

Schools Forum Agenda

Thursday, 7 December 2017

4.30 pm – 6.30pm, Committee Room 1 - 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 - 5 October 2017	1 - 10
4. Matters Arising	
5. Annual Report of High Needs Group	11 - 22
To receive the report of the sub group, this will cover:	
<ul style="list-style-type: none">✓ Funding for Education, Health and Care (EHC) plans✓ Funding of Resource Provision✓ Primary AP Provision✓ New Woodlands	
6. Spending Review of Selected DSG Budgets	23 - 26
As part of the budget setting cycle, it was agreed that as a regular item in the Autumn, we would do a rolling review of selected budgets. The budgets considered in this report are:-	
<ul style="list-style-type: none">✓ Participation Budget✓ Inclusion Fund	
7. Dedicated Schools Grant Budget Report 2017/18	27 - 35
To agree the principles on which the Dedicated Schools Budget will be allocated. This will allow the precise calculations to be made when the funding settlement is known in December. These will be presented to the	

Forum on the 11 January for confirmation.

8. Review of the Scheme of Delegation

36 - 40

The Scheme of Delegation is revised annually in March, however following discussions with the Department of Education, they have requested that a change is made to our process regarding redundancy costs recharged to schools.

9. Any other Business

Future Meetings

11 January 2018

15 March 2018

All meetings will be held between 16:30 and 18:30

Sub Group Meeting

High Needs Sub Group

01 March 2018

Agenda Item 3

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Thursday 5th October 2017

Membership (Quorum = 40% i.e. 8) ✓ = present ✗ = absent a = apologies
s = substitute

		Attendance				
		08/12	17/01	16/3	22/6	05/10
Primary School Headteachers						
Liz Booth	Dalmain	✓	✓	✓	✓	✓
Paul Moriarty	Good Shepherd	✗	✓	a	✓	✓
Michael Roach	John Ball	✓	✓	✗	✓	✓
Sharon Lynch	St William of York	✓	✓	✓	a	✓
Keith Barr	Kender	✓	✓	✓	✓	✓
Nursery School Headteacher						
Nikki Oldhams	Chelwood	✓	a	✓	✓	✓
Cathryn Kinsey	(Substitute)		s			
Secondary School Headteachers						
Jan Shapiro	Addey & Stanhope	a	✓	✓	a	a
David Sheppard	Leathersellers Federation	✓	✓	✓	a	✓
Mark Phillips	Deptford Green	✓	a	✓	✗	✓
VACANT	VACANT	a	a	a	a	
Special School Headteacher						
Lynne Haines	Greenvale	✓	✓	✓	✓	✓
Pupil Referral Unit Headteacher						
VACANT	VACANT	✓	a	✓	✓	
Primary School Governors						
Rosamund Clarke	Perrymount	✓	✓	✓	✓	✓
Dame Erica Pienaar	John Ball	✓	✓	a	✓	a
Keith D'wan	King Alfred Federation	✗	✓	a	a	✓
Secondary & Special School Governors						
Pat Barber	Bonus Pastor	✓	✓	✓	✓	✓
James Pollard	Addey & Stanhope	a	a	a	✓	✓
Ruth Elliot	Watergate	✓	✓	✓	✓	✓
Academies						
Declan Jones	Haberdashers' Aske's	✓	✓	✓	✓	a
14-19 Consortium Rep						
Gordon Gillespie	14-19 Consortium	✗	a	✗	✗	✗

Early Years - PVI						
Dawn Nasser	Rose House Montessori		✓	✓	✓	a
Diocesan Authorities						
Sara Sanbrook-Davies	Southwark Diocesan Board of Education	✓	✓	✓	✓	✓
Stephen Bryan	Education Commission – Catholic Diocese Southwark	*	a	a	a	a
Yvonne Epale	Education Commission – Catholic Diocese Southwark (Substitute)			s	s	s

Also Present	
Dave Richards	CYP Group Finance Manager
Hayden Judd	Principal Accountant - Schools
Kate Bond	Head of Standards & Inclusion
Jackie Jones	School Improvement & Intervention
Matthew Eady	Regeneration & Place – LB Lewisham
Diane Parkhouse	LB Lewisham Schools HR
Ruth Griffiths	14-19 Strategic
Fiona Gavin	Estates Management & Contracts
David Austin	Head of Corporate Resources
Martin Cunningham	Leathersellers' Federation
Lea Bonnell	NUT
Janita Aubun	Clerk

1. Apologies and Acceptance of Apologies

Apologies received from Stephen Bryan, Jan Shapiro, Dame Erica Pienaar, Declan Jones and Dawn Nasser.
Apologies accepted.

Forum were informed that Ruth Holden has resigned.

Substitute for Education Commission – Catholic Diocese of Southwark, Yvonne Epale.

2. Election of Chair and Vice Chair

Lynne Haines and Keith Barr re-elected as Chair and Vice-Chair, respectively. There were no other nominations for either position.

Forum and officers congratulated Lynne Haines and Keith Barr for the excellent service they have provided in their roles thus far.

3. Declaration of Interests

There were no declaration of interests.

4. Minutes of the Meeting held 22 June 2017

Schools Forum Action Summary – Item 10, Early Years Sub Group Report – insufficient replies received from the Early Years Standard Charging Rate

Consultation. Consequently a further consultation will be taking place and the results are to be brought to December Forum.

Minutes were agreed.

5. Matters Arising

No matters arising.

6. Apprenticeship Levy and Public Sector Targets

Lewisham Schools

In the first 6 months of the year Schools who use the Council's payroll (community and voluntary aided), have contributed £275,742.99p to the levy digital account. The full year projected contribution is £563,219.28p. Nevertheless zero funds have been drawn by schools.

Kender School has recruited 1 apprentice against a target of 111.

Challenges for Schools

Availability of suitable Apprentice options are limited and development is a slow process. Also the Levy and the Enterprise Act come at a time when schools are considering reducing staff rather than recruiting.

Forum discussed the possibility of upskilling existing staff as a way of cutting costs. For example the upskill of admin staff to school business manager.

Below is a link to a search engine that will allow schools to search for suitable courses:-

<https://findapprenticeshiptraining.sfa.bis.gov.uk/Apprenticeship/Search>

Officers suggested that HR may want to organise an event or recruitment fair to look at application time plans.

Forum also requested HR produce a step by step guide to the process of recruiting an apprentice Teaching Assistant, which could be used as a working example.

Forum were made aware of the Apprenticeship Training Agencies who offer to assist schools with the apprenticeship process. As these agencies are not recognised providers, schools will not be able to access Levy funds if they use them. Forum informed that if in any doubt, to contact Charlotte Gibson, Lewisham Apprenticeship Co-ordinator on 020 8314 6452 or by email at charlotte.gibson@lewisham.gov.uk

Decision:

- Forum were updated on the use of the Apprenticeship Levy funds and presented with a progress report of schools meeting the Public Sector Targets for Apprenticeships.

