

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

4pm-6pm, Thursday 5th October 2023

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

Agenda

Item

1.	Welcome & Apologies	Chair
2.	Membership, Register of Interests and Declaration of Interests	Chair
3.	Minutes from the Schools Forum meeting held 12 th January 2023 and matters arising	Chair
4.	DSG Overview 2023-24 update on current position	Yoke Ying Kong Dominique Johnston-Franklin
5.	Schools Block Update	Yoke Ying Kong
6.	Delegation 2024-25	Claire Cobbold / Abrilli Phillips
7.	Central Service Block 2024-25	Dominique Johnston - Franklin
8.	High Needs Block Update 2024-25	Adam Yarnold
9.	Early Year Block Update 2024-25	Kathryn Shaw
10.	Licensed Deficits 2023-24	Dominique Johnston - Franklin
11.	Scheme for financing schools 2023-24	Dominique Johnston - Franklin
12.	Proposed dates of next meetings and location: <ul style="list-style-type: none">• 14th December 2023 -4-6pm• 11th January 2024 – 4-6pm• 20th June 2024 – 4-6pm At present, these meetings will likely be on-line, unless agreed by SF. See outline forward plan of agendas to follow	Chair

**Forward Plan for Schools Forum (Academic Year 2022/24)
Summary**

Item	5^h October 2023	7th December 2023	11th January 2024	20th June 2024
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)				✓
Lambeth Schools Services				✓
Other issues				

More detail

Meeting	Agenda item	Purpose	Lead officer
5 th October 2023	DSG Overview	<ul style="list-style-type: none"> Budget monitoring position for the DSG in 2023-24 to date. Any high level indications about funding, based on the usual summer announcement from DfE about 2024-25 funding arrangements. 	Yoke Ying Kong
	Schools Block	<ul style="list-style-type: none"> Consider the emerging shape of the mainstream funding formula, liaising with the sub-group on the formula, the growth fund and the falling rolls fund. Outline the process for 2024-25 budget setting, including any necessary consultation with all schools within the DfE requirements. 	Yoke Ying Kong
	Central School Services Block.	<ul style="list-style-type: none"> A paper identifying what setting out what the Central School Services Block would pay for in 2024-25, getting agreement from Schools Forum as appropriate. 	Dominique Johnston-Franklin
	De-delegated services and Education Functions	<ul style="list-style-type: none"> A paper identifying what services the LA wishes maintained schools to pay for by de-delegation of their budget share – trades union facilities and Education Functions. <p>Decision needed from maintained schools reps.</p>	Abrilli Phillip
	High Needs	<ul style="list-style-type: none"> Budget monitoring position for the DSG in 2023-24 to date. Explore whether the High Needs Block is on track to get back to balance and what further steps may be desirable to achieve this in the medium term. 	Adam Yarnold
	Early Years	<ul style="list-style-type: none"> Budget monitoring position for 2023-24. Any other information update on the sector. 	Kathryn Shaw
	Licenced Deficits	<ul style="list-style-type: none"> Bring a paper to Schools Forum prior to taking it to Cabinet Member, outlining the schools unable to set a balanced budget in 2023-24, where they are seeking a Licenced Deficit for the year 	Dominique Johnston-Franklin
	Scheme for Financing Schools	<ul style="list-style-type: none"> 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 Johnston-Franklin

Meeting	Agenda item	Purpose	Lead officer
14th December 2023	Overview	<ul style="list-style-type: none"> Budget monitoring position for the DSG in 2023-24 to date. Emerging position for 2024-25 and any points about the longer term situation. 	Yoke Ying Kong
	Schools Block	<ul style="list-style-type: none"> Report back from sub-group on the consultation with schools and recommendations about the formula for 2024-25, the MFG rate, any MFG or other exceptions to seek from the Secretary of State the growth fund. Seek decisions from Schools Forum on these items. 	Yoke Ying Kong
	High Needs	<ul style="list-style-type: none"> Budget monitoring position for the DSG in 2023-24 to date. Update on whether the stepped increase in funding for 2024-25 will happen as expected, whether the High Needs Block is on track to get back to balance and what further steps may be desirable to get to balance in the medium term. 	Adam Yarnold
	Early Years	<ul style="list-style-type: none"> Budget monitoring position for 2023-24 to date If DfE / ESFA has issued any guidance on funding for 2024-25, the emerging situation could be outlined here. 	Kathryn Shaw
	De-delegated services and Education Functions	<ul style="list-style-type: none"> A paper identifying what services the LA wishes maintained schools to pay for by de-delegation of their budget share – trades union facilities and Education Functions. Decision needed from maintained schools reps. 	Abrilli Phillip
	School Places Strategy	<ul style="list-style-type: none"> 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

Meeting	Agenda item	Purpose	Lead officer
20th January 2024	DSG Overview	<ul style="list-style-type: none"> Budget monitoring position for the DSG in 2023-24 to date. Summary of proposed budget 2024-25, and the strategy that underpins it, for submission to Cabinet then Council, subject to Schools Forum comments / decisions. 	Yoke Ying Kong
	Schools Block	<ul style="list-style-type: none"> Confirmation of how the formula agreed at the previous meeting would look. Final opportunity for Schools Forum to comment before submission to ESFA of the APT. Comments from Schools Forum on the formula, but decisions on growth fund. 	Yoke Ying Kong
	High Needs	<ul style="list-style-type: none"> Budget monitoring position for the DSG in 2023-24 to date. Proposed High Needs budget and funding rates for 2024-25. Comments from Schools Forum on the proposals. 	Adam Yarnold
	Early Years	<ul style="list-style-type: none"> Budget monitoring position for 2023-24 to date Proposed Early Years budget and funding rates for 2024-25. Comments from Schools Forum on the formula, but decisions on the amount retained for central services. 	Kathryn Shaw
	Central School Services Block.	<ul style="list-style-type: none"> A paper identifying what setting out what the Central School Services Block would pay for in 2024-25, getting agreement from Schools Forum as appropriate. 	Dominique Johnston-Franklin
	Licensed Deficits	<ul style="list-style-type: none"> Bring a paper to Schools Forum updating the final decisions from cabinet on deficits and the changes expected in deficit process for 2024-25 	Dominique Johnston-Franklin
	Scheme for Financing Schools	<ul style="list-style-type: none"> Update for schools on changes approved for scheme in 2024-25 and details on updates within schools finance manual on financial process in schools 	Dominique Johnston-Franklin

Meeting	Agenda item	Purpose	Lead officer
19th June 2024	DSG Overview	<ul style="list-style-type: none"> • Report on outturn for DSG overall 2023-24 (comparison with final forecast in March 2024) • Report on individual schools outturn (surpluses / deficits / trends) • Identify overview position for the DSG in 2024-25 and any high level indications for future years. 	Yoke Ying Kong
	Early Years	<ul style="list-style-type: none"> • Report on outturn for Early Years in 2023/24 • Explain the arrangements for 2024/25 • Update on any issues affecting Early Years funding / providers 	Kathryn Shaw
	Schools Block	<ul style="list-style-type: none"> • Confirm the outturn position for 2023/24 • Report on any other developments that might affect 2024/25 (or later) Schools Block budget setting (but unlikely to emerge until the summer) 	Yoke Ying Kong
	High Needs	<ul style="list-style-type: none"> • Report on outturn for High Needs in 2023/24 • Identify the emerging position for 2024/25, linked to activity • Explain any strategies being pursued or work that needs to be done 	Adam Yarnold
	HR Update	<ul style="list-style-type: none"> • Any processes highlighted over the year that may affect schools 	Claire Cobbald
	Lambeth School Services	<ul style="list-style-type: none"> • This report will set out the services available to all schools from Lambeth School Services and any key Central updates that schools may require information 	Colm Doyle
	Election of Chair / Vice-Chair	<ul style="list-style-type: none"> • Election of chair and vice-chair for start of the new academic year. 	Abrilli Philip

LONDON BOROUGH OF LAMBETH

SCHOOLS' FORUM

Draft minutes of the meeting of the Schools' Forum held remotely on Thursday 22nd June 2023 at 4:00pm – 6.00pm

School Forum Members:

<u>Schools:</u>	Present, Apologies, Absent	<u>Schools:</u>	Present, Apologies, Absent
Alison Moller (AM) Julian's Primary School (Chair)	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	Absent
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 (Vice-Chair)	Present	Linda Collins (LC) Crown Lane Primary School	Present
Headteacher Vacancy	Vacancy	Governor Vacancy	Vacancy
Jayne Mitchell (JM) St. Andrew's Primary	Absent	Errol Comrie (EC) - City Heights E-Act Academy	Absent
Tom Prestwich Jubilee Primary School	Apologies	Jonathan Harris Archbishop Tenison's School	Absent
Community Secondary Headteacher	Vacancy	Faith Body Governor	Vacancy
PVI Manager	Vacancy	16-19 Partnership Vice- Principal	Vacancy

<u>Officers:</u>	Present, Apologies, Absent	<u>Observers:</u>	Present, Apologies, Absent
Abrilli Phillip (AP) Director – ELS	Absent	Sara Tomlinson (ST) NUT/NEU	Present
Kathryn Shaw (KS) School Quality Improvement Lead	Present	Christine Golding (CG) GMB Union	Absent
Bunmi Idowu (BI) Early Years	Present	Andrew Tullis (AT) Unison Union	Absent
Dominique Johnston- (DJF) Franklin - Finance	Present	Ryan Foster (RF) NASUWT Union	Absent
Yoke Ying Kong (YYK) (Education Finance Advisor)	Absent	Brian Hazell (BH) NAHT Union	Absent
Mark Whiffin (MW) - Finance	Present	Lorna Burg (LB) Henry Cavendish	Present
Cllr Ben Kind	Present	Christopher Gyton (CG) Finance	Absent
		Peter Compton (PC) – Governor Services	Absent
Claire Cobbold (CC) – HR	Absent	Vinay Gupta (VG) St. Gabriel's College	Absent
Adam Yarnold (AY) - Lead, Special Education Needs & Disability	Absent	Dorte Newman (DN)	Absent
David Goldring (DG) – Finance & Property	Absent	Stella Carefull (SC)	Absent
Sophie Garner (SG) Assistant Director Education Strategy, Access and Inclusion	Present	Gerald Mehrtens (GM) - Interim Assistant Director Standards, Safeguarding and Partnerships	Absent
Kevin McCulley	Present	Andree Smith	Absent
Neeral Vadgama	Present	Nicole Lyon	Present

SF Clerk: Maria Gabrielczyk (MGab) mgabrielczyk@lambeth.gov.uk

MINUTES

1. **Welcome & Apologies**

The Chair welcomed everyone to the meeting and confirmed it was quorate.
Apologies were received and accepted from: David Boyle and Tom Prestwich.

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

The Chair informed that David Boyle's second term of office was ending before the next SF meeting. The Chair thanked David for his work and contribution on the Schools' Forum. The vacancy will be advertised. **ACTION: MG**

The Declaration of Business Interests form has been sent out and completed.

3. **Minutes from the Schools Forum meeting held on 12th January 2023 and matters arising**

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

Matters arising

All actions were completed.

4. **DSG Overview 2022/2023 Outturn and 2023/2024 Update and Schools Balances**

Mark informed that the paper was for information only. It provided an overview and an update on 2022/23 since the January 2023 meeting. For 2022-2023 there was an underspend of £4.658m.

The final year-end position was a cumulative surplus of £2.113m, an improvement on the forecast deficit of £0.865m reported to Schools Forum in January 2023.

There are no blocks with deficits. Whilst this is good news and a good position to be in, there still remain pressures in 2023-2024.

There is a c/f of £91K in the Schools Block balance. There is also a small underspend of £2K in the CSS Block. The De-Delegated Budgets has a £91K underspend which is being c/f to 2023/2024. The early forecast for 23/24 is that it will be in line with the budget. The 23/24 budget position is shown in Table 2.

The Maintained Schools Balance shows a mixed picture. It is currently hard to give an overview of where schools will end up in 2023-2024. There will be further analysis done as more details will be available once the new academic year starts.

Q. With regard to the schools balances, what are we doing to stop a repeat of The Michael Tippett School situation, with the school academising and the LA being left with the debt? There are 2 schools that are a concern. What is the LA doing about Kingswood to ensure the debt quickly comes down?

A. The LA is trying to assess the situation and work with the schools. There is a known risk that further schools will turn into academies. The LA is working with schools to stabilise the position.

Q. What measures are in place to support schools?

A. The LA does a licence debt process, with the understanding that a school plan will follow of how the debt will be managed and paid off.

Mark added that it is recognised that it is challenging for schools and there are concerns. As for the LA writing off deficit budgets, if there is sponsorship for a school from an Academy then the LA must write off the deficit. The LA is also working closely with the DfE. There is a high level of schools with deficit budgets – possibly 22 schools. A more targeted response from the LA will be given. However, even though the LA supports where it can, it expects the school to follow their recovery plan too. There are also many factors that can impact on the schools eg falling rolls. Schools need to develop deficit recovery plans and work has been done with the schools - and many have come out of deficit. The Nurseries sit in a different funding formula than schools.

Schools Forum Members:

Schools Forum Members **noted** and **commented** on the issues raised.

5. **High Needs Block 2022/23 Outturn and 2023/24 Update**

The paper was for information.

Sophie provided an overview of the situation.

- The 2022/23 budget set was not fully utilised in year and therefore eliminated the b/forward deficit.
- There was a c/f of £0.9m.
- Completion rates for EHCPs fell last year as they were impacted by the recruitment crisis of Educational Psychologist. The backlog in November 2022 was over 80 EHC needs assessments but has not been cleared. The backlog has caused a lag which has impacted on the funding being up to date.
- There was a 83% variance between special schools and FE.
- 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.
- 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
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- Lambeth State Maintained Special schools are at capacity.
- Not all the providers have approached the LA for top ups.
- There are an average 30 EHCPs coming in a month, which will impact on the 2023/2024 budget.
- The £0.98m b/forward surplus is currently forecast to be c/f, but this is before detailed forecasting when it is expected to reduce.

Q. The SEND schools are at capacity and the LA are placing a high proportion in mainstream. Will there be an increase in actual school settings for SEN places at primary?

A. There is a High Needs Provision Capital Funding (HNPCF) and we are proposing to increase capacity at Turney, Lansdowne and Livity which would enable pupils stay in borough. We are also proposing to invest HNPCF in establishing resource bases at primary schools to support SEN places.

Q. Where are the rising numbers?

A. There is a rise in ASD and SEMH which is consistent with other boroughs eg. Enfield. The percentage of SEND pupils with social, emotional & mental health continued to grow in 2022 and, at 18.3%, was the second highest among statistical

neighbours . At 30.6%, the percentage of SEND pupils with speech, language and communication needs remained considerably higher than the England average of 23.2% in 2022.

The level of threshold for the EHCPs are being worked on with early interventions and SEMH.

Q. How do we compare with boroughs for ceasing EHCP's?

A. A post-16 audit was done to make sure that an action plan is in place for efficient identification for ceasing EHCP's when appropriate. Pathways for adulthood remains a priority. The LA is working with adult social care so that there is more joined up working.

Schools Forum Members:

Schools Forum Members **noted** and **commented** on the High Needs Budget position for 2022/23 and 2023/24.

6. SEND and Alternative Provision Improvement Plan

SG informed the paper was for information.

The SEND and AP Improvement Plan is a guidance document and it is not statutory like the SEND Code of Practice 2015. The information is about intention and the LA is proactively working to achieve the ambitions outlined such as already having digitalised EHCPs. The inclusion of Alternative Provision (AP) is around looking at commissioning places in a 3 tier system. We are focusing on AP and working with consultants to set up a 3 tier system as outlined in the SEND and AP Improvement Plan and have a compliance checklist before it becomes statutory. The LA is supporting the DfE with the rollout of digitalised EHCPs. The London Borough of Barking and Dagenham had a thematic inspection and Lambeth is working with them.

The SEN workforce is being increased to focus on early intervention.. The focus currently is on AP, having the compliance checklist and 3 tier system will be in place by October 2023. Work is being done with the SEND peer review team. The inclusion fund is being repurposed to look at interventions. The ASD outreach team is also growing to early intervention.

High Needs Capital Funding – The LA is proposing to increase capacity of existing resource base provisions and establish two new SEMH primary resource base provisions. The LA is also proposing to increase capacity of the Lambeth state maintained special settings.

Schools Forum Members:

- a) **Noted** the Policy paper on the SEND and Alternative Provision Improvement Plan.
- b) **Noted** the Alternative Education Provision Strategy will be embedded as part of the Education & Learning Strategy 2023
- c) **Were aware** of the proposal that has been made to have an LGA SEND Peer Challenge in November, which will also review SEND finances.
- d) **Noted** the update - the Inclusion Fund that was repurposed and previously presented to Schools Forum. The new roles of Senior Strategic Area SENCo, Area SENCo, Early Years ASD outreach worker have been appointed. The recruitment of Early Years SENCo, Autism Advisory teacher, Behaviour Outreach teachers are ongoing.

7. Early Years Block 2022-23 outturn and 2023-24 update

KS informed that the paper was for information only and it had been shared with the sub-group.

There has been a government announcement for plans to expand the free childcare provision from April 2024. Working parents could be eligible for the 30hr nursery places from Sept 2025.

There will be confirmation of the EY block funding for 23/24 in July and this will be reported back in the October meeting.

KS reported the decline in 3yr and 4yr old places by 9%. There has also been a decline in 2yr old places by 6%. However, the take up is better than in neighbouring boroughs.

There was a £0.6m underspend indicated. When the final figures are known, this will be brought back to the October meeting. For 2023-2024 KS is waiting for an update of the headcount, which is what the budget is based on. It is anticipated that there will be a decline in numbers.

The numbers of children are depleting, which is an impact of the cost of living and there is also a recruitment shortage.

Free childcare provision needs to be planned with further guidance. The LA needs to make sure there is a take up.

Schools Forum Members:

Schools Forum Members **noted** the report.

8. Schools Block update

For 2024-2025 Lambeth is on the national funding formula like 42 other LAs nationally. MFG was applied in 23/24 (as with 22/23).

Drop in sessions have been attended with the DfE around the main issues of falling rolls and the growth funding criteria. The growth funding has tapered out in Lambeth, but there is no change in the falling rolls.

A fund has been set aside for the pupil place planning and work is being done with the sub-group.

Work has been done by DfE on the split site formula, but this will not affect any Lambeth schools.

The DfE are trying to standardise the SEND funding to cover the SEND and AP improvement plan.

The DfE is also looking to standardise the PFI section. Lambeth has Lilian Baylis as a PFI school and will monitor the situation with that. Noted that every PFI is different so it will be difficult for DfE to standardise.

