

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

4pm-6pm, Thursday 14th December 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.	High Needs Block Update	Adam Yarnold
6.	Early Years Update	Kathryn Shaw
7.	De- Delegation 2024-25	Dominique Johnston - Franklin
8.	Schools Block 2024-25	Yoke Ying Kong
9.	Scheme for financing schools	Dominique Johnston - Franklin
10.	Proposed dates of next meetings and location: <ul style="list-style-type: none">• 11th January 2024 – 4-6pm• 19th June 2024 – 4-6pm Note Change to Weds• 10th October 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	7 th December 2023	11 th January 2024	19 th June 2024	10 th October 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	✓	✓	✓	✓
Licenced 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
20 th 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
	Licenced 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

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
	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 withing schools finance manual on financial process in schools 	Dominique Johnston-Franklin
	Pupil Place Planning Strategy	<ul style="list-style-type: none"> • Update on plans regarding surplus places 	Abrilli Philip
	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

Agenda Item 2

Title: Proposals to change the constitution of Lambeth Schools Forum
Date: 14th December 2023
Report to: Schools Forum
Report for: Information X Decision X Consultation Action
Author: Andrew Chaplin – Vice Chair of Lambeth’s Schools Forum

1 Purpose of this report

This report sets out the proposals to change the constitution of Lambeth Schools Forum

2 Background

The Schools Forum Operational and Good Practice Guide March 21 outlines guidance for the constitution of a Schools Forum.

It states the following:

- Schools members and academies members must comprise at least two thirds of the schools forum membership
- Primary schools, secondary schools and academies must be broadly proportionately represented on schools forum, based on the total number of pupils registered at them
- Where the local authority maintains the following types of school, they must be represented on the schools forum: Primary Schools; Secondary Schools; Special Schools; Nursery Schools, and PRUs
- Within each of the five groups above there could be the following types of member: Headteachers (or their representative), Governors. In overall terms there must be at least one headteacher (or their representative) and one governor

3. Proposals to School Members

	Current	Proposal
Primary	10 Primary Sector Representatives	9 Primary Sector Representatives, of which: <ul style="list-style-type: none"> - 8 Maintained Primary - 1 Academy Primary
Secondary	3 Secondary Sector Representatives	5 Secondary Sector Representatives <ul style="list-style-type: none"> - 2 Maintained Secondary - 3 Academy Secondary
Academy	2 Academy Sector Representatives	*now included in above
Special	1 Special Sector Representative	1 Special Sector Representative
Nursery	1 Nursery Sector Representative	1 Nursery Sector Representative
PRU	1 PRU Sector Representative	1 PRU Sector Representative
Through-School		1 Through- School Representative
	Total = 18 members	Total = 18 members

The above is based on the most recent pupil numbers we had available.

School Type	Pupil Numbers	% of total	Number of members based on %	Possible Members
Primary	19,458	57.1%, of which: 87% Maintained 13% Academy	10.8	9, of which: 8 Maintained 1 Academy
Secondary	11,895	34.9%, of which: 36% Maintained 64% Academy	6.6	5, of which: 2 Maintained 3 Academy
Special	564	1.7%	<1	1
Nursery	476	1.4%	<1	1
PRU	96	0.3%	<1	1
Through-School	1,613	4.7%	<1	1

To ensure that the Special, PRU, Nursery schools are represented, as they form less than 1% of the total pupil numbers, the primary and secondary number of representatives has been reduced slightly to accommodate this.

All existing Forum Members fit into the above and it leaves the following vacancies:

- 1 Primary Maintained
- 1 Primary Academy
- 2 Secondary Maintained
- 3 Secondary Academy

Non-School Members

No proposed changes. Remain as: Non-school members should make up no more than one third of a forum's total membership.

Non-school Members (representing 18% of total membership):

- 1 Faith Body Representative
- 2 Early Years PVI Representatives
- 1 14-19 Partnership Representative

4 Recommendations:

Schools Forum is invited to give their views and agree to the proposed new constitution for Lambeth's Schools Forum.

LONDON BOROUGH OF LAMBETH

SCHOOLS' FORUM

Draft minutes of the meeting of the Schools' Forum held remotely on Thursday 5th October 2023 at 4:00pm

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
Jayne Mitchell (JM) St. Andrew's Primary	Present	Michael Holland (MH) Sunnyhill Primary	Present
Martyn O'Donnell (MOD) (PCA)	Absent	Gay Wenban-Smith (GWS) Henry Cavendish Primary School	Present
Humaira Saleem (HS) Iqra	Present	Eleanor Donegan (ED) Woodmansterne School	Present
Andrew Chaplin (AC) Walnut Tree Walk Primary School (Vice-Chair)	Present	Tom Prestwich Jubilee Primary School	Absent
<u>Officers:</u>	Present	<u>Observers:</u>	Present
Abrilli Phillip (AP) Director – ELS	Present	Sara Tomlinson (ST) NUT/NEU	Present
Kathryn Shaw (KS) School Quality Improvement Lead	Present	Christine Golding (CG) GMB Union	Present
Bunmi Idowu (BI) Early Years	Present	Andrew Tullis (AT) Unison Union	Absent
Dominique Johnston- (DJF) Franklin - Finance	Present	Ryan Foster (RF) NASUWT Union	Absent
Yoke Ying Kong (YYK) (Education Finance Advisor)	Present	Brian Hazell (BH) NAHT Union	Present

Mark Whiffin (MW)- Finance	Present	Lorna Burg (LB) Henry Cavendish	Present
ClIr Judith Cavanagh	Present	Christopher Gyton (CG) Finance	Present
Claire Cobbold (CC) – HR	Present	Kevin McCully SEND Accountant	Present
Gerald Mehrtens (GM) - Interim Assistant Director Standards, Safeguarding and Partnerships	Present	Debbie Johnston	Present
Sophie Garner (SG) Assistant Director Education Strategy, Access and Inclusion	Present	Dorte Newman (DN)	Present
		Neeral Vadgama	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.

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

The Chair informed us that David Boyle had come to the end of his second term of office. The Chair thanked David for his work and contribution on the Schools' Forum.

Members informed that they need to submit annually – SF Clerk confirmed all have been submitted.

3. **Minutes from the Schools Forum meeting held on 22nd June 2023 and matters arising.**

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

Matters arising

The Constitution will be reviewed with the school closures and vacancies held. The information will be brought to the December SF meeting. **ACTION: AM/AC**

4. **DSG Overview 2023-24 update on current position**

DJF informed that the paper was for information only. It provides an overview and an update on 2023/24.

Schools Forum Members:

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

5. **Schools Block Update**

YKK informed members the paper was for information and a decision.

Key points for 24-25

The 2024-25 NFF has increased NFF factor values on top of the amounts added for the mainstream schools additional grant. The DFE introduced for the first time a methodology for calculating and allocating funding for falling rolls. It is at Schools Forum discretion whether or not to operate a Falling Rolls Fund for 2024-25.

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.

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%.

In January's Schools' Forum meeting, members will be informed of what was received in the December settlement. The October 2023 census will be used for the funding allocation.

The steps Schools Forum will need to consider to reach final recommendations to make to Cabinet about the use of the Schools Block in 24/25 will be:

- a) Should there be any transfers between the Schools Block and any other blocks?
- b) What rate should the Minimum Funding Guarantee be set at?
- c) What funds are to be set aside for Growth Fund and Falling Rolls Fund?
- d) Are there any decisions that need to be submitted to the Secretary of State for ratification by the end of November 2023?

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 schools on the proposed formula to be used for mainstream schools in 2024-25.

Schools Forum Members:

a) **Noted** the DFE's response to the consultation on the future arrangements on the NFF;

- b) **Noted** the emerging position on the Schools Block for 2023-24 and 2024-25;
- c) **Agreed** 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) **Agreed** 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.

A sub group will be formed, which will include the Chair and Vice-Chair. DJF will send the information out to all schools. **ACTION: DJF**

6. **Central School Services Block 2024-25**

YYK informed that the paper was for information and a decision.

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.

The CSSB for Lambeth is £43.61 per pupil for 2024/25 and is the smallest allocation in London.

Q. Some boroughs allocations are getting double per pupil. do we know why?

A. It depends on what each LA submitted to the DfE in the past regarding historical spend. Lambeth did not identify any historical commitments although they were at that time being funded from the Council's General Fund and should have been allocated to the CSSB when it was first created. This now continues to be funded from council although should have been allocated in CSSB

Schools Forum Members:

Schools Forum **agreed** with the proposed budget in principle, awaiting the December 2023 settlement for the CSSB for 2024-25.

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

DJF presented the proposals and arrangements for De- delegation set out in paper.

Q. The local neighbouring boroughs pay pupil contributions for Education functions on top of the agreed government funding. Is asking for contributions per pupil the standard way?

A. Other LAs also do a similar thing. In the APT they are allowed to request Education functions from schools forum which Lambeth has done for a number of years. The amount normally supports CSSB statutory functions supported in the past from ESG.

Q. If schools stopped contributing to Education function who would pay? Would it be taken out of a different pot?

A. If the schools reduced contribution to Education Functions the LA would have to review the support offered to schools and reduce the work being currently completed centrally.

Q. where is the money coming from for the TU de-delegation?

A. The de-delegation will be from the schools budget that supports TU in schools. So from schools budget.

Q. So £1.76 being requested is an additional amount to the £5.48?

A. Yes.

BH clarified that through the TU work it meant that consultations panel meetings with AP worked well, H&S issues were covered with a permanent H&S officer available to speak about eg. RAAC, legionaries, pipes. Early intervention in grievances/disciplinary cases is helpful. There is better management and change in the workforce. The TU have assisted with managing of closing schools and amalgamations. Brian asked members to vote for dedelegation for this money.

Q. The £118K - what does it pay for? How do you get to that figure?

A. It pays for the Secretary, Secretary of the Panel who works 2 days for the TU, various other union reps

Q. Everyone pays union fees. How do you decide what comes out from the membership fees or what comes out of the £118K?

A. Union time does not come out of the fees. If a member contacts Union about a minor issue it is dealt with, if Lambeth dedicated schools union officers cannot deal with it then it goes to the Regional Officer and he/she takes over.

Q. How does it work if you don't buy into the HR, but pay into contributions?

A. There is an obligation to support members, even if the school does not buy in. The TU rep would meet with the staff member out of school hours and not on the school site. Most schools pay in.

Schools Forum Members **agreed** the following:

a) Maintained primary school representatives 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.

b) Maintained secondary school representatives 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.

c) Maintained primary, secondary, all-through and special school representatives 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.

8. High Needs Block 2023/24 update

SG provided information for the HNB for 2023/24 and the projected 2024/25 HNB.

A sub-group will be needed for the 2024/2025 budget, as there has been a rise in EHCPs in Lambeth and assessment requests. This is slightly above the statistical average of neighbouring boroughs, and well above the England average of 3.14%.

As for ASD/SMEH, Lambeth has the highest in terms of need and a higher population in mainstream setting than its neighbours. Additionally there were EP issues around recruitment. The data was skewed due to a lag and backlog in EHCP applications. The backlog has now been cleared but EP recruitment remains an issue and EHCNA continue to increase.

Lambeth has a large SEND cohort, but the SEN budget is below that of Lambeth's neighbours. Lambeth 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. This will be reviewed in December after the October census. Lambeth is predicting to break even in 23/24.

There was a new team of Area SENCO's which includes a Senior Strategic Area SENCo, Early Years Area SENCo and Area SENCo who will focus on supporting schools with early intervention to try and support and impact on reducing the requests for EHCPs. We are also increasing the ASD team, the Early Years SEND team and Behaviour Outreach Teams. The impact of these teams will be reported back after a year of their delivery to schools.

Lambeth has a high rate of SEND pupils in mainstream settings which is a positive. The second phase of High Needs Capital funding to support capital works to support EHCP students to remain in mainstream has been launched and there has been an information session. Lambeth has a well attended SENCO network and this is a focus for early intervention work to support the reduction in EHCNA.

A High Needs subgroup will be set up and feedback given in the December SF meeting.
ACTION: SG

Schools Forum Members:

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

9. Early Years update

KS Summarised the EY block paper.

The DfE confirmed the EY block funding for 23/24 in July. There is a decrease of £1.25m, due to the decline in participation and take up of places for 3 and 4 year olds.

The figures are based on the January 2023 headcount. There is a decrease in numbers and the expected forecasting is only £23.27m, as participation levels are low.

The additional EY supplementary funding from September 2023 to March 2024 will enable Lambeth to have an increase in payments and funding for the maintained nurseries.

EY team are working with the cost of living team regarding supporting additional hours for vulnerable families offering childcare places from 9m-2yrs.

KS added that settings have also put forward their own consultations.

