

# Schools Forum Agenda

Thursday, 12 December 2019

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

For more information contact: Janita Aubun tel: 020 8314 7030  
Email: Janita.aubun@lewisham.gov.uk

<b>Item</b>	<b>Pages</b>
<b>1. Apologies and Acceptance of Apologies</b>	
<b>2. Declaration of Interests</b>	
<b>3. Draft Minutes of the Meeting - 17 October 2019</b>	<b>1 - 10</b>
<b>4. Matters Arising</b>	
<b>5. Dedicated Schools Grant (DSG) 2020/2021</b>	<b>11 – 22</b>

This report will aim to gain the necessary mandate to enable officers to provide Schools Forum with final funding information to enable the DfE submission deadlines to be met.

The report will be split into sub-sections to ensure there is clarity on decisions and the funding.

**6. Any Other Business**

**Future meetings**

16 January 2020

All meetings will be held between 16.30 and 18.30

## Sub Group meetings

High Needs Sub Group
16 December 2019 Spring Term – date to be confirmed.

# DRAFT

## LEWISHAM SCHOOLS FORUM

*Minutes of the meeting held on Thursday 17th October 2019*

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

		Attendance				
Primary School Headteachers		6/12	17/01	11/07	17/10	Date of Appointment
Paul Moriarty	Good Shepherd	✓	✓	✓	✓	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	✓	✓	✓	✓	June 2018
Mark Phillips	Deptford Green	✕	✕	✓	✕	Oct 2016
Clare Cassidy	Sedgehill	✓	a	✓	✓	Dec 2017
Special School Headteacher						
Lynne Haines	Greenvale	✓	✓	✓	✓	Oct 2018

<b>Pupil Referral Unit Headteacher</b>						
Heather Johnston	Abbey Manor	✓	✓	a	✓	Dec 2017
<b>Primary School Governors</b>						
Rosamund Clarke	Perrymount	✓	✓	✓	✓	Dec 2018
VACANT	PRIMARY					
<b>Secondary &amp; Special School Governors</b>						
Pat Barber	Bonus Pastor		✓	✓	a	Dec 2018
Ruth Elliott	Watergate	✓	a	✓	✓	Mar 2019
VACANT	SECONDARY					
<b>Academies</b>						
Dr Tesca Bennett	Haberdashers' Knights Academy	x	✓	✓	✓	Oct 2018
VACANT	VACANT					
<b>14-19 Consortium Rep</b>						
Asfa Sohail	Lewisham Southwark College			a	✓	Mar 2019
<b>Early Years - PVI</b>						
Dawn Nasser	Rose House Montessori	✓	✓	✓	a	Jan 2017
<b>Diocesan Authorities</b>						
Sara Sanbrook-Davies	Southwark Diocesan Board of Education	✓	✓	✓	✓	Dec 2019
Yvonne Epale	Substitute – Education Commission – Catholic Diocese of Southwark	✓	✓	✓	a	Feb 2018

<b>Lynne Haines</b>	<b>Forum Chair</b>	✓	✓	✓	✓	<b>Oct 2017</b>
<b>Keith Barr</b>	<b>Forum Vice-Chair</b>	✓	✓	✓	✓	<b>Oct 2017</b>

<b>Also Present</b>	
Angela Scattergood	AD Education Services
Mala Dadlani	Interim Group Finance Manager
Claudia Smith	LB Lewisham
Lucrezia Reynolds-Moxam	LB Lewisham
Vaughan Williams	Clerk
Howard Hawes	Observer

### **1. Apologies and Acceptance of Apologies**

Apologies received from Dawn Nasser, Manda George, Pat Barber, Matthew Ringham and Yvonne Epale. Apologies accepted.

Forum noted that Mark Phillips (Secondary Head) term of office expires October 2019. Nominations for the vacancy to be referred to Secondary Heads Forum.

### **2. Declaration of Interests**

None.

### **3. Minutes of the Meeting – 11 July 2019**

Agreed.

### **4. Matters Arising**

No matters arising.

## 5. Dedicated Schools Grant (DSG) 2019/2020 Update

Forum were presented with a regular update report on the DSG and were asked to consider a more formulaic approach to the application of the Early Years 3 & 4 year old funding to better support clarity.

Prior to giving consideration to the content of the report the Interim Group Finance Manager provided a brief update on the initial education funding units notification received on the 11<sup>th</sup> October 2019. Although key elements of the funding notification (early years and growth fund) were still to be received initial analysis indicated a potential funding gap. When taking account of the staff pay and pensions uplift schools were facing a real term budget pressure of 3% set against a provisional funding increase of between 0.5% and 1.84%. 1.84% is the max that can be allocated per the DfE regulations.

Forum further noted that although there had been a 9% uplift in funding for the high needs block this had only been guaranteed for one year on the basis that high needs was scheduled to be reviewed next year. The consequence of this was that caution would need to be taken when considering the application of these funds.

Forum were very concerned to note that funding to the central block had been reduced by 20% for 12/13 baseline items and that this may indicate that this funding stream would potentially be phased out over a period of 5 years. Forum noted that the central block currently provides a subsidy of £2 million to the high needs block, which coupled with the high needs review added further uncertainty.