A working group and a consultation group will be established in October.

ABT and St. Martins are two schools that are closing. The LA will not recoup the money so the money will be distributed to all the schools' pupils are going to, based on the October census.

Schools Forum Members:

a) **Noted** the emerging proposals 2024-25 National Funding Formula proposals under consideration.

b) **Noted** the closure of Archbishop Tenison's School and possible part closure (Year 7 – 9) of St. Martin in the Fields High School for Girls.

9. Election of chair and vice-chair for 2023-24 academic year

Alison Moller was nominated and seconded for the post of Chair.

Andrew Chaplin was nominated and seconded for the post of Vice-Chair.

The Constitution will be reviewed with the school closures and vacancies held.

ACTION: AM/AC

10. AOB

There were no items for AOB.

11. Future Meeting Dates

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

- **5th October 2023 – 4-6pm**
- **14th December 2023 – 4-6pm**
- **11th January 2024 – 4-6pm**
- **20th June 2024 – 4-6pm**

There being no further business to discuss, the Chair closed the meeting at 4.55pm.

Signed: _____

Date: _____

**Alison Moller
Chair of the School Forum**

LAMBETH SCHOOLS FORUM MEMBERSHIP

TYPE OF MEMBER	GROUP	SUB GROUP	SUB SUB GROUP	NAME	SCHOOL	MEMBERSHIP START DATE	MEMBERSHIP EXPIRY DATE	POSITION OCCUPIED	
1	School	Primary	A or F	Headteacher	Alison Moller (Chair)	Julians Primary School	10 September 2019	10 September 2023	1
2	School	Primary	C	Headteacher	Tom Prestwich	Jubilee Primary School	08 December 2022	08 December 2026	1
3	School	Primary	VA	Headteacher	Humaira Saleem	Iqra Primary School	13 January 2022	13 January 2026	1
4	School	Primary	C	Headteacher	VACANCY	VACANCY			1
5	School	Primary	VA	Headteacher	Jayne Mitchell	St Andrews CoE Primary School	13 June 2022	13 June 2026	1
6	School	Primary	VA	Governor	VACANCY	VACANCY			1
7	School	Primary	C	Headteacher	Andrew Chaplin (Vice-Chair)	Walnut Tree Walk Primary School	23 June 2020	23 June 2024	1
8	School	Primary	C	Governor	Michael Holland	Sunnyhill Primary School	16 October 2022	16 October 2026	1
9	School	Primary	C	Governor	Gay Wenban-Smith	Henry Cavendish Primary School	06 October 2020	06 October 2024	1
10	School	Primary	C	Governor	VACANCY	VACANCY			1
11	School	Secondary	VA / VC	Headteacher	VACANCY	VACANCY			1
12	School	Secondary	A	Principal	VACANCY	VACANCY			1
13	School	Secondary	VA	Governor	Eleanor Donegan	Woodmansterne School - SBM	06 October 2020	06 October 2024	1
14	School	Secondary	C	Headteacher	VACANCY	VACANCY			1
15	School	Secondary	A	Principal	VACANCY	VACANCY			1
16	School	Special	C	Headteacher	Joanna Tarrant	Elm Court School	23 June 2020	23 June 2024	1
17	School	Nursery	C	Headteacher	Melanie Miah	Lambeth Nursery Schools' Federation	09 December 2021	09 December 2025	1
18	Other Providers	PRU		Principal	Martyn Odonnell	Parallel Learning Trust	13 January 2022	12 January 2026	1
19	Other Providers	PVI		Manager	VACANCY	VACANCY			
20	Other Providers	PVI		Manager	Coral Hayes	Nursery Manager Ruskin House	13 November 2019	13 November 2023	1
21	Other Providers	16-19 Partnership		Vice Principal	VACANCY	VACANCY			1
22	Other Providers	Faith Body		Governor	VACANCY	VACANCY			

TOTAL

LAMBETH SCHOOLS MEMBER SUBSTITUTES POOL MEMBERSHIP

TYPE OF MEMBER	GROUP	SUB GROUP	SUB SUB GROUP	NAME	SCHOOL	MEMBERSHIP START DATE	MEMBERSHIP EXPIRY DATE	POSITION OCCUPIED
	School Sub							1
	Non School Sub	PVI						1

TOTAL

Agenda Item 4

Title:	Dedicated Schools Grant Overview			
Date:	5th October 2023			
Report to:	Schools Forum			
Report for:	Information X	Decision	Consultation	Action
Author:	Dominique Johnston – Franklin - Group Manager Education			

1 Background

1.1 This report provides an update on the DSG for 2023/24. It also sets out the position of the DSG for 2024/25, following the indicative allocations announced by the DfE in July 2023.

2 DSG 2023/24

2.1 The ESFA refreshed the 2023/24 DSG to take account of January 2023 early years census as well as high needs changes. There has been an increase of £1.36m in 2023/24 DSG funding as a result. The differences are explained in **Table 1** below.

Table 1: Changes to the previously reported DSG Funding 2023/24

Block	DSG 2023/24 (At March 2023 Allocation)	DSG 2023/24 (Updated July 2023)	Difference	Comment
	£'000	£'000	£'000	
Schools Block	(226,567)	(226,567)	0	No change.
Central School Services Block	(1,275)	(1,275)	0	No change.
Early Years Block	(27,238)	(25,021)	2,217	Net reduction based on falling pupil numbers
High Needs Block	(64,843)	(65,695)	(852)	Increases due to updated Import/export adjustment.
Total	(319,923)	(318,558)	1,366	

2.2 There is a decrease of £2.2m in the Early Years Block as it has now been updated with the January 2023 census, rather than the January 2022 census from previous allocation. The final 2023/24 Early Years Block will be determined in July 2024 based on 5/12ths January 2023 census and 7/12ths January 2024 census.

- 2.3 There is an increase of £0.852m in the High Needs Block due to updated import and export adjustment (based on January 2023 school census and February R06 2022/23 individualised learner record).
- 2.4 **Table 2** sets out the current summary forecast position for each block for 2023/24. Explanations about the position in each of the four blocks and the associated risks then follow.

Table 2: Summary forecast spend against funding by DSG block 2023/24 (Period 6)

Block	2022/23 b/f balances £'000	DSG Funding 2023/24	Forecast net LA spend 2023/24 (P06) £'000	In-year variance £'000	2023/24 Forecast c/f balances £'000
Schools Block (not NNDR)	(91)	(145,542)	145,542	0	(91)
Central School Services Block	(2)	(1,275)	1,275	0	(2)
Early Years Block	(949)	(25,021)	25,021	0	(949)
High Needs Block	(980)	(61,541)	61,541	0	(980)
De-delegated budgets	(91)	0	0	0	(91)
DSG managed by LA	(2,113)	(233,379)	233,379	0	(2,113)
Deductions for ESFA payments to billing authorities for NNDR	0	(3,743)	3,743	0	0
Schools Block recoupment by ESFA	0	(77,281)	77,281	0	0
High Needs Block recoupment by ESFA	0	(4,155)	4,155	0	0
DSG held or recouped by ESFA	0	(85,179)	85,179	0	0
Total Lambeth DSG	(2,113)	(318,558)	318,558	0	(2,113)

- 2.5 **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 2023. 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.
- 2.6 The Growth Fund had £0.091m brought forward from 2022/23. The carry forward balance of £0.091m surplus continues to be earmarked for the Growth Fund.
- 2.7 **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.
- 2.8 **Early Years Block.** There is no expected variance in this block. The Early years block allocation for 2023/24 is has now been updated to take into account Jan 23 headcount and has anticipated

to be £25.021m. The underspend of £0.949m has reduced by £0.186m and this is due to variance in anticipated numbers on the Jan 2023 census. The overall early years block underspend continues to be earmarked for contingency fund is expected to support any large fluctuations in pupil number reductions in summer term of 2023/24. 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.

- 2.9 **High Needs Block.** The overall High Needs Block has increased by £0.852m. The original DSG allocations were based on Lambeth having 138 more pupils in other LA institutions (i.e. exports) than there were other LA pupils in Lambeth institutions (i.e. imports). The final figures indicate a net export of 1 pupil. An improvement of 139 pupils at £6k led to an increase of £0.837m more High Needs DSG due to imports and exports. There was an increase in additional Free School funding of £0.015m.
- 2.10 **De-delegated Budgets.** The Vulnerable Schools Fund is no longer being topped-up with DSG funding. £0.002m has been carried forward into 2023/24 and it is expected that will be used this year.
- 2.11 **Overall.** The DSG brought forward a surplus of £2.113m into 2023/24 is anticipated to continue into 2024-25. It is prudent for Lambeth to begin to consider a small surplus year on year in the DSG overall to sustain any future anticipated cost pressures.

3 DSG 2024-25

- 3.1 The ESFA has announced key information about the DSG for schools, central services and high needs that will allow Lambeth to plan appropriately with Schools Forum over the autumn term for 2023/24. The indicative settlement in one way is very similar to those for previous years where Lambeth received one of the lowest increases nationally in the Schools Block.
- 3.2 Key points to emerge from the announcement are:
- **Schools Block** Lambeth will benefit from an increase of 1.76% more for the school based National Funding Formula allocation. Lambeth is the 7th highest funded local authority per primary pupil in England and also the 4th highest funded per secondary pupil. When looking at the Schools Block overall, Lambeth is shown as the 4th lowest increase nationally and those 4 LAs are all London Boroughs. More details about the implications for the local mainstream funding formula are in a separate report elsewhere on this agenda.
 - **High Needs Block** due to increase by 4.3% (£2.8m) in 2024-25. This will support future years SEND strategy in ensuring Lambeth do not return to a deficit position but with increased demand and costs this will need to be closely monitored.
 - **Central School Service Block** Local authorities will continue to be protected so that the maximum per pupil year-on-year reduction in funding for ongoing responsibilities is at 2.5%, as in the previous year, while the year-on-year gains cap will be set at the highest affordable rate, of 5.51%. Other LAs will continue to see a reduction of their historic responsibilities funding (by 20%), but Lambeth never had any funding for this.

3.3 **Appendices 1 and 2** set out the decision points that Schools Forum will be asked to make later in the budget setting cycle, as well as the timetable for budget setting from the DfE's perspective.

4 Recommendations.

4.1 This is an information item and Schools Forum is invited to note and comment on the contents.

Appendix 1

Schools operational guide: 2024 to 2025

Updated 18 August 2023

(Annex 4: Schools Forum Approvals for Centrally Held Funding)

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2024-to-2025/schools-operational-guide-2024-to-2025#annex-4>

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

Extract from DfE Schools operational guide: 2024 to 2025

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2024-to-2025/schools-operational-guide-2024-to-2025#timetable>

(Timetable)

Local authority activity

5 October 2023

- school census day

10 October 2023

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
- growth funding

27 October 2023

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

Mid-November 2023

- closing date for submission of the 2024 to 2025 high needs place change workbooks

17 November 2023

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

- MFG exclusions
- exceptional circumstances
- sparsity factors
- growth funding
- 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
- deadline for providing details of any changes to the list of split sites given in the modelling version of the APT

November 2023

- school census database closed
- check and validate school census
- block movement requests from safety valve local authorities - the process for safety valve local authorities is separate and all safety valve local authorities have been sent a letter outlining the process

Mid-January 2024

- schools forum consultation and political approval required for final 2024 to 2025 funding formulae
- 12 January schools block disapplication submission amendment date

22 January 2024

- deadline for submission of final 2024 to 2025 APT to the department

2 February 2024

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

29 February 2024

- confirmation of schools budget shares to mainstream maintained schools

March 2024

- final allocations to mainstream maintained schools (includes de-delegation)

DfE or ESFA activity

July to September 2023

- NFF arrangements for 2024 to 2025 for schools, central school services and high needs published (illustrative allocations, primary unit of funding (PUFs), secondary unit of funding (SUFs), policy document, technical notes)

- operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2024 to 2025
- high needs funding: 2024 to 2025 operational guidance published
- further information to illustrate 2024 to 2025 growth funding allocations has been provided to local authorities

October to November 2023

- publish 2024 to 2025 high needs place change process guidance.
- check and validate school census
- early modelling version of the APT issued to local authorities to help decision making

December 2023

- final APT issued to local authorities, containing October 2023 census-based pupil data and factors
- publication of 2024 to 2025 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and updated high needs block allocations for 2024 to 2025

January 2024

- laying the annual Schools and Early Years Finance (England) Regulations

By 31 March 2024

- confirmation of 2024 to 2025 general annual grant for academies open by 9 January 2024
- 2024 to 2025 allocation statements issued to post-16 institutions, academies, and non-maintained special schools
- publication of 2024 to 2025 high needs place numbers at school level

April 2024

- 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 2024

- early years block updated for January 2024 early years pupil numbers

Summer 2025

- early years block updated for January 2025 early years pupil numbers (pro rata seven-twelfths, as this relates only to the period September 2023 to March 2024)

Agenda Item 5

Title: Schools Block 2024-25

Date: 5th October 2023

Report to: Schools Forum

Report for: Information X Decision X Consultation Action

Author: Yoke Ying Kong – Education Consultant

1 Purpose of this report

1.1 This report sets out the National Funding Formula (NFF) indicative allocations in the Schools Block for 2024-25 and explores the issues that Schools Forum will need to consider in the coming meetings in making recommendations to Cabinet and Council about the mainstream funding formula for 2024-25.

2 Background

2.1 In July 2023, the Department for Education (DFE) set out key figures and operational guidance for the Schools Block National Funding Formula for 2024-25, to allow planning by Local Authorities (LA), Schools and Schools Forum.

2.2 This report sets out this information, identifying how this affects Lambeth, including any local issues which may need to be taken account in developing the mainstream funding formula for 2024-25 and what decisions will be needed on the way. As in recent years, the mainstream funding formula (known as the Authority Proforma Tool (APT) must be submitted to ESFA by mid-January 2024, subject to political sign-off.

2.3 The DFE published the outcome of their stage two consultation to further implementing the direct national funding formula (NFF) for mainstream schools in Summer 2023. The final arrangements for the funding formula for schools are for Cabinet and Council to determine in February 2024, but the proposals they will consider are ones which Schools Forum will have developed over the next few meetings.

3 Implementing the Direct NFF – Stage Two Consultation Response

3.1 Between 7 June 2022 and 9 September 2022, the DFE held its second stage consultation on these reforms: Implementing the Direct NFF. This consultation sought views on the details of how a direct NFF would work in practice. The DFE's response to the outcome of that consultation is available in [Implementing the Direct National Funding Formula Government consultation response \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/consultations/2022/09/09/consultation-on-implementation-of-the-direct-national-funding-formula).

3.2 The proposals consulted on were:

- The continuation of two current elements of funding for children and young people with special educational needs and disabilities (SEND). First, continuing to have some flexibility within the funding system to move funding to local authorities' high needs allocations (and correspondingly adjust mainstream schools' NFF allocations) and second, the determination of indicative budgets for mainstream schools' provision for pupils with SEND, within their direct schools NFF allocations.

- How the DFE should fund schools experiencing significant growth in pupil numbers, or falling rolls, under a direct NFF. This included proposals for a system which retains some local flexibility to determine how this funding is allocated, while achieving much greater fairness, simplicity, and predictability.
- The allocation of split sites and exceptional circumstances funding, such that we move away from relying on historic local authority spending decisions to the allocation of these “school-led” elements directly through the NFF.
- How the DFE will operate the minimum funding guarantee (MFG) in the direct NFF to ensure we continue to protect schools effectively against excessive year-on-year changes in their per pupil funding.
- How the funding cycle should operate in the direct NFF – that is, the regular timescales for gathering data to calculate funding allocations, and then confirming these allocations to schools – to support schools’ and trusts’ budget planning.

The document presents the DFE’s response having carefully considered the feedback to the consultation and confirms the overall approach to implementing the direct NFF. Further engagement with the sector is planned on related funding issues. Following the recently published SEND and Alternative Provision Improvement Plan, the DFE will seek views on consequent reforms to high needs funding arrangements. Likewise, the DFE plans to work with the sector on how funding for schools with Private Finance Initiative (PFI) arrangements could operate in the direct NFF.

4 Schools Block 2023-24

- 4.1 For 2023-24, decisions have already been made about the mainstream funding formula, growth fund and the falling rolls fund. The decision to suspend the falling rolls fund was 1st made at the October 2021 Schools Forum meeting.
- 4.2 **Table 1** below shows the latest position of the Growth Fund, drawing down some of the brought forward funding from 2022-23, such that the expected surplus balance in March 2024 is now £85k.

Table 1: Schools Block forecast 2023-24 at Period 5

Block	2022-23 b/f balances £'000	DSG Funding 2023-24 £'000	LA P5 forecast spend 2023-24 £'000	Variance £'000
Mainstream funding formula	0	(225,703)	225,703	0
Growth Fund	(85)	(40)	40	(85)
Transfer to High Needs Block		(824)	824	0
Schools Block	(85)	(226,567)	226,567	(85)

5 Schools NFF funding available for 2024-25

5.1 Key changes to the schools NFF in 2024 to 2025 are:

- a) introducing a new formulaic approach to allocating split sites funding in the NFF in 2024-25, replacing the previous locally determined split sites factor
- b) rolling the 2023-24 mainstream schools additional grant (MSAG) into the NFF by:
 - adding an amount representing what schools receive through the grant into their baselines
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the mainstream schools additional grant's basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- c) increasing NFF factor values (on top of the amounts added for the mainstream schools additional grant) by:
 - 2.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum
 - 2.4% to the minimum per pupil levels (MPPL)
 - 0.5% to the funding floor
 - 1.6% to the free school meals (FSM) factor value with the gross domestic product (GDP) deflator forecast for 2024-25
 - 0% on the premises factors, except for:
 - Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023 and
 - split sites funding which has been formularised
- d) introducing, for the first time, a methodology for calculating and allocating funding for falling rolls

5.2 The indicative Lambeth Schools NFF funding for 2024-25 suggests a Schools Block DSG total of £237m, if pupil numbers in October 2023 and growth factor funding are the same as those in October 2022. As the baseline incorporates the mainstream schools additional grant (MSAG) from 2023-24, the like-for-like comparison is a £4.094m increase, representing a 1.76% per pupil increase. Table 2 sets out the differences from the 2023-24 position.

