

Members of the **Schools Forum** are invited to the meeting due to be held at

**4pm-6pm, Thursday 12<sup>th</sup> January 2023**

Will be held **on-line** (via Microsoft Teams)

because of government advice on social gatherings relating to COVID-19 (Coronavirus)

## Agenda

Time*	Item	
	1. Welcome & Apologies	Chair
	2. Membership, Register of Interests and Declaration of Interests	Chair
	3. Minutes from the Schools Forum meeting held 6 <sup>th</sup> October 2022 and matters arising	Chair
	4. DSG Overview 2022/23 and 2023/24 update	Yoke Ying Kong
	5. High Needs Block 2022/23 update and 2023/24 budget setting	Adam Yarnold
	6. Schools Block 2022/23 update and 2023/24 budget setting	Yoke Ying Kong
	7. EY Block 2022/23 update and 2023/24 budget setting	Kathryn Shaw
	8. Central School Services Block 2022/23 update and 2023/24 budget setting	Dominique-Johnston-Franklin
	9. Licensed Deficits	Dominique-Johnston-Franklin
	10. Any other business	Chair
	11. Agreed dates of next meetings and location: <ul style="list-style-type: none"><li>• 16<sup>th</sup> March 2022 – 4-6pm</li><li>• 22<sup>nd</sup> June 2022 – 4-6pm</li></ul> At present, these meetings will likely be on-line, but Schools Forum members will be advised of location, if it is decided that a physical meeting is safe and practical.  See outline forward plan of agendas to follow	Chair

## Forward Plan for Schools Forum (Academic Year 2022/23)

### Summary

Item	16 <sup>th</sup> March 2023	22 <sup>nd</sup> June 2023	5 <sup>th</sup> October 2023 TBC	7 <sup>th</sup> December 2023 TBC
Election of Chair / Vice-Chair		✓		
Standing items (membership issues, declaration of interests, minutes of last meeting, matters arising, AOB etc)	✓	✓	✓	✓
DSG Overview	✓	✓	✓	✓
Schools Block			✓	✓
Central School Services Block				
De-delegated services and Education Functions				✓
Early Years Block	✓	✓	✓	✓
High Needs Block	✓	✓	✓	✓
Licensed Deficits				
School Places Strategy	✓			✓
Scheme for Financing Schools	✓	✓		
Updates on HR issues (eg TTO, Annual Leave)		✓		
Major contracts affecting all schools		✓		
Other Issues				

## More detail

<b>Meeting</b>	<b>Agenda item</b>	<b>Purpose</b>	<b>Lead officer</b>
<b>16<sup>th</sup> March 2023</b>	DSG Overview	Budget monitoring position for the DSG in 2022/23 to date. Confirmation of decisions of Council about the Schools Budget for 2023/24.	Yoke Ying Kong
	Schools Block	Confirmation of the final APT submission for 2023/24, including any final technical adjustments to comply with the regulations.	Yoke Ying Kong
	High Needs	Budget monitoring position for the DSG in 2022/23 to date. Any updates on High Needs budget and funding rates for 2023/24. .	Adam Yarnold
	Early Years	Budget monitoring position for 2022/23 to date Any update on Early Years budget and funding rates for 2023/24.	Kathryn Shaw
	School Places Strategy	Update on the emerging school places strategy that is expected to have been the subject of consultation with schools in the summer term and due to be considered by Cabinet later in the autumn. Considerations of how the mainstream funding formula might need to be adjusted to recognise issues arising from this strategy.	Abrilli Philip
	Scheme for Financing Schools	Timing may change, but there is likely to be a refresh of the scheme at some point and it will have to come to Schools Forum for ratification.	Dominique Johnson-Franklin

<b>Meeting</b>	<b>Agenda item</b>	<b>Purpose</b>	<b>Lead officer</b>
<b>22<sup>nd</sup> June 2023</b>	DSG Overview	<ul style="list-style-type: none"> <li>• Report on outturn for DSG overall 2022/23 (comparison with final forecast in March 2023)</li> <li>• Report on individual schools outturn (surpluses / deficits / trends)</li> <li>• Identify overview position for the DSG in 2023/24 and any high level indications for future years.</li> </ul>	Dominique Johnson-Franklin / Yoke Ying Kong
	Early Years	<ul style="list-style-type: none"> <li>• Report on outturn for Early Years in 2022/23</li> <li>• Explain the arrangements for 2023/24</li> <li>• Update on any issues affecting Early Years funding / providers</li> </ul>	Kathryn Shaw
	Schools Block	<ul style="list-style-type: none"> <li>• Confirm the outturn position for 2022/23</li> <li>• Report on any other developments that might affect 2024/25 (or later) Schools Block budget setting (but unlikely to emerge until the summer)</li> </ul>	Yoke Ying Kong
	High Needs	<ul style="list-style-type: none"> <li>• Report on outturn for High Needs in 2022/23</li> <li>• Identify the emerging position for 2023/24, linked to activity</li> <li>• Explain any strategies being pursued or work that needs to be done</li> </ul>	Adam Yarnold
	HR Update	<ul style="list-style-type: none"> <li>• If necessary</li> </ul>	Claire Cobbald
	Lambeth School Services	<ul style="list-style-type: none"> <li>• Previously referred to as “Major contracts affecting all schools”, this report will set out the services available to all schools from Lambeth School Services</li> </ul>	Colm Doyle
	Election of Chair / Vice-Chair	<ul style="list-style-type: none"> <li>• Election of chair and vice-chair for start of the new academic year.</li> </ul>	Abrilli Philip

# LONDON BOROUGH OF LAMBETH

## SCHOOLS' FORUM

Draft minutes of the meeting of the Schools' Forum held remotely due to Covid-19 lockdown measures being in place on Thursday 8th December 2022 at 4:00pm – 6.00pm

### School Forum Members:

<u>Schools:</u>	<b>Present, Apologies, Absent</b>	<u>Schools:</u>	<b>Present, Apologies, Absent</b>
Alison Moller (AM) Julian's Primary School <b>(Chair)</b>	Present	Joanna Tarrant (JT) Elm Court	Present
Melanie Miah (MM) Lambeth Nursery Schools' Federation – Rep	Present	Coral Hayes Ruskin House School	Absent
David Boyle (DB) Dunraven Educational Trust	Apologies	Michael Holland (MH) Sunnyhill Primary	Present
Martyn O'Donnell (MOD) (PCA)	Absent	Gay Wenban-Smith (GWS) Henry Cavendish Primary School	Present
Humaira Saleem (HS) Iqra (left at 4.30pm)	Present	Eleanor Donegan (ED) Woodmansterne School	Present
Andrew Chaplin (AC) Walnut Tree Walk Primary School <b>(Vice-Chair)</b>	Present	Linda Collins (LC) Crown Lane Primary School	Present
Chris Toye (CT) Wyvern Federation	Absent	Lynette Murphy O'Dwyer (LMOD) - St. Mary's RC Primary School	Absent
Jayne Mitchell (JM) St. Andrew's Primary	Absent	Errol Comrie (EC) - City Heights E-Act Academy	Absent
Tom Prestwich Jubilee Primary School	Present	Jonathan Harris Archbishop Tenison's School	Present
Community Secondary Headteacher	Vacancy	Faith Body Governor	Vacancy

PVI Manager	Vacancy	16-19 Partnership Vice-Principal	Vacancy
<b><u>Officers:</u></b>	<b>Present, Apologies, Absent</b>	<b><u>Observers:</u></b>	<b>Present, Apologies, Absent</b>
Abrilli Phillip (AP) Director – ELS	Present	Sara Tomlinson (ST) NUT/NEU	Present
Kathryn Shaw (KS) School Quality Improvement Lead	Present	Christine Golding (CG) GMB Union	Present
Bunmi Idowu (BI) Early Years	Present	Andrew Tullis (AT) Unison Union	Present
Dominique Johnston- (DJF) Franklin - Finance	Present	Ryan Foster (RF) NASUWT Union	Absent
Yoke Ying Kong (YYK) (Education Finance Advisor)	Present	Brian Hazell (BH) NAHT Union	Present
David Tully (DT) - Finance	Present	Lorna Burg (LB) Henry Cavendish	Present
Cllr Ben Kind	Present	Christopher Gyton (CG) Finance	Absent
Cllr Marianne Masters	Absent	Peter Compton (PC) – Governor Services	Apologies
Claire Cobbold (CC) – HR	Present	Vinay Gupta (VG) St. Gabriel's College	Absent
Adam Yarnold (AY) - Lead, Special Education Needs & Disability	Present	Dorte Newman (DN)	Present
David Goldring (DG) – Finance & Property	Absent	Stella Carefull (SC)	Absent
Francesca Canarella (AD Education Strategy, Access and Inclusion)	Present	Gerald Mehrtens (GM) - Assistant Director School Quality Assurance and Partnerships	Present
Sophie Garner (SG)	Present	Andree Smith	Absent
		Emma Rutter Finance Officer	Absent
		Oliver Martin Finance Officer	Absent
		Kevin McCully SEND Accountant	Absent

**SF Clerk:** Maria Gabrielczyk (MGab) [mgabrielczyk@lambeth.gov.uk](mailto:mgabrielczyk@lambeth.gov.uk)

# MINUTES

## 1. Welcome & Apologies

AM welcomed everyone to the meeting and confirmed it was quorate.

Apologies were received and accepted from: David Boyle.

A warm welcome was extended to Tom Prestwich and Jonathan Harris.

## 2. Membership and Register of Interests and Declaration of Business Interests

Tom Prestwich joins as a Community Primary Headteacher - Jubilee Primary School (replacing Chris Ashley-Jones) and Jonathan Harris joins as a VA/VC Secondary Headteacher - Archbishop Tenison's School (replacing Nick Butler).

## 3. Minutes from the Schools Forum meeting held on 6th October 2022 and matters arising

The minutes were agreed as a true and accurate record of the meeting and signed off by the Chair.

### Matters arising

Item 7 – Schools Block – consultation on future of National Funding Formula. The sub-group has not met yet, and it is an agenda item in this meeting.

Item 8 – AOB – Meeting accessibility. Information has been placed on the Council website, that if anyone wishes to join the SF meeting, they should contact the Clerk.

## 4. DSG Overview 2022/2023 - Update

YYK informed that the paper was for information only. It provides an overview and an update on 2022/23 since the October 2022 meeting.

There has been a reduction of £84K from the ESFA on the DSG funding. There have been no changes to other blocks.

The HNB expenditure has increased in-year, the variants have been reduced in-year with an underspend of £1.47m. The department is forecasting to have an underspend of £865K at the end of 2023.

There are no additional announcements since the last meeting. The extra £2billion pounds coming to schools will be notified in the December settlement of how it will be shared out. The ESFA has not decided yet how the money will be distributed. The ESFA are suggesting of distributing by size, so the additional funding is similar to that provided last year and will be adopted in a similar approach to last year through a supplementary grant.

There has been a reduction in the Lambeth pension scheme contributions from 29.95% to 24.8%.

**Q.** When are you likely to hear?

A. By 31<sup>st</sup> December.

Schools Forum Members **noted** and **commented** on the content of the paper.

## 5. **High Needs Block 2022-2023 - Update**

AY informed that the paper was for information only.

The main points were about the backlog of work that was reported in the October meeting. The team are still under pressure with the amount of EHCPs coming through – 30 cases a month. The end of term is also adding to the volume of EHCPs coming through.

There are issues with EP service and their capacity is very low. The team is working closely with external EP agencies in order to bring down the backlog of cases. The team hopes to clear the backlog in 3-4 months' time and to get it back down to 20 EHCP per month. There is full capacity in the team with agency staff. The team hopes to have more permanent established staff from April.

The team are cautious about projections, but 30 new cases a month is an accurate projection. If 0.5% is transferred from the 2023/2024 budget and the ESFA provide a share of funding, then the team can start from a balanced position. In the 2023/2024 budget there is scope to increase the Top Ups. The MFG has to be 3% and the team will wait to hear what the schools funding settlement will be. Details of this will be shared in the next SF meeting in January 2023.

23/24 scope to increase Top Ups. MFG has to be 3% waiting for schools funding settlement and in next SF mtg will be detailed.

A sub-group will need to be identified to manage the budget. Francesca Canarella is leaving, and Sophie Garner takes on the new role, beginning with the work of the sub-group and budget management.

**Q.** How will the sub-group be formed, and information communicated?

**A.** It will need members to volunteer, or otherwise reach out to schools. Information will be shared at the SF January meeting.

Maria will liaise with AY and send out the email to SF Members. **ACTION: MG**

Schools Forum Members:

a) **Noted** the High Needs Budget position for 2022/23 and 2023/24

## 6. **Early Year Block 2022-2023 – Update**

KS informed that the paper was for information only.

The budget for the EY Block allocation, taken with a January 2022 headcount, is £26m. The current EYB is projecting similar headcount numbers. There is an underspend for 2021/2022 of £0.27m, which is allocated to the contingency fund.

The current forecast projections for EY is that it is expecting to break even and retain the contingency fund. Pupil numbers are reducing and that is having an impact on EY providers.

A number of consultations took place in the summer and the team are waiting for the outcomes. The SF will be updated at the next meeting. The team is also waiting for the outcome of the DfE consultations. The risks remain the same, although they are



not affecting issues at the moment, but they will do so much more later. There is a downward trend in pupil numbers, an impact of the cost of living and the recruitment shortage. This is all driving up costs for delivering the services.

The hourly rate is increasing and this will have an impact in the maintained sector.

One nursery is closing partly due to sustainability, but new settings are opening too.

KS is working with Maria to find a SF Member to replace Ray Smith.

Schools Forum Members:

Schools Forum **agreed** EY sub group to review the funding formula factors and rates for EY 2,3 & 4 year olds for 23-24 Schools

## **7. Disapplication of special school MFG 2023/24 – The Michael Tippett School**

Supplementary Information was circulated prior to the meeting.

DT informed that the SF's view was being sought about putting the MFG in the red for 2023-2024 for TMTS. No change can be sought from the ESFA without prior consultation with the SF.

TMTS is an 80 place Special School. The Governing Body and the SF agreed to remove the MFG last year, but the Secretary of State did not agree to it, due to the timing issues, an adverse Ofsted and that TMTS was due to become an academy. Now that the school is in a different place, the Governing Body has set the budget without the MFG.

The report sets out a letter to the Academy Trust, that as of 1<sup>st</sup> January 2023 TMTS will be classed as an academy. The MFG will be removed in a phased stage – one year at a time, with the first year starting on 1st April 2023.

The Supplementary Information is a response from the Trust to the original letter sent. The Trust agree to alignment over time, but do not support this for 2023-2024.

Lambeth are disappointed with the outcome. They are meeting with the Trust next week to try to agree some common ground, as the school is now in a different place than it was last year. It has had 2 successful Ofsted visits and the historic budget has been addressed. The LA will take on the risk with a deficit budget and the debts it inherited under the LA. The Commercial Transfer Agreement – the LA has agreed to meet the costs with the fire risk and capital. There is scope for the school to make a reduction in the MFG in April 2023 and the LA is looking for some common ground.

