sustainable technologies required as a result of the planning process.

**11. Any Other Business**

**Reports deferred to next meeting**

Constitution – voting on substitutes

**Dates of Future Meetings**

Extraordinary meeting of the Forum – either

19 January 2016

or

20 January 2016

4 February 2016 - 4.30 to 6.30pm

17 March 2016 - 4.30 to 6.30pm

## LEWISHAM SCHOOLS FORUM

### Minutes of the meeting held on Thursday 1st October 2015

Membership (Quorum = 40% i.e. 7)    ✓ = present    ✗ = absent    a = apologies

		Attendance				
		11/12	05/02	19/03	04/06	01/10
<b>Primary School Headteachers</b>						
Liz Booth	Dalmain	✓	✗	a	✓	✓
Paul Moriarty	Good Shepherd	✗	✗	✗	✗	a
Michael Roach	John Ball	✗	✓	a	✓	a
Sharon Lynch	St William of York					✓
Keith Barr	Kender					✓
<b>Nursery School Headteacher</b>						
Nikki Oldhams	Chelwood	✓	a	a	a	✓
<b>Secondary School Headteachers</b>						
Anne Potter	Addey & Stanhope	✓	✓	✓	✓	
Bob Ellis	Conisborough College	✓	a	a	✓	✓
David Sheppard	Leathersellers Federation	✓	✓	✓	✓	✓
SECONDARY	VACANT					
<b>Special School Headteacher</b>						
Lynne Haines (Chair)	Greenvale	✓	✓	✓	✓	✓
<b>Pupil Referral Unit Headteacher</b>						
Liz Jones	Abbey Manor	✓	✓	✓	✓	✓
<b>Primary School Governors</b>						
Keith D'Wan	Athelney	✓	✓	a	✓	
Dame Erica Pienaar (Vice-Chair)	John Ball	a	✓	✓	✓	✓
Mark Simons	Coopers Lane	✗	✗	✗	✗	
<b>Secondary &amp; Special School Governors</b>						
Pat Barber	Bonus Pastor	a	✓	a	a	✓
Jim Pollard	Addey & Stanhope	✓	✗	✗	✗	✓
VACANT	Special School					
<b>Academies</b>						
Declan Jones	Haberdashers' Aske's	a	a	✓	✓	✓
<b>14-19 Consortium Rep</b>						
VACANT	14-19 Consortium	✗	✗	✗	✗	
<b>Early Years Rep</b>						
Cathryn Kinsey	Clyde Nursery	✓	✓	a	a	✓

Diocesan Authorities						
Rev Richard Peers	Southwark Diocesan Board of Education	*	*	*	✓	a
Stephen Bryan	Education Commission	a	*	*	✓	a

Also Present	
Alan Docksey	Head of Resources & Performance
Dave Richards	CYP Group Finance Manager
Hayden Judd	Principal Accountant
David Austin	Head of Corporate Resources
Kate Bond	Head of Standards & Achievement
Maxine Osbaldeston	Sandhurst Infants
Janita Aubun	Clerk

## 1. Apologies and Acceptance of Apologies

Apologies received from Paul Moriarty, Michael Roach, Stephen Bryan and Father Richard Peers. All apologies accepted. Forum agreed attendance monitoring to recommence with a fresh start effective, from next meeting.

## 2. Minutes of the Meeting held 4 June 2015

Schools Forum Action Summary:-

- Follow-up action for Rushey Green backdated NNDR bill to be carried forward to next Schools Forum.
- Clarification on payment to individuals from Schools HR - outstanding.
- Alternative Provision report from Schools Improvement Team – pending Director's briefing.

## 3. Matters Arising

No other matters arising.

## 4. Annual Internal Audit Report

Forum was presented with a summary of the 2014/15 internal audit work carried out in schools. Audits were conducted by the Royal Borough of Greenwich under an SLA agreement. A number of common areas of improvement were identified including procurement, budget monitoring, asset security and payroll.

31 schools audited: result 20 substantial, 9 satisfactory and 2 limited assurance opinions.

School internal audit plan 2015/16 has been agreed and Greenwich have been contracted again. Forum members felt their recent audit was a more 'forensic' and better experience.

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

## **5. Annual Health & Safety Report**

Report summary of the 2014/15 Health & Safety (H&S) work in schools.

### Full H&S Audits

In 2014/15, 17 audits planned with 5 having been completed before the Council change in arrangements in January 2015, namely Abbey Manor, Baring, Dalmain, Greenvale and Haseltine. There was 1 weak assessment.

### H&S Self-Assessments

Up to 2014/15 these audits were conducted by the Council's corporate H&S Team under an SLA agreement. New arrangements in place for 2015/16. Forum were informed 45 H&S self-assessment returns were completed from all schools.

Common areas for improvement identified:-

- Risk assessment,
- H&S training,
- Stress assessments/audits,
- Trained assessors,
- Maintenance inspection records and incident reporting,
- Business Continuity Plan (BCP)

Forum felt there is a need for a lock-down procedure which is not in the BCP. David Austin to forward the latest H&S policies manual to Finance for circulation to schools. Estates, to issue a BCP contacts update.

- Recommendation that Forum note this report and this was agreed.

## **6. Deferred Admissions**

The Forum considered the financial implications for schools where parents defer admission until their child reaches compulsory school age and whether support should be provided. For the current academic year there are 10 children in Lewisham who have deferred entry till January, so therefore have missed the October census and consequently no funding.

Forum raised concern that the number of deferred admissions may rise in the future and that any agreement made should therefore be a once-off for this year.

Forum agreed:-

- Funding to be provided as set out in the paper and taken from contingency for 2015/16 only.

## 7. National Funding Formula

Report for Forum to note the possible new national funding formula for schools.

The F40 group (which represents 37 English local authorities with historically low education funding), have provided a model of their proposed formula. For Lewisham the reduction is approximately 10% over 3 years which equates to roughly £17m.

Schools Forum feel that this is a cause for concern.

Forum agrees that we need to look at staffing and pay structures in Inner London and the Shire counties (including London weighting).

Officers mentioned that the DFE workforce data which is a national database, could be shared in order to make comparisons.

- Recommendation that Forum note this report was agreed and that the LA distribute schools workforce data report. .

## 8. ISOS High Needs Funding Report

Forum was presented with the report which looked at the ISOS high needs findings and assessed the impact on Lewisham.

ISOS recommend a new National Funding Formula for the allocation of the high needs block to LAs. Formula to include deprivation, prior attainment, disability, and children's health for example.

However this would probably mean Lewisham receiving reduced funding which is a concern.

- Recommendation that Forum note this report was agreed.

## 9. Financial Update and Budget Monitoring

The Forum looked at the budget monitoring position of the DSG and the financial position of the mutual funds held.

DSG - two year old entitlement grant has been confirmed at £3.3M and an extra £0.6M has been received for early years. This brings the DSG total to £252,012k after academy recoupment.

New budget monitoring template - available to schools and went live in September.

Financial update – overspend position at end 2014/15 was higher than expected, resulting in a shortfall of funding this year at £1.6M.

Forum discussed taking a more holistic approach and linking standards and achievement with finance and service outcomes. Also that we may want to share the tabled 'Financial Management Performance Analysis' report with all schools.

Forum also raised the issue of the impact of refugees in Lewisham.

Forum agreed recommendations:-

- Contingency fund bid for the EAL high needs students at Lewisham college of £120K
- To note the report
- That the financial management indicators for schools be shared separately.

## 10. Any other Business

No other business raised.

Meeting closed 6:25pm

Date of next meeting 10 December 2015

## SCHOOLS FORUM ACTION SUMMARY

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME/CURRENT POSITION
<b>Minutes of 19 March 2015</b>	Seek to fill Vacant Special School Governor position for Forum.	Governors' Services	Pending
	Follow up action re. Rushey Green backdated NNDR bill.	Finance	On-going
<b>Schools Forum 19 March 2015 - Annual Internal Audit Report</b>	Clarification to Forum regarding payment to individuals and its process.	Diane Parkhouse	Pending

<b>Schools Forum 19 March 2015 - Financial Management</b>	A report to be brought to Forum on Alternative Provision.	Kate Bond	Pending
<b>Schools Forum 1 Oct 2015 – Health &amp; Safety Report</b>	Health & Safety policy manual for circulation to schools.  Lock down procedure for Business Continuity Plan and contacts	David Austin  Officers	Pending  To follow



# Agenda Item 5

Schools Forum  
10 December 2015  
Item 5

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Changes to Services to Schools		
KEY DECISION	Yes	Item No.	5
CLASS	Part 1	Date	10 December 2015

## 1. Purpose of the Report

This report looks at the future financial position of the Council and the savings currently proposed to the Mayor. It considers in detail the savings related to the traded services and schools non-traded services and their impact on schools budgets. It then looks at the proposals for the services that impact on schools, parents and children.

## 2. Recommendation

A).The Schools Forum indicates its support for the proposal to increase the charges for services provided to schools and the range of services that are charged for within the following sections of this report

- 4.2.1 Increase of traded services charges
- 4.2.2 Attendance and Welfare

B) To note the position on the Music charges

## 3. Background

The financial outlook for the Council and the public sector as a whole remains extremely challenging. The Government has re-affirmed its commitment to deliver significant reductions in public sector expenditure.

The Council's Medium Term Financial Strategy considered by members, suggests a further reduction in resources of a minimum of £30.4m (12.3%) between 2015/16 and 2019/20. At the same time spending projections, including national insurance changes, pay and prices and provision for budget pressures related to an increasing population and changing demographic needs, estimate that minimum additional spending of £52.7m (21.4%) will be required to meet those needs.

The Medium Term Strategy can be seen via the following link

<http://councilmeetings.lewisham.gov.uk/documents/s37678/10MediumtermfinancialstrategyPAC140715.pdf>

The Chancellor announced his Comprehensive Spending Review (CSR) on the 25 November 2015. The exact details of the Local Government Settlement will not be published until 17 December 2015 when the funding for next year will become clear. The longer term position is even more uncertain due to the withdrawal of central government funding and the retention of business rates. Whether settlement details will provide full details on these issues is unknown.

Currently the Council estimates the level of savings required for the four year period 2016/17 to 2019/20 at £83.1m. Of this £11.1m of savings were agreed in the 2015/16 budget. The Council's budget model therefore estimates the remaining savings requirement over the next four years to be £72.0m (2016 - 2020).

#### **.4. Children and Young People's Directorate**

- 4.1** Within the Children and Young People's Directorate total savings of £2.2m are being considered, with existing saving of £1.3m agreed last year for 2016/17, the total savings for next year are £3.5m. The net budget of the CYP directorate is £51.1m, the savings proposals represents 7% of the budget.

#### **The savings are grouped into strands**

#### **4.2. School Related Services (Total Saving £660k)**

The services and activities within this strand provide support to schools in delivery of their responsibilities.

The Local Authority already charges for services provided to schools with an annual income of £3.3m (2015/16). The overall proposals below would increase the level of traded services in this strand by £0.4m representing 0.2% of the totality of schools' delegated budgets.

- 4.2.1 To increase the charges to schools** for all existing Service Level Agreements by 2.5% above rate of inflation to raise £100k in 2016/17. This would better reflect the actual cost of delivering the services.
- 4.2.2 Attendance and Welfare (AWS).** It is proposed to increase the proportion of activity traded with schools and reduce the cost of the core service. The increased income is estimated at £150k. While the attendance of vulnerable pupils would

continue to be the subject of attendance casework centrally, schools would be charged for routine casework currently undertaken as part of the core service. Under this proposal, the AWS would better reflect the statutory duties of the LA and there would be greater clarity about the responsibilities of schools either to undertake the casework themselves or to pay for the LA to undertake it.

The current council funded budget of £498k represents a cost of £19 per pupil which benchmarks against average English spending of £12 per pupil. The budget has the last two years been reduced to move towards national and local comparators and this further saving would achieve the English average benchmark.

- 4.2.3** It is proposed that the **Schools Strategic IT** post will be wholly covered by charges to those schools that wish to purchase the service.
- 4.2.4** Increase in charges for training by **Education Psychology** service to PVI child care providers raising £5k.
- 4.2.5 School Estates:** Some staffing savings have already been made in this area through the voluntary severance scheme releasing £30k. It is anticipated a further efficiency of the estates team can release savings of £190k through greater collaboration within the Council and a reduction in provision for property consultancy fees.
- 4.2.6 Free School Meals Eligibility Assessment:** It is proposed to transfer the service to the Customer Services financial assessments team. The saving would remove the Council's remaining General Fund contribution of £17k towards costs by the reduction in hours employed and a change of line management. There would still be a cost borne by the DSG for the FSM eligibility activity.
- 4.2.7 The Standards and Achievement Team** monitors the performance of schools, identifies where action is required to secure improvement and broker or provide that support to the schools requiring it. A management restructure is in process which would ensure the senior capacity required for the school improvement agenda especially for secondary schools and continue work for primary and early years while delivering savings. The re-organisation would deliver £50k of savings through a reduction in staffing budget, with the remaining staffing/commissioning budget sufficient to meet the local authority's duties to secure improvement of schools.

The reduction in staffing costs will not result in redundancies because of existing vacancies.

#### **4.2.8 Corporate HR (£100k)**

The proposal in this strand is to realign the HR charges to the schools for recruitment, occupational health, policy advice, HR systems, DBS clearance, trade union secondments and employee relations. No firm proposals is however available but it could impact to the extent of £100k on schools delegated budgets.

#### **4.2.9 Insurance**

This proposal is to adjust the insurance recharge model to introduce a 'premium for risk'. The revised charges will more accurately reflect the whole risk to the Council arising from the higher levels of excess applicable to school properties and provide a contribution to the risk that the Council carries in respect of the gap between the level of risk insured (self-insured and via external premium) and the actual exposure.

#### **4.3 Targeted Services (Total saving £550k)**

The savings are detailed below

**4.3.1 Sensory Teachers:** The DSG regulations states assessment and monitoring should be funded through the General Fund but any individual support can be funded from DSG resources. An assessment of the time on activities provided by the team is that 2.5fte would count as support and can be charged to the DSG. This would provide a saving of £190k to the General Fund or 40% of the budget.

**4.3.2 Sensory Teachers:** A reduction in the equipment budget to reflect actual levels of demand would provide a saving of £60k. This would amount to a reduction of 33% in the budget and could be achieved without impact on service delivery.

**4.3.3 Educational Psychologists:** Further reduction in staffing through not replacing staff or replacing vacant roles on lower grades to save £35k or 10% of the budget.

**4.3.4 Occupational Therapy –** The management restructure will align the OT service within the LA with the health OT service provided by Lewisham and Greenwich Trust. This would produce a saving of £50k or 50% of the budget.

**4.3.5 Reduce Carers Funding** £40k

This saving is achieved through reducing the commissioning of Contact a Family (charity organisation) to co-ordinate the provision of short breaks to families with disabled children and young people (£14k). This can be achieved without significantly impacting on service delivery and makes a small impact on the overall commissioning from Contact a Family. The remainder of this saving (£26k) results from the non-renewal of a small contract with Carers Lewisham (charity organisation). Carers Lewisham has a larger contract with the council which will continue. These grants are funded from the Short Breaks Budget of £1.2m.

- 4.3.6** Review of Multi Agency Planning Pathway (MAPP) Team - This saving to the General Fund is achieved through increasing the Health contribution to the service by £120k. This saving is under negotiation and would represent 50% of the current budget provision.

**4.3.7** Joint Commissioning of Health services

This saving is achieved through increasing the contribution from the Clinical Commissioning Groups (CCG) towards joint commissioning work for children's services. This will deliver £50k in savings to the General Fund (9% of the budget).

- 4.3.8** In May 2015, the CCG will be transferring responsibility for maternity commissioning to the CYP joint commissioning team and a financial contribution will accompany this transfer to reflect the work undertaken by the team on behalf of the CCG.

- 4.3.8** In October 2015, NHS England will be transferring responsibility for commissioning of 0-5 services to the Local Authority. There is a contribution of approx £30k for this. As the team has effectively managed Health Visiting services prior to the transfer, it is anticipated that this can be offered up as a saving and included in these saving figures.

**4.4. Youth Services (Total Saving £300k)**

The service is currently developing proposals for the creation of a staff and young people led mutual for the youth service. A report on this, outlining the business plan and demonstrating the viability, will be presented to Scrutiny and Mayor and Cabinet in the late autumn, including the potential savings that will be achieved.

This proposal is to include an initial financial tapering for the mutual at £150k per annum, to a total of £300k by the end of 2017/18. There is no direct impact on school budgets.

#### 4.5 Safeguarding Services (Total Saving £670k)

The proposals in this area looks at savings to the supplies and services budget, the procurement of placement costs and to reduce spend through a focus on the use of specialist foster carers for challenging young people rather than residential placements.

#### 5. Public Health

As part of the council's savings, reductions in the public health service will be made which will potentially impact on schools.

1. The cycling in schools programme which provides cycling proficiency and road safety training to children of school age will cease. Currently the service is provided to 40 schools.

2. The funding for free swimming for children will cease. This programme allows children to swim free outside schools hours in public and general swimming sessions.

#### 6. Financial Impact

The table below shows the average purchase of SLAs by schools for 2014/15 and projected for 2016/17. This indicates that the impact of savings proposals is to increase the average primary purchase by £8,990, the average secondary purchase by £11,910 and the average special school purchase by £7,942. This calculation assumes that the average level of buy back of services by schools is 74%. It does not assume that all schools buy back all services.

Narrative	Primary	% of budget	Secondary	% of budget	Special	% of budget
Average spend before proposals	63,788	4	96,432	2	63,457	2
Average spend after proposals	72,778	4	108,342	2	71,396	2
Increase	8,990		11,910		7,942	

#### 7 Traded Services Review

7.1 The Council is considering how best to inject a more commercial expertise into its income earning activities. An external consultant is undertaking a fundamental review of the arrangements for charges for services to schools as part of that work being directed under the auspices of the Lewisham Futures Board. The initial report of the consultant is shown in Appendix A.

7.2 A final report is due 29 February 2016 and this will be brought to the Forum on 17 March.

## **8. Music Charges**

### **8. Music Charges**

8.1 Lewisham Music Service is funded by Arts Council England (ACE), through ring-fenced DfE funding, to deliver and support music education provision in Lewisham as a 'music education hub'. The Music Service receives no Council grants, but the Council does provide in-kind support including HR, finance management and payroll services, in addition to office space at Laurence House.

8.2 The current ACE grant period expires on 31 March 2016. On 3 December 2015, ACE announced that the DfE is 'protecting funding that goes directly to music hubs to spend on music education' and that 'further details will follow in due course'. The Music Service does not know what 'protecting' means in this context either in terms of levels of funding or for how long funding may be available. ACE has advised the Music Service that it will in all probability not know its grant allocation until January 2016.

8.3 In September 2015, ACE advised the Music Service to prepare for a 20% reduction in its current level of grant and an indicative budget for 2016/2017 has been prepared on this basis as the recent announcements do not provide any guarantees that this will not be necessary. The Service also has to prepare for increased staff costs as its programmes expand and develop. In addition, the Music Service is preparing to 'spin out' of the Council and become an independent charity in order to develop service delivery models for schools and users that can allow the service to operate with greater autonomy and flexibility, and to facilitate wider access to funding streams. The costs of transfer will need to be met from Music Service funds and this puts further pressure on the service's budgets.

- 8.4** In order to create a balanced budget for 2016/2017 it may be necessary to raise charges to schools by 8% from the current charge of £36 per tutor hour to £39 per tutor hour. Instrument hire will also rise by at least 10% from £17 per term to £19 per term although we are aiming to continue to provide sets of instruments for first access, whole class provision free of charge. These rises in charges will also be applied to out of school programmes but we will continue to fund a concession of at least 66% for children eligible for Pupil Premium and for Looked After children.
- 8.5** We will confirm charges for schools as soon as we have further news from DfE and/or ACE about the music education hub funding allocation for Lewisham in the New Year.

**9. Conclusion**

In the current economic climate it is essential all services are reviewed for efficiencies and the priorities of the council. The level of savings is such that no area of the council's services can be immune from this process. It is important that schools receive value for money for the services they purchase. These services have to compete in the open market place and the review now underway will hopefully inject a more commercial expertise into its income earning activities.