7. Annual Health and Safety Report – Academic Year 2016/17

Forum were presented with a report which included the following:-

Onsite H&S Audits

During the academic year 2016/17, 21 schools had onsite H&S audits.. In 2015/16 only 5 schools were audited.

Of the 21 onsite audits schools obtained the following ratings: 2 excellent, 3 required improvement and the remaining achieved good.

Forum were informed of the schools audited in 2015/16, 2016/17 and those scheduled for 2017/18.

Annual Self-Assessments

The annual health and safety self-assessment is mandatory for community schools but for VA, Foundation schools and Academies, this is a voluntary requirement but strongly encouraged.

The 2016/17 return rate for community schools was 100%; the highest since the self-assessment exercise commenced. All these schools rated themselves excellent.

The format and content of the self-assessment audit is reviewed annually, consequently the 2017-18 audit will have clearer categories and more explanatory notes. The questionnaire will be online and in excel form and will provide scoring automatically. After piloting, the questionnaire will be sent to all schools November, with a return deadline of end February 2018. [Post meeting note – the questionnaire will be circulated in December with a return date of the end of March 2018].

Radiation Source Management Inspections

10 secondary schools were inspected in 2016/17; two of the schools did not have trained Radiation Protection Supervisors at the time, but have since appointed staff to be trained. The remaining schools were satisfactory and compliant with Ionising Radiation Regulations.

H&S Training & Support

A number of training courses are available to schools throughout the year including Health & Safety Lead Governors termly training and Lone Working. E-Learning is also being encouraged and training and information is currently being delivered through Chair of Governors meetings, Head Teacher Leadership Forums, Senior Administration Officers meetings with further promotion facilitated via Schools Mailing and Schools Forum.

Incident Reporting

The number of accidents/incidents in schools reduced by 16% in 2016/17. Forum were informed of the top 5 causes of accidents. It was reported that

Primary schools continue to report the most accidents – mostly trips, falls and bumps from collisions.

A number of schools have not been reporting RIDDOR incidents to the HSE or appear not to be reporting incidents to the Council within the 10 days. These schools have been approached and further advice and reinforcement will be provided.

Statutory Maintenance

All Community Schools are now to have statutory compliance review undertaken by the Estates Management Service. Non Community Schools will be able to purchase a review through an SLA.

Recommendation

- Forum noted the contents of the report.

8. Catering Contract Annual Report

Forum were presented with a report to review the performance and charging mechanism of the above contract for schools.

Charging

Since the contract commenced, the minimum hourly rate for staff has risen to £9.75.

Paid Meal Charges

Benchmarking data shows that Lewisham's paid meal charges is comparably low in London and the price of each meal (currently £2.10), is subsidised by the school.

It was considered that an increase in the charge of the paid meal by 10 pence in May 2018, with a possible further uplift the following year, will reduce the cost of the contract to the school.

Overview of the Contract Performance (2016/17)

Forum were informed that All Saints School joined the centrally managed contract in the summer term. There has been an overall rise in the take up of meals to a circa 5.5%. 1.9 million meals served were Free School Meals – an increase of 15,000 from the first year of the contract.

70% of the school meals contract employees are Lewisham residents. Chartwells also employed two Lewisham resident apprentices this year, from the Mayor's scheme, and they've also taken on a graduate as well as resident volunteers.

Kitchen Management

The opportunity to tender for the Facilities Maintenance and Equipment contract is currently available with the new contract to commence January 2018. The contract will be for 2 years, 4 months, with a possible 2 year extension.

Forum raised the question of the level of safeguarding training that kitchen staff receive and it was mentioned that schools have to do their own training. Officers will therefore liaise with Chartwells and any other relevant persons concerned, and feedback clarity to schools.

Recommendation

Forum agreed the following:-

- To continue charging Primary, Special and Nursery schools on the current charging basis of pupil numbers and FSM Ever 6 numbers for 2018/19.
- To increase the price of a paid meal from £2.10 to £2.20 from 1 May 2018.
- To note the performance of the contract in year 2 (April - March 2016/17)
- To note the retendering of the Kitchen Facilities Maintenance contract.

9. Financial Update and Budget Monitoring

Forum reviewed a report detailing the funding announcements of the National Funding Formula, the budget monitoring position of the Dedicated Schools Grant and consideration of the financial position of the mutual funds held by School Forum.

National Funding Formula

14 September 2017, the government made further announcement and also provided indicative figures for schools. Forum were informed that the final settlement is likely to be received late December.

Lewisham schools are being protected under the national funding formula. A paper is to be brought to the December Forum considering whether it is advisable to adopt the national funding formula in Lewisham from April 2018.

Dedicated Schools Grant

The DSG for 2017/18 is currently £289.6m (a reduction of £0.9m).

Schools

There are 19 schools forecasting to be in deficit or at risk of going into deficit at the end of the financial year. The Schools Finance Team are encouraging schools to undertake earlier budget planning and have invited schools to two

budget planning training sessions. Take up for these sessions has been very good.

Schools Financial Support

There is a limited availability of people with the appropriate skills in the area of schools finance. Consequently discussions have taken place with three of our Lewisham bursars to provide additional capacity during the critical points of the financial year.

The Chair of Schools Forum also raised the point of the particular specialism required with budget setting for special schools.

Mutual Funds

Growth Fund - £533k surplus balance, but this projection does not include bulge class allocations for September 2017.

Contingency – presently forecasting £577k surplus balance. There has not been any allocated charges drawn down from this fund for 2017/18, but this could change should a school with a deficit, become an academy.

Non-Sickness Supply Fund – assuming 10% reductions in the next two terms, this leads to a forecast surplus of £157k. It was stressed however that there is a large margin of error in projecting for this expenditure, but hopefully the autumn term figures will aid in reducing this.

Recommendation

- Forum noted the contents of the report.

10. Spending Review of Selected DSG Budgets

Education Services Grant (ESG)

Lewisham's ESG total allocation for 2016/17 was £3.5m. (ESG Central Fund £2.9m and a retained duties amount of £0.6m). Forum were informed that the retained duties funding rate for local authorities is a flat rate of £15 per pupil in all state funded schools, which includes academies.

Education Support Grant Retained Duties

Services funded from the ESG retained duties include education welfare, asset management, safety and regulatory duties. The combined total fund is £730k. The current costs are in excess of the budget set aside. Schools Forum are not being asked to increase the budget but the LA will monitor the situation.

Looked after Education Budget

Made up of two amounts i.e. £741k funded via the Pupil Premium grant and £479k from the DSG High Needs Block - which funds the core business of the Lewisham Virtual School.

Forum were informed that the Lewisham Virtual School is achieving outstanding outcomes for children in our care. Attendance is almost on a par with the overall school population and fixed term exclusions are at their lowest level with attainment likely to be above the national average when figures are released in March.