**Q.** If there is a spend with or without the MFG, will the balance come back to the LA?

**A.** An amount of funding was provided to TMTS. Now it gets £0.5m more, so that their historic funding is protected. The Governing Body agreed a level of spending that was not appropriate, and now there is a different operating model as with other Special Schools. If the MFG abated and disappeared, the HNB would not bear the £0.5m costs.

**Q.** Is it ring fenced?

**A.** It comes into the HNB. TMTS was outside of the Lambeth banding and now it has been brought in line with the Lambeth banding. The school tried to apply for disbanding, but it was refused by the Secretary of state, to free up money in the HNB to support all pupils and not just TMTS pupils. There was no justifiable reason for the MFG to remain there.

**Q.** What is the implication if the MFG is withdrawn and TMTS behave differently and spend less?

**A.** It is already spending less as it is operating within the banding agreement, as it is aligned with Lambeth schools on the agreed banding, which is now in place.

Q. What if it overspends?

A. It shouldn't overspend, as the staffing is now in line with other schools.

Q. What happens if the meeting with the Academy Trust is not successful?

A. If the SF supports the proposal then it will be resubmitted to the Secretary of State. The Secretary of State is aware of the issues. Whilst it may not be in the Trust's interests, but it will be in the best interest of the pupils and their needs and to forming a strong partnership with Lambeth.

Schools Forum Members:

a) **Supported** the proposed reduction of the MFG at The Michael Tippett School for 2023/24.

## 8. Pupil Place Planning Strategy – Verbal update

AP informed that the document went to Cabinet on 7<sup>th</sup> November 2022 and the recommendations were agreed unanimously. The strategy will be active to manage pupil places in the borough. A letter will go out to all schools informing them of this decision. **ACTION: AP**

The LA is engaging with schools about their normal admissions arrangement. Schools would contact the LA if there was a reduction to their PAN for 2023-2024. Schools can decide after 31<sup>st</sup> January 2023 and that will take effect 2024/2025. They will need to publish their admissions arrangement by 15<sup>th</sup> March 2023. There will be a Stage 1 consultation on 1<sup>st</sup> May around the statutory guidance on opening and closing schools. A Stage 2 formal consultation will take place in September 2023. The Decision Stage will be in December 2023 based on the decision made by the full Cabinet. Planning for implementation would be in January 2024. The PAN reductions would be seen in 2025 and the completed project in 2026, so by the end of the academic year 2026-2027. There will be full stakeholder engagement. It will be a strategic programme, with work streams that will feed into steering groups and advisory groups. There will be scrutiny throughout and Q&A. The process will remain transparent and open.

Q. How will you take into account the schools with a reduced PAN when standards will go down and the financial balance.

A. If pupil numbers are low and the school is in the red then there will be no difference in the PAN. The PAN is being reduced for schools where funding is driven by pupil numbers and schools are required to take action with red funding. Where schools are in the red with pupil numbers, maintained schools will not see red until the following April, so there is a buffer and it will be adjusted accordingly. If it fails to do that then it will be in financial difficulties.

Money is not all spent on staffing. There are still a lot of fixed costs that schools are less able to cover. Not all costs are variable, but lots are. Most school funding is spent 80% on staff. The biggest spend is staffing, so the curriculum should match with the staffing and significant income should not be sitting in reserves. The LA is trying to manage the situation and reduce the PAN across all schools as a way forward, rather than it ending up in school closures.

## 9. Schools Block - 2023/24 Consultation update

YYK reported that in October the SF asked permission for a sub-group to be formed to decide on how to set the NFF for 2023-2024. The key figures were set out by the DfE. Lambeth did some modelling and is running it past the SF once the budget settlement is given in December.

There have been no change since the SF meeting in October.

**Q.** What MFG does Lambeth set aside for schools?

**A.** 0.5% is allowed and the LA needs to move 10% closer.

There are 3 options a) the Secretary of State's approval to go above, which was considered and rejected; b) to keep the MFG at 0.5%, but this was felt it was mirroring the NFF and would defeat the original objective, so that was also rejected; c) the only option left was to transfer a maximum of 0.5% to the HNB and set the MFG at 0.5%. This proposal went out to consultation and only 6 schools responded.

Schools Forum Members:

a) **Agreed** Lambeth continued adoption of 2023/24 ACA adjusted National Funding formula values.

b) **Agreed** 0.5 % MFG for Schools funding formula.

c) **Agreed** to transfer 0.5% from Schools Block to High Needs Block for 2023/24;

d) **Agreed** for any remaining funding to be held in the Growth Fund for future support in removing surplus places on Schools Forum agreement.

#### **10. De-delegation decisions for 2023/24 – Trades Union Facilities and Education Functions for Maintained Schools**

BH informed this was a decision paper and he was seeking SF's agreement to increase the per pupil rate. The TUFA raised this from £4.50 per pupil to £5.18 from April.- a 4% increase for schools were there are TU matters to raise for staff.

Subject to cuts from the DfE, financial support and SF comes out of it as well as Schools HR Traded Services. It supports the statutory functions, H&S, compliance and facilities management and is based on per pupil.

The TUFA provides an effective channel between the LA, schools and TU, meaning that matters are dealt with effectively and faster. More schools have amalgamated and there is an increased pressure on schools to resolve issues. BH recommended that SF agrees to continue to fund TU members.

**Q.** Is the responsibility of schools' operational guidance only for maintained schools or also for community schools?

**A.** The LA is the employer of Community and VC schools. HR is 100% a Traded Service. Non Community schools buy into the service. The LA schools that are supported are all maintained schools.

Schools Forum Members:

4.1 Maintained primary school representatives **agreed** to continue the de-delegation for the Trades Union Facilities Agreements in 2023-24 at a rate of £5.38 per pupil.

4.2 Maintained secondary school representative **agreed** to continue the de-delegation for the Trades Union Facilities Agreements in 2023-24 at a rate of £5.38 per pupil.

4.3 Maintained primary, secondary, all-through and special school representatives **agreed** to continue to de-delegate for Education Functions for 5-16 year old in 2023-24, at a rate of £21.60 per pupil for pupils in primary and secondary schools and £43.20 per commissioned place in maintained special schools.

#### **11. AOB**

There were no items for AOB.

**12. Future Meeting Dates**

The following meeting dates were agreed for the next academic year:

- **12th January 2023 – 4-6pm**
- **16th March 2023 – 4-6pm**
- **22nd June 2023 – 4-6pm**

At present, these meetings will be on-line, but Schools' Forum Members will be advised of location, if it is decided that a physical meeting is safe and practical.

There being no further business to discuss, the Chair closed the meeting at 5.20pm.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Alison Moller**  
**Chair of the School Forum**

**Agenda Item 4****Title: Dedicated Schools Grant Overview****Date: 12<sup>th</sup> January 2023****Report to: Schools Forum****Report for: Information                      Decision                      Consultation                      Action****Author: Yoke Ying Kong****1 Background**

1.1 This report provides an update on the DSG for 2022/23 and 2023/24.

**2 DSG 2022/23**

2.1 **Table 1** sets out the current summary forecast position for each block for 2022/23. Explanations about the position in each of the four blocks and the associated risks then follow. There has been no change to the forecast since the last meeting of Schools Forum in December 2022.

**Table 1: Summary forecast spend against funding by DSG block 2022/23 (Period 9)**

Block	2021/22 b/f balances £'000	DSG Funding 2022/23 £'000	Forecast net LA spend 2022/23 (P09) £'000	In-year variance £'000	2022/23 Forecast c/f balances £'000
Schools Block (not NNDR)	(85)	(144,275)	144,275	0	(85)
Central School Services Block	0	(1,224)	1,224	0	0
Early Years Block	(271)	(26,144)	26,144	0	(271)
High Needs Block	3,196	(59,679)	57,732	(1,947)	1,249
De-delegated budgets	(97)	0	69	69	(28)
<b>DSG managed by LA</b>	<b>2,743</b>	<b>(231,322)</b>	<b>229,444</b>	<b>(1,878)</b>	<b>865</b>
Schools Block NNDR	0	(3,662)	3,662	0	0
Schools Block recoupment by ESFA	0	(73,186)	73,186	0	0
High Needs Block recoupment by ESFA	0	(3,187)	3,187	0	0
<b>DSG held or recouped by ESFA</b>	<b>0</b>	<b>(80,035)</b>	<b>80,035</b>	<b>0</b>	<b>0</b>
<b>Total Lambeth DSG</b>	<b>2,743</b>	<b>(311,357)</b>	<b>309,479</b>	<b>(1,878)</b>	<b>865</b>

2.2 **Schools Block.** The vast majority of the funding for the Schools Block has been allocated in accordance with the Authority Proforma Tool (APT) exercise on the mainstream schools

funding formula in January 2022. The DSG position has been accounted for in gross terms, but the LA only disburses funds directly to maintained schools; the ESFA deducts (recoups) funding from the DSG to provide funding for academies and sixth form High Needs provision more directly.

- 2.3 The Growth Fund had £0.085m brought forward from 2021/22. The carry forward balance of £0.085m surplus continues to be earmarked for the Growth Fund.
- 2.4 **Central School Services Block.** There is no expected variance in this block. Spending on Central School Services Block items such as Admissions, School Licences, Schools Forum, Education Functions and Statutory Responsibilities was contained within the available funding.
- 2.5 **Early Years Block.** There is no expected variance in this block. The Early years block allocation for 2022/23 has now been updated to account for Jan 22 headcount and has anticipated to be £26.144m. The underspend £0.271m which has been allocated to contingency fund is expected to support any large fluctuations in pupil number reductions in 2022/23. There is continued risk to the reductions in pupil numbers impacting the overall funding allocation and what the 5% retention factor budget is able to support in the delivery of the EY block.
- 2.6 **High Needs Block.** The High Needs Block funding has decreased by £0.084m due to a reduction in the number of pupils arriving from other local authorities. The underspend on Places have decreased (-£0.319m), underspend on SEND Top-ups have decreased (-£1.332m) and Alternative Provision Top-Ups are now forecasting an underspend of £0.296m. All Other High Needs Provisions are currently forecast to be on budget.
- 2.7 **De-delegated Budgets.** The Vulnerable Schools Fund is no longer being topped-up with DSG funding. £0.097m has been carried forward into 2022/23 and it is expected that £0.069m will be used this year.
- 2.8 **Overall.** The DSG brought forward a deficit of £2.743m into 2022/23 and in line with the High Needs strategy it is forecast to carry forward a reduced deficit of £0.865m into 2023/24. As two of the components of the carry forward balance are ringfenced (£0.028m for Vulnerable Schools Fund and £0.085m for Growth Fund), the £0.865m net deficit implies a larger deficit in practice i.e. £0.978m.

### 3 DSG 2023/24

- 3.1 The Secretary of State for Education published the schools funding settlement for 2022/23 on 16<sup>th</sup> December 2022. Much of this was anticipated from announcements in July 2022. Final differences in the Dedicated Schools Grant announcements were largely attributed to using October 2022 pupil numbers.
- 3.2 The main difference, however, in the December announcement is the recognition of cost and demand pressures on schools and high needs budgets, which was announced by the Chancellor of the Exchequer in the 2022 Autumn Statement. The schools funding settlement reflects an additional £2bn nationally to boost the core schools budget.
- 3.3 This means that there is a new Mainstream Schools Additional Grant for mainstream schools estimated to be £7.590m and a supplement to the published High Needs DSG of +£2.674m.

- 3.4 **Table 2** sets out the Provisional DSG for 2023/24 and how it compares to the 2022/23 DSG and the working estimates for 2022/23 previously advised to Schools Forum. (These figures include, at this stage, amounts that will be recouped by the ESFA).

**Table 2: Provisional DSG funding for 2023/24,  
and comparisons to 2022/23 DSG and previous working estimates for 2023/24**

Block	Latest DSG 2022/23 £'000	Estimated (based on July announcement) DSG 2023/24 £'000	(December announcement) Provisional DSG 2023/24 £'000	Difference from estimates based on July announcement £'000	Difference from 2022/23 DSG £'000
Schools Block	£222,234	£229,965	<b>£226,567</b>	-£3,398	+£4,333
CSSB	£1,224	£1,296	<b>£1,275</b>	-£21	+£51
Early Years	£26,144	£27,255	<b>£27,238</b>	-£17	+£1,094
High Needs	£58,652	£61,874	<b>£64,843</b>	+£2,969	+£6,191
<b>Total DSG</b>	<b>£308,254</b>	<b>£320,390</b>	<b>£319,923</b>	<b>-£467</b>	<b>+£11,669</b>
Schools Supplementary Grant	£6,250	£0	<b>£7,590</b>	+£7,590	+£1,340
<b>Total funding</b>	<b>£314,504</b>	<b>£320,390</b>	<b>£327,513</b>	<b>+£7,123</b>	<b>+£13,009</b>

- 3.5 **Schools Block (£226.6m)** is based on October 2022 pupil numbers (which reflect falling rolls from 2021: 545 fewer primary pupils |(-2.7%), but 24 more in secondary (+0.2%) and the funding rates for primary and secondary pupils announced in July. The School Block allocation has increased by 0.6% per pupil, among the lowest increase nationally because the National Funding Formula does not help London schools. Moreover, the Growth Fund has reduced by £0.3m. All of this was anticipated in the discussions with schools and Schools Forum in the autumn term
- 3.6 **Central School Services Block (£1.2m)** is based on October 2022 pupil numbers and, as a consequence, it has a lower increase than previously advised. The CSSB continues to be a small allocation for Lambeth £41 per pupil, compared to £60 pp for London. Other London boroughs are benefitting from funding for historic commitments that are now being unwound; Lambeth was never funded for these so will not experience that reduction.
- 3.7 **High Needs Block (£64.8m)** is £3m more than notified in July 2022. The £6.1m increase, year-on-year represents a 10.6% increase on the 2022/23 allocation and is an acknowledgement of the cost and demand pressures in the High Needs Block nationally. There are requirements to provide specialist high needs institutions (ie special & AP schools and academies) with a 3% Minimum Funding Guarantee over 2 years (since 2021/22) and also to allocate them a 3.4%
- 3.8 **Early Years (£27.2m)** is based on similar pupil numbers to January 2021. The Early Years Block is shown based on January 2022 participation levels, but the final EY DSG for 2022/23 will be based on 5/12th Jan 2023 and 7/12ths Jan 2024. The Teachers Pay and Pension Grant has been incorporated into the EY DSG, but there have still been some increases in funding,

notably a 69p per hour increase for 2YOs, an 18p increase for 3&4YOs and a £1.41 increase in the Maintained Nursery School Supplement.

3.9 **Mainstream Schools Additional Grant** will be paid separately for each mainstream school, but not for early years this time. For a 2 form of entry 420 place primary school, they might typically receive £63k. For a 5 form of entry 750 place secondary school, they might typically receive £160k.

3.10 **Pupil Premium** per pupil rates will increase by 5%

3.11 Further details on these allocations are included in the separate reports elsewhere on the agenda.

#### **4 DSG budget plan for 2023/24**

4.1 **Overall strategy.** The DSG, particularly the High Needs Block, will incur a deficit in 2022/23. At a school level, the financial position is not good. 16 out of 70 maintained schools are seeking licenced deficits for 2022/23 financial year. Lambeth has among the lowest increases nationally, particularly for 3 and 4 year olds and for the Schools Block.

