

# Schools Forum Agenda

Thursday, 29th June 2023

4.30 pm – 6.30pm, Virtual - Microsoft Teams

For more information contact: [janita.aubun@lewisham.gov.uk](mailto:janita.aubun@lewisham.gov.uk) tel: 020 83147030

Item	Pages
<b>1. Apologies and Acceptance of Apologies</b>	
<b>Welcome new members</b>	
Melanie Simpson – Early Years PVI representative	
<b>Member resignations</b>	
Matthew Ringham – Chair Lynne Haines - Special Schools Head rep.	
<b>2. Declaration of Interests</b>	
<b>3. Minutes of the Meeting - 19 January 2023</b>	<b>1 - 4</b>
<b>4. Minutes of the Meeting - 1 February 2023</b>	<b>5 - 8</b>
<b>5. Matters Arising</b>	
• PFI consultation included within agenda	
<b>6. Schools Forum Work Plan for 2023/24</b>	<b>9 - 15</b>
Purpose of this report is to confirm the timing and dates for Schools Forum meetings and to support agenda setting. The agenda remains fluid to allow flexibility in updating on matters of interest.	
<b>7. Schools Audit 2022-23 Overall Summary Report</b>	<b>16 - 27</b>
To update schools forum on the schools audit process.	
<b>8. Early Years Entitlements Expansion to 2025</b>	<b>28 - 37</b>
Following on from the Spring Statement, this presentation aims to update Forum with respect to the Early Years Entitlement Expansion, including	

what is currently not known.

**9. Mayor of London - Universal Free School Meals 38 - 46**

The presentation provides forum detailed information with regards the Mayor of London's Free School Meals offer for Key Stage 2 pupils.

**10. High Needs Mitigations & Delivering Better Value Update 47 - 50**

The presentation provides and updates on the high needs block mitigation plan and the engagement with the Department for Education (DfE) on the Delivering Better Value (DBV) Tranche 3.

**11. Dedicated Schools Grant 2022/23 Including Schools Balances Position 51 - 55**

Report provides the outturn position for 2022/23 for the DSG and the Schools end of year position. The report further notes that that the Early Years Block remains provisional, pending finalisation of pupil number by the DfE.

**12. Dedicated Schools Grant 2023-24 and Update on Other Specific Grants 56 - 60**

The report provides and update on the 2023/24 DSG position and where possible updated information on other schools related grants at the time of writing.

**13. Dedicated Schools Grant 2024/25 - Updates Towards Hard Formula - Plus PFI Consultation 61 - 71**

This report provides and updates on the transition of the Schools Funding Formula to a Hard Formula. The report builds on the work undertaken for 2023/24 and provides a draft consultation for the PFI factor for engagement with mainstream schools who are in receipt of funding from this factor, for consideration as part of the 2024/25 Schools Funding Formula.

**14. Any Other Business**

- Schools Forum Constitution
- Election of Chair and Vice Chair – following Resignation of Chair – First Item for Autumn Meeting—

**Future meetings**

19 October 2023

14 December 2023

18 January 2024 (provisional date, subject to DfE)

All meetings will be held between 16.30 and 18.30 virtually

### **Sub Group meetings**

<b>High Needs Sub Group</b>
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21 June 2023 11 October 2023 7 December 2023 11 January 2024
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## LEWISHAM SCHOOLS FORUM

*Minutes of the meeting held on Thursday 19th January 2023*

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

		Attendance				
Primary School Headteachers		28/ 06	20/ 10	15/ 12	19/ 01	Date of Appointment
Jacqueline Noakes	John Ball	✓	✓	✕		Dec 2021
Manda George	Torridon Primary	✓	✓	✓	✓	Jan 2022
Sharon Lynch	St William of York	✓	✓	✓	✓	Jan 2022
Julie Loffstadt	Kilmorie	✓	✕	✓	✓	Jan 2022
Matthew Ringham	Our Lady & St Philip Neri	a	✓	✓	✓	Jan 2022
David Lucas	Trinity	✓	✓	✓	✓	Jan 2021
Maxine Osbaldeston	Launcelot	✓	✓	✓	✓	Jan 2021
Nursery School Headteacher						
Cathryn Arnold-Kinsey	Clyde Nursery	✓	a	a	✓	Jan 2022
Secondary School Headteachers						
Naill Hand	Prendergast Ladywell	✓	✓	✓	✓	Oct 2022
Michael Sullivan	Forest Hill		✓	✓	✓	Oct 2022
Special School Headteacher						
Lynne Haines	Greenvale	✓	✓	a	a	Dec 2021
Pupil Referral Unit Headteacher						
Heather Johnston	Abbey Manor	✓	✓	✓	✓	Jan 2023
Primary School Governors						
Daniel Meyer	St Bartholomews	✓	✓	✓	✓	Jan 2022
Peter Fidel	Eliot Bank and Gordonbrock Federation	✓	✓	✓	✕	June 2021
Secondary & Special School Governors						
Pat Barber	Bonus Pastor	a	✓	✓	✓	Jan 2022

Andy Rothery	Leathersellers Federation	✓	✓	✓	✓	June 2021
VACANT	SPECIAL SCHOOL					
<b>Academies</b>						
Miz Mann	STEP Academy Trust	✓	✓	a	a	Oct 2021
Ann Butcher	Childeric	✓	a	✓	✓	June 2021
<b>14-19 Consortium Rep</b>						
Gerard Garvey	Lewisham Southwark College	x	x	x	x	June 2022
<b>Early Years – PVI</b>						
VACANT						
<b>Diocesan Authorities</b>						
VACANT	Southwark Diocesan Board of Education (Church of England)					
Yvonne Epale	Education Commission – Catholic Diocese of Southwark	✓	✓	a	✓	May 2021

<b>Observers/Others in attendance</b>		
Strategic Business Partner	Mala Dadlani	
Director of Education Services	Angela Scattergood	
LB Lewisham - Finance	Nick Penny	
LB Lewisham	Ruth Griffiths	
LB Lewisham	Reinhild Onuoha	
Leathersellers Federation	Tony Marnham	
Clerk	Janita Aubun	

### 1. Apologies and Acceptance of Apologies/ Welcome new members

Apologies accepted from Lynne Haines and Miz Mann. Heather Johnston (PRU representative) renewed term of office.

### 2. Declaration of Interest

None.

### 3. Minutes of the Meeting of 15 Dec 2022

Correction required to the name of school for Michael Sullivan – Forest Hill. Clerk will amend.

### 4. Matters arising

Chair informed forum that Jacqueline Knoake has resigned from her post of Primary Headteacher representative. Primary Leadership forum to commence process of electing a replacement.

Additionally, Lynne Haines will be leaving at the end of the year so new Special School Head representative will be required.

## 5. Summary of the Schools Funding Settlement 2023/24

Schools Forum were given an overview of the DSG position 2023/24. CSSB remains as at present i.e. till 2023/24 at least. High Needs Block increased – we are working with the DfE over the next year to take part with their Delivering Better Value Initiative – expected to commence Summer 2023. Early Years funding – baseline has increased as a result of the Autumn Statement. Teachers Pay and Pension grant has now been rolled into Early Years. Increase in Supplementary Grant which was already in the DSG - £500K. Increase in hospital funding. So overall increase of circa 10%. Forum informed of net reduction in primary school numbers relative to 2021/22, however a net increase with secondary schools.

### Recommendations:-

- Schools Forum asked to note the overall increase in schools funding for **2023/24**.
- Schools Forum was asked to note the reduction in CSSB of £0.4m.
- Schools' forum to note the increase in High Needs funding as stated and to continue to note the requirement on the LA (in partnership with their schools forum) to set a balanced budget position.
- Schools forum to note the increase in Early Years funding but to note that the new settlement whilst welcomed as additional funding, will continue to place pressure on EY providers, as the increase rectifies some of the previous underfunding.
- Schools Forum further asked to note and agree the distribution of funding for the 3 & 4 year old and 2 year old hourly rates in line with the current method.
- Schools Forum was asked to agree the distribution of the funding on "Quality based factor linked to teachers". Following the data collection exercise, a paper is to be brought to forum in June confirming the allocation.

### Decision:-

- All recommendations noted and agreed.

## 6. Dedicated Schools Grant 2023/24 – Authority Pro-forma Tool – Submission to the Department for Education

Paper presented to Forum informing the funding formula is required to be submitted to the DfE 20<sup>th</sup> January 2023; the LA will continue to mirror the National Funding Formula.

Forum was informed about the rationale of the per pupil primary formula and Lewisham area cost adjustment. Also, discussion around the low level of free school meals take up in Lewisham primary schools, therefore schools are losing funding including pupil premium. Secondary schools are in a better position. Nursery school pupils are not entitled to FSM. However, the primary school figures are used as proxy for EY funding.

Information sharing regarding IDACI, primary and secondary mobility appearing low, split sites etc – this was to highlight what dictates school funding. Minimum Funding Guarantee (MFG) is now 0.5%.

As we move to Hard Formula, there is a risk for those schools on MFG as that is effectively funding schools are receiving which is over the NFF – so schools need to start planning for that funding to at some point either fall out or get levelled out with the NFF – i.e. cash impact.

### PFI factor

Schools forum was provided with an update following a meeting with secondary heads (that have PFI schools). The meeting did not deliver a consensus for change. SF deliberated the PFI factor further, it

was agreed a further meeting would take place to consider opportunity for review. However, the APT will be at present submitted as per the existing formula.

Recommendations:-

- Forum to approve the APT for submission to the DfE as presented, that allows for the application of National Funding Formula, £300,000 for the growth fund and the remaining balance (up to 0.5% of Schools Block funding) to be transferred to High Needs Block.
- PFI factor to be revisited, with potentially an extraordinary meeting if required.
- TOFTUA – formally agree the 2023/24 per pupil values for consideration as part of the de-delegation and also direct charging to academy and special schools.

Decisions:-

- APT approved for submission to DfE as presented
- Review of PFI factor -Schools Forum approval required to for Head teachers with PFI to revisit the PFI factor - an extraordinary meeting of the forum may be required. Schools forum agreed (Yes-13). Against 0, Abstention 0.
- TOFTUA – agreed.

**7. Any Other Business**

None

**Future Meetings**

**Schools Forum dates 2023/24 will be emailed to members tomorrow.**

All Schools Forum meetings continue to be held between 16:30-18:30 and remain virtual, unless advised otherwise.