Minimum Funding Guarantee (MFG) for All Through Schools

This is a DfE mandated funding element that protects schools' funding per pupil level. For secondary schools that are still expanding into the primary phase, normal operation of the MFG would lead to new primary pupils being funded inappropriately at secondary funding levels. With this, the DfE has introduced an adjustment to the operation of the MFG for such cases, in order to protect the two age groups. Local Authorities would need to apply to the DfE to use their adjustment.

Recommendation

- Position on the Education Services Grant budget noted.
- Agreed to keep the budget for retained services previously funded from the former Education Services Grant at £600k in 2018/19.
- Agreed to keep the budget at the same level of £479k for LAC Education in 2018/19 to meet the statutory functions of the Virtual School.
- Agreed that the minimum funding guarantee be applied to All Through Schools in such a way that primary and secondary pupils are protected at their appropriate rates.

11. Review of the Scheme of Delegation

Forum were informed that it has become necessary to review the provisions relating to financial support for redundancy, premature retirement costs and severance payments in schools. This is in response to a potential challenge of the above and an enquiry by the DfE following a complaint to the Secretary of State. Lewisham have sought legal advice on this.

The Lewisham Scheme of Delegation was last considered by Forum on 16 March 2017 and with this currently redundancy costs fall on the school unless it identified good reason to do otherwise. The DfE says this cannot be, and each individual case should be looked at. Consequently we have agreed to change our processes and make our decisions more robust. Officers have proposed that a form will now need to be completed (all Lewisham Schools excluding Academies), and this form is to be sent to the Local Authority and the Executive Director of Children and Young People and the Executive Director of Resources and Regeneration, for review. Discussion was held over the decision making criteria and whether there would be any exception to the rule. Concern was raised as to the effectiveness of completing the form.

Forum also raised the question as to whether schools will be able to appeal any decisions made. Officers agreed that that schools will be able to appeal.

It was also brought to the Forum's attention that other Local Authorities were funding school redundancies from the Education Support Grant.

Consensus was that this agenda item requires extra thought, a clear structure and further support. It was proposed that this item be taken back to be worked on, and for further negotiation. This item is to be brought back to the next Schools Forum.

Decision

- Forum asked officers for more information on how it would be decided whether schools would meet the costs of redundancy

12. Any Other Business

The position with holding the joint Lewisham Learning Partnership role and School Headship was raised and the question of any technicality with a member holding a schools Forum position – any potential conflict of interest?

No other business was raised.

Meeting closed 18.30pm.

Date of next meeting:-

07 December 2017 4.30 to 6.30pm

SCHOOLS FORUM ACTION SUMMARY

ITEM	ACTION TO BE TAKEN	OFFICER (S) RESPONSIBLE	OUTCOME/ CURRENT POSITION
Forum 22 June 2017 – Item 10 – Early Years Sub Group Report	Early Years Standard Charging Rate Consultation result to be brought back to Forum.	Warwick Tomsett/Nikki Sealy	Outstanding
Forum 05 October 2017, Item 7 – Annual Health & Safety Report	Production of a guide to the process of recruiting an	Diane Parkhouse	Pending

	apprentice Teaching Assistant.		
Forum 05 October 2017, Item 8 – Catering Contract Annual Report	Officers to liaise with Chartwells and Natasha Orumbie and feedback clarification on safeguarding training to schools.	Matt Eady	Pending
Forum 05 October 2017, Item 9 – Financial Update & Budget Monitoring	Paper to be brought to Forum regarding the adoption of the National Funding Formula wef April 2018.	Dave Richards	December Forum
Forum 05 October 2017, Item 11 – Review of the Scheme of Delegation	Paper to be revisited.	Dave Richards	Pending

Agenda Item 5

Schools Forum

7 December 2017

Item 5

Schools Forum			
REPORT TITLE	High Needs Sub Group - Annual Report		
KEY DECISION	Yes	Item No.	5
CLASS	Part 1	Date	7 December 2017

1. Purpose of the Report

To consider the recommendations of the High Needs sub group on funding education, health and care (EHC) plans and resource bases. The report considers the medium term financial strategy for the High Needs block and the changes to Alternative Provision.

2. Recommendation

The Schools Forum is asked to

1. Note the medium term financial strategy.
2. Task the High Needs sub group with
 - a) Recommending a strategy for reducing the high needs expenditure over the coming year in order to reduce the costs in April 2019
 - b) Recommending the funding levels of Abbey Manor College, the new Primary pupil referral unit and New Woodlands and report back to the Forum in March 2018
3. Support the High Needs sub group recommendations as follows:
 - a) To implement the new banding systems in resource bases at a cost of £251k
 - b) To implement the new banding system for ECHPs in mainstream schools at a cost of £47k

c) Support the funding changes to SEN staffing at a net cost of £165k

4. Thank the members of the task group for their work during the year
5. Confirm the membership of the task group and ask the secondary representatives to appoint a new representative

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.
- 3.2 While maintaining the remit of ensuring the high needs block is financial 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 will only have a marginal overspend at the year-end (2017/18). There should however be a note of caution with this as there is always uncertainty over any predictions of increases in number of pupils that will require support between now and the end of the financial year.
- 4.2 There are significant costs of a one off nature that are built into the above forecasts. In addition there is the one off cost of the transitional protection for special schools on the introduction of the new banding system. Once off funding has also been needed to re-shape the resource base provision. If none of these costs were met then there would be a surplus of £2.1m. Going forward this is taken into account in the medium term strategy
- 4.3 When calculating the sum required for next year's budget, growth in pupil numbers needs to be taken into account. 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 The funding growth announced already by the government of £1.0m is allowed for in the strategy. Further changes may be made once the final settlement is made. The medium term financial strategy has been drawn up on the most likely scenario and the best case or worst case. The terminology is the best and worst case is in financial terms. The overall summary is shown below:

Predicated Surplus / Deficit				
	18/19	19/20	20/21	21/22
	Year 1	Year 2	Year 3	Year 4
	£000's	£000's	£000's	£000's
Most Likely	249	1,775	4,387	7,947
Best Case	- 214	638	2,469	5,167
Worst Case	762	2,989	6,534	11,145

- 4.5 The main driver in the financial strategy is growth in the number of children with SEND being diagnosed and requiring support via EHCPs. This has been estimated at 105 pupils at a cost of £1.4m. An estimate has then been made on how successful we will be in shifting pupils numbers into in-borough provision and controlling costs in the independent sector.
- 4.6 The main backdrop for the strategy is that while next year the high needs block more or less balances it then starts to go into deficit in 2019/22 if the growth is not managed. It is proposed that the high needs sub-group over the course of the next year considers how the budget can be brought back into balance and reports back to the Forum with it recommendation in December 2018.
- 4.7 **The financial position across London**

London Councils recently undertook a survey of the high needs budget across the London

There findings were

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

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.
- 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)

4.8 Over the last three years the Forum has agreed the following savings

	£m
2014/15	0.5
2015/16	2.1
2016/17	4.1

5. Resource Base funding

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 proposed funding models to support the banding levels. Financial modelling has been undertaken for children and young people in resource base provisions which will require additional funding of £251K for 2018-2019 from the HNB.