4.2 The inclusion of supplementary funding beyond the amounts announced in July 2022 is helpful, albeit that that funding is recognising pressures that have only become more acute in the last year or so (ie growing inflationary pressures).

4.3 Schools Forum has agreed to transfer up to 0.5% of the Schools Block to the High Needs Block. However the detail of the final settlement means that, with an MFG of 0.5%, there is only £0.824m (0.36%) available to transfer to High Needs Block, with no budget set aside for Growth Fund beyond the amount of £40k needed for September 2023. Without that transfer and without the supplementary High Needs DSG for 2023/24, it was highly likely that a further deficit would be incurred in 2023/24. Both of these additions may allow the High Needs DSG to operate with an in-year balance for 2023/24, while the LA works with schools to develop initiatives that will bring the cumulative position back to balance. These are discussed in the separate High Needs report elsewhere on this agenda.



**Table 3: Proposed DSG budget 2023/24**

<b>Block</b>	<b>(Estimated) Brought forward 2023/24 £'000</b>	<b>Provisional DSG 2023/24 £'000</b>	<b>Transfer s between blocks £'000</b>	<b>Proposed budget requireme nt 2023/24 £'000</b>	<b>(Estimated) Carry Forward 2023/23 £'000</b>	<b>Comment</b>
Schools Block	£85	£226,567	-£824	£225,743	£85	Transfer 0.36% to High Needs Block. £40k set aside for Growth. All else distributed through formula.
Central School Services Block	£	£1,275		£1,275	£	CSSB to be fully committed.
Early Years Block	£271	£27,238		£27,238	£	Plan to allocate all of the Early Years Block
High Needs Block (including supplement)	(£1,249)	£64,843	+£824	£65,667	(£1,249)	The combination of the supplementary High Needs DSG and the transfer from Schools Block assist in maintaining a further in-year balance for 2023/24.
De-delegated budgets	£28	£		£	£28	Vulnerable Schools Fund this will be spent, but no formal budget will be set for it.
<b>Total</b>	<b>-£865</b>	<b>£319,923</b>	<b>£0</b>	<b>£319,923</b>	<b>-£865</b>	The same cumulative deficit for 2023/24, as that expected for 2022/24, while the LA works through initiatives for getting the High Needs budget in particular back to balance.

4.4 **Table 3** sets out the overview of the budget planned for 2023/24. It is these estimates that the LA will build into its budget plans for 2023/24, with the aim that the DSG returns to a balanced position within a reasonable timeframe, subject to comments from Schools Forum and final decisions by Cabinet and Council.

4.5 The other reports on this agenda set out the issues, block by block. **Appendix 1** sets out the timetable for budget setting for 2023/24 nationally and **Appendix 2** sets out the decisions that are for the LA and those which are for Schools Forum to make.

4.6 The individual reports make it clear where Schools Forum is being asked to make a decision and where it is being asked to comment before the LA (ie Cabinet and Council) make final decisions. Broadly, Schools Forum are making decisions about Growth Fund (the decision to suspend the operation of the Falling Rolls Fund has already been taken), most of the Central School Services Block activities and the proposed centrally retained spending in Early Years. The LA will make decisions on overall funding levels, mainstream and early years formulae and the High Needs budget arrangements. Where the LA is making the decision, it would be helpful for Schools Forum to indicate (where the recommendations prompt for comments) whether it is supportive of the proposed arrangements.

## 5 Recommendations.

5.1 **Schools Forum is invited to note and comment on the overarching approach because decisions on each block are set out in separate papers.**

## Appendix 1

<b>Extract from DfE Operational Guidance for Pre-16 funding 2023/24 (Annex 4: Schools Forum Approvals for Centrally Held Funding)</b>
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**Schools forum approval is not required (although they should be consulted)**

- high needs block provision
- central licences negotiated by the Secretary of State
- funding of brought forward deficits

**Schools forum approval is required on a line-by-line basis**

- funding to enable all schools to meet the infant class size requirement
- back pay for equal pay claims
- remission of boarding fees at maintained schools and academies
- places in independent schools for non-SEN pupils
- admissions
- servicing of schools forum
- contribution to responsibilities that local authorities hold for all schools
- contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only)
- de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)

**Schools forum approval is required**

- central early years block provision
- any movement of funding out of the schools block

**Schools forum approval is required on a line-by-line basis – the budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into**

- capital expenditure funded from revenue
- projects must have been planned and decided on prior to April 2013; no new projects can be charged
- details of the remaining costs should be presented
- contribution to combined budgets
- where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources
- existing termination of employment costs

- costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged
- prudential borrowing costs
- the commitment must have been approved prior to April 2013
- details of the remaining costs should be presented
- SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment)

**Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools**

- funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy
- funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years

## Appendix 2

<b>Extract from DfE Operational Guidance for Pre-16 funding 2023/24 (Timetable)</b>
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### Local authority activity

#### October 2022

- School census day

#### 10 October

Deadline for submitting disapplication requests (for response by December) for:

- MFG exclusions
- exceptional circumstances
- sparsity factors
- lump sum variations for amalgamating schools
- pupil number reductions

#### 28 October 2022

- First deadline for local authorities to provide evidence of the total value of their ongoing prudential borrowing and termination of employment costs, in order for this funding to be protected in the December DSG allocations

#### Mid/November 2022

- Closing date for submission of the 2023 to 2024 high needs place change workbooks

#### 18 November 2022

Deadline for submitting disapplication requests (for response by the APT deadline) for:

- MFG exclusions
- exceptional circumstances sparsity factors
- lump sum variations for amalgamating schools
- pupil number reductions
- deadline for submitting disapplication requests if the local authority wishes to move more than 0.5% of the schools block
- a request must also be submitted if the schools forum has turned down a proposal from the local authority to move funding out of the schools block, but the local authority wishes to proceed with the transfer—the department aims to issue decisions before the APT deadline

### **November 2022**

- School census database closed
- Check and validate school census

### **Mid-January 2023**

- Schools forum consultation and political approval required for final 2023 to 2024 funding formulae
- 13 January schools block disapplication submission amendment date

### **20 January 2023**

- Deadline for submission of final 2023 to 2024 APT to the department

### **3 February 2023**

- Second deadline for local authorities to provide evidence of the total value of their ongoing prudential borrowing and termination of employment costs, in order for this funding to be protected in the March DSG allocations

### **28 February 2023**

- Deadline for confirmation of schools budget shares to mainstream maintained schools

## **DfE or ESFA activity**

### **July to September 2022**

- NFF arrangements for 2024 to 2023 for schools, central school services and high needs published (illustrative allocations, PUFs, SUFs, policy document, technical notes)
- Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2023 to 2024
- High needs funding: 2023 to 2024 operational guidance published
- Further information to illustrate 2024 to 2024 growth funding allocations has been provided to local authorities

### **October to November 2022**

- Publish 2023 to 2024 high needs place change process guidance.

\*check and validate school census

- We have issued an early modelling version of the APT to help decision making

### **December 2022**

- Final APT issued to local authorities, containing October 2022 census-based pupil data and factors
- Publication of 2023 to 2024 DSG schools block (prior to academies recoupment),

central school services block, initial early years block allocations and updated high needs block allocations for 2023 to 2024

**By 31 March 2023**

- Confirmation of 2023 to 2024 general annual grant for academies open by 9 January 2023
- 2023 to 2024 allocation statements issued to post-16 institutions, academies, and non-maintained special schools
- Publication of 2023 to 2024 high needs place numbers at school level

**April 2023**

- First DSG payments to local authorities based on 2023 to 2024 allocations, including academies recoupment (DSG allocations updated termly for in/year academy conversions), FE high needs place funding deductions, and other adjustments

**Summer 2023**

- Early years block updated for January 2023 early years pupil numbers

**Summer 2023**

- Early years block updated for January 2024 early years pupil numbers (pro rata seven/twelfths, as this relates only to the period September

## **Agenda Item 5**

**Title:** High Needs Block 2022/23 and 2023/24

**Date:** 12th January 2023

**Report to:** Schools Forum

**Report for:** Information x      Decision      Consultation x      Action

**Authors:** David Tully, Adam Yarnold

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### **1. Purpose of this report.**

- 1.1 This report sets out how the LA proposes to set the High Needs Block budget for 2023/24 in the context of the cumulative deficit on the DSG, the current basis for using the High Needs Block and the initiatives discussed with the High Needs Sub-Group.
- 1.2 Decisions on the High Needs budget are for Cabinet and Council to make, but the LA is formally consulting Schools Forum on its proposals before they go forward for political decision.

### **2. Key Service Issues and Pressures**

- 2.1 The SEND Strategy Vision 2021/24 says:

*We believe that all children and young people with a special education need and/or disability and all those who are vulnerable learners due to their life circumstance, have the right to a fulfilling adulthood. A life with equality of access to opportunities that improves life chances and empowers them to be the best they can be.*

- 2.2 Number of EHCPs by age group – 2022. Following the England trend, the number of Lambeth residents with an EHCP rose from 2,741 in 2021 to 2,940 in 2022, equivalent to 3.31% of 0-24 year olds in Lambeth. This was well above England and statistical neighbour averages, placing Lambeth in the top quartile of England local authorities.
- 2.3 Increasing numbers of EHCPs - The biggest impact for Lambeth being the 75% increase in statutory assessments leading to Education, Health and Care Plans since 2014.
  - a) In 2021, new EHCPs were issued to one in every 300 (0.33%) 0-24 year olds, a fall from the 0.40% who were issued a new EHCP in 2020. This fall took Lambeth below England and statistical neighbour averages. This likely due to school lock downs and the impact of Covid.
  - b) Implementation (2021) In 2021, there were 549 requests for an EHCP assessment, equivalent to 0.62% of the 0-24 year old population in Lambeth. Following the England trend, this was an increase from 0.45% in 2020 and was above England and statistical neighbour averages.

- c) Of the initial requests for an assessment, around a third (32.2%) were refused. This was the second highest refusal rate among statistical neighbours and well above the England average of 22.3%.
  - d) Excluding exceptional cases, around four in five (80.6%) EHCPs were issued within the 20 week timeline. This was also the second highest among statistical neighbours and well above the England average of 59.9%. Provision for EHCP pupils (2022).
  - e) Lambeth had relatively high proportions of EHCP pupils in state funded mainstream schools, both in and not in resourced provision or SEN units. In both cases, Lambeth ranked in the top quartile of England local authorities.
  - f) The percentage of EHCP pupils at a state funded special school fell to 23% in 2022, below both England and statistical neighbour averages and placing Lambeth in the bottom quartile of England local authorities.
  - g) The proportion of the EHCP cohort attending a post-16 institution has been growing year-on-year since 2020, reaching a high of 18.8% in 2022. This was the second highest among statistical neighbours and placed Lambeth in the top quartile of all England local authorities.
- 2.4 Factors driving EHCP demand include:
- Increase in accuracy of diagnosis and earlier identification of SEND.
  - Advances in paediatric care for babies and children with complex conditions.
  - Introduction of the extended age range in the Children and Families Act 2014. 0/25
  - The financial pressures faced by schools may be leading them to apply for EHCPs more readily than previously.
  - Reduction in early intervention services (in local authorities, schools, and CAMHS) due to funding pressures.
  - Increase in the number of young people presenting with Autism Spectrum Disorders (ASD) and Social Emotional Mental Health (SEMH) needs in particular.

### 3. High Needs budget 2022/23

- 3.1 Council agreed in March 2022 that the High Needs budget could balance in-year for 2022/23 and that the £3.2m deficit brought forward would be reduced in the medium term. **Table 1** below indicates that the latest forecast position is pointing to **a forecast cumulative deficit of £1.249m**. There is no update to the forecast that was presented to Schools Forum in December 2022.



**Table 1. High Needs DSG budget 2022/23 and latest forecast (P08) (NB the same forecast as was presented to SF in December 2022)**

Component	Latest Budget 2022-23	Forecast net spend (P08) 2022-23	Forecast Variance at Period 8
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1. Places only	£11,619	£11,300	<b>(£319)</b>
2. SEND Top-Ups	£44,613	£43,281	<b>(£1,332)</b>
3. AP Top-Ups	£1,392	£1,096	<b>(£296)</b>
4. Other High Needs provision	£2,055	£2,055	<b>£</b>
<b>Total Commitment (gross)</b>	<b>£59,679</b>	<b>£57,732</b>	<b>(£1,947)</b>
Balance brought forward	(£3,196)	(£3,196)	<b>£</b>
Funding transferred from Schools Block	£1,111	£1,111	<b>£</b>
High Needs DSG Funding (gross)	£58,568	£58,568	<b>£</b>
<b>Total funding</b>	<b>£56,483</b>	<b>£56,483</b>	<b>£</b>
<b>Net position</b>	<b>£3,196</b>	<b>£1,249</b>	<b>(£1,947)</b>

3.2 **Appendix 1** sets out the details supporting this forecast.

3.3 **Funding (Nil)**. No change.

3.4 **Places (-£0.319m)**. The combined impact of the surplus of £0.246m for import/export adjustment and £0.026m for special free schools, plus the need to agree in-borough places to accommodate the rising number of EHCPs.

3.5 **SEND Top-ups (-£1.332m)**. When the budget was set, the LA anticipated 30 additional EHCPs a month for the full year and 175 leavers in the summer term. There has been a significant reduction against this budget due to the actual pupil numbers between April to June 2022 not materializing. Additionally, there is £0.6m underspend in Home Tuition based on agreed provision allocation not currently being utilised. Some of the backlog is starting to show through and commitments have increased, but not all of the

3.6 **Alternative Provision Top-Ups (-£0.296m)**. The budget forecast now acknowledges lower levels of LA commissioned AP places than places, which is consistent with the pattern in 2021/22.

3.7 **Other High Needs Provision (£Nil)**. Other High Needs Provision is currently forecast to be on budget but it needs to have a more detailed review as previous years specialist equipment service have created budget pressures. Also, many of the posts that were created as part of

the repurposing of the Inclusion Fund this year may only have a part-year impact as not all the posts will have been filled by 1<sup>st</sup> April 2022 .

#### 4. High Needs budget proposal for 2023/24

- 4.1 The July 2022 DfE schools funding announcement confirmed that the Lambeth High Needs DSG for 2023/4 would see an increase, but the indicative HN DSG of £61.9m was still likely to lead to a larger cumulative deficit on a high level analysis. Schools Forum agreed to transfer 0.5% (£1.1m) of the Schools Block to the High Needs Block, but in the final analysis there was only £0.824m available to transfer to the High Needs Block, which is explained in the Schools Block paper.
- 4.2 In the schools funding announcement in December 2022, the DfE provided an additional £2.9m to the High Needs Block to recognize high inflation and high needs budget pressures. A more detailed analysis of the underlying and expected future position has concluded that this additional funding will be needed to set an in-year balanced budget, with no immediate scope to reduce the forecast cumulative deficit of £1.249m.

