

Schools Forum Agenda

Thursday, 9 July 2020

4.30 pm – 6.30pm, Virtual - Microsoft TEAMS Meeting

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Item	Pages
1. Apologies and Acceptance of Apologies	
2. Declaration of Interests	
3. Minutes of the Meeting - 16 January 2020	1 - 8
4. Matters Arising	
5. Finance Workplan	9 - 14
Purpose of this report is to provide the proposed meeting dates and work plans for Schools Forum over the coming year.	
Meeting dates are strategically placed to gain input from Forum at the most appropriate times.	
6. DSG 2019/20 Outturn Position including Schools Balance Position	15 - 23
To update Schools Forum, with regards to the 2019/20 Dedicated Schools Grant (DSG) outturn position including the position with regards to Schools Balances.	
Main concern is the pressure on the high needs block which is likely to give rise to DfE intervention.	
7. Dedicated Schools Grant 2020/21	24 - 27
Purpose of this report is to update Schools Forum, with regards to the 2020/21 Dedicated Schools Grant (DSG).	
8. Verbal Updates	
- Term time only	

- Covid Claim
- High Needs update
- Schools Forum Membership

Any other business

Dates of Future Meetings

15th October 2020
10th December 2020
21st January 2021 (subject to change dependent on DfE timelines)

All meetings will be held between 16.30 and 18.30

Sub Group meetings

High Needs Sub Group
9 th July 2020 24 th September 2020 1 st October 2020 3 rd December 2020 28 th January 2021

Agenda Item 3

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Thursday 16th January 2020

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

		Attendance				
Primary School Headteachers		11/07	17/10	12/12	16/01	Date of Appointment
Paul Moriarty	Good Shepherd	✓	✓	a	a	Dec 2018
Manda George	Torridon Primary	✓	a	✓	✓	Dec 2018
Sharon Lynch	St William of York	✓	✓	✓	✓	Dec 2018
Keith Barr	Kender	✓	✓	✓	✓	Dec 2018
Matthew Ringham	Our Lady & St Philip Neri	✕	a	✓	✓	Dec 2018
Nursery School Headteacher						
Cathryn Kinsey	Clyde Nursery	✓	✓	✓	✓	Oct 2018
Secondary School Headteachers						
Naill Hand	Prendergast Ladywell		✓	✓	✓	July 2019
David Sheppard	Leathersellers Federation	✓	✓	a	✓	June 2018
Mark Phillips	Deptford Green	✓	✕		✓	Jan 2020
Clare Cassidy	Sedgehill	✓	✓	✓	✓	Dec 2017
Special School Headteacher						
Lynne Haines	Greenvale	✓	✓	a	✓	Oct 2018
Pupil Referral Unit Headteacher						
Heather Johnston	Abbey Manor	a	✓	✓	✓	Dec 2017
Primary School Governors						
Rosamund Clarke	Perrymount	a	✓	a	✓	Dec 2018

Secondary & Special School Governors						
Pat Barber	Bonus Pastor	✓	a	a	✓	Dec 2018
Ruth Elliott	Watergate	✓	✓	✓	✓	Mar 2019
Academies						
Dr Tesca Bennett	Haberdashers' Knights Academy	✓	✓	✓	✓	Oct 2018
14-19 Consortium Rep						
Asfa Sohail	Lewisham Southwark College		✓	a	✓	Mar 2019
Early Years – PVI						
Dawn Nasser	Rose House Montessori	✓	a	✓	✗	Jan 2017
Diocesan Authorities						
Sara Sanbrook-Davies	Southwark Diocesan Board of Education	✓	✓	✓	✓	Dec 2019
Yvonne Epale	Education Commission – Catholic Diocese of Southwark	✓	a	a	✓	Feb 2018

Lynne Haines	Forum Chair	✓	✓	a	✓	Oct 2017
Keith Barr	Forum Vice-Chair	✓	✓	✓	✓	Oct 2017
Also Present						
Pauline Maddison	Interim Executive Director - CYP					
Angela Scattergood	Director of Education Services					
Mala Dadlani	Group Finance Manager					
Lurenco Reynolds-Moxam	LB Lewisham					

Vaughan Williams	Clerk

1. Apologies and Acceptance of Apologies

None.

2. Declaration of Interests

None.

3. Minutes of the Meeting – 12 December 2019

Agreed.

4. Matters Arising

The Chair confirmed that Mark Phillips had been re-elected as a Secondary School Headteacher representative.

5. Scheme for Financing Schools – Feedback from Consultation

The purpose of this report was to update Schools Forum on the recent consultation on the Scheme for Financing Schools (SfFS) which ran from October to December 2019, and to consider the feedback from Schools. Additionally, Schools Forum were asked to further consider the revisions arising from a change in process as outlined in this report.

Of the four schools who responded to the consultation two supported the Draft Scheme in full and

two schools made observations concerned with redundancy and the requirement on schools to provide statutory information/data. With regard to redundancy the Group Finance Manager confirmed that the current wording, in the scheme, did not compromise the DfE requirement that each redundancy is considered on a case by case basis. In exercising good financial management schools should be mindful of the redundancy risk and on the basis that the cost could be borne by them, to prudently account for it.