Table 2: Comparison between Schools Block components 2023-24 and 2024-25

Component	Final Schools Block composition 2023-24			Expected Available Funding 2024-25			Difference		
	Pupil Nos	PUF / SUF*	Total 2023-24	Pupil Nos	PUF / SUF*	Total 2024-25	Pupil Nos	PUF / SUF*	Total Funding
			£m			£m			£m
Primary NFF	19,489	6,229.92	£121.415m	19,489	6,516.84	£127.007m	0	286.92	£5.592m
Secondary NFF	11,816	8,467.48	£100.052m	11,816	8,872.80	£104.841m	0	405.32	£4.789m
Premises NFF			£4.127m			£5.440m			£1.313m
Primary and Secondary MSAG			£7.600m			£0.000m			- £7.600m
Total Schools Block NFF excluding Growth			£233.193m			£237.287m			£4.094m
Estimated Growth Factor			£0.974m			£0.826m			- £0.148m
Estimated Falling Pupil Roll Factor			£0.000m			£0.332m			£0.332m
Estimated Total Schools Block DSG Funding			£234.167m			£238.446m			£4.278m

Note *: PUF = Primary unit of funding, SUF = Secondary unit of funding, MSAG = Mainstream School Additional Grant

- 5.3 Lambeth is the 7th highest funded local authority per primary pupil in England and also the 4th highest funded per secondary pupil. The National Funding Formula, however, is expected to have a redistributive effect, benefiting particularly schools in LAs with very small per pupil funding allocations. The provisional percentage change in 2024-25 over 2023-24 DSG baseline for Lambeth's Schools Block (without the Growth Fund) is 1.76% per pupil whilst the average is 2.75% for England, with the highest LA receiving 3.83% per pupil.
- 5.4 The number of pupils at this stage has not changed because the October 2023 census will be used to determine the final allocations. October 2022 census has been used to determine the indicative July 2023 Schools NFF funding allocations.
- 5.5 For individual schools, the NFF is calculated using the formula factors and values, including an adjustment for local costs, but without the premises factors. The minimum increase against the 2023-24 baseline is 0.5% for all schools.
- 5.6 36 out of 79 Lambeth schools are receiving more in the detailed application of the NFF than the minimum 0.5% uplift, which means that the per pupil increase from the NFF (excluding premises and growth) for Lambeth is **1.76%**.

Table 3: Contributory increases to the 1.76% overall increase for Lambeth

% increase from 2022-23 baseline	Number of schools
At 0.5%	43
0.51% - 0.99%	6
1.00% - 1.49%	3
1.50% - 1.99%	6
2.50% - 2.99%	4
3.00% - 3.49%	5
3.50% - 3.99%	5
4.00% - 4.49%	5
5.50% - 5.99%	2
	79

- 5.7 Overall, there is only 1.76% increase in the Schools Block DSG for 2024-25 and scope for funding to shift will be limited. It is expected that less than half of Lambeth's schools will begin to see their funding driven by the NFF rather than by the MFG.

- 5.8 Getting from a headline of an average increase per pupil of 2.75% in England to Lambeth's 1.76% per pupil change as outlined in **Table 1** arises for two reasons. Firstly, the 1.76% increase is looking at the sum of the difference between the NFF theoretical baseline and the NFF, school-by-school, whereas Lambeth is more concerned about the difference between the Schools Block overall year-on-year; whilst these are very closely linked, they are not identical. The published individual school NFF allocations are not schools' actual allocations. It is used to determine LA level allocation. In 2024-25, whilst Lambeth is classified by the DFE as mirroring the National Funding Formula, Lambeth will continue to determine funding locally.
- 5.9 The mainstream schools additional grant was paid to support schools to meet additional costs in 2023-24. The grant funding in respect of pupils from reception to year 11 (inclusive) is being rolled into the schools NFF from 2024-25.
- 5.10 The aim of rolling the grant into the schools NFF is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2024-25, without adding significant additional complexity to the formula.
- 5.11 The grants have been rolled into the NFF in three ways, to reflect the three different ways in which schools attract funding through the NFF:
- i. Adding £119, £168 and £190 to the primary, key stage 3 and key stage 4 per pupil funding factors respectively; £104 and £152 to the primary and secondary FSM6 factors; and £4,510 to the school lump sum. This increases the amount that schools already on their NFF allocations attract. The NFF factor value increases correspond to the values used in the distribution of the grant in 2023-24.
 - ii. Adding £143, £186 and £208 to the minimum per pupil (MPP) funding levels for primary, KS3 and KS4 respectively. This increases the amount that schools funded through the minimum per pupil funding levels attract through the NFF. The amounts reflect the average amount of funding these schools currently attract through the grant.
 - iii. Adding an amount representing the funding schools receive through the mainstream schools additional grant on to their baselines, which is used to calculate funding protection for the schools through the funding floor. This increases the amount that schools whose allocations are determined by the funding floor will attract.
- 5.12 The existing Area Cost Adjustment (ACA) calculation within the NFF ensures that the per pupil rates added to the basic entitlement, the FSM6 factor and the school lump sum are uplifted to reflect geographical variation in labour market costs, as is currently the case with the grant.
- 5.13 The rolling in of these grants into the schools' notional NFF allocations will affect the core budgets that maintained schools will receive from April 2024, and that academies will receive from September 2024. To avoid an unfair gap in the support provided to academies, academies will therefore continue to receive separate grant payments up until the end of August 2024. The mainstream schools additional grant will then cease to operate as a separate grant.
- 5.14 In 2024-25, local authorities will remain responsible for determining final allocations to schools, in consultation with the Schools Forum. It is DFE's expectation that, as far as possible, local authorities will ensure that individual schools' budget allocations for 2024-25 are set taking full

account of additional funding from the mainstream schools additional grant that schools are receiving in 2023-24.

- 5.15 Schools receiving the minimum per pupil funding levels will have the additional funding protected in local formulae as these will continue to be compulsory in 2024-25. DFE also requires local authorities to include the additional funding added to schools' NFF baselines in their baselines for the minimum funding guarantee, so that schools on the minimum funding guarantee can also have their mainstream schools additional grant protected.
- 5.16 The premises factor increased by £1.313m between years. Local authorities **must** use the new national formulaic approach to split sites funding. This will replace the current local authority-led approach. The split sites factor targets extra funding to schools which operate across more than one site. As announced in the response to the consultation on Implementing the direct national funding formula, a formulaic approach to allocating split sites funding in the NFF is introduced in 2024-25. This ensures that split sites funding will be provided on a consistent basis across the country, replacing the previous locally determined split sites factor used by some local authorities.
- 5.17 Local authorities must use the new NFF requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation.
- 5.18 The national formula for growth looks at the population in geographical areas known as "medium super-output areas" (MSOAs). These are used for statistical purposes and there are around 1,000 pupils in each one. Any increases in pupil numbers between October 2022 and October 2023 in schools in Lambeth MSOAs, treating primary and secondary separately, are counted. The formula counts all pupils in schools in the MSOA, rather than the individual home addresses of pupils. Any decreases in MSOA pupil numbers are ignored.
- 5.19 This information is not yet available, as it, too, is dependent on the October 2023 census. The totals in 2023-24 were multiplied by £1,550 per primary pupil and £2,320 per secondary pupil, uprated by the Lambeth Area Cost Adjustment of 18.6%. The national formula used 88.5 fte primary pupils and 301 fte secondary pupils for Lambeth, to produce a pure formula allocation of £0.974m in 2023-24.
- 5.20 For 2024-25, if the numbers for 2023-24 were identical, and we adjusted for known completed expansions, an indicative growth allocation of £1.175m for 2024-25 would emerge. **Table 4** sets out the estimated calculations at this point.

Table 4: Summary of national formula for allocating growth for Lambeth 2024-25; (estimated using October 2022 pupils and 2023-24 transitional protection principles)

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 1.18666) £	Allocation £m
Primary	31	6	88.5	£1,839.32	£0.163m
Secondary	16	8	301.0	£2,753.05	£0.829m
Secondary (expected 2 fe growth completed)			-60	£2,753.05	-£0.165m
Estimated Total Growth Allocation 2024-25					£0.826m

*(Note *: In October 2023, the growth calculation would have taken into account the final 2fe expansions at Woodmansterne. All other things being equal, the October 2023 growth in those MSOAs will not be showing 60 extra pupils, year-on-year).*

- 5.21 As the growth profile at expanding schools tapers off, we will start to see the year-on-year increases in those MSOAs reduce, which will erode the growth allocation over the next few years. The impact is lagged by a year. The growth funding for 2024-25 is based on the increases between October 2022 and October 2023. The funding that needs to be set aside locally in the Schools Block for 2024-25, however, is for the increases between October 2023 and October 2024.
- 5.22 Expansions were completed in October 2023 for Woodmansterne (2fe) that will affect the growth funding for 2024-25.
- 5.23 LAs must also follow the new NFF requirements for falling rolls funding, whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) data shows that school places will be required in the subsequent three to five years. The restriction that schools must be judged Good or Outstanding at their last 8 Ofsted inspection to be eligible for funding is also being removed from 2024-25.

6 Consideration of issues in determining the use of the Schools Block for 2024-25

- 6.1 LAs will continue to set a minimum funding guarantee in local formulae, which in 2024-25 must be between 0.0% and +0.5%. This allows LAs to match the protection in the NFF, which we expect local authorities to continue to do where possible.
- 6.2 LAs will again be able to transfer up to 0.5% of their total schools block allocations to other blocks of the Dedicated Schools Grant (DSG), with schools forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval. The criteria the DFE will apply when considering such requests are available in the school funding operational guide.

- 6.3 Following the cancellation or incompleteness of Key Stage 2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), LAs will not be able to use this data as part of setting a low prior attainment factor in local funding formulae. Instead, LAs will use 2019 assessment data as a proxy for the missing assessments in 2020, and 2022 attainment data as a proxy for the missing assessments in 2021.
- 6.4 LAs are expected keep under review the calculation of their schools' notional SEN budgets to make sure that they are both proportionate to the costs and prevalence of pupils on SEN Support and that they meet additional support costs up to £6,000 per pupil of those with more complex needs. More guidance for local authorities is published here: [Schools operational guide: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/schools-operational-guide-2024-to-2025)
- 6.5 The steps Schools Forum will need to consider to reach final recommendations to make to Cabinet about the use of the Schools Block in 2023-24 will be:
- Should there be any transfers between the Schools Block and any other blocks?
 - What rate should the Minimum Funding Guarantee be set at?
 - What funds are to be set aside for Growth Fund and Falling Rolls Fund?
 - Are there any decisions that need to be submitted to the Secretary of State for ratification by the end of November 2023?

7 Transfers between blocks.

- 7.1 Although the schools block is ring-fenced in 2024-25, local authorities can transfer up to and including 0.5% of their schools block funding into another block, **with the approval of their schools forum.**
- 7.2 In 2023-24 there was a transfer of 0.36% from Schools Block to High Needs Block compared to 2022-23 due to the increasing growth in EHCP numbers locally which was creating pressure in the High Needs Block.
- 7.3 Local authorities will continue to set a minimum funding guarantee in local formulae, which in 2024-25 must be between 0.0% and +0.5%. This allows them to match the protection in the NFF, which we expect local authorities to continue to do where possible.

8 Lambeth's National Funding Formula

- 8.1 As Lambeth mirrored the NFF in 2023-24, the 2024-25 NFF rates adjusted by Lambeth's ACA of 1.18666 set out in **Appendix 1** will be used in 2024-25 APT.

Premises factors

- 8.2 **Rates** allocations will be on the basis of the expected 2024-25 rates bills. The ESFA will be paying NNDR bills nationally and recovering costs from schools via the ESFA (for academies) and LAs (for maintained schools). The technical change in the payment mechanism does not change the accounting arrangements: NNDR funding is provided through the funding formula, schools account for their NNDR, any ups or downs are adjusted for in the following year's funding formula.
- 8.3 **PFI.** There is a PFI Factor of £0.239m in the 2023-24 local formula (relating to a PFI contract at Lilian Bayliss). The LA intends to retain that factor again for 2024-25, increasing it by 10.4% RPIx (retail prices index), consistent with the underlying funding in the Premises allocation in the Schools Block for 2024-25.

8.4 **Split site** factor has changed for 2024-25 following the outcome of the consultation on the national split site factor. The factor is made up of 2 parts, both of which are compulsory:

- basic eligibility funding: schools must be allocated a lump sum payment for each of their additional eligible sites
- distance funding: additional funding must be paid out on top of the basic eligibility lump sum for schools whose eligible sites are separated by more than 100 metres (by road distance) from the main site

The basic eligibility criteria for split sites funding requires additional sites to:

- be part of the main school, that is, to share the same unique reference number (URN) with the school's main site
- be separated from the school's main site by a public road or railway
- have a building on them which is maintained by the school and which is primarily used for the education of 5 to 16- year-old pupils in mainstream education. This excludes playing fields, 'ancillary buildings' and buildings leased out full time by the school to another entity

Further details on the eligibility criteria are set out in **Appendix 2: Split site eligibility criteria**.

Funding for the distance element should be allocated through a tapered approach, beginning at 100 metres, with allocations increasing linearly up to 500 metres, from which point schools should receive the total maximum funding available.

The NFF lump sum for basic eligibility is £54,300 and the NFF maximum distance funding is £27,100. Local authorities are required to uplift these values with their respective ACAs in their local formulae and set their local factor values within the 2.5% mirroring threshold of the ACA uplifted lump sum value.

The number of additional sites that schools can receive funding for should be capped at 3 per school. If a school has more than 3 additional sites, the distance funding should be calculated based on those that are furthest away from the main site.

9 Minimum Funding Guarantee

9.1 The ESFA requires that every school has two guarantees. The first is that every primary pupil must attract at least £4,655, each KS3 secondary pupil must attract at least £5,824 and each KS4 secondary pupil must attract at least £6,389.

9.2 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 adjusted baseline figure for 2023-24.

10 Growth Fund

10.1 Schools Forum agreed principles and amounts on the Growth Fund at its meeting in January 2021. For 2024-25 only Harris Clapham is a growing school. However, it is not eligible for funding from the Growth Fund.

10.2 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.

- 10.3 **Table 5** sets out the expected commitments on Growth Fund for 2023-24 and 2024-25. There is a reduction in the costs of growth for 2024-25.

Table 5. Estimated commitments on Growth Fund 2023-24 and 2024-25

School	Component	Extra forms of entry (2023-24 academic year)	Sept 2023 (2023-24 financial year) £'000	Extra forms of entry (2024-25 academic year)	Sept 2024 (2024-25 financial year) £'000
Woodmansterne	Classroom start-up	2 secondary (Y11)	£40		£0
Total			£40		£0

11 Falling Rolls Fund

- 11.1 It was agreed in 2022-23 budget setting that the Falling Rolls Fund would be suspended until there was school place planning evidence of a downturn in the number of pupils expected in Lambeth schools.
- 11.2 For the first time in 2024-25 the DFE will allocate funding based on growth and falling rolls. Funding will be allocated based on the reduction in pupil numbers that medium super output areas (MSOA) within each local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each MSOA in a local authority between the most recent October pupil census and the census in the previous October.
- 11.3 LAs will continue to have discretion over whether to operate a falling rolls fund. Where LAs operate a fund, they will only be able to provide funding where the 2022 SCAP shows that school places will be required in the subsequent 3 to 5 years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years.
- 11.4 In addition, from 2024 to 2025, the restriction that support could only be provided to schools judged 'good' or 'outstanding' at their last Ofsted inspection will be removed. Schools forum should agree both the value of the fund and the criteria for allocation and the local authority should regularly update the schools forum on the use of the funding. As with the growth fund, the falling rolls fund is also within the NFF schools block. Any in-year reduction to the falling rolls fund needs to be agreed with the schools forum.
- 11.5 Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.
- 11.6 Compliant criteria would generally contain some of the features set out below:

- 2022 SCAP shows that school places will be required in the subsequent 3 to 5 years (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies to contain spending within its formula budget

Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on basic per pupil funding)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

11.7 Where falling rolls funding is payable to academies, the LA should fund the increase for the period from the additional September intake through until the following August. LAs should enter the cost of falling rolls funding for the April to August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

11.8 LAs should report any falling rolls funds remaining at the end of the financial year to the schools forum. For LAs with an overall surplus, funding may be carried forward to the following funding period, as with any other centrally retained budget and local authorities can choose to use it specifically for falling rolls.

11.9 The DfE has published [guidance detailing best practice examples of falling rolls \(and growth funding\) criteria](#). The DfE will check the criteria for compliance with the annually made school finance regulations and future regulations for which compliance applies. The criteria should provide a transparent and consistent basis for the allocation of funding. All criteria will need to be captured in the APT return. This will allow the DfE to publish LAs falling rolls criteria to increase transparency over the operation of falling rolls funding.

12 Decisions for the Secretary of State

12.1 The Secretary of State's permission would need to be sought if there were proposals to transfer more than 0.5% of the School's Block to the High Needs Block.

12.2 Permission would also need to be sought if there were operational aspects of the Minimum Funding Guarantee that needed to be disapplied for individual schools. For 2022-23 dispensation was sought to adjust the MFG for the two all-through schools to avoid any changes in the relative numbers of primary / secondary pupils to inadvertently skew their MFG funding either to their benefit or disbenefit. The DfE agreed to the minor amendments for 2022-23, but indicated that

they would not wish to see such requests in the future. So, at present, we do not expect to be submitting any MFG disapplications for the Schools Block at this stage.