**Table 3: Summary High Needs Budget position 2022/23 and proposed budget build for 2023/24**

Component	Forecast spend P08 2022/23 (£'000)	Forecast Net Spend 2023/24 £'000	Difference £'000	Comment
1. Places only	£11,300	£11,677	£376	Expected place numbers
2. SEN Top-Ups	£43,281	£50,567	£7,286	Expected top-ups with 4.2% increase for all.
3. AP Top-Ups	£1,096	£1,283	£187	Expected top-ups with 4.2% increase for all.
4. Other High Needs provision	£2,055	£2,140	£85	Uplifted by 4.2%
<b>Total Commitment (gross)</b>	<b>£57,732</b>	<b>£65,667</b>	<b>£7,935</b>	
Funding transferred from Schools Block	£1,111	£824	<b>-£287</b>	£1.1m agreed by Schools Forum Dec 2022, but in the final detail of the settlement there is less available.
High Needs DSG Funding (gross)	£58,568	£64,843	£6,275	Budgets updated to reflect Dec 2022 ESFA notification.
<b>Total in-year funding</b>	<b>£59,679</b>	<b>£65,667</b>	<b>£5,988</b>	
<b>Net in-year position</b>	<b>(£1,947)</b>	<b>£</b>	<b>£1,947</b>	A balanced in-year position.

- 4.3 **Table 3** indicates that balancing the budget in 2023/24 is feasible, but some mitigation measures will be necessary to make recover the £1.249m deficit during 2023/24. **Appendix 1** sets out the position in more detail.

- 4.4 **Overall position for 2023/24.** On the basis of the stated assumptions the forecast £1.2m cumulative deficit at the end of 2022/23 would still be £1.2m by the end of 2023/24.

### Place Funding

- 4.5 There have been some changes in the detail on funding for places between 2022/23 and 2023/24, as settings expand and contract. Overall, the net increase in the places budget is £376k. This includes a provision for 20 additional unspecified places in September 2023 and some agreements with free schools and Further Education providers outside of the ESFA recoupment process. There are no assumptions about any further changes to the import-export adjustment, compared to the implicit figures in the High Needs DSG announced in December 2022. Cross-border movements are as likely to benefit Lambeth as to cost Lambeth.

### SEND and AP Top-up funding

- 4.6 Officers have identified current open cases, taking any new or changed agreements brought to SEND panel before the start of November 2022. These have been costed for a full-year and we have assumed 30 new cases per month between November 2022 and March 2024, with 175 leavers in the summer of 2022, all at a rate of £15,560. This appears to be the current dynamic for EHCP numbers and costs. The expected cost of those future cases is £3.7m in 2022/23. Clearly, if we were to reach a position where the numbers of new EHCPs was broadly equivalent to the leavers (ie 175 leavers in the summer and c15 new cases per month, the forecast £3.5m cost might reduce by more than £2m. Until there is evidence of that (of which there is little currently), these forecasts represent the best estimate of what we might spend.
- 4.7 The supplementary High Needs DSG has been provided to recognize cost pressures facing schools and the LA. The mainstream equivalent has been provided in the form of a specific grant. The LA has taken account of this in its consideration of top-up rates for 2023/24. Mainstream schools are receiving 4.23% more per pupil, so this is proposed to be the uplift for high needs top-ups, too.
- 4.8 The ESFA have made indicated that there are two requirements for specialist high needs provision.
- **Minimum Funding Guarantee.** Funding rates for special schools in 2023/24 must be 3% higher than those which prevailed in the whole school in 2021/22 (ie across 2 years, not one). In 2022/23, Lambeth increased high needs top-ups in specialist provision by 4%, which is sufficient to satisfy the two-year MFG criterion already.
  - **Additional High Needs DSG.** Specialist provision (ie special schools and academies and AP academies) must receive 3.4% extra, based on their place numbers for 2022/23. This would be in the form of a lump sum allocation, outside the scope of the MFG, similar to the School Supplementary Grant that mainstream schools will receive.
- 4.9 The place factors remain fixed, so any inflation has to be applied to the top-up element.
- 4.10 For 2023/24, from April 2023, the top-up rates for the S band (special schools and academies), and A band (Alternative Provision) will increase by 0.83%. Along with the additional funding at 3.4%, this means that the combined increase for these settings will be 4.23% (ie specialist provision is receiving a comparable increase to that being received by

mainstream schools (through the combination of Minimum Funding Guarantee increase and the School Supplementary Grant).

- 4.11 The Michael Tippett School's allocation will be affected by any agreement or decision to abate their full Minimum Funding Guarantee entitlement.
- 4.12 For 2023/24, from April 2023, the top-up rates for the R band (Resource Bases) and M band (Mainstream) will increase by 4.23%.
- 4.13 All of the proposed top-up rates are set out in **Appendix 2**.

### **Other High Needs Provision**

- 4.14 Appendix 1.4 sets out the components of the Other High Needs Provision.
- 4.15 The Disproportionate SEND Fund of £0.100m will be distributed using the same threshold (4%) as for 2022/23, using the numbers of non-Resource Base SEN pupils on roll in October 2022. **Appendix 3** sets out how that would be distributed for 2023/24.
- 4.16 In March 2022, Schools Forum considered a revised process for effecting its policy for determining how pupils needs are best met through the use of specialist equipment. The proposed budget for specialist equipment (from CENMAC and from other providers) has been uplifted by the same 4.23% that high needs top-ups will receive.
- 4.17 Outreach support for Autistic Spectrum Disorders (ASD), Sensory Impairment and Early Years are funded from the High Needs budget and these, too, have been uplifted by 4.23% consistent with the increase for schools.

## **5. Risks**

- 5.1 The High Needs budget is volatile, so it is never entirely risk free.
- 5.2 Provisions have been built in for expected additional pupil numbers, but it is difficult to know whether this will be sufficient. Sometimes a few very expensive extra placements can put pressure on the high needs budget. This may adversely impact the budget.
- 5.3 Commitments have been identified on the range of activities supported by the High Needs Block, but some are more certain than others. In particular, rates and numbers on Further Education and out-of-borough high needs placements are sometimes only firmed up a few terms after the provision began. While forecasts try to anticipate that, there are inevitably risks that such forecasts will be insufficient.
- 5.4 The higher the overspend on the High Needs DSG in 2022/23, the more it will consume the expected stepped increase in the 2023/24 High Needs DSG, and vice versa.
- 5.5 In the context of falling rolls, it ought not to be the case that numbers of EHCPs continue to rise. Numbers of EHCPs have been rising across the age ranges. If that continues, it will be very difficult to contain costs within the High Needs DSG.
- 5.6 The risk of not taking mitigating actions is that the deficit becomes more difficult to control and Lambeth could find itself in the same circumstances as many LAs with very large and

growing High Needs deficits. A High Needs Sub-Group will be considering ways of mitigating the cost and demand pressures faced by the High Needs budget. In the past, the themes around this have been:

- **Demand Management.** Why do we have rising numbers of EHCPs across the age-ranges? What can be done to meet statutory responsibilities and the needs of young people, while slowing down the demand? Is the LA ceasing EHCPs appropriately when circumstances indicate that this is necessary?
- **Tight controls.** Are the processes for agreeing EHCPs or agreeing the resources associated with them sufficiently robust?
- **Cost effective provision.** Are there any initiatives or services or practices where money could be better spent to meet the needs of young people? Are there any specialist settings with consistently empty places that ought to be removed?
- **Capital Investment.** Are there any initiatives or expansions that might require some capital investment before they can happen? What might they be?
- **Seeking out best practice.** Are there practices that colleagues have been effective elsewhere that Lambeth could adopt or adapt for local circumstances?
- **Early Intervention.** Some benefits (both financially and for the outcomes for individual young people) may require some spending now to save in the future. What sort of initiatives that are not being done now might be beneficial locally?
- **Top-up rates.** Proposals for 2023/24 are included in this report, but top-up rates need to be kept under review.
- **Partner funding.** Is there more that partners (mainly social care and health) should be doing to share the costs of supporting EHCPs? Or are the current arrangements sufficient?

## 6. Key points

6.1 The key points about the budget proposals, emerging from this report are set out below.

- The combination of a transfer of £0.8m from the Schools Block and a supplement of £2.9m to the High Needs Block means that the LA is able to put forward a balanced in-year budget for 2023/24;
- Funding for specialist provision to increase by 4.23% from April 2023, but this will be split 0.83% on top-ups and 3.4% in a separate lump sum allocation;
- Funding for mainstream high needs top-ups to increase by 4.23% from April 2023;
- £0.100m Disproportionate SEND funding to be allocated in the same way as in 2022/23, for those schools with more than 4% of their roll with EHCPs.
- Growing numbers of EHCPs mean that these future commitments have to be built into the budget for 2023/24;
- Overall plans would mean that the cumulative High Needs DSG at the end of 2023/24 would be the same £1.249m deficit that is forecast as the 2022/23 carry forward.

- The High Needs Sub-Group will explore ways of mitigating the position for high needs and removing the cumulative deficit within a reasonable period.

## **7. Next steps**

- 7.1 This report outlines the proposed, detailed High Needs budget for 2023/24. The LA will take these proposals, with Schools Forum comments as appropriate to Cabinet and Council for final decisions, as part of the Council's budget build process in January and February 2023.

## **8. Recommendations**

- 8.1 Schools Forum is invited to:
- a) note the High Needs Budget position for 2022/23;**
  - b) note the key points of the budget build for 2023/24 in Section 6;**
  - c) indicate whether the proposed budget set out in Table 3 is agreed and**
  - d) indicate if there are any comments that need to be relayed to Cabinet / Council ahead of their consideration of the budget proposals for 2023/24.**

Summary High Needs Budget position 2022/23 and proposed budget for 2023/24

Component	Forecast spend P08 2022/23 (£'000)	Forecast Net Spend 2023/24 (£'000)	Difference (£'000)	Comment
1. Places only	£11,300	£11,677	£376	Forecast budget requirement for 2023/24 based on all known agreed places, including agreements for FE / free schools outside recoupment.
2. SEN Top-Ups	£43,281	£50,567	£7,286	Reflects updated pupils on roll in Lambeth settings, with 4.23% uplift on rates for high needs provision. New cases from Nov 2022 to March 2024 have been forecast at a rate of 30 new ones each month, with 175 leavers in summer 2023, all at an annual average top-up rate of £15.6k. It further includes provision of 1% possible inflation for cost drift across all settings.
3. AP Top-Ups	£1,096	£1,283	£187	Reflects participation levels in AP settings, with 4.23% uplift on rates, compared to 2022/23.
4. Other High Needs provision	£2,055	£2,140	£85	Includes funding for Outreach teams, Inclusion Fund, Disproportionate SEND and equipment, all increased by 4.23% in line with increases for schools.
<b>Total Commitment (gross)</b>	<b>£57,732</b>	<b>£65,667</b>	<b>£7,935</b>	
Funding transferred from Schools Block	£1,111	£824	-£287	Schools Forum agreed up to £1.1m in Dec 2022, but in the final formula there was only £0.824m left after allocating MFG of 0.5%.
High Needs DSG Funding (gross)	£58,568	£64,843	£6,275	DSG funding for 2023/24, announced in December 2022.
<b>Total in-year funding</b>	<b>£59,679</b>	<b>£65,667</b>	<b>£5,988</b>	
<b>Net in-year position</b>	<b>(£1,947)</b>	<b>£</b>	<b>£1,947</b>	

## 1. Core Place Funding 2023/24

## Appendix 1.2

	P08 Forecast 2022/23 (£'000)	Backdated (£'000)	No of place April 2023	No of places Sept 2023	Rate (£)	Forecast net requirement 2023/24 (£'000)	Difference	basis of summer term
Special Schools (Pre-16)	£6,758		692	702	£10,000	£6,978	£221	5/12ths
Special Schools (Post-16)	£40		6	6	£10,000	£60	£20	4/12ths
Academy Places outside recoupment	£21		0	0	£10,000	£0	-£21	5/12ths
Resource Bases (Pre-16 filled)	£1,417		231	231	£6,000	£1,386	-£31	5/12ths
Resource Bases (Pre-16 unfilled)	£494		61	64	£10,000	£628	£133	5/12ths
Resource Bases (Post-16)	£0		0	0	£6,000	£0	£0	4/12ths
FE Places	£1,252		225	225	£6,000	£1,350	£98	4/12ths
FE Places outside recoupment	£158		10	10	£6,000	£60	-£98	4/12ths
Pupil Referral Units	£963		90	90	£10,000	£900	-£63	5/12ths
Hospital Funding	£198		10	10	£19,825	£198	£0	5/12ths
Provision for new £10k cases	£0		0	20	£10,000	£117	£117	5/12ths
Provision for new £6k cases	£0		0	0	£6,000	£0	£0	5/12ths
<b>Total allocations</b>	<b>£11,300</b>	<b>£0</b>	<b>1,325</b>	<b>1,358</b>		<b>£11,677</b>	<b>£376</b>	
Retained for LA allocation	£8,128					<b>£8,285</b>		
Recouped by ESFA	£3,052					£3,392		
<b>Total source of funding</b>	<b>£11,180</b>					<b>£11,677</b>	OK	



2. Top-ups SEND 2022/23

Appendix 1.3

Component	P08 Forecast 2022/23		31 March 2023 pupils (fte)	Average cost £	Direct activity forecast cost £'000	Reallocation of indexation £'000	Reallocation of new cases £'000	Forecast net requirement		Comment
								2023/24 (£'000)	Difference £'000	
Special Schools	£11,567	4%	557.00	£22,439	£12,499	£945	£982	£14,426	£2,858	Open cases at 31st March 2023 (based on SEND Panels up to Oct 2022). The Michael Tippett School MFG based on 2022/23 level +3%.
Special Schools (TPG £785 per place)	£547		703.83	£785	£553	£0		£553	£6	Planned places for 2023/24 at £785 per place.
Resource Bases	£2,698	4%	227.00	£11,748	£2,667	£258	£210	£3,135	£437	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Mainstream Schools	£10,469	4%	949.00	£10,519	£9,982	£820	£784	£11,587	£1,117	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Out of Borough Special	£3,803	4%	157.00	£24,428	£3,835	£283	£301	£4,419	£616	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Out of Borough Mainstream	£2,064	4%	210.00	£10,148	£2,131	£177	£167	£2,476	£411	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Further Education SEND	£4,812	4%	386.00	£12,848	£4,959	£380	£390	£5,729	£917	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Pupil Referral Units (SEMH)	£313	4%	19.00	£18,451	£351	£28	£28	£406	£94	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Independent and non-maintained schools	£5,457	4%	168.00	£32,248	£5,418	£283	£426	£6,127	£669	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Home Tuition	£1,093	4%	41.00	£25,439	£1,043	£55	£82	£1,179	£87	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Personal Budgets	£328	4%	23.00	£14,749	£339	£18	£27	£384	£55	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Other AP (SEND)	£0	4%	1.00	£250	£0	£0	£0	£0	£-0	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Therapy	£129	4%	32.00	£4,055	£130	£7	£10	£147	£18	Open cases at 31st March 2023 (based on SEND Panels to Oct22)
Provision for new cases	£0		206.86	£15,650	£3,237	£169	£-3,406	£0	£0	This amount will be spread over other top-up budgets for operational purposes in 2023/24.
Provision for indexation?	£0				£3,424	£-3,424	£0	£0	£0	Based on 4.23% uplift on top-up rates (and fixed place funding) for all settings and an assumption of 1% further cost drift across all provisions.
<b>Total allocations</b>	<b>£43,281</b>		<b>£3,681</b>	<b>£203,756</b>	<b>£50,567</b>	<b>£0</b>	<b>£0</b>	<b>£50,567</b>	<b>£7,286</b>	