Dave Richards

Group Finance Manager – Children and Young People

Contact on 020 8314 9442 or by e-mail at  
Dave.Richards@lewisham.gov.uk





## Traded Services for Schools Review

### Interim Report



lisabibbyconsulting

November 2015

Version 0.1 ( Schools Forum Version)

## Introduction

### 1.1 Local Context

Since 2010 Lewisham Council has saved £121million. Following the Government's budget in July 2015 it has become clear that local government budget cuts will continue. Lewisham Council has identified the need to save a further £83million by 2020.

Like many councils Lewisham Members are keen that the Council explores all the options for raising income to supplement the resources available to the Council. As part of this, a strategic review is proposed of Council services traded with schools.

### 1.2 Policy Context

**Education Act 2011/Academies Act 2010:** school autonomy, schools system leadership and diversification of provision are at the heart of current education policy. The role of local authorities has changed significantly with a move to their being commissioners of educational outcomes rather than the expected provider of education services. As a consequence there has been a significant growth in the provider market of services to schools including school led providers such as Multi-Academy Trusts and Teaching Schools.

**Schools Funding Reform:** the Government's aim is to ensure funding, intended for education, and reaches schools and the pupils that need it most through the introduction of a national funding formula. To achieve maximum delegation to schools the government has introduced regulations that ensure that only in exceptional circumstances should funding from the Schools Block be held by the local authority for the provision of central education services. Further restrictions have been put on de-delegation arrangements requiring the development of transparent buy-back arrangements at full cost recovery. Even with protection arrangements, the likely impact of the future national fair funding formula, that looks to ensure equity in pupil place funding wherever possible, will be significant in the Lewisham as school funding is currently ranked 11<sup>th</sup> highest in the country.

**Education Services Grant:** significant reductions in ESG to date (the un-ring fenced grant paid to local authorities and academies) mean that local authorities face additional corporate budget pressures. Some have already decommissioning all but statutory services and are instead supporting the school sector to access best value services from other providers, commercial or otherwise.

The Government's recent Autumn 2015 budget announcement that ESG is to be ended will mean that many councils need to review and redefine still further what they deliver as core education services and decommission or develop charged for service delivery models and/or traded services for services previously delivered free of charge.

**Localism Act 2011:** The Localism Act 2011 introduced a new General Power of Competence (GPC), which explicitly gives councils the power to do anything that an individual can do which is not

expressly prohibited by other legislation. This activity can include charging or it can be undertaken for a commercial purpose, and can be aimed at benefiting the authority, the area or its local communities. This power extends to discretionary education services and other services to schools.

### **1.3 The Traded Services Review**

The original brief for the strategic review included the expected outcomes:

#### Stage 1:

- Provide a clear 'map' of current existing provision by Lewisham Council of 'charged for' and commercially 'traded' services to schools in the Borough<sup>1</sup>
- Identify current charging policies in use e.g. whether current charged for services are delivered on a full cost recovery basis and/or are subsidised by the Council.

The outcomes of Stage 1 of the review can be found at appendix 1 of this report.

#### Stage 2:

- Identify wider Council strategic and business developments that may impact on the viability of traded services for schools in the future
- Assess current levels of schools satisfaction with traded services and identify the key factors that influence buying behaviours
- Assess the schools' market in terms of likely demand for/acceptance of new models of service delivery within the context of wider changes in the work of the Children and Young Peoples directorate e.g. the new School Improvement Strategy
- Map other current service providers to schools in Lewisham and those emerging in the locality to assess likely competition to future Council provision and identify associated risk
- Identify the potential opportunities and options for services to be delivered as full cost recovered charged for services and/or commercially traded services to supplement Council resources in the future
- Identify and submit for consideration a number traded service models available to the Council, identifying strengths, weaknesses, opportunities and threats associated with each model and indicate the scope for increased income generation.

Since the award of the original consultancy in October 2015 there have been a number of further changes in the education landscape in Lewisham including:

- the Government's announcement of the ending of Education Services Grant and proposed review of Council statutory duties,
- confirmation of planned implementation of a national fair funding formula by 2017
- identification of DSG funding pressures related to High Needs demands, and
- likely additional budget reductions for the Council arising from changes in Government grant funding to local authorities.

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<sup>1</sup> The LGA's *Enterprising Councils 2012* publication differentiates between 'Trading (i.e. to generate efficiencies, surpluses and profits) and charging (i.e. to recover the costs of providing a discretionary service)'.

As a result it is vital that the traded services review dovetails with wider strategic reviews and transformation activities and not least looks to assist the Council identify and define:

- which services are statutory and **must** be delivered
- services that are 'business critical' and therefore **should** continue to be delivered by the Council free, on a subsidised arrangement or on a charged for basis
- those services that **could** be traded to help create the right environment in which schools can improve and succeed
- those services that **could** be traded effectively, both within and external to Lewisham, to generate income for the Council and enable it to continue to deliver high quality core services to the community.

#### **1.4 Timeline**

It is anticipated the review will be completed by the end of February to inform discussion with the Schools Forum in March 2015.

#### **1.5 The Consultant**

Lisa Bibby has over 20 years experience in children's services and education and has held a number of chief officer positions including Director of Schools and Education responsible for a major transformation programme.

#### **1.6 Contact**

Alan Docksey Head of Service Resources and Performance Tel: 020 8314 8490 <a href="mailto:Alan.Docksey@Lewisham.gov.uk">Alan.Docksey@Lewisham.gov.uk</a>	Lisa Bibby Consultant Mobile: 0796 151 4038 <a href="mailto:lisa_bibby@talk21.com">lisa_bibby@talk21.com</a>
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**Appendix 1**

**Outcomes of Stage 1 of Traded Services Review**

DRAFT

## 1.1 Introduction

Stage 1 of the Traded Services Review has been undertaken as a desk top exercise using information and data provided by the Council. The source documentation included:

- the Service Level Agreement booklet for 2015/16
- individual service information for services not included in the SLA booklet
- select Committee Reports on traded services 2014 and 2015
- the interactive booking form which includes a cost calculator for those services within the SLA booklet charged for on a differential basis based on size and status of schools
- a costing model used historically to provide guidance to services manager on setting prices for services
- headline information on DSG funding and its allocation.

## 1.2 Map of current provision by Lewisham Council of 'charged for' and commercially 'traded' services to schools in the Borough

### 1.2.1 Scale of service provision

Lewisham Council sells over 92 services to Schools in the Borough with over 162 different service specifications offered to meet the differing needs of the different school phases, status of school and/or to offer flexibility on cost and accessibility.

There are a very few services sold to individual pupils and/or families and these are all music services.

### 1.2.2 Types of services charged for and/or traded

There are a range of service types that are provided to schools on a charged for basis including:

- |  |                               |
|--|-------------------------------|
| - Brokerage ( e.g. energy procurement)             | - Equipment hire              |
| - School business support                          | - Insurance                   |
| - Consultancy                                      | - Monitoring and assurance    |
| - Continuing professional development and training | - Specialist support services |
| - Curriculum support                               | - Professional services       |
| - Personalised services ( i.e. music tuition)      | - Transactional services      |
| - Transport  | - Property related services   |
|  | -                             |

Some services are provided on a planned for basis and others on a responsive basis. Currently there appears to be no differential pricing policy in place for those services purchased in advance and those that are bought on an ad hoc basis.

### **1.2.3 Charged for and/or Traded**

In its Enterprising Councils 2012 publication the Local Government Association differentiates between 'Trading (i.e. to generate efficiencies, surpluses and profits) and charging (i.e. to recover the costs of providing a discretionary service)'. Based on a desk top review of information provided, the vast majority of services provided to schools in Lewisham are provided on a charged for basis, that is to simply recover the costs of providing the service. More detail on full cost recovery pricing can be found in Section 2.

A small number of services such as energy procurement might be classified as 'trading' as the Council itself benefits from efficiencies arising from a lower tariff rate being secured as a result of larger scale bulk purchasing. Similarly by extending 'back office' services, such as payroll, to schools on a charged for basis means central overheads can be recovered from external customers and so efficiencies of scale are secured. However information reviewed suggests that full cost recovery is the favoured charging policy adopted by the Council for its services to schools.

There are a very small number of services where differential service pricing information (e.g. higher price for Academies and/or independent schools) would suggest that the generation of a surplus or profit does form part of the pricing policy. However this is not clear at this stage and more investigation is required to understand the costing methodology and pricing policies used by each service lead.

There are some services that are sold to schools outside of Lewisham e.g. Early Years Improvement Support Services, and, as with the vast majority of services, these appear to be provided on a charged for basis only with no surplus or profit generated.

### **1.2.4 The Market**

Lewisham Council offers the majority of charged for and/or traded services to schools within Lewisham with a few being sold to schools outside of the Borough.

All but two services are offered to schools regardless of status i.e. to Community, Voluntary Aided, Foundation Schools and Academies. There are two services that are offered **only** to Community and Voluntary Aided schools, Asbestos Management Planning and Personnel Administration.

Services related to Newly Qualified Teachers are also sold to independent schools including non maintained nursery schools. As an Appropriate Body there is an expectation that the Council will fulfil its role regardless of setting.

There are two services that are for secondary schools only, relating to subject and middle leader development. Early Years services are only provided to the early years sector and assessment and moderation services are provided only primary schools.

### **1.2.5 Marketing and Promotion**

For several years the majority of services provided for schools on a charged for or traded basis have been promoted to schools via the Service Level Agreement (SLA) Booklet. All services provided by teams within Resources and Regeneration and Community Services appear in the SLA Booklet. Some

services provided by teams in Children and Young Peoples Services appear in the booklet but not all. Analysis would suggest that historically services provided by the Standards and Achievement Service have been marketed directly to schools in a variety of ways.

Regardless of whether services are promoted to schools via the SLA booklet or not, there appears to be no consistent approach to the provision of service specification, quality standards, monitoring arrangements, contact details etc.

### **1.2.7 Coordination**

Currently there is no overall coordination or leadership of all services provided to schools on a charged for basis or that are traded.

The responsibility for the collation of the Service Level Agreement Booklet currently lies with Resources and Performance Team (CYP).

An electronic booking form is produced by the Resources and Performance Team (CYP) to sit alongside the Service Level Agreement Booklet. It is pre-populated with individual school data to enable individualised pricing for those services that have a pricing policy based on factors such as pupil numbers. Several services however have their own booking forms

All services that do not appear in the SLA Booklet have their own individual purchasing arrangements.

No centralised data is collected on services other than those in the SLA Booklet.

### **1.2.8 Quality Control and Customer Satisfaction**

Individual service providers are responsible for the monitoring and evaluation of charged for and/or traded services to schools.

### **1.2.9 Sales and Trends**

A report presented to the Select Committee in October 2015 contained table 3 below which shows level of take up of core services promoted through the SLA booklet and a two year trend.

The income raised from these services totalled over £3.7 million in 2014/15.

Additional income raised from services not promoted through the SLA booklet is estimated to be £1.24 million including income streams as follows:

<b>Service</b>	<b>Income 14/15</b>	<b>Service</b>	<b>Income 14/15</b>
Music service	£479,000	Transport inc school swimming	£161,000
Work experience placements	£81,000	DBS checks	£129,000
Trade waste collection	£140,000	School Improvement Services	£247,000



TABLE 1 (fore brief details of each service see 8.1.)	2013/14 Income Received	2013/14 Schools Purchasing some service	2014/15 Income Received	2014/15 Schools Purchasing some service	Comment
	£		£		
<b>School Support Service</b>					
Performance – Data Returns	58,386	85	87,932	74	
Governor Services – training and clerking	335,238	68	317,612	73	
Educational Psychology and Specific Learning Difficulties	291,457	75	429,210	80	
<b>Premises type service</b>					
Insurance & Risk	1,014,442	85	1,184,256	84	
Fire Assessments	47,425	57	46,778	60	
Asbestos Assessments	10,153	6	8,900	7	
Energy Management	2,000	5			
<b>School Business Support Services</b>					
Internal Audit	30,000	85	41,910	85	
Catering Client Service	130,000	69	146,798	62	
Schools HR /Personnel	677,091	85	790,075	83	
Customer Services (Mail Collection)	57,800	79	59,379	84	
Legal	29,500	68	33,000	69	
Finance	24,674	19	29,652	20	
Payroll	293,000	79	342,285	77	
Total	3,001,166		3,517,787		

<b>New services in 2014/15</b>					
Attendance and Welfare	These services were introduced as part of the Council's budget reductions to meet reduced national funding.		169,518	56	Service commenced in Sept
Corporate information – data governance			18,435	35	

*Table 3: Take up of Services sold through the SLA to Schools Booklet*

**1.2.10 Price sensitivity**

Slight increases in service charges above increase in inflation have been implemented previously by the Council without significant impact on buy-in to services. This would suggest that Schools have to date not be unduly sensitive to price increases.

In 2014/15 new charges were introduced for Attendance and Welfare services that were previously delivered free of charge as part of the Council's budget reductions to meet the challenge of reduced national funding. The Schools Forum was supportive of this move and levels of purchasing of these services have been high.

**1.2.11 Benchmarking**

Access to comparative charging information is often difficult to find as this information is viewed as commercially sensitive or indeed confidential. However when the Council has been able to access information it shows that Lewisham service charges are either in line with industry norms or more often very competitively priced.

## Section 2: Current Charging Policies

### 2.1 Introduction

The second objective of the stage 1 of the Traded Service Review is to identify current charging policies in use across the Council's services.

As outlined at 1.2.4 above, almost all Council services provided to schools on a charged for basis are understood to be delivered at '**Full Cost Recovery**'. Full Cost Recovery means the recovery of **all** direct costs associated with the delivery of the service (staff time, equipment and recourses etc) **and** the associated overheads.

The mapping exercise has identified a small number of non statutory or discretionary services that are provided to schools for free or on a **subsidised** basis. An example of this is the provision of free Moderation and Assessment support to primary schools. The rationale provided is that this is to incentivise schools to attend courses that will help ensure they meet new statutory obligations. Failure by schools to meet these new duties would potentially make the authority's school improvement services vulnerable to reputational damage and inspection risk.

Music services charges are subsidised by grant funding from the Arts Council England.

There is a need to do some more detailed investigation to identify where the Council may be subsidising charges in other areas and to identify the rationale for such an approach.

### 2.2 Charging Rates

Analysis of service level information has shown that there is a range of charging rates in use including:

- Annual charge
- Time based ( e.g. daily rate, per 15 mins, per half day etc)
- Per delegate (especially for training)
- Per employee ( transactional services)
- % of project cost ( capital projects)
- Output based ( per module, per report, per case review, per pack)
- Flat rate ( administration charge for a transactional service)

### 2.3 Incentives

A small number of services offer incentive discounts related to multi-buy arrangements or benefit packages to schools that buy into an annual service agreement. Examples of these include:

- Educational Psychology Team offer 10% discount for more than 2 visits per term plus £100 early bird discount
- Early Years Improvement Team offer discounts on additional pay as you go services if Schools buy into the Early Years SLA bundle.
-

## 2.4 Costing Methodology

A costing model was developed in 2009/10 to guide services managers through the process of costing services and setting an appropriate price to ensure full cost recovery. The model captures costs associated with staff costs, other direct costs and a contribution to Council overheads.

### 2.4.1 Council Overheads

It is expected that all traded services recover a contribution to Council overheads set at a rate of 15% of direct costs.

### 2.4.2 Direct Costs

Staff time is often the major cost of a service and Lewisham's costing model calculates a daily rate based on annual salary plus on costs (NI and pension) divided by an average of 192 productive days plus an additional charge, expressed as a % of staff cost, for department costs such as transport, resources, equipment, furniture, phones etc. This together gives a base daily charge out rate.

Examples of other direct costs that are used in service charge calculations include cost of licensing, room hire, equipment, mileage.

### 2.4.3 Margin (Profit)

Although budget information would suggest that some services do make a 'profit' on services provided there is no evidence that services activity factor in a 'margin' when costing services. Any currently surpluses likely arise as a result of efficiencies, greater levels of sales that anticipated etc.

## 2.5 Application of Costing Methodology

Analysis of service data shows a variance in charges for similar services. An example of this is daily rates charged for consultancy, advice and training services in 2015/16 which ranging from £200 per day to £600 per day. Examples can be found below:

Service	Daily Rate
Individual School Fraud Awareness Training	350
Attendance Welfare Officer Traded Service	288
Health and Safety	420
Specialist Asbestos Advice	600
Tailored Audit support	420
Music CPD and Training and Teaching Observations	200

Following review of services the range of daily charge out rates cannot always be accounted for by variance in the direct costs associated with the service delivery or by stated discount policies and therefore it must be assumed that some services managers are using individual service costing methodologies. This is particularly true of services that are not promoted through the Service Level Agreement booklet.

Further work is required with Service Managers to understand their individual costing methodologies and charging policies and if appropriate look to develop a more consistent approach.

Similarly charging for CPD delegate rates is variable from between £40 per delegate to £120 per delegate. Some of this variance can be accounted for by length of session however in some cases the level of detail available in course information does not allow for details analysis of costing methodology.

The review to date therefore suggests that there is currently no consistent charging methodology in use.

## **2.6 Differential Charging**

There are a small number of services that charged an enhanced rate for services delivered to non maintained schools. Examples of these services include:

<b>Service</b>	<b>Charge to Community and VA</b>	<b>Charge to Academies/Non Maintained</b>
NQT Approved Body	£200 per annum	£230 per annum
Music Tuition (Individuals, Groups)	£40 per hour	£36 per hour

Further investigation of differential charging policies is required as part of Stage 2 to better understand the rationale for such an approach and potential for its wider application.

# Agenda Item 6

Schools Forum  
10 December 2015  
Item 6

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Medium Term Financial Strategy		
KEY DECISION	Yes	Item No.	6
CLASS	Part 1	Date	10 December 2015

## 1. Purpose of this Report

The purpose of this report is for Forum members to consider the medium term strategy for the next 3 years.

## 2. Recommendations

The Forum

- a) Agree to set up a Schools' Funding task group
- b) Agree the terms of reference for the task group

## 3. Budget Strategy

- 3.1 The long term funding position remains uncertain, particularly with the Government wishing to implement a new funding scheme for schools.
- 3.2 The most likely scenario is that we will not see any growth in the DSG in Lewisham for next year and the schools block will be cash frozen although it will rise in line with pupil numbers. In the long term it is more likely (see report National Funding Formula - 1 October 2015) that Lewisham will see a reduction in resources. The high needs block is expected to be cash frozen and there is unlikely to be any funding for the growth in numbers. This trend is expected to continue for the short term but like schools funding, the high needs block will be subject to review. Lewisham are likely to see a reduction in resources here too.
- 3.4 As set out elsewhere on the agenda, the current financial forecasts show the high needs budget is overspending. The budget strategy has been focused on ensuring that special educational needs spending balances to the funds available while protecting the schools' budgets as much as possible.
- 3.5 The medium term outlook from 2016 to 2020, discussed in section 5 of this report shows significant costs that are likely in the future, with the distinct possibility that there will be no extra funding.

#### **4.0 Medium Term Financial Cost Pressures**

The position of next year's funding will become clearer after the announcements on the DSG settlement in December. The longer term funding position remains uncertain particularly with the current government desire to review the schools' funding system.

#### **4.1 Rates bill**

The next general revaluation of the school estate will take place in 2017. With the expansion of schools places it is likely that there will be increases in the funding requirement. Any extra funding will need to be found within the DSG. It is estimated this will be an extra £600k. The DFE have confirmed that there will be no extra funding provided to cover the cost.

#### **4.2 SEN numbers pressures with little likelihood of additional funding**

Current pupil numbers are growing in the primary age group by 2% per annum, in the secondary age groups the numbers are growing but by 1.5%. The current system of funding high needs pupils is such that funding does not grow in line with the growth in numbers. There is a bidding process that Local Authorities are expected to participate in to see if any extra funding should be provided. Allocations are subject to EFA resources and are not made using any transparent formula.

This growth in numbers equates to £1.3m a year, which with the current funding arrangements, would have to be funded from DSG funds for schools. Further, with the high needs budget being cash frozen, a further cost £0.2m of inflationary pressures will need to be met. This means an overall shortfall of £1.5m, which is taken into account in the forecast overspend for 2016/17.