**High Needs Sub Group meeting dates to be confirmed.**

**Schools Forum Action Summary**

<b>Item</b>	<b>Action to be taken</b>	<b>Officer(s) responsible</b>	<b>Outcome/Current position</b>
<b>8 – AOB Schools forum 15 December 2022</b>	Cost of living crisis - to lobby at National Level. Letter currently being written and will be presented to the forum for approval.	All headteachers	Pending
<b>5 – Summary of the Schools Funding Settlement 2023/24, Schools Forum 19 January 2023</b>	Following the data collection exercise, a paper is to be brought to forum in June confirming the allocation. (To agree the distribution of the funding on ‘quality based factor linked to teachers’).	Mala Dadlani	For June 2023 forum

## LEWISHAM SCHOOLS FORUM

### *Minutes of the meeting held on Wednesday 1st February 2023*

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

		Attendance				
Primary School Headteachers		20/ 10	15/ 12	19/ 01	01/ 02	Date of Appointment
Manda George	Torridon Primary	✓	✓	✓	a	Jan 2022
Sharon Lynch	St William of York	✓	✓	✓	✕	Jan 2022
Julie Loffstadt	Kilmorie	✕	✓	✓	✓	Jan 2022
Matthew Ringham	Our Lady & St Philip Neri	✓	✓	✓	✓	Jan 2022
David Lucas	Trinity	✓	✓	✓	✓	Jan 2021
Maxine Osbaldeston	Launcelot	✓	✓	✓	✕	Jan 2021
VACANT	PRIMARY SCHOOL					
Nursery School Headteacher						
Cathryn Arnold-Kinsey	Clyde Nursery	a	a	✓	✓	Jan 2022
Secondary School Headteachers						
Naill Hand	Prendergast Ladywell	✓	✓	✓	✓	Oct 2022
Michael Sullivan	Forest Hill	✓	✓	✓	✓	Oct 2022
Special School Headteacher						
Lynne Haines	Greenvale	✓	a	a	✓	Dec 2021
Pupil Referral Unit Headteacher						
Heather Johnston	Abbey Manor	✓	✓	✓	✕	Jan 2023
Primary School Governors						
Daniel Meyer	St Bartholomews	✓	✓	✓	✓	Jan 2022
Peter Fidel	Eliot Bank and Gordonbrock Federation	✓	✓	✕	✓	June 2021
Secondary & Special School Governors						
Pat Barber	Bonus Pastor	✓	✓	✓	✓	Jan 2022



Andy Rothery	Leathersellers Federation	✓	✓	✓	✓	June 2021
VACANT	SPECIAL SCHOOL					
<b>Academies</b>						
Miz Mann	STEP Academy Trust	✓	a	a	✓	Oct 2021
Ann Butcher	Childeric	a	✓	✓	✓	June 2021
<b>14-19 Consortium Rep</b>						
Gerard Garvey	Lewisham Southwark College	x	x	x	x	June 2022
<b>Early Years – PVI</b>						
Melanie Simpson	The Village Montessori				a	Feb 2023
<b>Diocesan Authorities</b>						
VACANT	Southwark Diocesan Board of Education (Church of England)					
Yvonne Epale	Education Commission – Catholic Diocese of Southwark	✓	a	✓	a	May 2021

<b>Observers/Others in attendance</b>		
Strategic Business Partner	Mala Dadlani	
Director of Education Services	Angela Scattergood	
LB Lewisham - Finance	Nick Penny	
LB Lewisham	Ruth Griffiths	
Clerk	Janita Aubun	

### 1. Apologies and Acceptance of Apologies/ Welcome new members

Apologies accepted from Manda George and Yvonne Epale.

### 2. Declaration of Interest

Declaration of interest for PFI school forum members. Declarations accepted.

### 3. PFI Consultation

Today is an extraordinary meeting of schools forum to consider feedback from the PFI consultation with mainstream schools in scope.

Officers explained to forum that the DfE will be looking towards a hard NFF; we don't know when PFI will be looked at. Also forum were informed that at last week's meeting with PFI school heads it was agreed that SEN funding should be removed. In regard to Prendergast Ladywell & Trinity school all through schools, the status quo model is to be redefined to bring in PFI element only. Mentioned that Bonus Pastor playing fields (exceptional factor), is an income element but it should not be included. Conisborough and Bonus Pastor schools do not receive anything from the formula, but as per the DfE, all schools should receive something.

Noted that under the hard formula, schools with MFG are not in a good position.

### **Consultation Results**

<b>OPTIONS</b>	<b>TOTAL</b>
Option 2 - Maintain Status Quo	3
Option 3 - New formula based	2
Option 4 - New formula based 78% and 22% lump sum	3
Abstained	0

Option 4 is the LA recommendation. This option generates £250k which returns to the authority by default. This would be ringfenced to provide direct transitional support to any school who has lost out – to a maximum of that figure.

Vote at forum on the above Options.

Result:-

Officer recommendation was in support of option 4, which was agreed. Of the 9 voting members present, 7 voted in favour of this option and 2 voted against.

Schools forum also agreed that discussions with schools/stakeholders will take place 'on principles' and not information on an annual basis, using 2023/24 data to back up exemplification. A meeting is to be arranged circa September/October 2023 to inform the 2024/25 factor. Schools Forum approved the resubmission of the APT allowing for the revision of the PFI factor as agreed with forum. Further agreed any release from MFG to support transition for 2023/24.

#### **4. Matters arising**

None

#### **5. Any Other Business**

None

### **Future Meetings**

29 June 2023

19 October 2023

14 December 2023

18 January 2024 (provisional date, subject to DfE)

All Schools Forum meetings continue to be held between 16:30-18:30 and remain virtual, unless advised otherwise.

### **Sub Group meetings**

<b>High Needs Sub Group</b>
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### Schools Forum Action Summary

Item	Action to be taken	Officer(s) responsible	Outcome/Current position
<b>8 – AOB Schools forum 15 December 2022</b>	Cost of living crisis - to lobby at National Level. Letter currently being written and will be presented to the forum for approval.	All headteachers	Pending
<b>5 – Summary of the Schools Funding Settlement 2023/24, Schools Forum 19 January 2023</b>	Following the data collection exercise, a paper is to be brought to forum in June confirming the allocation. (To agree the distribution of the funding on 'quality based factor linked to teachers').	Mala Dadlani	For June 2023 forum
<b>3. PFI Consultation – Schools Forum 01 February 2023</b>	Discussions with schools/stakeholders to take place 'on principles' using 2023/24 data.  Meeting to be convened circa Sept/Oct 2023 to inform the 2024/25 factor.	Mala Dadlani	



## Schools Forum

### **Report title: Schools Forum Work Plan for 2023/24**

**Date:** 29<sup>th</sup> June 2023

**Key decision:** No.

**Item number:** 6

### **Outline and recommendations**

*This report sets out the intended workplan for Schools Forum for the financial year 2023/24.*

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

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

### **Timeline of engagement and decision-making**

This report is for information and guidance in terms of the anticipated business that Schools Forum needs to consider for 2023/24.

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

## 1. Summary

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

## 2. Background

- 2.1. Each Local Authority is required to operate a Schools Forum. The Department for Education (DfE) has published a good practice guidance which can be accessed on the link below.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/888371/Schools\\_forum\\_operational\\_and\\_good\\_practice\\_guide.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888371/Schools_forum_operational_and_good_practice_guide.pdf)

- 2.2. In May 2020 the DfE updated the guidance to facilitate schools forum meetings during the period of Covid 19. This practice is expected to continue until the point the DfE amends the regulations. We will over the course of the year consider opportunities for in person meeting as well as hybrid meetings.

### ***Extract from Schools Forum Operational and good practice guide***

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

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

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

June	Updates on closure of accounts position and consideration of intelligence on budget planning.
October	Updates and consideration of any policy decisions. It is common for the DfE to publish data and announce

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	any changes during the summer break.
December	Review any key discussions that impact upon and inform the setting of the 2024/25 schools' budget.
January	Notification of the 2024/25 Dedicated Schools Grant (DSG) settlement and agreement of the schools delegated budget share, including any de-delegation.

- 2.4. Schools forum has noted the now ongoing pressure on the High Needs Block, and in response to this, agreed a High Needs Working Group and mitigation plan. For this reason “update from the High Needs Working Group” is to remain a standing item on this workplan. It is anticipated that this process continues for 2023/24 especially as the High Needs Block is now very much under pressure. Reports elsewhere on this agenda provide further details with regards to the 2022/23 outturn and projections for 2023/24. As advised at previous schools forum meetings, the DfE has now commenced their Delivering Better Value (DBV) engagement with Lewisham. DfE has appointed a company called NEWTON, to support the review. We will update schools forum with feedback at appropriate stages during this process.
- 2.5. With regards to DfE updates on DSG, again this will remain a standing item for 2023/24. Other areas of interest that we await further information on include:-
- Ongoing transition of schools delegated budget share towards a “hard formula”
  - Government pledge to deliver 30 hours free childcare places by 2027-28.
  - Teachers and non-teaching staff pay review and financial implications for schools.
  - Any appropriate consultations from the DfE or Lewisham Council.

### 3. Meeting Dates for Schools Forum 2022/23

- 3.1. Dates for schools forum for 2023/24 are as follows: as stated above, the meetings are currently scheduled as Virtual, however we will review the position over the course of the year.

Month	Date	Time	Venue
June	29th	4.30 to 6.30	Virtual Microsoft

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			Teams Meeting
October	19th	4.30 to 6.30	Virtual Microsoft Teams Meeting
December	14th	4.30 to 6.30	Virtual Microsoft Teams Meeting
January	18th (subject to change dependant on DfE timelines)	4.30 to 6.30	Virtual Microsoft Teams Meeting

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

Month	Date	Time	Venue
June	21st	11:00 to 1:00pm	Teams
October	11th	11:00 to 1:00pm	Teams
December	7th	11:00 to 1:00pm	Teams
January	11th	11:00 to 1:00pm	Teams

#### 4. Financial implications

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

#### 5. Legal implications

- 5.1. The Schools Forums (England) Regulations 2012 requires that School Forums must meet at least 4 times a year.
- 5.2. *The School and Early Years Finance (England) Regulations 2021* amended *The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020* to make permanent provisions to enable schools forum meetings to be held remotely.