3. Top-up Alternative Provision 2022/23

Component	P08 Forecast 2022/23		Current number of pupils (fte)	Average cost £	Direct activity forecast cost £'000	Indexation £'000	Reallocation of new cases £'000	Forecast net requirement		Comment
								2023/24 (£'000)	Difference £'000	
Pupil Referral Units	£388	4%	45	£11,400	£513	£41		£554	£166	2023/24 based on 10 primary / 35 secondary
Pupil Referral Units (TPG £785 per place)	£76		90	£785	£71			£71	£-5	Linked to current places and it includes SEMH places, too.
Other Alternative Education	£632	4%			£632	£27		£659	£27	Includes cost of the team and any ad hoc commissioning.
<b>Total allocations</b>	<b>£1,096</b>		<b>135</b>	<b>£12,185</b>	<b>£1,216</b>	<b>£67</b>	<b>£0</b>	<b>£1,283</b>	<b>£187</b>	
<b>ALL TOP-Ups</b>	<b>£44,377</b>		<b>£3,816</b>	<b>£215,941</b>	<b>£51,783</b>	<b>£67</b>	<b>£0</b>	<b>£51,851</b>	<b>£7,474</b>	

#### 4. Other High Needs functions and activities 2023/24

#### Appendix 1.4

2023/24	P08 Forecast 2022/23	Forecast net requirement 2023/24 (£'000)	Difference Comment
Disproportionate SEN (mainstream)	£100	£100	£0 Allocations made for those with more than 4% EHCPs in Oct 2021.
HN Fund for mainstream pupils below EHCP threshold	£0	£0	£0 Ceased
Hearing / Visual Impairment Outreach	£768	£800	£32 4.2% increase, consistent with schools.
Autistic Spectrum Disorders Outreach	£324	£340	£16 4.2% increase, consistent with schools.
Early Years SEN Team	£346	£360	£14 4.2% increase, consistent with schools.
SEN Specialist Equipment	£131	£140	£9 4.2% increase, consistent with schools.
CENMAC Service	£386	£400	£14 4.2% increase, consistent with schools.
			£0
<b>Total allocations</b>	<b>£2,055</b>	<b>£2,140</b>	<b>£85</b>

## Workings for 2023/24 high needs top-ups

## Appendix 2

Specialist setting increase	0.83%
Non-specialist setting increase	4.23%

<b>Special Schools (0.83% uplift)</b>					
<b>Band (S)</b>	<b>S1</b>	<b>S2</b>	<b>S3</b>	<b>S4</b>	<b>S4+</b>
Core	10,000	10,000	10,000	10,000	10,000
Addition for TPG / TPPG	785	785	785	785	785
<b>Top Up (current rates)</b>	<b>12,362</b>	<b>14,350</b>	<b>17,884</b>	<b>23,239</b>	<b>28,651</b>
Total	23,147	25,135	28,669	34,024	39,436
<b>Revised top-ups after 0.83% increase on combined place and top-up (ie not TPG /TPPG)</b>					
	<b>£12,547</b>	<b>£14,552</b>	<b>£18,116</b>	<b>£23,515</b>	<b>£28,971</b>
Change in top-up	£186	£202	£231	£276	£321
Actual increase top-up v top-up	1.5%	1.4%	1.3%	1.2%	1.1%

<b>Resource Bases (0.83% uplift)</b>				
Bespoke is currently based on actual expected costs, so increases should be tailored to real circumstances.				
<b>Band (R)</b>	<b>R1</b>	<b>R2</b>	<b>R3</b>	<b>R3+</b>
Core	10,000	10,000	10,000	10,000
<b>Top Up (current rates)</b>	<b>5,283</b>	<b>8,025</b>	<b>13,256</b>	<b>Bespoke</b>
Total	15,283	18,025	23,256	Bespoke
<b>Revised top-ups after 0.83% increase on combined place and top-up</b>				
	<b>£5,410</b>	<b>£8,175</b>	<b>£13,449</b>	
Change in top-up	£127	£150	£193	
Actual increase top-up v top-up	2.4%	1.9%	1.5%	

<b>Mainstream (4.23% uplift)</b>						
Bespoke is currently based on actual expected costs, so increases should be tailored to real circumstances.						
<b>Band (M)</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M5+</b>
Core	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000
Top-up at current rates	<b>£3,450</b>	<b>£6,229</b>	<b>£10,121</b>	<b>£14,012</b>	<b>£18,459</b>	Bespoke
Total	£9,450	£12,229	£16,121	£20,012	£24,459	Bespoke
<b>Revised top-ups after 4.23% increase on combined place and top-up</b>						
	<b>£3,850</b>	<b>£6,747</b>	<b>£10,803</b>	<b>£14,858</b>	<b>£19,494</b>	<b>Bespoke</b>
Change in top-up	£400	£517	£682	£847	£1,035	
	11.6%	8.3%	6.7%	6.0%	5.6%	

<b>Alternative Provision (0.83% uplift)</b>		
<b>Band (A)</b>	<b>A1</b>	<b>A2</b>
Core	£10,000	£10,000
Addition for TPG / TPPG	£785	£785
<b>Top Up (current rates)</b>	<b>£10,982</b>	<b>£11,540</b>
Total	£21,767	£22,325
<b>Revised top-ups after 0.83% increase on combined place and top-up (ie not TPG /TPPG)</b>		
	<b>£11,156</b>	<b>£11,719</b>
Change in top-up	£174	£179
Actual increase top-up v top-up	1.6%	1.5%

Disproportionate SEND 2023-24 (£100k distribution with 4% threshold)

Appendix 3

DfE No	School	Phase	A	B	C	D	E = (A/D) x 100	F= if >4%, (4%-E) x D	G	H = I x £1063.83	Comparative allocation for Change v	
			R-11 EHCP's (exlcuding Resource Bases)	Total number on roll R-11	less pupils in Resource Bases	Adjusted number on roll R-11	Proportion of EHCP's	Number beyond 4%	Eligible 4%	4% Threshold Disprop SEN Allocation 2023/24	2022/23	2022/23
2082022	Ashmole Primary School	Primary	4	197	0	197	2.0%	0	No	£0	0	0
2082115	Clapham Manor Primary School	Primary	10	376	0	376	2.7%	0	No	£0	0	0
2082265	Granton Primary School	Primary	15	601	0	601	2.5%	0	No	£0	0	0
2082292	Heathbrook Primary School	Primary	11	350	0	350	3.1%	0	No	£0	0	0
2082295	Henry Cavendish Primary School	Primary	18	723	0	723	2.5%	0	No	£0	0	0
2082331	Jessop Primary School	Primary	7	305	0	305	2.3%	0	No	£0	0	0
2082359	Kingswood Primary School	Primary	9	490	0	490	1.8%	0	No	£0	0	0
2082371	Lark Hall Primary School (Including Lark Hall Cen	Primary	15	289	-47	242	6.2%	5.32	Yes	£5,660	4,753	907
2082459	Paxton Primary School	Primary	9	488	0	488	1.8%	0	No	£0	0	0
2082504	Richard Atkins Primary School	Primary	12	251	0	251	4.8%	1.96	Yes	£2,085	3,232	-1,147
2082575	Sudbourne Primary School	Primary	12	283	0	283	4.2%	0.68	Yes	£723	1,426	-702
2082578	Sunnyhill Primary School	Primary	18	379	0	379	4.7%	2.84	Yes	£3,021	0	3,021
2082591	Telferscot Primary School	Primary	10	385	0	385	2.6%	0	No	£0	0	0
2082617	Vauxhall Primary School	Primary	4	202	0	202	2.0%	0	No	£0	0	0
2082626	Walnut Tree Walk Primary School	Primary	6	315	0	315	1.9%	0	No	£0	0	0
2082664	Wyvil Primary School and Centres for Children V	Primary	24	440	-80	360	6.7%	9.6	Yes	£10,213	0	10,213
2082783	Crown Lane Primary School	Primary	5	260	-14	246	2.0%	0	No	£0	0	0
2082785	Fenstanton Primary School	Primary	8	325	0	325	2.5%	0	No	£0	0	0
2082794	Elm Wood School	Primary	12	366	0	366	3.3%	0	No	£0	0	0
2082808	Allen Edwards Primary School	Primary	22	350	-18	332	6.6%	8.72	Yes	£9,277	14,306	-5,029
2082836	Glenbrook Primary School	Primary	9	160	0	160	5.6%	2.6	Yes	£2,766	0	2,766
2082868	Herbert Morrison Primary School	Primary	6	195	0	195	3.1%	0	No	£0	1,759	-1,759
2082895	Streatham Wells Primary School	Primary	5	205	0	205	2.4%	0	No	£0	0	0
2082897	Bonneville Primary School	Primary	7	344	0	344	2.0%	0	No	£0	0	0
2082898	Hill Mead Primary School	Primary	12	311	-4	307	3.9%	0	No	£0	0	0
2082900	Hitherfield Primary School	Primary	14	578	0	578	2.4%	0	No	£0	0	0
2082901	Henry Fawcett Primary School	Primary	10	229	0	229	4.4%	0.84	Yes	£894	2,186	-1,293
2082902	Stockwell Primary School	Primary	11	368	0	368	3.0%	0	No	£0	0	0
2082903	Kings Avenue School	Primary	6	157	0	157	3.8%	0	No	£0	1,663	-1,663
2082905	Loughborough Primary School	Primary	4	278	0	278	1.4%	0	No	£0	0	0
2083000	Jubilee Primary School	Primary	12	324	-20	304	3.9%	0	No	£0	0	0
2083307	Archbishop Sumner Church of England Primary	Primary	17	322	-3	319	5.3%	4.24	Yes	£4,511	4,325	186
2083324	Christ Church Primary SW9	Primary	3	182	0	182	1.6%	0	No	£0	0	0
2083375	Macaulay Church of England Primary School	Primary	6	164	0	164	3.7%	0	No	£0	5,513	-5,513
2083403	St Andrew's Church of England Primary School	Primary	4	177	0	177	2.3%	0	No	£0	0	0
2083457	St John the Divine Church of England Primary Sc	Primary	5	135	0	135	3.7%	0	No	£0	0	0
2083466	St John's Angell Town Church of England Primar	Primary	4	178	0	178	2.2%	0	No	£0	0	0
2083491	St Jude's Church of England Primary School	Primary	5	173	0	173	2.9%	0	No	£0	0	0
2083502	St Mark's Church of England Primary School	Primary	7	185	0	185	3.8%	0	No	£0	951	-951
2083589	St Saviour's Church of England Primary School	Primary	3	185	0	185	1.6%	0	No	£0	0	0
2083596	St Stephen's Church of England Primary School	Primary	4	183	0	183	2.2%	0	No	£0	0	0
2083621	Holy Trinity Church of England Primary School	Primary	15	236	0	236	6.4%	5.56	Yes	£5,915	0	5,915
2083641	St Helen's Catholic School	Primary	13	260	0	260	5.0%	2.6	Yes	£2,766	4,468	-1,702
2083642	The Orchard School	Primary	3	210	0	210	1.4%	0	No	£0	0	0
2083643	Iqra Primary School	Primary	9	211	0	211	4.3%	0.56	Yes	£596	665	-70
2085200	St Bernadette Catholic Junior School	Primary	7	190	0	190	3.7%	0	No	£0	0	0

Disproportionate SEND 2023-24 (£100k distribution with 4% threshold)

Appendix 3

DfE No	School	Phase	A R-11 EHCP's (exlcuding Resource Bases)	B Total number on roll R-11	C less pupils in Resource Bases	D Adjusted number on roll R-11	E = (A/D) x 100 Proportion of EHCP's	F= if >4%, (4%-E) x D Number beyond 4%	G Eligible 4%	H = I x £1063.83 4% Threshold Disprop SEN Allocation 2023/24	Comparative allocation for Change v 2022/23 2022/23	
2085201	St Anne's Catholic Primary School	Primary	8	262	0	262	3.1%	0	No	£0	0	0
2085203	St Bede's Catholic Infant School	Primary	1	89	0	89	1.1%	0	No	£0	0	0
2085204	St Andrew's Catholic Primary School	Primary	8	397	0	397	2.0%	0	No	£0	0	0
2085205	Immanuel and St Andrew Church of England Pri	Primary	9	386	0	386	2.3%	0	No	£0	0	0
2085206	Reay Primary School	Primary	6	203	0	203	3.0%	0	No	£0	0	0
2085208	St Mary's Roman Catholic Primary School	Primary	7	296	0	296	2.4%	0	No	£0	0	0
2085209	Julian's Primary School	Primary	27	953	0	953	2.8%	0	No	£0	0	0
2084223	Norwood School	Secondary	36	906	0	906	4.0%	0	No	£0	1,046	-1,046
2084321	Lilian Baylis Technology School	Secondary	38	616	0	616	6.2%	13.36	Yes	£14,213	20,913	-6,700
2084509	Saint Gabriel's College	Secondary	23	605	0	605	3.8%	0	No	£0	1,236	-1,236
2085400	La Retraite Roman Catholic Girls' School	Secondary	12	799	0	799	1.5%	0	No	£0	0	0
2085401	Bishop Thomas Grant Catholic Secondary School	Secondary	40	939	0	939	4.3%	2.44	Yes	£2,596	6,559	-3,963
2085405	London Nautical School	Secondary	20	407	-18	389	5.1%	4.44	Yes	£4,723	0	4,723
2082657	Woodmansterne School	All-Through	43	1,425	0	1,425	3.0%	0	No	£0	0	0
2082001	Van Gogh Primary	Primary	13	325	0	325	4.0%	0	No	£0	0	0
2082332	Oasis Academy Johanna	Primary	9	190	0	190	4.7%	1.4	Yes	£1,489	3,802	-2,313
2082899	Rosendale Primary School	Primary	7	618	0	618	1.1%	0	No	£0	0	0
2083329	Christ Church, Streatham Church of England Pri	Primary	5	189	0	189	2.6%	0	No	£0	0	0
2083493	St Leonard's Church of England Primary school	Primary	12	359	0	359	3.3%	0	No	£0	143	-143
2083499	St Luke's Church of England Primary School	Primary	7	166	0	166	4.2%	0.36	Yes	£383	0	383
2085202	Corpus Christi Catholic Primary School	Primary	10	379	0	379	2.6%	0	No	£0	0	0
2084000	Oasis Academy South Bank	Secondary	36	615	0	615	5.9%	11.4	Yes	£12,128	4,705	7,422
2084003	Trinity Academy	Secondary	25	573	0	573	4.4%	2.08	Yes	£2,213	1,331	882
2084005	South Bank Engineering UTC	Secondary	1	22	0	22	4.5%	0.12	Yes	£128	0	128
2084006	Archbishop Tenison's School	Secondary	5	264	0	264	1.9%	0	No	£0	0	0
2084322	Platanos College	Secondary	28	858	0	858	3.3%	0	No	£0	0	0
2084731	The Elmgreen School	Secondary	31	880	-20	860	3.6%	0	No	£0	6,749	-6,749
2085404	St Martin in the Fields High School for Girls	Secondary	10	309	0	309	3.2%	0	No	£0	0	0
2086905	Lambeth Academy	Secondary	29	629	0	629	4.6%	3.84	Yes	£4,085	0	4,085
2086906	Ark Evelyn Grace Academy	Secondary	9	458	0	458	2.0%	0	No	£0	0	0
2086907	City Heights E-ACT Academy	Secondary	23	582	0	582	4.0%	0	No	£0	4,610	-4,610
2085402	Dunraven School	All-Through	70	1,532	-8	1,524	4.6%	9.04	Yes	£9,617	3,660	5,957
2084007	Harris Clapham	Secondary	22	584	0	584	3.8%	0	No	£0	0	0
<b>TOTAL</b>			<b>1062</b>	<b>31,330</b>	<b>-232</b>	<b>31,098</b>	<b>3.4%</b>	<b>94</b>		<b>£100,000</b>	<b>100,000</b>	<b>-0</b>

