



Schools forum

Report title

DSG 2023/24 – Authority Pro-forma Tool – Submission to the Department for Education

Date: 19th January 2023

Key decision: No

Contributors:

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Outline and recommendations

Following on from the December 2022 School Forum meeting and subsequent funding settlement as detailed in report 1, this report proposes options for schools forum to approve for submission by the 20th January 2023

Timeline of engagement and decision-making

Submission of the (authority pro-forma tool) APT must be made to the Department for Education (DfE) on the 20th January in fulfilment of their statutory requirement.

The options proposed in this report are based on the mandate from Schools Forum based on their December meeting.

Please note this funding only affects 5 to 16 associated age group in mainstream settings.

Private Finance Initiative (PFI) model: At present the model included in this document is based on the current method. A meeting was held with schools that currently are part of the PFI group of schools, as part of a review/consultation process. Heads will undertake a further discussion before advising next steps.

1. Summary

- 1.1. This report provides options for Schools Forum to consider and for the approval of the appropriate APT to the DfE.
- 1.2. As previously advised the timing for the whole process remains extremely challenging, for this purpose guidance was sought from schools forum at its meeting in December 2022

2. Confirmation of the DSG - Schools Block

- 2.1. As summarised in the first report the overall Schools Block of the Dedicated Schools Grant (DSG) totals £231m, which is the basis of this report and any decisions required.
- 2.2. There is a further £7.6m in the form of Mainstream Additional Grant (this is a new grant) – that will be allocated to each school as prescribed by the DfE and can only be considered here for information and exemplification. We have emulated what the grant could potentially look like for each school, however until the DfE has confirmed school by school funding this may only be assumed as an estimate.
- 2.3. In respect of the APT, the method agreed and submitted to the DfE as part of this process only covers primary and secondary age pupils 5 to 16. The method will be equitably applied to all schools including academies (albeit that Academies will receive funding directly from the ESFA as part of the Guaranteed Annual Grant – GAG, on an academic year basis)
- 2.4. Only representatives from Primary and Secondary mainstream schools are eligible to vote.
- 2.5. **The key mandate provided by schools forum was for the funding to mirror the National Funding Formula as the DfE will aspire towards the hard formula, potentially from 2024/25.**
- 2.6. Table 1 below shows the funding rates applied within the APT, schools forum should note that column one is the national per pupil funding for each factor, the second column shows the supplementary grant streamlined. Lewisham attracts an AREA COST ADJUSTMENT plus 18, which means all national funding levels are increased by 18% to

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take into consideration relative increases in cost. The column headed “Lewisham Value” is effectively the amount of funding each school therefore receives. The following column shows the eligibility for Lewisham therefore the funding allocated using that factor.

2.7. Some key observations:-

- Free School Meals (FSM) –still appear low certainly for primary schools
- Income Deprivation Affecting Children Index (IDACI) – based on data in APT, 25% of primary pupils live in more affluent parts of the borough, to the extent that no funding is received. Equally 20% of secondary school pupils live in more affluent parts of the borough that we do not attract any funding
- IDACI for both Primary and Secondary –approximately 45% of pupils are from low level deprivation areas.
- English as an Additional Language (EAL) –approximately 20% of Primary age pupils are EAL, and only 4% of Secondary age pupils are EAL
- Mobility- we have very low level of mobility in our schools
- Prior Attainment –approximately 24% attainment requires support
- Minimum Funding Guarantee (MFG) comprises approximately £4.8m of our funding which represents 2% of the budget—this is effectively at RISK as we move towards the hard formula. Lewisham currently has circa 37 schools on MFG- lowest value is £2k, highest value is £420k.
- Split sites, exceptional factors and PFI also remain at risk as they are part of next stage consultations with the DfE
- **To note that the detail shown below is based on 0.5% MFG leaving 0.18% HNB support of £416k.**
- **At the December meeting it was agreed to consider HNB at 0.5%, the implication of doing this would mean that MFG is factored at 0%. For this reason, this option is not proposed by Lewisham.**