Q. Why is there a decline in participation in 2 and 3 year olds?

A. It is like the decline in schools and Lambeth's current falling rolls, eg with people moving out of London for various reasons.

Schools Forum Members:

Schools Forum Members **noted** the content of the report.

10. Licenced Deficits 2023/24

DJF summarised paper

Schools in Lambeth with unavoidable deficits were in 22/23 granted licenced deficits, determined by Cabinet. This approach is continuing for 2023/24.

Lambeth finance team will meet to go through the recovery plans. There are 20 schools with a licenced deficit, up from 16 at the last SF meeting. It is hoped to finish the work in November so the information can be sent to Cabinet.

There are pressures emerging for schools, with falling rolls. Schools are also at different stages of their recovery plans. There will be a final report on the licenced deficits in December.

Schools Forum Members:

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

11. Scheme for Financing Schools & Governance Changes

DJF summarised paper

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 sections were highlighted in where the scheme was no longer appropriate or where Lambeth need to adjust to reflect current practice for 2023-24 onwards. There are also sections highlighted for consultation. The changes will be brought to the SF in the December meeting for approval.

Schools Forum Members:

Schools Forum Members **noted** and **commented** on the proposed changes in Appendix 1 to Lambeth Scheme for financing schools, which will be consulted on with schools, for final approval at December Forum.

12. AOB

There were no items for AOB.

13. Future Meeting Dates

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

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

There being no further business to discuss, the Chair closed the meeting at 5.45pm.

Signed: _____

Date: _____

Alison Moller
Chair of the School Forum

Agenda Item 4

Title:	Dedicated Schools Grant Overview			
Date:	14th December 2023			
Report to:	Schools Forum			
Report for:	Information X	Decision	Consultation	Action
Author:	Yoke Ying Kong – Education Consultant			

1 Background

- 1.1 This report provides an update on the DSG for 2023/24. It also seeks to inform Schools Forum on the error made by the DFE on the 2024/25 Indicative NFF Allocation since the 5th October 2023 Schools Forum. Further information is detailed below.

2 DSG 2023/24

- 2.1 The ESFA refreshed the 2023/24 DSG to take account of the high needs import and export adjustment changes. There has been a reduction of £24k in 2023/24 DSG funding as a result.
- 2.2 The differences are explained in **Table 1** below.

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

Block	DSG 2023/24 (At July 2023 Allocation)	DSG 2023/24 (Updated Nov 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	(25,021)	(25,021)	0	No change.
High Needs Block	(65,695)	(65,671)	24	Decrease due to updated Import/export adjustment.
Total	(318,558)	(318,534)	24	

- 2.3 There is a decrease of £24k 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 8)

Block	2022/23 b/f balances £'000	DSG Funding 2023/24 £'000	Forecast net LA spend 2023/24 (P08) £'000	In-year variance £'000	2023/24 Forecast c/f balances £'000
Schools Block (not NNDR)	(91)	(147,991)	147,991	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)	(61,517)	61,517	0	(980)
De-delegated budgets	(91)	0	0	0	(91)
DSG managed by LA	(2,113)	(235,804)	235,804	0	(2,113)
Schools Block NNDR	0	(3,743)	3,743	0	0
Schools Block recoupment by ESFA	0	(74,833)	74,833	0	0
High Needs Block recoupment by ESFA	0	(4,154)	4,154	0	0
DSG held or recouped by ESFA	0	(82,730)	82,730	0	0
Total Lambeth DSG	(2,113)	(318,534)	318,534	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 will be contained within the available funding.
- 2.8 **Early Years Block.** There is no in year expected variance in this block. The Early years block allocation for 2023/24 has now been updated to account for Jan 23 headcount and is anticipated to be £25.021m. The underspend £0.949m has reduced by £0.186m and this is due to a variance in anticipated numbers on the Jan 2023 census. The overall early years block underspend continues to be earmarked for contingency fund which is expected to support any large fluctuations in pupil number reductions in 2023/24. There is a continued risk to the reductions in pupil numbers impacting the overall funding allocation and also 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 funding for 2023/24 has decreased by £0.024m as noted above. The import/export adjustment for Lambeth pupils in other LA institutions (i.e. exports) and other LA pupils in Lambeth institutions (i.e. imports) changed in the November DSG allocation showing an additional six exports, representing a £24k decrease in High Needs Block.
- 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 unanticipated cost pressures.

3 DSG 2024/25

- 3.1 Following the DFE's announcement of the 2024/25 National Funding Formula Allocation in July 2023, the DFE discovered a technical error made by officials during the initial calculations and an update was made to the schools NFF in October 2023. The technical error was due to incorrect processing of pupil numbers in the initial calculations. This error meant that the overall cost of the schools NFF was underestimated, and incorrect factor values were published in July. The revised allocation contains the new, correct, factor values which led to a loss of £0.7m to the indicated Lambeth DSG allocations. No other changes have been made to the structure of the NFF, or the rules governing the local formulae, since July. The total amount of funding in the core schools budget (which includes funding through the schools NFF, high needs NFF, and CSSB) will remain at £59.6 billion in 2024/25. The high needs NFF and CSSB are unaffected by this update.
- 3.2 The Chancellor of the Exchequer in the Autumn Statement 2023 reaffirms the commitments made at Autumn Statement 2022 to provide an additional £2 billion for schools in both 2023/24 and 2024/25. He confirmed the government is building on the policies announced at Spring Budget 2023 including the package focusing support towards those groups where employment support was most needed. The policies included the removal of one of the biggest barriers to parents working, by substantially increasing the amount of free childcare that working families can access. All eligible

working parents in England will be able to access 30 hours of free childcare per week for 38 weeks per year from when their child is 9 months old, to when they start school.

3.3 Key points to emerge from the July 2023 announcement are:

- **Schools Block** Lambeth will benefit from an increase of 1.45% more for the school based National Funding Formula allocation, offset by lower amounts in the premises and growth factors. When looking at the Schools Block overall, Lambeth is shown as the 14th lowest increase nationally, the other 12 LAs are all London Boroughs in addition to Luton and Birmingham. More details about the implications for the local mainstream funding formula are covered in the Schools Block report elsewhere on this agenda. The Mainstream Schools Additional Grant has been rolled into Schools Block DSG in 2024/25.
- **High Needs Block** due to increase by 3% compared to the latest HN DSG for 2023/24. The medium term strategy was to incur a short term deficit in 2022/23 to be recovered using the stepped increase in 2023/24. The stepped increase has been confirmed. More details on the implications of this are in the separate High Needs report elsewhere on the agenda.
- **Central School Service Block** will rise by 7.09% from £1.275m to £1.365m; a welcome increase, but only representing £0.09m. Other LAs will continue to see a reduction of their historic responsibilities funding (by 20%), but Lambeth never had any of these, so is not affected by that.
- **Early Years Block** The August 2023 EYNFF consultation proposed the new 2-year-old and under entitlement to 15 hours of free childcare for eligible children of working parents starting from April 2024 for 2-year-olds and September 2024 for children aged between 9 months and 2 years old.

3.4 **Table 3** identifies the emerging shape of the DSG for 2024/25, recognising that the actual funding will be driven by numbers in the October 2023 pupil census. (These figures include, at this stage, amounts that will be recouped by the ESFA).

Table 3: Indicative DSG funding for 2024/25, using 2023/24 pupil numbers.

Block	DSG 2023/24	Indicative DSG	Difference
	£'000	2024/25	£'000
		£'000	
Schools Block	(226,567)	(236,572)	(10,005)
Central School Services Block	(1,275)	(1,365)	(90)
Early Years Block	(25,021)	(36,505)	(11,484)
High Needs Block	(65,671)	(67,263)	(1,592)
Total DSG	(318,534)	(341,705)	(23,171)
Mainstream Schools Additional Grant	(7,600)	0	7,600
Total DSG and Mainstream Schools	(326,134)	(341,705)	(15,571)
Additional Grant			

3.5 The financial environment in which schools will operate next year is expected to continue to be challenging. The good news is the government announcement of additional funding

for teachers' pay in July 2023 will continue into 2024-25. This will be allocated to mainstream schools through the teachers' pay additional grant (TPAG) which is outside of the NFFs in 2024-25. Further details on the TPAG can be found in [teachers' pay additional grant: 2023 to 2024](#).

3.6 The increase in Early Years Block for 2024/25 is due to the government's introduction of the new entitlements noted above.

3.7 **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

Extract from DfE Operational Guidance for Pre-16 funding 2024/25 (Annex 4: Schools Forum Approvals for Centrally Held Funding)

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 Operational Guidance for Pre-16 funding 2024/25 (Timetable)

Local authority activity

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

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)
- seven/twelfths, as this relates only to the period September 2022 to March 2023)

Agenda Item 5

Title: High Needs Block 2023/24 update

Date: 14th December 2023

Report to: Schools Forum

Report for: Information x Decision 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 English 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 The 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. There is therefore no change to the forecast reported at October Schools Forum.
- 6.2 This position may move favourably as we near the end of the financial year. The final adjustment to import/export numbers has been published, resulting in a higher allocation for high needs places. In addition, current indications for cost inflation in out-of-borough settings and new EHCPs issued in year are lower than initial projections. If this trend continues as we approach March 2024 the forecast spend will reduce.

Table 1. High Needs DSG budget 2023/24 and latest forecast (P08)

Component	Latest Budget 2023/24	Forecast net spend (P08) 2023/24	Forecast Variance at Period 8
	£'000	£'000	£'000
1. Places only	12,504	12,504	0
2. SEND Top-Ups	50,568	50,568	0
3. AP Top-Ups	1,184	1,184	0
4. Other High Needs provision	2,239	2,239	0
Total Commitment (gross)	66,495	66,495	0

Balance brought forward	980	980	0
Funding transferred from Schools Block	824	824	0
High Needs DSG Funding (gross)	65,671	65,671	0
Total funding	67,475	67,475	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 September 2023. This currently projects a £1.4m underspend. but, as there is a high risk that not all starters and leavers have been captured in the panel data received so far, it is prudent to leave the projections in line with budget until all of the changes have materialised in panel decision data.
- 6.4 **Funding.** The overall High Needs Block has decreased by £0.024m. The import/export adjustment for Lambeth pupils in other LA institutions (i.e. exports) and other LA pupils in Lambeth institutions (i.e. imports) changed in the November DSG allocation, showing an additional six exports, representing a £24k decrease in the High Needs Block.
- 6.5 **Places.** The additional funding for import/ export adjustment of £0.813m mitigates a £0.314m increase in costs of high needs places compared to growth originally provided for in the budget. 67 new high needs places have been agreed to accommodate the rising number of EHCPs, however only 36 new places were originally budgeted for. Local agreements with FE colleges to fund for high needs students over agreed place numbers may also lead to an increase in place costs, however such agreements for the current academic year are not yet finalised.
- 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.** Some providers of AP places used by the LA historically have recently had difficulties with staffing or OFSTED ratings, resulting in the use of other, more expensive, providers. The increased cost of provision has led to a forecast overspend of £0.106m for AP. Permanent exclusions are difficult to predict, so this position may still improve as the year progresses.
- 6.8 **Other High Needs Provision.** Other High Needs Provision is currently forecast for £0.094m underspend. There is an overspend position forecast in sensory support outreach staffing, however this is mitigated by a larger underspend position in new positions created this year for Strategic & Area SENCOs that have been vacant for the first half of the year.

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 the 2-18 population, with most 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 (NFF) 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	£66.5m	As per Table 1 above
Provision for cost pressures	£2.0m	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)	£69.9m	
Surplus b/f from 2023/24	£1.0m	Forecast position from Table 1 above
Transfer from Schools Block	£1.2m	There is an option to transfer from Schools Block again, but no guarantee that this will be agreed.
High Needs DSG Funding (gross)	£67.3m	
Total funding	£69.5m	
Net position	(£0.4m)	On these assumptions the position worsens to a £0.4m 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, an assumption of 3% cost pressure, and a transfer in from the schools block, the current HNB surplus could worsen to a £0.4m 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 may not be in the future. Last the financial year new cases slowed for the bulk of the year, and an increased backlog materialised in 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.
- **Transfer from Schools Block.** If the option of transferring 0.5% (£1.177m) from Schools Block to High Needs Block is foregone, the forecast deficit on the HNB would be £1.6m, rather than £0.4m.