£1,063.83	22	£100,000
Per pupil	Schools	total
	eligible	

**Agenda Item 6****Title: Schools Block 2023-24****Date: 12<sup>th</sup> January 2023****Report to: Schools Forum****Report for: Information                      Decision x      Consultation x                      Action****Author: Yoke Ying Kong****1 Background**

- 1.1 In July 2022, the Department for Education announced a set of key figures and operational guidance for the Schools Block National Funding Formula to allow local authorities and schools to plan for budgets in 2023/24.
- 1.2 Schools Forum worked through the changes to Schools Block and the funding formula during the autumn term, via a sub-group, including full consultation with all affected schools in November 2022.
- 1.3 Decisions taken in December 2022 confirmed that up to 0.5% of the Schools Block would transfer to the High Needs Block for 2023/24, that any excess would be allocated to Growth Fund for 2023/24 and that Lambeth would adopt the ACA adjusted National Funding Formula values as the basis for its local mainstream funding formula. For mainstream schools, delegated amounts per primary and secondary pupil were agreed for trades union facilities agreements (£5.38 pp) and for Education Functions (£21.60 pp).
- 1.4 Subsequently, in December 2022, the DfE confirmed the schools funding settlement for 2023/24. As promised in the 2022 Autumn Statement, this included a one-off Mainstream Schools Additional Grant of £7.59m in 2023/24 only. The funding will be incorporated into core budget allocations for 2024/25 so for primary, secondary and all-through schools, this will mean the funding being rolled into the schools national funding formula for 2024/25. This recognised the reversal of the employer contributions to national insurance (1.25% of pay) to school funding levels as well as increasing inflation on staffing, energy costs and other school cost pressures. Schools will have the flexibility to prioritise their spending of the MSAG to best support the needs of their pupils and staff and address cost pressures.
- 1.5 This report sets out the proposed budget plan and formula for 2023/24 in the context of the decisions already made by Schools Forum and the available funding.
- 1.6 Final decisions on the funding formula for schools are for Cabinet and Council to determine in February 2023, but the proposals they will consider are the ones which Schools Forum have developed over the next few meetings. This report seeks Schools Forum's views on the final proposals before they are considered by Cabinet and Council.

## 2 Schools Block 2022/23

- 2.1 For 2022/23, the decisions have been made about the mainstream funding formula and the growth fund. There is no change to the forecast position reported in December 2022.

**Table 1: Schools Block forecast 2022/23 at Period 9**

Block	2021/22 b/f balances £'000	DSG Funding 2022/23 £'000	LA P9 forecast spend 2022/23 £'000	Variance £'000
Mainstream funding formula	0	(221,043)	221,043	0
Growth Fund	(85)	(80)	80	(85)
Transfer to High Needs Block		(1,111)	1,111	0
<b>Total Schools Block</b>	<b>(85)</b>	<b>(222,234)</b>	<b>222,234</b>	<b>(85)</b>

## 3 Schools Block Funding 2023/24

- 3.1 The Secretary of State for Education announced the Schools Funding Settlement on 16<sup>th</sup> December 2022, including the Provisional DSG for 2023/24. The Schools Block reflected the Primary and Secondary Units of Funding advised in July 2022, updated to reflect the pupil numbers in the October 2022 census. The LA also received an Authority Proforma Tool (APT) (the mechanism for calculating and reporting mainstream formula budgets for 2023/24), which reflected October pupil and other data. The LA must submit a completed APT by 20<sup>th</sup> January 2023, subject to political clearance.
- 3.2 In Lambeth, the process is that Schools Forum decides on those aspects of the DSG arrangements that are theirs to decide (e.g. Minimum Funding Guarantee, Growth Fund, Falling Rolls Fund) (see Appendix 2 in the DSG Overview Report for details), but other matters, including the overall funding and the formula itself are formally for the LA to determine. Schools Forum is invited to make a recommendation to Cabinet about the Schools Block. In turn, Cabinet makes recommendations to full Council in February 2023, where final decisions are made.
- 3.3 The Provisional Schools Block DSG for 2023/24 is set out in **Table 2a**. They reflect a headline of 3.59% increase per Primary pupil and 3.84% increase per Secondary pupil, but most of this increase is through the inclusion of the School Supplementary Grant from 2022/23 into the main formula. Pupil numbers are falling in primary by 545, but have increased in secondary by 23.5, a net loss of 521.5 pupils. Premises funding reduced by £0.181m to reflect the sum of the allocations in the 2023/24 formula for split sites, rates and PFI (plus indexation for PFI only). Growth Funding had been expected to reduce by £0.307m because many of the recent expansions are now coming to an end and rolls are generally falling.

**Table 2a: Provisional Schools Block DSG 2023/24 compared to 2022/23.**

Component	2022/23			2023/24			Difference £m
	Pupil Nos	PUF / SUF*	Total 2022/23 £m	Pupil Nos	PUF / SUF	Total 2023/24 £m	
Primary NFF	20,034	£6,014.14	£120.487m	19,489	£6,229.92	£121.415m	+£0.928m
Secondary NFF	11,792.5	£8,154.15	£96.158m	11,816	£8,467.48	£100.052m	+£3.894m
Premises NFF			£4.308m			£4.127m	-£0.181m
Growth Factor			£1.281m			£0.974m	-£0.307m
School Supplementary Grant			£6.284m			-	-£6.284m
<b>Total Schools Block DSG</b>			<b>£228.518m</b>			<b>£226.567m</b>	<b>-£1.95m</b>

Note \* - PUF: Primary Unit of Funding; SUF: Secondary Unit of Funding

3.4 The figures in **Table 2a** differ from those used in the consultation paper in November 2022, only to the extent that the final validated pupil numbers from the ESFA were different to those supplied by individual schools. **Table 2b** sets out the differences.

**Table 2b: Provisional Schools Block DSG 2023/24, compared to figures used in local Nov 2022 consultation.**

Component	November 2022 consultation assumptions			Provisional DSG December 2022 for 2023/24			Difference £m
	Pupil Nos	PUF / SUF*	Total £m	Pupil Nos	PUF / SUF*	Total £m	
Primary NFF	19,509	£6,229.92	£121.539m	19,489	£6,229.92	£121.415m	-£0.125m
Secondary NFF	11,751	£8,467.48	£99.501m	11,816	£8,467.48	£100.052m	+£0.551m
Premises NFF			£4.127m			£4.127m	-
Growth Factor			£0.973m			£0.974m	+£0.001m
<b>Total Schools Block DSG</b>			<b>£226.140m</b>			<b>£226.567m</b>	<b>+£0.427m</b>

3.5 **Table 3** sets out the calculation for the Growth Fund entitlement.

**Table 3: Composition of the Growth Factor in the Schools Block 2023/24**

Sector	No of Lambeth MSOAs with schools (out of 33)	No with growing pupil numbers	Fte pupils total in growing MSOAs	Rate (including ACA of 1.188917) £	Allocation 2023/24 £m
Primary	31	6	88.5	£1,807.15	£0.160m
Secondary	16	8	301	£2,704.79	£0.814m
New school allocation					£0.000m
Transitional protection					£0.000m
<b>Total Growth Allocation 2023/24</b>					<b>£0.974m</b>

3.6 The Growth Fund element is expected to reduce further in 2024/25 by 2 secondary fe because of the completion of parts of the Woodmansterne expansions. This points to a further reduction of the Growth Fund for 2024/25. If this element is being treated as a national funding component by then, that will have a neutral effect on Lambeth. If it is not, that loss will need to be managed from the available funding settlement that year.



#### 4 Local Funding Formula 2023/24

- 4.1 Schools Forum agreed in December 2022 that the local funding formula factors and values would match those of the National Funding Formula. **Appendix 1** sets out what those values are.
- 4.2 For 2023/24, the ESFA will pay business rates (NNDR) directly to billing authorities. This saves individual schools having to meet these costs directly. Nonetheless, business rates continue to be a school responsibility. Each school will receive a notional NNDR allocation in their budget share, but this will not be paid in cash; for maintained schools it will not be included in the Cash Summaries early in the financial year. Once the ESFA has paid Lambeth rates department for Lambeth school rates, the ESFA will deduct the cost of maintained schools' rates from the payments it makes to the Authority for DSG. The LA will then charge the relevant amount to each school via the Cash Summary (ie the full amount appears as a single debit for inclusion in the school's revenue account and as a single credit to reflect the funding to pay for it).
- 4.3 The ESFA has indicated a fixed value to include for rates for 2023/24, but they have indicated that prior year adjustments for 2021/22 and for 2022/23 will be calculated in 2023/24 before the fully national system for managing business rates is introduced.
- 4.4 Private Finance Initiative (PFI) factors have been adjusted by 11.2% for Retail Prices Index excluding mortgage interest payments (RPIX). There is 0% increase on other Premises factors e.g. Split Sites.
- 4.5 The resulting allocations, as we know from the extensive modelling that has been done in the last few years, distributes much less funding than is available. 70 out of 79 Lambeth schools and academies, based on the October 2022 pupil numbers and pupil / school characteristics, are not able to be funded solely on the NFF values; all need the Minimum Funding Guarantee to protect their per pupil funding.
- 4.6 The ESFA requires that every school has two guarantees. The first is that every primary pupil must attract at least £4,405 and each secondary pupil must attract at least £5,715. These sums are lower than the amounts distributed in Lambeth, so there is no difficulty in meeting this requirement locally.
- 4.7 The second is that the per pupil allocation for all formula funding, excluding the lump sum and the rates allocation, must be between 0% and 0.5% more than the baseline figure for 2022/23.
- 4.8 In December 2022, Schools Forum agreed that the Minimum Funding Guarantee would be set at 0.5% (the maximum) for 2023/24 and that remaining funding would be transferred to the High Needs Block (<0.5%) with any remainder going to the Growth Fund. The final schools funding settlement, using the pupil numbers and characteristics from the October 2022 census produces outcomes that leave less funding available to transfer to HNB and Growth. This arises because:
- More schools (9 rather than 4 in the consultation illustrations) receive formula allocations that are not dependent on the MFG (ie the strategy of schools individually getting to the NFF level of funding at their own pace is starting to work);
  - There were more pupils in the final dataset than in the one used for the consultation (because we had to use estimates where school were unable to provide us with census details in time). Those with more pupils tended to be ones whose formula funding per pupil was greater than the average funding per pupil in the DSG;

- There were 5 fewer primary pupils and 20 fewer secondary pupils in the dataset for the formula than are funded through the DSG for 2023/24. (There are always some tiny discrepancies arising from dual registrations – officers are following this up with the ESFA).
- 4.9 With an MFG of 0.5%, the Schools Block can only afford to transfer £0.824m to High Needs, after setting £40k aside for the Growth Fund.
- 4.10 **Appendix 1** indicates that the MFG needs to be set at 0.5% to distribute the available funding. This is summarised in **Table 4** below. Draft school by school figures are in **Appendix 2**.

**Table 4: Summary of proposed allocation of Schools Block funding 2023/24**

<b>Component</b>	<b>Lambeth funding formula 2023-24 £'000</b>
AWPUs	£150,445
Pupil Led	£50,218
School led	£16,554
MFG at 0.5%	£8,486
<b>Total for distribution through funding formula</b>	<b>£225,703</b>
Amount set aside for Growth Fund	£40
Amount transferred to High Needs Block	£824
<b>Grand total Schools Block 2022/23</b>	<b>£226,567</b>

## 5 Growth Fund.

- 5.1 Schools Forum agreed principles and amounts on the Growth Fund at its meeting in January 2021. For 2023/24, only Woodmansterne School whose October 2022 estimated additional pupils have been included in the mainstream formula illustrations included in this report.
- 5.2 It was agreed that each new form of entry opened in growing schools would receive £20k for classroom set-up costs at the start of the new academic year.
- 5.3 Harris Clapham, which opened in September 2020, is funded for diseconomy of scale and start-up costs directly by the ESFA, so is not funded from the Growth Fund.
- 5.4 **Table 5** sets out the expected commitments on Growth Fund for 2023/24. £40k has been set aside for Growth Fund to meet the commitment for Woodmansterne School.

**Table 5. Estimated commitments on Growth Fund 2023/24**

<b>School</b>	<b>Component</b>	<b>Extra forms of entry (2023/24 academic year)</b>	<b>Sept 2023 (2023/24 financial year) £'000</b>
Woodmansterne	Classroom start-up	2 secondary (Y11)	£40
<b>Total</b>			<b>£40</b>

## 6 Other Grants

- 6.1 The **Mainstream School Additional Grant (MSAG)** will be finalised by ESFA in the spring of 2023 and amounts paid to individual schools and academies. The MSAG will allocate funding to state-funded mainstream schools only.
- 6.2 The MSAG will fund the following providers, for the 5 to 16-year-old age range:
- primary and secondary maintained schools
  - primary and secondary academies and free schools

- all-through maintained schools
  - all-through academies
  - city technology colleges
- 6.3 The base funding rates for 5-16 schools will be:
- basic per-pupil rate of £119 for primary pupils
  - basic per-pupil rate of £168 for key stage 3 pupils
  - basic per-pupil rate of £190 for key stage 4 pupils
  - lump sum of £4,510
  - FSM6 per-pupil rate of £104 per eligible primary pupil
  - FSM6 per-pupil rate of £152 per eligible secondary pupil
- 6.4 The MSAG allocations will be area cost adjusted (ACA) (18.892% for Lambeth).
- 6.5 The calculations are in **Appendix 3** and they estimate that £7.6m will be provided to mainstream schools through this mechanism. In isolation, this £7.6m represents a 3.46% uplift on per pupil funding for 2022/23. Combined with the estimated 0.77% increase in the per pupil formula funding for 2022/23, this indicates that mainstream schools are set to see **an average increase per pupil of 4.23%**.
- 6.6 **Pupil Premium** continues into 2023/24, with the current values increased by 5%. The rates for 2023/24 are set out in **Table 7**.

**Table 7: 2023/24 Pupil Premium Rates**

<b>Component</b>	<b>Amount per unit</b>
FSM6 Primary pupils	£1,455
FSM6 Secondary pupils	£1,035
Looked-after children	£2,530
Children who have ceased to be looked-after	£2,530
Service children	£335

## **7 Next Steps**

- 7.1 This paper reflects the outcomes of many months of analysis, consultation and discussion by Schools Forum. The responses to the recommendations below will be conveyed to Cabinet and to Council when they make final decisions about the DSG for 2023/24 at their meetings in February 2023.