#### 6. Equalities implications

6.1. There are no direct equalities impacts arising from this report.

#### 7. Climate change and environmental implications

7.1. Not applicable

#### 8. Crime and disorder implications

8.1. Not applicable

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## **9. Health and wellbeing implications**

9.1. Not applicable

### **Report author and contact**

**Mala Dadlani Strategic Business Partner (CYP)** [mala.dadlani@lewisham.gov.uk](mailto:mala.dadlani@lewisham.gov.uk)

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## Appendix 1 – Proposed dates of Schools Forum meetings and work plan 2023/24 financial year

Date of Forum meeting	Agenda Item	Lead Officer	For information/Decision/Approval
29th June 2023	2023/24 Workplan	CYP Strategic Business Partner	Approval
	2022/23 Closedown position <ul style="list-style-type: none"> <li>including Schools Balances</li> </ul>	CYP Strategic Business Partner	Information
	2023/24 DSG funding update	CYP Strategic Business Partner	Information
	High Needs Funding – update including progress on DBV	Head of Integrated SEND Services for Children & Young People	Information/Decision/Approval
	Schools Internal Audit	Head of Assurance	Information
	Free Childcare up to 30 hours for working parents -update	Head of Early Years Quality & Sufficiency	Information
	Mayor of London – Extension of Free School Meals to Key Stage 2	Service Manager – Educational Estate Compliance & Contracts	Information
19th October 2023	2023/24 DSG update plus any finalisations for 2022/23 DSG	CYP Strategic Business Partner	Information
	High Needs Funding – update	Head of Integrated SEND Services for Children & Young People	Information/Decision/Approval

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	Update from DFE	CYP Strategic Business Partner	Information/Decision/Approval
	Scheme for Financing Schools and Schools Finance Manual update	CYP Strategic Business Partner	Information/Decision/Approval
	Schools Health check following June Budget submissions	CYP Strategic Business Partner	Information
<b>14th December 2023</b>	2023/24 Schools Funding Formula	CYP Strategic Business Partner	Information/Decision/Approval
	High Needs Working Group Update	Head of SEN	Information/Decision/Approval
	Updates from Relevant Officers on Policy updates	TBC	Information/Decision/Approval
<b>18th January 2024 (date tbc)</b>	2024/25 DSG funding settlement including Schools Funding Formula	CYP Strategic Business Partner	Information/Decision/Approval
	Schools Forum constitution and membership	CYP Strategic Business Partner	Information/Decision/Approval
	Schools Health Check following November submissions	CYP Strategic Business Partner	Information
	Updates from Relevant Officers on Policy updates	TBC	Information/Decision/Approval

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# Schools Internal Audit Programme 2022/23

Summary Findings Report

# Introduction and About the Programme

1. We have now concluded the 2022/23 school audit programme as originally laid out in the Audit Plan [approved by Members](#) in March 2022. Following an unsuccessful 2021/22 programme that relied heavily on contractor input we made a number of changes to how we undertook school audits in 2022/23. Judging from the feedback we've received (see later in this report), those changes were well received and have enabled us to successfully conclude the programme. We also relied, of course, on continuing support from the schools themselves, especially Headteachers and School Business Managers.
2. The principal change was to overhaul the testing programme. This involved broadening somewhat away from purely examining basic financial checks to also encompass governance controls guided by the [Schools Financial Value Standard](#). Though that created a demanding testing schedule, it provided a clear structure and enhanced the transparency and planning of our audits.
3. Supporting that expanded testing, we revised our reporting structure to share with schools the full results of our testing. Previously reporting 'exception only' risked a lack of clarity over what we had or had not considered in reaching our conclusion. While this made our reporting longer, we added markers within the report to help readers navigate its conclusions and supplied an additional 'one page' summary report of key issues.
4. We also sought to conduct audits in person wherever possible, using teams of auditors rather than individuals. This served to support the larger testing programme as well as enable our new apprentices to gain a valuable grounding in audit practice. This in-person goal exposed a long-standing uncertainty on whether our presence demands a Disclosure and Barring Service (DBS) check for our auditors. Notwithstanding any continuing discussion, we have nevertheless acted to obtain enhanced DBS checks for all our field staff and are happy to share that information with schools ahead of setting foot on site.
5. It is important to clarify what our audit does not cover, despite these changes. The audit remains, primarily, a review of arrangements rather than outcomes. This means we seek assurance that the controls are effectively designed and, often on a sample basis, complied with in practice. We cannot provide full assurance or eliminate risk of failure and responsibility for developing and maintaining a sound control framework rests with management. All control systems, no matter how well designed, are vulnerable to risk of failure following poor judgement, human error, subversion or unforeseeable circumstances.
6. The internal audit will and does comment on whether the necessary governance and reporting steps are in place in line with regulation and good practice. However, it will not and cannot provide assurance on the quality of a school's financial information or specific accuracy of budget forecasts, especially where these concern management's judgement on the likelihood of future events. Those judgements remain responsibility of school leadership.

# Overall Opinion

7. We will provide a full Head of Internal Audit opinion to the Audit & Risk Committee on 22 June 2023. That opinion will consider the full breadth of internal audit work and associated assurance during the year, including our work in the schools audit programme.
8. However, looking at schools alone, we note that every school in the programme received a positive assurance report outcome. This meant that, in each individual school, the evidence we reviewed supported a conclusion that controls are at least generally effective in keeping risk to acceptable levels. While we noted improvements available to maintain efficacy or enhance efficiency, these findings did not undermine our overall positive conclusion.
9. On that basis, we are satisfied that during the year ended 31 March 2023 the Council's schools managed their internal controls and governance to offer satisfactory assurance on their adequacy and effectiveness.

## Key Strengths and Areas for Improvements

### Strengths

10. The fact that every school in the programme received a positive assurance rating speaks to the overall high quality of financial controls we encountered. In both design and compliance, we found schools operating effective control arrangements that support achievement of objectives. Some particular common strengths we noted included:
  - **Governing Body and Finance Committee Oversight:** We found consistently effective arrangements for Governing Bodies to oversee schools. Terms of reference were clear, meetings quorate and well-documented. We also found an awareness of skills gaps and plans in place to enhance where needed. While there is some room for improvement in supporting challenge on budget monitoring (see below), the general standard we found of Governor challenge was very high.
  - **Procurement Controls:** Notwithstanding some local exceptions, we found schools generally were very aware of and compliant with procurement controls for major purchases and contracts. This included making sure contracts were re-tendered rather than rolled over in perpetuity, and that those tender exercises were properly controlled and authorised.
  - **Accounting System Controls:** We found all schools had and were effectively using appropriate systems for tracking their finances. This included making good use of reporting tools to produce internal monitoring information and identify exceptions.

## Common Findings and Actions

11. While conformance was generally very good, we noted some consistently recurring findings across the school population in 2022/23. Typically, these findings applied to a minority of instances where we examined a sample which is reflected in the overall positive assurance. However, they do represent areas of possible improvement where schools can act to strengthen controls.

### Spending Controls

12. Some schools do not yet have comprehensive effective controls in managing purchase orders. We found examples of purchases made without raising orders in advance, incomplete orders or with the involvement of unauthorised or untrained staff.
13. All schools should:
  - Raise a purchase order before committing expenditure. Purchase orders raised after the school has made a commitment (or even after receiving an invoice) are ineffective controls that do not help a school in managing spend.
  - Ensure purchase orders are complete, including the actual (or estimated) value of spend. Even where there may be uncertainty over the precise amount needed, including an estimated value will help manage spending and identify commitments.
  - Ensure staff involved in making purchases on the school's behalf understand and abide by the defined ordering process.

### Budget Monitoring

14. The only test across the whole programme which failed more often than passed was in meeting the Schools Financial Value Standards requirement of supplying Governors with financial information six or more times a year. Most schools only presented three times a year including some who sent the same information to two different meetings each term.
15. We also found instances where financial reports presented to Governors lacked comparison with budgets and did not include any forward looking or forecast information.
16. All schools should:
  - Present financial information to Governors at least six times each year. Some schools have set up informal channels (such as Teams sites) to allow Governors on-demand access to monthly financial information in between Governing body meetings to further help effective scrutiny.
  - Ensure financial reports clearly document performance against budget expectations, with explanations for variances where necessary.

- Include forecast information to help Governors evaluate whether the school's financial performance is on track. This should include details of any expected savings or additional income that inform forecasts.

## General Administration

17. We identified some more minor administrative findings that recurred in several schools, summarised below:
- **Governors' DBS Checks:** Partly because of a covid-related move to remote meetings, several schools had Governors who had not been onsite since their last disclosure and barring service (DBS) check expired. *All schools should* make sure they track DBS expiry dates and plan to obtain relevant documentation from Governors even if they do not expect them to visit the school site.
  - **Schemes of Delegation and Procurement Rules:** We identified several instances where schools had not updated their procurement thresholds or schemes of delegation to match actual practice. We were satisfied in each instance that schools had acted responsibly but *all schools should* ensure they conduct an annual review of arrangements to make sure their documentation remains accurate.
  - **Asset Registers:** All schools we reviewed had asset registers, several being of very high quality. However, we commonly identified issues around maintaining registers as accurate where assets are moved, damaged or disposed. *All schools should* ensure they have appropriate arrangements and policies in place to guide maintaining asset registers and ensuring controlled and documented asset disposal.

## Next Steps

### 2023/24 Audit Programme

18. We will launch the 2023/24 school audit programme towards the end of the summer term. As a first step this will involve contacting the relevant schools to make practical arrangements for sharing information and planning onsite visits. Our hope is to have all 2023/24 reports issued before May half-term 2024.
19. Before then we will also reflect on the 2022/23 programme and the feedback we've received. This may involve refreshing our reporting, testing programme or administrative arrangements. We will be in full contact with schools to advise of our requirements and remain grateful for any and all feedback we receive.
20. The following schools are provisionally part of the 2023/24 audit programme. In the table below, we have also noted details of previous audit visits and highlighted where our planned visit in 2023/24 has been postponed from previous years.

School on 2023/24 Audit Programme	Previous Assurance Rating and Report Date	Previously Cancelled Visits
Adamsrill Primary	<b>Substantial Assurance</b> 7 August 2018	None
Ashmead Primary	<b>Substantial Assurance</b> 23 June 2019	2022/23
Brindishe Federation <sup>1</sup>	<b>Substantial Assurance</b> 6, 10 January 2020 25 May 2022	None
Edmund Waller Primary	<b>Satisfactory Assurance</b> 17 February 2018	None
Holbeach Primary	<b>Substantial Assurance</b> 15 January 2019	None
Holy Trinity CE Primary	Not recorded	2021/22 and 2022/23
Kilmorie Primary	<b>Satisfactory Assurance</b> 19 July 2019	None
Marvels Lane Primary	<b>Limited Assurance</b> 18 March 2020	None
St Bartholomew's Primary	Not recorded	2021/22 and 2022/23
St James Hatcham Primary	Not recorded	2021/22 and 2022/23
St Michael's CE Primary	<b>Substantial Assurance</b> 12 July 2018	None
St Saviour's Primary	Not recorded	2021/22 and 2022/23
Stillness Junior	<b>Satisfactory Assurance</b> 2 December 2019	2022/23
Sydenham Secondary	<b>Substantial Assurance</b> 5 July 2019	None
Watergate School	<b>Substantial Assurance</b> 16 October 2018	None

Table 1: Schools identified for internal audit visit 2023/24

<sup>1</sup> Will include all three schools in the Federation: Brindishe Green, Brindishe Manor and Brindishe Lee Primary Schools.