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

- **Early Intervention.** To support the reduction of EHCPs, 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 the 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. Special Schools Minimum Funding Guarantee 2024-25

- 8.1 The MFG protection for maintained special schools and special academies is set by a condition of grant that applies to local authorities' DSG.
- 8.2 In December 2022 the LA consulted Schools Forum on its views about a request to the Secretary of State for Education to disapply the Minimum Funding Guarantee at the Michael Tippett School (now Heron Academy) with a proposal to reduce the funding difference between Heron Academy and other special schools in the borough by one third each year, until high needs top-up rates at Heron Academy were in line with those other schools.
- 8.3 In January 2023 after consultation with London South East Academies Trust, an agreement was made between the LA and the Trust to delay the three-year reduction of top-up rates until 2025-26, and that in 2023-24 and 2024-25 top-up rates at Heron Academy would not increase.
- 8.4 The 2023-24 special schools MFG was 3%, so the LA submitted a disapplication request detailing the now five-year plan for top-ups at Heron Academy. The disapplication was granted, however disapplication requests are effective for one year only, so a new request would be needed each year of the remaining four years.
- 8.5 The 2024-25 special schools MFG must be at least 0% and the LA should consider setting the MFG within a range of 0% and 0.5%. This is the MFG range applicable to mainstream schools.
- 8.6 The LA considered setting the 2024-25 special schools MFG at 0.5% to demonstrate our commitment to protect a minimum year-on-year uplift in pupil-led funding at the other

special schools and academies by setting the borough-wide special schools MFG to match the funding floor factor applicable to mainstream schools. Setting the MFG at 0.5% would have required a disapplication request for the MFG not to apply to Heron Academy, and the LA did prepare such a request.

- 8.7 After consultation with the High Needs Funding Implementation Unit at ESFA the LA chose to set the 2024-25 special schools MFG at 0% in order to abate the need to request a disapplication of the DSG conditions of grant from the Secretary of State for Education.
- 8.8 Setting the 2024-25 special schools MFG at 0% is not indicative of an intent for the LA to offer no increase in top-ups at other special schools and academies in the borough. Detailed modelling of the high needs budget requirement will begin shortly, after which the scope for increases in top-up rates at all in-borough settings will be known. The current high-level analysis of the 2024-25 high needs budget requirement factors in a 3% increase to funding rates, and top-up increases of up to 3% will be considered for 2024-25.

9. Risks

- 9.1 The High Needs budget is volatile due to the lag in data from panel and pace of changes across the year.
- 9.2 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.
- 9.3 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.
- 9.4 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 available.
- 9.5 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.

10. Recommendations

- 10.1 Schools Forum is invited to:
 - a) note the High Needs Budget position for 2023/24 and 2024/25.

Summary High Needs Budget position P08 2023/24

Component	Budget 2023/24 £'000	Forecast spend (P8) 2023/24 £'000	Variance against budget £'000	Prior month forecast 2023/24 (P7) £'000	Movement since (P7) £'000	Comment
1. Places only	£12,504	£12,004	(£499)	£11,736	£268	Forecast budget requirement for 2023/24 based on agreed new September places of 16 + provision for 20 additional. Actual agreed new paces for September currently stands at 67 places. Provision for new cases now removed since no new September places can now be agreed. Includes agreements for FE / academies outside recoupment, which has grown to 95 places following 24/25 place-change process.
2. SEN Top-Ups	£50,568	£49,677	(£891)	£50,447	(£770)	Reflects updated pupils on roll in Lambeth settings, with 4.23% uplift on rates for OOB/non-maintained 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 Sep 2023. Panel decisions up to Nov 2023 will need to be incorporated as soon as available to enhance accuracy of top-up forecasts, however the bulk of new cases for the academic year should now be incorporated.
3. AP Top-Ups	£1,184	£1,290	£106	£1,284	£6	Expenditure on AP places and commissioning with Jus Education & Lambeth College set to remain at current levels, with new cases needing to be assigned to new providers at a higher costs. Includes spend for Support for Inclusion.
4. Other High Needs provision	£2,239	£2,145	(£94)	£2,144	£1	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 undertaken, to support High Needs Outreach activities.
Total Commitment (gross)	£66,495	£65,116	(£1,379)	£65,611	(£495)	
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)	£65,671	£65,671	£0	£64,843	£828	£813k import/export, £15k expanding special schools
Total funding	£67,475	£67,475	£0	£66,647	£828	
Net position	(£980)	(£2,359)	(£1,379)	(£1,036)	(£1,323)	

1. Core Place Funding 2023/24

Appendix 1.2

Summary High Needs Budget position P08 2023/24

	Prior month forecast 2023/24 (P7) £'000	Spend to date		Backdated £'000	No of place April 2023	No of places Sept 2023	Rate (£)	Current month forecast spend 2023/24 (P8) £'000	Variance against budget £'000	Movement since (P7) £'000
		Budget 2023/24 £'000	on financial system £'000							
Special Schools (Pre-16)	£6,737	£7,464			662	682	£10,000	£6,737	-£727	£0
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	£1,487			249	257	£6,000	£1,522	£35	£0
Resource Bases (Pre-16 unfilled)	£453	£692			43	47	£10,000	£453	-£239	£0
Resource Bases (Post-16)	£0	£0			0	0	£6,000	£0	£0	£0
FE Places	£1,350	£1,449			225	225	£6,000	£1,350	-£99	£0
FE Places outside recoupment	£132	£64			10	95	£6,000	£400	£336	£268
Pupil Referral Units	£906	£966			90	91	£10,000	£906	-£60	£0
Hospital Funding	£198	£213			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	£11,736	£12,504	£3,868	£0	1,325	1,460		£12,004	-£499	£268

2. Top-ups SEND 2023/24

Appendix 1.3

Component	Prior month forecast 2023/24 (P7) £'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 (P8) £'000	Variance against budget £'000	Movement since (P7) £'000	Comment
Special Schools	£13,298 0%	£14,426	£8,096	556.48	£21,843	£13,014	£18	£0	£157	£13,189	£-1,237	£-110	Activities up to the end of Sep 2023 SEND Panel. Includes £859k for additional 3.4% for special schools.
Special Schools (TPG £785 per place)	£559	£553		712.58	£785	£559	£0	£0	£0	£559	£6	£0	Based on current places planned for 2022/23
Resource Bases	£3,431 0%	£3,135	£2,131	254.92	£12,860	£3,278	£79	£0	£34	£3,391	£256	£-40	Activities up to the end of Sep 2023 SEND Panel.
Mainstream Schools	£12,360 0%	£11,587	£7,745	1,041.57	£11,588	£12,070	£-89	£0	£126	£12,107	£520	£-253	Activities up to the end of Sep 2023 SEND Panel.
Out of Borough Special	£4,280 4%	£4,419	£1,319	144.00	£27,312	£3,933	£0	£281	£48	£4,262	£-157	£-18	Activities up to the end of Sep 2023 SEND Panel.
Out of Borough Mainstream	£2,770 4%	£2,476	£574	234.00	£11,010	£2,576	£0	£208	£27	£2,811	£335	£41	Activities up to the end of Sep 2023 SEND Panel.
Further Education SEND	£4,790 4%	£5,729	£1,039	323.00	£13,544	£4,375	£0	£330	£63	£4,768	£-961	£-22	Activities up to the end of Sep 2023 SEND Panel.
Pupil Referral Units (SEMH)	£576 0%	£406	£355	29.87	£18,693	£558	£25	£0	£4	£587	£181	£11	Activities up to the end of Sep 2023 SEND Panel.
Independent and non-maintained schools	£6,398 0%	£6,127	£1,743	189.01	£31,981	£6,045	£0	£0	£67	£6,112	£-15	£-286	Activities up to the end of Sep 2023 SEND Panel. Data cleansing on tracker revealed a number of backdated payments attributed to wrong FY. Corrected resulting in decrease in forecast
Home Tuition	£1,320 4%	£1,179	£-275	46.31	£26,455	£1,225	£0	£64	£13	£1,302	£123	£-18	Activities up to the end of Sep 2023 SEND Panel. Increase in number of pupils at Classroom Teachers
Personal Budgets	£461 4%	£384	£84	20.58	£16,375	£337	£0	£18	£4	£359	£-25	£-103	Activities up to the end of Sep 2023 SEND Panel. Data cleansing on tracker revealed a number of pupils whose PBs had ended but still on tracker. Removed..
Other AP (SEND)	£0 4%	£0	£0	0.00	£0	£0	£0	£0	£0	£0	£0	£0	Activities up to the end of Sep 2023 SEND Panel.
Therapy	£202 4%	£147	£268	23.47	£9,197	£216	£0	£11	£2	£229	£82	£27	Activities up to the end of Sep 2023 SEND Panel.
Provision for new cases	£0			37.50	£14,550	£546			£-546	£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 Sep 2023
Provision for indexation	£0					£912		£-912	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	£50,447	£50,568	£23,079	2,901		£49,644	£33	£0	£0	£49,677	£-891	£-770	

3. Top-up Alternative Provision 2023/24

Component	Prior month forecast 2023/24 (P7) £'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 (P8) (£'000)	Variance against budget £'000	Movement since (P7) £'000	Comment
Pupil Referral Units	£427	£499	£316	35	£11,657	£413	£20	£0		£433	£-66	£6	2023/24 based on 4 primary and 31 secondary at Evolve Academy
Pupil Referral Units (TPG £785 per place)	£71	£71	£45	90	£785	£71		£0		£71	£0	£0	Linked to current places and includes SEMH places.
Other ad-hoc commissioning	£491	£319	£250	30	£16,367	£491		£0		£491	£172	£0	Includes FAP too.
Staffing	£295 0%	£295	£189			£295		£0		£295	£0	£0	
Total allocations	£1,284	£1,184	£800	65		£1,270	£20	£0		£1,290	£106	£6	
ALL Top-Ups	£51,731	£51,752	£23,879	2,966		£50,914	£53	£0		£50,967	£-785	£-764	

4. Other High Needs functions and activities 2023/24

Appendix 1.4

2023/24	Prior month forecast 2023/24 (P7) £'000	Budget 2023/24 £'000	Spend to date on financial system £'000	Current month forecast spend 2023/24 (P8) (£'000)	Variance against budget £'000	Movement since (P7) £'000	Comment
Disproportionate SEN (mainstream)	£100	£100	£0	£100	£0	£0	Allocations made for those with more than 4% EHCPs in Oct 2022.
Hearing / Visual Impairment Outreach	£816	£800	£589	£900	£100	£84	Approx +£94k for staff, -£38k for Jubilee withholding of HI top-ups & places
Autistic Spectrum Disorders Outreach	£258	£340	£170	£275	-£65	£17	Based on current salary projections
Early Years SEN Team	£180	£209	£133	£180	-£29	£0	Based on current salary projections
High Needs Outreach Team	£250	£250	£43	£150	-£100	-£100	Positions have been vacant for part of the year.
SEN Specialist Equipment	£140	£140	£40	£140	£0	£0	Currently based on quarterly spend of £33k
CENMAC Service	£400	£400	£174	£400	£0	£0	Currently based on quarterly spend of £96k
Total allocations	£2,144	£2,239	£1,149	£2,145	-£94	£1	

Agenda Item 6

Title: Early Years Update

Date: 14th December 2023

Report to: Schools Forum

Report for: Information X Decision Consultation Action

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

1 Purpose of this paper

1.1 This paper explains the current position and some service context regarding the Early Years block for 2023-24 and updates for 2024-25.

2 Early Years 2023-24

2.1 The Early years block allocation for 2023-24 is based on the Jan 23 headcount and is anticipated to be £25.021m. This is set out in **Table 1**. This is expected to further decrease once the Jan 24 census headcount numbers are known with the current Early Years block forecast projecting a spend of £22.882m based on the Autumn Census. This forecast is down by a further £0.345m from the £23.227m projected spend reported at the previous School's Forum in October 23. The EY block is funded on participation, so any reduction in funding should follow through to funding passported to providers.

Table 1: Provisional Early Years DSG allocations 2023-24

Income component	INITIAL budget allocation 2023-24			LATEST budget allocation 2023-24			PROJECTED budget allocation 2023-24 Based on forecasted headcounts for 23-24 £'000
	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-YO funding	716.73	£7.56	£3,089	677	£7.56	£2,917	£2,657
3&4 YO funding (Universal)	3,934	£7.50	£16,818	3,569	£7.50	£15,258	£14,419
3&4 YO funding (Extended)	1,476	£7.50	£6,311	1,377	£7.50	£5,885	£4,845
EY Pupil Premium			£261			£214	£214
Disability Access Fund			£78			£78	£78
Maintained Nursery School Supplement	315	£3.80	£682	309	£3.80	£669	£669
Total			£27,238			£25,021	£22,882

- 2.2 In addition to the Early Years NFF allocation, this year the DfE have agreed a separate sum 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.
- 2.3 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.
- 2.4 It should be noted that this grant will be rolled into the main Early Years NFF from 2024-25. The confirmed DfE funding allocation for EYSG in 2023-24 is set out in **Table 2**, along with the latest forecast which takes into account actual headcount changes as per the Autumn census. At present, there is a forecast £87k underspend.