## **8 Recommendations**

### **8.1 Schools Forum is asked to:**

- a) approve that the Minimum Funding Guarantee should be set at 0.5% for 2023/24
- b) approve the transfer of £0.824m (0.36%) from Schools Block to High Needs Block
- c) approve that a £40k budget is set for Growth Fund in 2023/24
- d) indicate their support for the funding formula for 2023/24 as set out in section 4 and Appendix 1.
- e) identify any points they may wish to convey to Cabinet as part of their deliberations on the DSG budget for 2023/24.

## Assessment of overall increase for mainstream schools 2023/24

Post MFG APT total 2022/23	£221,043,000
less New ISB NNDR 2022/23	-£3,362,427
add School Supplementary Grant 2022/23	£6,283,834
Total baseline funding	<b>£223,964,407</b>

Pupils 2022/23 32,023.75

	2022/23 with 2022/23 pupils	Uplift 2023/24	2023/24 with 2022/23 pupils
Inside MFG	£212,597,121	0.5%	£1,062,986
Outside MFG (ie lump sum)	£11,367,286	5.8%	£659,303
	<b>£223,964,407</b>	<b>0.8%</b>	<b>£1,722,288</b>
Per pupil	£6,993.70 <b>A</b>		£53.78 <b>B</b>

## School Supplementary Grant 2023/24

	Numbers	Lambeth Rates	Est allocation	ACA 1.18892 National rates
Primary pupils	19,494	£141.48	£2,758,011	£119
KS3 pupils	7,002	£199.74	£1,398,579	£168
KS4 pupils	4,834	£225.89	£1,091,952	£190
Lump sum	79	£5,362.03	£423,600	£4,510
Primary FSM6	7,460	£123.65	£922,429	£104
Secondary FSM6	5,523	£180.72	£998,117	£152
<b>Total SSG 2023/24</b>			<b>£7,592,689</b>	
Pupils 2023/24 (before growth)			31,330	
Per Pupil			£242.35 <b>C</b>	

Base per pupil is A	£6,993.70
Composite increase is B + C	£296.13
Percentage increase is	<b>4.23%</b>

## Agenda Item 7

**Title:** Early Years Block 2023-24

**Date:** 12<sup>th</sup> January 2023

**Report to:** Schools Forum

**Report for:** Information                      Decision x                      Consultation x                      Action

**Author:** Kathryn Shaw, David Tully

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### 1. Purpose of this report

- 1.1 This report provides details of the Early Years funding settlement for 2023/24. Schools Forum is presented with proposed central budgets to agree for 2023/24 and it is being consulted on the proposed formula and formula values for 2023/24, ahead of Cabinet and Council taking final decisions next month.

### 2 Background

- 2.1 The Early Years national funding formula (EYNFF) was the subject of consultation by the ESFA in summer 2022 where there were proposals to update the underlying data used in the formula, to uplift rates for 2 year olds, absorb the teachers pay and pension grant funding into the EYNFF and to provide Maintained Nursery Schools with a guaranteed minimum supplement instead of a supplement that would ultimately taper to zero. All of their proposals were confirmed and the early years funding settlement reflects those changes for 2023/24.
- 2.2 The EYNFF has required a universal funding rate to be applied to all types of settings (maintained nursery schools, nursery classes in mainstream schools and academies, private, voluntary and independent (PVI) providers and child-minders). There are limits on the amounts that can be distributed through the formula for deprivation, quality and specific support for maintained nursery schools. A provision for SEND Inclusion to meet emerging needs is permitted. The Local Authority may retain funding to manage the service and promote good practice, but this is limited to a maximum of 5% of the amount of 3&4 year old funding total.
- 2.3 It is in this context that decisions about the local early years funding rates for 2023-24 must be determined.

### 3 Early Years DSG 2022/23

- 1.1 The Early years block allocation for 2022-23 has now been updated to take into account Jan 22 headcount and is anticipated to be £26.144m. This is set out in **Table 1**. The current Early years projections based on anticipated headcounts is projecting similar headcounts numbers. The EY (Early Years) block is funded on participation so any reduction in funding should follow through to funding passported to providers.
- 1.2 The brought forward underspend from 2021-22 of £0.271m which has now been allocated to contingency should support any un-anticipated changes in headcount which are outside of the normal 2% expected to be sustained with Early years block management between headcounts. The submission of summer headcounts in 2021-22 was beneficial to Lambeth as

the summer headcount was significantly higher, and we were funded on that basis. As this will not continue there is a risk that the Jan23 headcount is lower than actual numbers across the autumn term that could cause pressure overall.

- 1.3 The risk to these assumptions is the projections of falling rolls in Lambeth and how this will impact the Early years headcount particularly in the 3&4 year old numbers across the borough. There is an anticipation that 2 year old numbers will stay stable as there is a push in publicity across the sector. This should sustain the numbers moving forward.
- 1.4 The current forecasted projections for Early years are to break even and retain the contingency fund. But as the pupil numbers continue to reduce across Lambeth this will continue to have an impact on EY providers.

**Table 1: Provisional Early Years DSG allocations 2022-23**

Income component	July 22 - Budget update		
	PTE pupils (570 hours)	Rate per hour (£)	Latest EY DSG 2022-23 £'000
2 Year old funding	716.73	£6.87	£2,807
3&4 YO funding (Universal)	3,934	£7.32	£16,415
3&4 YO funding (Extended)	1,476	£7.32	£6,159
EY Pupil Premium			£252
Disability Access Fund			£82
Maintained Nursery School Supplement (MNSS)	315	£2.39	£429
<b>Total</b>			<b>£26,144</b>

#### **4 Early Years DSG 2023-24**

- 4.1 The changes to the funding for 2023/24 is based on the participation levels as per Jan 2022 census data. The funding rates have been adjusted to take account of the outcomes of the ESFA consultation on Early Years funding which took place in the summer of 2022.
- 4.2 For Lambeth, there have been stepped increases in the rates for 2-year-olds (69p or 10%) and for the national element of the Maintained Nursery School Supplement (£1.41 or 59%). 62p of the £1.41 uplift relates to the former Teachers Pay and Pension Grant. Increases for 3&4-year-olds are modest (18p, of which 11p is bringing in the Teachers Pay and Pension Grant support, so the 7p real cash increase is only 0.9% uplift). The 3&4-year-old rate has not increased for many years because of the introduction of the national funding formula for early years, which does not benefit London boroughs. Indeed, the 3&4-year-olds rates is benefitting from transitional protection of 49p or 7% and, over time, this protection will be phased out.
- 4.3 The national supplement for the five Lambeth nursery schools is £0.682m on the basis of January 2022 pupils, an increase of 59% due to the rate. This supplement, however, is only paid for the first 15 hours of universal early years education. In January 2021 the numbers of

eligible pupils in the 5 Lambeth maintained nursery schools was 384.5pte, whereas this had dropped to 315pte by January 2022. Without the reduction in eligible pupils, the MNS Supplement would have been £0.151m higher.

- 4.4 A positive outcome from the settlement has been the acknowledgement that Maintained Nursery Schools will need a supplement in the longer term. The supplement in recent years has been designed as a transitional arrangement that would eventually reduce to zero. The settlement indicates that a minimum £3.80 per pupil is required. This is an important change.
- 4.5 Early Years funding does not often see the sorts of increases that are provided to mainstream schools and high needs. This appears to be because ESFA policy is to protect the “core schools budget” which is DSG Schools Block, DSG High Needs Block, DSG Central School Services Block and the Pupil Premium Grant. Early Years (and 6<sup>th</sup> Form) is not within this protected set of funding streams.
- 4.6 The Early Years Block is shown based on January 2022 participation levels, but the final EY DSG for 2023/24 will be based on 5/12th Jan 2023 and 7/12ths Jan 2024.
- 4.7 The decisions for 2023/24 relate to how these additional amounts should be allocated. Subject to the outcomes of discussions with the Early Years Sub-Group, the proposed basis for allocation is:
- **2-year-olds:** the extra 69p per hour is passported in full to all settings.
  - **3&4-year-olds:** the extra 18p per hour to be allocated as follows
    - 11p per hour has been provided to mainstream the funding provided to maintained settings for teachers pay and pension grants. A new quality factor in the formula for TPPG should be introduced to target that additional amount.
    - 6p per hour should be passported to all settings
    - 1p per hour should be added to the SEND Inclusion Fund
  - **Maintained Nursery Supplement (national):** the extra £1.41 be allocated in full to the 5 MNS, together with the same MNS local supplement.
- 4.8 The proposal is not to budget for a contingency in 2023/24 and to allow the risk of variations to be managed between years. There was an underspend of £0.271m in 2021-22 and this can be used to support any fluctuation in pupil numbers and new starter costs for pupils not on headcount.
- 4.9 The components of the formula for 2023/24 would be as set out below.
- **Two year old rate** for 2023/24 be set at £7.56 per hour, reflecting the 69p increase per hour national allocation, fully passed on to all settings, based on participation.
  - **Universal and Extended hours 3 and 4 year olds hourly rate** for 2023/24 to rise by 6p to £6.33.
  - **Deprivation funding** to remain at 33.5p per hour and that the available funding is again allocated on the basis of the IDACI 2020 weightings for those pupils in each setting on the January 2023 census (ie not updated each term), as now. No change to the formula, just adjust the rates to distribute the available funding.

- **Quality supplement for OFSTED grading** to remain at 13.5p per hour. No change to the formula, just adjust the rates to distribute the available funding.
- **NEW Quality supplement for Teachers Pay and Pension Grant.** Settings which were eligible for TPPG in 2022/23 would attract an amount per January 2023 part-time equivalent pupil on roll (eligible for 2YO or 3&4YO universal or extended funding). The TPPG for Maintained Nursery Schools is incorporated within their national supplement uplift, so they would not also be entitled to funding here.
- **Maintained Nursery School** supplement to remain at 12.2p per hour. This element of the 3 and 4 year olds allocation to be combined with the national MNS supplement of £0.682m.
- **SEND Inclusion Fund** to increase by 1p to 12p per hour.
- **Centrally retained funding** for management and oversight of the service and the promotion of good practice to represent a maximum of 5% of the total 3 and 4 year old funding. This would stay at 0.358p per hour.

4.10 The limit on supplements has been raised to 12% of the funding distributed to providers. The proposals set out in **Table 3** below is within that limit (ie £7.50 overall, less 35.8p centrally retained leaves £7.142, 12% of which is 85.7p. The 4 supplements amount to 69.2p (10%)

**Table 3: Early Years proposed allocations 2023/24, compared to 2022/23**

Planned spending component	PTE	Rate per hour (£)	Comparative Jan 22 data at 2021/22 rates £'000	PTE	Rate per hour (£)	Total Planned 2022/23 £'000	Change £'000
	pupils Jan 2022 (570 hours)			pupils Jan 2022 (570 hours)			
2 year old funding	716.7	£6.870	£2,807	716.7	£7.56	£3,088	+£281
3&4 YO Universal & Extended rates	5,410	£6.270	£19,336	5,410	£6.330	£19,520	+£184
Deprivation Supplement	5,410	£0.325	£1,002	5,410	£0.325	£1,002	£0
Quality 1 (OFSTED) Supplement	5,410	£0.135	£416	5,410	£0.135	£416	£0
Quality 2 (TPPG) Supplement	5,410	£0.000	£0	5,410	£0.110	£339	+£339
Maintained Nursery Supplement	5,410	£0.122	£377	5,410	£0.122	£377	£0
SEND Inclusion Fund	5,410	£0.110	£339	5,410	£0.120	£370	+£31
Retained central support	5,410	£0.358	£1,104	5,410	£0.358	£1,104	£0
Contingency for variations in pupils etc	5,410	£0.000	0	5,410	£0.000	0	£
<b>Total for 3 and 4 year olds</b>		<b>£7.320</b>	<b>£22,574</b>		<b>£7.500</b>	<b>£23,129</b>	<b>+£555</b>
Maintained Nursery Supplements (national)	315	£2.390	£429	315	£3.800	£682	+£253
EY Pupil Premium			£252			£261	+£9
Disability Access Fund			£82			£78	-£4
<b>Total spend at the same participation level</b>			<b>£26,144</b>			<b>£27,238</b>	<b>+£1,094</b>

4.10 **Appendix 1** sets out how the formula would operate for 2022/23 on the basis of these values.

4.11 The SEND Inclusion Fund will operate as in 2023-24 with additional funding and support for settings being provided for those children accessing early years provision who have emerging



Special Educational Needs (ie they do have an Education, Health and Care Plan). An SEND Panel operates to assist in identifying settings requiring such support.

- 4.11 The 5% retained centrally will be used as per **Table 4**. The Council's Medium Term Financial Strategy includes a phased shift of funding for Children's Centres onto the General Fund, rather than from DSG (ie £77k per year). This frees up funding to meet inflationary pressures within the early years team and to support the service overall.

**Table 4: Components of the allowable, retained 5% within the Early Years 3 and 4 allocation**

Planned spending component	Purpose	Total Planned	Total Planned	Difference
		2021/22	2022/23	
		£'000	£'000	£'000
Central Early Years Team	Administering Early Years funding, supporting settings and Continuing Professional Development for staff at early years settings.	£706	£783	+£77
Children's Centres	Funding for each Children's Centre to assist them with the support they provide for Under 5s in their service offer.	£398	£321	-£77
<b>Total</b>		<b>£1,104</b>	<b>£1,104</b>	<b>£0</b>

- 4.13 The Early Years Pupil Premium will be paid as a supplement at a rate of 62p per hour for each eligible child for a maximum of 15 hours universal provision (ie extended provision is not a feature of EYPP).
- 4.14 Disabled Access Fund will be paid at a rate of £828 per eligible child.

## 5 Risks

- 5.1 The proposed allocations have been set within the hourly rates advised in the provisional Early Years DSG. The main risk arises from changes to pupil numbers, but the broad expectation is that lower funding from lower participation will be reflected in lower payments to settings.
- 5.2 The proposals do not set aside any new contingency because it is expected that the brought forward £0.271m, from 2021/22 should offer sufficient contingency to manage variations in the actual spend in Early Years.

## 6 Recommendations

The Schools Forum is requested to

- Note and comment on the Early Years Budget 2022/23;
- Agree to the proposed budget plans for the Early Years Block 2023/24,
- Agree to the proposal to retain £1.104m (5%) of the 3 and 4 year olds funding for managing the service and promoting good practice.
- To provide any comments it may wish to make to Cabinet / Council on these proposals.

## Appendix 1

**Operation of the Early Years Formula 2023/24 (on the basis of the indicated values)****Two year olds**

**Standard rate £7.56:** all eligible actual participation in each of the three terms (summer 2023, autumn 2023 and spring 2024) funded at the rate of **£7.56** per hour for all settings.

**Three and Four year olds**

**Universal and Extended hours rate £6.32:** all eligible actual participation in each of the three terms (summer 2023, autumn 2023 and spring 2024) funded at the rate of **£6.32** per hour for all settings.