2023/24 Gross Schools Block							
			1.18892				
Funding Factors	NFF	Supplementary Grant	Revised	Lewisham Value	Units	Total	%
	£	£	£			£	
Primary basic per-pupil funding	£3,297	97	£3,394	£4,035.19	22,570.50	£91,076,357	
Key stage 3 (KS3) basic per-pupil funding	£4,648	137	£4,785	£5,688.98	7,048.00	£40,095,947	
Key stage 4 (KS4) basic per-pupil funding	£5,238	155	£5,393	£6,411.85	4,581.00	£29,372,665	
Primary FSM	£480		£480	£570.68	5,585.27	£3,187,411	25%

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Secondary FSM	£480	£480	£570.68	3,606.00	£2,057,878	31%
Primary FSM6	£705	£705	£838.19	6,081.60	£5,097,526	27%
Secondary FSM6	£1,030	£1,030	£1,224.59	4,415.00	£5,406,554	38%
Primary IDACI band A	£670	£670	£796.58	16.03	£12,772	0.1%
Primary IDACI band B	£510	£510	£606.35	1,713.15	£1,038,767	8%
Primary IDACI band C	£480	£480	£570.68	1,881.27	£1,073,607	8%
Primary IDACI band D	£440	£440	£523.12	3,031.76	£1,585,988	13%
Primary IDACI band E	£280	£280	£332.90	5,312.51	£1,768,521	24%
Primary IDACI band F	£230	£230	£273.45	4,925.50	£1,346,886	22%
Primary IDACI Band G	£0	£0	£0.00	5,690.28	£0	25%
Secondary IDACI band A	£930	£930	£1,105.70	14.01	£15,492	0.1%
Secondary IDACI band B	£730	£730	£867.91	1,126.66	£977,841	9.7%
Secondary IDACI band C	£680	£680	£808.47	1,149.63	£929,434	9.9%
Secondary IDACI band D	£620	£620	£737.13	1,665.25	£1,227,507	14.3%
Secondary IDACI band E	£445	£445	£529.07	2,950.41	£1,560,973	25.4%
Secondary IDACI band F	£335	£335	£398.29	2,336.47	£930,587	20.1%
Secondary IDACI band G	£0	£0	£0.00	2,386.57	£0	20.5%
4) English as an Additional Language (EAL)						
EAL 3 Primary	£580	£580	£689.57	4,442.12	£3,063,167	19.7%
EAL 3 Secondary	£1,565	£1,565	£1,860.66	486.50	£905,209	4.2%
Primary Mobility	945	£945	£1,123.53	138.59	£155,713	0.6%
Secondary Mobility	£1,360	£1,360	£1,616.93	41.80	£67,581	0.4%
Primary low prior attainment	£1,155	£1,155	£1,373.20	5,422.34	£7,445,966	24.0%
Secondary low prior attainment	£1,750	£1,750	£2,080.61	2,710.65	£5,639,797	23.3%

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7) Lump Sum	£124,320	3680	£128,000	£152,181.76	78.00	£11,870,177	
10) Split Sites						£181,600	
11) Rates						£4,063,135	
12) PFI funding						£3,208,208	
13) Exceptional circumstances (can only be used with prior agreement of ESFA)						£190,445	
Value of NFF						£225,553,709	
MFG set at 0.5%						£4,759,295	2%
Total Value of the APT						£230,313,004	99.7%
Uncommitted						-£716,837	
Growth Fund						£300,000	0.13%
High Needs Block						£416,837	0.18%

3. PFI factor

- 3.1. At the last forum meeting there was acknowledgement that the DfE will be undertaking further consultations on three areas – split sites, exceptional factors and PFI factor.
- 3.2. It is an optional factor.
- 3.3. The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.
- 3.4. Methodologies for funding PFI schools must be objective and clear, and capable of being replicated for academies. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract, not necessarily the full cost, as some costs may be covered within other factors.
- 3.5. An acceptable methodology would generally contain some of the features set out below.
- 3.6. These examples are intended to help local authorities formulate a clear process for funding; it is unlikely that a local authority would need to incorporate all of the features into its own policy. However, we would not expect to see utility or facility costs included.
- 3.7. If a PFI factor is used, all PFI schools should receive it; there may be different

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arrangements between contracts but, within a contract, all PFI schools should receive funding on an equivalent basis.

