

Schools Forum Agenda

Thursday, 6 December 2018

4.30 pm – 6.30pm, Committee Rooms 1 & 2 - Civic Suite
Lewisham Town Hall
London SE6 4RU

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Item	Pages
1. Apologies and Acceptance of Apologies	
2. Declaration of Interests	
3. Minutes of the Meeting - 04 October 2018	1 - 12
4. Matters Arising	
5. Dedicated Schools Grant Monitoring Report 2018/19	13 – 17
Report to provide an update on this year's DSG.	
6. Dedicated Schools Grant Budget Report 2019/20	18 – 22
Report to seek direction on setting 2019/20 funding for schools.	
7. High Needs Sub Group - Annual Report	23 - 31
To provide an update and consider the next stages.	
8. Any Other Business	

Future meetings

17 January 2019
21 March 2019

All meetings will be held between 16.30 and 18.30

Sub Group meetings

High Needs Sub Group
<u>December to be confirmed</u>
05 March 2019

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Thursday 4th October 2018

Membership (Quorum = 40% i.e. 9) ✓ = present ✗ =absent a = apologies
s = substitute

		Attendance				
		07/12	17/01	15/03	21/06	4/10
Primary School Headteachers						
Liz Booth	Dalmain	✓	a	✓	✗	
Paul Moriarty	Good Shepherd	✓	✓	✓	✓	a
Michael Roach	John Ball	✓	✓	a	✓	
Sharon Lynch	St William of York	✓	a	✓	a	✓
Keith Barr	Kender	✓	✓	✓	a	✓
Nursery School Headteacher						
Cathryn Kinsey	Clyde Nursery	s				✓
Secondary School Headteachers						
Jan Shapiro	Addey & Stanhope	a	✓	a	✗	a
David Sheppard	Leathersellers Federation	✓	✓	✓	✓	✓
Mark Phillips	Deptford Green	✗	✗	✓	✗	✓
Clare Cassidy	Sedgehill	a	✓	✓	✓	a
Special School Headteacher						
Lynne Haines	Greenvale	✓	✓	✓	✓	✓
Pupil Referral Unit Headteacher						
Heather Johnston	Abbey Manor	✓	✓	✓	✗	✓
Primary School Governors						
Rosamund Clarke	Perrymount	✓	✓	✓	a	✓
Dame Erica Pienaar	John Ball	✓	a	✓	a	
Keith D'wan	King Alfred Federation	x	a	a	✗	✗
Secondary & Special School Governors						
Pat Barber	Bonus Pastor	✓	✓	✓	a	
James Pollard	Addey & Stanhope	✓	✓	✓	✓	✓
Ruth Elliot	Watergate	✓	✓	✓	✓	✓
Academies						
Dr Tesca Bennett	Haberdashers' Knights Academy					✓
14-19 Consortium Rep						

Adam Fahey	Lewisham Southwark College					*
Early Years - PVI						
Dawn Nasser	Rose House Montessori	a	✓	✓	a	a
Diocesan Authorities						
Sara Sanbrook-Davies	Southwark Diocesan Board of Education	a	✓	✓	✓	a
Yvonne Epale	Substitute – Education Commission – Catholic Diocese of Southwark		✓	✓	✓	a

Also Present	
Sara Williams	Executive Director for CYP
Selwyn Thompson	Head of Financial Services
Hayden Judd	Principal Accountant - Schools
Jackie Jones	School Improvement & Intervention
Diane Parkhouse	Schools HR
Fiona Gavin	LB Lewisham
Ruth Griffiths	LB Lewisham
Murial Rant	Education & Skills Funding Agency
Clare Gurbutt	SEND
Edward Farrelly	Health & Safety Advisor
Michael Scott-MacDonald	Addey & Stanhope School
Troy Robinson	Legal Services
	Newshopper
Janita Aubun	Clerk

1. Apologies and Acceptance of Apologies

Apologies received from Sara Sanbrook-Davies, Jan Shapiro, Yvonne Epale, Claire Cassidy and Paul Moriarty.

Dame Erica Pienaar has resigned as Primary School Governor representative.

Apologies accepted.

2. Declaration of Interests

There were no declaration of interests.

3. Minutes of the Meeting held 21 June 2018

Schools Forum Action Summary

All action points will be covered in today's meeting.

4. Matters Arising

No matters arising.

5. Proposed Amendments to the Scheme of Delegation

Forum were presented with an updated report detailing the proposed amendments to the Scheme of Delegation (SoD).

Background

Amendments to the SoD were initially considered by Schools Forum in October 2017, with subsequent consideration in December 2017. The LA approach was to automatically charge redundancy costs to schools budgets unless good reason to do otherwise, had been identified. Owing to concerns raised by the DfE with the earlier proposals and following legal advice, Forum are being asked to consider today's new revisions.

Forum raised the question of whether the above costs will under the proposal, be met from the DSG. Officers assured forum that the LA will retrospectively assess who is to pick up the costs and that each case will be judged individually based on merit.

In summary, the proposed revisions to the Scheme clarify the circumstances in which costs incurred by way of dismissals, resignations, and/or premature retirement, may or must be met from a schools budget in accordance with the requirements of section 37 of the Education Act 2002.

Decision:

Forum agreed the following:-

- To incorporate the proposed amendments to the Scheme of Delegation to schools as set out in Appendix 1 to the report.