#### **4.3 New responsibilities to age 25**

Local authorities must set out in their Local Offer the support and provision that 19- to 25-year-olds with SEN can access regardless of whether they have an EHC plan. Further education colleges must continue to use their best endeavours to secure the special educational provision needed by all young people aged 19 to 25 with SEN attending their institution.

19- to 25-year-olds with EHC plans should have free access to further education in the same way as 16- to 18-year-olds. Colleges or training providers must not charge young people tuition fees for such places as

the funding will be provided by the local authority and the Education Funding Agency (EFA).

#### **4.4 Cost pressures on schools**

There are a number of cost pressures falling on schools. These are mostly staff related; schools will not only need to meet the cost of pay awards but will face the financial consequences to changes in employers' contributions, national insurance and pension costs.

On the 7 October 2015 the Secretary of State wrote to the chair of the School Teachers' Review Body (STRB) highlighting the Government's policy for public sector pay in 2016-17, which was set out in the Chancellor's Summer Budget of 8 July 2015, namely an average award of 1%. The letter emphasised that some staff could receive more than 1% while others could receive less, but that there should not be an expectation that every employee will receive a 1% award. This is in line with the approach adopted last year.

The STRB are expected to report back to the Minister by the end of April 2016.

The Government plan a new apprenticeship levy of 0.5% from April 2017. At the moment it is not clear whether there will be an impact on schools

The superannuation and national insurance increases have either impacted this year or else fall in 2016/17 which is outside the scope of this strategy.

### **5 National Position**

**5.1** At the last meeting we discussed the current government proposals on a new national formula and their likely impact. The F40 group have provided a model of the formula they would like to see implemented: each authority's funding has been calculated individually and for Lewisham the reduction is around 10% over three years. This equates to roughly £17m across Lewisham's maintained schools.

**5.2** Likewise we saw a possible review of the high needs block funding.

**5.3** Lewisham, when ranked with other authorities, is currently well placed, ranked the 11th highest on both the Schools Block and the High Needs Block. The Government approach has been to smooth the discrepancies between authorities and to ensure more authorities are funded near average levels. Whether they wish to take funding away from a Local Authority is unknown, but if this is the case then there is a



real danger that Lewisham could be in a position of not only looking at significant cost pressures but reducing resources.

- 5.4 If we apply the same percentage reductions to the high needs block as the F40 group propose for the schools' block, then each year over the three period of this plan we would see a £1.5m reduction in resources.

## 6. Financial Impact

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
<b>Business Rates</b>	0.6		
<b>High Need pupil growth</b>	1.5	1.5	1.5
<b>National Funding Formula changes</b>			
Schools Block*(Estimate)	6.0	6.0	5.0
High Needs Block(Estimate)	1.5	1.5	1.5
<b>Total</b>	<b>9.6</b>	<b>9.0</b>	<b>8.0</b>

\*Figures based on the F40 model phasing in the change over 3 years

## 7. Education Services Grant

ESG is paid to local authorities and academies on a per pupil basis as an un-ring-fenced grant. Local authorities receive additional funding for the obligations that they have to fulfil to both academies and maintained schools (known as "retained duties").

The main rate of funding will be £87 per pupil in 2015-16. The retained duties rate is £15 per pupil. There is no longer an enhanced top-up for academies in 2015/16, but academies do still receive protection from large budget reductions. Lewisham received a grant of £3.9m in 2015/16.

The services covered by the grant are

- School improvement
- Statutory and regulatory duties
- Education welfare services
- Central support services
- Asset management
- Premature retirement and redundancy costs
- Therapies and other health-related services
- Monitoring national curriculum assessment

In the Chancellor's Autumn statement he announced savings of around £600m will be made on the ESG, including phasing out the additional funding schools receive through the ESG. The government wants to reduce the local authority role in running schools and remove a number

of statutory duties. The government plans to consult on policy and funding proposals in 2016. Nationally the funding is £800m so this is a significant reduction.

Academies will need to build into the financial plans the reduction

## **8. Schools Position**

There are is also evidence that secondary schools are struggling to balance their budgets, whilst one form entry schools also say they are facing difficult financial decisions.

It would appear outside of the remit of the high needs group to look at the funding formula issues as well as the potentially having to reduce the ISB. It is therefore suggested that the schools' forum set up a second sub group to look at these issues. A draft "terms of reference" document is attached.

## **9. Conclusion**

There is a great deal of uncertainty regarding the future funding of schools. With Lewisham receiving proportionately one of the highest funding per pupil amounts in the country and the Government's desire to even out these discrepancies, Lewisham Schools' could face significant reductions in their budgets. What is unknown is the Government's appetite to make these changes.

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Schools Funding Task Group - Terms of Reference		
KEY DECISION	Yes	Item No.	6 Appendix A
CLASS	Part 1	Date	10 December 2015

### 1. Purpose of the Task Group

To consider the national funding changes and help formulate a response that will support schools in the changes that will need to be made.

### 2. Objectives of task group

Evaluate

- Fair Funding Consultation document
- To draft a Schools Forum response to the Spring Consultation
- To assess the impact on schools
- To consider the support arrangements schools will need in order to implement change
- To consider the balance of funding between different types of schools
- Education Services Grant reduction

and to secure the support of the Schools Forum for its proposals.

### 3. Membership

- two representatives of primary/all through school headteachers, nominated by the Leadership Forum,
- two representatives of secondary/all through school headteachers, nominated by Secondary Strategic
- An academy representative

**At least two members have to also be a member of the Schools Forum**

Local Authorities Officers will include:

Head of Resources and Performance (CYP)

Finance Officer

Other officers of the authority will be in attendance as and when required.  
Officers will be available to assist the group with research.

#### **4. Chairing Meetings**

An Officer will chair the meeting

#### **5. Support to Task Group**

The Head of Resources and Performance will ensure that papers are distributed, notes made and circulated, and follow up actions are pursued.

#### **6. Conduct and frequency of meetings**

The group will meet as appropriate, its first meeting will be to scope its programme of work. It is anticipated it will then need to meet monthly.

The group will wish to arrive at decisions by consensus; where this is not possible the paper to the Forum will record the differing views.

#### **7. Timescales**

The group will complete its work by November 2016.  
The group will provide the schools forum with a draft consultation response.  
A final report by the end of November 2016

#### **8. Required Outcomes**

A report with recommendations, practical implementation and business cases to allow schools to address any shortfall in the funding.

# Agenda Item 7

Schools Forum  
10 December 2015  
Item 7

Schools Forum			
<b>REPORT TITLE</b>	<b>High Needs Sub Group Report - Annual Report</b>		
<b>KEY DECISION</b>	<b>Yes</b>	<b>Item No.</b>	<b>7</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>10 December 2015</b>

## 1. Purpose of the Report

To consider the recommendations of the High Needs sub group and to consider the high needs funding block for next year.

## 2. Recommendation

1. That the Schools Forum agree		Work stream	Report Ref*	Saving	
				2016/17	2017/18
a	That all commissioned places in Lewisham Special Schools and Resource Bases(resource base places are currently under review) are taken up in full or the number of commissioned places reduced. (with effect from September 2016)	A	4	400	700
b	That the core budget for CLA Education should remain at £0.479m for 2016/17. This includes the former headroom funding for Children Looked After but excludes the pupil premium.	Ei	8	0	0
ci	To cease the funding on the website from April 2016 saving £0.05m in 2016/17 annually	Eii	9	50	50
cii	To note the efficiency saving on the website in year of £0.02 in 2015/2016	Eii	9	0	0
ciii	The closing the gap budget be reduced to £0.05m from April 2015	Eii	9	50	50
d	The contribution of £0.1m to CAMHS be ceased from Sept 2016	Eiii	10	58	100
e	To cease the contribution to secondary schools for attendance and welfare from April 2015(£0.169m).	E iv	11	169	169
f	To agree to the continuation of the work of sub group for the foreseeable future	n/a	16	n/a	n/a
g	To agree the revised constitution of the High Needs Sub group	n/a	16	n/a	n/a
<b>2. That the Forum note the work and that the following reports will be brought</b>					

<b>back in March</b>						
	a	The SEN banding review workstream will report back to the High Needs Group in February and their report will be brought to the Forum meeting on 17 March for a decision to be made.	B	5	0	0
	b	The work on the proposals to secure reductions of 20% to 30% (£395k in a full year) in the Alternative Education Provision budget of £1.6m with effect from September 2016 with a report in March for a Forum decision.	D	7	230	395
	c	Drumbeat support funding				
	ci	Review the central funding provided to Drumbeat for outreach to ensure the outcomes required are being delivered and the funding is spent appropriately.	E v	12	n/a	n/a
	cii	Review the Family Support function (£0.3m) including alternative forms of funding with effect from April 2016.	E v	12	300	300
<b>3. The Forum ask officers to seek the views of schools on the following and report back at the meeting in January 2016</b>						
	a	To no longer provide low level, high incidence funding to school collaboratives of £2.0m from September 2016.	C	6	1,200	2,000
		Total			2,457	3,764

**\* High Needs Sub Group Report – see Appendix 1to this report**

### **3. Dedicated Schools Grant - High Needs Block Forecast 2016/17**

- 3.1** The level of funding that will be available to the Local Authority next years is difficult to predict.
- 3.2** During December the DFE expects to announce the allocations of the high needs block element of the DSG to all local authorities.
- 3.3** There has been a bidding process for Local Authorities to seek extra resources for increases in pupil numbers, but this only covers FE Colleges and academies. We have sufficient commissioned places in these areas and no bid was possible. It is assumed that no extra resources will be received and the amount received last year will not have inflation added.

#### **4. High Needs Block Expenditure Estimate for 2015/16**

The Local Authority is currently producing an updated SEND strategy, in light of the reforms, and one aspect of this will be to ensure that there is suitable provision in the borough which is more appropriate to needs, which would reduce the use and cost of out of borough placements.

- 4.1** The current forecast indicates a spending pressure of £2.9m on the High Needs Block in 2015/16. This grows to £4.1m in 2016/17. This allows for growth in pupils numbers and accounts for inflation.
- 4.2** If no measures are taken to contain the growth in pupil numbers, together with inflation this would increase the shortfall in 2017/18 by £1.5m and total savings required would be £5.6m
- 4.3** There is a carry forward on the DSG from 2014/15 of £2.2m which can be used to offset part of this year's overspend. This leaves a balance of £0.7m, if the devolved funding to secondary schools for attendance and welfare is stopped from April 2015 this would leave a balance of £0.5m to be found. This could be charged to the schools contingency but would need Forum approval. An alternative would be to reduce the schools budgets in 2016/17.
- 4.4** The Forecast for growth within the budget covers
- 10 extra children each month with Education, Health and Care Plans
  - 9 extra special school pupils
  - 1 extra FE pupil per month
  - 10 extra placements in the independent sector
  - 2 children in post 16 specialist provision
  - It provides for inflation on independent placements

The challenge will be to provide the most cost efficient placements that also meet the needs of the children. The budgets for the funding are set as follows:

	Budget 2015/16	Proposed Reduction (Full year)	Revised Budget
	£m	£m	£m
Place Planning	28.0	0.70	27.3
SEND Banding Review	5.50	0	5.50
Collaborative Budgets	2.00	2.00	0.00
AP Review *	6.70	0.40	6.30
Other DSG allocations			0.00
CLA Education	1.60		1.60
Closing the gap	0.15	0.10	0.05
CAMHS	0.10	0.10	0.00
Attendance and Welfare	0.20	0.20	0.00
Drumbeat	0.80	0.30	0.50
Income streams	-0.40		-0.40
<b>Total</b>	<b>44.65</b>	<b>3.8</b>	<b>40.85</b>

\*includes budgets of New Woodlands and Abbey Manor College

The work group considered all aspects of the High Needs Block and both their report and a summary of the workstreams are shown in appendix 1 and 2.

## 5 Conclusion

- 5.1** The financial constraints that the public sector is operating under are not expected to ease over the next few years. The problem faced by the high needs block is that the growth in expected pupil numbers is higher than the general growth in the pupil population, partly reflecting the SEN reforms. It is believed nationally that the level of funding will be capped or only a small amount of growth allowed for. The planned review of funding of the high needs block could result in a likely redistribution of resources amongst authorities though at best the level of resources is likely to be cash frozen over the next few years.

Dave Richards

Group Finance Manager – Children and Young People

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## Schools Forum High Needs Sub Group

### Schools Forum

### Task Group Report

December 2015

#### Task Group Members

Jon Sharpe	Headteacher	Brent Knoll
Lynn Haines	Headteacher	Greenvale
Fr Richard Peers	Headteacher	Trinity
Kathryn Wong	Executive Headteacher	King Alfred Federation
Janaki Monk	Assistant Principal Inclusion	Haberdashers' Aske's Hatcham College
Liz Jones	Headteacher	Abbey Manor College

#### Officer Support

Warwick Tomsett	Head of Targeted Services and Joint Commissioning
Ann Wallace	Children With Complex Needs Service Manager
Alan Docksey	Head Of Resources and Performance, CYP
Kate Bond	Head of Standards and Achievement
Dave Richards	Finance Manger

## **Executive Summary**

The current financial forecasts indicate that the High Needs block will have a £2.9m overspend at the year end and this will grow to £4.1m in 2016/17, if no action is taken now. There is a carry forward of £2.2m from last years DSG available that can offset the pressure in 2015/16. This will leave a shortfall of £0.7m

The grant received from central government does not allow for the growth in pupil numbers or make any allowance for inflation and this is anticipated to continue. Even if the current budget shortfall is addressed in 2016/17 the longer term outlook will mean Local Authorities will need to have a programme of cost reduction measures in place over the next few years.

The current government is looking at making changes to the funding system both on the Schools block and High Needs block. Lewisham when ranked with other authorities is well funded, and ranked the 11<sup>th</sup> highest for both the Schools Block and the High Needs Block on a per pupil basis. There are a number of ways the ranking can be calculated. If the number of statemented children are used to calculate the ranking on the high needs block Lewisham would be 2<sup>nd</sup> highest. The Government approach to the reform of funding has been to smooth the discrepancies between authorities and to ensure more authorities are funded near average levels by adding funding to the less well funded areas. Whether they wish to take funding away from a Local Authority is unknown but if this is the case then there is a real danger that Lewisham could be in a position of not only looking at significant cost pressures but reducing resources.

The structure of the High Needs block is such that 80% is passed out to providers. Of this, Lewisham schools receive 65% with the remainder going to external providers, academies or schools maintained by other authorities. It is inevitable that any reductions in the High Needs Spend will impact on schools. In reducing costs, the key to the difficult decisions that will be required will be finding the right balance between the needs of the different type of pupils within schools.

The balancing of the needs of pupils and resources that are becoming increasing stretched is not easy. The sub group believe that the recommendations in this report provide a balance between competing demands but accept they do not go far enough in resolving the issues solely in the high needs block.

## **1. Recommendations**

- 1.1** That the Schools Forum agree :-
- a)** That all commissioned places in Lewisham Special Schools and Resource Bases (resource base places are currently under review) are taken up in full or the number of commissioned places and funding is negotiated downward.
  - b)** Note the work so far on the SEN banding review and that the workstream will report back to the High Needs Group in February, in time for the March Forum meeting.
  - c)** To no longer provide low level high incidence funding to school collaboratives of £2.0m from September 2016.
  - d)** To require the workstream to secure reductions of 20% to 30% of the Alternative Education Provision budget with effect from September 2016.
  - ei)** The core budget for CLA Education should be set at £0.479m, this includes the former headroom funding for Children Looked After but excludes the pupil premium.
  - Eii)**
    - a) a saving be made on the website funding in 2015/16 of £0.02m and £0.05m in 2016/17 and
    - b) the pupil ambassadors programme be reduced by £0.05m (£0.02m in 2015/16)
  - Eiii)** The contribution of £0.1m to CAMHS be ceased from Sept 2016.
  - Eiv)** To cease the contribution to secondary schools for attendance and welfare from April 2015 (£0.169m).
  - Ev)** Review the central funding provided to Drumbeat for outreach to ensure the outcomes required are being delivered and the funding is spent appropriately.  
  
Review the Family Support function (£0.3m) including alternative forms of funding with effect from April 2016.
  - F)** To agree to the continuation of the work of sub group for the foreseeable future
  - G)** To agree the revised constitution of the High Needs Sub group

**The full savings proposed in the above are shown below**

Workstream		2016/17	2017/18
	<b>High Needs savings</b>	£'000	£'000
A	Commissioned places	400	700
C	Collaborative Funding	1,200	2,000
D	Alternative Education Provision	230	395
Eii	Closing the gap	100	100
Eiii	CAMHS	58	100
Eiv	Attendance and Welfare	169	169
Ev	Drumbeat central funding	300	300
		2,457	3,764

**2. Background**

**National Position**

- 2.1** In the summer of 2014, the Department for Education (DfE) commissioned Isos Partnership to undertake research into the funding arrangements and practices. The research team were asked to analyse the reasons for differences between spending patterns in different local authorities and the options for changing the ways in which high-needs funding is distributed.
- 2.2** The Lewisham High Needs Block is proportionally one of the highest in the country. Lewisham in financial terms is ranked the 11<sup>th</sup> highest on a per pupil basis and 2<sup>nd</sup> on a basis of the number of Education Health Care Plans.
- 2.3** One reason why Lewisham is one of the highest funded authorities is that the funding takes account of the extra costs of London. This is termed the area cost adjustment. When the original calculation existed as a discrete calculation for inner London the adjustment stood at 29%. In recent funding allocations (not connected with the high needs block) the DfE have reduced this adjustment to 20%. In some cases such as the pupil premium, no extra account has been taken of the high costs in London.

- 2.4** It is likely a new funding formula on the High Needs block would likewise dampen the area cost adjustment.
- 2.5** From the above, unless funding levels are guaranteed at their current levels, it would appear that the introduction of a new national method of funding allocations would see a reduction in funding for Lewisham.
- 2.6** Likewise a national review is being undertaken on the school block element of the DSG. Again Lewisham is proportionally one of the highest in the country. Lewisham in financial terms is coincidentally also ranked the 11th highest.
- 2.7** Potentially this could mean pressure is experienced on schools funding from this perspective too. As well as the costs pressures coming through from superannuation and national insurance increases.

### **Task Group**

- 2.8** The Task Group was set up in 2013 by the Schools Forum to review the costs of funding high needs pupils. Specifically the group were asked to make recommendations on how the costs could be reduced to meet the funding provided by Central Government.
- 2.9** The main focus of the savings has been on the matrix funding which acts as a top-up to the £6,000 which schools are required to meet from their delegated budget. This funding for the top-up does not form part of the schools' funding formula but is allocated to schools on the basis of the number of statements the school has and the level of the pupils' needs. To avoid double counting, the first £6,000 of the top-up has been removed over the last two years.
- 2.10** The collaborative funding is for pupils with low level special educational needs, determined as being below matrix level 6. The funding forms part of the Dedicated Schools Grant and is allocated to each collaborative based on a formula. This formula is made up of free school meals eligibility, prior attainment, mobility and pupil numbers. The total amount of the funding across Lewisham is £2.1m. The collaborative funding was created when it was agreed to not issue statements for children with needs covered in the range of matrix 1 to 5. The funding linked to those former statements was then used to create the collaborative funding allocations. This would therefore be the equivalent of the £6000 assumed to be in the delegated budgets of schools for pupils with needs equivalent to the old matrix 1-5. This year in order to balance the budget the collaborative funding was reduced by £0.3m.
- 2.11** Overall the savings to date by the sub group amount to £2.8m

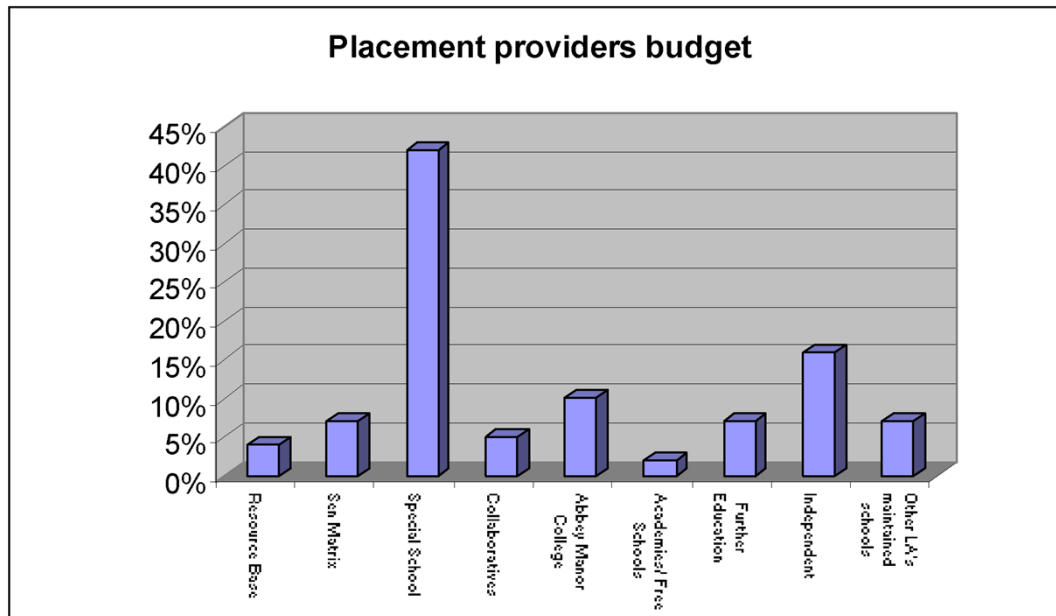
### **Current financial Position**

- 2.12** The current forecast indicates that at the year end there will be an overspend on the High Needs Block of £2.9m. This has steadily increased since July. If no action is taken the overspend is expected to grow to £4.1m in 2016/17. There is a carry forward of £2.2m from last year's DSG available, that can offset the pressure in 2015/16. This will leave a shortfall of £0.7m
- 2.13** The forecast allows for growth in the pupil number next year of £1.3m in 2016/17. It also assumes that the amount received from central government will be cash frozen.
- 2.14** While work continues to provide inclusive education, the current school population is growing. Forecasts of growth rates are always difficult but it is expected that over the coming 4 years there will be a year on year increase in pupils of 3%. If proportionally this is reflected in the budget, this creates a budget pressure of £1.3m each year. On top of this if funding is cash frozen, the consequent pressure through inflation and the London living wage on independent placements is likely to be a further £0.2m.
- 2.15** It is anticipated that each year a saving of £1.5m will be needed. This has been allowed for in the budget forecast for next year.