Regarding the requirement on schools to provide information and data, Schools Forum noted that some schools fail to meet their statutory obligation to make the necessary returns. The problem has arisen where some schools have opted out of services (external payroll) and fail to make the appropriate returns on the basis that they will incur additional costs from their provider. This issue has been raised by External Audit as being non-compliant as part of the final accounts process. Schools Forum further noted that although schools are free to choose where to buy services they would need to factor in all costs associated with meeting their statutory obligations rather than requesting that Lewisham should meet the cost.

The Group Finance Manager tabled a paper which sort to clarify the wording in section 1.5 (Delegation of Powers to the Headteacher) of the SfFS to read as follows: please note for ease of reference the relevant SfFS wording is attached as consulted with additional wording in green.

1.5 Delegation of powers to the Headteacher

Subject to the requirement that

- the first formal budget plan of each financial year
- **the second budget plan**
- **SFVS and any specific documents** must be approved by the Governing Body

Each Governing body is asked to consider the extent to which it wishes to delegate its financial powers to the Headteacher, and to record its decision (and any revisions) in the minutes of the Governing Body.

The LA has no wish to impose uniformity on schools but considers that the following level of delegation to Headteachers is desirable:

- Governors adopt a scheme of delegation devolving defined responsibilities for day to day financial decisions to the Headteacher.
- Any virement should either be authorised by the Head or Chair of Governors. It is recommended that all transfers valued at £1,000 or more are made by the Chair of Governors and any others by the Head. The Head however, must report to governors, if he/she makes a budget virement because the overall responsibility for managing the school's budget ultimately rests with the Governing Body.

Other guidance is included in the Schools Finance Manual.

With regards formal returns requiring Governing Body sign off “A Governing Body may delegate responsibility to a working group (e.g. resources committee) to undertake the detailed review of the budget plans/SFVS /other documents. For a school that is able to set a balanced budget in the current year (and at least the next financial year), submission to the LA ratification may take place post submission to the LA. The Full Governing Body must ensure that they have been provided with all appropriate supporting information to enable ratification. Where the school is in a Deficit Recovery Plan or unable to set a balanced budget it may not delegate any powers to a working group e.g. resources committee. Detailed working may still be undertaken by the working group but the full governing body must have full sign off before submission to the LA. Additional time has been factored in to the submission time lines to recognise this requirement.”

Having given consideration to the feedback from schools and the revisions arising from change in process as outlined in the report the following was agreed:

Decision

Schools Forum agreed the wording set out in the draft SfFS concerned with section 11.10: Redundancy.

Schools Forum agreed the wording set out in the draft SfFS concerned with section 2.1.3: Requirement on Schools to Provide Statutory Information/data.

Schools Forum agreed the revised tabled wording set out in the draft SfFS concerned with section 1.5 (paragraph 1.11): Delegation of Powers to the Headteacher.

6. Dedicated Schools Grant 2020/21 Funding Settlement

The purpose of this report was to update Schools Forum with details of the final funding settlement for the 2020/21 Dedicated Schools Grant (DSG). The report further proposed that the individual schools budget (ISB) remain in line with the mandate approved by Schools Forum at its meeting in December 2019.

Prior to introducing the report the Group Finance Manager alerted Schools Forum that on face value the funding settlement may look favourable but Lewisham is receiving less money than comparable boroughs. The correct completion of school census returns, particularly with regard to free school meals and English as an additional language, was paramount as the DfE is bound by the LA submission and historic base line data. Schools Forum noted the contents of Table 1 of the committee report which illustrated the gross DSG settlement for 20/21 relative to 2019/20. Overall the DSG for 2020/21 had increased by 6.263m.

Schools Block - Schools Forum noted that the schools block had received an overall increase in funding net of £2.486m as illustrated in Table 2 despite an overall reduction in pupil numbers of 307. The funding for Primary Age pupils (£5125.27) and for Secondary Age pupils (£6859.10) remained in line with the information presented to Schools Forum in December. The Group Finance Manager said that although 2 options for APT submission were being presented the only difference was the treatment of Growth being either a stand-alone budget or part of the APT.

The Group Finance Manager reported that taking account of movement in pupil numbers and FSM6 the de-delegation position this year remains in line with 2019/20 at a value of £2.016m. Additional, de-delegation was sought to support copyright licences for schools. For ease of collection Schools Forum were asked to approve de-delegation of licences as the preferred method over an invoice based system. Schools Forum further noted that growth funding not used in 2018/19 was allocated to schools as agreed.

Decision

Schools Forum Noted the Following:

- Increase in funding net of £2.486m as set out in Table 2, paragraph 1.14
- Variance as set out in Table 3, paragraph 1.15 noting the funding receivable for Primary Age pupils at £5125.27 and for Secondary Age pupils at £6859.10 which is in line with the information presented to Forum in December.
- Overall reduction in pupil numbers of a net 307.
- The two options for APT submission with the difference being the treatment of growth being either a stand alone budget or part of the APT.

Schools Forum Agreed the Following:

- Option 2 (section 1.22) for the APT submission.
- MFG uplift of 1.84%.
- Total cost of £209,305
- A balance of £631,714, of which £200k to remain in Growth Fund, £200k to support errors and omissions as the APT is not final until DfE ratification.
- School Forum approved the transfer of the residual £230k. to the High Needs Block to support the additional SEN pressures in Schools. To be allodated on a lump sum basis.
- The de-delegation as detailed in the report.