# Results of 2022/23 Audit Programme

## Assurance Ratings Per School

21. We set out in the table below the overall assurance rating on every final report issued as part of the 2022/23 school audit programme. We include at Appendix A the assurance ratings definitions we use. Note that assurance ratings are specific to the circumstances of the school and the findings of our audit. They cannot and should not be read comparatively between schools as an indicator or guide to relative strength of control environments.

School	22/23 Assurance Rating and Report Date	Previous Assurance Rating and Report Date
<b>Nursery Schools</b>		
Chelwood	<b>Substantial Assurance</b> 20 February 2023	<b>Satisfactory Assurance</b> 1 December 2018
<b>Primary Schools</b>		
Launcelot	<b>Substantial Assurance</b> 5 January 2023	<b>Satisfactory Assurance</b> 19 November 2018
St William of York	<b>Satisfactory Assurance</b> 2 February 2023	Not recorded
St John Baptist CE	<b>Satisfactory Assurance</b> 27 March 2023	Not recorded
Oakbridge Federation <sup>2</sup>	<b>Satisfactory Assurance</b> 19 May 2023	<b>Substantial Assurance</b> 5 November 2019 (R) <b>Satisfactory Assurance</b> 20 March 2019 (FP)
King Alfred Federation <sup>3</sup>	<b>Substantial Assurance</b> 5 May 2023	<b>Satisfactory Assurance</b> 24 July 2019 (A) Not recorded (E)
Kender	<b>Substantial Assurance</b> 18 May 2023	<b>Satisfactory Assurance</b> 27 December 2018
Perrymount	<b>Substantial Assurance</b> 19 May 2023	Not recorded

<sup>2</sup> Joint report covering both Forster Park (FP) and Rangefield (R) Primary Schools

<sup>3</sup> Joint report covering both Athelney (A) and Elfrida (E) Primary Schools

School	22/23 Assurance Rating and Report Date	Previous Assurance Rating and Report Date
<b>Secondary and All-Through Schools</b>		
Deptford Green	<b>Satisfactory Assurance</b> 3 February 2023	<b>Limited Assurance</b> 19 October 2018
Forest Hill	<b>Substantial Assurance</b> 3 March 2023	<b>Satisfactory Assurance</b> 28 November 2018
Conisborough College	<b>Satisfactory Assurance</b> 29 March 2023	<b>Limited Assurance</b> 7 March 2019
Addey & Stanhope	<b>Satisfactory Assurance</b> 11 May 2023	<b>Satisfactory Assurance</b> 2 October 2018
Trinity CofE	<b>Substantial Assurance</b> 26 April 2023	<b>Limited Assurance</b> 12 July 2019
Bonus Pastor	<b>Satisfactory Assurance</b> <i>NB: Draft report<sup>4</sup></i>	<b>Limited Assurance</b> 10 April 2019
<b>Special Schools and Pupil Referral Units</b>		
Greenvale	<b>Substantial Assurance</b> 25 April 2023	Not recorded
Abbey Manor	<b>Substantial Assurance</b> 18 May 2023	<b>Limited Assurance</b> 16 November 2018

Table 2: Assurance Ratings for School Internal Audit Visits 2022/23

22. In addition, six schools were part of the initial planned programme for 2022/23 but postponed following a request from the school. Typically these requests came when a school was in the process of recruiting a new School Business Manager. These six schools are all part of the 2023/24 work programme.

<sup>4</sup> Issued in Draft 24 May 2023. Expected final in time for Audit & Risk Committee.

## All Findings and Actions Summary

23. Each final report includes a range of findings and related remedial actions, categorised on a 'High/Medium/Low' severity scale. We set out in the table below the total number of findings and actions identified across our school audit programme. We include at Appendix A information on how we categorise the severity of findings.

Finding Severity	Number of Findings	Agreed Actions
High Severity	2	1
Medium Severity	33	27
Low Severity	124	65

Table 3: Distribution of Findings and Actions across all schools in the 2022/23 audit programme

24. Schools can update us on progress towards fulfilling agreed actions [at this link](#). We may follow up actions as they fall due and report progress to Senior Management at the Council or its Audit and Risk Committee.

## Controls Test Programme and Results

25. The full 2022/23 programme included more than 160 individual tests, not all of which applied in every individual school. For this report we've bracketed the tests into thirteen control themes. The percentages show the proportion of individual tests completed under each theme across the whole audited schools population that recorded a "fully conforms" result.

Control Theme	Conformance Proportion
Effective and Challenging Governing Body and Finance Committee	90%
Budget Monitoring and Management	89%
Business Continuity and Resilience Controls	93%
Workforce Planning, Benchmarking and Pay Progression	96%
Procurement Controls	91%
Asset Management and Capital Spending	91%
Counter Fraud and Security Controls	95%
Accounting System Controls	100%
Voluntary Funds Audit Controls	88%
Spending Controls	86%
Income Controls	91%
Banking Controls	94%
Recruitment, Leavers and Payroll Controls	95%

Table 4: Conformance with control themes in 2022/23 school audit programme - proportion of tests in each theme returning a 'conforms' result

# Distribution and Acknowledgements

## Distribution

26. We will include this report to support the overall internal audit opinion to the Audit & Risk Committee. We will also share with schools through the School Business Managers' Forum and with specific colleagues in the Council's Corporate Resources and Children & Young People's Directorates.
27. We will also share the report with the Department for Education and the Education and Skills Funding agency to aid their overall assurance work.

## Acknowledgements

28. We rely on support from a wide range of school staff to successfully complete our work, especially Headteachers and School Business Managers. Our thanks go to all those who have helped complete this audit programme, in sourcing and providing information, answering queries, responding to reports and providing suitable accommodation to the audit team.

## Feedback

29. In each report we invited the school to provide feedback on our process and their experience of the audit. Every school provided a response, and many included praise for the audit team. On a personal note, as Head of Assurance I am reliant on the professionalism and skill of my team in planning and conducting a wide range of audits. It seems appropriate to me after a year of great change to conclude this report by highlighting some of those comments.

*"The audit process was supportive whilst being very in-depth and transparent at the same time as holding to account for financial and risk planning... [the audit was] made seamless by the professional and supportive approach"*

*"Our overall experience of the audit was good, the team were friendly, approachable and helpful throughout. Downloading the documents to TEAMS in advance really helped our preparation. The experience was considerably more positive and useful to the school leadership than previous local authority internal audits."*

*"Thanks to the team for battling snow and train strikes to reach us".*

*"The process is much more streamlined than it used to be, looking at higher level school strategies and assurances, in addition to the usual lower-level compliance. The new audit process is aligned with DfE expectations and as a school we felt this was helpful. The team were highly professional, and we all took something positive from the experience. The actions were fair, and we will act on all recommendations as per the schedule."*

*“The report format is very helpful and easy to follow. It is set out clearly and concisely, which helps us to navigate it easily. Once again, we found the experience to be helpful and pleasant.”*

*“We would like to express our sincere gratitude to the auditors for their professionalism and expertise during the audit. Their attention to detail and deep understanding of financial reporting was truly impressive and we are deeply appreciative of their hard work and recommendations, which will be put into practice”*

*“By way of feedback, the team were very pleasant to deal with and the non-confrontational approach made the whole experience, previously a stressful and anxious time, much more constructive.”*



Rich Clarke  
Head of Assurance

24 May 2023

# Appendix: Ratings Judgements

Our reporting includes a range of assessed judgements, including the overall assurance rating. We reach these judgements after weighing information gathered during the engagement and our professional experience. There is no fixed formula for deriving specific ratings from the nature or number of findings. While we aim for broad consistency, each judgement is made in the context of its circumstances which may not replicate within or between engagements.

## Assurance Ratings

<b>Substantial Assurance</b>	<b>Limited Assurance</b>
Controls are effective in keeping risk to acceptable levels.	Controls are not consistently effective and need action to support improvement.
<b>Satisfactory Assurance</b>	<b>No Assurance</b>
Controls are generally effective, but there are some improvements available to maintain efficacy or enhance efficiency.	Controls do not keep risk to acceptable levels. Action is needed to achieve improvement.

## Finding Severities

<b>High Severity</b>	Poses a material threat to achievement of service objectives
<b>Medium Severity</b>	Will impede or hinder, but likely not prevent objective achievement
<b>Low Severity</b>	Unlikely to materially threaten objective achievement, including opportunities to improve system efficacy or efficiency



# Transforming Early Entitlements up to 2025

May 2023

# Key messages

- The focus is on giving children the best start in life, including supporting parents to access affordable, high-quality Early Years provision.

- Page 29
- More parents are going to be able to return to work while balancing childcare commitments. As a result of a **£4 billion per year expansion of early years entitlements** in England.
  - This is the largest expansion of funded early years entitlements ever and will remove barriers to work for nearly half a million parents with a child under 3 in England.





# What was announced in the Spring Budget?

In the Spring Budget 2023 the Chancellor announced a revolution in childcare.

**30 hours** childcare for every child over the age of 9 months with working parents by **September 2025**, where **eligibility will match** the existing 3-4 year-old 30 hours offer.

age 30 This will be **introduced in phases**, with

- **15 hours** childcare for **working parents** of **2-year-olds** coming into effect in **April 2024** and
- **15 hours** childcare for **working parents** of **9 months – 3 years old** in **September 2024**.
- The **funding paid** to early years providers for the existing offers will also be **increased** by £204 million from **this September** rising to £288 million next year.



# What was announced in the Spring Budget?

- **Schools and local authorities** will receive a share of £289m in funding for a ‘**pathfinder**’ to increase the supply of **wraparound care**, so that parents of primary school age children can access childcare between **8am and 6pm** – tackling the barriers to working caused by limited availability of wraparound care.
- Childcare costs for parents moving into work or increasing their hours on Universal Credit paid upfront rather than in arrears, with the maximum claim boosted to £951 for one child and £1,630 for two children – an increase of around 50%.
- In recognition of both the importance and short supply of childminders, incentive payments of £600 will be piloted from Autumn of this year for those who sign up to the profession (rising to £1,200 for those who join through an agency) to increase the number available and increase choice and affordability for parents





# What is the existing offer for free childcare?

- Currently, **all parents** are **entitled** to **15 hours** per week childcare for **3 and 4-year-olds**.
- Parents who work more than 16 hours a week and earn less than £100,000 are entitled to [30 hours free childcare](#) a week for children aged 3 and 4.
- Parents of **disadvantaged 2-year-olds** are also **entitled** to **15 hours** per week childcare.