### **Budget Structure**

- 2.16** The High Needs budget forecast shows payments of £37m which is either to schools in Lewisham (£25m) or outside providers (£12m), a ratio of 2:1.

The providers are shown in more detail below.



**2.17** The remaining budget within the High Needs block covers

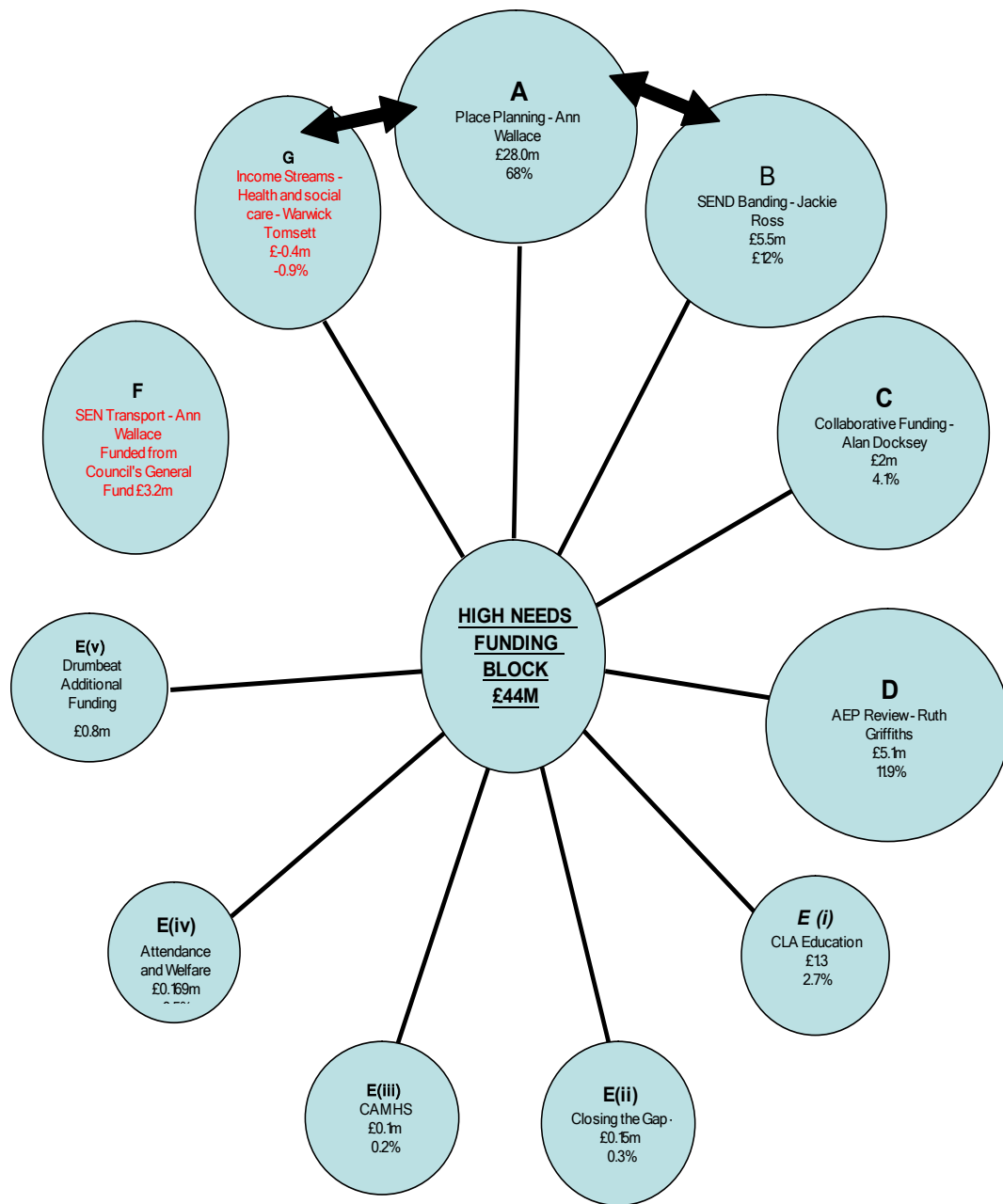
Budget	£'000	
CLA Education	1,220	Includes Pupil Premium funding of £700k which needs to be used for set purpose
Closing the gap	150	
CAMHS	100	
Attendance and Welfare	200	
Outreach at Drumbeat	785	
	2,455	

These budgets provide little scope to make significant savings, which leaves most of the significant pressures to come from the schools funding.

**3. The work undertaken**

The sub-group wanted to look at all the funding within the high needs block to examine where savings could be made or better value for money could be achieved. A number of work streams were set up.

The work streams are shown in the diagram below, the full diagram with the reporting line to other groups are shown in Appendix 2 of this report



#### 4 Workstream A - Place Planning (Further details can be seen in Appendix A)

##### 4.1 Funding

This workstream looks at all the funding that is paid to special schools, schools with resource bases, schools with children on a ECHP and non Lewisham provides such as the Independent sector, academies



and schools maintained by other local authorities. The total amounts to £33.5m

**4.12 Special school places.**

Lewisham currently commissions

	Commissioned places	Actual Numbers(FTE)
Watergate	110	96
Brent Knoll	154	141
Drumbeat	171	156
Greenvale	112	112

Lewisham has 513 pupils in Lewisham special schools

**4.13 Special school places recommendation** - that all commissioned places are taken up and used or numbers are renegotiated and agreed with CWCNS. Schools will only be commissioned for actual number of places available.

**4.14 College places**

Lewisham currently has 143 pupils in college places

**4.15 College places recommendation** - that we continue to monitor and commission appropriate number of places in FE College

**4.16 Independent schools**

Lewisham currently has 93 pupils in independent provision

**4.17 Independent schools recommendation** - that no more independent provision places are commissioned unless absolutely necessary as agreed through the SEN panel or Tribunal process. That we continue to ensure that Lewisham schools are able to cater for the needs of Lewisham SEN pupils within both our mainstream and special schools.

**4.18 SEN General budget**

Further exploration of this budget will be undertaken by the PPP Group. This review will report back to the HN Project Group by February 2016.

**4.19 Resource provision**

Lewisham has 137 pupils in Lewisham Resource Provisions. There are currently 172 commissioned places within the resource bases. There is a current review of resource provision taking place following this year's annual audit. The review will make recommendation on the type of resource provisions required to meet the needs identified through

our needs analysis and those presented at SEN panel. This information will be reported back to the HNF Group by April 2016.

## **5 Workstream B - SEND Banding Review**

Current review of banding system being undertaken. This review will report back to the High Needs Sub Group in Dec 2015.

## **6 Workstream C - Collaborative Budgets** (Further details can be seen in Appendix C)

### **6.1 Funding**

This allocation to school collaboratives is funded from the High Needs Block of the DSG. It was initially agreed by the Forum for 2007/8.

In 2015/16 the funding allocation was reduced by £0.3m(15%) on the recommendation of the schools forum high needs sub group, but a change in the national academy recoupment regulations led to St Matthew Academy becoming eligible for this funding, thereby reducing the saving to £0.2m.

### **6.2 Rationale**

The funding is intended to support those pupils who had a need below that of a EHC plan. Under the new funding regulations the initial support under an EHC plan is required by the DFE to be met from the school budget. In financial terms this support is up to £6,000. Consequently it would mean that the cost of pupils with lower level needs should also be supported from the school budget and not from additional funding.

In June 15 the Forum considered the use of collaborative funding and asked that the matter be referred to Primary Strategic, now the Leadership Forum. There were mixed views. Some schools valued the funding and felt that it contributed to some good practice. Other collaboratives did not use the funding in this way but passed it back immediately to schools. The main benefit was that it allowed the resource to be shared amongst schools in the collaborative, that individually schools could not afford.

### **6.3 Recommendation**

The funding be withdrawn from September 2016

## **7 Workstream D - AEP Review** (Further details can be seen in Appendix D)

## **7.1 Funding**

The funding in this work stream can be considered in two groups. Firstly the funding that is provided to New Woodlands Special School and Abbey Manor College (£5.2m). Secondly funding (£1.6m) that supports SEN, Outreach work, The Intensive Programme, Pupils not excluded, Attendance Worker, Social Workers, Teenage Pregnancies, Hospital and Home Tuition. Some of this funding will also be given to New Woodlands and Abbey Manor College. All funding comes from the DSG.

The schools forum agreed New Woodland's budget in Dec 13. At the meeting the Forum agreed to protect the schools budget for 2014/15 at existing levels. For the rest of the Special Schools the Forum agreed that all special schools funding rates should be standard across all schools for children falling within a particular band. If this had been implemented for New Woodlands the school would have faced a loss of £0.291m and this funding has remained in the schools budget. The Forum asked for this to be reviewed.

The Funding for social workers at New Woodlands and Abbey Manor was agreed by the Forum in 2008/9 and has been confirmed every year since at their budget setting meeting.

The college placements budget has been subject to a contingency bid from the Forum. The latest funding was agreed at the October 16 meeting of the Forum.

No specific approval for the approval of the rest of the budget has been sought from the Forum but included within the budget totals.

## **7.2 Rationale**

An Alternative Provision Review is underway. It is recommended that this workstream of the sub group will focus on and review funding allocations being appropriately targeted, fitness for purpose, effectiveness of delivery and value for money with the view to making savings.

As part of the Alternative Provision Review this work stream will be considered and completed in full consultation with providers and key stakeholders, and therefore final recommendations will be delayed until the end of the Review (March 2016).

The AEP Review will complete a final report in March 2016. Any budget amendments would then need to be agreed by the School Forum which would need to happen in the Summer Term. Once School Forum have agreed any amendments there may then need to be HR processes or other procedures to be followed before any savings can be delivered.

Therefore the most realistic timeline for the implementation of any savings is not likely to be realised until April 2017 (although some savings may be able to be made in year, but this should not be relied upon).

The AEP Review will confirm and evaluate the expenditure against delivery and will then consider the risks and mitigation required to ensure that provision and service savings do not negatively impact on some of Lewisham's most vulnerable children and young people.

#### Recommendation

Initially from this funding stream recommended savings of between 20% - 30% should be anticipated as part of the Review outcomes on the non school budgets. This equates to between £0.3m and £0.45m

### **8 Workstream Ei Children Looked After (CLA) - LA Education** (Further details can be seen in Appendix Ei)

#### **Funding**

Most of the funding is provided through the pupil premium for CLA (£0.741m) There are restrictions on how this money can be spent – it cannot be spent on the Council's core statutory functions and DFE have confirmed that it would not be in the spirit of the Pupil Premium Grant to pay Virtual School staff salaries although this can cover spend on individual pupil level interventions and support. Additionally there is an early years pupil premium for CLA OF £9,000.

£479,210 comes from the Dedicated Schools Grant High Needs Block which should fund the core business of the Virtual School. This allocation from the High Needs Block includes a specific £0.2m 'headroom' bid to Schools Forum to support a range of CLA education needs including tutors for Y6 and KS3. However, this is not an accurate reflection of budgetary need and does not properly reflect how the different budgets are allocated as we need to ensure we are operating within statutory guidelines which have been recently updated.

#### **Rationale**

That the £0.2m currently allocated as a yearly (headroom) grant should be incorporated into the overall DSG High Needs Block allocation which will bring the actual spend in line with updated guidance on how the budget for CLA should be spent. The Pupil Premium Grant for CLA will be able to cover all pupil level spend along with commissioned services (such as welfare call contract). This means that the DSG High Needs Block funding will be needed to cover the core business of the Virtual School in line with guidance. The High Needs Block element of the DSG allocation therefore needs to be sufficient to cover this area of expenditure.

## Recommendation

The current level of £0.479m should be renamed as Virtual School for CLA. This spend should be monitored via the Virtual School Governing Body.

### 9 **Workstream Eii - Closing the gap** (Further details can be seen in Appendix Eii)

#### 9.1 **Funding**

The following budgets support the delivery of the Pupil Ambassadors Programme, Lewisham University Challenge, School Website:

Project Manager - Equalities & Achievement (salary)  
(Coordinator for the Pupil Ambassadors Programme)  
Pupil Ambassadors Programme costs  
School Website (Development)  
School Website (Maintenance)  
Consultancy (20 days)

The overall budget was confirmed on the 12th December 2014. The funding for the website was specifically agreed on the 12th December 2013.

#### 9.2 **Recommendation**

As of the 1st April 2016, stop the funding of the Lewisham Pupil Ambassadors Programme and make a saving of £0.050m for 2016/17, with a saving of £0.02m in 2015/16

To stop the expenditure on the website of £0.05m

### 10 **Workstream Eiii - CAMHS** (Further details can be seen in Appendix Eiii)

#### 10.1 **Funding**

This service is mainly funded from the Council's General Fund (£0.9m) but a small contribution is made from the DSG High Needs Block of £0.1m.

This service has not been subject to savings requirements to date, however further savings are anticipated across the wider CAMHS service, which will have implications for schools in the future.

CAMHS offer a generic service across all schools in Lewisham, but the DSG funding offers added value to schools, by focusing additional limited resources where required.

All cases are reviewed and prioritised daily through the CAMHS triage system.

Additional funding through the DSG High Needs Block pays for two additional clinical posts to work with prioritised cases, which have either been referred by schools or where the young person has specific school issues.

The service provided includes specific school outreach support across approximately 20 schools, such as: contact and liaison, attendance at TACs/school meetings and offering clinical appointments in school settings.

## **10.2 Rationale**

Extensive work is currently being undertaken by commissioners with the new Service Manager for Lewisham CAMHS to review data and value for money across the whole service.

It is recognised that the CAMHS school's team does not offer an equitable service to all schools in Lewisham, but it is important that any changes are considered within the wider context.

Over the next twelve months the whole CAMHS service will be reviewed in line with other Local Authority savings proposals and developments, such as the local CAMHS transformation programme and the Big Lottery HeadStart Programme.

## **10.3 Recommendation**

It is recommended that the £0.100m from the High Needs Block is offered as a saving from 1st September. This will enable a saving of 7/12 months in 16/17 and then ongoing savings of £0.1m from 17/18 and beyond.

## **11 Workstream Eiv - Attendance and Welfare** (Further details can be seen in Appendix Eiv)

### **11.1 Funding**

This service is mainly funded from the general fund (£0.5m) but a contribution has been made previously from the DSG high needs block of £0.169m. A new traded service was set up with schools to trade the non-statutory elements of the service.

## 11.2 Rationale

This funding is devolved to secondary schools who employ their own attendance and welfare workers. There has been no formal agreement from the Schools Forum for this. No payments have been made for 2015/16 yet but the payments in 2014/15 were as follows

Prendergast Lady well Fields	£29,361
Prendergast Hilly Fields	£ 8,874
Conisborough College	£16,381
Sedgehill	£18,024
Sydenham	£17,687
Deptford Green	£14,343
Forest Hill	£29,361
Addey and Stanhope	£12,561
Bonus Pastor	£9,433
Trinity	£8,874

These figures are based on past allocations that have been rolled forward from previous years.

The outcomes for this funding is unknown

## 11.3 Recommendation

The funding is ceased from April 2015

## 12 Workstream Ev - Drumbeat (Further details can be seen in Appendix xx)

### 12.1 Funding

The total funding is £0.78m which covers the outreach service (£0.303m), a resource specialist teacher (£0.075m), additional early years resource (£0.1m) and Family Support for ASD (£0.3m).

### 12.2 Recommendation

Review the central funding provided to Drumbeat for outreach to ensure the outcomes required are being delivered and the funding is spent appropriately.

and

Review the Family Support function (£0.3m) including alternative forms of funding with effect from April 2016.

## 13 Workstream F - SEN Transport

A separate council review of the transport has commenced and will report separately

**14 Workstream G- Income streams from Health and Social Care**

14.1 A review of the process has been undertaken by officers to ensure all the appropriately income is recovered. The place planning group will consider the level of income charged as part of its review.

**15 Summary**

The above recommendations would delivery the follwing savings

Workstream projects	Estimated Saving			Budget £'000	%
	2015/16	2016/17 £'000	2017/18 £'000		
A Place Planning	0	400	700	28,000	2
B Banding Review	0	0	0	5,500	0
C Collaboratives	0	1,200	2,000	2,000	100
Di Alternative Education provision	0	230	395	1,600	25
Dii AEP - Schools	0	0	0	5,100	0
Ei Cla Education	0	0	0	500	0
Eii CAMHS	0	58	100	100	100
Eiii Closing the GAP	50	100	100	150	100
Eiv Attendance and Welfare	169	169	169	169	100
Ev Outreach / Drumbeat	0	300	300	800	0
	<b>219</b>	<b>2,457</b>	<b>3,764</b>	<b>43,919</b>	

Potentially this would leave a shortfall next year of £2.2m although the full year impact of these savings would leave a shortfall of £1m.

Officers were asked for their views on a number of potential savings to cover the funding gap. Potential areas include

- Growth fund for expanding schools
- Additional Hours for 3 and 4 year olds
- Capital projects funding
  
- Schools Individual Schools Budget.



It is beyond the remit of this group to consider these areas and officers will bring forward to the Forum separate suggestions in the December Budget report.