Central Services to Schools Block (CSSB) - Schools Forum noted the contents of Table 5 of the committee report which confirmed CSSB funding for 2020/21 and that relative to 2019/20 there had been a net reduction of £0.775m. The Group Finance Manager said that there are two parts to the calculation the first of which is formulaic. The increase shown in the rate receivable from £40.37 to £41.15, i.e. 78p which is equivalent to 1.9% and generates an increase of approximately £16k. Schools Forum noted that there historic issues around the commitments budget which meant there had been a reduction of approximately £791k, or net £775k if this is offset with the increase.

Funding managed by each Local Authority, also varied depending on the main priorities as set during the baseline year of 2012/13. For Lewisham, the funding supports the High Needs Block, Lewisham Learning Partnership, Pension Contribution Commitments and Corporate Recharge Support. Schools Forum noted that of the £4.7m increase in funding for the High Needs Block, approximately 50% of the budget supports the contribution to the High Needs Block, and that the most prudent approach would be to apply the reduction to the High Needs Block Contribution.

Schools Forum Noted the Following:

- A net reduction of £0.791m to be applied to the High Needs Block contribution as outlined in paragraph 1.41.

High Needs Block – With reference to Table 6 of the committee report the Group Finance Manager confirmed that the base line increase in funding was £4.7m in addition to receiving an extra £4.8k per SEN pupil. Although there appears to be a reduction in pupil numbers and associated funding this is currently being queried with the DfE.

Schools Forum noted that the High Needs funding allocation was provisional subject to an 'import/export adjustment' which is an adjustment between LA's taking account of place movement between boroughs. Although the final figures are still awaited it is anticipated that the figure will be cost neutral. Confirmation is also awaited from the DfE regarding a disapplication for a one off transfer from revenue to capital which, if approved, will be considered as part of the mitigation plan by the High Needs Working Group.

In summary, Schools Forum noted the net funding increase in the High Needs Block of £1.415m which will be used to support costs for schools with a higher proportion of SEN pupils, supporting pilot working on SEN support and resources to support swifter turnaround of EHCP etc.

Schools Forum Noted the Following:

- An overall increase of £4.213m (table 6, para 1.36).
- Derived at an increase of £4.713m as advised to Schools Forum in December, being offset with an overall reduction in pupil numbers in special school and independent provision of £0.494m . A query has been raised with the DfE and we are awaiting a response.
- Response to the Disapplicaiton request for the transfers from Revenue to Capital is still awaiting decision from DfE
- Assuming DfE supports the transfer a total of £1.415m increase will remain to support SEN spend.

Early Years Block – The Group Finance Manager introduced the contents of Table 7 of the committee report concerned with Early Years funding. Schools Forum noted the increase of £0.339m which included an hourly rate increase of 8p for 2, 3 and 4 year olds and as agreed by Forum in the Autumn term the revised formula distribution was set out in Table 8.

Regarding 2 year old funding Schools Forum had previously been advised that Lewisham receives £6.50 per hour of which £6 is directed to providers based on the termly count. Although this funding is based on January counts, allocations are made over 3 terms which was illustrated in Table 9. Following the admission of 40 more children the provisional underspend of £238,626 had been reduced to £185k with the balance being used to support deprivation for 3 and 4 year olds. The additional funds will support the most vulnerable during the early part of their life which intern may reduce the pressure in the longer term on the high needs block.

Subject to Schools Forum approval the new provisional allocation is now a more appropriate £790K (previously £250k) which goes some way to address the concerns previously raised by both the Group Finance Manager and the Director of Education.

Decision

Schools Forum Noted the Following:

- Confirmation of the increase of 8p in each 2 year old and 3 year old funding.

- Figures remain provisional until the January 2020 and January 2021 figures are finalised.
- The inclusion fund for 2020/21 is now anticipated to be circa £790K.

Schools Forum Agreed the Following:

- Approve the Early Years 3 & 4 local formula as illustrated in (table 7, paragraph 1.42).
- Approve the distribution of the Early Years 2 year old increase as outlined in (table 8, paragraph 1.44).

7. Any Other Business.

DS queried if unspent funds had previously been allocated out to schools from the Growth Fund. MD confirms this to be the case in 2018/19.



Schools Forum

Report title: Schools Forum Work Plan for 2020/21

Date: 9th July 2020

Key decision: No.

Item number 5

Outline and recommendations

This report sets out the intended workplan for Schools Forum for the financial year 2020/21.

The workplan may evolve as it becomes necessary to update Schools Forum on relevant matters.

*Review the proposed schedule of future meeting dates and the work programme.
(Appendix 1)*

Timeline of engagement and decision-making

This report is for information and guidance in terms of the anticipated business that Schools Forum needs to consider for 2020/21.

Most items on the agenda are standing items based on the knowledge of timely decision making requirements.

Summary

- 1.1. The Group Finance Manager is proposing the attached programme of work for the coming financial year. This will provide a logical and structured framework to support a cycle of well-informed decision making, given the volume and complexity of the work of Schools Forum.
- 1.2 The programme presents the schedule for key elements of forum's work programme. It is expected that as the year progresses, subsequent items will be added to the work programme as a result of discussion and consideration by forum.
- 1.3 Schools forum is asked to review and approve the proposed schedule of future meeting dates and the work programme. (Appendix 1)

Background

- 1.4 Each Local Authority is required to operate a Schools Forum. The DfE has published a good practice guidance which can be accessed on the link below.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888371/Schools_forum_operational_and_good_practice_guide.pdf
- 1.5 In May 2020 the DfE updated the guidance to facilitate Schools forum meetings during this period of Covid 19.