13 Next Steps

- 13.1 The Schools Block sub-group will continue to consider the issues relating to constructing the detailed local funding formula for 2024-25. Once the October 2023 pupil numbers are collated, we will provide illustrations of any proposals / options that the group believes are relevant. They will then consider the outcomes from a consultation with all school on the proposed formula to be used for mainstream schools in 2024-25.
- 13.2 The direction of travel has been clearly set out in previous consultations: set the formula to the NFF values and use the MFG to get schools to NFF-driven funding in the medium to long term. The sub-group will consider the outcomes of the consultation and shape their recommendations to Schools Forum for its December 2023 meeting.
- 13.3 At the December 2023 meeting, officers will seek decisions on the key elements of the funding formula and any other associated issues (eg de-delegation, approvals for MFG variations etc). This will allow officers to construct final draft allocations on those principles for the January Schools Forum meeting, in order to despatch the Authority Proforma Tool (of mainstream local formula allocations) to the ESFA and to seek formal political approval for school budgets from Cabinet and Council in February 2024

14 Recommendations

Schools Forum is invited to

- a) **note the DFE's response to the consultation on the future arrangements on the NFF;**
- b) **note the emerging position on the Schools Block for 2023-24 and 2024-25;**
- c) **agree that the continued strategy for Lambeth is to adopt the funding values in the National Funding Formula and to use the Minimum Funding Guarantee to manage the transition to the NFF over time;**
- d) **agree to the Schools Block Sub-Group considering the detailed approach to be followed for mainstream schools funding in 2024-25 and for them to make recommendations back to Schools Forum 's following consultation with all schools in November 2023.**

Appendix 1

Details of the NFF values 2023-24 and 2024-25

NFF Funding Factors	2023-24 NFF rates	Lambeth's Proposed 2023-24 rates ACA adjusted 1.18892	2024-25 NFF rates	Lambeth's Proposed 2024-25 rates ACA adjusted 1.18666
Minimum Per Pupil Funding Levels - Primary	£4,405.00	£4,405.00	£4,655.00	£4,655.00
Minimum Per Pupil Funding Levels - KS3	£5,503.00	£5,503.00	£5,824.00	£5,824.00
Minimum Per Pupil Funding Levels - KS4	£6,033.00	£6,033.00	£6,389.00	£6,389.00
Basic per pupil Funding				
Primary basic entitlement	£3,394.00	£4,035.19	£3,597.00	£4,268.42
KS3 basic entitlement	£4,785.00	£5,688.98	£5,072.00	£6,018.74
KS4 basic entitlement	£5,393.00	£6,411.85	£5,717.00	£6,784.14
Primary / Secondary FSM	£480.00	£570.68	£490.00	£581.46
Additional Needs Funding				
Primary FSM6	£705.00	£838.19	£830.00	£984.93
Secondary FSM6	£1,030.00	£1,224.59	£1,210.00	£1,435.86
Primary IDACI F	£230.00	£273.45	£235.00	£278.87
Primary IDACI E	£280.00	£332.90	£285.00	£338.20
Primary IDACI D	£440.00	£523.12	£450.00	£534.00
Primary IDACI C	£480.00	£570.68	£490.00	£581.46
Primary IDACI B	£510.00	£606.35	£520.00	£617.06
Primary IDACI A	£670.00	£796.58	£685.00	£812.86
Secondary IDACI F	£335.00	£398.29	£345.00	£409.40
Secondary IDACI E	£445.00	£529.07	£455.00	£539.93
Secondary IDACI D	£620.00	£737.13	£635.00	£753.53
Secondary IDACI C	£680.00	£808.47	£695.00	£824.73
Secondary IDACI B	£730.00	£867.91	£750.00	£890.00
Secondary IDACI A	£930.00	£1,105.70	£950.00	£1,127.33
Primary EAL3	£580.00	£689.57	£595.00	£706.06
Secondary EAL3	£1,565.00	£1,860.66	£1,605.00	£1,904.59
Primary LPA	£1,155.00	£1,373.20	£1,185.00	£1,406.19
Secondary LPA	£1,750.00	£2,080.61	£1,790.00	£2,124.12
Primary mobility	£945.00	£1,123.53	£970.00	£1,151.06
Secondary mobility	£1,360.00	£1,616.93	£1,395.00	£1,655.39
School Led Funding				
Primary lump sum	£128,000.00	£152,181.76	£135,700.00	£161,029.76
Secondary lump sum	£128,000.00	£152,181.76	£135,700.00	£161,029.76
Primary sparsity	£56,300.00	£66,936.20	£57,700.00	£68,470.28
Secondary sparsity	£81,900.00	£97,372.55	£83,900.00	£99,560.77
Middle-school sparsity	£81,900.00	£97,372.55	£83,900.00	£99,560.77
All-through sparsity	£81,900.00	£97,372.55	£83,900.00	£99,560.77
Split sites basic eligibility funding			£54,300.00	£64,435.64
Split sites distance funding			£27,100.00	£32,158.49
PFI (RPIX) %	11.20%	11.20%	10.40%	10.40%
MFG	0% - 5%	0% - 5%	0% - 0.5%	0% - 5%

Appendix 2**Current and future split-site arrangements in Lambeth****Current Lambeth split site criteria**

Schools (maintained / academies / free schools) within the Lambeth geographical boundary whose accommodation is on two or more sites separated by a main road and necessitating movement between sites of staff and /or pupils during the school day. They receive a supplementary allocation related to a points score according to the distance between the school sites. Each split-site point is worth **£20,128.26**. Schools supported by a Federation are no longer eligible for one split site point on the basis the school being federated. A school with more than one site may be eligible for a second split site factor.

- Primary school on two sites less than 1/4 mile apart = 1 point
- Primary school on two sites more than 1/4 mile apart = 3 points
- Secondary school on two sites less than 1/4 mile apart = 3 points
- Secondary school on two sites more than 1/4 mile apart = 5 points

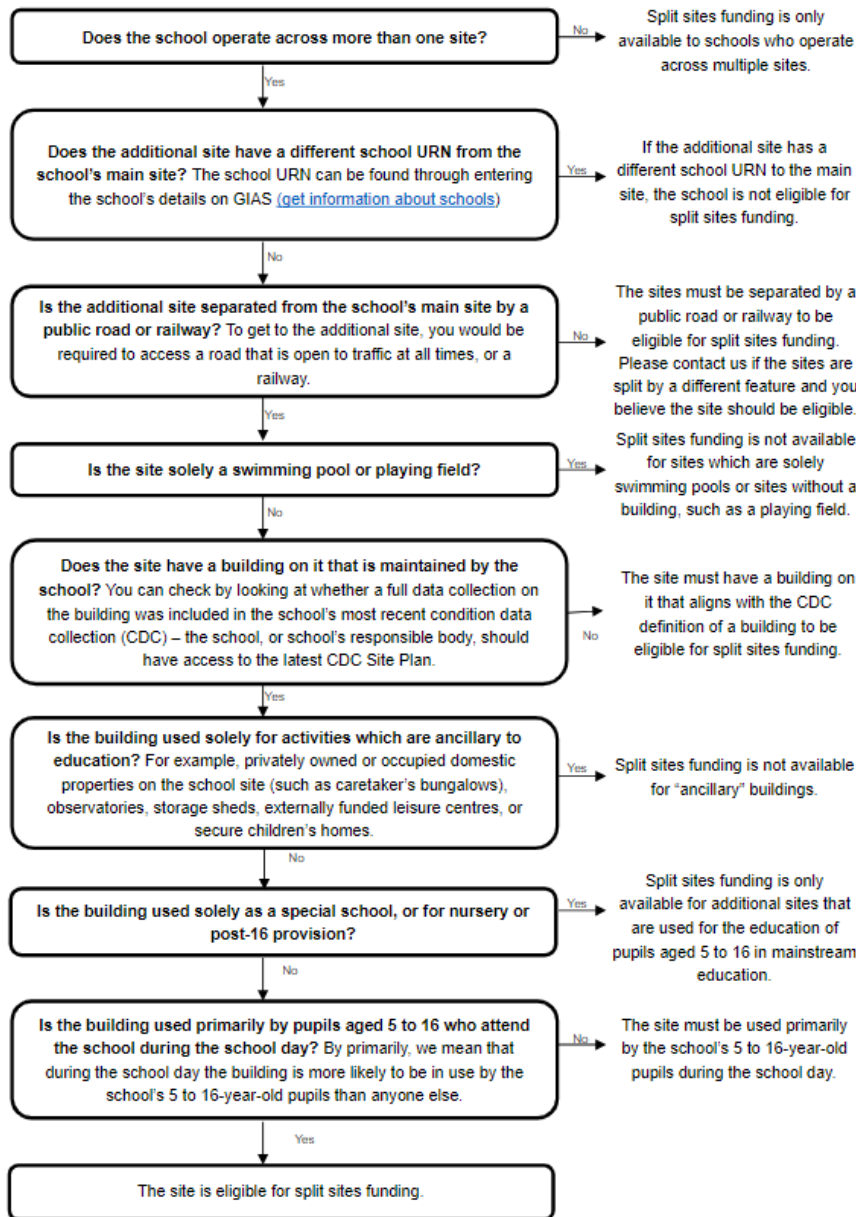
NFF Split site eligibility criteria

For the NFF, an additional site attracts split sites funding if it meets the following conditions (up to a maximum of 3 additional sites per school):

1. It does **not** have a different URN to the school's main site. The URN is the unique reference number allocated to every school and can be found on [Get Information about Schools \(GIAS\)](#). If a site has a different URN, we count it as a different school for funding purposes because they receive a separate lump sum payment.
2. It is separated from the school's main site by a road or a railway. If separated by a road, it must be a road with 24-hour access to through traffic. This includes where, in order to access the school's additional site, you have to leave the school site and walk alongside a road. If a school's sites are separated by a feature not covered in the eligibility criteria, but you believe they should be eligible for split sites funding, please contact us with details of the school's circumstances at LA.Disapplications@education.gov.uk.
3. It has a building on it which is maintained by the school. We are following the definition of a building used by the DfE Condition Data Collection programme (CDC) a block located on a school site which is owned, controlled and/or maintained by the school and which is primarily used for educational purposes. This excludes any 'ancillary' buildings, swimming pools or playing fields.
4. If a building is rented by the school from another entity, but the school has maintenance responsibilities for the building, it is eligible for split sites funding if it meets the other criteria. Conversely, if the school is leasing out a building to another entity full time, the school would not be eligible to receive split sites funding.
5. It is used primarily for the educational purposes of 5 to 16-year-olds in mainstream education. By primarily, we mean that the site is used by 5 to 16-year-old pupils that attend the school during school hours for the majority of those hours. This excludes any sites used solely for special schools (for example, within the same multi-academy trust), nurseries, or school sixth forms. However, it does include sites used to support 5 to 16-year-old mainstream pupils on the school roll who have SEND, including a site used exclusively for a special unit or resourced provision.

The following chart to assess schools' eligibility for split sites funding:

Split site funding flow chart



Agenda Item 6

Title: Central School Services Block 2024-25

Date: 5th October 2023

Report to: Schools Forum

Report for: Information X Decision X Consultation Action

Author: Yoke Ying Kong – Education Consultant

1 Background

- 1.1 The Central School Services Block (CSSB) is for local authority services and functions that apply to all schools including academies. 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.
- 1.2 The CSSB is relatively small for Lambeth, compared to other London Authorities. The July 2023 announcement on Indicative Schools Funding identified a total of £1.365m for this block of the DSG for 2024-25 and is based on October 2022 pupil numbers. This figure will change when the DSG 2024-25 allocation is announced in December 2023 as it will be re-aligned to the October 2023 census.
- 1.3 As noted in the DSG overview paper Lambeth's CSSB continues to receive the smallest allocation for Inner London with Lambeth receiving £43.61 per pupil, compared to other London boroughs, with one of London borough receiving as high as £81.06 per pupil. Other London boroughs are benefiting from funding for historic commitments that are now being unwound; Lambeth was never funded for these, so will not experience that reduction.
- 1.4 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 to all schools. This report seeks agreement to use the CSSB amount for 2024-25.
- 1.5 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 for maintained schools. This was expected to provide a sum in the region of £0.5m for 2023-24 financial year. There is another de-delegation paper on the agenda that will propose this for 2024-25. This paper is a separate consideration in addition to how much should be applied to CSSB responsibilities.

2 Proposed CCSB Budgets 2023-24

- 2.1 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.
- 2.2 The current list of services is funded by way of a formulaic allocation based on a per pupil amount (£43.61) multiplied by the number of primary and secondary school pupils used in the Schools Block (31,305), giving £1.365m. The figures in the Indicative NFF allocation are based on October 2022 census and the December 2023 DSG allocation for 2024-25 will be amended to re-align the allocation using October 2023 census.

- 2.3 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% each year. Lambeth did not have any historic costs that were recognised as meeting the criteria, therefore it does not receive any funding for this element of the allocation.
- 2.4 As Lambeth do not receive any Historical Commitments and only receive the Ongoing Responsibilities element, it receives the lowest allocation per pupil in Inner London and the fourth lowest allocation in London for the Central School Services Block. The proposed allocations for 2024-25 are set out in Table 1 below. They are also referenced in Appendix 1.
- 2.5 The proposed increase has been apportioned for a % uplift across the current CSSB budgets for 2024-25 which is a total of £0.091m. 6.95% has been added to Teachers pay and pension element for centrally employed teachers as per the midpoint of current 2023-24 teacher pay increases.

Table 1: Proposed allocation of CSSB 2024-25 compared to 2023-24

Component	2023-24 Allocation	2024-25 Proposed Allocation	Difference
	£'000	£'000	£'000
Statutory and Regulatory	195.88	206.11	10.23
Education Welfare	250.94	264.05	13.11
Admissions	548.47	577.13	28.66
School Licences	190.59	200.55	9.96
Schools Forum	31.76	33.42	1.66
Teachers Pay and Pension funding for centrally employed teachers	56.35	83.79	27.44
Total	1,274.00	1,365.05	91.06

3 Recommendations

- 3.1 Schools Forum is invited to agree with the proposed budget in principle, awaiting the December 2023 settlement for the CSSB for 2024-25.

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 2024-25	Indicative Amount for 2024-25 £'000
Statutory & Regulatory	<ul style="list-style-type: none"> Director of children's services and personal staff for director (Sch 2, 15a) Planning for the education service as a whole (Sch 2, 15b) 	Central budgets for education planning that are not already charged elsewhere in the DSG.	85.00
Statutory & Regulatory	<ul style="list-style-type: none"> Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c) Formulation and review of local authority schools funding formula (Sch 2, 15d) 	Accounting and finance staff directly supporting education budget setting and funding for all schools.	80.00
Statutory & Regulatory	<ul style="list-style-type: none"> 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) 	Estimated cost of internal audit time	10.88
Statutory & Regulatory	<ul style="list-style-type: none"> Consultation costs relating to non-staffing issues (Sch 2, 19) Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) 	Estimated cost of public consultation on service development (eg High Needs) and collaborative working.	0
Statutory & Regulatory	<ul style="list-style-type: none"> Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) 	Current budget for SACRE.	20.00
Statutory & Regulatory	<ul style="list-style-type: none"> Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	Legal Services staff support.	10.23
Education Welfare	<ul style="list-style-type: none"> Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) School attendance (Sch 2, 16) Responsibilities regarding the employment of children (Sch 2, 18) 	Current budget for Education Welfare	264.05
Asset Management	<ul style="list-style-type: none"> 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) General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 	Budgets for education support in property management and capital programme monitoring.	0

App

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 2024-25	Indicative Amount for 2024-25 in £'000
Other ongoing duties	<ul style="list-style-type: none"> Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval 	Costs notified by ESFA	200.55
Other ongoing duties	<ul style="list-style-type: none"> Admissions (Sch 2, 9) 	Costs of the Admissions Function in Lambeth	577.13
Other ongoing duties	<ul style="list-style-type: none"> Places in independent schools for non-SEN pupils (Sch 2, 10) 	None	0
Other ongoing duties	<ul style="list-style-type: none"> Remission of boarding fees at maintained schools and academies (Sch 2, 11) 	None	0
Other ongoing duties	<ul style="list-style-type: none"> Servicing of schools forums (Sch 2, 12) 	Estimated cost of clerking and accommodation mainly.	33.42
Other ongoing duties	<ul style="list-style-type: none"> Back-pay for equal pay claims (Sch 2, 13) 	None	0
Other ongoing duties	<ul style="list-style-type: none"> 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) 	Immaterial	0
Other ongoing duties	<ul style="list-style-type: none"> Capital expenditure funded from revenue (Sch 2, 1) Prudential borrowing costs (Sch 2, 2(a)) Termination of employment costs (Sch 2, 2(b)) Contribution to combined budgets (Sch 2, 2(c)) 	ESFA does not recognise any historic commitments for Lambeth.	0
Other ongoing duties	<ul style="list-style-type: none"> Teachers Pay and Pension funding for centrally employed teachers 	Continuation of the amounts claimed for 2022-23 increased by 6.95% as per pay settlement mid - point	83.79
	TOTAL Central School Services Eligible Expenditure		1,365.06

Agenda Item 7

Title: De-delegation Proposals for 2024-25 – Trades Union Facilities and Education Functions for Maintained Schools.

Date: 5th October 2023

Report to: Schools Forum

Report for: Information Decision X Consultation X Action

Author: Claire Cobbold – Head of Schools HR / Dominique Johnston- Franklin – Group Manager Education

1 Background to Item

1.1 For 2024-25, there are two items where maintained schools are invited to confirm their continued intention to pool funding for particular services and functions:

- **Trade Union Facilities Arrangement (TUFA)** (de-delegation within the mainstream funding formula for maintained primary / secondary only)
- **Education Support** (treated as de-delegation in the mainstream funding formula for maintained primary / secondary schools, but also applying to special schools).

2 Trade Union Facilities Agreement

2.1 This funding is used to compensate those maintained schools that have trade union representatives in their staff in order to release these staff members for an agreed period of time in order to attend to trade union duties that they carry out on behalf of all maintained schools.

2.2 The Trades Union Facilities Arrangement (TUFA) for schools was first brought to schools Forum in Dec 2015 where it was agreed. From April 2016 schools paid towards this agreement at a rate of £4.50 per pupil and this rose to £5.38 per pupil in April 2023.

2.3 The purpose of the TUFA agreement is to provide a framework agreement between Lambeth Council, its community of schools which includes foundation, academies and voluntary controlled, and the recognised trade unions. Its aim is to facilitate, improve and provide a constructive framework for consultation and industrial relations with the Council and within individual schools.

2.4 Over the past few years there has been many structural changes to Lambeth schools based on falling rolls and growing schools deficits – the role of the trade union support in these matters will increase over the coming years and is important for staff in schools to continue to access ongoing advice.

2.5 The Key Benefits the key benefits arising from contributing to the agreement are:

- meaningful consultation in an efficient way
- partnership working leading to good workplace relations
- joint working to address health & safety, development of policies and supporting HR
- early intervention preventing small problems from escalating to time-consuming and costly disputes

- better management of change and workplace relations
- 2.6 The Trades Unions represented as part of the Agreement are GMB, Unison, NEU, NAHT and NASUWT. **Appendix 1** refers to context and summary of support offered to schools from the Lambeth Trade Union Panel.
- 2.7 At present the TUFA contributions from schools are collected by schools' finance via the APT return and cash summary twice a year and schools are advised at the start of each financial year the costs for their school. It is expected that all schools will sign up to this agreement. Academies and PRU's are invoiced individually.
- 2.8 Nurseries and Special Schools will be billed for their use of the agreement for 2024-25 and then notified of the amounts and charged via the cash summary moving forward as their funding comes from different budgets.
- 2.9 It is proposed that the TUFA rate increase to £5.48 per pupil for 2024-25 to cover the costs of providing the service. This is an increase of 1.76% from 2023-24. This is expected to recover £0.118m from maintained schools.