## **16 Revised Constitution**

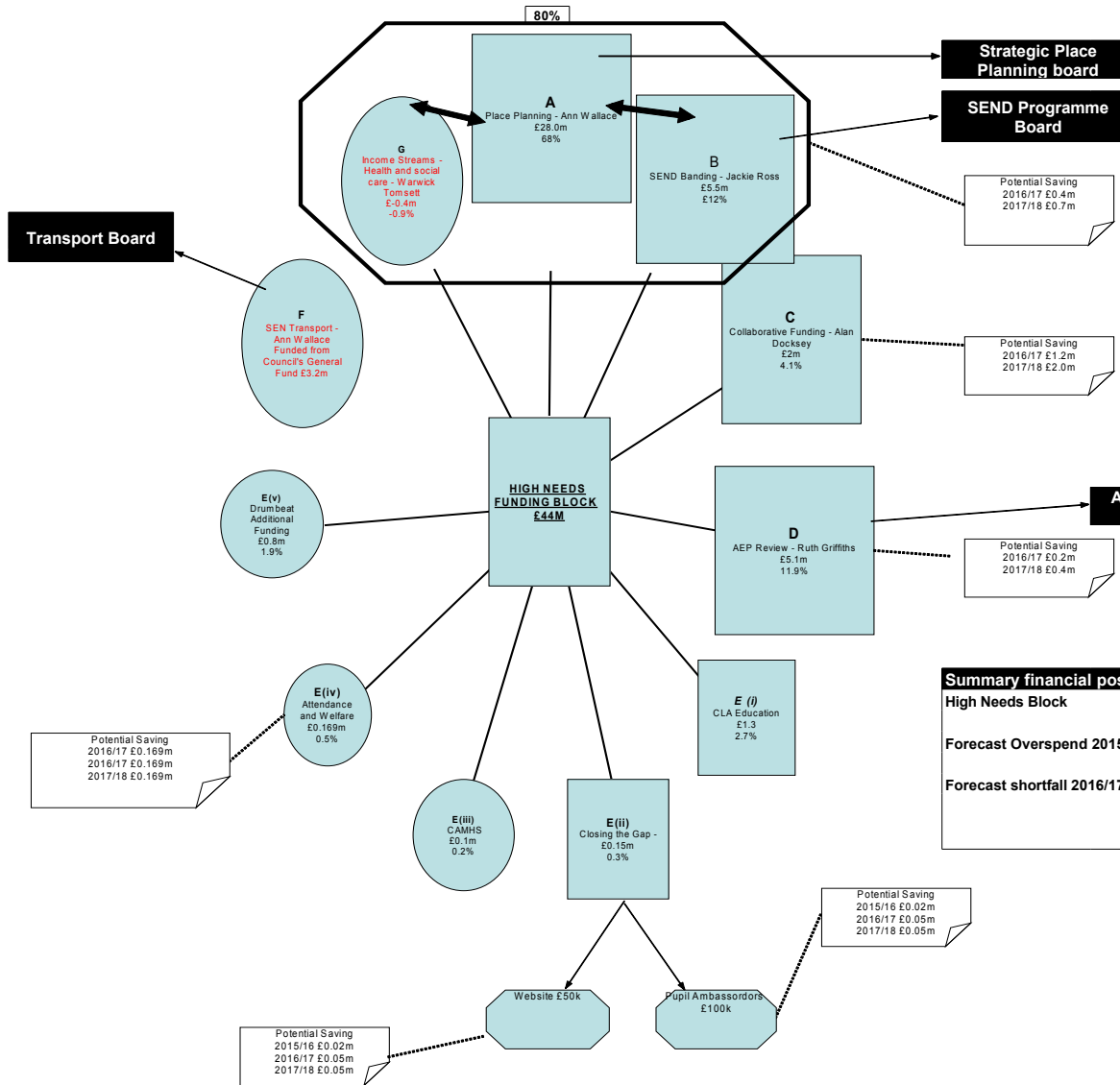
The sub group considered their constitution to make sure that it was relevant. A revised copy is attached and the Forum asked for their approval.

### **Rationale**

The High Needs Sub group was set up in 2013 to look at controlling the forecast overspend in the following two year period. This period was extended for one further year last December. The original thinking was that the period of austerity would end and funding settlements would return to their norm. This now appears increasing unlikely over the life of the current parliament. With the government increasingly likely to look at reviewing the way schools are funded for High Needs, Lewisham will find the next few years challenging. There will be a limit of what is possible in terms of savings and other spending within the DSG will need to be considered alongside the High Needs block.

A draft revised constitution is attached which provides a structure to the group's works while providing a more scope to resolve the issues. It also provides greater structure to the group.

The proposed constitution can be found in Appendix 3



High Needs savings Proposals	2016/17 £'000	2017/18 £'000
Commissioned places	400	700
Collaborative Funding	1,200	2,000
Alternative Education Provision	230	395
CAMHS	58	100
Attendance and Welfare	169	169
Drumbeat central funding	300	300
Closing the gap	50	50
Pupil Ambassadors	50	50
	2,457	3,764

Summary financial position	
High Needs Block	£m
Forecast Overspend 2015/16	2.9
Forecast shortfall 2016/17	4.1

LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP			
REPORT TITLE	Proposed Terms of Reference of the Lewisham Schools Forum High Needs Sub Group		
KEY DECISION	Yes	Item No. 7 Appendix	3
CLASS	Part 1	Date	10 December 2015

## High Needs Task Group – Proposed Terms of Reference

### 1. Purpose of the Task Group

To consider how the expenditure on high needs children can be contained within the proposed value of the High Needs Block and that best value can be achieved

### 2. Objectives of task group

~~— Evaluate~~

~~funding, alignment and capacity of resource bases~~

~~funding, alignment and capacity Special schools~~

~~Capacity needs of assessment and intervention providers~~

~~Funding levels of Education, Health and Care plans and matrix funding~~

~~Review the funding of post 16 places to assess the level of needs and resources.~~

~~Review of centrally managed items including heading room and service level agreements with schools~~

~~Alignment of top up rates across the borough.~~

~~Assess the potential alignment of rates with our surrounding neighbours To agree an annual work plan based on the current needs and priorities of high needs funding block~~

Secure the support of the Schools Forum for its proposals

### 3. Membership

- two representatives of primary school headteachers, nominated by Primary Strategic, one representative to be from a school with a resource base, the other representative to come from a school with a high proportion of pupils with statements
- two representatives of secondary school headteachers, nominated by Secondary Strategic, one representative to be from a school with a resource base, the other to come from a school with a high proportion of pupils with statements.
- representative from the PRU
- two representatives of special school headteachers, nominated by Special School Strategic

**At least two members have to be a representative of the Schools Forum**

Local Authorities Officers will include:

Head of Resources and Performance

Finance Officer

Service Manager - Children with Complex Needs  
~~or Director of Social Care~~

Head of Service - Targeted Services and Joint Commissioning

Head of Service – Standards and Achievement

~~A member of the policy team.~~

Other officers of the authority will be in attendance as and when required.  
Officers will be available to assist the group with research.

**4. Chairing Meetings**

An Officer will chair the meeting

**5. Support to Task Group.**

The Head of Resources and Performance will ensure that papers are distributed, notes made and circulated, and follow up actions are pursued

**6. Conduct and frequency of meetings**

The group will meet as appropriate, ~~it's first meeting will be to scope its programme of work. It~~ is anticipated though it will then need to meet monthly.

The group will wish to arrive at decisions by consensus; where this is not possible the paper to the Forum will record the differing views.

## 7. Timescales

~~The group will complete it's work by the 1<sup>st</sup> September 2014.~~  
The group to provide the schools forum with an annual report to the Schools Forum budget setting meeting, usually in early December~~interim report in November 2013 and a final report in November 2014.~~

## 8. Required Outcomes

~~A report with recommendations, practical implementation and business cases to address the shortfall in the funding allocation on the high needs block. To~~  
deliver the objectives agreed with the School Forum

<b>LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP</b>			
<b>REPORT TITLE</b>	<b>Project Plan – Placement Planning</b>		
<b>KEY DECISION</b>	Yes	<b>Item No. 7 Appendix</b>	<b>A</b>
<b>CLASS</b>	Part 1	<b>Date</b>	26 November 2015

<b>Work stream</b>	A - Placement Planning										
<b>How is this service/ work stream funded?</b>	<p><b>Include all funding sources and identify if this service has already been subject to savings requirements</b></p> <p>High Needs Block - £33.5m</p>										
<b>Allocated funding from High Needs (HN) Block?</b>	<p><b>When was this funding agreed with School Forum?</b></p> <p>The Forum considered the level of the High Needs Block at their December 2014 budget setting meeting.</p>	<p><b>What did School Forum agree to the money being spent on?</b></p> <p>High Needs pupils</p>									
<p><b>2014 – 2015 HN allocation</b></p> <p>£35.6</p>	<p><b>Actual HN Spend</b></p> <p>£38.2m</p>	<p><b>IMPACT of HN spend on pupil outcomes</b></p>									
<p><b>2015 – 2016 HN allocation</b></p> <p>£33.5m</p>	<p><b>Actual HN Spend</b></p> <p>£36.6m</p>	<p><b>IMPACT of HN spend on pupil outcomes</b></p> <p>To be investigated as part of the Placement Planning Project Group</p>									
<b>Value for money/ price per pupil assessment?</b>	As part of the Placement Planning Project Group it is recommended that this work is investigated across all five sub group areas and that a review of the findings will be shared with the High Needs funding Block Group by April 2016.										
<p><b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b></p>	<ul style="list-style-type: none"> <li>• <b>1a. Special school places.</b> Lewisham currently commissions <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <tbody> <tr> <td style="padding: 2px;">Watergate</td> <td style="text-align: center; padding: 2px;">110</td> </tr> <tr> <td style="padding: 2px;">Brent Knoll</td> <td style="text-align: center; padding: 2px;">154</td> </tr> <tr> <td style="padding: 2px;">Drumbeat</td> <td style="text-align: center; padding: 2px;">171</td> </tr> <tr> <td style="padding: 2px;">Greenvale</td> <td style="text-align: center; padding: 2px;">112</td> </tr> </tbody> </table> </li> </ul> <p>Lewisham has 513 pupils in Lewisham special schools. This means we currently have 34 places not being used. Recommendation that all commissioned places are taken up and used or numbers are re-negotiated and agreed with CWCNS. Schools will only be commissioned for actual number of places available.</p> <ul style="list-style-type: none"> <li>• <b>2a. College places</b> Lewisham currently has 143 pupils in college places</li> </ul>			Watergate	110	Brent Knoll	154	Drumbeat	171	Greenvale	112
Watergate	110										
Brent Knoll	154										
Drumbeat	171										
Greenvale	112										

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	<p>Recommendation that we continue to monitor and commission appropriate number of places in FE College</p> <ul style="list-style-type: none"> <li>• <b>3a Independent schools</b></li> </ul> <p>Lewisham currently has 93 pupils in independent provision</p> <p>Recommendation that no more independent provision places are commissioned unless absolutely necessary as agreed through the SEN panel or Tribunal process. That we continue to ensure that Lewisham schools are able to cater for the needs of Lewisham SEN pupils within both our mainstream and special schools.</p> <ul style="list-style-type: none"> <li>• <b>4a SEN General budget</b></li> </ul> <p>Further exploration of this budget will be undertaken by the Placement Planning Project Group. This review will report back to the HN Project Group by February 2016.</p> <ul style="list-style-type: none"> <li>• <b>5a Resource provision</b></li> </ul> <p>Lewisham has 137 pupils in Lewisham Resource Provisions. There are currently 172 of commissioned places within the resource bases. There is a current review of resource provision taking place following this years annual audit. The review will make recommendation on the type of resource provisions required to meet the needs identified through our needs analysis and those presented at SEN panel. This information will be reported back to the HNF Group by April 2016.</p> <ul style="list-style-type: none"> <li>• <b>6a. Banding</b></li> </ul> <p>Current review of banding system being undertaken. This review will report back to the HNF group in Dec 2015</p>
<p><b>Timescale for implementing any changes</b></p>	<p>The Placement Planning Project (PPP)Group will complete a final report by the 30<sup>th</sup> March 2016. Any budget amendments would then need to be agreed by the School Forum. Once the School Forum has agreed any amendments there may be HR processes or other procedures to be followed before any savings can be delivered. The most realist timeline for the implementation of any savings is likely to be staggered between September 2016 – April 2017.</p> <p>With the likelihood that there will need to be a 3yr plan for the development and implementation of all required pupil places.</p>
<p><b>Risks and possible mitigation</b></p>	<p>The PPP group will confirm and evaluate the expenditure against the delivery of the necessary placements for Lewisham’s most vulnerable children and young people. Any risks will need to be discussed and agreement made to how these risks can be mitigated against to ensure on going delivery of the most suitable provision to meet the needs of Lewisham’s most vulnerable pupils.</p>
<p><b>Date: 18.11.15</b></p>	<p><b>Ann Wallace</b></p>

<b>LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP</b>			
<b>REPORT TITLE</b>	<b>Project Plan – Schools SEN Collaborative Funding</b>		
<b>KEY DECISION</b>	Yes	<b>Item No. 7 Appendix</b>	<b>C</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>26 November 2015</b>

<b>Work stream</b>	C - Schools Collaborative SEN Funding	
<b>How is this service/workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	<p>This allocation to school collaboratives is funded from the High Needs Block of the DSG. It was initially agreed by the Forum for 2007/8.</p> <p>In 2015/16 the funding allocation was reduced by £300k (15%) on the recommendation of the schools forum high needs sub group, but a change in the national academy recoupment regulations status of St Matthew Academy led to the school becoming eligible for this funding, thereby reducing the saving to £200k</p>	
<b>Allocated funding from High Needs (HN) Block?</b>	<b>When was this funding agreed with School Forum?</b>	<b>What did School Forum agree to the money being spent on?</b>
		The purpose of the funding is to encourage schools to work collaboratively to deliver services for children and young people whose needs fall below that of an EHC PLAN assessment.
<b>2014 – 2015 HN allocation</b>	<b>Actual HN Spend £2,156,458</b>	<b>IMPACT of HN spend on pupil outcomes</b> Schools Forum considered feedback from schools on the use of collaborative funding where schools were split 50:50 on the merits of collaborative funding and were not able to articulate the impact of this funding stream.
<b>2015 – 2016 HN allocation</b>	<b>Actual HN Spend £1,957,843</b>	<b>IMPACT of HN spend on pupil outcomes</b>
<b>Value for money/ price per pupil assessment?</b>	The funding total for primaries is distributed as follows: 50% on FSM Ever 6, 21% on Prior Attainment, 21% on Casual Admissions and 8% to ensure a minimum per pupil on roll. For secondaries the split is 39% on FSM Ever 6, 39% on Prior Attainment, 14% on casual admissions and 8% to ensure a minimum per pupil on roll. The school level data used is same as is used for the schools' ISB funding and comes from the DfE.	
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b>	<p>The funding originally was intended to support those pupils who had a need below an EHC plan. Under the new funding regulations the initial support under an EHC plan is deemed to be in the school budget. In financial terms this support is up to £6,000. Consequently, it would seem that the cost of pupil with lower level needs should also be supported from the school budget and not from other funds..</p> <p>In June 15 the Forum considered the use of collaborative funding and asked that the matter be referred to Primary Strategic, now the Leadership Forum. There were mixed views. Some schools valued the funding and felt that it contributed to some good practice. Other collaboratives did not</p>	



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	<p>use the funding in this way but passed it back immediately to schools. The main benefit was seen for the employment of staff in specialist areas that allowed the resource to be shared amongst schools in the collaborative, that individually schools couldn't afford.</p> <p>If the funding was reduced the practice of pooling money could still take place if a collaborative wished.</p> <p>Schools be consulted on reducing or withdrawing this funding</p> <p>It is recommended that a complete withdrawal of this funding is undertaken.</p>
<b>Timescale for implementing any changes</b>	This could be implemented on 1 April 2016 but due to the fact the funding supports a number of directly employed staff it is not proposed to make the reduction until September 2016.
<b>Risks and possible mitigation</b>	
<b>Date: 14 October 2016</b>	<b>Completed by: Alan Docksey</b>

<b>LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP</b>			
<b>REPORT TITLE</b>	<b>Project Plan – Alternative Education Provision Review</b>		
	<b>Yes</b>	<b>Item No. 7 Appendix</b>	<b>D</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>26 November 2015</b>

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<b>Work stream</b>	D - Alternative Education Provision Review							
<b>How is this service/workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	<p>The following budgets support the delivery of education and outreach support at Lewisham Southwark College, New Woodlands, Abbey Manor College, the Medical / Hospital Programme (initial mapping but to be confirmed) and will be considered as part of this work stream:</p> <p><b>Alternative Provision budgets</b></p> <ol style="list-style-type: none"> <li>1. High Needs Block – Special Schools and PRUs (= £18,452, 000) <b>£421,000 Abbey Manor College – Support for SEN</b> <b>£585,000 New Woodlands – Outreach</b></li> <li>2. Colleges placements budget = <b>£144,000 Lewisham Southwark College</b></li> <li>3. FSW budget (= £100,000) <b>£45,000 Abbey Manor College for Social Worker</b> <b>£45,000 New Woodlands for Social Worker</b></li> <li>4. Vulnerable Pupils budget (= £320,860) <b>£97,000 Abbey Manor College for The Intensive Programme, Pupils not Permanently Excluded and Teenage Pregnancy</b></li> <li>5. Hospital and Home Tuition budget = <b>£235,000 Abbey Manor College for Hospital School and Medical Programme</b></li> <li>6. Excluded Pupils budget = <b>£9,000 Local Authority</b></li> </ol> <p><b>TOTAL £1,581,000</b></p> <p><b>School Budgets - pupil places and top up funding</b></p> <ol style="list-style-type: none"> <li>1. <b>£2,172,000 New Woodlands - based on 112 places</b></li> </ol> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Base Funding £10k</th> <th style="text-align: left;">Places</th> </tr> </thead> <tbody> <tr> <td>Top-up(i) £4k</td> <td>16</td> </tr> <tr> <td>Top-up(ii) £10k</td> <td>96</td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>2. <b>£3,000,000 Abbey Manor College - based on 160 places</b> <b>Base Funding £10k Top-up £8k</b></li> </ol> <p><b>TOTAL £5,172,000</b></p> <p><b>Total of budget to be considered by the Alternative Provision Review = £6,753,000</b></p>		Base Funding £10k	Places	Top-up(i) £4k	16	Top-up(ii) £10k	96
Base Funding £10k	Places							
Top-up(i) £4k	16							
Top-up(ii) £10k	96							
<b>Allocated funding from High Needs (HN) Block?</b>	<p><b>When was this funding agreed with School Forum?</b> The schools forum agreed New Woodland's budget in Dec 13. At the meeting the Forum agreed to protect the schools budget for 2014/15 at existing levels. For the rest of Special Schools the Forum agreed that all</p>	<p><b>What did School Forum agree to the money being spent on?</b> Pupil Places and Top up, SEN Support, Outreach work, The Intensive Programme, Pupils not excluded, Attendance Worker, Social Workers, Teenage Pregnancies, Hospital and Home Tuition</p>						

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	<p>special schools funding rates should be standard across all schools for children falling within a particular band. If this had been implemented for New Woodlands the school would have faced a loss of £291k and this funding has remained in the schools budget. The Forum asked for this to be reviewed.</p> <p>The Funding for social workers at New Woodlands and Abbey Manor was agreed by the Forum in 2008/9 and has been confirmed every year since at their budget setting meeting.</p> <p>The college placements budget has been subject to a contingency bid from the Forum. The latest funding was agreed at the October 16 meeting of the Forum.</p> <p>No specific approval for the approval of the rest of the budget has been sought from the Forum but included within the budget totals.</p>	
<b>2014 – 2015 HN allocation</b>	<b>Actual HN Spend</b>	<b>IMPACT of HN spend on pupil outcomes</b> To be investigated as part of the Alternative Provision Review.
<b>2015 – 2016 HN allocation</b>	<b>Actual HN Spend</b> £3,402,387 (as above)	<b>IMPACT of HN spend on pupil outcomes</b> To be investigated as part of the Alternative Provision Review.
<b>Value for money/ price per pupil assessment?</b>	As part of the Alternative Provision Review it is recommended that this work stream is investigated by a sub group that will focus on and review funding allocations being appropriately targeted, fitness for purpose, effectiveness of delivery and value for money with the view to making savings.	
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b>	<p>As part of the Alternative Provision Review this work stream will be considered and completed in full consultation with the providers and key stakeholders, and therefore final recommendations will be delayed until the end of the Review (March 2016).</p> <p>However, initially from this funding stream recommended savings of between 20% - 30% should be anticipated as part of the Review outcomes on the non school budgets. This equates to between £300k and £450k</p>	
<b>Timescale for implementing any changes</b>	The AEP Review will complete a final report in March 2016. Any budget amendments would then need to be agreed by the School Forum which would need to happen in the Summer Term. Once School Forum have agreed any amendments there may then need to be HR processes or other procedures to be followed before any savings can be delivered. Therefore the most realistic timeline for the implementation of any savings is not likely to be realised until April 2017 (although some savings may be able to be made in year, but this should not be relied upon).	
<b>Risks and possible mitigation</b>	The AEP Review will confirm and evaluate the expenditure against delivery and will then consider the risks and mitigation required to ensure that provision and service savings do not negatively impact on some of Lewisham's most vulnerable children and young people.	
<b>Date:</b> 23 October 2015	<b>Completed by:</b> Ruth Griffiths	

<b>LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP</b>			
<b>REPORT TITLE</b>	<b>Project Plan – Lewisham Virtual School – CLA Education</b>		
<b>KEY DECISION</b>	Yes	<b>Item No. 7 Appendix</b>	<b>4 Ei</b>
<b>CLASS</b>	Part 1	<b>Date</b>	<b>26 November 2015</b>

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<b>Work stream</b>	Ei - Lewisham Virtual School – CLA Education	
<b>How is this service/workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	<p>£741,000 Dedicated Schools Grant as Pupil Premium CLA. There are restrictions on how this money can be spent – it cannot be spent on the Council’s core statutory functions and DFE have confirmed that it would not be in the spirit of the Pupil Premium Grant to pay Virtual School staff salaries although this can cover spend on individual pupil level interventions and support. Additionally there is an early years pupil premium for CLA OF £9,000.</p> <p>£479,210 Dedicated Schools Grant High Needs Block which should fund the core business of the Virtual School</p>	
<b>Allocated funding from High Needs (HN) Block?</b>  £479,210 Dedicated Schools Grant High Needs Block (this includes 2 ‘headroom’ bids each for £100,000)	<b>When was this funding agreed with School Forum?</b>  The Headroom consists of two separate items both of £100k. The Primary CLA tutors was agreed in 2008/9 and the Key Stage 3 CLA tutors a year later in 2009/10. The amounts have been confirmed each year since, the last approval taking place in December 14 for the 2015/15 financial year. No specific approval for the approval of the rest of the budget has been sought from the Forum but included within the totals.	<b>What did School Forum agree to the money being spent on?</b>  This allocation from the High Needs Block includes a specific £200,000 ‘headroom’ bid to Schools Forum to support a range of CLA education needs including tutors for Y6 and KS3 However, this is not an accurate reflection of budgetary need and does not properly reflect how the different budgets are allocated as we need to ensure we are operating within statutory guidelines which have been recently updated
<b>2014 – 2015 HN allocation</b>  £479,210 Dedicated Schools Grant High Needs Block (this includes 2 ‘headroom’ bids each for £100,000)	<b>Actual HN Spend</b>  All of the allocated High Needs Budget has largely been on staffing and on-costs to fund the core business of the Virtual School	<b>IMPACT of HN spend on pupil outcomes</b> Outstanding educational outcomes for children in care. There are no comparative figures for 2014-15 until the SFR is released late November. Even then the figures are partial and unreliable. The only comparative measure we can accurately report on is performance against the national average which is released with the SFR. Our current projected figures suggest we will be performing above the national average. The Virtual School currently supports a total of approx. 500 children (this fluctuates each month) but is only funded for approx. 300 as there is no specific funding for CLA aged 16 – 19. This gives an approx. spend per pupil of £2,440 which is ensuring that Lewisham’s CLA outperform their peers in other LAs.