# How will this change up to 2025?

- The Early Years Entitlements are being extended to support more parents returning to work after their parental leave ends.
- By **September 2025, working parents** of all children over the age of nine months will be entitled to **30 hours of early years education**. So that Early Years providers can prepare to deliver such a major expansion, it will be rolled out in phases:
  - From **April 2024, working parents** of **2-year-olds** will be able to access **15 hours** Early Years education.
  - From **September 2024, 15 hours** early years education will be extended to all children of **working parents** from age of **9 months**
  - From **September 2025**, working parents of children under the age of 5 will be entitled to 30 hours childcare per week.



## Why won't this additional support be fully available until 2025?

- This staggered approach will give Early Years providers time to prepare for the changes, ensuring there are enough places and staff ready to meet increased demand.



## Will there be changes to childcare available for primary school-age children?

- **Yes.** Local authorities and schools will be given more funding to set up 'wraparound care' outside of normal school hours, so that parents of school-age children can access childcare in their local area from **8am – 6pm**. This could include [breakfast clubs](#) and after-school clubs. The expectation is that by September 2026, most primary schools will be able to provide their own before and after school care.



# How are Early Years providers being supported to deliver the new offer?

There will be an **increase** in the **hourly rate** paid to EYFS providers by the government, to help them to deliver the 30 hours entitlements.

An investment of £204 million from this September rising to £288 million next year (*for the financial year 2024 to 2025*) will allow the national average rate for local authorities for 2-year olds to increase by **30%** from the current national average rate of £6 per hour to around £8 per hour from September 2023.

The **national average** 3 to 4 year old rate for local authorities will **rise in line with inflation** from the current national average rate of £5.29 per hour to over £5.50 per hour from **September 2023**.



Further details on the distribution of additional funding to local authorities as well as local authority level funding rates for 2023 to 2024 will be provided in due course and for 2024 to 2025 in the autumn in line with the usual funding cycle. The department has also published an [early education entitlements and funding update](#).



## Changes to Staff /Child Ratios?

- The number of children a member of staff can look after - known as the staff-to-child ratio is being increased. From September 2023, one member of staff will be able to look after **five 2-year olds**, up from **four** 2-year olds which is the current rule. This is brings England in line with Scotland and other comparable countries. These changes to ratios are optional and intended to give providers more flexibility in how they run their businesses.

**END**





# Mayor of London's Universal Free School Meals KS2

# Uptake & Challenges



The Mayor Of London's proposal to provide Universal Free school meals to all children in KS2 affects 71 schools and the families of 9045 children in Lewisham

## Additional Meals

The introduction of the scheme could see an increase in the uptake of school meals by around 5574 every day across all schools with an increase of 4682 a day at maintained schools.

On average, 74 extra meals could be in demand at each school but some will face an increase upwards of 150 meals daily and this will lead to challenges:

- A shortfall between the funding given and the real costs
- Additional appliances and equipment required to deal with a 20-30% increase in school meal demand.
- Service times extended to serve the additional meals.
- Additional staff required (recruited and trained). A service standard of 8-10 meals per labour hour is guided by industry and so it is likely that an average of 7 additional hours will need to be worked at each site equating to 2 extra staff members.
- The scheme ending after only one year when families have become used to the help.
- A reduction in applications for FSM impacting school finances more broadly

# Grant Conditions



- The GLA will fund on an average of the primary pupils taken on census days in October 2022, January 2023 and June 2023 extrapolated across the year multiplied by £2.65 per day and reduced to 90% as this is the assumed take up.
- Payment will be made termly in advance. To allow for upfront costs it is proposed that half of the funding would be paid in July 2023, with a further 20% in December and a further 20% in March. A balance of 10% would be held back for the final payment as set out below.
  - Based on the census day returns in October 2023 and January 2024 a balancing payment or claw back would be made before the end of the summer term 2024.
- Allocation does not include any provision for capital expenditure that may be necessary for LEAs or Academy Trusts to provide. An assessment of the potential need for such capital investment will be made in each LEA / Academy Trust and the extent to which alternative remedial steps other than such investment can be taken to ensure the Mayor's commitment can be implemented.
- The grant agreement that will need to be made between each LEA and the GLA will need to promote the Mayor and his investment in schools' meals through branding and communication in line with further guidance from the GLA that will be provided. Further, the grant agreement will also require a commitment from each LEA to take part in the evaluation of the programme, including data collection.
- Grant conditions would be accompanied by grant giving principles which set out a series of standards boroughs are encouraged to work to and this will include compliance with national school food standards.

# Grant Conditions



- The grant must be spent on provision of school lunch.
- Local Authorities/ Schools and their catering providers must participate in evaluations or reviews of the Mayor's Emergency Free School Meals provision, as needed. Monitoring will aim to minimise extra reporting burden and instead where possible draw upon existing data sets.
- The Mayor's investment must be promoted in any branding/communications. This includes ensuring references to the expansion explains the source of the funding as the Mayor of London and supporting the distribution of a communication from the Mayor to all affected families, parents or carers.

# Grant Principles



Grant principles will also be provided, setting out national or pan-London initiatives which we would encourage adoption of through borough schemes. This will include:

- **Pupil premium** – to support approaches which continue to maximise registration by eligible families which may otherwise be impacted by the move to a universal approach through the Mayor’s Emergency Free School Meals funding.
- **Supporting families and communities** – by paying London Living Wage (LLW) to catering staff and including LLW in any future tenders; and committing to wider action to support families struggling due to the cost of living crisis.
- **School food standards** – meeting school food standards and ensuring school food is culturally appropriate.
- **Healthy schools** – taking a whole school approach to healthy eating, participation in Healthy Schools London and adoption of water only policies.
- **Sustainability** - Meet sustainable catering guidelines and support environmental aims.

# Financial Implications



£2.65 per meal is not as high as the allocation for Free School meals and may not meet costs at every school.

For those of you who have not populated the impact assessment, some urgent attention will be required. With a likely increase of meal uptake between 20 – 40 % you will need to identify the costs associated with delivering the scheme including appliances such as ovens, fridges, freezers, water heaters and numerous pieces of additional equipment such as potato rumpers, mixers, shelving, pots and pans, plates, cutlery etc. Lewisham has identified some funding for this requirement, but it must be the minimum additional needs only and not used to repair / replace existing equipment. We have engaged ES catering to deliver to supply and install additional items and are now working our way through requests.

As all other London schools will be setting up to place orders for similar equipment, demand is likely to be high leading to shortages and difficulty securing contractors so there is some urgency to place orders in time for September.

Additional labour costs should be covered within the allocation of £2.65. There is an industry standard which suggests around 8-12 meals per labour hour. This can be hugely variable depending on special dietary needs, facilities available, school size, servery size etc. but if your additional demand is e.g. 70 meals, you should expect to have to add 7-8 hours labour to your service and you will need to work with providers to ensure recruitment and training gets underway in good time.

# FSM Applications



We already know from census data that having UIFSM at KS1 can lead to a reduction in FSM applications. In Lewisham, the average FSM in KS1 is 20% and in KS2, this rises to 30%. It is more important than ever to keep applications at the maximum.

- When Islington introduced UIFSM in 2010, they asked all parents to ‘register’ for the offer (language is important here as you cannot make it compulsory to apply) and collected the information needed for the eligibility checker (transparently). This led to a 10% increase in FSM eligibility.
- There is some eligibility software which links to the DWP. All you need is parents name, DOB and NI number.  
<https://pps.lgfl.org.uk/> - Even if you don't use the service.  
Education Software Solutions - <https://www.ess-sims.co.uk/products-and-services/online-free-school-meals> (I'm advised it's £700 + VAT)
- Other suggestions include offering a reward for applying (even if unsuccessful) such as some free uniform or after school activities, wrap around care etc.
- Help with applications at open days, welcome events or by appointment.

# Household Support Fund



The household support fund is in place for another year to March 2023 and we will continue to use it to provide vouchers for FSM eligible children in the holidays (subject to approvals).

The allocation allows for 2 weeks at Easter and Christmas (£30), 6 weeks (£90) for the summer holidays and 1 week (£15) for the half term holidays.

Additional days for bank holidays, strikes, inset days etc. cannot be funded.

Lewisham is also considering the best use of 'one off' monies (you will recall a late allocation last year) to further support food at school. Ideas and suggestions are welcome. It will be further informed by the returns from last term.



# and finally



Many of you have asked if you can ask parents for a top up to the grant e.g. 15p if you are paying your caterer £2.80. It is up to schools to consider this decision in the context of their wider pupil population and circumstances. The LA advises that the Governing body of the school undertake any risk and equality impact as examples to ensure no young people/families are placed in a compromising position e.g. stigma, bullying etc.

The Mayor of London has said this is a free meal, so there should be no expectations for contributions.

When deciding, your governing bodies should consider;

1. If more children might take a meal on the day of census than on average, similar to UIFSM
2. The allowance for UIFSM is £2.42 and no top up was requested for these meals
3. If the cost of meals might reduce due to economies of scale. Those schools who have contracts are advised to have some initial discussions on the impact even if you are not in a 'price per meal' contract.
4. How much you are charging parents currently.

# High Needs Mitigations & DBV Update

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Reinhild Onuoha

Head of Integrated SEND Service

# High Needs Mitigation work



Development of new and additional Resource Bases in our local schools (Foster Park is live now, Edmund Waller will go live Sept 2023, Launcelot-consultation just completed)



Expansion of places in special schools: Drumbeat Turnham site- 45 places by September 2023, 18 children joined in Jan 2023; Watergate satellite site at Laydwell, further intake in July 2023



Tighter monitoring related to independent special out of borough placements, ensuring the maintained sector in and out of borough is exhausted first



Review of funding arrangements and agreements for Further Education College placements, including introduction of provision maps



Termly reviews of banding for individual children with all our special schools

# DfE's Delivering Better Value Programme (DBV)

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- **DBV Programme Objective:** to implement sustainable changes that improve support and outcomes for children and young people with SEND, as well as to improve financial stability of local authorities' High Needs Block budgets
- **Short Term:** identifying sustainable changes that can be made by a local area which result in better quality support and outcomes for children and young people with SEND. These are identified through a rigorous diagnostic evidence base, and a DfE grant is supporting their implementation.
- **Long Term:** Building an objective evidence base across a third of the sector, which can be used to Inform future policy and reforms, build a national playbook & share best practice and inform future national programmes of similar scale and intent

# DBV –local context

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- We are in Tranche 3 with 13 other LA's
- Our data for the last 6 years has been submitted on the 09.06.23
- This data will now be analysed by the Newton team and 'diagnostics' of the data will take place, highlighting areas for possible mitigation work
- Work with partners and key stakeholders will take place , reviewing key findings and developing opportunities in terms of key spend and outcomes for C&YP with EHCPs



## Schools Forum

### **Report title: DSG 2022/23 Outturn Position Including Schools Balance Position**

**Date:** 29<sup>th</sup> June 2023

**Key decision:** No.

**Item number:** 11

### **Outline and recommendations**

*The report sets out the Dedicated Schools Grant (DSG) outturn position including the position with regards schools' balances.*

*Schools forum is asked to note the contents of this report with particular focus on:-*

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

### **Timeline of engagement and decision-making**

This report is for information and discussion

## 1. Summary

- 1.1 The report confirms the Dedicated Schools Grant Position for 2022/23 with an overspend of £2.6m and a cumulative position of £12.8m net.
- 1.2 This is broadly in line with the projected spend position. It should however be noted that the outturn position confirms the continuing pressure on the Dedicated Schools Grant – High Needs Block and the Central Schools Services Block. The Early Years funding is provisional, and will not be finalised until the later part of Summer 2023.