With regard to the current DSG, and the disparity between the funding settlement in Lewisham compared with similar boroughs, it was agreed that the Director of Education Services and Interim Group Finance Manager in consultation with the Chair of Forum would put together an action plan to formally review the situation. Actions to include obtaining formula back-up data and undertaking a review of census data.

Forum were presented with the updated DSG position as at July 2019 and noted that overall at gross level, the school block allocation for Lewisham remains at £209.65m. The net position is adjusted for recoupment with regards to the amount the ESFA will top slice to fund Lewisham academy schools. Although there is no change to the central school services block and the budget remains at £5.42m there has been an overall reduction in the high needs block in the gross allocation of £108k. Forum noted that this is the adjustment for high needs places between “exported” places (children placed in other LAs) and “imported” places (children from other LAs placed in Lewisham schools). The net position shows a further adjustment of £42k reflecting ESFA adjustments for academy schools. The overall impact for the LA is predicted to be net neutral.

With respect to the early years block Forum noted that although Lewisham had received an increase in its allocation of £320k.

Lewisham currently retains only 3.8% for central EY activity as it has been set on a historic basis. EY central activity not only facilitates the collection of headcounts and financial processes to get the money out to settings, it also delivers a range of activity to ensure that children access their free entitlements in high quality provision. This includes information for parents to increase take-up (a key priority);

quality improvement framework to support settings to improve practice, inclusion and outcomes; ensuring delivery on priorities such as health, mental health; underachieving groups; parenting support and transition to school. We propose that the Service Manager for Early Years reports annually to forum on the allocation of EY central funds.

Forum noted that the deprivation factor should be calculated within the formula as a percentage of the three and four year old funding element within the EY block. In Lewisham it has historically been calculated as a percentage of the entire EY block. This is not the correct application. In 2018/19 the deprivation factor was £864k. Forum were asked to consider a recommended formulaic approach which will better meet funding guidelines and enable budgets to flex in line with movement in take-up as per table 3 in the report:

- Lewisham is funded at £5.62 per child
- Our basic hourly rate to settings is set at £5.00 per hour as agreed by Schools Forum. This accounts for 89% of the available funds.
- 5% of funds for central EY activity equates to 28p per hour.
- 2% (or £0.12) would be required to maintain the EY Inclusion Fund at circa £450k as discussed previously with Forum. Based on the current projected numbers, this is equivalent to £443k
- Proposal for 1% (or £0.05) contingency to deal with any volatility in numbers which would have an impact on all associated budgets. Proposed 3% (or £0.17) for deprivation factor. This would deliver a budget of £627k.

The DFE has awarded an increase for 2018/19 of £186k. It was previously agreed at Forum that any unallocated additional funds would be put in the EY Inclusion Fund. Forum noted that the revised deprivation figure will leave a gap of £237k between the 2018/19 figure of £864k and the £627k. For 2019/20, it is proposed that the £186k additional funding is used to support the deprivation factor to keep this in line with prior year positions, with contingency meeting the remainder. This would mean that there are no unallocated funds available for the EY Inclusion fund. Going forward, Forum were asked to consider the three and four year old funding formula to deliver the three and four year old entitlement budget as illustrated in the report:

The Interim Group Finance Manager advised Forum that the current method of applying the deprivation factor is very cumbersome and works on the basis of:

- identification of number of pupils in IDACI 21%
- exclude settings where the number is less than 5
- weighting based on banding structure to recognise number of pupils with IDACI
- enhanced threshold of £271.20 for every child if the number of pupils is greater than 20.

The method needs to be simplified.

Forum further noted that the Maintained Nursery Schools (MNS) supplementary factor is currently set at £441k for 2019/20. This is a protection arrangement to fund MNS in addition to the above £5.62 hourly allocation to the LA. This is allocated between the two nursery schools as an enhancement of £2.70 per hour on a place-filled basis. The funding can only be allocated across the two MNS. Options will be considered with the relevant schools to consider if it is possible to simplify the method to enable the MNS to have more upfront stability. Lewisham is currently awaiting information from the DfE regarding 2020/21 funding arrangements including the detail supporting supplementary funding.

## **Decision**

Forum agreed the following recommendations:

- Note the contents of this report and to agree the formalisation of the formulaic approach to the three and four year old funding entitlement.
- Agree the application of the final settlement for 2018/19 of £186k to the deprivation factor within the three and four year old entitlement funding to provide transitional support
- Support a more simpler application of the Deprivation Factor (2020/21)
- Agree that the Head of Early Years brings an annual report to Schools Forum.