6. Finance Team Support

Members were informed of the current finance support team establishment which consists of three officers i.e. a principal accountant, an accountant and an assistant accountant. Forum was advised of the changes that have occurred with the group finance manager post and the ensuing vacancy. It was highlighted that the schools finance team was much larger in the past and that finance budgets have been reduced since 2010. The Finance budget stands at just under £3M and this covers, finance and payroll.

Benchmarking exercises undertaken across London last year, showed that Lewisham's finance costs were significantly lower but in comparison, the overall position of the team appears to be lean.

Officers reported to Forum that there is to be a finance re-organisation in April 2019 and that in the interim they will be appointing a temporary Group Finance Manager and two additional accountants to support the team. These temporary staff are to be in post for approximately 6 months.

Further Discussion

- Forum discussed the fact that schools are in the process of changing their financial management systems.
- The subject of High Needs and how it is currently being managed. Forum are concerned that we may lose the good work that has already been undertaken in this area.
- Finance SLA and what schools can expect. Noted that some schools still receive LA non-statutory finance support irrespective of having bought into the agreement.

Decision:

Forum agreed the following:-

- To note the contents of the report.
- That the Head of Financial Services report back to the next Schools Forum with an update on the finance team capacity issues.

7. Schools Balances Analysis 2017/18

Forum were informed of the following:-

Primary Schools

Many are holding balances in excess of 8% but are expecting to utilise these over the next 3 years.

Secondary Schools

Majority have deficit balances.

Special Schools

Our special schools are holding large balances due to single status delays over the past 8 years. These schools have also been subject to a re-banding and have had school expansions.

Nursery Schools

Period of uncertainty regarding funding for nursery schools in 2020/21.

Comments:-

Forum expressed concern about the timeliness and clarity of information from the finance and payroll teams which contributes to the effectiveness of their budget planning. Forum also raised the issue of student admission and not being able to reach their PAN.

Officers gave assurance that they will be writing to schools with a guidance to assist them with managing their surplus balances over the next 3 years.

Decision:

Forum agreed the following:-

- To note the details regarding school balances.

8. Growth Fund Distribution

Forum were presented with a report which gave information to decide on the action to be taken regarding the undistributed 2018/19 Growth Fund.

Forum were informed that that Lewisham's growth fund stands at a total of £1,230,865, which includes an unspent balance of £130,865 from 2017/18.

As the estimated required funding is £800k, this in turn means an excess of approximately £430k. Officers propose that the excess be distributed to schools during the autumn term – i.e. this term.

Forum were advised that following the October census the amount available will become clearer and schools are likely to be informed of the definitive amount in January 2019.

Also the report detailed how if the Growth Fund had been set at a lower level, Schools Forum would have been able to agree a higher Minimum Funding Guarantee level. Therefore officers asked Forum for the excess amount to be distributed to replicate a higher MFG.

Note, in place of Appendix 1, Forum were given examples of the level of funds that would be available to schools of various sizes.

Comments:-

Forum ask, do these funds have to be given to schools in instalments? Forum also discussed the fact that they could choose to pay the excess funds back.

Decision:

Forum agreed the following:-

- That any excess above the revised estimate of Growth Fund required for 2018/19 be distributed to schools.
- That the above recommendation be actioned during the autumn term.
- That the above recommendation be actioned in line with the Minimum Funding Guarantee.

9. Dedicated Schools Grant 2019/20

Forum were presented with papers updating them with information regarding the Dedicated Schools Grant 2019/20.

The 2019/20 Allocation

Forum were made aware of revised figures which have been received from the DfE after this report had been produced. The revisions relate to the Growth Fund which is being funded differently from 2019/20

The changes to the report to note specifically, were in the Schools Block. Here the latest 2018/19 DSG allocation had been reduced by £683K; this represents an upward movement of £837k i.e. 0.4% increase in cash terms.

Note, there is protection for the changes resulting from the funding change, but Lewisham did not qualify for any protection.

Central School Services Block

From 2020/21 the DfE intend applying a phased reduction in historic commitments allocation. This means that the allocations will be reduced by a set percentage per year.

High Needs Block

The DfE intend implementing the inclusion of special free school funding in the High Needs Block, the inclusion of post 16 funding in the High Needs Block and moving Hospital Education funding to a formularised basis (where a consultation on this is due this term).

Early Years Block

The DfE has not released any information for 2019/20 and nothing is expected before the budget.

Minimum Funding Guarantee Disapplication

The DfE allows for an adjustment to the operation of the MFG in cases where a former secondary school is expanding into the primary phase, and the usual operation of the MFG would lead to new primary pupils being funded inappropriately at secondary funding levels.

As this would be a variation in the regulations, Lewisham would need to apply to the DfE to use their adjustment.

Decision:

Forum agreed the following:-

- To note the provisional figures ahead of more detailed consideration of the 2019/20 budget at later meetings.
- The submission of a Minimum Funding Guarantee disapplication to the Department for Education to ensure primary pupils in former secondary schools are protected at the correct level.

10. Teacher Pay Award 2018

Forum discussed the options available to implement the 2018 School Teachers' Pay Award. Forum were informed that consultation results showed that the School Teachers' Review Body (STRB), found that maintaining teacher supply and the recruitment and retention of school leaders had become more difficult. Consequently, in its 28th report, the STRB recommended an uplift of 3.5% across the board for teachers and school leaders.