3 Education Support Services 2024-25

- 3.1 This funding is used to pay for certain specific functions that the local authority continues to undertake on behalf of maintained schools. The list of these functions is set out in annex 2 of the Schools Revenue funding 2024-25 Operational Guide (**Appendix 2** to this paper). The amount of funding that schools contribute to these functions does not cover the full cost of these activities and there is contributions additionally provided by the LA.
- 3.2 Prior to 2017-18 these functions were paid for by a grant from the DfE known as the Education Services Grant and since this grant ceased, the various elements that were covered by the grant are now subject to different funding arrangements with those functions that relate to maintained schools falling under this arrangement.
- 3.3 In October 2021 the government additionally announced its final consultation on Reforming how local authorities' school improvement functions are funded. The key proposals are to remove the Schools Monitoring and Brokering Grant by 2022-23, with a reduction of 50% in 2021-22. This Grant currently supports Lambeth's core education improvement functions in combination with funding via Central Schools Service Block and General Fund.
- 3.4 The loss of the School Improvement, Monitoring and Brokering Grant of approx. £305k from 2021-22 has impacted the core education services budgets within the LA. The DfE has recommended that LA's use de-delegation linked to Schools Improvement, Monitoring and Brokering grant removal.
- 3.5 Although Lambeth has covered the loss of this Grant over 2022-23 and 2023-24 there is no core General fund budgets to cover the loss of grant in 2024-25. The LA have been covering the loss of this grant since 2022-23 by using available reserves which has now depleted. It is now proposed that Schools Forum de-delegate for this in future years at 50% of the amount of grant previously allocated from DfE at a rate of **£7.25 per pupil for 2024-25**.

- 3.6 In 2023-24 the amount that was agreed to be contributed by maintained schools under Education Functions was £21.60 per pupil, which amounted to £0.467m for the maintained primary and secondary schools. It is recommended that the rate per pupil for 2024-25 rise by 40p a 1.76% increase **to £22.00per pupil**). With falling rolls, the LA budget will recover £0.476m.
- 3.7 It is recommended again that a multiplier of 2 be used for special school places, meaning that the amount that would be deducted from the place funding for this purpose would be **£44.00 per commissioned place**. There are currently 572 places commissioned 4 maintained special schools and 259 places commissioned in 10 maintained resource based units meaning that in total £36.5k would be deducted for the total of 831 places. Education functions would therefore recover a total of £0.521m for the LA.
- 3.8 **Table 1** summarises the composition of the contribution per pupil / place, as per the categories set out in **Appendix 2**.

Table 1: Analysis of what the maintained school contribution pays for in De-delegation and Education Functions

Component	Total mainstream maintained pupils	£ per mainstream pupil	Total Special / RB maintained places	£ per Special / RB place	Total funding for LA £'000
1. De-delegation: Trades Union Facilities Arrangement (TUFA)	21,628	£5.48			£118
2. De-delegation: Additional School Improvement Services	21,628	£7.25			£156
Education Functions: Statutory & Regulatory Duties	21,628	£11.00	831	£22.00	£256
Education Functions: Compliance Monitoring		£11.00		£22.00	£256
3. Total Education Functions		£22.00		£44.00	£512

4 Recommendations

Schools forum are invited to agree the following

- 4.1 **Maintained primary school representatives** are invited to agree in principle
- to continue the de-delegation for the Trades Union Facilities Agreements in 2024-25 at a rate of **£5.48** per pupil.
 - to agree to the de-delegation for Additional School Improvement Services in 2024-25 at a rate of **£7.25** per pupil.
- 4.2 **Maintained secondary school representative** to agree in principle
- to continue the de-delegation for the Trades Union Facilities Agreements in 2024-25 at a rate of **£5.48** per pupil.

- invited to agree to the de-delegation for Additional School Improvement Services in 2024-25 at a rate of **£7.25** per pupil.

4.3 **Maintained primary, secondary, all-through and special school representatives** are invited to agree in principle to continue to de-delegate for Education Functions for 5-16 year old in 2024-25, at a rate of **£22.00 per pupil for pupils in primary and secondary schools** and **£44.00 per commissioned place in maintained special schools and maintained resource bases**.

Dear School Forum Member

25th September 2023

Trade Unions Facilities Agreement Schools

I was a head teacher in Lambeth for 34 years and continue to be a trade union officer for the NAHT now in my 32 year. I am writing to you to ask that the School Forum contribute to the facilities pot that is run by Lambeth HR.

The last academic year has again been a very challenging one for all in education and especially those in front line roles. The Trade Unions have worked tirelessly throughout this period to support members alongside schools and the Education Department, ensuring the education of young people always takes priority. With schools reorganising and amalgamating over the coming years this will only increase.

Trade Unions play an important role in the modern workplace and there are significant benefits to both employers and employees when organisations and unions work together effectively. To this end, Lambeth Council operates a Trade Unions Facilities Agreement. The aim of the agreement is to facilitate, improve and provide a constructive framework for a consultation and industrial relations within the Council and within individual schools.

The agreement provides a ready-made structure for meaningful consultation and negotiation thus saving organisations money, and giving reassurance that all views are valued in decision making. It offers the facilitation of partnership working with trade unions, improved workplace relations and the reputation of an employer as 'a good place to work'.

The Unions involved in this agreement meet regularly throughout the year as a panel to discuss policies to be adopted by schools and other related matters. The panel also regularly meets senior officers of the Council to discuss items of common interest. These may take the form of earlier intervention in relation to complaints, grievances and disciplinaries preventing escalation into more serious problems; thereby saving organisations and taxpayers' money by reducing the impact on staff time and possible legal costs. The meetings provide better communication to manage change during restructuring and redundancy processes; thereby improving understanding of decisions and minimising negative impacts.

For staff in schools, paying in to the facilities pot allows members of staff to have access to advice and representation by a local officer, if the matter is more complex than a school representative can deal with. If schools do not pay in, the remaining schools cannot take on the burden of paying for the time and therefore schools will either have to wait until a regional representative is available or meet after working hours.

Unions would also potentially be asking schools to release local school reps for more in-depth training. It has been recognised that this system of paying into a local pot is the most efficient way to ensure that staff have access to representation and schools can access local officers to try to maintain good industrial relations.

In summary, the key benefits arising from contributing to the agreement are:

- meaningful consultation in an efficient way
- partnership working leading to good workplace relations
- joint working to address health & safety, development of policies and supporting HR
- early intervention preventing small problems from escalating to time-consuming and costly disputes

- better management of change and workplace relations

The Facilities Agreement has worked very well over many years ensuring schools have healthy, positive relationships with their staff and Lambeth Council. Such partnership working is thought to encourage a perception of the employer as a 'good employer' that employees want to work for and help present a positive image to the outside world. It also ensures that all union members in schools have access to representation. A pooled process ensures the costs are shared evenly across all schools and keeps costs much lower and more efficient than other systems. I understand that the vast majority of schools in Lambeth currently contribute to the facilities agreement.

We look forward to the School Forum agreeing to continue the Facilities Agreement to maintain Lambeth's reputation as a place of high quality for employers and employees.

Yours faithfully,

Brian Hazell
NAHT secretary Lambeth
On behalf of the Lambeth Panel

Responsibilities held for maintained schools only

[Schools operational guide: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/schools-operational-guide-2024-to-2025)

School improvement

- expenditure related to core school improvement activities of local authorities with respect to maintained schools (Schedule 2, paragraph 53)

Statutory and regulatory duties

- functions of local authority related to best value and provision of advice to governing bodies in procuring goods and services (Schedule 2, paragraph 58)
- authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Schedule 2, paragraph 59)
- monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Schedule 2, paragraph 60)
- internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of the Local Government Act 1972 for maintained schools (Schedule 2, paragraph 61)
- functions under regulations made under section 44 of the Education Act 2002 (Consistent Financial Reporting) in so far as the functions related to maintained schools (Schedule 2, paragraph 62)
- investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Schedule 2, paragraph 63)
- functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Schedule 2, paragraph 64)
- HR duties, including advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Schedule 2, paragraph 65)
- determination of conditions of service for non-teaching staff (Schedule 2, paragraph 66)
- appointment or dismissal of employee functions (Schedule 2, paragraph 67)
- consultation costs relating to staffing (Schedule 2, paragraph 68)
- compliance with duties under Health and Safety at Work etc Act 1974 (Schedule 2, paragraph 69)
- provision of information to or at the request of the Crown relating to maintained schools (Schedule 2, paragraph 70)
- school companies (Schedule 2, paragraph 71)
- functions under the Equality Act 2010 (Schedule 2, paragraph 72)
- establish and maintaining computer systems, including data storage (Schedule 2, paragraph 73)
- appointment of governors and payment of governor expenses (Schedule 2, paragraph 74)

- budgeting and accounting functions relating to maintained schools (Schedule 2, paragraph 75)
- retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Schedule 2, paragraph 77)

Education welfare

- inspection of attendance registers (Schedule 2, paragraph 80)

Asset management

- general landlord duties for all maintained schools (Schedule 2, paragraphs 78a & b (section 542(2)) Education Act 1996; School Premises (England) Regulations 2012) to ensure that school buildings have:
 - appropriate facilities for pupils and staff (including medical and accommodation)
 - the ability to sustain appropriate loads
 - reasonable weather resistance
 - safe escape routes
 - appropriate acoustic levels
 - lighting, heating, and ventilation which meets the required standards
 - adequate water supplies and drainage
 - playing fields of the appropriate standards
 - general health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)
 - management of the risk from asbestos in community school buildings
 - Control of Asbestos Regulations 2012

Central support services

- clothing grants (Schedule 2, paragraph 54)
- provision of tuition in music, or on other music-related activities (Schedule 2, paragraph 55)
- visual, creative, and performing arts other than music (Schedule 2, paragraph 56)
- outdoor education centres (but not centres mainly for the provision of organised games, swimming, or athletics) (Schedule 2, paragraph 57)

Premature retirement and redundancy

- dismissal or premature retirement when costs cannot be charged to maintained schools (Schedule 2, paragraph 79)

Monitoring national curriculum assessment

- monitoring of National Curriculum assessments (Schedule 2, paragraph 76)

Therapies

- this is now covered in the high needs section of the regulations and does not require schools forum approval

Additional note on central services

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the School Standards and Framework Act 1998 (financing of maintained schools), the administration of grants to the local authority (including preparation of applications) and, where it is the local authority's duty to do so, ensuring payments are made in respect of taxation, national insurance, and superannuation contributions
- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services

Agenda Item 8

Title: High Needs Block 2023/24 update

Date: 5th October 2023

Report to: Schools Forum

Report for: Information x Decision x Consultation Action

Authors: Adam Yarnold - SEN Lead

1. Purpose of this report.

- 1.1 This report provides some service context and explains the overall High Needs Block forecast for 2023/24 and beyond.

2. Schools population and primary need in Lambeth

- 2.1 The number of Lambeth residents with an EHCP continued to rise from 2,940 in 2022 up to 3,061 in 2023, equivalent to 3.53% of 0-24 year old Lambeth residents. This is slightly above the statistical neighbour average, and well above the England average of 3.14%.
- 2.2 The age breakdown of Lambeth's EHCP cohort is skewed towards older residents compared to both England and statistical neighbour averages. The percentage of the EHCP cohort who are under 5 has continued to fall, and is now the lowest among statistical neighbours.
- 2.3 Conversely, almost one in ten residents with an EHCP in Lambeth are aged between 20-25, which is the 16th largest proportion of all local authorities in England. The proportion of residents with an EHCP aged between 16-19 is also above the England average, and the highest among Lambeth's statistical neighbours.
- 2.4 Lambeth schools still have a large SEND cohort, though it has grown at a slightly slower rate than average. Like many other London local authorities, Lambeth schools have a relatively low incidence of MLD, but high incidences of ASD and SLCN.
- 2.5 In January 2023, 5.7% of Lambeth school pupils had an EHCP, the 7th highest of any England local authority. The percentages of state funded primary and secondary school pupils with an EHCP were also well above England averages, ranking 7th and 6th in England respectively.
- 2.6 Despite falling in secondary schools, the proportion of Lambeth school pupils with SEN Support remained just above the England and statistical neighbour average.
- 2.7 The percentage of SEND pupils with a moderate learning difficulty as their primary need remained small in 2023. At 6.9% of SEND pupils, this is one of the lowest proportions in England, far below the average of 15.4%.
- 2.8 Conversely, the percentage of SEND pupils with autistic spectrum disorder as their primary need continued to grow in 2023 and, at 17.6%, ranks in the largest quartile of local authorities in England.

- 2.9 Remaining around 30% of SEND pupils, the percentage with speech, language and communication needs as their primary need remained considerably higher than the England average of 23.7% in 2023.

3. Assessments and provision

- 3.1 Lambeth had a slightly lower than average request rate for EHCP assessments and refused two in five requests for assessment. A relatively large proportion of Lambeth residents with an EHCP are placed in mainstream provision, with a smaller than average proportion in special or independent schools.
- 3.2 In 2022, there were 548 requests for an EHCP assessment, equivalent to 0.63% of 0 to 24 year old Lambeth residents. Unlike the England trend, the request rate in Lambeth did not increase from 2021 to 2022, and is now slightly below the England average of 0.7%. However, we have already had 579 new requests so far this year.
- 3.3 The latest published data shows that 113 EHCPs were discontinued in 2022, equivalent to 3.8% of the total EHCP population. This was much lower than the England average of 7.3%.
- 3.4 The percentage of appealable decisions that resulted in appeals to the SEND Tribunal rose in 2022, up to 1.3% (42 appeals), but remained well below the England average of 2.3%.
- 3.5 Excluding exceptional cases, only around one in five (20.6%) EHCPs were issued within the 20 week timeline in 2022. This was the lowest among statistical neighbours and one of the lowest rates in England. Despite clearing a back log of nearly a hundred plans that should have been issued last year – we are now at around 55% in terms of compliance – which is higher than England and Statistical Neighbour average.

4. Outcomes for Pupils

- 4.1 Compared to England, SEN Support pupils had strong levels of attainment in Lambeth across all phases up to KS5. EHCP pupils performed better in KS4 than in primary. Lambeth's average Progress 8 score for EHCP pupils in 2022 was slightly above the 2019 figure, higher than the statistical neighbour and England averages.
- 4.2 Both EHCP and SEN Support pupils in Lambeth have very low exclusion and absence rates.
- 4.3 Despite small falls from 2023, the participation rates of EHCP and SEN Support 16 and 17 year olds in Lambeth remain well above England averages, ranking in the top quartile of local authorities in England. Similarly, the percentages of EHCP and SEN Support 16 and 17 year olds who were NEET or whose activity was unknown remain below the England averages. In particular, just 4.5% of 16 and 17 year olds with an EHCP were NEET or had an unknown activity, which is less than half the England average

5. Spending and EHCP Demand

- 5.1 Lambeth's gross budget per capita for top up funding for maintained providers increased to £357, the 5th highest in England, far higher (£189 more) than the England average. The

budget for top up funding for academies and free schools was also above the England and statistical neighbour averages.

- 5.2 Lambeth’s top up funding for independent providers budget remains well below the England average. This is partly driven by the relatively small proportion of Lambeth’s EHCP pupils placed in independent provision.
- 5.3 At £32 per capita, Lambeth’s gross budget for SEN administration, assessment and monitoring was below the statistical neighbour average, but higher than the England average.
- 5.4 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.

6. High Needs budget 2023/24

- 6.1 Council agreed in March 2023 that the High Needs budget could balance in-year for 2023/24 and that the £0.980m surplus brought forward would be carried forward into the medium term. **Table 1** below indicates that the latest forecast position is to maintain the £0.980m brought forward surplus).
- 6.2 There is a high risk to this position moving significantly based on the changes that will come from pupil movement October, which will be reviewed by December 23. It is very early in the academic year to have complete assurance that the projections based on 30 EHCPs per month increase will continue through to March 2024

Table 1. High Needs DSG budget 2023/24 and latest forecast (P06)

Component	Latest Budget 2023/24	Forecast net spend (P06) 2023/24	Forecast Variance at Period 6
	£'000	£'000	£'000
1. Places only	12,513	12,513	0
2. SEND Top-Ups	50,583	50,583	0
3. AP Top-Ups	1,184	1,184	0
4. Other High Needs provision	2,239	2,239	0
Total Commitment (gross)	66,519	66,519	0

Balance brought forward	980	980	0
Funding transferred from Schools Block	824	824	0
High Needs DSG Funding (gross)	65,695	65,695	0
Total funding	67,499	67,499	0
Net position	(980)	(980)	0

- 6.3 **Appendix 1** sets out the details supporting this forecast which is based on all the current finalised panel decisions up until June 2023. This currently projects a £0.3m underspend. But, as there is a high risk to the starters and leavers review over the coming months, it is prudent to leave the projections stable until the changes have materialised in Panel decision data.
- 6.4 **Funding.** The original DSG allocations were based on Lambeth having 138 more pupils in other LA institutions (exports) than there were other LA pupils in Lambeth institutions (imports). The updated figures indicate a change to a net import position of 2 pupils. An overall increase of 140 pupils at £6k leads to an increase of £0.837m more High Needs DSG. There is also an increase in additional Free School funding of £0.015m.
- 6.5 **Places.** The additional funding for import/export adjustment of £0.837m mitigates a £0.068m increase in costs of high needs places compared to growth originally provided for in the budget. 16 new high needs places had been agreed for September 2023, and a provision for 20 additional new places was included, however since then an additional 31 places have been agreed to accommodate the rising number of EHCPs. The net effect of these will be realised as a positive change to future forecast positions.
- 6.6 **SEND Top-ups.** Since the budget was set, top-ups in special schools both in and out of borough has been lower than initial projections, with a corresponding increase in top-ups for mainstream and resource bases. Some out-of-borough providers have requested increases in line with Lambeth schools, but so far the number requesting an increase is small. If inflationary increases are not requested and agreed with providers during the year, we could see an improvement in the position to budget by year end.
- 6.7 **Alternative Provision Top-Ups.** Whilst Alternative Provision Top-ups are currently forecast to be on budget, permanent exclusions are difficult to predict and in previous years there has been an underspend which could still materialise as the year progresses. Work continues with the Fair Access Panel to reduce exclusions in favour of managed moves, which could also result in an underspend position.
- 6.8 **Other High Needs Provision.** Other High Needs Provision is currently forecast to be on budget but it needs to have a more detailed review now that posts that were created as part of the repurposing of the Inclusion Fund have begun to be filled.
- 6.9 Overall there is an expectation that the high needs block will be in a break even position by the end of 2023-24, but there is a high risk to the current projections and the expectation of panel agreements up until end of November 2023. There is provision built into to forecast to anticipate changes but anything outside of the expected increases will be reported at December Schools Forum.