- 3.8. This does not necessarily mean all schools should receive the same amount per pupil, but they should be treated on a consistent basis.
- 3.9. Examples of a clear formula for funding PFI schools are:
- allocations are in accordance with an original governors' agreement
 - allocations reflect the difference between the PFI contractual cost, and the grant received by the local authority, less any local authority contribution
- 3.10. Methodologies for calculating allocations could include:
- a percentage of the school's budget share
 - a per pupil rate
 - a rate per square metre of floor area
 - a historical lump sum previously agreed, and indexed by a percentage per year
- 3.11. Agreements can refer to proportions or elements of schools' budget share which, due to changes in funding arrangements, may have changed significantly. Where this situation occurs, the department would expect schools and local authorities to work together to agree an alternative arrangement, so that neither party is significantly disadvantaged.
- 3.12. At the time of drafting this report, a meeting has been agreed with Heads (who receive funding from this factor), to discuss either maintaining the current method or consideration of alternative models. Following from this meeting, the heads requested additional options for consideration.
- 3.13. The exemplification provided at Appendix A1, assumes the current method of PFI allocation is adopted.

4. Time off for trade union activities (TOFTUA) -delegation is based on the principles agreed at the last forum meeting. One item relating to TOFTUA was to advise Schools forum of the total cost

- 4.1. Based on current staff and total population including special schools, the table below shows the recovery position. For maintained schools this will be included within the de-delegation. For academies and special schools, the recovery needs to be made.

Total Cost		£147142.8
Total school population		34199.5
Special Schools		1100
Total		35299.5
Cost per Pupil		£4.17

5. Financial implications

- 5.1. The report recognises increases in funding for the Schools Block, High Needs Block and Early Years

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block.

- 5.2. The additional money is welcomed, however, the following concerns remain
- Schools Block –assuming 75% of costs are staff related at an increase of average 8%, the overall increase should be more in the region of circa £14.5m. This suggests that only the 2022/23 pay award has been funded in principle. Schools are also facing other inflationary pressure including increasing energy costs, school meals etc. which will continue to place pressure on schools and a real term reduction in funding.
 - High Needs Block – currently the HNB is overspending by approximately £5m per year. The additional funding is at best likely to contain the current overspending.
 - Early Years Block – from the information provided, there does not appear to be any further support for EY providers to support with wage inflation and other cost of living pressures such as energy, contract etc.
- 5.3. PFI Factor –depending on the outcome of the PFI consultation with schools there will be implications for individual schools, as with any change in method, there will be schools that benefit from the change and those that face pressure. Engagement has been undertaken with the relevant schools within the time frame available.
- 5.4. Central Schools Service’s Block- the report recognises a reduction of circa £400k. Whilst there will inevitably be an impact, the service is working to minimise impact on direct services to schools, seeking to deploy other funding sources and maximise efficiencies. As with all services, those provided within the CSSB, will have upward pressure including those arising from pay awards and other contract inflation.

6. Legal implications

- 6.1. There are no significant legal implications of this report.

7. Equalities implications

- 7.1. In principle there are no direct equalities impact as this documents reports on funding available. However, depending on how each school or service provider undertakes actions to deliver services within the allocated budgets, there could potentially be implications and Equalities Impact Assessments will need to be applied to plans and decisions.

8. Report authors and contact

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9. Appendices

Appendix A1 & A2 Consultation on PFI factor

Appendix B Summary of APT Funding Formula incl. mainstream additional grant

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Appendix A1

Consultation on PFI factor

Dear all

Please ensure all relevant stakeholders and their representatives have seen this email and are aware of the meeting (to be confirmed for next week)

Following on from my conversation with Jonathan Ronan as the Secondary Schools lead, please accept this as the formal consultation for the PFI factor –for MAINSTREAM SCHOOLS.

1. Schools in Scope

Table lists the schools that have previously received funding from this factor. Please note all schools irrespective of status as maintained or academy will be funded on our submission to the DfE on the 20th January.