Extract from Schools Forum Operational and good practice guide

6. The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020, which will come into force on 18 June, make provisions to enable schools forums to meet remotely while they are unable to meet physically in a room during the outbreak of coronavirus (COVID-19).

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7. This includes, but is not limited to, telephone conferencing, video conferencing, live webcast, and live interactive streaming.

8. These arrangements are currently in place for the 2020 to 2021 financial year, up to the end of March 2021.

1.6 Schools forum's are required to meet a minimum of four times a year. The timing of the meetings are set to strategically enable decisions to be made /supported to assist for example:-

July	Updates on closure of accounts position and consideration of intelligence on budget planning.
October	Updates and consideration of any policy decisions. It is common for the Department for Education to publish data and announce any changes during the summer break.
December	Review any key discussions that impact upon and inform the setting of the 2020/21 schools' budget
January	Notification of the 2020/21 DSG settlement and agreement of the schools delegated budget share, including any de-delegation.

1.7 Schools Forum has noted the anticipated pressure on the High Needs Block, and in response to this agreed a High Needs Working Group and mitigation plan. For this reason "update from the High Needs Working Group" is to remain a standing item on this workplan. It is anticipated that this process continues for 2020/21 especially as the High Needs Block is now very much under pressure. Report elsewhere on this agenda provides further details with regards the 2019/20 outturn and projections for 2020/21.

1.8 With regards DfE updates on DSG, again this will remain a standing item for 2020/21. The DfE had previously anticipated providing updates on topics such as

- Hard formula
- Nursery schools supplementary funding
- Review of Hospital provision
- Streamlining of the Teachers pay grant

It is possible that some of these items may be deferred in light of Covid 19.

Meeting Dates for Schools Forum 2020/21

1.9 The dates for Schools Forum for 2020/21 are as follows:

Month	Date	Time	Venue
July	9 th	4.30 to 6.30	Virtual Microsoft Teams Meeting
October	15 th	4.30 to 6.30	Civic Suite, Committee Room 3
December	10 th	4.30 to 6.30	Civic Suite, Committee Room 3
January	21 st (subject to change dependant on DfE timelines)	4.30 to 6.30	Civic Suite, Committee Room 1

1.10 The dates for the High Needs Working Group meetings are set as follows:

Month	Date	Time	Venue
July	9 th	11:00 to 13:00	Teams or Zoom
September	24 th	14:30 to 16:30	Teams or Zoom
October	1 st	11:00 to 13:00	Teams or Zoom
December	3 rd	11:00 to 13:00	Teams or Zoom
January	28 th	11:00 to 13:00	Teams or Zoom

Financial implications

1.11 There are no additional financial implications arising from this report.

Legal implications

1.12 The Schools Forums (England) Regulations 2012 requires that School Forums must meet at least 4 times a year. The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020, which came into force on 18 June 2020 makes provision to enable Schools Forums to meet remotely while they are unable to meet physically in a room during the outbreak of coronavirus (COVID-19). Provision for School Forums to meet remotely is available until 31 March 2021.

Equalities implications

1.13 There are no direct equalities impacts arising.

Climate change and environmental implications

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1.14 Not applicable

Crime and disorder implications

1.15 Not applicable

Health and wellbeing implications

1.16 Not applicable

Report author and contact

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Appendix 1 – Proposed dates of Schools Forum meetings and work plan 2020/21 financial year

Date of Forum meeting	Agenda Item	Lead Officer	For information/Decision/Approval
9 th July 2020	2020/21 Workplan	CYP Group Finance Manager	Approval
	2019/20 Closedown position including Schools Balances	CYP Group Finance Manager	Information
	2020/21 DSG funding update	CYP Group Finance Manager	Information
	Finance Services to Schools – Verbal update	CYP Group Finance Manager	Information
	High Needs Funding – update	Head of SEN	information/Decision/Approval
15 th October 2020	2020/21 DSG update	CYP Group Finance Manager	Information
	Schools Health Check	CYP Group Finance Manager	Information
	High Needs Funding – update	Head of SEN	information/Decision/Approval
	Update from DFE	CYP Group Finance Manager	information/Decision/Approval
	Scheme for Financing Schools and Schools	CYP Group Finance	information/Decision/Approval

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	Manual update	Manager	
	Catering contract annual report – update	Early Years Quality & Sufficiency Service Manager	information/Decision/Approval
	Schools Health check following June Budget submissions	CYP Group Finance Manager	Information
10th December 2020	2021/22 Schools Funding Formula	CYP Group Finance	information/Decision/Approval
	High Needs Working Group Update	Head of SEN	information/Decision/Approval
	Traded Service Report	Service Manager – Services to Schools	information/Decision/Approval
21st January 2021	2021/22 DSG funding settlement Including Schools Funding Formula	CYP Group Finance Manager	Information/Decision/Approval
	Schools Forum constitution and membership	CYP Group Finance Manager	Information/Decision/Approval
	Schools Health Check	CYP Group Finance Manager	Information

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Schools Forum

Report title: DSG 2019/20 Outturn Position including Schools Balance Position

Date: 9th July 2020

Key decision: No.