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<b>2015 – 2016 HN allocation</b>  £479,210	<b>Actual HN Spend</b>  As above	<b>IMPACT of HN spend on pupil outcomes</b>  Pupil progress data for current cohorts are on course for improved outcomes this academic year.
<b>Value for money/ price per pupil assessment?</b>	Data collection and analysis has improved a great deal since the appointment of the Virtual School Headteacher in September 2014. More robust tracking and monitoring systems have now been put in place. We will be able to demonstrate that increased attendance and reduced exclusions in mainstream provision will reduce the need for funding more expensive non-maintained independent provisions.	
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b>	That the £200,000 currently allocated as a yearly (headroom) grant should be incorporated into the overall DSG High Needs Block allocation which will bring the actual spend in line with updated guidance on how the budget for CLA should be spent. The DSG Pupil Premium Grant for CLA will be able to cover all pupil level spend along with commissioned services (such as welfare call contract). This means that the DSG High Needs Block funding will be needed to cover the core business of The Virtual School in line with guidance. The High Needs Block element of the DSG allocation therefore needs to be sufficient to cover this area of expenditure and should therefore be maintained at its current level of £479,210 and renamed as Virtual School for CLA. This spend should be monitored via the Virtual School Governing Body	
<b>Timescale for implementing any changes</b>	The High Needs DSG allocation should be consolidated into single amount and redescribed as £479,210 Virtual School for CLA by December 2015.	
<b>Risks and possible mitigation</b>	As the updated guidance confirms that the DSG Pupil Premium Grant for CLA should not be used to fund core Virtual School business we need to ensure that there are sufficient funds allocated from the High Needs Block within DSG to cover the fixed costs of the Virtual School. If we do not do this we risk the viability and success of the Virtual School which would negatively impact Lewisham's most vulnerable children and young people and for whom we have a very special responsibility as corporate parent for those who are looked after by the council.	
<b>Date: 19/10/2015</b>	<b>Completed by: Patrick Ward</b>	

**LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP**

<b>REPORT TITLE</b>	<b>Project Plan – Closing the Gap</b>		
<b>KEY DECISION</b>	<b>Yes</b>	<b>Item No. 7 Appendix</b>	<b>4 Eii</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>26 November 2015</b>

**DRAFT AND CONFIDENTIAL**

<b>Work stream</b>	<b>Closing the Gap</b>									
<b>How is this service/workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	<p>This £100k budget support the delivery of two initiatives specifically the Pupil Ambassadors Programme and Lewisham University Challenge:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;"><b>Project Manager - Equalities &amp; Achievement</b> (salary) (Coordinator for the Pupil Ambassadors and Lewisham University Challenge Programme)</td> <td style="text-align: right; width: 20%;">£46,828</td> </tr> <tr> <td><b>Pupil Ambassadors Programme costs</b></td> <td style="text-align: right;">£20,000</td> </tr> <tr> <td><b>Consultancy – 14-19 Adviser</b></td> <td style="text-align: right;">£15,000</td> </tr> <tr> <td><b>Total =</b></td> <td style="text-align: right;"><b>£81,828</b></td> </tr> </table>		<b>Project Manager - Equalities &amp; Achievement</b> (salary) (Coordinator for the Pupil Ambassadors and Lewisham University Challenge Programme)	£46,828	<b>Pupil Ambassadors Programme costs</b>	£20,000	<b>Consultancy – 14-19 Adviser</b>	£15,000	<b>Total =</b>	<b>£81,828</b>
<b>Project Manager - Equalities &amp; Achievement</b> (salary) (Coordinator for the Pupil Ambassadors and Lewisham University Challenge Programme)	£46,828									
<b>Pupil Ambassadors Programme costs</b>	£20,000									
<b>Consultancy – 14-19 Adviser</b>	£15,000									
<b>Total =</b>	<b>£81,828</b>									
<b>Allocated funding from High Needs (HN) Block?</b>	<b>When was this funding agreed with School Forum?</b> The overall budget was reconfirmed on the 12 <sup>th</sup> December 2014.	<b>What did School Forum agree to the money being spent on?</b> The funding for the website was specifically agreed on the 12th December 2013.								
<b>2015 – 2016 HN allocation</b>	<b>Actual HN Spend</b> <b>£81,828</b>	<b>IMPACT of HN spend on pupil outcomes</b>								
<b>Value for money/ price per pupil assessment?</b>	<p><b>Pupil Ambassadors Programme</b> 79 Lewisham Pupil Ambassadors involved in the programme provided: two Primary School Workshops, one Primary School Classroom support Programme, creative writing support at Conisborough, classroom support at Prendergast Ladywell and a support Careers day at Prendergast School. Established Communications Officer role and enhanced the online media strategy. This supported <b>120</b> primary school children and over <b>200</b> secondary school students.</p> <p><b>At a cost of: £43,414</b></p>	<p><b>Lewisham University Challenge</b> <b>Year 12 and 13 Subject Specific support of Oxbridge:</b> 2014/15: 40 Young people (6 sixth forms) 2015/16: 60 Young people (5 sixth forms)</p> <p><b>Year 11, 12 and 13 Subject Specific Medical Event:</b> 200 maximum:</p> <p><b>Other activities:</b> 2015/16: 4 college visits with 120 young people attending One teacher / application support workshop. One student / application support workshop. One student / interview support workshop.</p> <p><b>At a cost of £38,414</b></p>								
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b>	<p>This work stream will be considered for a minimum <b>25% - 30%</b> return but with the recommendation to consider the remaining budget for the following Closing the Gap activities that will have an impact on the Children and Young People Plan – Priorities AA4 and AA6.</p> <p>There will be an in-year saving in 2015/16 of £20k.</p> <p>The recommendation is to stop the funding as of the 1<sup>st</sup> April 2016 of the Lewisham Pupil Ambassadors Programme and make a saving of <b>£50,000</b> for 2016/17.</p> <p>Alternatively contributing to the achievement of CYP Plan targets:</p> <p><b>Lewisham University Challenge Targets:</b></p>									

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	<ul style="list-style-type: none"> <li>▪ To increase the number of Lewisham students progressing to Oxbridge to 15 in 2016, 20 in 2017 and 25 in 2018.</li> <li>▪ To increase the number of Lewisham students progressing to Russell Group universities incrementally by 5% for the next three years.</li> <li>▪ To increase on the numbers achieving places in the top third universities incrementally by 5% for the next three years.</li> </ul> <p><b>Figures in 2013/14:</b> Oxbridge 9 YP, Russell Group universities 95 YP and top 1/3 universities 187 YP. However the Programme encourages Lewisham young people to consider the right university place regardless of Oxbridge, Russell Group or the top 1/3 of Universities. Annually the programme supports over 400YP to make the right choice about HE progression.</p> <p><b>NEET and Unknown Targets:</b></p> <ul style="list-style-type: none"> <li>▪ % 16-18 NEET – end of Jan 16 – under 3.5%</li> <li>▪ % 16-18 year old unknowns – end of Jan 16 - under 10%.</li> </ul> <p>Currently the Lewisham NEET Tracking Team (3 FTEs) annually track, as a statutory duty, over 9000 16-19 year olds to establish their educational status – Education, Employment or Training. Historically Lewisham NEET figures remain low but the challenge is always establishing the status of 'unknowns' to achieve the 10% target. At the end of January 2015 figures were:</p> <ul style="list-style-type: none"> <li>▪ <b>NEETs – 3.9% (320 YP)</b></li> <li>▪ <b>Unknowns – 9.35% (843 YP)</b></li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>▪ To provide resource to continue the management and coordination of the Lewisham University Challenge as part of the 14-19 Strategy Team duties <span style="float: right;">£25,000</span></li> <li>▪ To provide an additional resource to further reduce NEETs and unknowns Targets as part of the Lewisham NEET Tracking Team <span style="float: right;">£25,000</span></li> </ul> <p><b>Total:</b> <span style="float: right;"><b>£50,000</b></span></p>
<b>Risks and possible mitigation</b>	Review and confirming the expenditure against delivery and ensuring that activity is not lost for Lewisham young people.
<b>Date:</b> 24 <sup>th</sup> Nov 2015	<b>Completed by:</b> Ruth Griffiths

**LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP**

<b>REPORT TITLE</b>		<b>Project Plan – Child and Adolescent Mental Health Services (CAMHS)</b>	
<b>KEY DECISION</b>		<b>Yes</b>	<b>Item No. 7 Appendix</b>
<b>CLASS</b>		<b>Part 1</b>	<b>Date 26 November 2015</b>
<b>Work stream</b>	Other DSG allocations – Child and Adolescent Mental Health Services (CAMHS)		
<b>How is this service/workstream funded?</b>	This service is mainly funded from the Council’s General Fund (£0.9m) but a small contribution is made from the DSG High Needs Block of £0.1m. This service has not been subject to savings requirements to date, however further savings are anticipated across the wider CAMHS service, which will have implications for schools in the future.		
<b>Allocated funding from High Needs (HN) Block?</b>  £0.1m	<b>When was this funding agreed with School Forum?</b> This was initially approved in 2009/10 and has continued annually, with the amount remaining the same.	<b>What did School Forum agree to the money being spent on?</b> CAMHS offer a generic service across all schools in Lewisham, but the DSG funding offers added value to schools, by focusing additional limited resources where required. All cases are reviewed and prioritised daily through the CAMHS triage system. Additional funding through the DSG High Needs Block pays for two additional clinical posts to work with prioritised cases, which have either been referred by schools or where the young person has specific school issues. The service provided includes specific school outreach support across approximately 20 schools, such as: contact and liaison, attendance at TACs/school meetings and offering clinical appointments in school settings.	
<b>2014 – 2015 and 2015 - 2016 HN allocation</b>  £0.1m	<b>Actual HN Spend</b>  14/15 £100,000  15/16 (Apr – Oct) £50,000	<b>IMPACT of HN spend on pupil outcomes</b> <ul style="list-style-type: none"> <li>• An average of 8 referrals are received by the CAMHS school team a quarter</li> <li>• Each referral would be reviewed and prioritised daily and would be seen according to need. Non-urgent cases would be seen for an assessment within 6 weeks</li> <li>• A young person would be seen by the CAMHS school team for approximately 1 year</li> <li>• An improvements in a child’s outcomes are measured through ‘clinical global assessment scores’ – the CAMHS school team has an improvement rate 80%</li> </ul>	
<b>Value for money/ price per pupil assessment?</b>	The CAMHS schools team is working with a caseload of 26 at any one time, although this is not enough to meet current need within all schools, it does offer some capacity to work with a cohort of students that are having particular difficulties in their education setting. This service also offers some valued resource to schools staff. Based on current funding and caseload, the approximate annual unit cost of a child within the CAMHS schools team is £3,800. When compared to other CAMHS teams this appears to be a service which is in the mid-range for per pupil spend.		



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<p><b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b></p>	<p>Extensive work is currently being undertaken by commissioners with the new Service Manager for Lewisham CAMHS to review data and value for money across the whole service. We recognise that that the CAMHS school's team does not offer an equitable service to all schools in Lewisham, but it is important that any changes are considered within the wider context. Over the next twelve months the whole CAMHS service will be reviewed in line with other Local Authority savings proposals and developments, such as the local CAMHS transformation programme and the Big Lottery HeadStart Programme. It is recommended that the £100k from the High Needs Block is offered as a saving from 1<sup>st</sup> September. This will enable a saving of 7/12 months in 16/17 and then ongoing savings of £100k from 17/18 and beyond.</p>
<p><b>Timescale for implementing any changes</b></p>	<p>£58,000 (7/12 months) can be offered as a saving from 1<sup>st</sup> September 2016. This should allow appropriate time for cases to be reviewed and transferred to other teams by minimising the impact on the clinical service being provided.</p>
<p><b>Risks and possible mitigation</b></p>	<ul style="list-style-type: none"> <li>• If resource to the CAMHS schools' team is reduced / stopped prior to the wider review of other support mechanisms to schools, there would be a direct clinical risk to the offer currently available to schools and pupils. It would be advisable that funding is reviewed as part of the wider contribution to the CAMHS contract.</li> <li>• There is a wider strategic driver to develop key principles around resilience in school settings. As part of the current Big Lottery HeadStart programme, we are able to offer a universal online counselling service to all 10 – 16 year olds and we are working the school improvement team to develop a strategic role to support schools when embedding the academic resilience framework. Lewisham is in a position to apply for further resource through Big Lottery, however success of our stage 3 submission in Feb 16, will not be announced until June 2016. There is a risk that Lewisham may not be successful through this process and long term Headstart funding should not be seen as a guarantee.</li> <li>• New funding has been allocated to Lewisham through the CCG under the CAMHS transformation programme, to build capacity and capability within the workforce under mental health, but proposals are yet to be signed off by NHSE, a decision is expected in November 2015. Most of this resource is focused on high need such as eating disorders and crisis care, when preventing inpatient admission, but there will an opportunity to use this resource to better shape access and service provision within community settings, including schools.</li> <li>• Both HeadStart and CAMHS Transformation provide an opportunity to creatively think with stakeholders how we can strategically support schools to better meet mental health and emotional well-being needs in the future.</li> </ul>
<p><b>Date: 17 November 2015</b></p>	<p><b>Completed by: C Hirst (CYP Joint Commissioning)</b></p>

<b>LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP</b>			
<b>REPORT TITLE</b>	<b>Project Plan – Other DSG allocations - Attendance and Welfare</b>		
<b>KEY DECISION</b>	Yes	<b>Item No. 7 Appendix</b>	E(iv)
<b>CLASS</b>	Part 1	<b>Date</b>	<b>26 November 2015</b>

**DRAFT AND CONFIDENTIAL**

<b>Work stream</b>	E (iv)Other DSG allocations - Attendance and Welfare																					
<b>How is this service/ workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	This service is mainly funded from the general fund (£0.5m) but a contribution has been made previously from the DSG high needs blocks of £0.2m. The Council's general fund contribution to the service is £0.5m. As part of this a new traded service was set up with schools to trade the non –statutory elements of the service.																					
<b>Allocated funding from High Needs (HN) Block?</b>  £0.2m	<b>When was this funding agreed with School Forum?</b>	<b>What did School Forum agree to the money being spent on?</b>  This funding is devolved to secondary schools who employ their own attendance and welfare workers. There has been no formal agreement from the Schools Forum for this. No payments have been made for 2015/16 yet but the payments in 2014/15 were as follows  <table style="width: 100%; border: none;"> <tr><td>Prendergast Lady well Fields</td><td style="text-align: right;">£29,361</td></tr> <tr><td>Prendergast Hilly Fields</td><td style="text-align: right;">£ 8,874</td></tr> <tr><td>Conisborough College</td><td style="text-align: right;">£16,381</td></tr> <tr><td>Sedgehill</td><td style="text-align: right;">£18,024</td></tr> <tr><td>Sydenham</td><td style="text-align: right;">£17,687</td></tr> <tr><td>Deptford Green</td><td style="text-align: right;">£14,343</td></tr> <tr><td>Forest Hill</td><td style="text-align: right;">£29,361</td></tr> <tr><td>Addey and Stanhope</td><td style="text-align: right;">£12,561</td></tr> <tr><td>Bonus Pastor</td><td style="text-align: right;">£9,433</td></tr> <tr><td>Trinity</td><td style="text-align: right;">£8,874</td></tr> </table> These figures are based on past allocations that have been rolled forward from previous years.	Prendergast Lady well Fields	£29,361	Prendergast Hilly Fields	£ 8,874	Conisborough College	£16,381	Sedgehill	£18,024	Sydenham	£17,687	Deptford Green	£14,343	Forest Hill	£29,361	Addey and Stanhope	£12,561	Bonus Pastor	£9,433	Trinity	£8,874
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<b>2014 – 2015 HN allocation</b>  £0.2m	<b>Actual HN Spend</b>  £0.2m	<b>IMPACT of HN spend on pupil outcomes</b>  Unknown.																				
<b>2015 – 2016 HN allocation</b>  £0.2m	<b>Actual HN Spend</b>  Not allocated to schools for this year yet.	<b>IMPACT of HN spend on pupil outcomes</b>																				

<b>Value for money/ price per pupil assessment?</b>	unknown	
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b>	This funding is not paid for 2015/16 and cut in 2016/17	
<b>Timescale for implementing any changes</b>	Back dated to April 2015	
<b>Risks and possible mitigation</b>		
<b>Date:10 November 2016</b>	<b>Completed by: Warwick Tomsett</b>	

<b>LEWISHAM SCHOOLS FORUM HIGH NEEDS SUB-GROUP</b>			
<b>REPORT TITLE</b>	<b>Project Plan – Drumbeat Outreach</b>		
<b>KEY DECISION</b>	Yes	<b>Item No. 7 Appendix</b>	E v
<b>CLASS</b>	Part 1	<b>Date</b>	<b>26 November 2015</b>