Table 2: Provisional Early Years Supplementary Grant allocations 2023-24

Income component	EYSG budget allocation 2023-24			PROJECTED budget allocation 2023-24
	PTE pupils (570 hours)	Rate per hour (£)	Total EY DSG Allocation £'000	Based on forecast headcounts for 23-24 £'000
2 Year old funding	677	£2.62	£590	£517
3&4 YO funding (Universal)	3,569	£0.08	£95	£85
3&4 YO funding (Extended)	1,377	£0.08	£37	£33
EY Pupil Premium	590	0.04	£8	£8
Disability Access Fund*	94	30.92	£3	£3
Maintained Nursery School Supplement	309	£0.21	£22	£22
Total			£754	£667

- 2.5 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. The submission of summer headcounts in 2022-23 was beneficial to Lambeth as the summer headcount was significantly higher, and we were funded on that basis. As this may not continue, there is a risk that the Jan 24 headcount is lower than actual numbers across the Autumn term, reversing the current trend and creating a budget pressure.
- 2.6 The risk to these assumptions is the trend of falling rolls in Lambeth and how this will continue to impact Early Years funding. This fall has been historically significant in 3- and 4-year-olds but is now also being seen in 2-year-old numbers across the borough. However, there is an anticipation that 2-year-old numbers may stabilise with the announcement of higher funding rates from the DfE and a push in publicity across the sector.

3. Early Years Funding 24-25

- 3.1 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)
- 3.2 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.
- 3.3 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.
- 3.4 The new funding rates for the Early Years block DSG 2024/25 were published by Dfe in December 2023. **Table 3** demonstrates the provisional DSG 2024/25 settlement based on the Jan -23 census data of £37.5m which will be updated in Jan 24.
- 3.5 As the free Early Years childcare offering expands in 2024-25, Lambeth is expecting 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 and recruiting additional resource for which some of the reserve has been earmarked.
- 3.6 The rates in Table 3 are the amounts that Lambeth will receive per census data for each part time equivalent pupil (pte). The LA will review these and consult with the EY subgroup regarding options for future funding of hourly rates that will be passported to providers at a local level.
- 3.7 The expectation is that this allocation will be reduced to reflect the reduction in overall PTE in Jan 24 census data.

Table 3: Provisional Early Years Block allocations 2024-25

Income component	PTE pupils (570 hours) based on Jan 23 Census	Rate per hour (£)	Total projected EYB DSG 2024-25 £'000
3 & 4 Year old Universal	3569.09	£7.80	£15,868
3 & 4 Year old Universal	1376.59	£7.80	£6,120
2 Year old Universal	676.99	£11.18	£4,314
2 Year old Additional	840.69	£11.18	£5,357
Under 2 Year old	425.95	£15.27	£3,707
Early Years Premium	604.29	£0.68	£234
Disability Access Fund	94	£910.00	£86
MNSS	309	£4.64	£817
Estimated 2024/25 Early Years Block			£37,504

4. Risks

4.1 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 the cost of living and recruitment shortages driving up costs for delivery. It remains to be seen if the increases in hourly rates announced by the DfE from Sep 23 as part of the EYSG will have a significant impact on provisions, particularly in the maintained nursery sector.

4.2 The proposals that are put forward for 23-24 Early Years NFF 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 rates (particularly for 3-and-4-year-olds) versus inflation. In addition, the DfE have indicated that further down the line the pass-through rate may be increased to 97%, which would further impact EY support functions within the sector.

4.3 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 the termly headcount, which currently supports the Early years sector.

5. Recommendations

5.1 Schools Forum to note this report.

Agenda Item 7

Title: De-delegation Proposals for 2024-25

Date: 14th December 2023

Report to: Schools Forum

Report for: Information Decision **X** Consultation 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).
- **Additional Schools Improvement – New** (de-delegation within the mainstream funding formula for maintained primary / secondary only)

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 Of the 32 London boroughs, only 7 currently do not de- delegate for trade union facilities time and the amounts ranging between, £3-8 per pupil.

2.6 As part of the mainstream schools consultation schools were asked to comment on the use of the TUFA to ensure schools understood the support that was provided from the delegated funds. The key questions that were raised from schools were:

“Given individual employees pay fees directly to their union, I am unsure what this de-delegation is used for?”

“Could you please explain exactly how this money is used as staff already pay independently for their union fees”

- 2.7 The schools block Sub group met and agreed that any further proposals for 25-26 regarding possible rates of TUFA should be reviewed and have requested a detailed breakdown and information sharing of the funding allocations for 24-25 and a paper to be brought for Jan -25 forum.
- 2.8 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 and additional schools improvement 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 1** to this paper). The amount of funding that schools contribute to these functions does not cover the full cost of these activities and there are 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. The total loss to Lambeth of the removal of this grant was £2.8m, which was met by the LA’s General Fund budgets, with the rest being supported by Education Functions. In recognition of this gap, the government announced the implementation of the Schools Monitoring and Improvement Grant which for Lambeth was approx. £0.3m per year.
- 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 were to remove the Schools Monitoring and Brokering Grant by 2022-23, with a first 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.
- 3.6 As part of the mainstream school’s consultation, schools were asked if they agree with the option to de-delegate £7.25 per pupil to support the loss of this Grant. Of the 22 responses received, 38% agreed with the de-delegation, with 33% maybe - many of the feedback questions

were regarding a clear breakdown of what the funding the LA holds is used for. This is shown in **Appendix 2**.

- 3.7 After review of feedback from the Schools block sub group, as recommendation 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**.
- 3.8 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 £22.00 per pupil**). With falling rolls, the LA budget will recover £0.476m.
- 3.9 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 in 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.
- 3.10 **Table 1** summarises the composition of the contribution per pupil / place, as per the categories set out in **Appendix 1 and 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

- 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 representatives** are invited to agree
- to continue the de-delegation for the Trades Union Facilities Agreements in 2024-25 at a rate of **£5.48** per pupil.
 - 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 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.**

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

Mainstream Schools Funding Formula 2024/25 – Section 3.1 De- delegation of additional schools’ improvement

Appendix 2

This Table shows at summary level the Education and Learning spend at high level across the LA linked to the components of requirements under the Central Services Schools Block (CSSB) There is a total indicative requirement of £5.6m to meet the costs of delivery within the elements of Ongoing commitments an historical commitment which was not identified in Lambeth CSSB. £1.3m is met by the CSSB allocation and £0.5m from education functions – reminder is funded via general fund.

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement <u>All schools</u>	CSSB Allocation for 2024-25 £'000	Components for Maintained schools only not currently funded form CSSB	Allocation of Education Functions £,000	Cost met by LA General Fund (not including overheads for delivery) £'000
Statutory and regulatory duties	<ul style="list-style-type: none"> • Director of children’s services and personal staff for director (Schedule 2, paragraph 15a) • planning for the education service as a whole (Schedule 2, paragraph 15b) • authorisation and monitoring of expenditure not met from schools’ budget shares (Schedule 2, paragraph 15c) • formulation and review of local authority schools funding formula (Schedule 2, paragraph 15d) • 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 except duties specifically related to maintained schools (Schedule 2, paragraph 15e) • consultation costs relating to non-staffing issues (Schedule 2, paragraph 19) • plans involving collaboration with other local authority services or public or voluntary bodies (Schedule 2, paragraph 15f) • Standing Advisory Committees for Religious Education (SACREs) (Schedule 2, paragraph 17) • provision of information to or at the request of the Crown other than relating specifically to maintained schools (Schedule 2, paragraph 21) 	206.11	<ul style="list-style-type: none"> • 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) 	250	

Mainstream Schools Funding Formula 2024/25 – Section 3.1 De- delegation of additional schools’ improvement

Appendix 2

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement <u>All schools</u>	CSSB Allocation for 2024-25 £'000	Components for Maintained schools only not currently funded form CSSB	Allocation of Education Functions £,000	Cost met by LA General Fund (not including overheads for delivery) £'000
	<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 (Schedule 2, paragraph 22) 		<ul style="list-style-type: none"> 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) <u>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)</u> 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) 	35	250

Mainstream Schools Funding Formula 2024/25 – Section 3.1 De- delegation of additional schools’ improvement

Appendix 2

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement <u>All schools</u>	CSSB Allocation for 2024-25 £'000	Components for Maintained schools only not currently funded form CSSB	Allocation of Education Functions £,000	Cost met by LA General Fund (not including overheads for delivery) £'000
			<ul style="list-style-type: none"> functions under the Equality Act 2010 (Schedule 2, paragraph 72) establish and maintaining computer systems, including data storage (Schedule 2, paragraph 73) <u>appointment of governors and payment of governor expenses (Schedule 2, paragraph 74)</u> <u>budgeting and accounting functions relating to maintained schools (Schedule 2, paragraph 75)</u> <u>retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Schedule 2, paragraph 77)</u> 	192	100 70
Education welfare	<ul style="list-style-type: none"> <u>functions in relation to school attendance (Schedule 2, paragraph 16)</u> <u>responsibilities regarding restrictions on the employment of children (Schedule 2, paragraph 18)</u> functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Schedule 2, 20) 	264.05	<ul style="list-style-type: none"> inspection of attendance registers (Schedule 2, paragraph 80) 		
Asset management	<ul style="list-style-type: none"> management of the local authority’s capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Schedule 2, paragraph 14a) landlord responsibilities, including those in relation to land leased to academies for schools (Schedule 2, paragraph 14b) 		<ul style="list-style-type: none"> 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) 		2175

Mainstream Schools Funding Formula 2024/25 – Section 3.1 De- delegation of additional schools’ improvement

Appendix 2

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement <u>All schools</u>	CSSB Allocation for 2024-25 £'000	Components for Maintained schools only not currently funded form CSSB	Allocation of Education Functions £,000	Cost met by LA General Fund (not including overheads for delivery) £'000
			<ul style="list-style-type: none"> • 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 		
Other ongoing duties	<ul style="list-style-type: none"> • licences negotiated centrally by the Secretary of State for all publicly funded schools (Schedule 2, paragraph 8); this does not require schools forum approval • operation of the system of admissions and appeals (Schedule 2, paragraph 9) • fees or expenses payable in connection with the attendance of non-SEN pupils at schools not maintained by any local authority (Schedule 2, paragraph 10) • remission of boarding fees at maintained schools and academies (Schedule 2, paragraph 11) • Teachers Pay and Pension funding for centrally employed teachers 	894.89			

Mainstream Schools Funding Formula 2024/25 – Section 3.1 De- delegation of additional schools’ improvement

Appendix 2

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement <u>All schools</u>	CSSB Allocation for 2024-25 £'000	Components for Maintained schools only not currently funded form CSSB	Allocation of Education Functions £,000	Cost met by LA General Fund (not including overheads for delivery) £'000
	<ul style="list-style-type: none"> servicing of schools forums (Schedule 2, paragraph 12) back-pay for equal pay claims (Schedule 2, paragraph 13) 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 (Schedule 2, paragraph 23) 				
Historic commitments	<ul style="list-style-type: none"> capital expenditure funded from revenue (Schedule 2, paragraph 1) prudential borrowing costs (Schedule 2, paragraph 2(a)) termination of employment costs (Schedule 2, paragraph 2(b)) contribution to combined budgets (Schedule 2, paragraph 2(c)) special educational needs transport costs (Schedule 2, paragraph 2(d)) 	0			1,000
School improvement			<ul style="list-style-type: none"> expenditure related to core school improvement activities of local authorities with respect to maintained schools (Schedule 2, paragraph 53) 		
Central support services			<ul style="list-style-type: none"> 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) 		90

Mainstream Schools Funding Formula 2024/25 – Section 3.1 De- delegation of additional schools’ improvement

Appendix 2

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement <u>All schools</u>	CSSB Allocation for 2024-25 £'000	Components for Maintained schools only not currently funded form CSSB	Allocation of Education Functions £,000	Cost met by LA General Fund (not including overheads for delivery) £'000
			<ul style="list-style-type: none"> outdoor education centres (but not centres mainly for the provision of organised games, swimming, or athletics) (Schedule 2, paragraph 57) 		
Premature retirement and redundancy			<ul style="list-style-type: none"> dismissal or premature retirement when costs cannot be charged to maintained schools (Schedule 2, paragraph 79) 		100
Monitoring national curriculum assessment			<ul style="list-style-type: none"> monitoring of National Curriculum assessments (Schedule 2, paragraph 76) 		30
Total Funds allocated		£1,365		£477	£3,815

Appendix 3 – New De- delegation Response – Schools Consultation

22 responses submitted

MAINTAINED SCHOOLS ONLY Are you in agreement of De-Delegation for Schools Improvement following the cessation of Schools...