Item number: 6

Outline and recommendations

The report sets out the Dedicated Schools Grant (DSG Outturn Position) including the position with regards Schools Balances

Schools Forum is asked to note the contents of this report with particular focus

- *on the pressure on the DSG –High Needs Block*
- *Surplus balance position for schools*

Timeline of engagement and decision-making

This report is for information and discussion

Summary

- 1.1 The report confirms that the Dedicated Schools Grant Position for 2019/20 minor overspend of £108k. This is broadly in line with the projected spend position. It should however be noted that the outturn position confirms the continuing pressure on the Dedicated Schools Grant –High Needs Block.

Background

- 1.2 Each Local Authority receives a ringfenced grant known as the Dedicated Schools Grant (DSG) which requires adherence to detailed Grant Conditions.
- 1.3 The DSG is split into four parts being
- Schools Block – this covers mainly the schools main budget share allocated to schools via the Schools Funding Formula and the Growth Fund. This mainly covers the 5 to under 16 age range
 - The Central Block – This varies for each Local Authority based on the agreed spend positions as at baseline year 2012/13. This now also incorporates a small amount for the ex Education Services Grant.
 - High Needs Block- This funding supports costs associated with special needs and alternative provision. The High Needs Block includes the costs of our special schools (and special units) aswell as payments made other provisions including outborough placements, residential placements, Further Education etc. This covers 0 to 25 specialis provision costs
 - Early Years Block covers the 2, 3 and 4 years entitlement costs. Including supplementary funding for the Maintained Nursery Schools, Disability Fund, EY pupil Premium etc. There is a requirement on the main 3 and 4 year old budget that 95% of the budget must be identified for budgets that support providers. This could include hourly rate, deprivation funding, inclusion funding etc.
- 1.4 The DSG postion remains provisional until the January Pupil Census data is finalised which is always post closure of accounts and mainly in end of June/early July.

DSG 2019/20 Position

- 1.5 Table 1 below shows the DSG position for 2019/20. Schools Forum will note that overall the DSG is broadly in line. There is a provisional overspend of £108k, subject to the finalisation of the Early Years Block. The remains a duty to spend within budget. Any overspend will need to be the first call on next years budget.

		2019-20 DSG allocations, after deductions for academies recoupment and direct funding of high needs places by ESFA				
		2019-20 schools block (£ million)	2019-20 central school services block allocation (£ million)	2019-20 high needs block allocation (£ million)	2019-20 early years block (£ million)	2019-20 total DSG allocation (£ million)
2019/20	Allocation	178.18	5.42	50.71	24.53	258.83
2019/20	Outturn	178.18	5.42	51.34	24.00	258.94
2019/20	Variance	0.00	0.00	0.63	-0.52	0.11

- 1.6 Within the blocks two specific areas need to be noted- Early Years and High Needs.
- 1.7 With regards Early Years the position shows a provisional £520k underspend. At the time of writing the DfE has yet to confirm the final 2019/20 position for early years. This is pending the finalisation of data relating to the 2020 January census. Schools Forum will be updated accordingly at the next meeting.
- 1.8 With regards the High Needs Block, the final outturn position shows an overspend of circa £630k. Schools Forum will recall that Officers have previously raised concerns with regards the High Needs Block ability to contain the demand. For 2019/20, the £630k overspend position is after a transfer of circa £800k from the schools block and a further £730k from the DfE (received late in 2018/19). Without this additional funding, the High Needs Block would have had an increased overspend position.
- 1.9 To support the pressure on the High Needs, the SEN Service has been working closely with Schools and Schools forum. A mitigation plan has been developed which is progressing but will clearly take time to embed and the benefits to be seen in full. The additional issue is that of continuing increases in need, in which case the current mitigation plan may reduce the pressure but not eliminate it.
- 1.10 “Need” can be deemed considered in various aspects including (Appendix A provides some trend data for consideration)
- Increase in number of pupils with Special Needs
 - Severity of Needs
 - Price increases

Some key headlines include, since 2017/18,

- the number of EHCP has increased by 541.
- Most of this increase is in ASD 129, SEMH 111, SLCN 183
- Average increase in price for ASD £790, SEMH £4261 and SLCN £1631
- Of the 541, 299 have been placed in borough and 242 out of borough

- 1.11 In addition to the high needs block there is associated overspend on the “transport budget” which is funded from the General Fund. The transport budget is currently overspending by approximately £2m
- 1.12 It is important to place some context with regards Lewisham’s position on the High Needs Block. Lewisham has historically, been one of very few LA that has underspend on the DSG –High Needs. Most Local Authorities are overspending as a consequence. The DfE has attempted to address the pressure with additional funding allocations in 2019/20 and 2020/21. However it seems that demand is stripping cash available. **Appendix B is a report presented by the Local Government Association to the House of Commons in February 2019.** Whilst this is slightly out of date, it does reflect the challenges facing Local Authorities, the lobbying and the profile that the DfE is aware of.
- 1.13 It does however remain important that Lewisham continues to consider alternative ways of providing support to our most vulnerable within the resources available.
- 1.14 Schools forum should note that delivering on the SEN-D agenda within the financial constraints remains challenging and will continue to do so.
- 1.15 Several Local Authorities are now under the scrutiny of the DfE with regards a Deficit Recovery Plan.
- 1.16 The DfE position remains clear that Local Authorities must spend with the funds allocated. To further reinforce this point, there has been a recent change in the reporting of consolidated accounts which now prevents any subsidy from the General Fund.
- 1.17 **Schools Forum is asked to note this report with particular concerns regarding the pressure on the High Needs Block and to agree to receive regular updates. Schools forum is further asked to agree the continuation of the High Needs Working group.**

Schools Balances

- 1.18 The table below notes the schools balances position for 2019/20. Overall there is a reduction in the overall balance position. Schools Forum should note however that the net surplus position represents 11 % of the schools block.
- 1.19 Within this net position there only 13 schools that are within the correct tolerance of 8% surplus. All other schools are in surplus positions, many with significant levels relative to their budget position.
- 1.20 There remain 11 schools in deficit (please note, this is partially coincidental as two schools have improved their position whilst two schools have entered into deficit)
- 1.21 It should also be noted that within this position there remains a total of £1.4m of loans supporting debt. Of the schools in deficit there is movement.