<b>Work stream</b>	<b>OUTREACH FUNDING- DRUMBEAT SCHOOL AND ASD SERVICE</b>	
<b>How is this service/ workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	<p>LA funding £778,500.00 ( broken down as CIT budget £303,500, resource specialist teacher £75,000 additional early years resource £100,000, Family Support for ASD £300,000). This amount has been received for 14/15 and 15/16</p> <p>Additional income generated in 14/15 SLA, workshops and INSET training £161,835.00            Predicted income generated 15/15 £165,000.00 (this could possibly be lower reviewing actual received as £127,594 year to date)</p>	
<b>Allocated funding from High Needs (HN) Block?</b>	<b>When was this funding agreed with School Forum?</b>	<b>What did School Forum agree to the money being spent on?</b>
	School opened in September 2012 No specific agreement for this funding was made by the Forum but agreed within the overall totals of the DSG	Funding from LA as shown above
<b>2014 – 2015 HN allocation</b>  <b>£778,500.00</b>	Actual HN Spend  £778,500.00 funding devolved to Drumbeat	<b>IMPACT of HN spend on pupil outcomes;</b> <ul style="list-style-type: none"> <li>SLA: 2014/15 70 schools bought into the service (57 primary and 13 secondary) 40 gold service and 30 silver.</li> <li>161 pupils referred by settings under SLA]</li> <li>25 referred by communications clinic</li> <li>52 referred for EHCP</li> <li>Plus the 115 children reached evidenced on the Early Bird database 2014-15.</li> </ul> <p>Additionally families and pupils are reached through Parent programmes and other training, including:</p> <ul style="list-style-type: none"> <li>13 families attended Early Bird</li> <li>17 families Early Bird Plus</li> <li>10 Families Cygnet</li> </ul>

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		<p>The Extended Schools service This funding is used for Holiday clubs, after school club and Saturday club</p> <p>The service has been used by 80% of Drumbeat pupils</p>
<p><b>2015 – 2016 HN allocation</b>  <b>£778,500.00</b></p>	<p>Actual HN Spend  Funding devolved to school</p>	<p>IMPACT of HN spend on pupil outcomes;  This is still increasing this financial year, figures shown to date period 6.</p> <ul style="list-style-type: none"> <li>• SLA: 2015/16 66 schools bought into the service (56 primary and 10 secondary) 33 gold service and 33 silver service)</li> <li>• 27 children referred by setting under SLA</li> <li>• 7 children referred by communications clinic</li> <li>• 21 referred ECHP</li> <li>• 58 pupils on Early Bird data base</li> </ul> <p>Additional families and pupils are reached through parent programmes and training.</p> <p>To date this year 7 families attended Early Bird 14 families attended Early Bird Plus</p> <p>Currently 515 parents are on the Schools team workshop mailing list and 120 on the Early Years workshop mailing list. On waiting lists we have 47 families waiting for Early Bird, 145 families are waiting for Early Bird Plus, and 88 families are waiting for Cygnet.</p>
<p><b>Value for money/ price per pupil assessment?</b></p>	<p>The Outreach Service currently provides the following free of charge:</p> <ul style="list-style-type: none"> <li>• Visits and professional advice to all Early Years settings in Lewisham;</li> <li>• Parent workshops and training in the Early Years (Tom Tom, Early Bird);</li> <li>• Professionals courses for Early Years;</li> <li>• Communication Clinic reports (for Kaleidoscope);</li> <li>• ECHP and Statutory assessments;</li> <li>• Referrals from SEN Group;</li> <li>• Parent Training and Workshops (Girls Groups, Cygnet, Rainbow, Early Bird Plus, etc).</li> <li>• Telephone Support line.</li> </ul> <p>The Outreach Service provides a SLA service to Lewisham schools (£2,550 for gold service 6 days/ 36 hours; £1,350 for silver service 3 days/ 18 hours) which includes support in classes, assessment, modeling good practice, training, workshops. Evaluations show schools believe these represent good value for money.</p> <p>If essential capital works go ahead (for permanent Outreach Centre in Drumbeat 6th Form building) this service will reduce down its balances carried due to additional half year funding received in the first year of opening (school opened September 2012 funded full year from April 2012).</p>	

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	<p>The Outreach Service is widely perceived by Lewisham as an essential service to help schools manage the growing level of complexity and increasing needs of children with autism in Lewisham schools. The Outreach Service provides discernible outcomes in preventing children from moving to costly out of borough provision. It also provides valuable early intervention for children with autism (and their families) in Early Years settings. It also provides essential training for professionals and families through nationally recognized programmes (e.g., Early Bird, Cygnet) and through the hub of Drumbeat provides a joined up service with Kaleidoscope and voluntary organisations.</p>
<p><b>Draft Recommendations including whether to continue to fund and identification of any possible savings from High Needs Block or other areas</b></p>	<p>To review the central funding provided to Drumbeat fir outreach to ensure the outcomes required are being delivered and the funding is spent appropriately.</p> <p>To review the Family Support function (£0.3m) including alternative forms of funding with effect from April 2016.</p>
<p><b>Timescale for implementing any changes</b></p>	<p>The SLA's run from 1 April till the end of March (financial year) so any changes would need to be made before the end of the financial year and SLAs are sent to schools.</p>
<p><b>Risks and possible mitigation</b></p>	<p>If the funding was to be reduced, the Outreach Team personnel would need to be cut and the free professional support service to Early Years Settings and families would be taken away. The wide portfolio of work for the LA (in connection with EHCPs and diagnostic assessments) would have to cease. The SLAs to schools may need to be offered at a reduced service or first come first served basis. The Outreach Service's training portfolio to schools and families would also have to be reduced.</p>

# Agenda Item 8

Schools Forum  
10 December 2015  
Item 8

Schools Forum			
REPORT TITLE	Budget Monitoring Report		
KEY DECISION	Yes	Item No.	8
CLASS	Part 1	Date	10 December 2016

## 1. Purpose of the Report

This report looks at the budget monitoring position of the Dedicated Schools Grant and considers the financial position of the mutual funds held by the Forum. It then looks at the proposals on how the forecast overspend can be met.

## 2 Recommendation

### The Forum agree

- i. To note the balances of schools as at 31 March 2015 of £13.9m;
- ii. To note the overspend of £2.9m due to the position on high needs block spending;
- iii. To note the provision of £2.2m available to offset, in part, the anticipated overspend;
- iv. To note the use of the unspent £169k attendance and welfare services allocation toward the unfunded overspend;
- v. to agree that the balance of the over spend remaining unfunded be met from the unspent schools contingency for 2015/16.
- vi. To suspend the Balance Control Mechanism with a review on continuation in a year's time

## 3. Executive Summary

The financial forecast is showing an overspend of £2.9m in this current year. This is due to the increasing in numbers and cost pressures on the High Needs Block. It is proposed to offset this by making the following savings if the Forum agree.

		£m	Report Ref
1	Forecast Overspend	2.9	4.6.5
2	Carry Forward from 2014/15	-2.2	
	Saving proposed by the High Needs	-0.2	4.6.4

	Group ceasing the funding devolved funding to secondary schools on attendance and welfare – effective April 2015.		
3	To charge the contingency mutual fund with the balance. This would reduce the balance of the contingency to £0.5m	<b>-0.5</b>	4.6.5 & 5.2
<b>TOTAL</b>		<b>0</b>	

#### 4 Dedicated Schools Grant

4.1 The current level of the DSG is at the same level as the last meeting:

	Before Academy Recoupment £M	After Academy Recoupment £M
Schools block	214.607	188.14
Early years block	21.196	21.196
High needs block	43.588	42.624
Total additions for non block funding	0.052	0.052
Total DSG allocation	279.443	252.012

The above table excludes the Pupil Premium (£18m), Post 16 funding (£7m), Universal Free School Meals Grant (£2m).

#### 4.2 School Budget Monitoring

The date for schools to submit their budget monitoring return to the Local Authority was the 31 October. To date we have now received the following returns

	Received	Under Query	Outstanding
Primary	55	3	9
Secondary	6	2	5
Special	4	2	1
Nursery School	2	1	0
PRU	1	1	0

Where schools have not made a return the following process is adopted: If a school has not made a return the Finance Team sends the school bursar an e-mail and this is later followed up with an e-mail to the Headteacher. General reminders are included in the schools newsletter before and after the deadline.



Within the process, if no return is received a letter will be sent from the Head of Resources and Performance, Children and Young People to both the Headteacher and Chair of Governors with a copy to the Executive Director for Children and Young People.

There remain two secondary schools with deficit budgets, Sedgehill and Deptford Green and there is one primary school, All Saints. The latter had a deficit carry forward and is expected to remain in deficit next year.

An Appendix will be tabled to show the financial indicators held for each school in Lewisham. The table includes the projected end of year balances over the three year period from 2015/16. These indicators feed into the School Review Board.

#### **4.3 Budget Monitoring Template**

The template discussed at the Schools Forum is now being used. It has highlighted a number of issues that have been queried with schools and a number of schools have been visited where it is felt appropriate. Informal feedback on the template has been largely positive, with schools reporting that it improved the quality of their budget monitoring. It has also allowed a greater level of scrutiny.

#### **4.4 Balance Control Mechanism (BCM)**

**4.4.1** The funding regulations no longer require that a Balance Control Mechanism (BCM) must exist and the decision on whether a balance control mechanism operates for Lewisham rests with the Forum. The Forum confirmed their desire to have a BCM on the 17 February 2011. The BCM requirements have been discussed annually and the School Forum has confirmed its desire to continue the BCM as part of reinforcing good financial management.

**4.4.2** The balances at the end of 2014/15 in schools were £13.9m. The balance at the end of the previous year was £15.9m (31 March 2014) a fall of £2m. This is the first time since 2011 that there has been a fall in school balances. The amount of funds that are deemed as excess balances (above 8% of a schools budget in Primary and Special schools, 5% in Secondary) by schools has fallen from £4.7m to £3.6m.

The Breakdown between the sectors is as follows:

	Budget 2014/15	Carry Forward at the end of 2014/15	%	Excess Balance 2014/15*
	£	£		£
Primary	140,839	10,177	7	2,013
All Through	17,562	940	5	153
Secondary	61,053	-109	0	0
Special	17,012	2,645	16	1,472
Nursery	1,681	26	2	0
Pupil Referral Unit	3,339	177	5	0
	241,486	13,856	2	3,638

\*Excess balances are 8% of a schools budget in Primary and Special schools, 5% in Secondary

- 4.4.3** For some years the Forum has operated a Balance Control Mechanism (BCM) which allows for the removal of excess balances from schools where there is no plan for these amounts that has been validated by the authority.
- 4.4.4** While considering the excess balances applications, the Forum agreed that the balances were being held by schools for justifiable reasons but wanted to ensure that they were spent this year and asked for schools with excess balances to provide an update on the progress of utilising the balances in October. They are yet to be analysed but are available for inspection.
- 4.4.5** With school budgets starting to come under real pressure and schools facing general a reduction in funding of between 1 and 3% together with costs pressures of 2.8% (See Financial Update and Budget Monitoring report – 17 March 2015) it would seem inappropriate to make matters worse by capping schools budgets. This scenario of reduced resources is likely to continue for a number of years so it maybe worth considering the suspension of the Balance Control Mechanism and to review the position in a years time.

## **4.5 Financial Position**

- 4.5.1** At the end of last year the overspend position was higher than expected. This was caused by more SEN placements being made to providers outside of Lewisham than provided for in the budget. Some of the increase reflects wider age responsibilities for EHCP's. These placements were not in the independent sector but in FE colleges, other Local Authorities maintained schools and academies.

**4.5.2** The current year forecasts show an overspend of £2.9m. The details are shown below:

<b>Expenditure Type</b>	<b>£'000</b>
Resource Base	1,380
SEN Matrix	2,717
Special School Top Up	9,177
Special School Place led funding	6,000
New Woodlands	1,100
Abbey Manor College	3,700
Non Lewisham Placements	12,113
Collaboratives	2,000
Health and Social care reimb.	-400
Recoupment	150
Expenditure Total	37,937
Budget Available	35,050
Overspend	2,887

**4.5.3** The fund set aside from previous year's carry forwards is £2.5m. Some of this related to capital provision for 2 year olds with a balance of £2.2 available to cover the High Needs overspend. It now seems without further action the DSG could end the year in deficit and action is necessary to ensure this does not happen.

**4.5.4** In order to bring the budget back into balance it is proposed to stop the devolved funding to secondary schools for attendance and welfare from April 2015 (See High Needs Sub group report on this agenda). This would leave a balance of £0.5m to be found.

**4.5.5** This remaining balance could be charged to the schools contingency but would need Forum approval. An alternative would be to reduce the schools budgets in 2016/17. The Forum is asked in principle whether it would agree to the shortfall being offset against the schools contingency. It is forecast to have a surplus of £1m, see section 4.2. If this was the case the exact figure would be confirmed at the year end.

## 5. Mutual Funds

The Schools Forum has a number of mutual funds 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 current position of the funds is described below:

<b>Fund</b>	<b>Budget</b>	<b>Spent or committed to date</b>	<b>Balance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Growth Fund	<b>1,792</b>	<b>1,572</b>	<b>220</b>
Contingency	<b>1,510</b>	<b>512</b>	<b>998</b>
Maternity Fund	<b>800</b>	<b>226</b>	<b>574</b>

### 5.1 Growth Fund

Growth Fund allocations for the year have been made in the following categories-

£961k	Permanent Expansions
£353k	Bulge Classes
£258k	Ongoing Resources

### 5.2 Contingency

No Contingency de-delegation charge has been actioned in 2015/16 as Forum agreed that the brought forward balance would be sufficient for this year.

To date there have been four calls on the Contingency Fund

- £178k to cover the Growth Fund shortfall in 2014/15
- £99k falling rolls allocation for Sydenham (to maintain staffing levels during a temporary dip in pupil numbers)
- £115k backdated NNDR charge for the Rushey Green Primary rebuild.
- £120k EAL student placements at Lewisham College

### 5.3 Non-Sickness Supply Fund

The de-delegation charge for non-sickness supply cover for 2015/16 is £800k. To date only summer term claims have been paid. These totalled £226k.

Forecasting future claims is difficult, and the 2014/15 financial year bucked the previous trend, such as it was. However, an underspend of £115k is tentatively forecast.

The summer term claims breakdown is as shown in the table below:

Phase	Claim Type	Number	Amount	Average
			£	£
Nursery	Maternity	1	5,644	5,644
Primary	Jury Service	3	5,777	1,926
	Maternity	19	101,527	5,344
	Paternity	3	3,911	1,304
	TOFTUA	1	9,975	9,975
		26	121,190	4,661
Secondary*	Adoption Leave	1	2,792	2,792
	Maternity	11	70,600	6,418
	Paternity	2	3,280	1,640
	Suspension	2	5,683	2,841
		16	82,355	5,147
Special	Maternity	2	13,569	6,784
	Suspension	1	3,662	3,662
		3	17,231	5,744
		46	226,419	4,922

- includes all-through schools

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Group Finance Manager – Children & Young People

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# Agenda Item 9

Schools Forum  
10 December 2015  
Item 9

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Dedicated Schools Grant Budget Report 2016/17		
KEY DECISION	Yes	Item No.	9
CLASS	Part 1	Date	10 December 2015

## 1. Purpose of this Report

The purpose of this report is for Forum members to agree the Dedicated Schools Grant budget for 2016/17. An executive summary detailing all the savings to be found in this paper.

## 2. Recommendations

The Forum, in order to balance the DSG for 2016/17 is asked to agree

- a) That the Growth Fund budget be reduced from £1.8m to £1.1m(a saving of £0.7m).
- b) That the funding of each of the following projects continue through a top-slice from the DSG at a reduced level
  - Management Support To PFI/New Schools With Major Capital Projects at the reduced level of £0.31m from April 2016 to deliver a saving of £0.1m
  - The “partnership funding” but to be used to support schools classified as “Red” or “Amber” to be set at £0.1m from April 2016, a reduction of £15k
- c) That that the schools contingency should be set at the average per pupil for inner London Local Authorities, a sum of £0.65m.
- d) That discussions with schools be held and reported back to the Forum in January 2016 on the following changes with exemplifications showing the consequences for individual schools
  - i) On no longer providing low level high incidence funding to school collaboratives of £2.0m from September 2016 (Workstream C) as set out in Item 7.
  - ii) Reducing the basic entitlement of all schools by £0.8m

Or

Reduce the basic entitlement of primary schools only by £0.8m

- e) That school members by voting phase, agree the following budget for 2015/16 that will be de-delegated

Ref	Heading	Primary £'000	Secondary £'000
A	De-delegation for mainstream schools for Contingencies	300	350
B	Administration of free school meals	46	20
C	Staff costs – Supply Cover	594	206

- f) That School members agree the total budgets for the following items

Ref	Heading	Budget 2016/17 £'000	Budget 2015/16 £'000
A	Admissions	604	604
B	Serving of Schools Forum	78	78
C	Capital Expenditure from Revenue	4,086	4,086
D	Contribution from combined budgets	903	903
E	Termination of employment costs for centrally budgeted staff	176	176

- G) To agree to the date of an extraordinarily meeting of the Schools Forum on the 19 January 2016 (16.30) or 20 January 2016 (10.00)

### Executive Summary

The current forecast indicates a spending pressure of £2.9m on the High Needs Block in 2015/16. This grows to £4.1m in 2016/17

If no measures are taken to contain the growth in pupil numbers and together with inflation this would increase the shortfall in 2017/18 by £1.5m and total savings required would be £5.6m (See Item 6 Medium Term Strategy Report)

Savings / Pressures	2016/17 Reduction	2017/18 Reduction	Report Section	Recommendation Above
	£m	£m		
Growth Fund	0.7	0.6	10.1	a
Management of Capital Funding Projects Allocation	0.1	0.1	11	b
Total High Needs block Savings *			Item 7*	
Commissioned Places	0.4	0.7	1a*	n/a
Website	0.05	0.05	1ci*	n/a
Closing the gap	0.05	0.05	1ciii*	n/a
CAMHS	0.1	0.1	1d*	n/a
Alternative Education Provision	0.2	0.4	2b*	n/a
Drumbeat Support	0.3	0.3	2cii*	n/a
Collaborative Funding	1.2	2.0	3a*	di
Attendance and Welfare	0.2	0.2	1e*	
<b>Total Saving above</b>	<b>3.3</b>	<b>4.5</b>		
Reduce Schools Budget	0.8	0.9		dii
<b>Total Savings if all proposals are taken</b>	<b>4.1</b>	<b>5.6</b>		

\* Please note the recommendations shown here are from the High Needs Sub Group Report which is Item 7 of this agenda.

### 3. Budget Strategy

- 3.1 Earlier in this agenda we have seen the funding difficulties with the High Needs block and the current financial forecasts indicate that the High Needs block will have a £2.9m overspend at the end of the year. This will grow to £4.1m in 2016/17, if no action is taken now.
- 3.2 A carry forward of £2.2m is available to cover the overspend in the current year of £2.9m leaving a shortfall of £0.6m. An approach to meeting this shortfall has been discussed under the budget monitoring paper (Item 8 of this meeting).
- 3.3 The High Needs group have recommended savings for 2016/7 of £2.5m. Some of these savings have only a part year effect and the full year effect is £3.8m. This means however that there remains a balance to be found to ensure a balance budget for 2016/17.
- 3.4 If all the proposals in the High Needs sub group report are agreed a shortfall of £1.6m remains to be funded.



#### **4 Approach to Decision making**

- 4.1 The Dedicated Schools Grant budget setting process needs to be complete by 21 January 2016. With this deadline and the fact no notifications have been received of overall allocations from the DSG at the time of writing this report, many assumptions have been built into the figures. The true picture will only be known once ministers have finalised the settlement. This is expected a few days before Christmas and leaves little time for reports to be prepared and the papers to be published.
- 4.2 The statutory responsibilities for setting the Dedicated Schools Budget are complex. For certain budgets the Schools Forum have decision making powers while for some budgets, notably the High Needs budget decision making rests with the Local Authority. The statutory requirement on the High Needs block is that the Local Authority needs to consult the Forum and the Forum needs to give a view on the budget proposals and inform governing bodies of all consultations that may take place.
- 4.3 There is a requirement that the Local Authority provides a detailed return of all school formula allocations by the 21 January 2016. This leaves little time between now, receiving the DSG allocations, a Schools Forum meeting, consultation with schools and the Council decision making process to be undertaken by the 21 January deadline.
- 4.4 Within the proposals there are a number of difficult decisions which will impact on schools. It would seem desirable not only to have the Forum views but also alert schools to the likely impact and via a detailed letter garner their views.
- 4.5 It is proposed that a number of drop in sessions are offered to schools before returning to the Forum to make a final decision.
- 4.6 The final decisions by the Forum need to be made at the latest on the morning of the 20 January. It is proposed that an extraordinary meeting of the Forum is held on either
- 19 January 2016 at 16.30
- or
- 20 January 2016 at 10.00
- 4.7 That meeting will consider the feedback from schools and allow the Forum to consider any changes to the potential savings proposals put forward within this paper.