However the DfE has not fully accepted this recommendation.

Options for Lewisham

Schools could choose the autonomy proposed by the DfE and create their own range with staff and trade union consultation but on the downside it could prove to be a logistical problem for the authority's payroll to maintain different pay scales for individual schools.

Forum did question however whether any financial modelling has been done to see the effects of any recommendations.

Teacher Pay Grant

This is to cover the amount of the award which is over and above the 1% that the DfE feel schools will have already set aside. The grant will cover the 7 months from September 2018 to March 2019 plus the full 2019/20 financial year.

For mainstream schools, grant allocations will be based on the number of pupils aged between 2 and 19.

For special schools and the PRU, the DfE will allocate funds to the Local Authorities on the basis of place numbers.

Forum were asked to consider whether it would want the allocations to be passported when received or whether it prefer the allocations be held back for consideration at the next meeting. It was agreed that this be considered at the next Forum.

Decision:

Forum agreed the following:-

- To make a recommendation regarding the approach the authority should adopt towards teacher pay spine points between the maxima and minima stipulated by the DfE.

11. Apprenticeship Levy

Forum were informed that as at 31 August 2018, eligible Lewisham schools have contributed approximately £750k into the levy digital account.

Lewisham schools collectively have to work towards creating 224 apprentices by March 2019 in order to meet the public sector target of 2.3% of the workforce.

Discussion was had about the difficulties involved when taking on apprentices alongside teacher redundancies.

Forum were also made aware that since this report had been produced, approval has been obtained from the Executive Director of Resources & Regeneration to join two purchasing frameworks, i.e. Eastern Shires Purchasing Organisation (ESPO) and Yorkshire Purchasing Organisation (YPO). This will allow both the council and schools to draw down training services in a simple and quality assured way.

Greenwich Council have been set up as a training provider and can offer a range of courses to school staff. Lewisham are looking for an opportunity for Greenwich to come and speak to their leadership teams.

Officers gave assurance that a reminder email will go out in schools mailing encouraging schools to think about what training could be undertaken that would develop staff and give benefit to schools, without significantly impacting on budgets. Schools' HR will be available to receive enquiries and management of the digital account remains with them. In addition the consensus from Forum was to continue

with spine point ranges as Lewisham had done in previous years, as is the case with neighbouring boroughs.

Decision:

Forum agreed the following:-

- To encourage schools to consider training requirements to make effective use of the apprenticeship levy.

12. Catering

Forum were reported on the feedback from the concluded Catering Contract Review.

London Living Wage

The minimum hourly rate i.e. London Living Wage contract has risen to £10.20 and under the terms of the contract, there is an obligation to increase the London Living Wage (LLW) payment each year.

Food Price Increases

This has risen since the beginning of the contract and this along with the recent review has led to an agreement to raise the food element of each meal by 3p.

Contract Review

This review involved a restructure of mobile staff, an improvement in the training available to Unit Managers, an introduction of a new daily checklist, craft training sessions for cooks, improvements to e-learning where the task is now being managed at the Catford office and the records are being stored on line. There has also been a review of the relief team in order to reduce the reliance on agency cover and better communication and engagement with school staff and pupils from senior members of Chartwells who are based at Lewisham. The latter being driven by the need from schools to ensure that their concerns are being met.

Result

Forum were informed that the review is now complete and that a number of ongoing improvements will be continuously monitored. Also the London Living Wage and food price increases has led to a 13p per meal rise in price from September 2018.

Decision:

Forum agreed the following:-

- To note the outcome of the review.

13. Health & Safety Audit

Forum were presented with a report which summarised the Health & Safety activities undertaken by the Authority in 2017/18 and their plans for 2018/19.

Forum were informed that a new Health & Safety Advisor has recently been appointed to the Lewisham team i.e. Edward Farrelly.

Summary and Actions for 2018/19

Action	Date of Action	Evidence of Action/Completion	Any Further Action
Review and send out the new H & S safety self-assessment	Nov 2018	Questionnaires finalised	Follow up after closing date
Carry out onsite audits as per audit programme	ongoing	Audit emails, reports sent to schools	Develop action plan for deficiencies
Health and safety awareness training for Lead Governors	Nov 2017, Feb 2018, June 2018	Training records	Training promotion
Health & Safety training for premises officers and SBMs	Spring term 2019	Improved self-assessment returns.	
Recommend health and safety management training for schools.	ongoing	Schools training records	Continuous monitoring
Supporting schools to develop their H & S policies and ensure the main policy is signed	ongoing	A log of health and safety policies in file and main policy signed	Continuous review
Help schools improve their staff consultation	ongoing	Functional Health and safety committees or other forum	Continuous review
Supporting schools to understand their responsibilities under the COSHH Regulations including having COSHH cupboards for storing chemicals	ongoing	COSHH risk assessments and cupboards in place COSHH in place and chemicals stored safely. COSHH Assessment exemplar template to be provided for schools with training for completing	Continuous review