	Schools Block	CSSB	High Needs Block	Early Years Block	Total
	£m	£m	£m	£m	£m
Funding	180.1	4.2	70.3	24.7	279.3
Outturn	-180.1	-4.8	-73.8	-24.7	-283.4
<b>Net position</b>	<b>-0.1</b>	<b>-0.6</b>	<b>-3.5</b>	<b>0.0</b>	<b>-4.1</b>
Prior Year Reserves Applied	0.1	0.6	0.9		1.5
<b>Net Position</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.6</b>	<b>0.0</b>	<b>-2.6</b>
<b>Cumulative Position</b>	<b>0.3</b>	<b>0.0</b>	<b>-13.1</b>	<b>0.0</b>	<b>-12.8</b>

## 2. Background

- 2.1. Each Local Authority receives a ringfenced grant known as the Dedicated Schools Grant (DSG) which requires adherence to detailed Grant Conditions.
- 2.2. The DSG is split into four parts being:
- **Schools Block** – this covers mainly the schools main budget share allocated to schools via the Schools Funding Formula and the Growth Fund. This mainly covers the 5 to under 16 age range.
  - **The Central Block** – This varies for each Local Authority based on the agreed spend positions as at baseline year 2012/13. The “historic baseline” element continues to be abated by 20% per annum. The second element of this block is pupil led. Each year funding is adjusted for total pupil numbers multiplied by the unit price determined by the DfE.
  - **High Needs Block**- This funding supports costs associated with special needs and alternative provision. The High Needs Block includes the costs of our special schools (and special units) as well as payments made via other provisions including outborough placements, residential placements, Further Education etc. This covers 0 to 25 specialist provision costs.
  - **Early Years Block** covers the 2, 3 and 4 years entitlement costs. Including supplementary funding for the Maintained Nursery Schools, Disability Fund, EY pupil Premium etc. There is a requirement on the main 3 and 4 year old budget that 95% of the budget must be identified for budgets that support providers. This could include hourly rate, deprivation funding, inclusion funding etc.
- 2.3. The DSG 2022/23 position remains provisional until the January Pupil Census data is finalised for Early Years which is always post closure of accounts and mainly at

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end of June/early July.

### 3. DSG 2022/23 Position

- 3.1. Table 1 below shows the DSG position for 2022/23. Schools Forum will note that overall the DSG is broadly in line with prior year reporting. There is a provisional overspend of £2.6m in year after application of prior year reserves, where stated. The reported position is subject to the finalisation of the Early Years Block.
- 3.2. There remains a duty to spend within budget.
- 3.3. Table 1 below further shows the outturn position for 2022/23.
- Schools Block has a minor overspend of £100k relating to in year expansions for secondary schools (this is met from centrally held growth fund, revised balance is now £300k)
  - Central Schools Services Block – Schools forum recall that the CSSB has faced in year reductions of 20% for the last three years. General fund support has been applied of £500k plus the final reserves held in anticipation of reduction in funding. Officers are currently reviewing delivery of services as part of a wider strategic review of service.
  - High Needs Block in year overspend was a more favourable £4.2m (a reduction on the previous forecasts by £800k). The cost was partially offset by £900k from the EY funding agreed (2022/23) and £700k Schools Block, as agreed with Schools Forum. Schools Forum will be aware of the mitigation plan in place. Update from the Head of Integrated SEND Services for Children & Young People is to be provided at this meeting.
  - Early Years Block – Schools Forum will be aware that the Early Years Block is funded on January counts, so funding for 2022/23, is based on January 2021 and January 2022. At the time of writing we have not had finalisation of information from the DfE, but would expect the final position to be a surplus. Once the DfE has confirmed, a report will be presented to Schools forum to discuss the next steps.

Table 1

	Schools Block	CSSB	High Needs Block	Early Years Block	Total
	£m	£m	£m	£m	£m
Funding	180.1	4.2	70.3	24.7	279.3
Outturn	-180.1	-4.8	-73.8	-24.7	-283.4
<b>Net position</b>	<b>-0.1</b>	<b>-0.6</b>	<b>-3.5</b>	<b>0.0</b>	<b>-4.1</b>
Prior Year Reserves Applied	0.1	0.6	0.9		1.5
<b>Net Position</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.6</b>	<b>0.0</b>	<b>-2.6</b>
<b>Cumulative Position</b>	<b>0.3</b>	<b>0.0</b>	<b>-13.1</b>	<b>0.0</b>	<b>-12.8</b>



## 4. Schools Balances

4.1. The table below notes the schools' balances position for 2022/23.

	2022/23			2021/22			Movement	
	£m	%	£m	£m	%	£m	£m	£m
	cumulative		in year	cumulative		in year	cumulative	in -year
Nursery	0.68	-4%	0.26	0.42	-2%	0.33	0.3	-0.07
Primary	-7.90	41%	8.20	-16.10	62%	2.46	8.2	5.73
Secondary	-4.27	22%	-0.22	-4.05	16%	-1.41	-0.2	1.19
All Through	-0.61	3%	-0.26	-0.35	1%	-0.03	-0.3	-0.24
Specialist	-7.07	37%	-1.00	-6.07	23%	-1.14	-1.0	0.14
	-19.16	1	6.98	-26.14	100%	0.22	7.0	6.76

4.2. Some key headlines are that overall, the school balance position has reduced from £26m to £19m.

- Nursery schools' position is worsened by £0.26m – (-4%)
- Primary schools' position has worsened by £8.2m – 41%
- Secondary has increased by £0.2m – 22%
- All through has increased by £0.26m -3%
- Special Schools has increased by £1m - 37%

4.3. Table below shows the number of schools by phase and balances. The figures below are supported by 3 schools having loan arrangements to the value of £1.3m. Therefore, the overall number of schools in deficit is now 21. There are various reasons for this, including, falling numbers, school improvement issues, lack of long-term planning, amongst other reasons.

2021/22	Schools By Phase	Deficit	Surplus <5%	Surplus <10%	Surplus <15%	Surplus >20%	Surplus <20%
Nursery	2	1	0	1	0	0	0
Primary	57	8	4	7	11	15	12
Secondary	8	1	2	3	2	0	0
All through	2	1	1	0	0	0	0
Specialist	6	1	0	0	0	2	3
	<b>75</b>	<b>12</b>	<b>7</b>	<b>11</b>	<b>13</b>	<b>17</b>	<b>15</b>
2022/23	Schools By Phase	Deficit	Surplus <5%	Surplus <10%	Surplus <15%	Surplus less than 20%	Surplus more than 20%
Nursery	2	2	0	0	0	0	0
Primary	57	17	11	9	4	6	10
Secondary	8	1	1	4	1	0	1
All through	2	0	1	0	1	0	0
Specialist	6	1	0	0	0	2	3

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Total	75	21	13	13	6	8	14
Difference	Schools By Phase	Deficit	Surplus <5%	Surplus <10%	Surplus <15%	Surplus less than 20%	Surplus more than 20%
Nursery	0	1	0	-1	0	0	0
Primary	0	9	7	2	-7	-9	-2
Secondary	0	0	-1	1	-1	0	1
All through	0	-1	0	0	1	0	0
Specialist	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>-7</b>	<b>-9</b>	<b>-1</b>

4.4. **Schools Forum is asked to note the overall school balances position.**

## 5. Financial implications

5.1. The number of schools falling into deficit is of concern.

5.2. The High Needs Block and Central Schools Services Block both also remain areas of concern and review to consider longer term sustainability. As stated, work has been progressing on both areas as part of wider strategic reviews.

## 6. Legal implications

6.1. There are no specific legal implications arising at this stage.

## 7. Equalities implications

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

## 8. Climate change and environmental implications

8.1. Not applicable

## 9. Crime and disorder implications

9.1. Not applicable

## 10. Health and wellbeing implications

10.1. Not applicable

## Report author and contact

Mala Dadlani Strategic Business Partner -CYP

[mala.dadlani@lewisham.gov.uk](mailto:mala.dadlani@lewisham.gov.uk) 020 8314 3581

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# Agenda Item 12



## Schools Forum

**Report title: Dedicated Schools Grant (DSG) 2023/24 Allocation and Update on Other Specific Grants**

**Date:** 29<sup>th</sup> June 2023

**Key decision:** No.

**Item number:** 12

**Outline and recommendations**

*Report confirms the DSG position for 2023/24 and notes a provisional outturn at this early stage of the year.*

*The report also provides high-level information on grants that have been confirmed at the time of writing.*

**Timeline of engagement and decision-making**

This report is for information

## Summary

- 1.1 This report confirms the 2023/24 Dedicated Schools Grant (DSG) split across the various sub blocks.
- 1.2 This report also provides high level information on grants that have been confirmed at the time of writing.

## Background

- 1.3 The 2023/24 DSG grant allocation was advised by the DfE in December 2022 and reported to Schools Forum at the January 2023 meeting. The information provided at that time was the **gross** figure before academy recoupement and high needs import export adjustment. The report provides the updated cash position for Lewisham.
- 1.4 The report further provides updates on grants that have now been confirmed for 2023/24.

## DSG 2023/24

- 1.5 The table below shows, the DSG 2023/24 position.

		Schools Block	CSSB	High Needs Block	Early Years Block (provisional - pending census update)	Total
		£m	£m	£m	£m	£m
Lewisham	Gross	231.03	3.31	77.15	26.28	337.78
	Net	183.51	3.31	76.72	26.28	289.81
	ESFA holdback	47.52	0.00	0.44	0.00	47.96
	Projected Outturn	182.51	4.21	81.72	26.28	294.71
	Forecast overspend	-1.00	0.90	5.00	0.00	4.90

	Transfer of funding to support High Needs Block
	Anticipated overspend based on 2022/23 - less Transfer from Schools Block
	Pressure on the CSSB arising from year-on-year abatement - to be partially funded by General Fund with wider review of services supported
	Provisional Allocation – awaiting final position from DfE

- 1.6 The table notes the following key points
  - Schools Block – notes the transfer of £1m agreed as part of the APT submission to the DfE in January, at circa 0.5% max limit.
  - Central school services block (CSSB) – Schools Forum will continue to note that funding for the CSSB is partially allocated on a historic baseline, which is now subject to abatement of 20% year on year. Officers have managed the reduction within available resources and are currently reviewing the services and funding, as part of a wider strategic review to continue to do so.