## 5 Financial overview

- 5.1 The DFE is likely to announce the provisional financial settlement for the Dedicated Schools Grant (DSG) around the middle of December 2015. This will cover the Schools block and Early Years block elements of the DSG. Usually the High Needs block is notified to Local Authorities in March. It is hoped for the coming year this will also be announced in December.
- 5.2 Current indications are that the Schools block is likely to be set at the same level as last year but adjusted for pupil number increases. The current DFE position following the Autumn statement is it allows for the “protecting of the schools budget in real terms, enabling a per pupil protection for the dedicated schools grant and the pupil premium”. There could be different interpretations of this especially in light of the growth in pupil population. It is assumed that the funding rate per pupil for Lewisham will stay at £5,964.
- 5.3 The minimum funding guarantee set by the DFE is expected to stay at minus 1.5% and the pupil premium is expected to stay at the same rate.
- 5.4 In the Autumn Statement the overall national funding level for the universal free meals grant for Key Stage 1 has stayed at the same level and it is assumed we will still receive the same funding rate per meal of £2.30. It is assumed this will not be extended to Key stage 2.
- 5.5 Post 16 funding

Final funding allocations for 16 to 19 students, high needs students aged 16 to 24 and bursary funding are expected to be sent direct to schools by the Education Funding Agency in either February or March.

## 6 Funding Blocks

- 6.1 The estimated level of DSG for 2016/17 and its three constituent blocks are shown below.

### 6.2 School Block

- 6.2.1 The total increase in pupil numbers are as follows

	Oct-14	Oct-15 (est)	Change
Primary	22,893	23,342	449

Primary Academy	1,686	1,746	60
Secondary	8,783	8,916	133
Secondary Academy	2,747	2,745	-2
Jan Uplift*1	45	36	-9
SEN Units	- 186	-172	14
Total*2	35,968	36,613	645

6.2.2 The schools funding formula has now been re-worked with the latest available data. The data for the 2016/17 allocation will be provided by the DFE and is expected to be available late in December. In order to calculate the likely impact on school budgets, the October 2015 census roll numbers have been used. This is of course still subject to checks by the EFA and possible alterations, but gives the best guide to the likely impact on individual schools funding.

In summary this would result in the following changes to school budgets between 2015/16 and 2016/17.

Change in funding as a percentage of budget (ISB Formula Plus MFG)			Number of schools	
			Gaining	Losing
over	8%	4	0	
6% to	7.99%	6	1	
4% to	5.99%	4	0	
2% to	3.99%	8	10	
0% to	1.99%	25	22	

The funding per school will be tabled at the meeting.

47	33
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Primary & Secondary Only  
Excludes Nursery & 6th Form Funding

## 7 Early Years Block

7.1 The Early Years Block allocations published in December 2015 are expected to be based on January 2015 census counts. They will be adjusted in summer 2016 based on counts from the January 2016 School Census, Early Years Census and Alternative Provision Census.

7.2 These allocations will then be adjusted a further time in 2017. Pupil counts taken from the January 2016 censuses will be weighted with the counts taken from the January 2017 censuses in a 7:5 ratio.

7.3 The result will give the final Early Years Block allocations for financial year 2016-17. There will be element of judgement in making the forecast for this income but provisionally the figure has been calculated at £21.6m. This funding will be used to fund allocations to providers of the 3 & 4 year old free entitlement.

## **8 High Needs block**

This is being discussed under a separate item on the agenda. The forecast of the funding available has been set at this year's amount.

## **9 Overall change in the DSG**

In summary the following funding assumptions have been made.

Funding block	Change
Schools	+£3.8m
Early years	£ 0.4m
High needs	£ 0

## **10. Further savings**

As we have seen there is a shortfall in funding on the high needs block next year of £4.1m. The high needs group have put forward proposals to find £2.4m of this in 2016/17 and £3.7m in £2017/18. In order to balance the Dedicated schools budget for next year a number of avenues have been explored

### **10.1 Growth Fund (proposed saving £0.7m)**

The growth fund is used to fund the revenue consequences of expanding schools where the funding for pupils does not arrive until the year after they start their education. The Growth Fund budget was set for 2015/16 at £1.8m.

The funding is typically used for either schools that set up a new bulge class or schools that make a permanent expansion, including schools that expand to become all through schools.

Only 3 bulge classes are planned to be established in September 2016 and 5 in September 2017. A school is given £55k for each bulge class

and it recommended that the budget is reduced in line with the lower number of classes.

Schools are provided from the growth fund a small amount for resources (£2k) each to help with new resources as the bulge class progresses through the school. It is proposed to continue this funding.

The funding provided to all through schools which have opened a primary phase is proposed to continue as well at the funding rates agreed before the decision to expand. The calculations were already showing a reduction in support was needed in 2016/17 and this provides a further £200k.

In total this would reduce the growth fund next year to £1,100k a saving of £700k.

## **10.2 Capital project support for schools £100k**

This funding is the headroom project that the Schools Forum approves annually. It is proposed to reduce this next year by £100k as the amount of capital works is reducing. More details on the funding is shown in Appendix A

## **10.3 Reduction in ISB proposed saving £0.8m**

In order to address the shortfall consideration has been given to removing funding from the Individual Schools Budget by reducing the basic entitlement. The reduction has been split proportionally between primary and secondary. The sum modelled is £0.8m.

10.4 There are a number of odd results where some schools lose no money and some lose a lot. These unexpected outcomes relate to the operation of the minimum funding guarantee (MFG).

10.5 The minimum funding guarantee (MFG) protects the per-pupil funding of schools from one year to the next against significant changes in the funding formulae or changes in data not directly related to pupil numbers. The MFG has been set at minus 1.5% per pupil since 2013-14.

The impact of the changes proposed above and those suggested by the High Needs Sub-Group are shown in Appendix C. There are a few things evident from the modelling.

Secondary schools lose proportionally more of their funding, this is mainly due to the withdrawal of the collaborative funding which is proportionally higher in secondary

- 10.6 Current evidence shows that secondary schools are experiencing more difficulty in balancing their budget. That is shown particularly in the carry forward figures.

	Carry Forward as at 31 March 2015
Sector	£m
Primary	10.2
All Through	1.0
Secondary	0.0
Special	2.6
Pupil Referral Unit	0.2
<b>Total</b>	<b>13.8</b>

- 10.7 To help discussions a separate model is provided to dampen the loss in the secondary sector. This model reduces primary schools budget by £0.8m, with no reduction to secondary.
- 10.8 As noted above the MFG protects schools budgets so they cannot fall below 1.5%. If the Schools Forum wish to consider alternatives that impact on schools budgets funding would need to come from non-primary schools budgets. The MFG limits reducing funding in the primary sector by £1m, overall the total funding that schools budgets can reduce by is £2m. For this reason the reduction in collaborative funding is essential.

## 11 Specific Projects

- 11.1 Over the last three years the Forum has considered requests to use the Dedicated Schools Grant to fund specific high profile projects. It was always intended that they should be reviewed regularly. Some of these have been reviewed by the High Needs Sub group and have been included within their recommendations. This paper is not intended to revisit this. The specific projects now need the agreement of the Forum to continue for next year.

<b>Approvals from 2007/08</b>	<b>£k</b>	<b>Appendix Ref</b>	<b>Recommendation</b>
Management support for capital builds	310	A	To be retained but the budget reduced by £100k
<b>Total</b>	<b>310</b>		

<b>Approvals from 2008/09</b>	<b>£k</b>		
Partnership Development	100	B	To be retained at £100k (£115k in 2014/16) but re-badged to cover support to Red and Amber Schools
<b>Total 2008/09</b>	<b>100</b>		

11.2 Funding has been agreed with the Forum in the past to assist with pump priming partnerships. At the moment this funding is underspent and it is felt better to re-badge this to support schools who are classified red and amber schools. With any balance at the end of the rolled forward automatically to the new year to allow support to continue.

## **12 Budgets Requiring Schools Forum Approval**

12.1 Members will recall that as part of the introduction of past national funding reforms there were changes to the rules governing the voting procedures. These particularly concerned the voting on the budget report.

12.2 The main change related to de-delegation of budgets where the voting was split between the primary and secondary phases of schools' members (these being Headteachers and Governors). Academy and Special School representatives are not part of this vote as de-delegation is not permitted for these school types.

12.3 The powers of the Forum also changed and it is now the role of the Forum to decide some budget levels rather than advise the Local Authority. Some of these budgets have to be decided individually.

12.4 It is proposed to keep the budgets the same apart from two; the contingency and the closing the gap fund

12.4.1 It was agreed as part of the budget discussion last year that schools not be required to contribute to the contingency during 2015/16 as sufficient funds had built up in the mutual. This was agreed as a one

year position only. At the time of the discussion it was also agreed to set the contingency in the future at £650k. This is much lower than in the past. There currently seems no reason to change this provisional position.

12.4.2 The Closing The Gap fund has been reviewed by the High Needs group and it recommended that it be set at £50k in Item 7.

## **12.5 Trade Union Activities**

This budget has been set at the same level as last year. A letter is attached to this report from the Trade Unions. The letter urges support to the continuation of the de-delegation of funds for supply cover costs and to continue to offer a facility for academies to buy into a centrally run facility. It is proposed the level of funding is reviewed for April 2017. The current budget is £126k which was fully spent in the last financial year.





14 September 2015

Dear Director

We are writing on behalf of all employees working within the boundaries of your local authority area who are members of ATL, NAHT, NASUWT and NUT.

You will recall that, from last April, local schools agreed through your Schools Forum to 'de-delegate' funding for supply cover costs, including for trade union facilities time. We believe that this was the right decision – and a very big majority of Schools Forums made the same decision, acting in accordance with advice issued by the Local Government Association and the National Employers' Organisation for School Teachers in October 2014.

We believe that the central retention and distribution of the fund is the most effective and efficient arrangement and we would like to work with you to ensure that this arrangement continues. Discussions are now taking place in your authority on funding arrangements for supply cover costs from April next year and we are asking you to pass the information in this letter to members in your Schools Forum and to encourage them to vote again for de-delegation of funding arrangements for supply cover costs.

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time as follows.

- Paid time off for union representatives to accompany a worker to a disciplinary or grievance hearing.
- Paid time off for union representatives to carry out trade union duties.
- Paid time off for union representatives to attend union training.
- Paid time off for union 'learning representatives' to carry out relevant learning activities.
- Paid time for union health and safety representatives during working hours to carry out health and safety functions.

These provisions are contained within the *Employment Relations Act 1999*, the *Trade Union Labour Relations (Consolidation) Act 1992* and the *Safety Representatives and Safety Committees Regulations 1997*.

\Cont'd ...

ATL, NAHT, NASUWT and NUT have members and union representatives in academies as well as maintained schools within your local authority area and, in addition to seeking your support for continued de-delegation, we are seeking your agreement for the local trade union funding arrangement to be formally extended to academies within your local authority boundaries.

As the DfE *Advice on Trade Union Facility Time* acknowledges, the trade union recognition agreement between the authority and the recognised unions will have transferred to the academy school as the new employer of the transferred staff as part of the conversion process to academy status under TUPE. We believe that, following conversion, academies should also become parties to local authority trade union facilities arrangements.

The academies within your boundaries will have received funding for trade union facilities time in their budgets and they are entitled to use that funding to buy-back into local authority arrangements. Indeed, many academies across England have already agreed to buy in to local authority trade union facilities arrangements.

Pooled funding will help the local authority and all schools to meet their statutory obligations on trade union facilities time. Setting up a central funding arrangement will allow academies to pay into a central pool if they wish to. But, most importantly, it will help maintain a coherent industrial relations environment where issues and concerns whether individual or collective can be dealt with more effectively. All these points are echoed in the advice issued by the LGA and NEOST.

We urge you, therefore, to support the de-delegation funding for supply cover costs and to continue or establish (if you did not do so previously) a mechanism whereby academies within your boundaries are able to buy into a central fund for trade union facilities time. If you agree to do so, we will write to academy principals to encourage them to buy in to your arrangement.

Yours sincerely

Mary Bousted

Russell Hobby

Chris Keates

Christine Blower

<b>LEWISHAM SCHOOLS FORUM</b>			
<b>REPORT TITLE</b>	<b>Management Support To Schools With Major Capital Projects</b>		
<b>KEY DECISION</b>	Yes	<b>Item No. 9 Appendix</b>	<b>A</b>
<b>CLASS</b>	Part 1	<b>Date</b>	<b>10 December 2015</b>

**DRAFT AND CONFIDENTIAL**

<b>Headroom Funding</b>	<b>Management Support To PFI/New Schools With Major Capital Projects</b>		
<b>How is this service/workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	DSG. The budget is £410K.		
<b>Allocated funding</b>	<b>When was this funding agreed with School Forum?</b>	<b>What did School Forum agree to the money being spent on?</b>	
	Agreed at the schools forum meeting on 12 December 2014	Management support to schools undergoing major capital projects	
<b>2014 – 2015 HN allocation</b>	<b>Actual HN Spend</b>	<b>IMPACT of spend on pupil outcomes</b>	
£410k	£410,000	Enabled management focus on standards and achievement. There is no valid way of ascertaining outcomes.	
<b>2015 – 2016 HN allocation</b>	<b>Actual HN Spend</b>	<b>IMPACT of spend on pupil outcomes</b>	
£410k	£374,185 (tbc)	Enabled management focus on standards and achievement.	
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings</b>	It is proposed to reduce the budget by £100k. There will be a continuing need for additional management support during major capital projects in 2016/17. There are continuing major projects at Addey and Stanhope (Morningson Centre) and St George's which have been supported in 2015/16. A further number of expansions are identified for 2016/17. The proposed reduction should still enable management support to these, although it may be at a reduced level.		
<b>Risks and possible mitigation</b>	Without the management support, which enables additional senior staffing, schools may reduce their focus on maintaining and improving standards and achievement.		
<b>Date: 26.11.2015</b>	<b>Completed by: CHRIS THRELFALL HEAD OF EDUCATION INFRASTRUCTURE</b>		

<b>LEWISHAM SCHOOLS FORUM</b>			
<b>REPORT TITLE</b>	<b>Partnership Funding</b>		
<b>KEY DECISION</b>	<b>Yes</b>	<b>Item No.9 Appendix</b>	<b>B</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>10 December 2015</b>

**DRAFT AND CONFIDENTIAL**

<b>Headroom Funding</b>	<b>Partnership Funding</b>	
<b>How is this service/workstream funded? Include all funding sources and identify if this service has already been subject to savings requirements</b>	This is funded from Schools' Forum money. There are no other funding streams and no money is allocated to this from the Council Budget.	
<b>Allocated funding</b>	<b>When was this funding agreed with School Forum?</b>	<b>What did School Forum agree to the money being spent on?</b>
	Agreed at the schools forum meeting on 12 December 2014	The funding was agreed to support the development of school partnerships as part of the school improvement strategy to support schools that require a recovery programme.
<b>2014 – 2015 allocation</b>  <b>£115k</b>	<b>Actual HN Spend</b>	<b>IMPACT of spend on pupil outcomes</b>
	£40K - St Mary CE/St John the Baptist  £10K - Conisborough College (to support the soft federation with DG)  £20K - Deptford Green (to support the soft federation with CC)  £42.55K - Brindishe Lee, Brindishe Green and Lee Manor School  Total Spend: 112.55K	Due to personnel changes within the School Improvement Team, it is uncertain how effective this spending has been. However, generally support for the primary partnerships has been more effective and had more impact than in the secondary sector.
<b>2015 – 2016 allocation</b>  <b>£115k</b>	<b>Actual HN Spend</b>	<b>IMPACT of spend on pupil outcomes</b>
	There has been on allocation of £3k this year to St Mary's. However, £100K is required to support the schools that are currently at high risk and categorised as red and amber.  In addition, a further £15K will be allocated to funding the Collaborative Conferences/ Getting to Good Seminars as outlined in the LA's new Framework for School	

Schools Forum  
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Item 9 Appendix B

	Improvement.	
<b>Value for money/ price per pupil assessment?</b>	Due to personnel changes within the School Improvement Team, it is uncertain how effective this spending has been.	
<b>Draft Recommendations including whether to continue to fund and identification of any possible savings</b>	<p>As 10% of our schools will need bespoke support going forward, there will be a need for schools to work in partnership with other schools both in and out of borough in order to bring about necessary improvements.</p> <p>The recommendation is to reduce the amount to £100K in 2016/17 to allow a programme of bespoke support for the high risk schools which will be allocated on a needs led basis.</p>	
<b>Risks and possible mitigation</b>	There is a high risk that more schools will fall into the red category in this academic year. It is essential that any new partnerships are robust and that they have clear lines of accountability through SLAs/MOUs. Monitoring of partner schools' actions will also need to be robust. Further savings may be possible if through our work with the Teaching Schools Alliance, they are able to offer more of the school-to-school support. TSAs are able to apply for direct funding for this from the DfE.	
<b>Date: 16 November 2015</b>	<b>Completed by: Heather Leatt, Secondary Strategic Leader</b>	

# Agenda Item 10

Schools Forum  
10 December 2015  
Item 10

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Sustainable Technologies		
DECISION	Yes	Item No. 10	
CLASS	Part 1	Date	10 December 2015

## 1. Purpose of the report

This report seeks approval from Schools Forum relating to the allocation of the financial benefits arising from the installation of solar photovoltaic panels (solar panels) by the Authority.

## 2. Recommendation

That the Forum agree that where the Council has procured solar panels through an agreement or as a result of construction works that the arising consequential benefits are shared as follows

- The school benefit from the reduced unit cost of electricity.
- The Council receive the Government backed feed in tariff (FiT).

## 3. Background

- 3.1 The contents of this report are consistent with the Council's policy framework and in particular the Sustainable Community Strategy policy objective 'Clean, green and liveable'.
- 3.2 Renewable energy has been supported over the last 5 years through a Government-backed feed-in-tariff (FiT). The FiT provides a financial incentive to invest in renewable technologies through an income stream based on a guaranteed 20 year price per kWh of energy generated, linked to the retail price index. Payments are calculated by a deemed rate based on the size of the system regardless of the energy consumption at the point of generation.
- 3.3 Solar photovoltaic panels should also offer a financial benefit by generating electricity, therefore reducing or replacing the schools reliance (to some degree) on the supply of electricity.

Therefore as a result of the installation of solar photovoltaic panels the schools energy bills will reduce.

- 3.4 The Government is proposing to significantly reduce the FiT for new installations in January 2016. For panels between 4 and 50 kWh the current rate of FiT is 11.30p/kWh. This is expected to reduce by 67% in January. The rate for smaller systems is proposed to fall even further by 87%.
- 3.5 The Council will be required to undertake a number of actions in order to claim the feed in tariff. This includes registering the system with the district network operator (DNO) and with the relevant electricity supplier. Take readings of consumption and pass these on to the energy supplier on an annual basis. Make an annual statement in respect of ownership of the panel.
- 3.4 Local Planning policy requires that all major developments will reach BREEAM Excellent whereas Basic Need funding, that supports pupil place planning works is calculated on the assumption that BREEAM Very Good will be adequate. If a scheme is not able to meet Excellent the LA is asked to consider making a payment for carbon offset.
- 3.5 PV Cells and other energy saving schemes have been considered and included in all the major permanent expansion schemes, including a recent scheme on a listed building

#### **4 Financial Impact**

- 4.1 Expenditure incurred in procuring solar photovoltaic panels is contained within the pupil place project costs although this expenditure is not recognised in the level of Basic Need Funding provided to support the expansion of schools
- 4.2 Through the income generated via FiT the Authority are looking to recoup capital and revenue expenditure incurred as a result of installing solar photovoltaic panels
- 4.3 As a result of the authority's investment in sustainable technology schools are benefiting from reduced revenue costs through lower utility bills.

## **5 Conclusion**

This report formalises an existing arrangement whereby schools benefit from the authority's investment in sustainable technology through lower utility bills, while the Council receives the Feed-in-Tariff (FIT) payment from the Government. The income generated through the FIT is utilised by the authority to fund sustainable technology.