

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

1. Purpose of the Report

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

2. Recommendations

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

3. DSG 2020/21

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

Table 1 – Primary Phase Funding Receivable by LA

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

Table 2 – Secondary Phase Funding Receivable by LA

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

Table 3 High Needs Funding

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

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

Table 4 Early Years Funding

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

4. Further Information

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

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

1 Purpose of this report

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

2 Recommendations

2.1 Schools Forum is asked to:-

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

2.1.2 Note information as outlined in paragraphs 3.3 and 3.5

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

2.1.4 Approve the Disaggregation variation as detailed in 3.6.2 D

3 Proposed application of the Schools Block

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

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

3.3 **Disapplication request DfE** for continued disapplication for service charge factors being

- St Michaels rent charges £21,925
- Bonus Pastor playing field management on behalf of the local authority. £162,096.00

Schools Forum to note.

3.4 **Disapplication request DfE** for two schools expanding from secondary to primary phase. The MFG protects these schools at an average per pupil rate that is inflated by higher secondary funding level, thereby providing excessive protection at the expense of other schools. Amended MFG will protect the schools appropriately. **Schools Forum to agree.**

3.5 **Disaggregation of Schools.** The following schools have disaggregated from September 2019. There is a potential one-off funding pressure in 2019/20 expected to be circa £125k part year effect. This assumes the DfE will uplift Lewisham's final settlement by the equivalent of two extra premises lump sums. If not the pressure will continue into 2020/21 **Schools Forum to note.**

3.6 **De-Delegation**

3.6.1 The DfE guidance enables Local Authorities to provide services centrally which are funded by a process known as de-delegation. This only applies to mainstream schools and not academies. As such funding levels agreed will reduce should any school convert following finalisation of the budget process.

3.6.2 The de-delegation process must be agreed every year and supported (by means of voting) by the representative of each phase at Schools Forums. The proposal for 2019/20 delegation are in line with the current de-delegation levels. It is proposed that de-delegation continues in line with current levels and supports the following:

- A Administration of Free School Meals (£59K)
- B Trade union and non-sickness supply scheme (Maternity Fund) (£1.1m)
- C School Improvement –to support the work of the Lewisham Learning Partnership. (£300k)

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

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

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

1 Purpose of this report

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

2 Recommendations

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

3 Application of the additional funding for 2020/21

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

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

3.2 Supporting Schools with higher than average SEN

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

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

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

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

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

1 Purpose of this report

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

2 Recommendations

- 2.1 Schools Forum is asked to :

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

3 Early Years Block

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

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

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

3.2 Supplementary Funding for Nursery Schools

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

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

3.3 Deprivation Funding

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

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

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

4 Two year old funding

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

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

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