## **6 Schools Financial Health Check**

Forum received a report in consideration of schools' financial health check based on the 2019/20 Governing Body Approved Budget Plans together with an update on the changes progressed by Schools Finance team to support schools. The report also included the local authority's response to the Department for Education' summer consultation "Financial Transparency of Local Authority Maintained Schools and Academy Trusts" Although Forum noted that all schools have submitted a budget plans for 2019/20 some schools are currently working with the LA where the information provided required further revision or the schools position requires formal deficit recovery planning. Six tables were presented to Forum which included the following information:

- Number of schools in Lewisham at the end of the financial year in deficit with and without loans.
- Number of schools that are able to set a balanced budget over the 3 year period.
- Number of schools that are able to set a balanced budget only by using reserves.
- The level of reserves reducing to £4.5m by 2021/22
- The number of schools with projected deficits
- The overall net projected position

Although Forum noted that the DfE statutory position is that loans (i.e. deficits) must not exceed 40% of the overall surplus position Lewisham is currently at 25%, progressing to 65% in 2020/21. The Interim Group Finance Manager confirmed that all information is based on budget returns from schools, including assumptions that need to be clarified, and that information presented in this report should to be read with caution, as historically there has been significant variance between budgets submitted as part of the closure of accounts and the final outturn. There are various reasons for this, including changes in pupil data, updated funding announcement etc. Moving forward Schools Finance will continue to develop collaborative participation and new ways of working to ensure that data is accurately reported.

With regard to pupil premium funding Forum noted that there had been a net reduction of around £700k, comprising £900k reduction offset by £200k increase. The Interim Group Finance Manager said that whilst these figures are DfE estimates, the premise was that they are broadly correct. This will have implications for some schools who have factored in higher levels. During the autumn term we will be working closely with schools to revise this data for pupil premium, pupil number and any other changes.



The Interim Group Finance Manager informed Forum that the financial situation emerging in this report is not unique to Lewisham and that the DfE is aware of the potential implications. In response a consultation was issued during the summer (14th July to 30th September). “Financial Transparency of Local Authority Maintained Schools and Academy Trusts”. A copy of the Local Authority response is attached for your information. Overall the direction of travel is that the DfE is aware of the financial pressures in schools and appears to be shifting responsibility to sit with schools and the Local Authority, with greater accountability at the Local Authority level and a shift away from the previous light touch approach.

At the last forum meeting The Interim Group Finance Manager provided an update on the additional changes that had been put in place to support schools. She further confirmed that in light of discussions with forum, schools, Schools Resource management Advisors (SMRA), DfE and the consultation paper, a collaborative metric base financial analysis tool had been developed. Although draft versions for primary and secondary schools were presented to Forum it was noted that metric information will be progressed for specialist provision and nursery schools.

### **Decision**

Forum agreed to note the following recommendations:

- The overall position for Lewisham schools based on budget plans supplied suggests an extremely challenging landscape over the 3 year budget cycle.
- Review of previous year’s data notes large volatility between budget plan position and outturn and for this reason the information must be treated with caution. The key goal is to work with schools so that a more reflective position is presented at budget planning compared with outturn.
- Within budget plans there are assumptions. With regards to Pupil Premium there is an estimated reduction in pupil premium funding of net £702k, being a reduction of £932k offset with increases of £230k. This will further frustrate schools’ ability to set a balanced budget.
- The DfE summer consultation paper on “Financial Transparency of Local Authority Maintained Schools and Academy Trusts” and the LA response.
- The potential implications of the above for Lewisham LA and schools.
- Update on changes progressed by the Schools Finance Team to support schools, including a presentation of the revised budget plan documents incorporating key metrics modules for primary and secondary schools. Modules for Special and Nursery Schools are yet to be developed and will be developed before the Financial Settlement information in spring.

### **7. Committed Funds Scheme**

Forum were presented with a report to consider the proposed implementation of the Committed Funds Scheme as discussed at the last Schools Forum meeting. Forum noted that this is a voluntary scheme and funds will continue to remain as part of the schools balances and that the proposed scheme is designed to help schools to decipher between committed and non-committed funds for the benefit of

budgeting.

At the July meeting the Interim Finance Manager informed Forum that the level of school balances on closure of accounts had increased. Engagement with schools informed us that a fair proportion of these funds relate to commitments that are “allowable”- i.e. deemed exempt from clawback under the clawback mechanism set out in the Lewisham Scheme for Financing Schools.

The Scheme for Financing Schools as it presently stands notes the following allowable commitments as exempt from the balance control mechanism:

- capital works;
- savings to fund enhancements to new builds from the Building Schools for the Future programmes and Private Finance Initiatives;
- funding shortfalls for future temporary drops in pupil numbers;
- funds to dampen the effects of step increases in pupil numbers that occur in September but are not funded until the following financial year;
- Single status;
- joint school collaboration projects which run over more than one year;
- accruals that should have taken place but could not be actioned in time for closing the accounts;
- and any administrative error in the accounts.

As part of the proposed changes schools would be asked to provide details for committed spend. During visits to schools, it was often difficult to understand the true financial position of the school. The possibility to offer schools the ability to keep funds aside for specified commitments was discussed in appropriate cases. Feedback suggested this would be helpful for both the school and the Local Authority.

Forum further noted that for clarity, the process merely splits long term committed spend from non-committed spend for no other purpose than “presentation for clarity”. The funds continue to belong to the school and to ensure the committed funds are lodged for “bona fida” purposes an application criteria was attached at Appendix A of the report. Although the scheme is voluntary for schools who feel it would offer greater clarity in their budget discussions with the Governing Body and Local Authority schools lodging funds will need to provide evidence that the money is being spent on the purpose intended.