The detailed report that the High Needs sub group considered can be found in Appendix A to this report

The Forum is recommended to introduce the new resource base banding levels from April 2018

6. Education Health Care Plans funding in mainstream schools

As outlined above the review of banding included all schools in Lewisham. The work on banding in respect of mainstream schools has also been undertaken which included detailed examination of children and young people with EHCPs in mainstream settings and the current banding matrix. It is proposed that the revised banding is a fixed rate rather than the variance currently used. The proposal will mean an additional £47K from the HNB for 2018-2018 and that some schools may lose and some schools may gain financially. It has been agreed that officers will work with those schools that are set to lose funding to ensure a smooth transition to the revised system and ensure that schools are able to meet the needs of individual children in line with their EHCP.

The detailed report that the High Needs sub group considered can be found in Appendix A to this report

The impact on schools in summary form

	Primary Schools	Secondary Schools
Lose greater than £5,000	2	1
Lose between £1,000 and £4,999	9	1
Lose between £0 and £1000	11	1
Gain between £0 and £1000	17	2
Gain between £1000 and £4999	19	3
Gain greater than £5,000	5	3
Total	63	11

The maximum loss in primary is £23k and in secondary it is £9k.
The gain in primary is £12k and in secondary it is £13k.

The Forum is recommended to support the introduction of the new banding system for EHCPs in mainstream schools from April 2018.

7. Staffing changes

The introduction of the Children & Family Act 2014 in September 2014 has resulted in the most significant changes to Special Educational needs in the last 30 years. The SEND reforms have led to a significant increase in demand for EHCP Needs Assessments. During academic year 2016/2017, Lewisham SEN experienced an 85% increase in requests for statutory assessments, compared to academic year 2013/2014 (the last year of Statements of Special Educational Needs) Similar significant increases have been evident each academic year since the reforms in September 2014 (91% in AY14/15 and 147% in AY15/16).

It has also placed greater demand on the Local Authority and Local Area to ensure Education, Health and Social Care are working together to identify and meet the holistic needs of children and young people with special educational needs and disabilities.

Over the last three years, the Children with Complex Needs Service has had to redesign how services are delivered and with the significant increase in demand for EHCP needs assessment and the change from an administrative process for Special Educational Needs assessments to a case work process this has particularly impacted on the SEND team.

The SEND Reform grant has allowed some of these changes to be implemented and funded. This grant comes to an end in March 2018. In order to continue to implement the reforms and the staff changes that have been made i.e. case officers allocated to individual schools. This additional funding would need to continue.

Agreement to use the funding from the High Needs block would allow the SEND team to continue to have the staffing capacity required to continue to deliver the required service and would support the current delivery model of having a case officers allocated to individual schools. It would also allow for the continuation of the Resource Provision lead, SEND Advisory role and Post 16 SEN transition case officer.

The amount required is £365k but is offset by savings made in the high needs block of £200k. Schools Forum is asked for its views on this.

8. New Woodlands

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. See Appendix B for details.

The New Woodlands Advisory Board received a detailed Interim Review Report of the NW Outreach Service and is in the process of drafting 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.

9. Abbey Manor College

The pupil place funding is currently being considered for AMC which is now under new headship. An exercise of benchmarking the funding against other PRUs in other LA and statistical neighbours is currently being undertaken. AMC is also in the initial stages of proposals to extend the age range of the College to include primary provision and the financial implications of these are being considered, including benchmarking costs and provision with other local authorities. This is to ensure that the sub group can demonstrate that the proposals will stand up to challenge.

It is anticipated this work will be completed in order to report back to the Schools Forum meeting in March for an implementation in April 2018.

10. Work plan of the High Needs Sub Group

The purpose of the task group is 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.

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

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.

11. Roles and Responsibilities

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

12. Conclusion

The financial constraints under which the public sector is operating are not expected to ease over the next few years. The problem for the High Needs Block is that the growth in expected pupil numbers is higher than the general growth in the pupil population, partly reflecting the SEN reforms.

Dave Richards

Group Finance Manager – Children and Young People

Contact on 0208 314 9442 or by e-mail at Dave.Richards@Lewisham.gov.uk

Schools Forum			
REPORT TITLE	Banding – Resource Base Provision & Mainstream Funding		
KEY DECISION	Yes	Item No. Appendix	5 A
CLASS	Part 1	Date	7 December 2017

1. Purpose of the Report

2. Recommendation

The Forum

- Note the developments on the review on a universal banding system.
- Agree the proposed funding model as outlined in paragraph 3.3 for resource base provisions for 2018-2019 (an additional £251K).
- Agree the proposed funding model as outlined in paragraph 3.4 for all mainstream schools in Lewisham for 2018-2019 (an additional £47K).
- Note the continued pressures on the HNB as outlined in the HNB Forecast Report.

3. Review of Banding

- 3.1 In 2016 the Forum agreed that a review of banding should take place to put in place a universal banding system for all Lewisham schools. The review has now been undertaken and completed for all 5 special schools and was implemented in April 2017. Further work has been carried out to look at a range of options in respect of the funding levels for mainstream primary and secondary schools and resource base provisions.
- 3.2 Financial modelling has been undertaken to look at per pupil funding level for children or young people who are attending a resource base provision in Lewisham. Historically, RBPs were funded according to size of unit, educational need and criteria and negotiated with individual schools. As part of the review of banding it was agreed that all children or young people should be banded based on the 'level of need' and not based on the provision. This means a change in the way that RBPs were funded historically to bring all provisions in line with the universal banding system.
- 3.3 A review of all the EHCPs for children in RBPs was carried out, in addition visits to the units were also undertaken to facilitate discussions with Resource Base Leads and see the children or young people within their educational setting. Evidence from the review indicate that almost all the children within a

resource base provision have needs that equate to a Band D. However, as banding is based on individual level of need it is likely that there may be children within the resource base provision who are on a higher level of banding but this will always be determined based on evidence from professionals as part of an assessment. Please see financial modelling for RBPs at Appendix 1.

- 3.4 The work on banding in respect of mainstream schools has also been undertaken however, it has not been possible to visit all the mainstream schools in Lewisham or to review each individual statement/EHCP. However, as the banding levels are very much in line with the current matrix (High/Medium/Low) children or young people have been placed in the banding group that falls within their current range. The key difference with the revised banding is that a fixed rate is applied rather than the variance current used. The figures that are presented in Appendix 2 are based on the current level of funding and moving to a fixed rate per banding level as opposed to the current variance that is used within the low, medium and high range. The table in Appendix 2 shows the variance and how many children are funded at each level.