		assessment	
Supporting schools with PFI.	ongoing	Minutes of schools/PFI meetings	Attend PFI/Schools meetings and give advice
Ensuring schools with Radioactive materials are up to date with their annual checks	ongoing	Schools have completed annual checks	Continuous review
Monitor There and Back Policy and ensure all our EVCs are trained. Create options to cover demise of Wide Horizons	11 Sep 2017	Policy in place	Promote the Policy to schools through schools mailing etc. Engage with Mike Penny. Look at alternative suppliers
Reinforcing procedures for reporting accidents, incidents, dangerous occurrences and work-related ill-health, focussing on RIDDOR reportable incidents and the follow up of investigations, and abuse.	ongoing	Improvement in reported data No late reporting. RIDDORS reported on time Head Teacher school visits.	Continuous review
Reviewing the monitoring of schools statutory compliance.	ongoing	Up to date Records of statutory maintenance in place	Continuous review
Develop a suite of exemplar documents / policies and risk assessments to guide schools	Sep 18 – Jul 2019	These will be released throughout the year and will be available on the Services for Schools portal	
Produce a weekly H&S articles for schools mailing	ongoing from Sep 18	Several articles have already been released	

Notes

Clyde Nursery raised the issue of being audited February 2018 and pending their report. Officers will investigate.

Decision:

Forum agreed the following:-

- To note the contents of the report.

14. Any Other Business

No other business was raised.

Meeting closed 18:30pm.

SCHOOLS FORUM ACTION SUMMARY

ITEM	ACTION TO BE TAKEN	OFFICER (S) RESPONSIBLE	OUTCOME/ CURRENT POSITION
Forum 04 October 2018, Item 5 – Scheme of Delegation	Scheme to be reviewed annually	Officers - Finance	-----
Forum 4 October 2018, Item 6 – Finance Team Support	Finance team capacity issues - update	Selwyn Thompson	For schools forum December 2018
Forum 4 October 2018, Item 7 – Schools Balances Analysis	Procedure note on managing school reserves over the next 3 years	Hayden Judd	Pending

Agenda Item 5

Schools Forum

6 December 2018

Item 5

Lewisham Schools Forum			
REPORT TITLE	Dedicated Schools Grant Monitoring Report 2018/19		
KEY DECISION		Item No.	5
CLASS		Date	6th December 2018

1. Purpose of the Report

The purpose of this report is to provide schools forum with an update on the Dedicated Schools Grant projected outturn position for 2018/19.

2. Recommendation

- 2.1 That Schools Forum note the projected outturn position for 2018/19 and continue to receive revised updates as appropriate.
- 2.2 Schools Forum to agree to split the High Needs provider allocation of the Teacher Pay Grant in line with the place numbers used by the Department for Education to calculate the allocation. Individual School Allocations for Special Schools are set out in section 4 of this report and in line with the DFE Guidance.

3. 2018/19 Dedicated Schools Grant

The table below shows the current 2018/19 Dedicated Schools Grant which has been awarded to Lewisham Council for 2018/19. The net allocation is £259.061m. This figure takes into account any reductions to reflect funds

directly allocated by the Department for Education/Education Skills and Funding Agency (DFE/ESFA), example being the Individual Schools Budgets for Academies.

Dedicated schools grant: 2018-19 allocations local authority summary	2018-19 DSG allocations, prior to recoupment and deductions for direct funding of high needs places by ESFA					2018-19 DSG allocations, after deductions for academies recoupment and direct funding of high needs places by ESFA				
	2018-19 schools block (£million)	2018-19 central school services block allocation (£million)	2018-19 high needs block allocation (£million)	2018-19 early years block (£million)	2018-19 total DSG allocation (£million)	2018-19 schools block (£million)	2018-19 central school services block allocation (£million)	2018-19 high needs block allocation (£million)	2018-19 early years block (£million)	2018-19 total DSG allocation (£million)
209 Lewisham	210.998	5.405	49.479	24.200	290.082	181.019	5.405	48.438	24.200	259.061

3.1 Schools Block

The Schools Block is made up of two elements being £1.1m for the Growth Fund and the remainder being the delegated funding to maintained schools (£179.919m).

The projected spend for the Growth Fund is £800k, and would therefore result in a potential in year underspend of £300k. At a previous meeting of the Forum, it has been agreed that any underspend arising from the growth fund in 2018/19 would be redistributed to schools.

It should be noted that for 2019/20, the new method for allocating growth funding to Local Authorities will come into place which is likely to result in a reduction in funding of circa £500k.

3.2 Central Schools Block

The Central Schools Block is split into 2 overarching elements

- 1 Spend based on 2012/13 spend agreed with the DfE, plus the transfer of any streamlining from the ex-Education Services Grant, £234k. This covers spend on areas such as attendance & welfare, contribution to High Needs.

- 2 Ongoing costs – this is formula driven, at a rate of £39.51 per pupil. Funding covers areas such as admissions & appeals, pension contributions, servicing of Schools Forum, place planning.

This budget is expected to spend on target for 2018/19. It should be noted that from 2020/21, the DfE is considering an abatement approach to this funding. At the time of writing we do not have a feel for the level of reduction. To put this into context, if the DfE imposed a 1% reduction this would mean a £40k pressure on services. More information is expected in the spring/summer of 2019.

3.3 High Needs Block

The total budget for High Needs is £43.799m for 2018/19. After including the contribution from the central schools block we are expecting the High Needs block to be broadly on target based on estimates of current known demands for 2018/19. It should be noted that most London Councils are currently overspending their High Needs Budget. The budget is demand led and therefore it will be appropriate that this area remains closely monitored.