### **Decision**

Forum agreed the following recommendations:

- Note the contents of this report.
- Recognise that the scheme is voluntary and is intended to support schools with established budgets for specific allowable commitments, to distinguish these from “business as usual funds”.
- Approve the operation of the scheme as set out in Appendix A

## 8. Revised Scheme for Financing Schools

Forum received a report concerned with a revised Scheme for Financing Schools and noted that Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain.

On 5<sup>th</sup> February 2019, the Department for Education (DfE) issued version 10 of the statutory guidance for local authorities on schemes for financing schools. It relates to Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the act. The guidance lists the provisions which a local authority's scheme must, should or may include. Schemes need not follow the format used in this guidance.

In making any changes to their schemes, local authorities must consult all maintained schools in their area and receive the approval of the members of their schools forum representing maintained schools. Local authorities must take this guidance into account when they revise their schemes, in consultation with the schools forum. Any DfE directives do not require revision and are effective from the date of publication by the DfE.

Schools Forum at its meeting in July was advised that a revised version of the Scheme for Delegation will be presented at the meeting in October. Appendix A of the report provided the current Scheme for financing School which was last updated at 1<sup>st</sup> April 2016. Since that period there have been changes both locally and by the DfE. This report aims to bring the Scheme for Financing Schools up to date as at the DfE guidance of the 4<sup>th</sup> February and Locally based on the July 2019 Schools Forum meeting. Appendix A was set out as follows:

- DfE directives that do not require approval (Green DfE directive).
- Changes supported by Forum which need formalisation (Pink LA
- Changes) agreed with Schools Forum
- Any further changes arising from this review of the scheme (Blue is LA changes being proposed—and require consultation)
- DfE changes from prior years and do not require consultation (Purple).

Forum noted that a consultation process was necessary and that given the level of changes required it is proposed that sample document accompany the “Draft Scheme for Financing Schools” which was attached to the report as Appendix B. Schools would be invited to respond with any comments or changes as necessary. The consultation will take place between 1<sup>st</sup> November to the 15<sup>th</sup> December 2019 and outcomes will be presented to Schools Forum at the January 2020 meeting.

### **Decision**

Forum agreed the following recommendations:

- Note the revisions stated, noting that DfE directives do not require consultation however local variations do require consultation.
- Approve the consultation paper as attached for wider consultation with maintained schools
- Agree the duration of the consultation to take place from 1<sup>st</sup> November to the 15<sup>th</sup> December with outcomes of the consultation to be presented to Schools Forum in January 2020.

## 9. High Needs Funding Update

Forum received a report on the High Needs Mitigation Action Plan as discussed by the Schools Forum High Needs Working Group. It was noted that demand for high needs places that meet the needs of children with SEND is increasing and that the mitigation plan forms part of a wider strategy to ensure that there are sufficient places in Lewisham to meet demand and to reduce the need for out-borough placements. A meeting with the special school headteachers was scheduled for 18<sup>th</sup> October to monitor the mitigation plan, review place planning, admissions and primary/secondary transfer.

### Decision

- Forum noted the actions of the Mitigation Action Plan as set out in the report.

## SCHOOLS FORUM ACTION SUMMARY

<b>ITEM</b>	<b>ACTION TO BE TAKEN</b>	<b>OFFICER (S) RESPONSIBLE</b>	<b>OUTCOME/ CURRENT POSITION</b>
<b>Forum 17 Oct 2019, Item 5 – Dedicated Schools Grant 2019/20.</b>	Action/consultation plan to be drawn up.	Angela Scattergood Mala Dadlani	For Jan 2020 forum.
<b>Forum 17 Oct 2019, Item 6 – Finance Support to Schools</b>	Financial support to schools.	Mala Dadlani	For Jan 2020 forum.
<b>Forum 17 Oct 2019, item 8 - Revised Scheme for Financing Schools.</b>	Report on the outcome of the consultation on the proposed scheme.	Mala Dadlani	For Jan 2020 forum.

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Dedicated Schools Grant (DSG) 2020/2021</b>		
<b>KEY DECISION</b>	No	<b>Item No.</b>	<b>5</b> (Report 1)
<b>WARD</b>	N/A		
<b>CLASS</b>		<b>Date</b>	<b>12<sup>th</sup> December 2019</b>

## 1. Purpose of the Report

- 1.1. Schools Forum will be aware that each Local Authority is required to submit their agreed Local Schools Funding Formula to the Department for Education (DfE) by the 21<sup>st</sup> January 2020 (primary and secondary). There is a legal requirement for all schools to be advised of their schools budget share by the end of February 2020. The deadlines for producing this information are very challenging as the financial settlement is unlikely to be known until circa 18<sup>th</sup> December 2019. This report will aim to gain the necessary mandate to enable officers to provide Schools Forum with final funding information to enable both the above deadlines to be met.
- 1.2. The report will be split into sub-sections to ensure there is clarity on decisions and the attached funding. For this reason this will be a summary report with sub reports for Schools Block, High Needs Block (HNB) and Early Years (EY) Block.