4. Implications for HNB

- 4.1 The proposed changes in the financial models provided will have implications for the High Need Block. The financial forecast for the HNB is outlined in the report submitted to this meeting by the Finance Manager.

5. Next Steps

The current costs shown are in excess of the budget set aside. The Schools Forum are not being asked to increase the budget but the Local Authority will manage the situation.

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Schools Forum			
REPORT TITLE	New Woodlands – Primary PRU Capacity		
KEY DECISION	Yes	Item No. Appendix	5 B
CLASS	Part 1	Date	7 December 2017

1. Purpose of the Report

The purpose of this report is to set out the current position of New Woodlands School in respect of the Transition Plan that was put in place in September 2016 and to inform School Forum that the primary pupil referral unit is full.

This report also seeks the views from HNSG and Schools Forum on the proposal to temporarily reduce the LA commissioned numbers from 112 places to 80 places as outlined in the HNB Forecast Report.

2. Recommendation

The Forum

- Note the current situation in relation to places within the primary PRU phase at New Woodlands.
- Provide views on the LA commissioned numbers of 112 places and the proposal to temporarily decrease the commissioned number to 80 places whilst the school works through the transition plan and the action plan following the recent Ofsted judgement of ‘requires improvement’.

3. New Woodlands Transition Plan 2017-2018

- 3.1 NW is now in the second year of the transition plan to a specialist SEMH setting. As agreed the school will continue to operate as a specialist school for KS1-KS3 and a pupil referral unit for KS1-KS2 only for 2017-2018.
- 3.2 An Ofsted inspection carried out in July 2017 has resulted in the school being judged as ‘requires improvement’. The Governing Body and the LA are working with the school on the strategic action plan to improve the school in respect of the areas outlined in the Ofsted report.
- 3.3 Since the Transition Plan has been put in place the local authority and the Advisory Board has supported the school in a number of key areas which has led to improved outcomes. These include:
 - Increased the number of children in the school with EHCP by 20% - from 8% (Sept 2016) to 28% (July 2017)

- Secured arrangements and plans for the admission of KS1 and KS2 girls from September 2107
- Improved access to specialist services for children within the school such as Speech & Language Therapy (SLT) and Occupational Therapy (OT) through the MDT
- Continued to improve the admission of pupils through a more transparent system through Fair Access Panel and Pupil Placement Panel cases of children who are at risk of exclusion
- Developed a clear admission policy for all pupils including those with SEND

4. New Woodlands Advisory Board

- 4.1 Members will be aware that in autumn 2016 the New Woodlands Advisory Board was set up to monitor the transition plan and undertake a review of the NW Outreach Services. The work of the Advisory Board will continue through 2017-2018 and will focus on the transition plan and the review of the Outreach Service. Some of you may already be aware that Michael Roach has stepped down from his position as Chair following his new appointment as Interim Director of Lewisham Learning. Keith Barr has taken over as Chair of the Advisory Board and the Lead Officer is Claudia Smith.
- 4.2 During 2017-2018 the Advisory Board will continue to support the school through the transition and will present a detailed report on the findings from the review of the Outreach Service to the High Needs Sub Group (HNSG) and Schools Forum for consideration and recommendations about the future arrangements for the Outreach Service.

5. Next Steps

That the LA continue to work with New Woodlands on the transition plan and preparation for the primary pupil referral unit to be transferred under new management by September 2018. This will enable New Woodlands to focus on being a specialist provision for children and young people with an EHCP for SEMH and other related needs.

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Schools Forum			
REPORT TITLE	Spending Review of Selected DSG Budgets		
KEY DECISION	Yes	Item No.	6
CLASS	Part 1	Date	7 December 2017

1. Purpose of the Report

As part of the budget setting process it was agreed that it was not possible to review all the budgets in the Dedicated School Grant in one meeting when the total Dedicated School Grant budget was set as it did not allow sufficient time to give proper consideration to the issues. Officers were therefore asked to bring a rolling programme of reviews. This report reviews the Inclusion Fund

2. Recommendation

That the Forum agrees to keep the budget for Inclusion Fund at the same level in 2018/19 as in 2017/18 of £200k

3. Inclusion Fund

- 3.1 As of April 2017 it became a requirement for local authorities to set up a local inclusion fund to support EYFS providers to secure better outcomes for children with SEN.
In January 2017. The Early Years sub group agreed that the Inclusion Fund for the financial year 2017-2018 would be £200,000. Early years block funding was used to create this fund.
- 3.2 Providers (*schools, nurseries and childminders*) can apply for Inclusion Funding for a child in their setting if they meet some or all of the following criteria:
- They are accessing the early entitlement for 3 & 4 year olds (*15 hours universal childcare*)
 - The setting provides additional SEN support which is above what would be provided for all children
 - A referral has been made to a professional for advice and guidance in supporting the child (*e.g. Speech and Language Therapy*)

3.3 Termly applications are made to an Early Years Inclusion Board Panel and if agreed, funding is paid at £600 per child. During the first term (*April 2017- July 2017*), £52,000 was accessed by 37 providers for 87 children.

3.4 During the second term (*September 2017 – December 2017*), £49,200 was accessed by 34 providers for 82 children. *This figure may rise to £63,600 due to additional requests from 38 providers for 106 children. Some applications are still being processed due to requiring further information.*

3.5 Further breakdown is provided below:

Applications	Number of Children accessing 3 & 4 year old funding			4,997	
	April 2017	October 2017		April 2017	October 2017
Total no of children for whom Inclusion Fund applications were received	120	101	% of children applying for Inclusion Funding	120 (2%)	
Number of maintained nursery schools applying for Inclusion Funding	2 From a potential 2 100%	2	Number of children from Maintained nursery schools applying	15 (12%)	12
Number of maintained nursery classes applying for Inclusion Funding	15 From a potential 58 25%	9	Number of children from Maintained nursery classes applying	30 (25%)	25
Number of PVI settings applying for Inclusion Funding	20 From a potential 134 14%	23	Number of children from PVIs applying for Inclusion Funding	75 (63%)	63
Decisions					
Agreed	90 (75%)	82	Number and % of Children with EAL	34 (28%)	

Deferred	10 (8%0	14	Number and % children with EHC request in process	34 (28%)	
Declined	20 (17%)	3	Number and % of children that had received Two Year Old Funding	62 (52%)	
Children with DLA applying for Inclusion Funding	25 (21%)	27	Number of children in receipt of DLA whose setting have applied for DAF.	20	

3.6 Things that have gone well/Impact

The new arrangements have:

- Given the LA an increased understanding of the needs at SEN support level of our youngest children before they reach statutory school age. This enables services within the LA to work more effectively to meet the needs of children with SEN.
- Developing staff team capacity, building knowledge and confidence in order to support children's needs more effectively.
- Highlighted the need for greater communication and collaborative across the partnership.