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- High Needs Block – Schools Forum will be aware of the ongoing pressure on the High Needs Block. Lewisham has been progressing a mitigation plan and is now progressing work with the DfE as part of the Delivering Better Value initiative. Update on High Needs Block is a separate item elsewhere on this agenda.
- Early Years Block - at the time of writing, the EY block remains provisional and pending the finalisation of the January 2023 pupil count. In the spring budget statement, the Chancellor stated investment in Early Years funding to support childcare of 30 hours for working parents (details elsewhere on this agenda). Limited information has been provided on this initiative. The funding shown in the table above pre-dates this announcement.

## Pupil premium 2023/24

- 1.7 The table below confirms the rates applicable for 2023/24. Schools forum should note that the rates have been increased by 5% from 2022/23 levels.

Disadvantaged pupils	PP grant per pupil rate
Pupils in year groups reception to year 6 recorded as FSM Ever 6, including eligible NRPF pupils	£1,455
Pupils in years 7 to 11 recorded as FSM Ever 6, including eligible NRPF pupils	£1,035
Looked-after children (LAC)	£2,530
Previously looked-after children (PLAC)	£2,530
Service children	SPP per pupil rate
Eligible service children in year groups reception to year 11	£335

- 1.8 The table below notes that in cash terms the funding has only increased by a net £457k. Of the 83 schools (including academies), 54 schools will see an increase, whilst 29 schools will see an overall reduction. Between 2022/23 and 2023/24, 144 less pupil are eligible for this funding. This remains in part, overall net reduction in pupil numbers, but also changes in eligibility.

	2022/23	2023/24	net	
<b>Overall funding Lewisham</b>	13,215,530	13,672,942.50	457,412.50	3%
<b>pupil number changes</b>	10,858.00	10,713.50	- 144.50	-1%
<b>Net gain</b>		54	£ 767,407.50	
<b>Net Loss</b>		29	-£ 309,995.00	
		83	£ 457,412.50	

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**Mainstream Schools Additional Grant**

1.9 Schools Forum will recall that as part of the Autumn Budget Statement, the Chancellor announced additional funding to support schools to the tune of £2.3bn. The headlines suggest funding for 2023/24 and 2024/25; at the time of writing it remains unclear if 2024/25 would see a further £2.3bn, or if the Government intends to keep the grant in place for two years, at this level.

The allocation of funding is based on a combined methodology which includes pupil numbers (by key stage), free school meal numbers (ever 6), and lump sum.

The grant is now confirmed and is broadly in line with the estimated position provided by Schools Finance. Any differences arise based on FSM6 numbers.

	Estimate	Actual	Difference
Mainstream Schools Additional Grant	6,065,486	6,044,190	- 21,296

**National Tutoring Programme (NTP)**

1.10 Schools Forum to note the ESFA have confirmed that in academic year 2023 to 2024, schools will receive the NTP grant funding for all 3 routes of tuition: tuition partners, academic mentors and school-led tutoring via this grant. Funding allocations are calculated based on the number of pupil premium grant eligible pupils each school has. The government has raised the subsidy rate for the National Tutoring Programme to 50% in 2023-24, from the previous commitment to fund 25% of the cost.

DfE will recover any unspent grant funding. At this time there is an indicative total funding change between 2022 to 2023 resulting in a net reduction of £795,736 to schools.

Note, academic year 2023 to 2024 is the final year of the programme and NTP funding will not be awarded beyond this academic year.

**1.11 Devolved Formula Capital (DFC)**

The DFC funding rates are £11.25 per weighted pupil, and £4,000 per institution. VA schools' per-pupil and per-school rates are 8% higher

So primary school receives £11.25, Secondary school receives £16.88 and post 16 is £22.50.

Overall the funding is broadly the same from £561k to £558k

**1.12 Universal Infant free school meals (UFSM)**

At the time of writing, no further information is received on this grant, we would however anticipate this to carry on. If the funding stays at the same value as at 2022/23 @ £2.41 which is the current income, this could potentially put additional pressure on schools as

in most cases the cost of a meal has increased since last year.

It should also be noted that the Mayor of London has extended the UIFSM provision to key stage 2 at a more favourable rate of £2.65, but that also remains below the cost for most schools. A report elsewhere on this agenda discusses the extended FSM scheme.

### **Financial implications**

- 1.13 The report provides an update on the DSG and notes the continuing pressure on the CSSB and the High Needs Budgets.
- 1.14 The report also provides useful information with regards Pupil premium, MSAG and National Tutoring Programme and DFC for 2023/24.
- 1.15 Report elsewhere on this agenda, discusses the detail for the Mayor of London extension to key stage 2 universal free meals.

### **Legal implications**

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

### **Equalities implications**

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

### **Climate change and environmental implications**

- 1.18 Not applicable

### **Crime and disorder implications**

- 1.19 Not applicable

### **Health and wellbeing implications**

- 1.20 Not applicable

### **Report author and contact**

**Mala Dadlani Strategic Business Partner** [mala.dadlani@lewisham.gov.uk](mailto:mala.dadlani@lewisham.gov.uk) 020 8314 3581

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## Lewisham Schools Forum

### Report title:

### **DSG 2024/25- Updates Towards Hard Formula Plus PFI Consultation**

**Date:** 29<sup>th</sup> June 2023

**Key decision:** No.

**Item number:** 13

### **Outline and recommendations**

*This report provides an update of the Schools Delegated Budget Share – transition to the hard formula*

*To note- updates from DfE received for Split Sites and Growth Fund.*

*PFI – remains within scope to move towards a hard formula, we do not know when the DfE will consult.*

*In 2023/24, following engagement with schools forum and Schools who receive funding from PFI, it was agreed that a post implementation review would be undertaken, including discussion on 2024/25 PFI factor. This report discusses the next steps.*



## Timeline of engagement and decision-making

- Schools forum will be required to approve the 2024/25 APT tool at their January 2024 meeting.
- The detail for consideration will not be available until just before the December school break, leaving very limited time for any detailed engagement.
- At the time of writing three factors need to be considered:-
  - Split sites - for information.
  - Growth Fund - for information.
  - Private finance initiative (PFI) factor – for further engagement with schools affected (mainstream schools only).
- Report will provide timeline for the PFI factor engagement and a draft consultation paper.

## 1. Purpose of report

- 1.1. As previously advised to schools forum, the Department for Education (DfE) is working towards a **fully** hard formula. Much of the work is complete and broadly speaking most LAs, including Lewisham, operate the National Funding Formula (NFF) via a hard model, as prescribed by the DfE.
- 1.2. There are however a limited number of factors which remain complicated and are currently NOT prescribed as hard formula. The DfE acknowledges this and is working its way through them. These therefore presently remain as locally determined.
- 1.3. For 2024/25, the DfE has confirmed its intention to move split sites and the Growth Fund to a hard formula - detail is shown in the following paragraphs.
- 1.4. Broadly speaking that leaves PFI, discretionary factors and falling rolls as potentially the last remaining factors that the DfE will consider. No specific timeline has been provided. The report also discusses the next stages for the PFI factor.

## 2. Split Sites

- 2.1. The DfE has now confirmed their intention for these two factors to transfer to the hard formula from 2024/25. There is very little information provided by the DfE at this time.
- 2.2. A **split sites** factor will be introduced into the 2024 to 2025 NFF. This will replace the current local authority-led approach.
- 2.3. The factor will be made up of a 'basic eligibility' element and a 'distance eligibility' element.
- 2.4. It is understood that in the first year, 2024/25, there will be protections in place resulting in no losses. No price values have been given, however the consultation suggested

that there would be a favourable outcome for Lewisham.

- 2.5. It is likely that more defined information will be made available late July as part of the provisional settlement (with confirmation in late December).
- 2.6. Table 1 below shows the list of schools in scope and the DfE consideration. No financial information has been provided by the DfE yet. We will engage with schools as soon as this is available.

Region	School Name	Number of additional sites eligible for the basic funding element*	Number of additional sites eligible for part of the distance funding element**	Number of additional sites eligible for the full distance funding element***
Inner London	Haberdashers' Hatcham College	1	0	1
Inner London	Trinity Church of England School, Lewisham	1	0	1
Inner London	Bonus Pastor Catholic College	1	1	0
Inner London	Prendergast School	1	0	1

### 3. Growth Fund

- 3.1. Details are not yet known, but this funding is currently used to afford any in-year expansions and bulge class requirements.
- 3.2. Previously Lewisham has benefitted from the existing methodology which has enabled funding to support transfer of full MFG, support High Needs Block, etc.

### 4. PFI Factor

- 4.1. Schools forum will recall that as part of the 2023/24 budget setting process for schools, forum was advised that a review of the PFI factor was necessary to ensure that the historic method was DfE compliant.
- 4.2. Detailed discussions noted some anomalies which have been addressed as part of the changes in 2023/24.
- 4.3. For clarity they are:-
  - a) Income from SEN was included in the original method.
  - b) Some schools are partial PFI and non PFI, but the previous method did not acknowledge that position.
  - c) Not all schools received funding outside of the affordability gap.
- 4.4. The timing afforded between the settlement and submission (circa 20th December 2022 to 19th January 2023), also allowing for school holidays in the middle, enabled a short engagement period during which meetings were held with schools that are part of

- PFI contracts, and an extra-ordinary meeting of schools forum was convened.
- 4.5. As advised at the extra-ordinary meeting, it is not possible to provide accurate details of funding for each school in any model due to fluctuating factors:-
    - a) Value of PFI factor
    - b) MFG baseline guarantee's (protection)
    - c) Movement in schools characteristics including pupil numbers and therefore the value each school would generate as part of the delegated budget share.
  - 4.6. For this reason this consultation, as requested by PFI Schools will enable PFI schools to engage effectively with their governing bodies on the principles behind any proposed changes.
  - 4.7. It is suggested that as part of the engagement, schools work with their governing bodies -
    - a) To understand the new model of funding and note that there are three aspects that interlink (lump sum; weighted distribution based on "delegated budget share" vs. estimated "PFI charge"; transitional protection.
    - b) Note that all allocations must remain within the PFI factor allocation, so effectively if the lump sum is increased as an example, less funding would be available for the weighted distribution /transitional protection.
    - c) Note that all allocations must remain within the PFI factor allocation, so effectively if the lump sum is increased as an example, less funding would be available for the weighted distribution /transitional protection.
  - 4.8. A further point to note is as the case with any change in method, there will be winners and losers. It remains important that transitional protection is offered to schools for a reasonable period of time. Normally that would be 3 to 5 years depending on the scale of volatility.
  - 4.9. Officer view remains that a 20% lump sum target is appropriate, as it ensures that all schools receive some funding with as much as possible then targeting the difference between PFI cost and each schools delegated budget share. The extra complexity here is that schools vary in the value of their delegated budget shares to the value of the PFI cost.
  - 4.10. Finally, any method must be simple to understand and equitable. The ethos of the PFI factor was to contribute towards a school's costs where there was a proportionate disparity. For example, all schools would bear x% of the cost pressure.
  - 4.11. Appendix A is a draft consultation paper for schools forum to consider and for the associated schools to engage in, with their governing body.
  - 4.12. The consultation will be limited to mainstream schools that have PFI factor.