## 2. Recommendations

- 2.1. Schools Forum is recommended to:
  - 2.1.1. Note the contents of this report and supplementary reports.
  - 2.1.2. All proposed recommendations for approval will be considered as part of the relevant supplementary report.

### 3. DSG 2020/21

- 3.1. Schools Forum was advised of the partial settlement for 2020/21 at their meeting in October 2019.
- 3.2. Lewisham has received some of the lowest increases overall. Lewisham Council is working with London Councils with a view to lobbying the DfE. Meetings have also been held with Members to advice on the perceived inequality. A meeting has been arranged with DfE on the 17<sup>th</sup> December 2019 with a view to exploring the 3 and 4 Year funding levels for EY.
- 3.3. As a recap, the tables below show Lewisham funding in context to other London councils.

**Table 1 – Primary Phase Funding Receivable by LA**

		Current per pupil funding Primary	Rank	Primary from 2020/21	Rank	Increase Primary	% Primary
202	Camden	£5,389.25	5	£5,485.88	6.00	£96.63	1.76%
203	Greenwich	£4,907.34	14	£5,012.07	14.00	£104.73	2.09%
204	Hackney	£5,908.79	2	£6,018.44	2.00	£109.65	1.82%
205	Hammersmith and Fulham	£5,208.92	10	£5,311.43	10.00	£102.51	1.93%
206	Islington	£5,250.48	9	£5,396.22	9.00	£145.74	2.70%
207	Kensington and Chelsea	£5,324.58	7	£5,447.07	8.00	£122.49	2.25%
208	Lambeth	£5,471.45	4	£5,573.43	4.00	£101.98	1.83%
209	Lewisham	£5,041.65	12	£5,125.27	12.00	£83.62	1.63%
210	Southwark	£5,537.79	3	£5,637.62	3.00	£99.83	1.77%
211	Tower Hamlets	£5,922.81	1	£6,027.70	1.00	£104.89	1.74%
212	Wandsworth	£5,068.14	11	£5,146.51	11.00	£78.37	1.52%

**Table 2 – Secondary Phase Funding Receivable by LA**

		Current Secondary Schools Funding	Rank	Sec	Rank	increase secondary	% Secondary
202	Camden	£6,928.20	7	£7,057.78	7.00	£129.58	1.84%
203	Greenwich	£6,598.44	13	£6,811.21	13.00	£212.77	3.12%
204	Hackney	£7,872.97	1	£8,011.35	1.00	£138.38	1.73%
205	Hammersmith and Fulham	£7,011.63	5	£7,128.01	6.00	£116.38	1.63%
206	Islington	£6,962.29	6	£7,131.58	5.00	£169.29	2.37%
207	Kensington and Chelsea	£6,749.35	10	£6,868.80	10.00	£119.45	1.74%
208	Lambeth	£7,394.57	4	£7,530.92	4.00	£136.35	1.81%
209	Lewisham	£6,722.65	11	£6,859.10	12.00	£136.45	1.99%
210	Southwark	£7,756.04	3	£7,873.97	3.00	£117.93	1.50%
211	Tower Hamlets	£7,861.06	2	£7,999.76	2.00	£138.70	1.73%
212	Wandsworth	£6,334.56	14	£6,530.95	14.00	£196.39	3.01%
213	Westminster	£6,775.56	9	£6,960.06	9.00	£184.50	2.65%

**Table 3 High Needs Funding**

LA name (alphabetical order within region)	Provisional high needs NFF allocations for 2020- 21 (total cash)*	Percentage change over equivalent 2019- 20 allocations (total cash)*	Change	Total Pupil Numbers in mainstream schools	Average funding per pupil	Average increase per pupil	if average cost was £20k	% of total pupils
Camden	£39,878,418	8.88%	£3,253,261	18708	£2,131.62	£173.90	1,994	11%
Hackney	£47,474,324	10.12%	£4,360,953	30344	£1,564.54	£143.72	2,374	8%
Hammersmith and Fulham	£24,630,057	13.48%	£2,924,840	16856	£1,461.25	£173.52	1,232	7%
Haringey	£40,487,007	12.04%	£4,350,471	33871	£1,195.33	£128.44	2,024	6%
Islington	£33,475,862	11.06%	£3,332,492	21034	£1,591.51	£158.43	1,674	8%
Kensington and Chelsea	£18,416,330	7.25%	£1,245,414	11499	£1,601.63	£108.31	921	8%
Lambeth	£46,896,639	9.75%	£4,166,917	33073	£1,417.97	£125.99	2,345	7%
Lewisham	£56,211,521	9.15%	£4,713,332	36271	£1,549.79	£129.95	2,811	8%
Newham	£54,829,671	14.03%	£6,744,383	55545	£987.12	£121.42	2,741	5%
Southwark	£49,614,962	11.48%	£5,110,933	37835	£1,311.37	£135.09	2,481	7%
Tower Hamlets	£58,059,943	14.34%	£7,282,571	37871	£1,533.12	£192.30	2,903	8%

Wandsworth	£47,510,401	8.09%	£3,556,109	28255	£1,681.52	£125.86	2,376	8%
Westminster	£29,061,783	10.03%	£2,648,422	18382	£1,581.03	£144.08	1,453	8%