Agenda Item 8**Title:** Schools Block 2024/25**Date:** 14th December 2023**Report to:** Schools Forum**Report for:** Information X Decision X Consultation Action**Author:** Yoke Ying Kong – Finance Consultant**1 Purpose of this report**

- 1.1 This report sets out the financial position in the Schools Block for 2023/24 and explores the issues that Schools Forum will need to consider in the January meeting in making recommendations to Cabinet and Council about the mainstream funding formula for 2024/25.
- 1.2 It feeds back the outcome of the consultation on the mainstream funding formula for 2024/25 and the Schools Block Sub-Group's consideration of the consultation.

2 Background

- 2.1 In July 2023, the Department for Education set out key figures and operational guidance for the Schools Block National Funding Formula for 2024/25, to allow planning by Local Authorities, Schools and Schools Forum. This was reported at the 5th October 2023 Schools Forum meeting. However, since that meeting the DFE have announced that there was a significant error in the pupil data that was used to calculate the 2024/25 Schools Block NFF allocations. Therefore, the 2024/25 Schools Block NFF allocations were revised down.
- 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 19th January 2024, subject to political sign off.
- 2.3 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 Schools Block 2023/24

- 3.1 There has been no change to what was reported in the October 2023 Schools Forum for Schools Block 2023/24. The decisions for 2023/24 have been made about the mainstream funding formula, growth fund and the falling rolls fund. Schools Forum decided to suspend the falling rolls fund at the October 2021 meeting.

- 3.2 **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 8

Block	2022/23 b/f balances £'000	DSG Funding 2023/24 £'000	LA P8 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
Total Schools Block	(85)	(226,567)	226,567	(85)

4 Schools Block 2024/25

- 4.1 The DFE first published the 2024/25 NFF in July 2023. Following the discovery of a technical error made by officials during the initial calculations, an update was made to the schools NFF in October 2023. The technical error was due to incorrect processing of pupil numbers in the initial calculations. This error meant that the overall cost of the schools NFF was underestimated, and incorrect factor values were published in July. The October 2023 update contains the new, correct, factor values. No other changes have been made to the structure of the NFF, or the rules governing the local formulae, since July. The total amount of funding in the core schools' budget (which includes funding through the schools NFF, high needs NFF, and CSSB) will remain at £59.6 billion in 2024/25. The high needs NFF and CSSB are unaffected by this update.
- 4.2 Table 2 illustrates the revised 2024/25 NFF allocation for Lambeth Schools Block following the update.

Table 2 – Lambeth's Provisional NFF 2024/25 Schools Block Funding

Schools Block 2024-25 NFF	Provisional NFF 2024/25 schools block funding (excluding funding through the growth factor)	Provisional percentage change in 2024/25 over 2023/24 DSG baseline
July 2023 Provisional Schools NFF funding for 2024/25	£(237,287,368)	1.76%
October 2023 Provisional Schools NFF funding for 2024/25	£(236,571,996)	1.45%
Reduction in Provisional Schools NFF funding for 2024/25	£715,372	

- 4.3 Key changes to the schools NFF in 2024/25 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:
 - i. adding an amount representing what schools receive through the grant into their baselines.
 - ii. 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
 - iii. 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 we have added for the mainstream schools additional grant) by:
 - i. 1.4% 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.
 - ii. 1.4% to the minimum per pupil levels (MPPL)
 - iii. 0.5% to the funding floor
 - iv. 1.6% to the free school meals (FSM) factor value
 - v. 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
- 4.4 The estimated Lambeth Schools NFF funding for 2024/25 suggests a Schools Block DSG total of £235.396m applying October 2023 census. As the baseline incorporates the mainstream schools additional grant (MSAG) from 2023/24, the like-for-like comparison is a £2.203m increase from 2023/24. Table 3 sets out the differences from the 2023/24 position.

Table 3: Comparison between Schools Block components 2023/24 and 2024/25

Component	Final Schools Block composition 2023/24			Estimated 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	19,489.00	6,229.92	£121.415m	18,875.00	6,496.78	£122.627m	-614.00	266.86	£1.212m
Secondary NFF	11,816.00	8,467.48	£100.052m	12,134.00	8,845.92	£107.336m	318.00	378.44	£7.285m
Premises NFF			£4.127m			£5.433m			£1.306m
Primary and Secondary MSAG			£7.600m			£0.000m			-£7.600m
Total Schools Block NFF excluding Growth and Falling Pupil Roll			£233.193m			£235.396m			£2.203m

*PUF = Primary Unit of Funding

*SUF = Secondary Unit of Funding

4.5 Getting from a headline of an average increase per pupil of 1.9% in England to Lambeth's 1.45% per pupil change as outlined in Table 2 arises for two reasons. Firstly, the 1.45% 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. Whilst Lambeth is classified by the DFE as mirroring the NFF in 2024/25, Lambeth will continue to determine funding locally.

4.6 There will also be a separate pay grant for teachers' pay made to cover pay increases in 2023/24 and 2024/25. Further details on the TPAG can be found at [teachers' pay additional grant: 2023 to 2024](#).

5 Consideration of issues in determining the use of the Schools Block for 2024/25

5.1 The operational guidance for school revenue funding for 2024/25 sets out the requirements for considering the use of the Schools Block funding and the timetable for decision/making and reporting.

5.2 The steps Schools Forum will need to consider to reach final recommendations to make to Cabinet about the use of the Schools Block in 2024/25 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 Pupil Roll Fund?
- Are there any decisions that need to be submitted to the Secretary of State for ratification by the end of November 2022?

6 Transfers between blocks.

6.1 Although the schools block is ring-fenced in 2024/25, local authorities can transfer up to 0.5% of their Schools Block funding into another block, **with the approval of their Schools Forum**.

- 6.2 **Table 5** sets out the initial illustration of the funding formula for 2024/25 using October 2023 pupil numbers and schools' data characteristics from October 2022, 2024/25 NFF values, growth in Harris Clapham and 0.5% MFG (the maximum permitted). It suggests that there would be £1.86m remaining (£1.177m + £0.683m) on these assumptions.

Table 5: Comparison of Lambeth's draft mainstream funding formula 2024/25 to Estimated School Block DSG

Component	Indicative 2024/25 DSG (£'000)
Schools Block funding allocated to schools (excluding Minimum Funding Guarantee Funding)	225,996
0.5% Minimum Funding Guarantee Funding	7,540
Total commitments in Schools Block	233,536
Transfer 0.5% to High Needs Block	1,177
Allocate remainder to Falling Pupil Roll Fund	683
Estimated Schools Block allocation 2024/25	235,396

- 6.3 The options considered by the School Block subgroup for the use of this remainder (the precise amount of which will change as final October 2023 data is used and as final allocations are confirmed in December 2023) are as follows:

- i. **Seek Secretary of State's Approval to go beyond 0.5% for the level of the MFG.** The LA consulted the DFE about the possibility of this option and the response from the DFE is as follows:

From discussing this with policy team, the general view is we don't support anything outside of the set range of 0-0.5%. An LA can ask but where they want to set the range below, they need to be able to demonstrate that they have explored all other options and that it is simply unaffordable, we wouldn't consider on any other grounds. If an LA is in safety valve, then that team may take a different view as part of the wider strategy of recovery but generally it would be a no. If an LA wants to set it higher, again what other options have they explored and have these been presented as options to Schools Forum, what is their fallback position.

The Schools Block subgroup rejected this option. Confirmation by the DFE that this will not normally be approved confirms that the Schools Block subgroup was right to reject this option.

- ii. **Keep the 0.5% MFG but adjust the local funding formula values.** As this moves further away from the ultimate goal of reaching the NFF values, because those very values would have to change to achieve this, resulting in some schools getting further away from the NFF.

This option was also rejected by the Schools Block subgroup as this would defeat the purpose of mirroring the NFF in the first instance.

- iii. **Transfer the maximum 0.5% to the High Needs Block and keep any leftover in the Falling Pupil Roll Fund (Schools Block DSG).** On the figures in Table 5, that would suggest up to £1.177m is transferred to HNB and £0.683m is allocated to the Falling Pupil Roll Fund. **This is the only viable option available to Lambeth schools.**

6.4 In the context of high inflation, whilst mainstream schools will be keen for the first option, the matter needs to be considered on the basis that ultimately the decision to go with the first option rests with the Secretary of State. The DFE have previously said that it is highly unlikely it will be agreed.

6.5 Consequently, the option to transfer to the High Needs Block is the only viable option available to Lambeth schools.

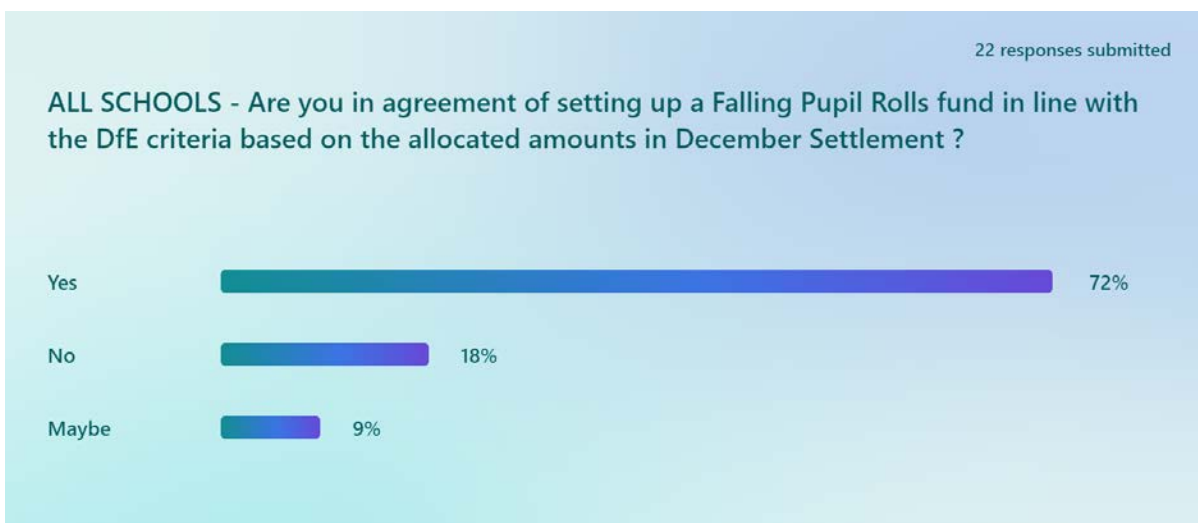
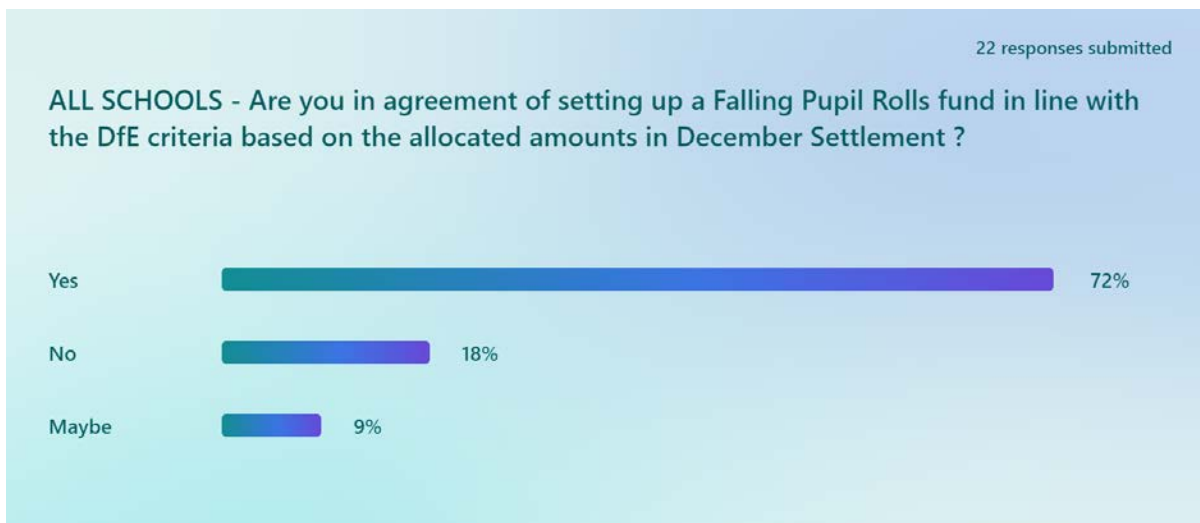
7 Schools Consultation

7.1 Following the Schools Block subgroup meeting, Lambeth consulted with all Lambeth's schools and academies of the proposals that went to the 5th October 2023 Schools Forum. Appendix B is a copy of the consultation and Appendix C is a copy of Lambeth's 2024-25 APT Modelling Illustrations that went out to all Lambeth schools and academies in November 2023.