7. High Needs Block 2024/25 and beyond

7.1 The July 2023 DfE schools funding announcement confirmed that High Needs DSG for 2024/25 will increase by at least 3% per head for ages 2-18 population, with the majority of authorities seeing gains of more than 3%. This increase is lower than received in recent years, with last year's increase being a 5% increase per head of the 2-18 population. The provisional High Needs DSG for 2024/25 is £67.3m, £1.6m more than the current 2023/24 HN DSG of £65.7m.

7.2 The basic structure of the High Needs National Funding Formula has not changed for 2024/25, however there has been a significant update in the data used for children in bad health to use the 2021 national census, with prior years using the 2011 census. Due to the Covid-19 pandemic, there is no appropriate 2020 or 2021 attainment data to use for the two low attainment factors, however now that 2022 data is available the 2024/25 NFF will use a combination of 2019 and 2022 as a proxy for the missing years.

Table 2: Initial high level outline prospects for High Needs Budget in 2024/25

Component	Updated and unmitigated outline budget plans 2024/25 £m	Comment
Net Spending	£65.7m	As per Table 1 above
Provision for cost pressures	£1.9m	Working assumption of 3% of overall HN spend.
Provision for new cases	£1.4m	Annual net increase of 185 EHCPs at £15k each. Based on 30 new cases per month from Apr 2024 until March 2025 (360 gross, 195 fte impact in 2024/25, less 175 leavers in summer 2025 (102 fte). Overall = 93 net fte increase at £15k = £1.4m.
Total estimated commitment (gross)	£69m	
Surplus b/f from 2023/24	£0.9m	Forecast position from Table 1 above
Transfer from Schools Block	Nil	The limited increase in the Schools Block for 2023/24 suggests no scope to transfer to HNB.
High Needs DSG Funding (gross)	£67.3m	
Total funding	£68.2m	
Net position	(£0.8m)	On these assumptions the position worsens to a £0.8m deficit.

7.2 **Table 2** indicates that with the stated assumptions about High Needs DSG funding in 2024/25, the impact of future new cases, and with an assumption of 3% cost pressure, the current HNB surplus could worsen to £0.8m deficit by the end of 2024/25.

7.3 Clearly, it is early in the cycle and further information is to emerge that could materially impact on that initial assessment, including:

- **2024/25 spending.** This is the current forecast net spend, but that may fluctuate during the year as there remain risks in this traditionally volatile budget.
- **Rate of new cases.** While 30 new cases per month and 175 leavers have been the prevailing rate in the past, it is likely not be the prevailing rate in the future. Last financial year new cases slowed for the bulk of the year, and an increased backlog did materialise until this financial year. Lower numbers of new cases would reduce the forecast commitment.
- **Cost pressures.** These are subject to the rates of funding for high needs top-ups that are agreed for 2024/25, which will be a matter for Schools Forum to recommend to Cabinet and Council. It will also be driven by the extent to which existing cases are assigned to different banding rates following annual reviews. A judgement on this will need to be made later in the cycle, based on a fuller analysis.
- **Surplus brought forward.** If the position in 2023/24 is as currently forecast, the surplus will remain at £0.980m, but any shift in the outturn position will affect the brought forward balance.
- **High Needs DSG.** The size of the increase to the Schools Block is small (0.6% per pupil) in the context of the inflationary pressures facing schools. In previous years there has been a transfer from schools block – which currently is not factored into current position, and is likely not to continue in future years.

7.4 Among the areas that will continue to be explored are:

- **Early Intervention.** To support the reduction of EHCP's, there is a focus on Early Intervention with the establishment of the Area SENCo team, increasing the Lambeth Autism Advisory Service and Behaviour Support Team. These initiatives will need to be measured for impact over 2 years to see if they have a positive reduction on EHCP demand. With low rates of EHCP for under 5's, a focus will be if earlier EHCP support changes future more expensive placements.
- **Demand Management.** The ongoing increase in ASD diagnosis and SLCN is driving the continued demand for EHCNA's. Collaboration is taking place with health to understand the rise in diagnosis and look at post diagnosis support. Pathways to adulthood is a focus and ensuring that education is continuing to collaborate with Economic Inclusion Department and Social Care to ensure EHCPs are ceased appropriately when circumstances indicate that this is necessary.
- **Cost effective provision.** An increase in Resource Bases, will reduce the need for more expensive independent provisions but will need to be monitored to ensure places are filled appropriately. The LA will continue to ensure that all Lambeth

schools, maintained, academies or free schools are funded on the Lambeth standard high needs top-up rates.

- **Priority to have High Needs subgroup** – Mirroring the ongoing sub group for EYB to ensure consistent engagement from the sector on key funding decisions year on year.
- **Capital Investment.** The continuation of the SEND Capital allocations will support future pressures in increased demand in special schools provisions and continue to reduce dependency on more expensive provisions.
- **Notional Funding.** Focus on the SENCo Network and development of Area SENCo's to ensure this funding is being utilised for SEN Support pupils to prevent the need for EHCNA's if not appropriate.
- **Top-up rates.** At what rate should the LA set top-up rates for 2024/25 in the context of the available funding and the pressures facing schools.
- **Partner funding.** Is there more that partners (mainly social care and health) should be doing to share the costs of supporting EHCPs especially residential 'live and learn' settings and Post 18.

7.5 Getting the balance right between setting a balanced budget, building a reasonable reserve position, and funding schools appropriately needs to be struck. The development of this in the High Needs Block will be considered in the next couple of meetings of the Schools Forum, ahead of firming up recommendations to Cabinet and Council for 2024/25.

8. Risks

- 8.1 The High Needs budget is volatile due to the lag in data from panel and pace of changes across the year.
- 8.2 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.
- 8.3 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.
- 8.4 If the High Needs DSG 2023/24 position worsens to an overspend it will consume the expected increase in the 2024/25 High Needs DSG.
- 8.5 In the context of falling rolls, it ought not to be the case that numbers of EHCPs continue to rise. Much of the rise in recent years has been due to the expansion of the age range to 25 for those high needs students that the LA had responsibility for. The data suggest that we are now at the point when numbers plateau and begin to reflect a stable proportion of the overall pupil / student population.

9. Recommendations

9.1 Schools Forum is invited to:

- a) note the High Needs Budget position for 2023/24 and 2024/25
- b) agree that the high needs funding sub-group should assist the LA in developing the high needs plan for 2024/25 and beyond.

Summary High Needs Budget position P06 2023/24

Component	Budget 2023/24 £'000	Forecast spend (P6) 2023/24 (£'000)	Variance against budget £'000	Prior month forecast 2023/24 (P5) £'000	Movement since (P5) £'000	Comment
1. Places only	£12,513	£12,580	£68	£11,789	£792	Forecast budget requirement for 2023/24 based on agreed new September places of 16 + provision for 20 additional. Actual agreed new places for September currently stands at 77 places. Provision for new cases now removed since no new September places can now be agreed. Includes agreements for FE / academies outside recoupment.
2. SEN Top-Ups	£50,583	£50,323	(£260)	£50,140	£183	Reflects updated pupils on roll in Lambeth settings, with 4.23% uplift on rates for all settings. Lambeth maintained settings have already received the uplift, other settings are covered by provision that may need to be reviewed during the year. New cases have been forecast at a rate of 30 each month at an annual average top-up rate of £14.5k. Panel Decisions are up to date in the forecast through June 2023. Panel decisions up to Sep 2023 will need to be incorporated as soon as available to enhance accuracy of top-up forecasts, especially regarding pupils changing school in Sep 23. Includes £476k for students known to be leaving current setting in August, but September setting not yet confirmed.
3. AP Top-Ups	£1,184	£1,184	£0	£1,284	(£100)	Expenditure on AP places and commissioning with Jus Education & Lambeth College remain stable. Includes spend for Support for Inclusion. £100k staffing budget reprofiled to Outreach
4. Other High Needs provision	£2,239	£2,141	(£98)	£2,139	£2	Recruitment has begun on posts that were created with the repurposed inclusion fund, however since these posts have been vacant for the first 6 months of the year forecasts for the expenditure are based on 6 months only. Budget realignment between Pupil Support cost centres expected, to support High Needs Outreach activities.
Total Commitment (gross)	£66,519	£66,229	(£290)	£65,352	£877	
Brought forward	£980	£980	£0	£980	£0	Surplus DSG
Funding transferred from Schools Block	£824	£824	£0	£824	£0	Agreed by Schools Forum
High Needs DSG Funding (gross)	£65,695	£65,695	£0	£64,843	£852	£837k import/export, £15k expanding special schools
Total funding	£67,499	£67,499	£0	£66,647	£852	
Net position	(£980)	(£1,270)	(£290)	(£1,295)	£25	

1. Core Place Funding 2023/24

Appendix 1.2

	Prior month forecast 2023/24 (P5) £'000	Budget 2023/24 £'000	Spend to date on financial system £'000	Backdated £'000	No of place April 2023	No of places Sept 2023	Rate (£)	Current month forecast spend 2023/24 (P6) £'000	Variance against budget £'000	Movement since (P5) £'000
Special Schools (Pre-16)	£6,737	£7,479			662	682	£10,000	£7,587	£108	£850
Special Schools (Post-16)	£360	£64			36	36	£10,000	£360	£296	£0
Academy Places outside recoupment (Pre-16 Filled)	£32	£0			0	9	£6,000	£32	£32	£0
Academy Places outside recoupment (Pre-16 Unfilled)	£47	£0			0	8	£10,000	£47	£47	£0
Resource Bases (Pre-16 filled)	£1,522	£1,485			249	257	£6,000	£1,522	£37	£0
Resource Bases (Pre-16 unfilled)	£512	£691			43	47	£10,000	£453	-£238	-£58
Resource Bases (Post-16)	£0	£0			0	0	£6,000	£0	£0	£0
FE Places	£1,350	£1,447			225	225	£6,000	£1,350	-£97	£0
FE Places outside recoupment	£132	£64			10	28	£6,000	£132	£68	£0
Pupil Referral Units	£900	£965			90	90	£10,000	£900	-£65	£0
Hospital Funding	£198	£212			10	10	£19,825	£198	-£14	£0
Provision for new £10k cases	£0	£105			0	0	£10,000	£0	-£105	£0
Provision for new £6k cases	£0	£0			0	0	£6,000	£0	£0	£0
Total allocations	£11,789	£12,513	£3,868	£0	1,325	1,392		£12,580	£68	£792

2. Top-ups SEND 2023/24

Appendix 1.3

Component	Prior month forecast 2023/24 (P5) £'000	Budget 2023/24 £'000	Spend to date on financial system £'000	Current number of pupils (fte)	Average cost £	Direct activity forecast cost £'000	Backdated amounts £'000	Provision for indexation £'000	Allocation of forecast future numbers £'000	Current month forecast spend 2023/24 (P6) £'000	Variance against budget £'000	Movement since (P5) £'000	Comment
Special Schools	£13,043 0%	£14,441	£5,951	546.65	£21,801	£12,811	£18	£174	£149	£13,151	£-1,290	£108	Activities up to the end of June 2023 SEND Panel. MFG for Heron Academy is included. Includes £141k for Aug leavers with no Sept place known, and 752k for additional 3.4% for special schools.
Special Schools (TPG £785 per place)	£561	£553		712.58	£785	£559	£0	£0	£0	£559	£6	£-2	Based on current places planned for 2022/23
Resource Bases	£3,379 0%	£3,135	£1,555	253.36	£12,716	£3,222	£84	£58	£32	£3,396	£261	£17	Activities up to the end of June 2023 SEND Panel.
Mainstream Schools	£12,379 0%	£11,587	£5,763	1,030.82	£11,514	£12,204	£-58	£181	£119	£12,446	£859	£67	Activities up to the end of June 2023 SEND Panel. Includes £335k for Aug leavers with no Sept place known.
Out of Borough Special	£4,168 4%	£4,419	£789	146.00	£26,459	£3,863	£0	£278	£45	£4,187	£-232	£19	Activities up to the end of June 2023 SEND Panel.
Out of Borough Mainstream	£2,612 4%	£2,476	£424	226.00	£10,949	£2,475	£0	£200	£25	£2,701	£225	£89	Activities up to the end of June 2023 SEND Panel.
Further Education SEND	£4,905 4%	£5,729	£897	311.00	£13,531	£4,208	£0	£318	£59	£4,585	£-1,144	£-320	Activities up to the end of June 2023 SEND Panel.
Pupil Referral Units (SEMH)	£596 0%	£406	£253	31.63	£19,010	£601	£-4	£9	£4	£610	£204	£14	Activities up to the end of June 2023 SEND Panel.
Independent and non-maintained schools	£6,252 4%	£6,127	£1,021	179.68	£33,219	£5,969	£0	£312	£63	£6,344	£217	£93	Activities up to the end of June 2023 SEND Panel.
Home Tuition	£1,634 4%	£1,179	£-356	66.27	£24,053	£1,594	£0	£83	£12	£1,690	£511	£56	Activities up to the end of June 2023 SEND Panel.
Personal Budgets	£466 4%	£384	£63	25.84	£16,745	£433	£0	£23	£4	£460	£76	£-6	Activities up to the end of June 2023 SEND Panel.
Other AP (SEND)	£0 4%	£0	£0	0.00	£0	£0	£0	£0	£0	£0	£0	£0	Activities up to the end of June 2023 SEND Panel.
Therapy	£146 4%	£147	£59	20.43	£6,748	£138	£49	£7	£2	£196	£49	£50	Activities up to the end of June 2023 SEND Panel.
Provision for new cases	£0			35.42	£14,550	£515			£-515	£0	£0	£0	This amount will be spread over other top-up budgets for operational purposes in 2023/24. New cases are known until end of Jan 2023
Provision for indexation?	£0					£1,643		£-1,643	£0	£0	£0	£0	Lambeth uplifts already reflected in forecasts. Beyond that, 4.2% uplift provided for all settings, 1% assumption of further cost drift across all provisions.
Total allocations	£50,140	£50,583	£16,419	2,873	£212,081	£50,234	£89	£0	£0	£50,323	£-260	£183	

3. Top-up Alternative Provision 2023/24

Component	Prior month forecast 2023/24 (P5) £'000	Budget 2023/24 £'000	Spend to date on financial system £'000	Current number of pupils (fte)	Average cost £	Direct activity forecast cost £'000	Backdated amounts £'000	Provision for indexation £'000	Allocation of forecast future numbers £'000	Current month forecast spend 2023/24 (P6) (£'000)	Variance against budget £'000	Movement since (P5) £'000	Comment
Pupil Referral Units	£499	£499	£257	37	£11,659	£428	£20			£448	£-51	£-51	2023/24 based on 4 primary and 27 secondary
Pupil Referral Units (TPG £785 per place)	£71	£71	£32	90	£785	£71				£71	£0	£0	Linked to current places and it includes SEMH places, too.
Other Alternative Education	£714 0%	£614	£276			£665		£0		£665	£51	£-49	Includes cost of the team and any ad hoc commissioning.
Total allocations	£1,284	£1,184		127	£12,444	£1,164	£20	£0		£1,184	£0	£-100	
ALL Top-Ups	£51,424	£51,767		£3,000	£224,525	£51,398	£109	£0		£51,507	£-260	£83	

4. Other High Needs functions and activities 2023/24

Appendix 1.4

	Prior month forecast 2023/24 (P5) £'000	Budget 2023/24 £'000	Spend to date on financial system £'000	Current month forecast spend 2023/24 (P6) (£'000)	Variance against budget £'000	Movement since (P5) £'000	Comment
Disproportionate SEN (mainstream)	£100	£100	£0	£100	£0	£0	Allocations made for those with more than 4% EHCPs in Oct 2021.
HN Fund for mainstream pupils below EHCP threshold	£0	£0	£0	£0	£0	£0	This fund has been repurposed for 2022/23, as set out in Jan 2022 SF paper.
Hearing / Visual Impairment Outreach	£800	£800	£448	£819	£19	£19	Approx +£90k for VJ, -£150k for Jubilee staffing reimbursement
Autistic Spectrum Disorders Outreach	£340	£340	£149	£281	-£59	-£59	Based on current salary projections
Early Years SEN Team	£359	£209	£92	£150	-£59	-£209	Based on current salary projections
High Needs Outreach Team	£0	£250	£20	£250	£0	£250	Positions have been vacant for part of the year.
SEN Specialist Equipment	£140	£140	£33	£140	£0	£0	Currently based on quarterly spend of £33k, but the tighter processes may see this reduce as the year progresses.
CENMAC Service	£400	£400	£174	£400	£0	£0	Currently based on quarterly spend of £96k, but the tighter processes may see this reduce as the year progresses.
Total allocations	£2,139	£2,239	£916	£2,141	-£98	£2	

Agenda Item 9

Title: Early Years Update

Date: 05th October 2023

Report to: Schools Forum

Report for: Information X Decision Consultation Action

Author: Kathryn Shaw - Early Years & Out of School Quality Improvement Lead

1 Purpose of this paper

1.1 This paper explains the current position and provides some service context regarding the Early Years block for 2023-24 including the Early Years Supplementary Grant (EYSG), and updates on the Early Years National Fund Formula consultation for 2024-25.

2 Update 2022-23

2.1 The Department for Education (DfE) confirmed the final position of the Early Years Block of the DSG 2022-23 in July 2023. As highlighted in previous forums the adjustment was based on the Early Years Spring census headcounts, apportioned as 5/12ths Jan 22 and 7/12ths Jan 23. **Table 1** shows the net decrease of £1.253m, which was £186k more than the forecast £1.066m DfE clawback, driven purely by lower-than-expected headcounts. This additional sum has been offset against the brought forward reserve balance from 2022-23.

2.2 The current trend of participation demonstrates a decline across all participation categories, with the biggest fall continuing to be within the 3- and 4-year-olds group.

Table 1: Final 2022-23 Adjustment for Jan-23 Final Headcount (in £000's)

Income Component	Early Years Block	Early Years Block	Early Years Block
	2022-23 INITIAL Funding	2022-23 FINAL Funding	2022-23 ADJUSTMENT
Amount LA allocated for universal 3–4-year-old entitlement funding	£16,415	£15,526	-£889
Amount LA allocated for additional hours for 3–4-year-olds	£6,159	£5,917	-£242
Total funding to LAs for 2-year-olds	£2,807	£2,716	-£91
Early Years' Pupil Premium	£252	£226	-£26
Disability Access Fund	£82	£82	£0
Maintained nursery school supplementary funding	£429	£424	-£5
Total	£26,144	£24,891	-£1,253

3 Early Years 2023-24

3.1 The formula allocation method remains the same as 2022-23 with funding from the DfE provided based on the census headcounts at 5/12^{ths} Jan 23 and 7/12^{ths} Jan 24. Participation levels in Lambeth continue to fall with overall pupil numbers down by 2% in 2-year-olds and by 4% in 3- and 4-year-olds based on latest estimates.