"We are planning to use the funding to pay for Makaton signing training for all early years staff so that they can support our student (EAA) around school. It is important that Esther is able to communicate her needs and with others; that she is understood by and understands key staff supporting her. It should make a difference to E's well-being and progress." M. Allen, SENCO, HAAF.

*"The Inclusion Funding would make a huge impact to the provision for two children in our Nursery. Both children are displaying significantly high levels of need, who have been diagnosed for ASD. We are currently in the process of applying for EHCP funding for both children. In the meantime this extra support would make a **huge** difference. The money will be spent on Key Resources such as –*

- *Specialised Resources recommended by Drumbeat (such as a cushion for one child to sit and focus)*
 - *Sensory resources*
 - *Apps for iPad which support children on the ASD spectrum*
 - *extra staffing to cover the provision required during the lunch period*
- It will make a massive difference to these two lovely children.”*
Dean Houson, St Saviours RC Primary School.

3.7 Challenges:

The challenges of the new system have been:

- Establishing an effective electronic system for sharing information and application. Ensuring that data protection practices meet the new requirements.
- Developing a coordinated and efficient approach to monitoring impact across the partnership.
- Inclusion funding is highly valued but on occasion has drawn attention to the needs of even younger children, for example funded two year olds. This highlights the potential impact that earlier intervention could bring.

3.8 Impact of Inclusion Fund to date:

At this point it is too early to measure any direct impact on individual children, however there has been a positive impact on provider engagement and as a result:

- There has been an Increase in requests for Drumbeat’s INSET training.
- A decrease in the number of SEN support cases ‘causing concern’ from PVI’s, from 18 cases in April to 4 cases in November.

Attendance on PVI SENCO forums and training has increased. *We have seen a 12% increase in attendance on PVI SENCO forums and a 50% increase in attendance on PVI SEN training sessions since the introduction the Inclusion Funding in April 2017*

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Agenda Item 7

Schools Forum

7 December 2017

Item 7

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Dedicated Schools Grant Budget Report 2018/19		
KEY DECISION	Yes	Item No.	7
CLASS	Part 1	Date	7 December 2017

1. Purpose of this Report

This report seeks agreement to the principles on which the Dedicated Schools Grant will be allocated for 2018/19. This will allow the precise calculations to be made when the funding settlement is known in December. The outcome of the settlement and the impact of the decisions made in this paper will be presented to the Forum on the 11 January for further consideration and final agreement.

2. Recommendations

That the Schools Forum agrees

- i) That schools should be consulted on the principal to use the national funding formula to calculate schools budgets from April 2018.
- ii) To change the PFI factor so it is allowed to be based on forecast data.
- iii) The following year the PFI forecasts to be adjusted to actual data.
- iv) That the Minimum Funding Guarantee will be set as close as possible to 0.5% once the final settlement is known.
- v) There will be no transfer of funds from the schools block to the high needs block
- vi) That school members by voting phase, agree the following de-delegated amounts.

Ref	Heading	Primary £'000	Secondary £'000
A	De-delegation for mainstream schools for Contingencies	470	180
B	Administration of free school meals	44	22
C	Staff costs – Supply Cover	800	300
D	School Improvement Fund	220	80

- vii) The Forum are asked to give their view on the loan from the Innovation Fund

3 Approach to budget setting

- 3.1 The Dedicated Schools Grant (DSG) budget setting process needs to be completed by 19 January 2017 as the DFE requires Local Authorities to make a return stating all schools budgets by this date. With the deadline fast approaching and the fact that no notifications have been received of the overall allocation of the settlement at the time of writing this report, many assumptions will have to be built into the figures to set and finalise the DSG budget for next year now. The true picture will only be known once ministers have finalised the settlement. This is expected to be a few days before Christmas and leaves little time for reports to be prepared and the papers to be published as well as the Forum to give considered opinion on the important decisions they have to make.
- 3.2 There are some aspects of the budget that are known and worthy of discussions now that will set the scene for next year's budget and allow the necessary work to proceed to give a more considered approach to the final decisions that needs to be made in January.

4 Financial overview

- 4.1 The Department for Education has confirmed the introduction of a national funding formula for schools and for pupils with high needs from the 2018 to 2019 financial year. For the next two years the Department will run the national funding formula, add up the total of all schools for a local authority area and pass it to that local authority for distribution to the schools in their area. The local authority can then use their own funding formula.

- 4.2 Under the national funding, all our schools will lose funding and will be protected to their current funding level, this is on a per pupil basis and excludes premises factors. The government has also announced that there will be sufficient funding in the system to allow for a 0.5% percent increase in all schools budgets on pupil related factors.

For Lewisham this means there is an £1m available. For both 2018/19 and 2019/20. This is demonstrated in the table below

Note	Schools Block	High Needs	Central	Total
	£'000	£'000	£'000	£'000
A 2017/18 Current	215,373	50,704		266,077
B Baseline	211,029	49,673	5,375	266,077
C 2018/19 Indicative	212,066	50,647	5,410	268,123
D = B-C Change	1,037	974	35	2,046

Notes

A = the current DSG (excluding the early years block)

B = the DFE created a new funding block – the central block, they also moved funding from the high needs block to the schools block

C = Is the indicative amounts for next year's funding

D = the increase in funding

- 4.3 This is not as good as it may appear on the surface, some costs will need to be met before any money can be distributed, for example the increase in business rates.
- 4.4 Further, with cost pressures of 8% over a three year period, the announcement of the small, per pupil cash increase would reduce this to 7%.

4.5 The total increase in pupil numbers are as follows:

	Oct-16	Oct-17	Change
Primary	25,286	25,371	+85
Secondary	11,532	11,326	-206

5. The National Funding Formula versus the Lewisham Funding Formula

- 5.1 As all our schools are being protected under the new national funding formula and given that the DfE will run the new national funding model and pass us the funds, then in theory if there were no changes to the funding levels the figures each school receives should be virtually the same although for technical reasons there is not exact match in all schools.
- 5.2 The modelling of the National Funding Formula and the Lewisham funding formula has been undertaken by using the same data. This has proved the theory above. However when we move to calculate the budget for next year we will be using different data and this may have an impact.
- 5.3 The Department for Education requires us to consult all schools on this change. This will need to be completed before the end of term to ensure that the final decision can be taken at the Forum meeting on 11 January 2018. To complete the consultation by the end of term is not ideal. The time constraints are almost impossibly tight as the fully calculated school budgets have to be returned to DfE by the 19 January 2018.
- 5.4 The approach of introducing the national funding formula is not unique and some Local Authorities are proposing to move to the national funding formula, some are considering splitting the distribution of the funding 50:50 between the national funding formula and their own formula (these are authorities where there is an increase in funding). Our objective should be to minimise change and turbulence for schools through this process.