**Deprivation 32.5p:** actual participation in spring 2023 used as a proxy for all participation during 2023/24 financial year. Any 3 or 4 year old supported in spring 2024 in a setting will attract deprivation funding if their post-code indicates an IDACI score (using the 2019 IDACI national dataset) greater than or equal to 30%. The available funding will be distributed in full on the basis of the IDACI score multiplied by the number of hours per week and the number of full weeks in the year multiplied by a cash value. In 2022/23 the cash value was £4.24, but the value for 2023/24 will be determined by setting it to the amount that distributes all the available funding, once all the participation in the spring term 2022 is known. As an example, for an IDACI score of 0.4 (ie 40% deprivation) and participation of 15 hours a week for 38 weeks, the calculation would have been  $£4.24 \times 0.4 \times 570 = £966.72$ .

**Quality 1 - OFSTED 13.5p:** Settings with OFSTED ratings of Good or Outstanding will attract a supplement per hour for each hour of participation during 2023/24. Those with a Good OFSTED rating (at the beginning of any given term) will attract a supplement of 10.4p per hour. Those with an Outstanding OFSTED rating (at the beginning of any term) will attract a supplement of 20.8p per hour. Settings with a rating of Inadequate or no OFSTED rating will attract no such supplement.

**Quality 2 – TPPG 11p:** Maintained primary schools will be funded £158 for every nursery child on roll (ie headcount not pte / fte) in the January 2023 census. This replicates the methodology used in the Teachers Pay and Pension Grant for 2022/23. The rate will **not** increase over time. Maintained nursery schools do **not** qualify for this supplement because their supplement already takes account of TPPG.

**Maintained Nursery School Supplement 12.2p:** A lump sum will be calculated for each maintained nursery school individually. The first part of it will be funded by the DSG national supplement for Maintained Nursery Schools. The balance will be funded from the 12.2p from the DSG allocation for 3&4 year olds. This supplement will be calculated as follows:

- The estimated National Non-Domestic Rates bills for 2023/24 will be funded.
- The balance will be allocated on the basis of the pte 2, 3 and 4 year olds (universal and extended) for each of the MNS on the January 2023 census.
- The lump sums calculated in this way will not vary during the year.

**Agenda Item 8****Title:** Central School Services Block 2023/24**Date:** 13<sup>th</sup> January 2022**Report to:** Schools Forum**Report for:** Information                      Decision **X**                      Consultation                      Action**Author:** Abrilli Philip**1 Background to Item**

- 1.1 The Central School Services Block is relatively small for Lambeth, compared to other London Authorities. The December 2022 announcement on Schools Funding identified a grand total of £1.275m for this block of the DSG for 2022/23 and is based on October 2022 pupil numbers.
- 1.2 The CSSB continues to be a small allocation for Lambeth £40 per pupil, compared to £60 pp for London. Other London boroughs are benefitting from funding for historic commitments that are now being unwound; Lambeth was never funded for these so will not experience that reduction.
- 1.3 This low level of resource has put pressure on the LA in being able to afford the range of statutory, regulatory and other functions that an education authority must provide, whether it has many or few academies. This report seeks agreement to use the CSSB amount and no more for 2023/24.
- 1.4 At Schools Forum in December 2022, it was agreed that a sum of £21.60 per maintained school pupil would be used to de-delegate funding for the Local Authority's educational responsibilities. This was expected to provide a sum in the region of £0.5m for 2023/24 financial year. This is a separate consideration to that of how much should be applied to Central School Services Block responsibilities.

**2 Details**

- 2.1 The Central School Services Block is for local authority services and function that apply, regardless of how many academies an authority may have. This is to provide funding for a prescribed list of services under the headings: Statutory and Regulatory, Education Welfare, Admissions, Asset Management, Other Ongoing Duties and Historic Responsibilities.
- 2.2 The funding formula distinguishes between the current list of services and functions and the historic responsibilities which would have had to be agreed by the Schools Forum prior to 2013.
- 2.3 The current list of services is funded by way of a formulaic allocation based on a per pupil amount (£40.72) multiplied by the number of primary and secondary school pupils used in the Schools Block (31,305), giving £1.275m.

- 2.4 The historic list of services has been funded on the basis of a fixed amount, linked to previously agreed items. The DfE is continuing the phased withdrawal of this element of funding by abating each LA's amount by 20%. Lambeth, unfortunately, did not have any historic costs that were recognised as meeting the criteria, so it receives no funding for this element of the allocation.
- 2.5 These two amounts combine to produce the third lowest allocation per pupil in London for the Central School Services Block. The proposed allocations for 2023/24 are set out in Table 1 below. They are also referenced in **Appendix 1**. With the exception of the element for former teachers pay and pension grant, the increases have been allocated across all budgets at a rate of 4% to acknowledge inflation pressures (mainly pay awards).

**Table 1: Allocation of CSSB 2023/24 compared to 2022/23.**

<b>Component</b>	<b>Allocation 2021/22 £'000</b>	<b>Proposed allocation 2022/23 £'000</b>	<b>Difference £'000</b>
<b>Statutory and Regulatory</b>	185	193	<b>8</b>
<b>Education Welfare</b>	237	247	<b>10</b>
<b>Asset Management</b>	0	0	<b>0</b>
<b>Admissions</b>	518	542	<b>24</b>
<b>School Licences</b>	180	188	<b>8</b>
<b>Schools Forum</b>	30	31	<b>1</b>
<b>Teachers Pay and Pension funding for centrally employed teachers</b>	74	74	<b>0</b>
<b>Total</b>	<b>1,224</b>	<b>1,275</b>	<b>51</b>

### **3 Recommendations**

- 3.1 Schools Forum is invited to agree with the proposed budget for the Central School Services Block for 2023/24.

<b>Category</b>	<b>Component permitted to be funded from central DSG, subject to Schools Forum agreement</b>	<b>Brief explanation of what the assessed amount might pay for in 2022/23</b>	<b>Indicative Amount for 2022/23 £'000</b>
Statutory & Regulatory	<ul style="list-style-type: none"> <li>Director of children's services and personal staff for director (Sch 2, 15a)</li> <li>Planning for the education service as a whole (Sch 2, 15b)</li> </ul>	Central budgets for education planning that are not already charged elsewhere in the DSG plus 4% inflation.	89
Statutory & Regulatory	<ul style="list-style-type: none"> <li>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</li> <li>Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</li> <li>Formulation and review of local authority schools funding formula (Sch 2, 15d)</li> </ul>	Accounting and finance staff directly supporting education budget setting and funding for all schools.	83
Statutory & Regulatory	<ul style="list-style-type: none"> <li>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</li> </ul>	Estimated cost of internal audit time	0
Statutory & Regulatory	<ul style="list-style-type: none"> <li>Consultation costs relating to non-staffing issues (Sch 2, 19)</li> <li>Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</li> </ul>	Estimated cost of public consultation on service development (eg High Needs) and collaborative working.	0
Statutory & Regulatory	<ul style="list-style-type: none"> <li>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</li> </ul>	Current budget for SACRE plus 4%.	21
Statutory & Regulatory	<ul style="list-style-type: none"> <li>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</li> </ul>	Legal Services staff support.	0
Education Welfare	<ul style="list-style-type: none"> <li>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</li> <li>School attendance (Sch 2, 16)</li> <li>Responsibilities regarding the employment of children (Sch 2, 18)</li> </ul>	Current budget for Education Welfare plus 4% inflation	247
Asset Management	<ul style="list-style-type: none"> <li>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</li> </ul>	Current budget for education property management and capital programme monitoring.	0

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement	Brief explanation of what the assessed amount might pay for in 2022/23	Indicative Amount for 2022/23 £'000
	<ul style="list-style-type: none"> <li>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</li> </ul>		
Other ongoing duties	<ul style="list-style-type: none"> <li>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval</li> </ul>	Estimated 4% increase on 2022/23, to be advised by ESFA.	188
Other ongoing duties	<ul style="list-style-type: none"> <li>Admissions (Sch 2, 9)</li> </ul>	Costs of the Admissions Function in Lambeth plus 4% inflation	542
Other ongoing duties	<ul style="list-style-type: none"> <li>Places in independent schools for non-SEN pupils (Sch 2, 10)</li> </ul>	None	0
Other ongoing duties	<ul style="list-style-type: none"> <li>Remission of boarding fees at maintained schools and academies (Sch 2, 11)</li> </ul>	None	0
Other ongoing duties	<ul style="list-style-type: none"> <li>Servicing of schools forums (Sch 2, 12)</li> </ul>	Estimated cost of clerking and accommodation mainly plus 4% inflation	31
Other ongoing duties	<ul style="list-style-type: none"> <li>Back-pay for equal pay claims (Sch 2, 13)</li> </ul>	None	0
Other ongoing duties	<ul style="list-style-type: none"> <li>Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (Sch 2, 23)</li> </ul>	Immaterial	0
Other ongoing duties	<ul style="list-style-type: none"> <li>Capital expenditure funded from revenue (Sch 2, 1)</li> <li>Prudential borrowing costs (Sch 2, 2(a))</li> <li>Termination of employment costs (Sch 2, 2(b))</li> <li>Contribution to combined budgets (Sch 2, 2(c))</li> </ul>	ESFA does not recognise any historic commitments for Lambeth.	0
Other ongoing duties	<ul style="list-style-type: none"> <li>Teachers Pay and Pension funding for centrally employed teachers</li> </ul>	Continuation of the amounts claimed for 2021-22	74
	<b>TOTAL Central School Services Eligible Expenditure</b>		<b>1,275</b>

## Agenda Item 9

**Title:** Licenced Deficits 2022/23

**Date:** 12<sup>th</sup> January 2023

**Report to:** Schools Forum

**Report for:** Information                      Decision                      Consultation                      Action

**Author:** David Tully

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### **1 Background**

- 1.1 During 2020/21, the LA introduced a more systematic approach to supporting and challenging schools' resource management. This ranged from an acknowledgement and thanks to schools with balanced budgets, through correspondence and face-to-face meetings with school staff and governors to gain reassurance, then those schools with unavoidable deficits were granted licenced deficits.
- 1.2 In 2021/22, the licenced deficit, instead of being agreed jointly by the Director of Finance and the Director of Education and Learning, was determined by the Cabinet Member for Children and Young People. This approach is being repeated for 2022/23.
- 1.3 3-year budget submissions were due by 1<sup>st</sup> June 2022 and this report identifies the current position for all the maintained schools in Lambeth.

### **2 Summary position for all Lambeth maintained schools**

- 2.1 Before the end of the summer term, the Director of Education and Learning despatched letters to each of the 70 maintained schools in Lambeth to comment on the 3-year budget plans which had been submitted that term.
- 2.2 **Table 1** summarises the contents of these letters.

**Table 1: Number of schools receiving different types of letter regarding their 3 year budget submissions (July 2022)**

<b>Type of letter sent</b>	<b>Number of schools</b>
Letter 1A - All well	19
Letter 1B - All well now, but concerns about future	22
Letter 1C - All well, but concerns about large surplus	5
Letter 2 - Note recovery proposals - get into format for Cabinet	14
Letter 3A - Surplus in 2021/22, but need reassurance about future	4
Letter 3B - Further work needed by 24th Sept - Recovery Plan	6
<b>Grand Total</b>	<b>70</b>

- 2.3 At the end of 2022/23, there were 17 schools with cumulative deficits. Based on the budget submissions in the summer term, 6 schools were expecting a deficit in 2021/22 and had a recovery plan within a reasonable period (almost always within 3 years) and 13 schools had

plans that needed further work to either avoid a deficit this year or to provide assurance about what the recovery plans were.

### **3 Emerging themes**

- 3.1 Many schools are managing their budgets well. More than 72% are planning for a surplus in 2021/22. Some have balances to assist them, but most are working through the same sorts of issues as other schools, being proactive in ensuring that they operate within their means.
- 3.2 Falling rolls is a major theme that runs through the budget planning considerations of many schools in financial difficulty. Sometimes that is because falling rolls has left schools with unhelpful year-group sizes that can be uneconomic if more flexible class resourcing is not adopted. Sometimes it is because schools have been slow to recognise their circumstances or have expected an upturn that has not appeared.
- 3.3 The current funding arrangements give schools time to adapt to lower pupil numbers and lower funding. If pupil numbers are lower in October 2021, this may have been because the Published Admission Number was reduced and that would have been known a couple of terms earlier. Early indications of likely pupil numbers in October 2021 would have been provided when the national school place offers were made on 1<sup>st</sup> March 2021. Each school will have been aware of its on-off roll numbers. Final numbers will fluctuate and funding is based on the October 2021 census day, but the leadership team would have had an indication of likely numbers in the period leading up to that point. From that point, the school would have two terms to make any necessary changes to staffing levels before funding based on the October 2021 pupil numbers took effect. Deferring such decisions just compounds the problem and means that more has to be done to address a bigger budget pressure later.
- 3.4 Anticipating budget pressures is key to avoiding them. The formal introduction of 3-year budget plans from schools is helpful in providing schools with a mechanism for thinking through how their changing circumstances affect their funding, the service they offer and the decisions they will need to take.

### **4 Schools requiring a licenced deficit**

- 4.1 The expected schedule of licenced deficits that will be sought is in **Table 2** below. There are still some discussions taking place with individual schools to firm up figures and validate the robustness of plans.
- 4.2 At present 9 of the 16 schools seeking a licenced deficit have produced a recovery plan that, subject to on-going scrutiny, the LA has been able to accept. The other 7 schools are still at various stages of developing their recovery plans. Officers will continue to work with those schools to get to a point where an acceptable recovery plan can be included with their request for a licenced deficit when it is presented to Cabinet.
- 4.3 The report to Cabinet will be shared with Schools Forum at a later meeting.



**Table 2: Schools balances and recovery period 2022/23**

<b>School Name</b>	<b>Current expected licenced deficit sought for 2022/23 £'000</b>	<b>Recovery period or status</b>
<b>Bonneville</b>	(118)	By 2023/24
<b>Christchurch Brixton</b>	(473)	By 2024/25
<b>Effra</b>	(965)	Further work needed on a plan to resolve the funding issues facing the Nursery Federation.
<b>Glenbrook</b>	(47)	By 2023/24
<b>Holy Trinity</b>	(513)	Further work needed on the school's recovery.
<b>Jessop</b>	(267)	By 2024/25
<b>Jubilee</b>	(832)	By 2026/27
<b>Kings Avenue</b>	(111)	By 2023/24
<b>Kingswood</b>	(518)	By 2024/25
<b>Loughborough</b>	(43)	By 2024/25
<b>Maytree</b>	(79)	Further work needed on a plan to resolve the funding issues facing the Nursery Federation.
<b>Michael Tippett</b>	(849)	The school will imminently become an academy and the LA will have to write-off the remaining deficit.
<b>St Andrews CE</b>	(149)	By 2024/25
<b>St Bernadette</b>	(209)	Further work needed on the school's recovery.
<b>St Saviours</b>	(241)	Further work needed on the school's recovery.
<b>Triangle</b>	(104)	Further work needed on a plan to resolve the funding issues facing the Nursery Federation.
<b>Total</b>	<b>(5,518)</b>	<b>A total of 16 schools seeking a licenced deficit for 2022/23</b>

**5 Recommendations.**

**4.1 Schools Forum is invited to note and comment on the contents of this report.**