8 Consultation Responses

8.1 Twenty-two schools responded to the 2024/25 Mainstream Schools Funding Formula Consultation.

8.1 The outcome of the three questions asked in relation to setting the 2024-25 Mainstream Schools Funding formula are as follows:



9 Next Steps

- 9.1 Once Schools forum approval for items of de-delegation in combination with school's block are agreed at December's Schools Forum, it will allow officers to construct final draft allocations of the schools' budgets, based on December 2023 DSG 2024-25 settlement, for approval at the January Schools Forum meeting. The final Authority Proforma Tool (of mainstream local formula allocations) will be despatched to the ESFA and will be used to seek formal political approval for school budgets in line with the formal Cabinet and Council in February 2023.

10 Recommendations

Schools Forum is asked to:

- a) Agree Lambeth's continued adoption of 2024/25 ACA adjusted National Funding formula values.**
- b) Agree to 0.5 % MFG be set for Schools funding formula.**
- c) Agree to transfer 0.5% from Schools Block to High Needs Block for 2024/25.**
- d) Agree for any remaining funding to be held in the Falling Pupil Roll Fund for agreement of distribution factors by the schools block sub group.**

Appendix A

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	£4,610.00	£4,610.00
Minimum Per Pupil Funding Levels - KS3	£5,503.00	£5,503.00	£5,771.00	£5,771.00
Minimum Per Pupil Funding Levels - KS4	£6,033.00	£6,033.00	£6,331.00	£6,331.00
Basic per pupil Funding				
Primary basic entitlement	£3,394.00	£4,035.19	£3,562.00	£4,226.88
KS3 basic entitlement	£4,785.00	£5,688.98	£5,022.00	£5,959.41
KS4 basic entitlement	£5,393.00	£6,411.85	£5,661.00	£6,717.68
Primary FSM	£480.00	£570.68	£490.00	£581.46
Secondary FSM	£480.00	£570.68	£490.00	£581.46
Additional Needs Funding				
Primary FSM6	£705.00	£838.19	£820.00	£973.06
Secondary FSM6	£1,030.00	£1,224.59	£1,200.00	£1,423.99
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	£445.00	£528.06
Primary IDACI C	£480.00	£570.68	£485.00	£575.53
Primary IDACI B	£510.00	£606.35	£515.00	£611.13
Primary IDACI A	£670.00	£796.58	£680.00	£806.93
Secondary IDACI F	£335.00	£398.29	£340.00	£403.46
Secondary IDACI E	£445.00	£529.07	£450.00	£534.00
Secondary IDACI D	£620.00	£737.13	£630.00	£747.60
Secondary IDACI C	£680.00	£808.47	£690.00	£818.80
Secondary IDACI B	£730.00	£867.91	£740.00	£878.13
Secondary IDACI A	£930.00	£1,105.70	£945.00	£1,121.39
Primary EAL3	£580.00	£689.57	£590.00	£700.13
Secondary EAL3	£1,565.00	£1,860.66	£1,585.00	£1,880.86
Primary LPA	£1,155.00	£1,373.20	£1,170.00	£1,388.39
Secondary LPA	£1,750.00	£2,080.61	£1,775.00	£2,106.32
Primary mobility	£945.00	£1,123.53	£960.00	£1,139.19
Secondary mobility	£1,360.00	£1,616.93	£1,380.00	£1,637.59
School Led Funding				
Primary lump sum	£128,000.00	£152,181.76	£134,400.00	£159,487.10
Secondary lump sum	£128,000.00	£152,181.76	£134,400.00	£159,487.10
Primary sparsity	£56,300.00	£66,936.20	£57,100.00	£67,758.29
Secondary sparsity	£81,900.00	£97,372.55	£83,000.00	£98,492.78
Middle-school sparsity	£81,900.00	£97,372.55	£83,000.00	£98,492.78
All-through sparsity	£81,900.00	£97,372.55	£83,000.00	£98,492.78
Split sites basic eligibility funding			£53,700.00	£63,723.64
Split sites distance funding			£26,900.00	£31,921.15
PFI (RPIX) %	11.20%	11.20%	10.40%	10.40%
MFG	0% - 5%		0% - 5%	

Mainstream Schools Funding Formula 2024/25

Lambeth Education Finance

20th November 2023



Lambeth

Purpose of this consultation

- It is a requirement that the local authority consult with all affected schools each year on the basis of the funding formula to be used, if changes are proposed.
- Lambeth Mainstream funding formula now mirrors the NFF and will continue to do so over the future years. **Key decisions are needed to be confirmed on the Schools block regarding:**
 - Confirmation to set MFG at maximum of 0.5%
 - Transfer of 0.5% from Schools Block to High Needs Block
 - Agreement to set up a Falling pupil roll fund in accordance with the criteria set out by the Dfe
 - Additional De-Delegation for Schools Improvement following the cessation of Schools Improvement Monitoring and Brokering Grant
- In addition, the LA is required to consult with Maintained schools on changes to the Scheme for Financing Schools, in line with ESFA requirements and LA current processes.
- *The outcomes from this consultation will be considered by the sub-group again before they make a recommendation to **Schools Forum at its meeting on 14th December 2023**, with final decisions taking place in January 2024.*

1.2 2024-25 Summary Funding

- The indicative Lambeth Schools NFF funding for 2024/25 using the most recent census data for 91% of schools and estimates for the remainder suggests a Schools Block DSG total of **£235m**
- As highlighted in previous years Lambeth stands to lose funding over future years in the NNF but will be continued to be protected by the Funding Floor (MFG) ,but will take many years of minimal funding increases to reach the point of purely being funded on NNF without Funding Floor (MFG) protections.

Comparison of Expected income year on year Schools block (note estimated pupil numbers)

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	19,489.00	6,229.92	£121.415m	18,875.00	6,496.78	£122.627m	-614.00	266.86	£1.212m
Secondary NFF	11,816.00	8,467.48	£100.052m	12,134.00	8,845.92	£107.336m	318.00	378.44	£7.285m
Premises NFF			£4.127m			£5.433m			£1.306m
Primary and Secondary MSAG			£7.600m			£0.000m			-£7.600m
Total Schools Block NFF excluding Growth and Falling Pupil Roll			£233.193m			£235.396m			£2.203m

*PUF = Primary Unit of Funding

*SUF = Secondary Unit of Funding

1.3 Proposals

The LA intends to continue to mirror the National Funding Formula values for 2024/25, with only PFI factors determined locally. The factors are pre-determined, the funding allocated to schools is determined by the level of the MFG of 0.5%, the amount held centrally for the Growth Fund and Falling pupil roll funds and any amount transferred to other Blocks of the DSG i.e High Needs block.

Schools Block

The Schools Block Sub-Group met on 16th November 2023 and reviewed the points for consideration regarding the schools funding formula. The two options for consultation on the schools block are:

- **Option 1 Set MFG at the maximum increase of 0.5%**, transfer the maximum of 0.5% to the High Needs Block and retain any remaining in the Falling pupil rolls fund
- **Option 2 Set MFG at the maximum increase of 0.5%** and retain any remaining in Falling Pupil roll fund with no transfer to the High Needs Block for 1 year.

De-Delegation of Schools monitoring and improvement

- **Set rate of £7.25 per pupil for 2024-25** to support 50% of loss of Schools Monitoring and Improvement Grant

Scheme for financing schools

- **Agree changes to scheme** in line with LA current practices and DfE requirements

1.4 Impact of proposals NNF

- Under both Options 1 and 2, schools are receiving the maximum 0.5% Minimum Funding Guarantee allowed withing the NFF guidelines. Demonstrated in Appendix 1
- Lambeth are now at the point that the key decision is where to allocate the reminder of the schools Block settlement outside of the core funding schools receive in the NNF which goes directly to schools. The only options for Lambeth now are:
 - I. Transfer 0.5% to the High Needs Block
 - II. Set aside funding in Growth or Falling Rolls Fund
- Points to note regarding the Schools Block funding and options regarding the full distribution of funding are:
- There could be a consideration made to Seek Secretary of State (SoS) approval via a disapplication request to increase the MFG above 0.5% , but in the likely hood of this being approved is very small. The main approvals from SoS for this request are when the LA can demonstrate that :
 - Normal MFG cause perverse results for falling or rising rolls
 - Over protection in prior years has occurred
 - Previous circumstances have changed i.e PFI
- Lambeth does not fall within any of the above criteria's so is not able to demonstrate and evidence where this would be appropriate to seek SOS approval. In addition this has been discounted in prior years due to the Schools forum Agreement to Use NNF rates and protect schools for future years in MFG baselines on DSG ongoing funding.

1.5 Considerations to NNF Proposals

- In terms of the distribution of funding to schools there is **NO CHANGE to the funding allocated to individual schools between the option 1 and 2.** Lambeth continue to mirror the NNF and the requirement is to work within the parameters set by the DfE of MFG being set between 0-0.5%
- Lambeth is now the 7th highest funded local authority per primary pupil in England and the 4th highest funded per secondary pupil. The National Funding Formula (NNF), is expected to have a redistributive effect, benefitting particularly schools in LAs with very small per pupil funding allocations.
- As Lambeth has now moved to the NNF values, by requesting increase in MFG it shows a that there is scope to redistribute funds within the Schools Block Nationally if we accept that the funding is fair for all, which is a risk to Lambeth settlement in future years.
- Lambeth has transitioned on to the National Funding formula values. The intention is to continue this ongoing strategy to ensure that less schools are supported by MFG and operate within the funding levels available.
- The current projections show that Lambeth now has 17 schools not requiring MFG adjustment and mirroring the NNF. This is an increase of 8 schools from 2023-24 which follows the schools Block agreed strategy in transitioning to NNF for schools to be sustainable when the Hard funding formula is implemented, and not having dramatic drops in funding levels.

2. PROPOSAL EXPLAINED – All schools

Transfer Funding to High Needs Block
Falling Pupil Roll Fund



Lambeth

2.1

Transferring Funding to the High Needs Block

The two options for Consideration:

- Option 1 transfer the maximum of 0.5% to the High Needs Block (what's left goes to Falling Pupil roll fund)
- Option 2 no transfer to the High Needs Block for 1 year. (what is remains in schools block is allocated to Falling Pupil Roll fund)
 - For 2023/24 it was agreed to transfer 0.36% to the high needs block to support the increases in EHCPs expected. Although there is currently an underspend position in the High Needs block there continues to be pressure projected for future years.
 - The July 2023 DfE schools funding announcement confirmed that the Lambeth High Needs DSG for 2024/25 will see an increase of 3% which is lower than the national average of 4%, with maximum being 5%. With ongoing inflationary pressures on schools and demand on High Needs Block there is a projected budget gap of £0.8m. The indicative DSG for 2024/25 is £67.3m, £1.6m more than the current 2023/24 HN DSG of £65.7m.
 - The current assumptions on the projections for future years is that the impact of new cases and inflationary pressure suggests the High Needs Block deficit will worsen in future years and it is prudent to ensure that there is stability within the volatile High needs Funding sector.
 - Lambeth have benefitted from stepped increases in the High needs block the past which has enabled inflationary uplifts, but as this is now reducing and there will inevitably be costs demands in the future based on increase in demand.

2.2

Considerations to transfer 0.5% to the High Needs Block

- Lambeth school's forum has approved up to 0.5% transfer in previous years and this continues to support the ability to increase top up rates and distribute funds to schools.
- Growing numbers and costs of EHCPs will either result in more funding going to mainstream schools (via high needs top-ups) or funding will shift from mainstream schools to specialist provision (as pupils are funded through the High Needs block).
- The LA still has some lag in assessments of EHCPs which can impact the future projections based on average cost and have a large impact on High Needs block.
- The LA has seen that many other LAs have experienced High Needs deficits and it is important to avoid reaching a point where the deficit is so large that it becomes irrecoverable.
- The current High Needs Place strategy to support expansions of Special schools and resources bases by allocation of £10m High Needs capital which the LA has received from DfE over the last 5 years. This will increase the costs on the High needs block in future years once all the places are filled particularly in ASD and SEMH.

2.3 Falling Pupil rolls fund

The two options for Consideration:

- Option 1 Fully transfer any remaining balance after transfer of 0.5% to high needs block to Falling Pupil rolls fund.
- Option 2 Do not transfer to the High needs block and fully transfer rest to a Falling Pupil rolls Fund
- For the first time in 2024 to 2025 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.
- For Lambeth it is likely that there will be MSOA that will trigger this element of funding within the final 24-25 settlement which should be set aside for management of these large movement in pupil number reductions. Lambeth will continue to have the discretion to operate a falling rolls fund but the key difference from previous allocations is that there is a criteria for the element of funding within the DSG settlement that can now be linked to MSOA data and schools areas, which provides amounts within the DSG. (allocations announced in December)
- The change in the guidance and funding allocation recognised that costs associated with school closures and amalgamations and down-sizing of schools will be absorbed by the schools' own budgets or may ultimately fall on, LA or ESFA.