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	£			Number of Schools		
	Surplus	Deficit	Net	Deficit	Surplus less than 8%	Surplus more than 9%
2018/19	23,911,046	2,266,079	21,644,967	11	13	53
2019/20	23,088,913	3,796,799	19,292,114	11	13	53
Net position	822,133	1,530,720	2,352,853	0	0	0

1.22 A further observation is that deficit as a % of surplus is at 16.5%. Deficit cannot exceed 40% of the surplus position.

1.23 **Schools Forum is asked to note that overall school balances position.**

Financial implications

1.24 At this stage there are no direct financial implications arising from this report, however the pressure on the high needs block remains of concern and could trigger a DfE intervention.

Legal implications

1.25 There are no specific legal implication arising at this stage. It is to be noted that local authorities are obliged to publish annually a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools and after each financial year to publish a statement showing outturn expenditure.

Equalities implications

1.26 At this stage there are no direct implications arising from this report, Equalities impact will need to be considered as Lewisham progresses options towards mitigating an overspend position on the high needs block.

Climate change and environmental implications

1.27 Not applicable

Crime and disorder implications

1.28 Not applicable

Health and wellbeing implications

1.29 Not applicable

Report author and contact

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Is this report easy to understand?

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Spreadsheet To Show Trend Movements In EHCP Numbers and Spend Profile

Schools Forum 9th July 2020

Item 6

Appendix A

Phase - EHCPs	Under 5s	Primary	Secondary	Post-secondary	Grand Total
FY17/18 Used As Base Line	42	831	769	537	2179
FY18/19	24	889	821	626	2360
FY19/20	37	929	887	774	2627
FY20/21 current	57	985	903	775	2720
Increase on Baseline Numbers	15	154	134	238	541
Increase on Baseline %	35.7%	18.5%	17.4%	44.3%	24.8%

Need - EHCPs	ADHD	ASD	DSD	HI	LAND	MLD	MSI	Other	PD	PLMD	SEMH	SLCN	SLD	SpLD	SpLD - Dyslexia	VI	Grand Total
FY17/18 Used As Base Line	74	824	3	52	9	144	13	22	82	38	182	406	234	28	47	21	2179
FY18/19	87	876	3	48	18	143	13	25	84	39	227	464	233	31	50	19	2360
FY19/20	107	927	2	45	26	155	14	34	83	39	284	570	233	31	55	22	2627
FY20/21 current	110	953	2	45	29	157	15	66	84	38	293	589	232	30	56	21	2720
Increase on Baseline Numbers	36	129	-1	-7	20	13	2	44	2	0	111	183	-2	2	9	0	541
Increase on Baseline %	48.6%	15.7%	-33.3%	-13.5%	222.2%	9.0%	15.4%	200.0%	2.4%	0.0%	61.0%	45.1%	-0.9%	7.1%	19.1%	0.0%	24.8%

Borough - EHCPs	LBL	OOB	Grand Total
FY17/18 Used As Base Line	1559	620	2179
FY18/19	1653	707	2360
FY19/20	1789	838	2627
FY20/21 current	1858	862	2720
Increase on Baseline Numbers	299	242	541
Increase on Baseline %	19.2%	39.0%	24.8%

Average Cost - EHCPs	ADHD	ASD	DSD	HI	LND	MLD	MSI	Other	PD	PMLD	SEMH	SLCN	SLD	SpLD	SpLD - Dyslexia	VI	Grand Total
FY17/18 Used As Base Line	£16,562	£16,719	£4,216	£14,905	£7,078	£13,043	£19,587	£12,673	£15,389	£21,748	£15,027	£12,044	£18,815	£13,920	£8,303	£18,936	£15,165
FY18/19	£16,430	£16,293	£5,114	£14,394	£9,843	£12,952	£21,318	£12,417	£15,021	£21,861	£17,244	£12,463	£19,982	£14,256	£9,876	£17,370	£15,283
FY19/20	£17,474	£16,732		£15,150	£8,055	£13,731	£19,679	£11,993	£15,434	£26,713	£17,946	£12,574	£20,432	£16,656	£9,269	£16,589	£15,619
FY20/21 current	£18,736	£17,509		£15,194	£9,216	£15,194	£19,901	£16,216	£16,314	£25,035	£19,287	£13,675	£23,774	£17,585	£10,940	£15,073	£16,748
Increase on Baseline Numbers	£2,174	£790	£898	£289	£2,139	£2,150	£315	£3,543	£924	£3,287	£4,261	£1,631	£4,959	£3,665	£2,637	£-3,863	£1,583
Increase on Baseline %	13.1%	4.7%	21.3%	1.9%	30.2%	16.5%	1.6%	28.0%	6.0%	15.1%	28.4%	13.5%	26.4%	26.3%	31.8%	-20.4%	10.4%