3.4 Early Years (EY) Block

At the time of writing we only have data for summer term. Funding for EY is paid out on three terms, however, allocation receivable is based on two January counts. For 2018/19, this means that the January count for 2018 and 2019 will inform the funding received. It should be further noted that the allocation remains provisional until the following year, once the January 2019 data is verified. For this reason, the EY block contains an element of risk.

The DfE require a minimum 95% passthrough rate. We are currently meeting this requirement based on the DfE estimated numbers. The spend will continue to be closely monitored.

	£m	£m	£m	EY passthrough rate
EYS Placements	22.789	22.789	0.000	94.9%
Support to EYQS	0.760	0.760	0.000	3.2%
Other	0.466	0.466	0.000	1.9%
	24.015	24.015		100%
DAF/PP	0.185	0.185	0.000	
Total	24.200	24.200	0.000	

4. Grant Funding to Support Teachers Pay Increase.

As previously reported, the DfE has provided additional funding with the intention of covering the amount by which the September 2018 teacher pay award exceeds the 1% that schools should have been budgeting for (in Lewisham the advice was to budget for 2%).

Grant allocations were published in November and the amounts were journaled to mainstream, maintained schools. Late in November, the DfE published revised allocations, having discovered an error in its calculations. Only corrections that increase a school's allocation are being actioned and the movements, totaling just £3,000, will be journaled to schools in December.

At the October Forum, we reported that mainstream schools' allocation had to be passed on to schools as published by the DfE, but that the High Needs providers' allocation would be provided as a lump sum. Since then the allocations, the lump sum and the number of places used to calculate the allocation have been published. It is therefore proposed that the lump sum be split in line with the place numbers used by the DfE, as shown below.

	Places	Allocation
Brent Knoll	154	£12,028
New Woodlands	112	£8,748
Greenvale	130	£10,153
Watergate	108	£8,435
Abbey Manor	165	£12,887
Drumbeat	167	£13,043
Total	836	£65,294

5. Conclusion

Overall the DSG for 2018/19 is expected to be online, with a possible minor underspend arising from growth fund of £300k.

The Early Years Block remains a risk and for this reason, the minor underspend noted supports the basis of good financial management.

Author

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Agenda Item 6

Schools Forum
6 December 2018
Item 6

Lewisham Schools Forum			
REPORT TITLE	Dedicated Schools Grant Budget Report 2019/20		
KEY DECISION	Yes	Item No.	6
CLASS	Part 1	Date	6th December 2018

1. Purpose of the Report

- 1.1 The report seeks agreement to the principles on which the Dedicated Schools Grant (Schools Block) will be allocated for 2019/20. This will allow precise calculations to be made when the funding settlement is known in late December 2018. The outcome of the settlement and the impact of the decisions made in this paper will be presented to the Forum on the 17th January 2019 meeting for further consideration and final agreement.

2. Recommendation

- 2.1 Schools Forum is asked to note:

1. The requirement on all Local Authorities to submit their Local Schools Funding to the Department for Education by the 19th January 2019.
2. The funding settlement and associated schools' data will be made available to Local Authorities late December, thus providing an extremely short timescale for undertaking associated work including enabling approval from Schools Forum (meeting date 17th January 2019)
3. Minor increases in the per pupil funding for Primary Schools, £17.63 and Secondary Schools, £45.99.
4. Update with regards Teacher Pay Contributions 2019/20

- 2.2 That Schools Forum agrees the following:- (Voting is for all schools)

1. Continuation of the application of the National Funding Formula principles to determine the 2019/20 Schools Budget Share.
2. PFI factor – It is anticipated that the DFE will uplift the PFI factor by inflation. It is proposed, that should this increase materialize, the increase in funding is passported in full to the PFI factor and thereby the appropriate schools.
3. To receive options for 2019/20 to consider impact if funding were applied to support the pressures in the demand-led High Needs Block. This would be at a maximum of 0.5% (£1m) for 2019/20 only. A report elsewhere on the agenda discusses the High Needs Block pressures arising from this demand-led statutory duty.
4. Minimum Funding Guarantee (MFG) to be the balancing item within the overall affordability of the Schools Block Funding. At the time of writing, there are potential pressures arising from the Final Non Domestic Rates (NDR) and Growth Fund which need to be taken into consideration before a final MFG position can be determined.
5. Agree to the application for a MFG disapplication to allow the withdrawal of split site funding to a school that now operates on one site.

2.3 The Schools Forum agree:- (Voting for Maintained Schools Only)

1. Continuation of de-delegated budgets in line with current levels. This would cover schools' contingency, administration of Free Schools Meals, Trade Union Non-sickness cover (maternity scheme) and school improvement.

3. Approach to Budget Setting

- 3.1 The Dedicated Schools Grant (DSG) budget setting process needs to be completed by 19th January 2019, as the Department for Education (DfE) requires all Local Authorities to make a formal submission determining the Local Authorities funding formula for 2019/20 including determination of each school's budget share. For academy schools, the submission is used to undertake a top slice of the overall DSG (Schools Block). The basis of the local

funding formula is used to determine each academy school's budget share by the ESFA (funding arm of the DfE).

- 3.2 The timelines are incredibly tight as the funding settlement is confirmed to the Local Authority in late December with submission to the DfE/ESFA required by the 19th January 2019. Within this short period, the Local Authority will be required to undertake affordability analysis to ensure the submission is within the funding allocations.
- 3.3 The per pupil rates for primary and secondary pupils for 2019/20 are confirmed as follows:

	2018/19	2019/20	Change
Primary schools	£5024.02	£5041.65	£17.63
Secondary schools	£6676.66	£6722.65	£45.99

This represents minor increases in the funding receivable.