**Table 4 Early Years Funding**

Region (alphabetical order)	LA name (alphabetical order within region)	2019- 20 EYNFF rate [a]	2020-21 EYNFF rate [e] [e] = [a] or [d], whichever is higher	difference	Rank	2019/20 per PTE pupil	2020/21 per PTE pupil	difference	relative to Lewisham
INNER LONDON	Camden	£8.51	£8.51	£0.00	1	£4,850.70	£4,850.70	£0.00	£1,601.70
INNER LONDON	Hackney	£5.83	£5.91	£0.08	13	£3,323.10	£3,368.70	£45.60	£119.70
INNER LONDON	Hammersmith and Fulham	£7.92	£8.00	£0.08	3	£4,514.40	£4,560.00	£45.60	£1,311.00
INNER LONDON	Haringey	£5.66	£5.74	£0.08	19	£3,226.20	£3,271.80	£45.60	£22.80
INNER LONDON	Islington	£7.81	£7.81	£0.00	6	£4,451.70	£4,451.70	£0.00	£1,202.70
INNER LONDON	Kensington and Chelsea	£7.89	£7.97	£0.08	4	£4,497.30	£4,542.90	£45.60	£1,293.90
INNER LONDON	Lambeth	£7.32	£7.32	£0.00	7	£4,172.40	£4,172.40	£0.00	£923.40
INNER LONDON	Lewisham	£5.62	£5.70	£0.08	21	£3,203.40	£3,249.00	£45.60	£0.00
INNER LONDON	Newham	£5.57	£5.65	£0.08	25	£3,174.90	£3,220.50	£45.60	-£28.50
INNER LONDON	Southwark	£6.86	£6.86	£0.00	8	£3,910.20	£3,910.20	£0.00	£661.20
INNER LONDON	Tower Hamlets	£8.06	£8.06	£0.00	2	£4,594.20	£4,594.20	£0.00	£1,345.20
INNER LONDON	Wandsworth	£6.48	£6.56	£0.08	9	£3,693.60	£3,739.20	£45.60	£490.20
INNER LONDON	Westminster	£7.86	£7.86	£0.00	5	£4,480.20	£4,480.20	£0.00	£1,231.20

#### 4. Further Information

4.1 Should you require any additional information regarding the items contained in this report please contact:

Mala Dadlani  
Interim Group Finance Manager for CYP on 020 8314 3581  
[mala.dadlani@lewisham.gov.uk](mailto:mala.dadlani@lewisham.gov.uk)

Or

Selwyn Thompson  
Head of Financial Services on 020 8314 6932  
[selwyn.thompson@lewisham.gov.uk](mailto:selwyn.thompson@lewisham.gov.uk)



<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Dedicated Schools Grant (DSG) 2020/2021 – Schools Block</b>		
<b>KEY DECISION</b>	<b>No</b>	<b>Item No.</b>	<b>5 (Report 2)</b>
<b>WARD</b>	<b>N/A</b>		
<b>CLASS</b>		<b>Date</b>	<b>12<sup>th</sup> December 2019</b>

## **1 Purpose of this report**

1.1 This report seeks agreement on the application of the Schools Block.

## **2 Recommendations**

2.1 Schools Forum is asked to:-

2.1.1 Agree proposals as outlined in paragraphs 3.1, 3.2 and 3.4 (All Primary and Secondary Phase Schools)

2.1.2 Note information as outlined in paragraphs 3.3 and 3.5

2.1.3 Approve Disaggregation (Primary Phase and Secondary Phase) as outlined 3.6.2 A, B and C.

2.1.4 Approve the Disaggregation variation as detailed in 3.6.2 D

## **3 Proposed application of the Schools Block**

3.1 **Alignment to the National Funding Formula** - Continue to progress with the Principles of the National Funding Formula in full. This includes using all funding values as determined by the Department for Education. This would ensure that we are in readiness for the hard formula implementation which is due from 2021/22 (proposed). **Schools Forum to agree.**

3.2 **Minimum Funding Guarantee (MFG) uplift** –the Department for Education requirement is that all schools will receive an uplift of between 0.5% and 1.84%. Subject to affordability it is proposed that the formula will endeavour to deliver on or as close to the 1.84%. **Schools Forum to agree.**

- 3.3 **Disapplication request DfE** for continued disapplication for service charge factors being
- St Michaels rent charges £21,925
  - Bonus Pastor playing field management on behalf of the local authority. £162,096.00
- Schools Forum to note.**
- 3.4 **Disapplication request DfE** for two schools expanding from secondary to primary phase. The MFG protects these schools at an average per pupil rate that is inflated by higher secondary funding level, thereby providing excessive protection at the expense of other schools. Amended MFG will protect the schools appropriately. **Schools Forum to agree.**
- 3.5 **Disaggregation of Schools.** The following schools have disaggregated from September 2019. There is a potential one-off funding pressure in 2019/20 expected to be circa £125k part year effect. This assumes the DfE will uplift Lewisham's final settlement by the equivalent of two extra premises lump sums. If not the pressure will continue into 2020/21 **Schools Forum to note.**
- 3.6 **De-Delegation**
- 3.6.1 The DfE guidance enables Local Authorities to provide services centrally which are funded by a process known as de-delegation. This only applies to mainstream schools and not academies. As such funding levels agreed will reduce should any school convert following finalisation of the budget process.
- 3.6.2 The de-delegation process must be agreed every year and supported (by means of voting) by the representative of each phase at Schools Forums. The proposal for 2019/20 delegation are in line with the current de-delegation levels. It is proposed that de-delegation continues in line with current levels and supports the following:
- A Administration of Free School Meals (£59K)
  - B Trade union and non-sickness supply scheme (Maternity Fund) (£1.1m)
  - C School Improvement –to support the work of the Lewisham Learning Partnership. (£300k)