Local Government Association Briefing

House of Commons Debate: Special educational needs and disabilities funding

House of Commons
12 February 2019



Key Messages

- All children deserve access to the best possible education. Data shows that council-maintained schools receive better Ofsted ratings, and improve more quickly, than academy schools. Analysis undertaken on behalf of the LGA found that ninety-one per cent of maintained schools are now rated as either good or outstanding.¹
- Councils are telling us that pressures on the High Needs funding block is one of the most serious financial challenges that they are currently dealing with. We have therefore commissioned research to look at the scale of the high needs funding pressures facing councils².
- We welcome the Government's additional investment announced at the end of last year of £365 million across 2018/21 – it includes £250 million over 2018-19 and 19-20 for high needs budgets and a further £100m on capital³. However independent research commissioned by the LGA found that councils face an estimated funding gap of up to £1.6 billion by 2021.
- We are calling on the Government to address the lack of funding for supporting children with special educational needs and disabilities (SEND) in this year's Spending Review. We are concerned that unless additional funding is made available, councils will not be able to meet their statutory duties to support children with SEND.
- More children with special needs are now being educated outside of mainstream schools for the first time ever. Latest school census figures show that 52 per cent⁴ of the 268,545 children and young people with Education, Health and Care Plans (EHCPs) were placed in state special schools, alternative provision, or independent and non-maintained special schools in 2018.
- The average annual cost to a council of a special needs placement in 2017/18, was £6,000 per pupil per year in a mainstream school, compared with £23,000 per pupil per year in a maintained special school, and £40,000 per pupil per year in an independent or non-maintained special school⁵.

Background information

High needs funding

The funding pressures facing schools are well known, with teacher and parent-led campaigns continuing to receive extensive coverage in the media. The Institute for Fiscal Studies estimates schools will see a real terms cut of 4.6 per cent in schools funding between 2015 and 2019.⁶ The recent Education Policy Institute report⁷ on the state of school finances in local authority and academy schools in England also found that almost a third of local authority maintained secondary schools are in deficit.

Briefing

For more information, please contact:
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Councils are particularly concerned about the proposed changes to high needs funding which will reduce council and school flexibility to make additional funding available where there are rising demand pressures for SEND support. Given these funding pressures, it is vital that schools and councils are given certainty over future funding, to help them better plan for the spending pressures they face.

If councils do not receive sufficient funding to cover high cost SEND, they will not have the resources to allocate extra funds to highly inclusive schools that take higher than average numbers of pupils with additional needs. Equally, mainstream schools may find it difficult to accept or keep pupils with SEND because they cannot afford to subsidise the provision from their own budgets, as they are already under significant pressure.

We welcome the additional funding for SEND announced by the Government at the end of last year however, councils still face an estimated funding gap of up to £1.6 billion by 2021. We are calling on the Government to address the lack of funding for supporting children with SEND in this year's Spending Review.

Meeting high needs

An LGA commissioned report on SEND found that a combination of funding constraints, accountability pressures and curriculum changes in mainstream schools have reduced capacity to make available good quality provision for children with SEND.

The report surveyed 93 councils in England and found that more mainstream schools say they are increasingly unable to meet the needs of children with SEND, while at the same time more parents are losing confidence in the ability of the mainstream sector to cater for their child's needs. Placing a child in a special school is significantly more expensive than a mainstream education.

Mainstream provision

More children with special needs are now being educated outside of mainstream schools for the first time ever, prompting council leaders to warn that the education system is becoming less inclusive.

We are calling on the Government to introduce a system of incentives and rewards that enable mainstream schools to better cater for the needs of children with SEND. Ofsted can also play a key role in encouraging schools to be more inclusive.

Latest school census figures show that 52 per cent of the 268,545 children and young people with EHCPs – which state the support a child with SEND can receive – were placed in state special schools, alternative provision, or independent and non-maintained special schools in 2018. This is the first year where more children are being placed outside of mainstream schools.

The proportion of pupils with SEND who attend special schools increased from 5.6 per cent in 2012 to 8.5 per cent in 2016 and the proportion in independent schools has moved from 4.5 per cent to 6.3 per cent. By their very nature, these places are more expensive than mainstream provision.⁸ Since the Children and Families Act became law in 2014, the number of children and young people with statements or EHC plans increased by 21.1 per cent from 237,111 to 287,290. The number of children being educated at home has been increasing.

The average annual cost to a council of a special needs placement in 2017/18, was £6,000 per pupil per year in a mainstream school, compared with £23,000 per pupil per year in a maintained special school, and £40,000 per pupil per year in an independent or non-maintained special school.

The rise in children with EHCPs placed in special schools and the rise in children placed in alternative provision – more than 25,000 since 2014, an increase of 21 per cent – has cost councils around £200 million, contributing to the wider financial pressures on councils to provide support for children with SEND.

Many mainstream schools are absolutely committed to supporting children with SEND. However, the Government could support and incentivise mainstream schools to improve inclusion by setting clearer national expectations of what every school should offer a child and young person with SEND.

There should also be an accountability regime introduced to hold schools to account which do not deliver against those expectations. Rather than focussing primarily on academic results, Ofsted should also place more emphasis on how schools ensure an inclusive environment for children with SEND, as part of their new inspection framework. They must also hold to account schools with low numbers of children with SEND.