- 3.4 It should be noted that for 2019/20 the DfE is adopting a "soft" formula for the Schools Block, meaning that the funding received will be on the basis of the National Funding Formula. Lewisham elected to adopt the same principles of the National Funding Formula for 2018/19. It is proposed that this approach continues for 2019/20. As such the unit of funding for each factor will continue to mirror the national funding formula.
- 3.5 Funding for some areas remains on historic values including Rates (NDR), split sites and mobility.
- 3.6 Growth funding for 2019/20 will be based on a new method and as a result all London Councils will see a reduction in their overall growth funding. The final growth funding allocations will not be known until the December funding settlement is announced, however we are expecting a reduction of circa £500k based on early indicative information from the DfE. It should be noted that growth funding supports any in year planned growth including expansions and bulge classes.

4. Teachers Pensions Contributions

- 4.1 Employers' contributions to the Teachers' Pension Scheme are to rise from the current 16.48% to 23% in 2019/20. An increase was expected for the 2019/20 financial year and our advice was to budget for an increase to 18%.
- 4.2 The DfE has announced that it intends to fully fund the increase, but as yet no details regarding how this funding will be delivered have been released. Theoretically this is an improvement in schools' situations as, rather than having to find 1.5%, they will now not need to implement any savings to cover this pressure. This does however need to be taken with caution until the final detail is announced by the DfE.

5. Split Site Minimum Funding Guarantee Disapplication

- 5.1 The Minimum Funding Guarantee (MFG) protects schools' funding such that it does not drop below a per pupil threshold. In 2018/19 this threshold was an increase of 0.28%. The previous threshold meant that per pupil funding could not fall more than 1.5%.
- 5.2 There are some instances where changes to a school's situation mean that this protection would be inappropriate and should not apply. In September 2018/19 one of our schools moved from being a 2 site school to a one site school. In response, the ISB formula would remove the £45,400 of split site funding that the school had previously been entitled to. In order to prevent the MFG from protecting this previous entitlement and continuing to fund the school as a split site school, it is necessary to apply to the Secretary of State for a disapplication.
- 5.3 The impact of the disapplication will be limited to the previous split site funding and the 2018/19 funding notification provided in February 2018 included the funding adjustment, so the school will already be budgeting on this basis.
- 5.4 Following Schools Forum's approval an application will be made to the Secretary of State.

6. De-delegation of funds

- 6.1 The DfE guidance enables Local Authorities to provide services centrally which are funded by a process known as de-delegation. This only applies to mainstream schools and not academies. As such funding levels agreed will reduce should any school convert following finalization of the budget process.
- 6.2 The de-delegation process must be agreed every year and supported (by means of voting) by the representative of each phase at Schools Forums. The proposal for 2019/20 delegation are in line with the current de-delegation levels. It is proposed that de-delegation continues in line with current levels and supports the following:
- Schools Contingency – to support costs that should not be reasonably incurred by a governing body.
 - Administration of Free School Meals
 - Trade union and non-sickness supply scheme (Maternity Fund)
 - School Improvement –to support the work of the Lewisham Learning Partnership.

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Agenda Item 7

Schools Forum

6 December 2018

Item 7

Schools Forum			
REPORT TITLE	High Needs Sub Group - Annual Report		
KEY DECISION	Yes	Item No.	7
CLASS	Part 1	Date	6th December 2018

1. Purpose of the Report

- 1.1 The report considers the medium term financial strategy for the High Needs block and the changes to Alternative Provision.

2. Recommendation

- 2.1 The Schools Forum is asked to:

- Thank the members of the task group for their work during the year.
- With regards the membership of the working group,
 - Confirm the membership of the task group (check that all representatives wish to remain on the working group)
 - Ask the secondary representatives to appoint a new representative to fill vacancy.
 - Consider if additional primary representative would be beneficial for the group.
 - Note that in due course the Working group will need to cover Early Years support at which point it would be appropriate to reformat the group for that topic of discussion and include appropriate representation.
 - The next meeting of the working group to take place mid /late December
- Note the increase in demand for the SEND Service and the consequential financial pressures on the High Needs Block with effect from 2019/20 onwards.
- To task the Schools Forum High Needs sub group with:
 - Review the ongoing forecast and trend analysis work.

- Consider the overall funding pressure on the High Needs Block and develop proposals for consideration by Schools Forum
- Note the funding levels of Abbey Manor College and the new primary alternative provision.

3. Background – the task group

- 3.1 The Task Group was set up in 2013 by the Schools Forum to review the costs of funding high needs pupils. Specifically, the group was asked to make recommendations on how the costs could be reduced to meet the funding provided by central Government.

While maintaining the remit of ensuring the high needs block is financially balanced, the group was asked to undertake a review of the current way high needs pupils are banded and consequently funded and to draw up plans for implementing the new system.