**Schools Forum is asked to consider a variation to the following:**

- D **Schools Contingency** – to support costs that should not be reasonably incurred by a governing body. (£557k). The last few years the majority of this funding has been mainly used to support the Sedgehill transfer as agreed with Schools Forum.
- D2 School improvement support from Lewisham Learning focuses primarily on the quality of education, governance and teaching and learning. In these challenging times, the school finance function is crucial to delivering school improvement through strategic financial management. At present as requested by Schools Forum, there has been an intensive drive by the schools finance team to support schools with strategic financial leadership through a range of system-wide and individual school activity. Feedback from all phases has been very positive.
- D3 The statutory role provided by the finance service area is funded by the General Fund. With regards to additional support some schools purchase the finance Service Level Agreement (SLA) and others do not. The current SLA is based on a historic offer which as schools forum accepts is not fit for purpose. The service budget is currently being supplemented by the General Fund to enable all schools to receive additional support and facilitate management of change. .
- D4 It is critical in the current financial landscape that schools are supported in full. Finance has been working effectively with schools to progress a more hands-on finance support offer, including delivery of the new DfE reforms. Much of the work is currently of a transformation and change nature. Schools Forum is asked to support a temporary suspension of the SLA for finance for a two year period and replace that with de-delegation during this transition and embedding phase. It is proposed that following the two year period a more routine offer would be required which can be developed and offered over the next two years. To enable the current service with two senior accountants would cost approximately £130k per annum. This would mean a move of £4.20 from schools contingency to other (i.e. finance). Please note that schools who currently pay for the service will be covered by this agreement. This would still leave approximately £425k as contingency. **Schools Forum to approve for a period of 2 years.**

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Dedicated Schools Grant (DSG) 2020/2021 – High Needs Block</b>		
<b>KEY DECISION</b>	<b>No</b>	<b>Item No.</b>	<b>5</b> (Report 3)
<b>WARD</b>	<b>N/A</b>		
<b>CLASS</b>		<b>Date</b>	<b>12<sup>th</sup> December 2019</b>

## 1 Purpose of this report

- 1.1 Schools Forum will be aware that Lewisham has received a potential increase of £4.7m, which is offset by a reduction of £700k in the Schools Central Block which supports high needs.
- 1.2 Schools Forum will also be aware that any increase is temporary, as the DfE is undertaking a review of the High Needs National Funding Formula which could potentially impact on future funding levels. As such permanent commitments need to be avoided as much as possible.

## 2 Recommendations

- 2.1 Schools Forum is asked to :
- 2.2.1 Agree the disapplication request as detailed in paragraph 3.1
- 2.2.2 Agree the method to support schools with disproportionately higher EHCP
- 2.2.3 Note further engagement with Schools with regards pupils with SEN support including potential pilot reviews.
- 2.2.4 Approve a business case approach to support schools that have been particularly hard hit by the increase in support staff costs for one year as outlined in paragraph 3.3.

## 3 Application of the additional funding for 2020/21

- 3.1 Revenue to Capital spend - Schools Forum has been previously advised of the pressure on High Needs Funding. Schools Forum supported an establishment of a working group to review and implement a mitigation plan. One key area is the review of existing provision to ensure that it meets the needs and challenges of our young people.

The second key area is where possible to facilitate any possible expansions within the current provisions that are cost effective in increasing capacity to meet need in the Borough. The additional £4.7m offers Lewisham some opportunity to consider one off spend such as remodelling, minor expansions etc. **Schools Forum is asked to support a disapplication request to the Department for education to enable £2m worth of funding to be utilised for capital purposes. Any use of funds will be reported to back to Schools Forum.**

### 3.2 Supporting Schools with higher than average SEN

3.2.1 EHCP - At the July Schools Forum meeting, Schools Forum was advised of pressure on some schools who as a proportion have disproportionately more pupils with SEN (EHCP). Schools are expected to meet the first £6k of SEN spend. The analysis shows one school as an outlier if a 3% margin of variation from average is assumed. The SEN Service is currently working with schools as part of both the Inclusion Plan and the mitigation plan to consider ways of further promoting inclusive practices across all schools. **Schools Forum is asked to support the method to financially support schools is they are 3% above average within their peer schools.**

3.2.2 SEN support – Schools have also made representation with regards pupils who need SEN support but don't have a formal plan. It is proposed that further analysis is undertaken with schools including a possible consideration of a pilot approach. **Schools Forum is asked to support a more detailed review of SEN support with a view that a report should be presented to a future meeting of the Schools Forum potentially the first meeting of 2020/21.**