¹ Angel Solutions on behalf of LGA, www.local.gov.uk/academy-maintained-schools

² Isos Partnership, Have we reached a ‘tipping point’? Trends in spending for children and young people with SEND in England,

<http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20corrected%2020.12.18.pdf>

³ DfE SEND announcement, <https://www.gov.uk/government/news/new-funding-to-support-children-with-special-educational-needs>

⁴ Pg. 21,

<http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20published%2012.12.18.pdf>

⁵ Pg 22,

<http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20published%2012.12.18.pdf>

⁶ Reported in: ‘School funding in England will have fallen nearly 5% in real terms by 2019, says IFS’, The Independent, 18 July 2017

⁷ Education Policy Institute, School revenue balances in England, <https://epi.org.uk/publications-and-research/school-revenue-balances/>

⁸ <https://www.gov.uk/government/statistics/special-educational-needs-in-england-january-2016>

Agenda Item 7



Schools Forum

Report title: Dedicated Schools Grant 2020/21

Date: 9th July 2020

Key decision: No.

Item number: 7

Outline and recommendations

This report sets out the DSG position for 2020/21

Timeline of engagement and decision-making

This report is for information and guidance only

Schools Forum to agree to receive regular updates at each meeting.

To note the potential pressure on the High Needs Block.

Summary

- 1.1. The purpose of this report is to update Schools Forum with regards the Dedicated Schools Grant 2020/21. The DSG 2020/21 position shown in this report is the original allocation **adjusted** for Academy recoupment and High Needs import/export adjustments (i.e net placements made to and from other boroughs for High Needs).

Background

- 1.2 Local Authorities in partnership with their Schools Forum and partners including Schools are required to operate all expenditure with the DSG allocation. Where this has not been the case there needs to be consideration on the impact on next years allocation.
- 1.3 Overspends where they cannot be contained by first call on next years budgets will require submission by the Local Authority/Schools Forum of a formal mitigation plan to the DFE.
- 1.4 It should be noted that it is not permissible for the Dedicated Schools Grant to be subsidised by the General Fund.

DSG 2020/21

- 1.5 The Dedicated Schools Grant for 2020/21 was provisionally announced in December 2019. DSG update is a standing item for each Schools Forum meeting.
- 1.6 The report confirms the 2020/21 DSG position revised as at 4th June 2020. At this stage the DSG has only been revised (topsliced) for Academy Recoupment and High Needs Import Export adjustments. Both of these adjustments have a net neutral impact on the cash position. i.e the topsliced funding is transferred to the ESFA to allocate funding instead of via the Lewisham.
- 1.7 We are still awaiting revision to the Early Years Block for the Spring 2020 census.

1.8 Table one below details the summary position for the DSG

Dedicated schools grant (DSG): 2020 to 2021 allocations	2020 to 2021 DSG allocations, before recoupment and deductions for direct funding of high needs places by Education and Skills Funding Agency (ESFA)					2020 to 2021 DSG allocations, after deductions for academies recoupment and direct funding of high needs places by ESFA				
	Schools block (£s)	Central school services block (£s)	High needs block (£s)	Early years block (£s)	Total DSG allocation (£s)	Schools block (£s)	Central school services block allocation (£s)	High needs block allocation (£s)	Early years block (£s)	Total DSG allocation (£s)
209 Lewisham	212,134,697	4,644,629	55,711,526	24,865,107	297,355,959	179,669,435	4,644,629	55,102,692	24,865,107	264,281,863
					Initial Allocation	297,355,959				
				Adjustments	Recoupment	-32,465,262				
					Import export	-608,834				
					Revised Allocat	264,281,863				

1.9 At the time of writing the Schools Block, Central block and Early Years Block are expected to operate within budget. As stated previously, the Early Years Block is provisional. A detailed report will be presented to Schools Forum in October by the Head of Early Years Quality and Sufficiency Service to detail the application of the 5% Central Budget (3 and 4 year old funding) and to provide an update on the inclusion fund.

1.10 The key area of risk as stated in the Outturn report remains the High Needs Block. The Local Authority in partnership with the High Needs Working Group will continue to consider options to deliver our statutory requirements within this funding level as best possible. A more detailed report will be presented to Schools Forum at each of the future meetings.

1.11 As a rough guide at this stage we are anticipating an overspend of at least £4m, but likely £5m. This being circa £2.6m spend above the 2019/20 High Needs supported by Schools block, and prior year High Needs plus an increase of 93 known increases at a cost of £1.5m

1.12 Schools Forum has been previously advised of this concern. It should be noted that a £4m to £5m overspend would trigger DfE intervention for a recovery plan.

Financial implications

1.13 The report confirms the DSG allocation as advised for 2020/21. The Early Years Block remains provisional

1.14 The report reconfirms the anticipated overspend position which is currently been reviewed.

1.15 The report acknowledges the risk of potential requirement for a Deficit Recovery Plan.

Legal implications

1.16 There are no specific legal implications arising from this report. The anticipated overspend to the High Needs Block and the potentiality of DfE intervention for a recovery plan is to be noted.

Is this report easy to understand?

Please give us feedback so we can improve.

Equalities implications

1.17 There are no direct equalities impacts arising.

Climate change and environmental implications

1.18 Not applicable

Crime and disorder implications

1.19 Not applicable

Health and wellbeing implications

1.20 Not applicable

Report author and contact

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