- 3.2 The Early Years block allocation for 2023-24 has now been updated to take into account Jan 23 headcounts and is anticipated to be £25.021m, this is set out in **Table 2**. This is expected to further decrease once the Jan 24 census headcount numbers are known with the current Early Years block forecast projecting £23.227m. The EY block is funded on participation so any reduction in funding should follow through to funding passported to providers.
- 3.3 In addition to the Early Years NFF allocation, this year the DfE have agreed a separate sum (£754k) to be provided to Local Authorities in the form of an Early Years Supplementary Grant (EYSG) which provides an uplift for the period of September 2023 to March 2024 based on 7/12ths of the Jan 23 census headcount. The confirmed hourly rates for Lambeth are £2.62 for 2-year-olds and £0.08 for 3-and-4-year-olds. The Early Years Pupil Premium rate will also increase by £0.04; the Disability Access Fund rate will increase by £30.92 per child per year and maintained nursery schools' rate will increase by £0.21. The LA has retained 5% of the 2-year-old and 3- and 4-year-olds funding increase in line with standard practice to manage the administration of this additional grant. It should also be noted that this grant will be rolled into the main Early Years NFF from 2024-25. Although the DfE have not provided final funding allocations as at the date of this paper, based on the known rates a breakdown of the expected allocation for 2023-24 is set out in **Table 3**.
- 3.4 The brought forward underspend from 2022-23 of £0.482m, 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.
- 3.5 The risk to these assumptions is the projections of falling rolls in Lambeth and how this will impact the Early Years headcount which has been historically significant in the 3- and 4-year-old numbers but is now also being seen in the 2-year-old numbers across the borough.

Table 2: Provisional Early Years DSG allocations 2023-24

Income component	INITIAL budget allocation 23-24			LATEST budget allocation 23-24			PROJECTED budget allocation 23-24 Based on forecasted headcounts for 23-24
	PTE pupils (570 hours)	Rate per hour (£)	Total EY DSG Allocation @30 Mar 23 £'000	PTE pupils (570 hours)	Rate per hour (£)	Total EY DSG Allocation @20 Jul 23 £'000	
2-Year-old funding	716.73	£7.56	£3,089	677	£7.56	£2,917	£2,870
3&4 YO funding (Universal)	3,934	£7.50	£16,818	3,569	£7.50	£15,258	£14,524
3&4 YO funding (Extended)	1,476	£7.50	£6,311	1,377	£7.50	£5,885	£4,873
EY Pupil Premium			£261			£214	£214
Disability Access Fund			£78			£78	£78
Maintained Nursery School Supplement (MNSS)	315	£3.80	£682	309	£3.80	£669	£669
Total			£27,238			£25,021	£23,227

Table 3: Estimated Early Years Supplementary Grant allocations 2023-24

Income component	EYSG budget allocation 2023-24		
	PTE pupils (570 hours)	Rate (£)	Total EY DSG Allocation £'000
2-Year-old funding*	677	£2.62	£590
3&4 YO funding (Universal)	3,569	£0.08	£95
3&4 YO funding (Extended)	1,377	£0.08	£37
EY Pupil Premium	590	0.04	£8
Disability Access Fund**	94	30.92	£3
Maintained Nursery School Supplement (MNSS)	309	£0.21	£22
Total			£754

* Includes a centrally retained 5%

**Rate per child

4. Early Years Funding Formulae 24-25 Consultations

4.1 On 21st July, DfE issued a consultation on the expansion of the free childcare offer so that eligible working parents in England will be able to access 30 hours of free childcare per week for 38 weeks per year from the term after their child turns 9 months to when they start school.

- From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week (38 weeks a year),
- From September 2024 this will be extended to parents of 9 month to 3-year-olds, and
- From September 2025 working parents of 9 month to 3-year-olds will be able to access 30 free hours per week (38 weeks a year)

The Early Years sub-group met on the 5th September to review all proposed changes and bring, together with officers, an LA response on the changes proposed - highlighted in **Appendix 1**.

4.2 With the introduction of the new entitlements, and the significant increase in government spending on childcare, it is vital that the funding is distributed fairly and efficiently across England. The government are proposing to introduce a new funding formula to distribute entitlements funding to 2-year-olds and under from April 2024, and additionally proposing to extend eligibility for the early years pupil premium (EYPP) and the disability access fund (DAF) to all children accessing the entitlements from April 2024.

4.3 One of the considering factors to be reviewed is the rules that local authorities must follow when setting their own local funding formulae. The primary purpose of local funding rules is to ensure that the funding given to LAs for the entitlements is distributed fairly and transparently. The existing local funding rules relate mainly to the 3- and 4-year-old entitlements. With the expansion of the entitlements, the proposal is to extend all current rules to the existing offer for disadvantaged 2-year-olds and to the new offers for working parents of children aged 2-years-old and under.

4.4 As the free Early Years childcare offering expands in 2024-25, we would expect to see a reasonable increase in spend due mainly to existing children taking up the broader offering, but also due to the new sub-2-year-old offering coming into effect from Sept 2024. These changes will increase not only the total sum to be passported to providers in the coming year but also the complexity of administration, and as such the service is currently reviewing additional resource requirements for which some of the reserve has been earmarked.

5. Risks

5.1 Pupil numbers are continuing to see a downward trend, and this, in conjunction with inflationary pressures, is impacting sufficiency in the EY sector. There is also the impact of cost of living and recruitment shortage driving up costs for delivery. The small increases in hourly rate continue to impact provisions particularly in the maintained nursery sector.

- 5.2 The proposals that are put forward for 23-24 Early Years National Funding Formula consultation show that there is a continued risk to the centrally retained element within the EY block as it continues to reduce based on participation and small increases in the hourly rate versus inflation. In addition, there has been mention by the DfE that further down the line the pass-through rate may be increased to 97%, which would further impact EY support functions within the sector.
- 5.3 There is a continued risk of any headcount movements higher than 1-2 % up or down being unsustainable in future years. Although there is a current contingency for this, this may diminish in future years removing the ability to pay for starters outside of termly headcount which currently supports the Early years sector.

6. Recommendations

- 6.1 Schools Forum to note this report.

Lambeth Early Years Subgroup – September 2023

Early years funding – extension of the entitlements Government consultation

On 21st July, DfE issued a consultation on the expansion of the free childcare offer so that eligible working parents in England will be able to access 30 hours of free childcare per week for 38 weeks per year from the term after their child turns 9 months to when they start school.

- From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week (38 weeks a year),
- From September 2024 this will be extended to parents of 9 month to 3-year-olds, and
- From September 2025 working parents of 9 month to 3-year-olds will be able to access 30 free hours per week (38 weeks a year).

In order for providers and LA to deliver these expanded offers, the government will provide £4.1 billion a year by 2026-27. The aim of this new offer is to empower parents, allowing them to progress their careers and support their families.

Local authorities will continue to receive this funding, which they will distribute to providers offering the entitlements, and HMRC will continue to determine eligibility via the Childcare Service. The process for parents claiming the entitlements will be the same as under the current system, with eligibility checks processed through HMRC. Parents will remain able to check what childcare support they are entitled to via the Childcare Choices website.

New funding entitlements

With the introduction of the new entitlements, and the significant increase in government spending on childcare, it is vital that the funding is distributed fairly and efficiently across England. The government are proposing to introduce a new funding formula to distribute entitlements funding to 2-year-olds and under from April 2024, and additionally proposing to extend eligibility for the early years pupil premium (EYPP) and the disability access fund (DAF) to all children accessing the entitlements from April 2024.

Local funding Formulas

Some of the considering factors to be reviewed is the rules that local authorities must follow when setting their own local funding formulae. The primary purpose of local funding rules is to ensure that the funding given to LAs for the entitlements is distributed fairly and transparently. The existing local funding rules relate mainly to the 3- and 4-year-old entitlements. With the expansion of the entitlements, The proposal is to extend all current rules to the existing offer for disadvantaged 2-year-olds and to the new offers for working parents of children aged 2-years-old and under.

Scope of Consultation

Some elements of early years funding remain out of scope for this consultation. This consultation focuses on the way funding for the entitlements for 2-year-olds and under will be distributed from the Department to local authorities from 2024-25. There is also proposals regarding the way in which local authorities, distribute this funding to their providers. As there are no changes to the entitlements

for 3-and-4-year-olds, there will be no changes to the existing 3-and-4-year-old formula, aside from the regular updates to the underlying data. The government are not consulting on changes to the way in which maintained nursery school (MNS) supplementary funding is calculated and distributed. This is considered to be out of scope for this consultation, but there is a final question which provides an opportunity for more general comments.

Section of Consultation

- **Section 1** focuses on the national funding formula that we will be using to distribute entitlements funding to local authorities for 2-year-olds and under from 2024-25. It also includes proposals to extend eligibility for early years pupil premium (EYPP) and the disability access fund (DAF).
- **Section 2** sets out the overall illustrative impact that these proposals will have on funding rates for local authorities in 2024-25.
- **Section 3** then sets out our proposals regarding the framework of rules for the distribution of all entitlements funding by local authorities.

Link to Consultation

[Early years funding - extension of the entitlements - Department for Education - Citizen Space](#)

The next section of this document is the drafted Lambeth Discussion points and responses that can be discussed, and we will update it after the sub group meeting.

Section 1: National funding distribution for the entitlements for 2-year-olds and under

Q	DfE consultation question	Lambeth considerations	FINAL Lambeth response
Section 1: National funding distribution for the entitlements for 2-year-olds and under			
1	Do you agree that we should introduce IDACI as a new proxy, and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds?	<p>The FSM factor is considered as not a clear factor on the deprivation for EY. The intention overall is to follow the same formula factors within the 3&4 year old model and apply this to the whole EY block funding including 2 year olds.</p> <p>IDACI is being proposed as the indicator to ensure it is targeting the most deprived pupils. This is used in Lambeth’s 3&4 year old funding. Lambeth as the borough is changing IDACI does not always capture the most accurate data linked to setting attendance so this will need to be reviewed to ensure it is targeting the deprived settings.</p>	<p>In principle, Yes but additionally need to look at Needs of families rather than just post codes across the formula. Health and birth rates are new indicators of poverty and these need to be captured too. Housing costs are not considered when looking at post codes (IDACI), as this measure is out of date.</p>
2	Do you agree that we should continue to use EAL and DLA as proxies in the additional needs factor in the new funding formula?	<p>Other proxy measures used in the additional needs factor for the 3- and-4-year-old formula, which use data on children with English as an additional language and children who are entitled to Disability Living Allowance. This is currently following the 3&4 year old formula and suggested stays the same for 9 months – 2 years which allows consistency in funding across the EY sector.</p>	<p>Yes, we agree in principle but consider the DLA take up continues to be low across England and it is not the best measure to demonstrate SEND in early years. Lower-level and emerging needs must be considered and perhaps SENIF could be one of the measures that could be taken into account.</p>

Q	DfE consultation question	Lambeth considerations	FINAL Lambeth response
3	Do you agree with our proposed approach to the area cost adjustment in the new national funding formula?	As in previous consultations the Area cost adjustment weighting depend on what data set is used. The proposal is to use the current 2-year-old entitlement weightings initially, which is what is within the Lambeth formula currently. The rationale is the patten of cohort take up will be more in line than the 3&4year old data.	In principle, yes provided that London process and the London Living Wage are taken into account, as they vary quite significantly from the rest of the country.
4	Overall, do you agree with our proposed approach of following the same structure and weightings for the new national funding formula as in the existing 3-and-4-year-old formula?	The overall proposal is to align the 2 year old formula so all elements are following the same principle. London boroughs on higher rates will always be at a disadvantage in the weightings as we then start seeing minimal increases per year but in principle to align a fair formula – which is easy to follow supports fairness across all EY sectors.	Yes – We agree
5	Do you agree that we should extend DAF eligibility to all children accessing the entitlements from April 2024?	Currently, children are eligible if they are in receipt of the Disability Living Allowance (DLA), and the universal 15 hours entitlement, meaning only 3 and 4-year-olds are eligible. Proposing to extend DAF eligibility so that, from2024-25, children accessing any of the entitlements (i.e. aged 9 months up to 4 years old) will be eligible for this funding if they are in receipt of DLA.	Yes, We agree, but we would suggest to review the eligibility criteria and offer DAF to any child with a known disability (regardless of whether they are in receipt of DLA, as this would be a very small number of children).
6	Do you agree that we should extend EYPP eligibility to all children accessing a free childcare entitlement from April 2024?	The EYPP gives providers additional funding to support disadvantaged children. Proposal to expand to the 2 year olds falls in line with the formula as the 2 year old cohort will now be a mix of entitlements including an offer for	Yes, We Agree

Q	DfE consultation question	Lambeth considerations	FINAL Lambeth response
		disadvantaged families. It is therefore important that Lambeth provide additional funding, on top of the core hourly funding rate, to support those children from more disadvantaged backgrounds.	
Section 2: Impact of proposals			
7	Do you agree with this approach? See illustrative models at end of document	Review of increase of rates and principle follows as above for Lambeth	Yes, we agree with this recommendation.
Section 3: Local authority funding formulae for childcare entitlements			
8	Do you agree a pass through rate of 95% should be applied to each funding stream in 2024-25: the 3-and-4-year-old universal and 30 hours offer; the 2-year-old disadvantaged and working parent offers; and the 9 month to two year- old offer?	This follows current practice and there will be an increase of capacity output in order for this to be rolled out centrally. Note the proposal is to reduce this in future years to 97% but with inflationary pressures staffing costs it should be reviewed before adjusted.	Yes, We Agree
9	Do you agree that the same list of allowable supplements should be applied to every entitlement funding stream, capped at a maximum 12 percent of planned funding for that entitlement?	Follows 3 &4 year old funding and still allows for Lambeth discretion – deprivation still mandatory.	Yes, We agree
10	Do you agree that the deprivation supplement should be mandatory for every entitlement funding stream?	Agree a Deprivation factor should be added to ensure that the formula is fair across EY – need to ensure that we review this in base rate funding increase for EY Grant from September 2024 and may require adjustments.	Yes, We Agree

Q	DfE consultation question	Lambeth considerations	FINAL Lambeth response
11	Do you agree with our proposal that local authorities should establish a special educational needs inclusion fund for children aged 9 months to 2-years-old who are taking up the entitlements?	This follows Lambeth SEND strategy and is already in place for EY sector. This will continue to support the 2 year olds and will follow same principle as current formula.	Yes, we Agree
12	What more can be done to support local authorities and providers to reduce bureaucracy and streamline SENIF processes whilst also ensuring the system remains fair and financially sustainable?	Comments from Sub Group– there is a long process to complete the application for SENIF and different processes across boroughs – at points Lambeth have not always approved full distribution of pots allocated to support these children.	A standardised way of delivering SENIF would be useful for LAs (for example by including some case studies or different ways of delivering SENIF).
13	Would local authorities and providers find it helpful for the Department to be more prescriptive about the operation of local SENIFs?	See comments above	More clarity in the guidance would inform LAs in making decisions regarding SENIF budgets etc. However, we do not feel that this needs to be more prescriptive, as flexibility is beneficial for LAs in allocating the funding based on need.
14	Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?	Overall points captured from sub group in response	We feel that the changes will be beneficial for children with SEND. However, we are concerned that non-working families will not have access to additional hours and as a result their children will not have access to additional hours. Students will not be able to access additional free hours, which is a concern.
15	Are there any other comments that you would like to make about our proposals set out in this consultation?	As per sub group discussions	We are extremely concerned regarding the suggestion that the pass through rate could increase to 97%. This will have grave concerns in early years services across the country and in essence, a lot of us will not be able to deliver services at a time when workload will increase

Q	DfE consultation question	Lambeth considerations	FINAL Lambeth response
			quite significantly with the introduction expansion of the EY offer

Section 2: Impact of proposals – Illustrative models

New funding formula under 2s entitlement 2024 to 2025 illustrative hourly funding rates for consultation

Base Rate of £15ph for under 2-year-olds and £10.52 for over 2 and above - Note this will be rolled into a formula so there will be 5% retention and then deprivation and quality factors added.

The Isles of Scilly and City of London have been excluded from these allocations as these local authorities will receive a central grant from the government which will include funding for early years.			
Region (alphabetical order)	LA number	LA name (alphabetical order within region)	2024-25 under 2s illustrative rate (£ / hr)
INNER LONDON	202	Camden	£15.87
INNER LONDON	204	Hackney	£14.83
INNER LONDON	205	Hammersmith and Fulham	£15.54
INNER LONDON	309	Haringey	£13.27
INNER LONDON	206	Islington	£15.16
INNER LONDON	207	Kensington and Chelsea	£15.49
INNER LONDON	208	Lambeth	£15.00
INNER LONDON	209	Lewisham	£14.34
INNER LONDON	316	Newham	£12.45
INNER LONDON	210	Southwark	£14.87
INNER LONDON	211	Tower Hamlets	£15.17
INNER LONDON	212	Wandsworth	£14.98
INNER LONDON	213	Westminster	£16.17

The Isles of Scilly and City of London have been excluded from these allocations as these local authorities will receive a central grant from the government which will include funding for early years.			
Region (alphabetical order)	LA number	LA name (alphabetical order within region)	2024-25 2-year-old illustrative rate (£ / hr)
INNER LONDON	202	Camden	£11.63
INNER LONDON	204	Hackney	£10.86
INNER LONDON	205	Hammersmith and Fulham	£11.40
INNER LONDON	309	Haringey	£9.73
INNER LONDON	206	Islington	£11.09
INNER LONDON	207	Kensington and Chelsea	£11.37
INNER LONDON	208	Lambeth	£10.99
INNER LONDON	209	Lewisham	£10.52
INNER LONDON	316	Newham	£9.13
INNER LONDON	210	Southwark	£10.90
INNER LONDON	211	Tower Hamlets	£11.09
INNER LONDON	212	Wandsworth	£11.00
INNER LONDON	213	Westminster	£11.86

Agenda Item 10

Title: Licenced Deficits 2023/24

Date: 6th October 2023

Report to: Schools Forum

Report for: Information Decision Consultation Action

Author: Dominique Johnston- Franklin – Group Manager Education

1 Background

- 1.1 During 2022/23, the LA continued to use a systematic approach to support and challenge 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, determined by Cabinet.
- 1.2 This approach is continuing for 2023/24. 3 year budget submissions were due by 1st June 2023 and this report identifies the current position for all the maintained schools in Lambeth. Further work is needed with some individual schools to ensure that their financial plans are sufficiently robust before the LA are confident to present position to Cabinet later this year.
- 1.3 There has been varied compliance to submissions of 3 year budgets across Lambeth over the past few years which led to only 81% submitting plans on or prior to the deadline of the 1st June 2023. In order for the LA to set up meetings and review all maintained schools 3 year plans in detail this delay can significantly impact schools implementing action plans and sign off. The proposal is to bring the submission date for 2024/25 budgets forward to the 1st May 2024 in order for all deficit schools to be met with by the LA Finance team prior to the end of summer term 2024. This is proposed in the Scheme for financing school's paper.