2.4

Consideration to allow funding to be set aside Fallin Pupil Rolls Fund

- Lambeth has been working with schools on a place planning strategy which currently has made inroads to reducing PANs but is now moving into 2nd phase which may require amalgamation of schools in future which will have additional costs associated with delivery.
- Lambeth have significant surplus pupil places currently and this will continue to grow over the next decade, due to a declining birth date and demographic changes. These pressures, combined with falling real terms funding for schools, are placing a significant strain on Lambeth's schools
- The financial implications on revenue costs being met by the school may impact future amalgamations particularly with schools in deficit.
- Lambeth has ability now to set up a Fund for 2024-25 to allow scope to fund support for repurposing of school places. This falls in line with Lambeth's Place planning strategy and would also be prudent to allow for some support to enable smooth transition of change in future years.
- **Key to this is that any money that is allocated to the Falling Pupil rolls fund will only be distributed via a Sub group decisions on criteria's of how it is allocated – this group will be set up with schools from all sectors and consultation on this criteria.**
- **Some of the factors in the guidance but can also be adapted for local factors are :**

3. PROPOSAL EXPLAINED – Maintained Schools only

De – Delegation
Scheme for Financing Schools



Lambeth

3.1 De-delegation of additional schools' improvement services

- Up to 2016-17 local authorities received an Education Services Grant (ESG) to fund services such as school improvement, education welfare services, asset management and strategic planning. The ESG was an un-ringfenced revenue funding stream, allocated on a simple flat rate per pupil. It offered local authorities flexibilities and freedoms to offer education support services based on local need.
- In 17-18 there was a transitional year as it was announced that the ESG would be entirely withdrawn from Local Authorities in 18-19 which was a loss of £2.8m to Lambeth. In recognition of this gap the government announced the implementation of the Schools Monitoring and Improvement Grant which for Lambeth was approx. £0.3m per year.
- The ESG was entirely withdrawn from Local Authorities in 18-19. The £2.8m budget gap was picked up by Lambeth General Fund budgets to support education and learning with a contribution via Education Functions of £0.5m.

3.1 De-delegation of additional schools' improvement services cont.....

- In October 2021 the government additionally announced its final consultation on Reforming how local authorities' school improvement functions are funded. The key proposals to remove the Schools Monitoring and Brokering Grant by 2022-23.
- 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 of £0.3m. The LA have been covering the loss of this grant since 2022-23 by using available reserves which has now depleted.
- **Appendix 2** sets out the current split of funding for key parts of the Education services costs. Currently there is:
 - I. £1.3m from DSG Schools Central services Block
 - II. £0.5m contribution to schools
 - III. £3.8m from Councils General fund budget with forecasted pressure of £0.5m for 2023-24 which will increase to £0.65m in 2024-25
- The proposal for consideration is that Schools Forum de-delegate rate of £7.25 per pupil for 2024-25. that would equate to £150k , 50% of Grant loss to contribute centrally to support the budget pressure due to loss of Grants.
- Appendix 2 sets out the breakdown of costs to Education Services with separate funding streams.
- An additional question for comment from schools on wider De-delegation of Trade Union Facilities time is included for feedback from all heads for the school's forum to consider for 25-26

3.2 Scheme for Financing Schools

- 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.
- 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.
- [Appendix 3](#) - demonstrates the proposed changes to the current Lambeth scheme for financing schools.
- Schools are invited to agree changes and provide comments.

4. CONCLUSIONS AND RECOMMENDATIONS



Lambeth

3.1 Conclusions cont.....

Schools Block

- Lambeth has now transitioned to the National Funding formula values. The intention is to continue this ongoing strategy to ensure that less schools are supported by MFG and operate within the funding levels available.
- The outlook for future changes in the landscape of schools in Lambeth continues to be unstable based on projections of pupil numbers. There will be the need to support the sustainability of changing cohort and the strategy for place planning in future years. It would be prudent for forward planning to allow a contingency to support this Falling pupil rolls fund, with strict criteria of distribution agreed by Schools forum in line with regulations.
- Although the High Needs block is currently showing surplus position, it continues to see projected pressures in future years. It is prudent to have a Medium-Term strategy to support future costs increases which will not be funded in future years uplift of High Needs block.
- **In light of the above, Option 1 is most suitable to Lambeth's circumstances, and allows for future planning in and sustainability for pupil place planning strategy which will impact all schools.**



5. HOW TO RESPOND

How do you tell us your views?



Lambeth

4.1 Consultation Questions

All Schools

- Do you agree to proposal set MFG at 0.5%?
- Do you agree that the LA may transfer up to 0.5% of the Schools Block to the High Needs Block in 2024/25?
- Do you agree that any additional funding within the Schools Block should be set aside for Falling Pupil rolls fund following Dfe Criteria for distribution ?

Maintained schools only

- Do you Agree with de –delegation addition of £7.25 per pupil ?
- Do you Agree the current proposed changes to the Scheme of Financing schools in line with current DfE Requirements?

All Schools

- Do you have any comments and feedback regarding the current Trade Union Facilities time that schools are currently contributing of
- Do you have any other comments about the funding arrangements outlined in this paper?

4.2 How to Respond

A consultation response form is available on-line on link below

<https://forms.office.com/e/heN2hqWyNT>

[Please submit your responses by that form on-line by Sunday 24th November 23](#)

Email schoolsmonitoring@lambeth.gov.uk or djohnston-franklin@lambeth.gov.uk

LAMBETH's 2024-25 APT MODELLING ILLUSTRATIONS

URN	LAESTAB	School Name	NOR Total	NOR Primary	NOR Secondary	23-24 MFG Unit Value
Total			31,123	18,875	12,248	£502,026
100556	2082022	Ashmole Primary School	202.00	202.00	0.00	£5,827.96
100560	2082115	Clapham Manor Primary School	365.00	365.00	0.00	£5,843.68
100564	2082265	Granton Primary School	583.00	583.00	0.00	£5,865.86
100566	2082292	Heathbrook Primary School	379.00	379.00	0.00	£5,876.40
100567	2082295	Henry Cavendish Primary School	755.00	755.00	0.00	£5,642.71
100572	2082331	Jessop Primary School	286.00	286.00	0.00	£5,737.22
100574	2082359	Kingswood Primary School	446.00	446.00	0.00	£5,965.83
100576	2082371	Larkhall Primary Campus	283.00	283.00	0.00	£7,072.18
100577	2082459	Paxton Primary School	430.00	430.00	0.00	£5,576.55
100578	2082504	Richard Atkins Primary School	244.00	244.00	0.00	£6,097.04
100584	2082575	Sudbourne Primary School	279.00	279.00	0.00	£5,867.43
100585	2082578	Sunnyhill Primary School	369.00	369.00	0.00	£5,984.18
100586	2082591	Telferscot Primary School	377.00	377.00	0.00	£5,289.03
100588	2082617	Vauxhall Primary School	196.00	196.00	0.00	£6,252.75
100589	2082626	Walnut Tree Walk Primary School	336.00	336.00	0.00	£5,941.39
100591	2082664	Wyvil Primary School and Resource Bases for Speech, Language and Communication Needs, and Autism	434.00	434.00	0.00	£6,521.53
100593	2082783	Crown Lane Primary School	230.00	230.00	0.00	£6,022.65
100595	2082785	Fenstanton Primary School	269.00	269.00	0.00	£6,085.12
100597	2082794	Elm Wood School	372.00	372.00	0.00	£5,635.57
100598	2082808	Allen Edwards Primary School	349.00	349.00	0.00	£6,125.22
100601	2082836	Glenbrook Primary School	135.00	135.00	0.00	£6,385.18
100604	2082868	Herbert Morrison Primary School	196.00	196.00	0.00	£6,052.65
100608	2082895	Streatham Wells Primary School	205.00	205.00	0.00	£5,591.77
131247	2082897	Bonneville Primary School	332.00	332.00	0.00	£5,763.02
131340	2082898	Hill Mead Primary School	263.00	263.00	0.00	£6,322.62
131824	2082900	Hitherfield Primary School	575.00	575.00	0.00	£5,748.33
131874	2082901	Henry Fawcett Primary School	207.00	207.00	0.00	£6,148.05
100582	2082902	Stockwell Primary School	366.00	366.00	0.00	£5,960.99
133315	2082903	Kings Avenue School	138.00	138.00	0.00	£6,148.87
133584	2082905	Loughborough Primary School	249.00	249.00	0.00	£6,371.19
133662	2083000	Jubilee Primary School	320.00	320.00	0.00	£6,100.84
100609	2083307	Archbishop Sumner Church of England Primary School	295.00	295.00	0.00	£6,182.49
100610	2083324	Christ Church Primary SW9	169.00	169.00	0.00	£6,064.92
100612	2083375	Macaulay Church of England Primary School	162.00	162.00	0.00	£5,654.87
100613	2083403	St Andrew's Church of England Primary School	169.00	169.00	0.00	£6,034.08
100614	2083457	St John the Divine Church of England Primary School	115.00	115.00	0.00	£5,921.99
100615	2083466	St John's Angell Town Church of England Primary School	180.00	180.00	0.00	£6,146.51
100616	2083491	St Jude's Church of England Primary School	169.00	169.00	0.00	£5,478.08
100619	2083502	St Mark's Church of England Primary School	188.00	188.00	0.00	£6,236.13
100620	2083589	St Saviour's Church of England Primary School	181.00	181.00	0.00	£5,643.92
100621	2083596	St Stephen's Church of England Primary School	176.00	176.00	0.00	£6,247.78
100622	2083621	Holy Trinity Church of England Primary School	221.00	221.00	0.00	£6,079.56
100623	2083641	St Helen's Catholic Primary School	259.00	259.00	0.00	£6,093.09
134507	2083642	The Orchard School	209.00	209.00	0.00	£5,952.06
135614	2083643	Iqra Primary School	209.00	209.00	0.00	£6,803.65
100628	2085200	St Bernadette Catholic Junior School	140.00	140.00	0.00	£5,805.30
100629	2085201	St Anne's Catholic Primary School	216.00	216.00	0.00	£6,154.57
100631	2085203	St Bede's Catholic Infant School	72.00	72.00	0.00	£6,237.74
100632	2085204	St Andrew's Catholic Primary School	391.00	391.00	0.00	£5,516.81
100633	2085205	Immanuel and St Andrew Church of England Primary School	390.00	390.00	0.00	£5,465.67
100634	2085206	Reay Primary School	208.00	208.00	0.00	£5,941.29
100636	2085208	St Mary's Roman Catholic Primary School	294.00	294.00	0.00	£5,715.69
100602	2085209	Julian's School	926.00	926.00	0.00	£5,569.16
100624	2084223	The Norwood School	889.00	0.00	889.00	£8,421.23
100625	2084321	Lilian Baylis Technology School	609.00	0.00	609.00	£8,961.32
100627	2084509	Saint Gabriel's College	671.00	0.00	671.00	£8,767.53
100637	2085400	La Retraite Roman Catholic Girls' School	830.00	0.00	830.00	£8,280.94
100638	2085401	Bishop Thomas Grant Catholic Secondary School	914.00	0.00	914.00	£7,952.84
100642	2085405	London Nautical School	381.00	0.00	381.00	£8,604.22