2094047	Deptford Green School

2094249	Conisborough College
2094001	Sedgehill Academy
2094289	Forest Hill School
2094323	Prendergast Ladywell School
2094636	Trinity Lewisham CE School
2094802	Bonus Pastor Catholic College
2095201	Prendergast Vale School

2. Why the need for review?

As you will be aware, the DfE is currently progressing towards a “hard formula”. This means local determination will be limited and for some factors nonexistent. Currently there are a handful of factors that remain locally determined, but within defined parameters.

The DfE will be undertaking their own analysis of those factors over the coming year or so. [PFI is one of the factors](#). This provides Lewisham, in partnership with schools that are currently funded through this factor, an opportunity to review the appropriateness of the factor.

Please note the PFI factor has been in place for many years, and was implemented in agreement with Schools Forum several years ago.

As with any factor, it is not intended to fund any cost fully, but is expected to distribute funding in a fair and equitable manner.

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I have also had representation from schools seeking details on how the factor is determined, so this is a good opportunity to explain the method in detail.

Please note –that the beneficiary schools must take collective responsibility should there be a change in policy and be satisfied that the consultation opportunity included all schools.

There will be no opportunity for individual support /lobbying etc. once an agreement has been reached and applied.

In the event that a consensus is not reached, the current method i.e. status quo will be applied for 2023/24

Please further note, that should an alternative be agreed, any change required by DfE for 2024/25 or thereafter will clearly need revision and override any local agreements. Depending on the complexity of PFI factor review nationally, any change may be imminent e.g. from 2024/25 or longer -this is clearly a decision for DfE.

3. Time constraint

Schools forum has been advised that a review of PFI factor would be required. Due to the timing of the settlement (16th December 2022) to submission of the 2023/24 APT, the timelines will be challenging. Meeting on the 19th January, will inform submission to the DfE on the 20th January.

In theory, as this is self-contained factor, Lewisham could submit the APT tool to the DfE using one of the options (e.g. current method), and the resubmit a few days later with the preferred option. However, a much longer delay would not be possible.

4. Funding Envelope and affordability

Please note that any method, will result in schools gaining or losing. **This is a review of a factor, not a request to allocate additional funding.**

The DfE provide for 2023/24 **£3,208,208**

The first call on this will be the service of the debt known as “affordability gap” –that equates to **£1,200,000**

Total remaining allocation £2,008,208

Please also note that the PFI factor funding for 2023/24 is higher than 2022/23 by circa £320k

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5. Options for consideration

Please note that the information contained in this email is for exemplification. [I am currently undertaking final validations](#), but rather than hold back, I felt it was more useful to share the information. The focus should be on equity and fit for purpose.

Options 1 – current method, this in essence is a relativity model that considers the potential income a school can generate (including delegated budget share, SEN funding, post 16 funding and any other known specifics). It doesn't include locally raised income or other grants. The total income is compared against the potential PFI cost for the school. Funding is allocated to schools if over 10% difference. Please note for 2023/24, the 10% is not affordable and is likely to be nearer the 12% threshold.

The model supports schools with low numbers/falling numbers in principle. There is a concern that the factor includes SEN and post 16 funding.

Option 2 – simply to provide a weighted average figure, meaning total cost of PFI across all the schools is considered within the funding, with each school receiving an equitable proportion. This currently would seem to be circa 21%.

Option 3 – Pupil numbers used as the distribution

Option 4 – Simple lump sum

Table below summarizes, how the [funding net of affordability gap \(£150k\)](#) per school would look like, using the estimated PFI figures for 2023/24. Please note the PFI estimates are exactly that, an estimate but it is the best information available at present.