### 3.3 Schools facing hardship as a result of the increase in support staff costs.

3.3.1 It is recognised that special schools have faced greater pressure arising from the increase in costs for support staff. Schools forum needs to be mindful that it is unclear if the funding in 2020/21 will continue, coupled with pressures arising from increased number of EHCP/SEN support. ***Schools Forum is asked to support the proposal that the High Needs Review group considers appropriateness and method to support schools. Any support can at this stage only be one off. Wider considerations will also need to be taken into account for example, value of pressure, ability to absorb the cost pressure within current funding etc.***

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Dedicated Schools Grant (DSG) 2020/2021 – Early Years Block</b>		
<b>KEY DECISION</b>	<b>No</b>	<b>Item No.</b>	<b>5 (Report 4)</b>
<b>WARD</b>	<b>N/A</b>		
<b>CLASS</b>		<b>Date</b>	<b>12<sup>th</sup> December 2019</b>

## **1 Purpose of this report**

- 1.1 Purpose of this report is to agree allocations for the Early Years Block funding.

## **2 Recommendations**

- 2.1 Schools Forum is asked to :
- 2.1.1 Note the increase in hourly rate at 8p and to approve the revision of the Early Years Funding Formula as outlined in paragraph 3.1.3
- 2.1.2 Delegate responsibility to the Director of Education Services in discussion with Nursery Schools, the basis to allocate the supplementary funding for 2020/21 (as detailed in paragraph 3.2).
- 2.1.3 Approve the deprivation funding methodology (incorporating a two year transitional period) as detailed in paragraph 3.3.
- 2.1.4 Note the 2 year old funding, and agree to further detailed information that allocates the additional 50p between contingency and inclusion fund. (As detailed in paragraph 4).

## **3 Early Years Block**

- 3.1 **Increase in funding 2020/21**

- 3.1.1 The DfE has now confirmed that the funding rate per pupil will increase by 8p for 2020/21. Based on current numbers this is a total uplift of only circa £300k
- 3.1.2 Table below shows the proposed distribution of the additional 8p, noting that at previous meetings of the Schools Forum, it has been noted that both the deprivation and inclusion fund budgets are under pressure.
- 3.1.3 This option will enable funding to be targeted to need. **Schools Forum is asked to note the small level of increase and to agree the deployment of this funding in line with the table below.**

Current Rate per hour	Revised Rate per hour		pte	hrs			
<b>Distribution</b>	<b>Distribution</b>		4861	2770770			
			1658	945060			
			<b>total hours</b>	<b>3715830</b>			
£5.62	£5.70			£m		£m	£
£5.00	5.000	hourly rate		£18.58	£18.58	£0.00	£0
£0.17	0.210	deprivation		£0.63	£0.78	£0.15	£148,633
£0.12	0.155	inclusion		£0.45	£0.58	£0.13	£130,054
£0.05	0.050	contingency		£0.19	£0.19	£0.00	£0
£0.28	0.285	LA central services		£1.04	£1.06	£0.02	£18,579
				Total increase	£297,266		

### 3.2 Supplementary Funding for Nursery Schools

- 3.2.1 The DfE has confirmed that the supplementary funding for nursery schools is expected to continue for 2020/21. Whilst this is positive news, no indication is given as yet beyond 2020/21.
- 3.2.2 At present the funding is allocated to each school on the basis of an uplift of £2.70 per hour. This is an arduous process which provides no benefit to either the nursery schools or the LA. It is proposed that the funding is

allocated as a lump sum to the nursery schools. Schools forum is asked to support this approach, and delegate the allocation to the Executive Director for Children and Young People in conjunction with the two nursery schools. Lewisham will continue working with the two nursery schools view a view to progressing a sustainable funding model.

### 3.3 Deprivation Funding

3.3.2 Schools Forum was advised at the October meeting of the need to revise the deprivation funding allocation which schools forum supported. For clarification Schools Forum is asked to approve the following:

- Funding continues to be made at the January spring term census proceeding the financial year e.g. January 2020 to fund deprivation for 2020/21.
- Funding will continue to target the 20% most deprived using the IDACI scoring of deprivation.
- The funding will support all pupils equally within the overall affordability envelope.
- 2020/21, 2021/22 will be transition years where the current method and new method will be used i.e. 2020/21, 1 part new, 2 parts old, 2021/22 2 parts new, 1 part old, year 3 will see a full transition to the new funding method.

**Schools Forum is asked to note and approve the approach to deprivation funding, recognising the need to provide stability to providers affected by the change. Service Manager for Early Years will communicate the revision to early years providers.**

### 4 Two year old funding

4.1 Currently Lewisham receives £6.50 per hour for two year old funding. The funding is allocated on a January and January count date whilst allocations are made termly.

4.2 Schools Forum to note that a review of the funding verses application needs to be undertaken with formalising of a funding approach. It is intended that any potential funding should be used to support the inclusion fund to extend that to two, three and four year old support.

**Schools forum is asked to note this position and receive a further update in January with a view to increasing the inclusion fund budget to support 2 year olds with SEN needs.**