Formula allocations using 2024-25 NFF values, October 2023 pupils and October 2022 pupil characteristics						
Basic Entitlement Total	AEN Total	School Factors - Lump Sum	School Factors - Split Sites	School Factors - Rates	School Factors - PFI	Total NFF values before MFG
£156,595,531	£51,742,608	£12,280,507	£675,811	£4,437,607	£264,390	£225,996,454
£853,830.35	£328,648.89	£159,487.10	£0.00	£32,000.00	£0.00	£1,373,966.34
£1,542,812.26	£559,368.55	£159,487.10	£0.00	£57,456.00	£0.00	£2,319,123.91
£2,464,272.73	£899,832.85	£159,487.10	£0.00	£70,756.00	£0.00	£3,594,348.68
£1,601,988.62	£616,249.89	£159,487.10	£0.00	£38,836.00	£0.00	£2,416,561.61
£3,191,296.59	£752,846.04	£159,487.10	£95,644.80	£64,372.00	£0.00	£4,263,646.53
£1,208,888.51	£356,560.64	£159,487.10	£0.00	£48,678.00	£0.00	£1,773,614.25
£1,885,189.77	£670,880.26	£159,487.10	£88,513.45	£42,560.00	£0.00	£2,846,630.59
£1,196,207.86	£636,399.35	£159,487.10	£0.00	£42,560.00	£0.00	£2,034,654.31
£1,817,559.65	£464,419.28	£159,487.10	£0.00	£70,224.00	£0.00	£2,511,690.03
£1,031,359.43	£476,626.39	£159,487.10	£0.00	£63,308.00	£0.00	£1,730,780.92
£1,179,300.33	£463,165.86	£159,487.10	£0.00	£40,432.00	£0.00	£1,842,385.29
£1,559,719.79	£619,564.63	£159,487.10	£0.00	£97,888.00	£0.00	£2,436,659.52
£1,593,534.85	£286,703.42	£159,487.10	£0.00	£38,038.00	£0.00	£2,077,763.38
£828,469.05	£404,458.35	£159,487.10	£0.00	£6,758.40	£0.00	£1,399,172.90
£1,420,232.65	£515,749.89	£159,487.10	£0.00	£32,000.00	£0.00	£2,127,469.64
£1,834,467.18	£911,016.33	£159,487.10	£85,057.48	£10,852.80	£0.00	£3,000,880.89
£972,183.07	£423,535.34	£159,487.10	£0.00	£89,908.00	£0.00	£1,645,113.51
£1,137,031.50	£486,154.29	£159,487.10	£0.00	£986,580.00	£0.00	£2,769,252.89
£1,572,400.44	£476,794.57	£159,487.10	£0.00	£53,732.00	£0.00	£2,262,414.12
£1,475,182.13	£684,746.30	£159,487.10	£0.00	£75,012.00	£0.00	£2,394,427.54
£570,629.19	£303,775.20	£159,487.10	£0.00	£55,860.00	£0.00	£1,089,751.50
£828,469.05	£307,361.37	£159,487.10	£0.00	£28,160.00	£0.00	£1,323,477.52
£866,510.99	£231,483.37	£159,487.10	£0.00	£28,416.00	£0.00	£1,285,897.47
£1,403,325.12	£468,798.99	£159,487.10	£0.00	£46,550.00	£0.00	£2,078,161.21
£1,111,670.20	£573,197.39	£159,487.10	£0.00	£54,796.00	£0.00	£1,899,150.69
£2,430,457.67	£657,086.11	£159,487.10	£0.00	£128,212.00	£0.00	£3,375,242.88
£874,964.76	£390,460.91	£159,487.10	£0.00	£40,964.00	£0.00	£1,465,876.77
£1,547,039.14	£617,578.17	£159,487.10	£0.00	£101,080.00	£0.00	£2,425,184.42
£583,309.84	£275,106.33	£159,487.10	£0.00	£48,678.00	£0.00	£1,066,581.27
£1,052,493.84	£548,078.73	£159,487.10	£0.00	£69,692.00	£0.00	£1,829,751.67
£1,352,602.53	£614,918.71	£159,487.10	£0.00	£92,036.00	£0.00	£2,219,044.34
£1,246,930.46	£489,107.97	£159,487.10	£85,523.28	£9,469.60	£0.00	£1,990,518.41
£714,343.21	£275,048.08	£159,487.10	£0.00	£7,501.20	£0.00	£1,156,379.59
£684,755.03	£195,131.33	£159,487.10	£0.00	£6,451.20	£0.00	£1,045,824.66
£714,343.21	£259,994.27	£159,487.10	£0.00	£5,171.20	£0.00	£1,138,995.79
£486,091.53	£185,726.81	£159,487.10	£0.00	£5,094.40	£0.00	£836,399.85
£760,838.92	£331,919.15	£159,487.10	£0.00	£22,450.40	£0.00	£1,274,695.58
£714,343.21	£162,025.61	£159,487.10	£0.00	£5,836.80	£0.00	£1,041,692.72
£794,653.99	£374,661.43	£159,487.10	£0.00	£5,222.40	£0.00	£1,334,024.92
£765,065.80	£240,114.58	£159,487.10	£0.00	£3,046.40	£0.00	£1,167,713.89
£743,931.39	£371,247.79	£159,487.10	£0.00	£4,019.20	£0.00	£1,278,685.48
£934,141.12	£398,210.59	£159,487.10	£0.00	£9,895.20	£0.00	£1,501,734.01
£1,094,762.67	£478,290.91	£159,487.10	£0.00	£4,736.00	£0.00	£1,737,276.69
£883,418.53	£334,256.15	£159,487.10	£0.00	£7,873.60	£0.00	£1,385,035.38
£883,418.53	£367,001.42	£159,487.10	£0.00	£5,273.60	£0.00	£1,415,180.65
£591,763.61	£232,409.89	£159,487.10	£0.00	£4,582.40	£0.00	£988,243.00
£913,006.71	£420,085.58	£159,487.10	£0.00	£11,597.60	£0.00	£1,504,176.99
£304,335.57	£128,004.64	£159,487.10	£0.00	£2,688.00	£0.00	£594,515.31
£1,652,711.21	£418,313.93	£159,487.10	£0.00	£12,448.80	£0.00	£2,242,961.04
£1,648,484.33	£353,427.50	£159,487.10	£0.00	£12,023.20	£0.00	£2,173,422.13
£879,191.64	£349,454.80	£159,487.10	£0.00	£5,683.20	£0.00	£1,393,816.75
£1,242,703.57	£390,029.02	£159,487.10	£0.00	£2,918.40	£0.00	£1,795,138.10
£3,914,093.57	£959,548.40	£159,487.10	£95,644.80	£6,758.40	£0.00	£5,135,532.27
£5,567,100.29	£1,329,048.38	£159,487.10	£0.00	£276,016.37	£0.00	£7,331,652.15
£3,815,814.41	£1,431,904.47	£15				

100590	2082657	Woodmansterne School	1,480.00	732.00	748.00	£6,761.65
146368	2082001	Van Gogh Primary	325.00	325.00	0.00	£6,316.82
137430	2082332	Oasis Academy Johanna	171.00	171.00	0.00	£6,043.86
144308	2082899	Rosendale Primary School	618.00	618.00	0.00	£5,389.32
145614	2083329	Christ Church, Streatham Church of England Primary School	189.00	189.00	0.00	£5,803.74
145615	2083493	St Leonard's Church of England Primary School	374.00	374.00	0.00	£5,523.52
145616	2083499	St Luke's Church of England Primary School	166.00	166.00	0.00	£6,100.39
137295	2085202	Corpus Christi Catholic Primary School	371.00	371.00	0.00	£5,573.68
139659	2084000	Oasis Academy South Bank	606.00	0.00	606.00	£8,918.94
140966	2084003	Trinity Academy	594.00	0.00	594.00	£9,012.21
142905	2084005	South Bank UTC	606.00	0.00	606.00	£9,007.93
147543	2084007	Harris Academy Clapham	890.75	0.00	890.75	£8,695.45
136450	2084322	Platanos College	821.00	0.00	821.00	£8,795.95
144309	2084731	The Elmgreen School	901.00	0.00	901.00	£8,432.69
134815	2086905	The Elms Academy	677.00	0.00	677.00	£8,575.66
135389	2086906	Ark Evelyn Grace Academy	449.00	0.00	449.00	£8,909.94
137954	2086907	City Heights E-ACT Academy	534.00	0.00	534.00	£8,987.42
137093	2085402	Dunraven School	1,547.00	420.00	1,127.00	£7,419.58

£7,778,438.81	£1,832,212.20	£159,487.10	£0.00	£303,240.00	£0.00	£10,073,378.11
£1,373,736.94	£613,950.13	£159,487.10	£95,644.80	£15,534.40	£0.00	£2,258,353.37
£722,796.98	£301,659.52	£159,487.10	£0.00	£4,454.40	£0.00	£1,188,398.00
£2,612,213.63	£597,166.53	£159,487.10	£0.00	£12,555.20	£0.00	£3,381,422.47
£798,880.87	£303,614.47	£159,487.10	£0.00	£4,992.00	£0.00	£1,266,974.45
£1,580,854.20	£420,934.16	£159,487.10	£0.00	£9,682.00	£0.00	£2,170,957.46
£701,662.56	£325,582.94	£159,487.10	£0.00	£2,560.00	£0.00	£1,189,292.60
£1,568,173.56	£424,300.34	£159,487.10	£66,059.09	£6,144.00	£0.00	£2,224,164.08
£3,793,386.53	£1,546,500.71	£159,487.10	£0.00	£29,260.00	£0.00	£5,528,634.35
£3,731,731.24	£1,442,310.18	£159,487.10	£0.00	£0.00	£0.00	£5,333,528.52
£3,793,386.53	£982,736.16	£159,487.10	£0.00	£29,260.00	£0.00	£4,964,869.80
£5,543,975.54	£2,009,716.74	£159,487.10	£0.00	£284,620.00	£0.00	£7,997,799.39
£5,158,827.54	£2,031,714.20	£159,487.10	£0.00	£53,200.00	£0.00	£7,403,228.84
£5,644,679.37	£1,518,707.97	£159,487.10	£0.00	£60,116.00	£0.00	£7,382,990.45
£4,252,901.63	£1,481,991.85	£159,487.10	£0.00	£55,328.00	£0.00	£5,949,708.59
£2,844,110.75	£1,179,779.58	£159,487.10	£0.00	£53,732.00	£0.00	£4,237,109.43
£3,373,408.57	£1,460,017.40	£159,487.10	£0.00	£62,244.00	£0.00	£5,055,157.07
£8,832,766.05	£1,988,744.08	£159,487.10	£63,723.64	£59,052.00	£0.00	£11,103,772.88

£446,625.45	£10,520,003.56
£0.00	£2,258,353.37
£14,210.33	£1,202,608.32
£137,870.84	£3,519,293.31
£0.00	£1,266,974.45
£74,336.15	£2,245,293.62
£0.00	£1,189,292.60
£19,642.79	£2,243,806.87
£92,015.44	£5,620,649.79
£205,975.92	£5,539,504.44
£709,976.69	£5,674,846.48
£230,504.42	£8,228,303.81
£67,038.26	£7,470,267.11
£472,458.61	£7,855,449.06
£99,855.06	£6,049,563.65
£0.00	£4,237,109.43
£0.00	£5,055,157.07
£650,243.86	£11,754,016.73

£446,625.45	£10,520,003.56
£0.00	£2,258,353.37
£14,210.33	£1,202,608.32
£137,870.84	£3,519,293.31
£0.00	£1,266,974.45
£74,336.15	£2,245,293.62
£0.00	£1,189,292.60
£19,642.79	£2,243,806.87
£92,015.44	£5,620,649.79
£205,975.92	£5,539,504.44
£709,976.69	£5,674,846.48
£230,504.42	£8,228,303.81
£67,038.26	£7,470,267.11
£472,458.61	£7,855,449.06
£99,855.06	£6,049,563.65
£0.00	£4,237,109.43
£0.00	£5,055,157.07
£650,243.86	£11,754,016.73

Agenda Item 9

Title:	Scheme for Financing Schools & Governance Changes
Date:	14th December 2023
Report to:	Schools Forum
Report for:	Information Decision <input checked="" type="checkbox"/> Consultation 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 Lambeth consulted with schools regarding the changes highlighted in Appendix 1 to ensure alignment with current processes and additionally ensure there is reference to LA guidance where appropriate. The following points highlight the proposed changes which are detailed in **Appendix 1**
- 2.2 As part of the schools block sub group, the feedback from the consultation was discussed. Of the 22 responses, 44% (**appendix 2**) of schools agreed with the changes, with the key points raised by schools regarding the change in Budget submission date to the 1st May rather than 1st June being a challenge to fit in with schools' finance committee meetings.
- 2.3 Although the LA recognise the difficulties in the timings for scheduled meetings, schools receive their budget allocations by the 28th February, which should allow time for the budget to be prepared and reviewed prior to the 1st May. It was recommended to change the wording to state the 1st Friday in May, to give slightly more scope.

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 Agree** changes Appendix 1 to Lambeth Scheme for financing schools.

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 Friday in 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 Friday in 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 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.	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 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.	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>4.9.8 The detailed arrangements applying to this scheme are set out in the School Financial Procedures Manual.</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><i>4.9.8 The detailed arrangements applying to this scheme are set out in the School Financial Procedures Manual and the Lambeth Deficit schools management policy.</i></p>	<p>Changed to reflect the current expectation of schools with large deficits in Lambeth. Lambeth Deficit schools management policy will be brought to schools forum in December -23</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

Appendix 2 – Scheme for financing schools – Schools Consultation

22 responses submitted

MAINTAINED SCHOOLS ONLY Do you agree with the proposed changes to the Scheme for financing schools as set out in Appendix3?

44%
Yes

33%
Maybe

22%
No