6 Minimum Funding Guarantee (MFG)

- 6.1. Schools Forums are now allowed to set a pre-16 minimum funding guarantee (MFG) in their local formulae, to protect schools from excessive year-on-year changes, and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through. This is a new power this year and the MFG has in the past be set by the Department for Education.
- 6.2. There is not complete freedom for Schools Forums', for 2018 to 2019 the MFG has to be set between 0.5% and minus 1.5% per pupil.
- 6.3. The Government has already specified that within the settlement there will be an overall guaranteed 0.5% increase per pupil. This is reflected in the schools block baseline figures shown in the table 4.2. The overall sum for Lewisham is £1m.
- 6.4. However there are elements of the formula that fall outside the per pupil guarantee such as business rates and PFI costs which will need to be funded first and this will limit the amount that can be distributed.
- 6.5. It is recommended that once the final figures are calculated, the minimum funding guarantee is increased to near as possible to the 0.5%. The figure will then be reported back to the Forum in January.

7 PFI and BSF costs

For the 2017/18 financial year the Forum agreed to introduce a PFI factor within our own funding formula.

- 7.1 Under the national regulations, any PFI factor must be objective and clear and capable of being replicated for academies. An acceptable methodology would generally contain some of the features set out below
 - X% of the school's budget share
 - £x per pupil
 - £x per square metre of floor area
 - historical lump sum previously agreed and indexed by x% per year
 - Agreements may refer to proportions or elements of the school's budget share which, due to changes in funding arrangements, may have changed significantly. Where this situation occurs, the DFE expect schools and local authorities to work together to agree an alternative arrangement, so that neither party is significantly disadvantaged.

7.2 The basis of the factor that was to fund the PFI costs that were greater than 10% of the school's budget.

This was calculated on the basis of the previous year's actuals. At the time this seemed sensible as it avoids retrospective adjustment at a later date. As the pupil numbers were expected to rise and hence the school budget share increase. The percentage of PFI costs to the budget would then decrease, it was a marginal benefit to those schools with PFI scheme.

7.3 Unexpectedly there have been significant falls in the pupil numbers at some of the PFI schools, making their budget deficit situation significantly worse. The current PFI funding formula delays the compensating increase in their budget, a double whammy. It is therefore proposed to move the PFI factor to an estimate of current year costs and only adjust the funding where an increase is required once the actual costs are known. This funding would come from the schools contingency.

7.4 The calculations are shown below

School Name	2018/19 Hard & Soft FM Plus Utilities Estimate	As A Percentage Of I01 To I04	Allocation	Movement Compared To Last Year
Deptford Green School	890,441	12.2%	163,180	(9,097)
Conisborough College	637,741	9.0%	-	-
SEDGEHILL SCHOOL	1,186,922	15.8%	437,835	314,367
Forest Hill School	936,914	10.5%	44,649	27,895
Prendergast Ladywell School	1,042,399	14.2%	306,673	(48,222)
Trinity Church of England, School	475,082	7.6%	-	-
Bonus Pastor Catholic College	548,526	9.9%	-	(10,081)

Prendergast Vale College	636,513	11.6%	88,679	34,312
	6,354,538	11.5%	1,041,016	309,173

- 7.5 Special schools are slightly different as they do not operate under a formula. When the data is analysed however, both special schools with a PFI scheme fall below the 10% cap.

8 Other spending blocks

With the introduction of the new national funding formula for both schools and high needs, the national regulations have changed to limit the scope that one block can subsidise another. However this is still possible and if the Schools Forum agree, up to 0.5% of the schools block can be transferred to the other blocks. It is not proposed that any transfer will be undertaken in 2018/19.

9 Budgets Requiring Schools Forum Approval

- 9.1 Members will recall that as part of the introduction of past national funding reforms there were changes to the rules governing the voting procedures. These particularly concerned the voting on the budget report.
- 9.2 The main change related to de-delegation of budgets where the voting was split between the primary and secondary phases of schools' members (these being Headteachers and Governors). Academy and Special School representatives are not part of this vote as de-delegation is not permitted for these school types.
- 9.3 The powers of the Forum also changed and it is now the role of the Forum to decide some budget levels rather than advise the Local Authority. Some of these budgets have to be decided individually.
- 9.4 The primary/secondary splits shown in the recommendations of this report are exemplifications as the actual split will be determined by the school level data provided by the DfE in late December.

10 Non-Sickness Supply Fund

This fund mostly provides cover for school for maternity cases. It is also used for other types of cover such as jury service and trade union activities.

Trade Union Activities

This year (2017/18) the funds to be de-delegated were reduced to £113k (this compares with £124k in 2016/17). This follows the decision of the Forum at meeting on the 6 October 2016 where it was agreed that financial support for the two teacher union branch secretaries who sit on their National Executive Committees and receive one day per week paid time off in term time would not continue.

It was agreed that support for this was a heavy burden on Lewisham's resources. While time off should be granted for this purpose, it was to be unpaid as it is considered a 'trade union activity' rather than a 'trade union duty' which does attract paid time off. This will be effective from Sept 2017. The part year effect of this decision will mean that in 2018/19 the budget will be reduced by a further £10k to £103k.

Recouping Overspends

As a mutual fund, the non-sickness supply scheme needs to collect sufficient funds to cover its pay-outs.

In 2017/18 it was necessary to increase the contributions by £363K to cover anticipated costs for the 2017/18 financial year and by a further once off figure of £539K to cover previous years' overspends. This gave a 2017/18 de-delegation total of £1,685,000. The once off nature of the previous year's write off means that the de-delegation for 2018/19 can be reduced to £1,100K

11 School Improvement De-Delegation Fund

Under the national school funding regulations that came into force for 2017/2018, school improvement support offered to maintained schools is included in the list of de-delegated services.

The Forum agreed to de-delegate the sum of £300k for 2017/18. This funding was allocated to fund the work of the Lewisham Learning Partnership. It is proposed to keep the de-delegation funding for 2018/19 at the same level and to allocate it again to fund the work of the Lewisham Learning Partnership.

12 Contingency

It is recommended that the schools de-delegation be kept at the same level. This makes sense given the risk of deficit write-off should a school move to an academy sponsor through the 'forced' route.

13 Free Meals administration

It is proposed to keep this at the same level at 2017/18 but undertake a review of this spend and the activity associated with it.

14 Innovation Fund

The Innovation Loan Fund was introduced to change how major projects are implemented by allowing schools to incur the expenditure when a need is identified, then paying for the asset created over time.