4. Current Financial Position

- 4.1 The current financial forecasts indicate that the High Needs Block is forecast to be overspent by approximately £2m at the year-end (2018/19) before the application of funding from the Central Schools Block. The High Needs Block funds services on a demand-led statutory basis and for this reason this projection is based on our best information available. Any variations on demand will impact on the final outturn position.
- 4.2 There are costs of a one-off nature that are built into the above forecasts, in relation to transitional protection for special schools on the introduction of the new banding system and the need to re-shape the resource bases and pupil referral provision.
- 4.3 When calculating the sum required for next year's budget, growth in pupil numbers needs to be taken into account. Since the last SEN2 census in January 2018 EHCP's have increased from 2,017 to 2,252- an increase of 235 pupils. There is an element of inherent uncertainty with making predictions of growth. In order to do this sensitivity analysis is applied to understand the range of likely financial consequences. Forecasts are built up under the scenario thought most likely to occur and then both a worse case and best cases are considered.
- 4.4 Initial analysis undertaken has suggested that the demand and severity of need could potentially result in a funding pressure on the High Needs Block. Original figures suggested approximately £2m (2019/20), £5m (2020/21) and £7m (2021/22).

- 4.5 Officers are currently revisiting this data for consideration by the High Needs Working Group. It is proposed a meeting of the working group takes place in December, to enable Schools Forum to consider the financial settlement in totality at its budget setting meeting in January.
- 4.6 The main reason for the anticipated financial pressure is the overall growth in pupil numbers of which a proportion would result in a need for specialist support.
- 4.7 It is important for Schools Forum to note the following critical points:
- The DSG is now allocated using 4 separate National Funding Formula methods, effectively restricting flexibilities in targeting resources to need (spend).
 - The National Funding Formula for High Needs Block includes Transitional Protection of £5m. At the time of writing, we have no information from the DfE as to if and when the transitional funding is expected to fall out (and at what rate). We are mindful that lobbying work is currently being undertaken by local authorities (LAs) to highlight the lack of funding and the pressures on High Needs. The key concern is that being a LA, which is deemed as “floor” i.e. highly funded relative to other LAs, our ability to benefit from significant gains may be compromised.
 - Like any budget holder, LAs are not permitted to overspend, however in reality many LAs are overspending on their High Needs budget. The DfE has introduced new measures which now mean that overspends (above 1%) must require a deficit recovery plan to be submitted by the LA and its Schools Forum. Deficit of 1% on Lewisham’s DSG would be between £2.5m to £3m assuming the calculation is based on the total DSG value incorporating all the funding blocks.
 - Regulations permit the transfer of up to 0.5% (£1m in Lewisham’s case) from Schools Block to High Needs Block with the agreement of Schools Forum. Schools forum is asked that this option is considered by the working group for 2019/20 subject to further detailed review of the projected spend on the high needs block.
 - Schools Forum is further asked to task Lewisham Council/High Needs Working Group, to undertake a deep dive review of the High Needs spend/forecast position to ensure a plan to be devised to bring future delivery within funding available. This is expected to be a detailed and complex piece of work which will require various consultations, dependent on the outcomes proposed. It is likely the work will commence in 2018/19 and 2019/20 but be implemented in 2020/21.

The following paragraphs provide further details on the financial position in other London councils, which the Schools Forum is asked to note.

5. The financial position across London

5.1 London Councils recently undertook a survey of the high needs budget across the London. There findings were:

5.2.1 In relation to the funding in the DSG for high needs

- In 2016/17, the amount spent on high needs was greater than the amount allocated through the high needs block of the Dedicated Schools Grant (DSG) in 23 out of 28 boroughs.
- The aggregate 'funding gap' across these 23 boroughs was £94 million – equivalent to 13.6 per cent of aggregate high needs allocations or £4.1 million per borough
- In those boroughs that spent less on high needs than allocated through the high needs block of DSG, this is likely to be due to transfers within DSG to meet pressure in other blocks

5.2.2 In relation to the budgets that a local authority set for high needs (The budget set does not necessarily have to equal the funding given)

- Comparing outturn figures against budgets for 2016/17, 17 boroughs overspent on high needs and 11 boroughs underspent in 2016/17. (albeit the underspend could potentially be masked by transfers from other funding streams /reserves).
- A higher proportion of inner London boroughs overspent on high needs budget – but the aggregate overspend was greater in outer London (7.7 per cent of budget compared to 6.1 per cent in inner London).

6. Mitigation of current high needs spend

6.1 The High Needs sub group has worked hard over the last four years to ensure that the High Needs Block has had appropriate oversight of the spend of the High Needs Block. In 2016 Schools Forum agreed that a review of banding should take place to put in place universal banding system for all Lewisham schools and resource base provisions. The review has included the development of a comprehensive guidance document and funding models to support the banding levels.

6.2 This review has been completed and all new funding has been put in place.

7. Alternative Provision

- 7.1 The LA currently commissions the Lambeth primary alternative provision provider, Parallel Learning Trust to provide primary alternative provision places for Lewisham children and make arrangements for transport to the provision.
- 7.2 Currently the LA commissions 10 places at £9,000 each for revolving door intervention placements with Parallel Learning, via LA referral.
- 7.3 Schools pay voluntarily towards the placement cost from the AWPU for the child referred to Parallel Learning, based on the length of the placement.