## **5. Conclusion and Recommendation**

- 5.1. Schools forum is asked to note the content of this report in particular:
- 5.2. Movement of the split sites and Growth Fund to hard formula from 2024/25.
- 5.3. Agree to the further consultation with schools (who receive PFI factor) from September to end of October – outcome to be reported to schools forum for inclusion in the 2024/25 funding formula, noting that:

- 5.3.1. the consultation and outcomes are subject to override – if instructed by DfE.
- 5.3.2. detailed exemplification cannot be provided on a school by school basis as the funding will not be announced till late December and also due to the interdependency of the wider formula to the final PFI factor school value.
- 5.3.3. The consultation does however enable schools to engage with their governing bodies to discuss the PFI factor methodology. The outcome of the consultation will provide valuable feedback for officers to have the appropriate feedback to progress on any changes for 2024/25 onwards. The main focus should be treatment of transitional funding and any new funding.
- 5.3.4. The officer recommendation remains that 20% lump sum and 80% targeted support, is the optimum split.

## **6. Financial Implications**

- 6.1. There are no direct financial implications arising from this report.

## **7. Equalities Impact**

- 7.1.1. There are no direct equalities issues arising from this report. Items on growth fund and split site would be an instruction from the DfE (our understanding is that impact assessment is undertaken at the national level).
- 7.1.2. With regards PFI factor – overall application is governed by the DfE. Local discretion is part of the consultation process with Schools who receive funding from the PFI factor. Any changes would be equitably applicable to all those schools.

## **Legal Implications**

- 8. There are no direct legal implications arising from this report.

**Author - Mala Dadlani – CYP Strategic Business Partner**

**[Mala.dadlani@lewisham.gov.uk](mailto:Mala.dadlani@lewisham.gov.uk)**

## DRAFT CONSULTATION

# Private Finance Initiative (PFI) Factor 2024/25

### 1. Purpose of the Consultation Process

All schools receive their delegated budget share via the submission of the “authority proforma tool” ATP.

This document is required by the Department for Education (DfE) in mid-January and is largely prescribed in terms of factors that can be used, e.g. age weighted pupil unit (AWPU); Free School Meals (FSM) etc. and also the associated unit values – this process is known as the hard formula.

In 2023/24, there remain a few factors that are determined locally, amongst these is the private finance initiative (PFI) factor. The DfE has confirmed their intention to transfer the PFI factor to a hard formula, but equally recognises the challenge in doing so. For this reason, it is not possible to state at which point the PFI factor would be reviewed and become part of the hard formula.

Officers, in conjunction with schools that currently receive funding through the PFI factor undertook a short review (limited by the timing from settlement end of December to mid-January). The review was challenging, not only due to time constraints but also the varying potential negative or positive outcomes of any change for individual schools.

Transitional arrangements were put in place to ensure no school “lost funding” relevant to the calculation of their budget share for 2023/24 between the old method and the new method.

Meetings with headteachers also noted anomalies in the “old method” which affected:

- schools that are partially PFI - adjusted by including only income for the PFI element of the school.
- measure of schools’ affordability included SEN and other such funding streams – correctly now excludes these funding streams.
- not all schools received funding to support the PFI cost. Introduction of lump sum at 20% so that all schools receive some “cash” contribution towards costs of PFI, with 80% targeting those schools who for 2023/24 had PFI costs exceeding 14% of income (delegated budget share and post 16 funding).

This consultation provides schools the opportunity to consider any further changes for 2024/25 onwards.

The key questions are

- How long should transition protection be in place?
- As the transitional protection falls out, what should happen with any funding released?
- PFI factor normally receives additional uplift in line with RPI (inflation). What is the view to determine if any additional funding should support
  - lump sum;
  - targeted funding;
  - maintain the 20% (lump sum) and 80% targeted support;
  - maintain a lump sum and targeted support split (at a differing position e.g. 30%/70%)?

Important caveats to bear in mind include:

- School specific data cannot be provided at this stage and will not be available post new year 2024.
- DfE could instruct a move to the National Funding Formula and evoke their own consultation on the PFI factor.
- Changes currently in place are in the base line and were agreed with schools, so cannot be reversed.

### Current position for the PFI factor

			Comments
2022/23 funding pot	£3,208,208		This normally increases by RPI
Affordability Gap	£1,200,000		
Remaining Funding	£2,008,208	100%	
Lump sum	£433,848	22%	
Targetted	£1,574,359	78%	
	£2,008,208		
Transitional Protection	£253,116		funded from MFG release, added to PFI pot so hopefully will be in the 2023/24 base
Total Funding for PFI	£2,261,324		
Possible Additional Money if RPI is 10%	£226,132		

### What is not in scope for discussion

- **Affordability gap.**

- Reducing either the value allocated to lump sum or targeted (as that is in the base).
- Decisions agreed with Heads for 2023/24
  - Agree to exclude, SEN and Playing Fields.
  - Agree to reconfigure schools which have partial PFI and Partial non PFI schools.

#### What is in scope for discussion

- Transitional protection
  - Period of transition.
  - Agreement on where to transfer any funding released from the fall out transitional protection.
- Any new funding
  - The PFI traditionally benefits from uplift aligned to RPI, this could be therefore in the region of circa £200k. Consultation to seek agreement if the funding should be added to lump sum or targeted funding.

#### Transitional protection

The value of transitional protection is £253k. this is currently given to:

<b>Transitional Protection</b>	
Deptford Green School	£45,793
Conisborough College	£0
Sedgehill Academy	£68,846
Forest Hill School	£84,504
Prendergast Ladywell School	£0
Trinity Lewisham CE School	£0
Bonus Pastor Catholic College	£0
Prendergast Vale School	£53,972
<b>Total</b>	<b>£253,116</b>

It should be noted that no school received less between 2022/23 and 2023/24. The transitional protection was the difference between if the old method and the new method had been applied in 2023/24. Transitional protection is commonly given for a period of 3 to max 5 years. Mindful that the PFI factor is currently being considered by the DfE towards a hard formula, officer recommendation is for the protection to be offered for a 3 year period – i.e. a further 2 years (subject to DfE).

It should also be noted that as the transitional protection funding falls out, it would be recycled either into the lump sum or the targeted element, so schools receiving a reduction will gain some funding via the redistribution.

The information is only for exemplification. As previously stated, the PFI factor is extremely interrelated.

## Transitional Protection Options

### Option 1 = 2 Year Protection

	2024/25	2025/26
Deptford Green School	£22,896.73	0
Conisborough College	£0.00	0
Sedgehill Academy	£34,422.98	0
Forest Hill School	£42,252.14	0
Prendergast Ladywell School	£0.00	0
Trinity Lewisham CE School	£0.00	0
Bonus Pastor Catholic College	£0.00	0
Prendergast Vale School	£26,986.19	0
<b>Total</b>	<b>£126,558.03</b>	<b>£0.00</b>

### 3 Year Protection

	2024/25	2025/26	2026/27
Deptford Green School	£30,529	£15,264	£0
Conisborough College	£0	£0	£0
Sedgehill Academy	£45,897	£22,949	£0
Forest Hill School	£56,336	£28,168	£0
Prendergast Ladywell School	£0	£0	£0
Trinity Lewisham CE School	£0	£0	£0
Bonus Pastor Catholic College	£0	£0	£0
Prendergast Vale School	£35,982	£17,991	£0
<b>Total</b>	<b>£168,744</b>	<b>£84,372</b>	<b>£0</b>

	Per School				Total Value of LUMP SUM			
	2023/24	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27	
Current Lump Sum	£54,231				£433,848			
If transitional protection is for total 2 years	£54,231	£70,051	£85,871		£433,848	£560,407	£686,965	
if transitional protection is for total 3 years	£54,231	£64,778	£75,324	£85,871	£433,848	£518,221	£602,593	£686,965

### Question 1

Should transitional protection be offered for a further 2 years i.e. 2024/25 and 2025/26 or just for 2024/25?

Officer recommendation is for the transitional protection to last the 3 year period to enable schools affected sufficient time to work towards any changes (i.e. for a further two years).

### Question 2

The funding released from the fall out of transitional protection:-



Option 1 added to lump sum

Option 2 added to targeted funding?

This figure cannot be exemplified in detail due to the inter-relationship of the funding method. However, the total value of the targeted pot can be illustrated as follows:-

	2023/24	2024/25	2025/26	2026/27
Current Targeted Funding Value	£1,574,359			
if transitional protection is for total 2 years		£1,700,917	£1,827,475	
if transitional protection is for total 3 years		£1,743,103	£1,827,475	£1,827,475

Option 3

Both lump sum and targeted funding are increased to maintain a 20% and 80% split

Officer recommendation is for the funding to be added to the lump sum and targeted funding to maintain a 20% v 80% split (broadly in line with the revised method).

## RPI related increase in funding

Allocations from DfE for PFI to date, have seen an increase in line with RPI (inflation). Assuming that the uplift remains in the ballpark same position, this could add a circa £200k to the PFI pot.

As with the above the options for consideration are:-

- A Lump Sum
- B Targeted support
- C **Maintaining the 20% (lump sum) and 80% targeted position** – officer recommendation.
- D Agree a different split:
  - 30% lump sum, 70% Targeted
  - 40% lump sum, 60% Targeted

LA would not support a method that supported more funding to lump sum, as the intention of this funding stream is to provide contribution to schools to support relief from the value of PFI cost and the schools ability to raise funding to pay for that cost. For this reason, we believe the 20-80 split is the optimum position.

**RPI uplift**

£226,132 Estimate for exemplification

	Current	Revised		
Option 1 - to add to lumpsum	£433,848	£659,981		
Option 2 - to add to targeted funding	£1,574,359	£1,800,492		
Option 3 - Keeping Lumpsum and targeted funding in balance (20-80)	Current	Increase (20-80)	Total	
	£433,848	£45,226.48	£479,075	Lumpsum
	£1,574,359	£180,905.91	£1,755,265	Targeted funding
	£2,008,208	<b>£226,132</b>	£2,234,340	