The loan fund covers the following

- Purchase or replacement of equipment including computer equipment;
- Full or part funding of premises projects;
- Energy and environmental improvements;

One of our secondary schools has approached us for a loan of £250k to cover computer equipment. One of the issues that has emerged in the school's unpicking of its financial situation over the last year has been the recognition that no funds were put aside to ensure the IT system in the school could be replaced and upgrading and improvement of systems had not been happening in a scheduled and timely way. The IT system is now so outdated that it threatens to cause serious problems with the curriculum delivery and safeguarding in the school.

Loans between £100,000 and £500,000 can be approved by the Executive Director, Children and Young People and she is minded to approve but the Schools Forum needs to be consulted.

The Forum are asked for their views

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Agenda Item 8

Schools Forum
07 December 2017
Item 8

Schools Forum			
REPORT TITLE	Review of the Scheme of Delegation		
KEY DECISION	Yes	Item No.	8
CLASS	Part 1	Date	7 December 2017

1. Purpose of the Report

The purpose of this report is to consider a revision to the Scheme of Delegation.

2. Recommendation

- The Forum agree to incorporate Appendix A into the Scheme of delegation to replace the current Annex E.

3. Background

Prior to the start of each financial year the Forum undertakes an annual review of the scheme of delegation and finance manual. This is to incorporate any legislative changes required and any changes that the Forum consider desirable to make. In response to a potential challenge to the current provision of Annex E (Financial support for redundancy, premature retirement costs and severance payments in schools) and an enquiry from the DfE following a complaint to the Secretary of State, it has become necessary to review the provision set out in Annex E as part of this process.

4. Redundancy

- 4.1 Lewisham's Scheme of Financial Delegation, in line with national requirements which have been in place for many years, gives schools the freedom to exercise choice over their spending plans. Like other local authorities, Lewisham Council can only impose regulations which are consistent with the need for accountability and control over the expenditure of public funds. The Scheme expects all schools to set a

balanced budget and to manage within the resources made available to them. This is specifically a duty on the governing body of the school.

- 4.2 The Lewisham Scheme of Delegation was last considered by the Schools Forum on the 16 March 2017 and sets out at Annex E (Attached – See Appendix A) “Financial support for redundancy, pre-mature retirement costs and severance payments in schools.” The Annex confirms that schools are responsible for managing their budgets both in the short term as well as the long term, which will include forecasting future levels of funding and developing plans to adjust expenditure accordingly.
- 4.3 The Council had the approach of automatically charging redundancy costs to school budgets unless it identified good reason to do otherwise. After discussions with the Department for Education and having sought legal advice we have revisited our procedures and will in the future determine whether the school or the local authority meet the costs of staff redundancies on a case by case basis - by ‘case’ we mean a separate decision on each individual redundancy.
- 4.4 The Appendix to this report shows a revised Annex E to the Scheme of Delegation incorporating this.
- 4.5 The process within the Local Authority has now been changed. When a school has a case of staff redundancy, for each member of staff being made redundant, the school will need to complete a form which needs to be signed off by the headteacher and chair of governors. This form includes a section where the school can make representations if they consider that the LA should meet the cost of redundancy. They must then send this form to the Local Authority and the Executive Director of Children and Young People and the Executive Director of Resources and Regeneration will review it, to ensure that the redundancy is genuine and to determine meets the cost of redundancy.

4.6 Decision process

As the Department for Education has requested that each redundancy case should be considered individually it is almost impossible to have a definitive set of criteria. Given that there is no 'central' budget for redundancy costs, it makes sense that the default position is that the school pays, but the LA nonetheless decides on a case by case basis whether this is an exceptional case where the LA should pay. A suitable form of words to describe the criteria around this would be that the LA should consider paying:

“When a school is affected by events that it has not and could not have predicted and are beyond its control and it had insufficient advance warning but finds it necessary to make a member of staff redundant, with no other reasonable means to manage those circumstances”.

While each case will be considered individually, the following are circumstances are more likely to mean a school will be expected to meet the costs

- if a school has decided to offer more generous terms than the Local Authority's
- if a school is acting outside the Local Authority policy and procedures
- where the staffing reductions arise from a deficit caused by factors within a school's control;
- where the school has high balances and no agreed plan to use these;
- where a school has not engaged with the Local Authority's redeployment policy

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Annex E

Financial support for redundancy, premature retirement costs and severance payments in schools

Schools are responsible for managing their budget and with this comes the responsibility to manage their budget in the short term as well as the long term. This responsibility should include forecasting future levels of funding and developing plans to adjust expenditure in line. This will include avoiding redundancies by vacancy management wherever possible. **When a redundancy situation arises it will be reviewed on an individual basis as to whether the school or the local authority should fund it. The decision will be taken by the Executive Director of Children and Young People and the Executive Director of Resources and Regeneration jointly. Having regard to representations from the Governors of the school in question. On this basis schools are responsible for dismissal costs the relevant resources have been delegated to schools and the LA retains no central budget to meet such costs**

In certain circumstances events may transpire that make it very difficult for schools to manage the budget and a fund exists to support schools with this. This provision is called Schools in difficulty.

In deciding whether funding support should be approved the following will be considered

- The circumstances are the result of an outcome in that the school could not have reasonably foreseen, e.g. a perverse decision at employment tribunal which is contrary to that expected from the HR advice provided.
- Where a fall in income is so great and requires additional redundancies that is disproportional to the annual budget and would create instability to the delivery of the curriculum and is in accordance with section 21 of the Education Act 2011

Any submission will be considered by the Head of School Improvement and the Head of Resources with the advice of the group finance manager and head of schools HR. This panel will decide the level of support.

There will be a right of appeal on any decisions to the Schools Forum in the case of dispute.

Any school receiving such support must agree to achieve a balanced budget and [meet the conditions expected of any school operating with a licensed deficit] submit budget monitoring plans in accordance with the standard timetable.

The Education Act 2002 states the position in relation to the funding of premature retirement costs or the costs associated with dismissal. For the purposes of this Act dismissal includes redundancy.

The position is as follows:

Section 37(4) – costs incurred by the Local Authority (LA) in respect of any premature retirement (PRC) of a staff member at a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing that they shall not be so met.

Section 37(5) – costs incurred by the LA in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from a school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs from that share.

The default position is therefore that PRC costs are met from the school's delegated budget. In the case of redundancy there has to be a good case for it not to be centrally funded **unless there is provision contained in the Scheme for Financing Schools** and this will be decided on an individual case basis

The above provisions are subject to the following:

Where the local authority incur costs -

- (a) in respect of any premature retirement of any member of staff of a maintained school who is employed for community purposes, or
- (b) in respect of the dismissal, or for the purpose of securing the resignation of any member of staff who is employed for community purposes,

the local authority shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing that they shall not be so recoverable.

Any amount payable by the governing body to the local authority may be met out of the school's budget share for any funding period if the governing body is satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by provisions specifically of section 21(2) Education Act 2002 (conduct the school with a view to promoting high standards of educational achievement) or any other provisions of the Education Acts.