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 68 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 2023)

Type of letter sent	Number of schools	% of total schools
Letter 1A - All well	18	26%
Letter 1B - All well now, but concerns about future	19	28%
Letter 1C - All well, but concerns about large surplus	6	9%
Letter 2 - Note recovery proposals - get into format for Cabinet	7	10%
Letter 3A - Surplus in 2023/24, but need reassurance about future	5	7%
Letter 3B - Further work needed by 24th Sept - Recovery Plan	13	19%
Grand Total	68	100%

- 2.3 At the end of 2022/23, there were 16 schools with cumulative deficits. Based on the budget submissions in the summer term, there are 20 schools expecting to close 2023/24 in a cumulative deficit position. These schools were categorised as 2 and 3b's as highlighted in **Table 1**. There are 4 schools expecting a deficit in 2023/24 that had a recovery plan within a reasonable period (within 3 years) and 16 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 and considerations for schools

- 3.1 Schools are managing budgets with a variety of pressures, and this is notable with approximately 71% of schools planning a surplus in 2023/24. Some have balances to assist them, but most are working through similar 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 2023, this may be because the Published Admission Number has reduced and that would have been known a couple of terms earlier. Early indications of likely pupil numbers in October 2023 were provided when the national school place offers were made on 1st March 2023. Each school will have also been aware of its on-off roll numbers.
- 3.4 Final numbers will fluctuate, and funding for 2023-24 is based on the October 2022 census day. However, schools leadership teams would have an indication of likely numbers in the period leading up to October 2023, giving schools two terms to make any necessary changes to staffing levels before funding based on the October 2023 pupil numbers take effect from April 2024.
- 3.5 Many schools defer decisions on reorganisations or adjustments to schools resources management on the expectation that there will be a sustained pupil cohort or possibly additional income the schools can achieve. However, this approach can just compound the problem, and often means that more has to be done to address a bigger budget pressure in later years.
- 3.6 Anticipating budget pressures is therefore key to avoiding them. The emphasis on 3-year budget plans from schools is a key tool in providing schools with a mechanism for thinking through how their changing circumstances will 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, based on the initial June 1st Submissions, that will be sought is in **Table 2** below. There are still many discussions taking place with individual schools to firm up figures and validate the robustness of plans. Additionally in some exceptional cases we will be seeking approval for the plan to cover a 5 year period rather than 3 years, to ensure stability for the education and learning in these provisions.

- 4.2 At present 3 of the 20 schools seeking a licenced deficit have produced a recovery plan that, subject to on-going scrutiny, the LA has been able to accept in principle, and schools will have further meetings with LA to finalise reports for Cabinet submission.
- 4.3 There are currently 2 Lambeth federations, with 9 schools seeking deficit approval, which equates to approx. 66% of the £8m deficits for 2023-24. The LA are working with these federations to agree 3-5 year recovery plans which will be completed over the next month.
- 4.4 The other 8 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.
- 4.5 The report to Cabinet will be shared with Schools Forum at a later meeting.

Table 2: Schools balances and recovery period 2023/24

School Name	Current expected licenced deficit sought for 2023/24 £'000	Recovery period or status
Christchurch Brixton	(514)	Further work on recovery plan needed
Effra	(1,615)	MNS action group and discussions with LA on proposals and recovery plans – in progress with LA Officers
Elm Wood	(62)	GHF Budget Action group to review 3 -5 year budget recovery plans – in progress
Ethelred	(289)	MNS action group and discussions with LA on proposals and recovery plans – in progress with LA Officers
Fenstanton	(141)	GHF Budget Action group to review 3 -5 year budget recovery plans – in progress
Glenbrook	(170)	GHF Budget Action group to review 3 -5 year budget recovery plans – in progress
Henry Cavendish	(81)	Further work on recovery plan needed
Holy Trinity	(568)	Further work on recovery plan needed
Jessop	(182)	Recovery on plan by 2025/26
Jubilee	(451)	Nearly by 2025/26 but further work needed on recovery
Kingswood	(2,228)	GHF Budget Action group to review 3 -5 year budget recovery plans – in progress
Larkhall	(125)	By 2025/26 but further work needed on recovery plan
Loughborough	(100)	By 2026/27 but further work needed on recovery plan
Maytree	(28)	MNS action group and discussions with LA on proposals and recovery plans – in progress with LA Officers
Paxton	(421)	GHF Budget Action group to review 3 -5 year budget recovery plans – in progress
St Andrews CE	(266)	By 2025/26 but further work needed on recovery plan
St Bernadette's	(34)	Recovery By 2024/25
St Saviours	(165)	Further work on recovery plan needed
Sudbourne	(280)	Further work on recovery plan needed
Triangle	(329)	MNS action group and discussions with LA on proposals and recovery plans – in progress with LA Officers
TOTAL	(8,095)	A total of 20 schools seeking a licenced deficit for 2023/24

5 Recommendations.

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

Agenda Item 8

Title:	Scheme for Financing Schools & Governance Changes			
Date:	05th October 2023			
Report to:	Schools Forum			
Report for:	Information X	Decision	Consultation X	Action
Author:	Dominique Johnston-Franklin – Group Manager Education Finance			

1. Information

- 1.1 The Scheme for Financing Schools is the basis on which local devolved financial management of maintained schools operates. It applies to all maintained schools and to the local authority. The Department for Education provides statutory guidance about the contents, but there is local discretion on some aspects of it. Schools forum agreed the current scheme in January 2022.
- 1.2 The Secretary of State may by a direction revise the whole or any part of the scheme as from such date as may be specified in the direction. In making changes other than directed revisions, local authorities must consult all maintained schools in their area and receive the approval of the members of their schools forum representing maintained schools.
- 1.3 Local Authorities are required to review the scheme annually and make relevant changes in line with processes administered within the LA when funding schools via delegated budgets process.

2. Local Authority revisions in Scheme for Financing schools

- 2.1 Following a final review of the scheme for financing schools the Local authority are going to consult with Lambeth maintained schools regarding the following changes to be implemented within the scheme. This is to ensure alignment with current processes and additionally ensure there is reference to LA guidance where appropriate. The following points highlights the proposed changes which is detailed in **Appendix 1**
- 2.2 **Section 2.1.6 Writing off Debts**
Governing bodies are only authorised to write off debts up to £250. In the case of larger debts the school must consult with the School Finance Team for Director of Education approval.
- 2.3 **Section 2.2 Basis of Accounting**
Schools are free to use any accounting software they choose, providing any reports are submitted to the LA in the required format, and if they meet the costs of modification to provide output required by the LA. Schools may therefore account for expenditure and income during the financial year on their internal systems using either a cash or an accruals basis. Reports submitted to the authority in accordance with this scheme must however be amended, where necessary, at the year-end to an accruals basis in order to comply with the LA's requirements.

2.4 Section 2.3.1 to 2.3.9 Budget Plans

Each school is required to submit a final 3 year budget plan, approved by the governing body to the Authority by the 1st May each year. The budget plan should take full account of the estimated surplus or deficit as at the previous 31st March

If a school considers they are likely to have to set a deficit budget they must notify the Director of Education as soon as possible prior to 1st May.

2.5 Section 4.2 Controls on Surplus balances

Any surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in a given year. These earmarked surpluses should be clearly linked to the School Development Plan. Governing Bodies must report to the Local Authority on the use to which schools intend to use surplus balances.

2.6 Section 4.9 Licenced Deficits

A formal sign off of all arrangements will be required by the Director of Education, Chief Finance Officer and Cabinet - recovery plans will be published annually.

The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years which may be extended to 5 years in exceptional circumstances. The Director of Education or their nominated representative will meet at least termly with the Chair and Head teacher of each school with a licenced deficit to review progress against the agreed deficit repayment plan.

2.7 Section 12.1.1-12.1.4 Responsibility for repairs and maintenance

Funding for all repairs and maintenance is the delegated responsibility of schools. The Local Authority retains funding for schools' capital. Expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting.

The current de minimis limit for capital expenditure is £10,000 for vehicles and equipment and £20,000 for land and buildings. Schools are responsible for setting their own de minimis for capital expenditure, as some smaller schools' Devolved Formula Capital allocations may be below these amounts.

The LA has a School Maintenance Handbook which should be used by schools in relation to their responsibilities for repairs and maintenance. It outlines what constitutes revenue repairs and maintenance and what constitutes capital works.

The LA will always have limited capital funds that it has to prioritise according to condition, suitability and sufficiency needs. Smaller capital works below £25,000 in total are unlikely to be prioritised; schools should be looking to use their devolved formula capital in the first instance.

In circumstances where urgent capital works have become necessary, the LA will look to whether a school has Devolved Formula Capital or has excessive revenue balances (5%+ for secondary or 8%+ for other schools). If the urgent capital works have arisen because of a school failing to address routine health and safety repairs, the LA reserves the right to invoke clause 6.3.4 of this scheme.

For voluntary aided schools, the liability of the authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the authority.

2.8 **Section 2.16 Schools Financial Value Standard (SFVS)**

All maintained schools with a delegated budget must submit the form to the local authority before January March 31st to enable the authority to comply the auditing of the forms prior to the end of the financial year. Failure to comply with deadline could result in warning notice to the governing body- under schools causing concern guidelines

2.9 **Appendix 1 Responsibility for redundancy and early retirement costs**

The default position, therefore, is that redundancy and premature retirement costs must be charged to the school's delegated budget, while costs incurred by the local authority in respect of securing dismissals must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

2.10 **Local Authority Appendix 3 List of schools covered by scheme**

Updated to reflect current schools list.

3. Governance

3.1 The role of governance within schools is set out within the scheme and it sets out the principles underpinning the financial controls and it is fundamental in underpinning the financial controls within which delegation to schools operates.

3.2 All schools should ensure that their policies are reviewed annually in line with the scheme updates and ensure that they also reference other guidance such as Schools finance Manual, HR operation manuals and schools maintained handbooks.

4. Recommendations

4.1 Schools Forum to note and comment on proposed changes in Appendix 1 to Lambeth Scheme for financing schools, which will be consulted with schools for final approval at December Forum.

Lambeth Scheme for Financing Schools: Revisions October 2023

Local interpretation or directed revision	Lambeth Scheme 2021-22	Proposed Lambeth Scheme 2023-24	Change explanation - Actions and further process
Local Authority 1.7 Maintenance of Schools	1.7.1 The Authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the Act 1998.	<i>1.7.1 The Authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the Act 1998. All schools should be referring to the Lambeth School Maintenance Handbook for detailed guidance.</i>	Changed to ensure reference to schools' maintenance handbook Nov 2022
Local Authority Section 2.1.6 Writing off Debts	2.1.6 Governing bodies are only authorised to write off debts up to £250. In the case of larger debts the school must consult with the School Finance Team.	<i>2.1.6 Writing off debts Governing bodies are only authorised to write off debts up to £250. In the case of larger debts the school must consult with the School Finance Team for Director of Education approval.</i>	Added requirement of internal approval of Director of Education
Local Authority Section 2.2 Basis of Accounting	2.2.1 Reports and accounts furnished to the Authority must be on an accruals basis and in line with UK Generally Accepted Accounting Practice (GAAP). However, schools able to use what financial software they wish, provided they meet any costs of modification to provide output required by the authority.	<i>2.2.1 Schools are free to use any accounting software they choose, providing any reports are submitted to the LA in the required format, and if they meet the costs of modification to provide output required by the LA. Schools may therefore account for expenditure and income during the financial year on their internal systems using either a cash or an accruals basis. Reports submitted to the authority in accordance with this scheme must however be amended, where necessary, at the year-end to an accruals basis in order to comply with the LA's requirements.</i>	Reworded narrative for clear explanations

Local interpretation or directed revision	Lambeth Scheme 2021-22	Proposed Lambeth Scheme 2023-24	Change explanation - Actions and further process
Local Authority Section 2.3.1 to 2.3.9 Budget Plans	<p>2.3.1 Each school is required to submit a final 3 year budget plan, approved by the governing body to the Authority by the 1st of June each year. The budget plan should take full account of the estimated surplus or deficit as at the previous 31st March</p> <p>2.3.4 If a school considers they are likely to have to set a deficit budget they must notify the Director of Education as soon as possible prior to June 1st.</p>	<p><i>Each school is required to submit a final 3 year budget plan, approved by the governing body to the Authority by the 1st May each year. The budget plan should take full account of the estimated surplus or deficit as at the previous 31st March</i></p> <p><i>2.3.4 If a school considers they are likely to have to set a deficit budget they must notify the Director of Education as soon as possible prior to 1st May.</i></p>	As part of licenced deficit process, compliance in submissions by the 1 st June has led to capacity to review centrally very tight for any budget changes implementation – proposal to bring in line with other boroughs.
Local Authority 2.16 Schools Financial Value Standard (SFVS)	2.16.3 All maintained schools with a delegated budget must submit the form to the local authority before January 31st to enable the authority to comply the auditing of the forms prior to the end of the financial year	2.16.3 <i>All maintained schools with a delegated budget must submit the form to the local authority before January 31st to enable the authority to comply the auditing of the forms prior to the end of the financial year. Failure to comply with the deadline could result in warning notice to the governing body- under schools causing concern guidelines.</i>	Change to ensure non compliance is captured within Lambeth
Local Authority 4.2 Controls on surplus balances	4.2.1 The Authority does not operate a balance control mechanism to clawback excess surplus balances.	4.2.1 <i>Any surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of resources in a given year. These earmarked surpluses should be clearly linked to the School Development Plan. Governing Bodies must report to the Local Authority on the use to which schools intend to use surplus balances.</i>	Changed to reflect the current expectation of schools with large surpluses in Lambeth.

Local interpretation or directed revision	Lambeth Scheme 2021-22	Proposed Lambeth Scheme 2023-24	Change explanation - Actions and further process
<p>Local Authority 4.9 Licensed deficits</p>	<p>4.9.3 A formal sign off of all arrangements will be required by the Director of Education and Chief Finance Officer (or their representative).</p> <p>4.9.4 The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years. The Director of Education or their nominated representative will meet at least termly with the Chair and Head teacher of each school with a licensed deficit to review progress against the agreed deficit repayment plan.</p> <p>4.9.6 The maximum deficit will normally be 2% of the school's formula funding for the year in which the deficit is applied for. Deficits will not be licensed for sums less than £3,000 – these must be contained by budget reductions. The total amount of licensed deficits will be backed by the collective balances of all schools. A maximum of 40% of the total surpluses may be used to support licensed deficits</p>	<p><i>4.9.3 A formal sign off of all arrangements will be required by the Director of Education, Chief Finance Officer and cabinet - recovery plans will be published annually.</i></p> <p><i>4.9.4 The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years, which may be extended to 5 years in exceptional circumstances. The Director of Education or their nominated representative will meet at least termly with the Chair and Head teacher of each school with a licensed deficit to review progress against the agreed deficit repayment plan.</i></p>	<p>Changed to reflect the current expectation of schools with large deficits in Lambeth.</p>

Local interpretation or directed revision	Lambeth Scheme 2021-22	Proposed Lambeth Scheme 2023-24	Change explanation - Actions and further process
<p>Local Authority SECTION 12: Responsibility for repairs and maintenance</p>	<p>12.1.1 Funding for all repairs and maintenance is the delegated responsibility of schools. Only capital expenditure is retained by the local authority. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting.</p> <p>12.1.2 The current de minimis limit for capital expenditure is £10,000 for vehicles and equipment and £20,000 for land and buildings. Schools are responsible for setting their own de minimis for capital expenditure.</p> <p>12.1.3 For voluntary aided schools, the liability of the authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the authority.</p>	<p><i>12.1.1 Funding for all repairs and maintenance is the delegated responsibility of schools. The Local Authority retains funding for schools capital. Expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting.</i></p> <p><i>12.1.2 The current de minimis limit for capital expenditure is £10,000 for vehicles and equipment and £20,000 for land and buildings. Schools are responsible for setting their own de minimis for capital expenditure, as some smaller schools' Devolved Formula Capital allocations may be below these amounts.</i></p> <p><i>12.1.3 The LA has a School Maintenance Handbook which should be used by schools in relation to their responsibilities for repairs and maintenance. It outlines what constitutes revenue repairs and maintenance and what constitutes capital works.</i> School Maintenance Handbook Lambeth School Services</p> <p><i>12.1.4 The LA will always have limited capital funds that it has to prioritise according to condition, suitability and sufficiency needs. Smaller capital works below £25,000 in total are unlikely to be prioritised; schools should be looking to use their devolved formula capital in the first instance.</i></p> <p><i>12.1.5 In circumstances where urgent capital works have become necessary, the LA will look to whether a school has Devolved Formula Capital or has excessive revenue balances (5%+ for</i></p>	<p>Currently no reference to the Schools Maintenance Handbook which needs to be added.</p>

Local interpretation or directed revision	Lambeth Scheme 2021-22	Proposed Lambeth Scheme 2023-24	Change explanation - Actions and further process
		<p><i>secondary or 8%+ for other schools). If the urgent capital works have arisen because of a school failing to address routine health and safety repairs, the LA reserves the right to invoke clause 6.3.4 of this scheme.</i></p> <p><i>12.1.6 For voluntary aided schools, the liability of the authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the authority.</i></p>	
<p>Local Authority Appendix 1 Responsibility for redundancy and early retirement costs</p>	<p>The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.</p>	<p>Appendix 1 – Responsibility for redundancy and early retirement costs</p> <p><i>The default position, therefore, is that redundancy and premature retirement costs must be charged to the school's delegated budget, while costs incurred by the local authority in respect of securing dismissals must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.</i></p>	<p>Appendix 1 needs to reflect current practice and additionally be clear of any ambiguity/interpretation.</p>

Local interpretation or directed revision	Lambeth Scheme 2021-22	Proposed Lambeth Scheme 2023-24	Change explanation - Actions and further process
Local Authority Appendix 3 List of schools covered by scheme	List of schools	<i>Update to reflect current maintained schools list.</i>	Annual Update