Also note the current method is at circa 12% to support affordability

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		Option 1	Option 2	Option 3	Opiton 4
		Current Method	Weighted Average	Pupil number	Lump sum
2094047	Deptford Green School	27%	21%	18%	19%
2094249	Conisborough College	0%	21%	24%	26%
2094001	Sedgehill Academy	51%	21%	10%	14%
2094289	Forest Hill School	30%	21%	17%	17%
2094323	Prendergast Ladywell School	6%	21%	27%	19%
2094636	Trinity Lewisham CE School	0%	21%	36%	32%
2094802	Bonus Pastor Catholic College	0%	21%	29%	28%
2095201	Prendergast Vale School	25%	21%	23%	26%

In money this means -

						Variance to Current Method for 2023/24		
		2023/24 current metf	2023/24 new method	pupil number	lump sum	2023/24 new method	pupil number	lump sum
2094047	Deptford Green School	£363,482.00	£284,709	£245,475	£251,026	-£78,773	-£118,007	-£112,456
2094249	Conisborough College	£3,008.00	£203,408	£229,478	£251,026	£200,400	£226,470	£248,018
2094001	Sedgehill Academy	£890,248.00	£372,649	£182,589	£251,026	-£517,599	-£707,659	-£639,222
2094289	Forest Hill School	£435,252.00	£310,111	£244,096	£251,026	-£125,141	-£191,156	-£184,226
2094323	Prendergast Ladywell School	£72,856.00	£279,253	£352,767	£251,026	£206,397	£279,911	£178,170
2094636	Trinity Lewisham CE School	£0.00	£166,555	£281,883	£251,026	£166,555	£281,883	£251,026
2094802	Bonus Pastor Catholic College	£0.00	£188,890	£255,680	£251,026	£188,890	£255,680	£251,026
2095201	Prendergast Vale School	£239,313.00	£202,631	£216,239	£251,026	-£36,682	-£23,074	£11,713
		£2,004,159.00	£2,008,208	£2,008,208	£2,008,208	£4,049	£4,049	£4,049
	balance (notional)	£4,048.85						

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Detail of current method (old method) and new method (weighted average)

Old Method												
		Delegated budget share	6th form	SEN	playing fields	potential income		Estimate of cost		11.7%	Affordability Gap	Total
2094047	Deptford Green School	£7,849,104	£0	£510,720	£0	£8,359,824		£1,343,253		16.07%	363482.0	513482
2094249	Conisborough College	£7,247,742	£0	£914,960	£0	£8,162,702		£959,677		11.76%	3008.0	153008
2094001	Sedgehill Academy	£6,558,019	£737,714	£109,570	£0	£7,405,303		£1,758,150		23.74%	890248.0	1040248
2094289	Forest Hill School	£7,185,543	£1,398,661	£185,821	£0	£8,770,025		£1,463,099		16.68%	435252.0	585252
2094323	Prendergast Ladywell School	£10,134,313	£0	£485,620	£0	£10,619,933		£1,317,512		12.41%	72856.0	222856
2094636	Trinity Lewisham CE School	£7,703,145	£0	£278,170	£0	£7,981,315		£785,801		9.85%	0.0	150000
2094802	Bonus Pastor Catholic College	£7,392,476	£0	£390,420	£162,096	£7,944,992		£891,180		11.22%	0.0	150000
2095201	Prendergast Vale School	£6,052,763	£0	£62,400	£0	£6,115,163		£956,010		15.63%	239313.0	389313
		£60,123,106	£2,136,375	£2,937,681	£162,096	£65,359,258		£9,474,683			£2,004,159	1200000
												3208208
												-4049
New Method												
		Estimate of Cost	additional allocation	affordability gap	total							
2094047	Deptford Green School	£1,343,253	£284,709	£150,000	£434,709							
2094249	Conisborough College	£959,677	£203,408	£150,000	£353,408							
2094001	Sedgehill Academy	£1,758,150	£372,649	£150,000	£522,649							
2094289	Forest Hill School	£1,463,099	£310,111	£150,000	£460,111							
2094323	Prendergast Ladywell School	£1,317,512	£279,253	£150,000	£429,253							
2094636	Trinity Lewisham CE School	£785,801	£166,555	£150,000	£316,555							
2094802	Bonus Pastor Catholic College	£891,180	£188,890	£150,000	£338,890							
2095201	Prendergast Vale School	£956,010	£202,631	£150,000	£352,631							
		£9,474,683	£2,008,208	£1,200,000	£3,208,208							
				Total Funding	£3,208,208							
				Affordability Gap	£1,200,000	this is the £150k per school						
				balance redistribution	£2,008,208							

Kind Regards

Mala Dadlani

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