8. Primary Phase Alternative Provision Transition Plan 2018-19

- 8.1 This arrangement will be required until September 2019 when a permanent solution to Lewisham primary phase alternative provision is implemented.
- 8.2 The Lambeth alternative provision provider, Parallel Learning Trust has been identified as the provider which will expand its provision from Lambeth into Lewisham at a site that has been identified, to accommodate primary pupils.
- 8.3 This provider is identified with:
- High performing – Good or Outstanding school / provider
 - Good financial management and governance
 - Proven track record of improvement across a partnership
 - Evidence of being an inclusive school or provider
 - Track record of closing the gap for vulnerable children
 - Capacity to deliver the project in the timescale
- 8.4 The permanent primary phase alternative provision accommodating up to 25 places at £19,000 per place is under way.

9. New Woodlands

- 9.1 New Woodlands School continues to work through the transition plan for the second year. The school continues to operate as a special school for KS1-3 and as a PRU for KS1 and 2 only. Currently the primary phase is full due to the increase in referrals from schools for children who require an EHCNA.
- 9.2 The New Woodlands Advisory Board received a detailed Interim Review Report of the NW Outreach Service and is in the process of drafting a

detailed report with a range of options for the future of the Outreach Service which will be presented to Schools Forum in the spring term for approval.

10. Abbey Manor College

- 10.1 In February 2018 Schools Forum agreed to increase the Pupil Placement Top Up funding allocation for 2018-19 so that is in line with other LA PRUs and our statistical neighbours.
- 10.2 The increase for Abbey Manor College for 2018/19 brings the PRU in line with all London LA PRUs and our statistical neighbours:
- Core: £10,000 per pupil for 160 places
 - Top Up: £14,000 per pupil for 160 places
 - To fund the college on the fully funded basis during 2018/19.
- 10.3 This allocation is to be reviewed annually and will be reviewed at the (proposed) December SEND working group meeting with recommendations made to the January 2019 schools forum meeting.

11. Abbey Manor Assessment Hub – Pupil places

- 11.1 The LA has agreed to the implementation of an ‘assessment hub’ to ensure that children and young people referred to Abbey Manor College for a personalised learning programme of study following a rigorous holistic assessment, will reach their potential and future destination in a timely and well-managed way. This has been designed and implemented to work in partnership with other referral agencies within the borough e.g Access, Inclusion and Participation and the Fair Access Panel.
- 11.2 The ‘Assessment Hub’ will create a simple pathway for intervention placements or longer-term placements for children and young people who are at risk of exclusion and those who are hard to place in mainstream education.
- 11.3 It will also serve as a pathway for those who enter the borough in year and provide a more targeted assessment of need for those children and young people who have an EHC Plan and are at risk of placement breakdown.
- 11.4 The main function of the Assessment Hub will support the in year admissions and Fair Access Panel processes and will involve Headteachers, the Service Manager Access, Inclusion and Participation and the Executive Headteacher of Abbey Manor College, having equal ownership over accepting children into their school with complete transparency, through the Fair Access Panel.

- 11.5 The pre-placement Assessment Hub will support new students through information gathering, Literacy and Numeracy baseline assessments and readiness for school assessments and then each individual referral presented to the panel for the administration of the placement within a part of the college's extended provision or local school.
- 11.6 The Assessment Hub will ensure that schools will not be made vulnerable by an intake of children and young people whose needs have not yet been defined and whose school provision may not be able to meet their needs.
- 11.7 This would be supported directly with the re-integration team enabling schools to understand their intake, have support and resources to do so and as a direct consequence, create opportunities to avoid exclusion.
- 11.8 The Local authority has agreed to fund the assessment placements for 20 places on a revolving door basis at the core cost of £10,000 per place in 2018/19.

12. Work plan of the High Needs Sub Group

- 12.1 The purpose of the task group is 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. It has the objective to agree an annual work plan based on the current needs and priorities of high needs funding block and to secure the support of the Schools Forum for its proposals.
- 12.2 The sub group has drawn up a list of the priorities for the coming year and seek the Forums' agreement to the following work
- a. To consider how the financial pressures of the high needs block should be addressed
 - b. To review the Local Authorities place planning numbers.

The current members of the task group are as follows

Marie Neave	Headteacher	Drumbeat
Lynne Haines	Headteacher	Greenvale
Jan Shapiro	Headteacher	Addey and Stanhope
Vacancy	Headteacher	Secondary

Kathryn Wong	Executive Headteacher	King Alfred Federation
Janaki Monk	Assistant Principal Inclusion	Haberdashers' Aske's Hatcham College
Heather Johnson	Headteacher	Abbey Manor College

- 12.3 The High Needs sub group meetings have not always been well attended and the Schools Forum is invited to confirm the membership and to appoint a further Secondary School representative.

13. Roles and Responsibilities

- 13.1 With the regard to financial issues relating to:
- Arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding
 - Arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding

It is a requirement that Local Authority consults the Forum annually to give a view. The final decision rests with the Mayor

14. Conclusion

The financial constraints under which the public sector is operating are not expected to ease over the next few years. Demand and severity of need are expected to place ongoing pressure on this demand-led statutory service. Overall, LAs in consultation with schools forum are expected to review budget plans to spend within the fund. As stated above, most London LAs are either exceeding their High Needs budgets. The pressure for councils such as Lewisham who are experiencing increase in pupil growth is that that the formula is not able to sufficiently fund this. However, there is a duty on LA to spend within the funding allocated.

It should be further noted that the supporting costs for transport remain a pressure on the general fund, as the cost pressure increases for SEND pupils, the associated costs for transport will also be impacted.

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