

Members of the Schools Forum are asked to attend a meeting to be held on

Tuesday 10th December 2019

18:00pm – 20.00pm

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**Hitherfield Primary School
Leigham Vale,
Streatham,
SW16 2JQ**

for the transaction of the business set out below.

Agenda

Time*	Item	
18.00	1. Welcome & Apologies	Verbal
	2. Membership, Register of Interests and Declaration of Interests	Verbal
	3. Minutes from the Schools Forum meeting held 13th November 2019 and matters arising	Paper
	4. Growth Fund	Paper
	5. Feedback about consultation on changes to funding formula	Paper
	6. High Needs Block – overspend and recovery plan (withdrawn)	Paper
	7. Any Other business (AOB)	
	8. Agree date of next meeting, location and likely agenda items: The next meeting will be on: Tuesday 14th January 2020 6-8pm Tuesday 24th March 2020 6-8pm CAJ kindly offered his school for the SF venue for the above date.	
	9. Education Functions Maintained Schools Only	Paper

Agenda Item 4**Title: Growth Funding 2019-20****Date: 10th December 2019****Report to: Schools Forum****Report for: Information Decision X Consultation Action****Author: Tim Gibson****1. Background**

- 1.1 Local Authorities in agreement with their Schools Forums are able to top-slice the Schools Block of the Dedicated Schools Grant (DSG) to form a Growth Fund, to support schools which are expanding to provide extra pupil places to meet basic need within the authority. The local authority is required to publish the criteria for which schools can become eligible for Growth funding and the methodology for allocating it. The DfE flow chart that sets out the funding streams for growing schools is set in appendix 1 to this paper.
- 1.2 The Growth Fund is typically used to fund new schools, schools taking one-off bulge classes or schools expanding their forms of entry (FE).
- 1.3 The Department of Education (DfE) has outlined the circumstances in which local authorities can vary pupil numbers used to set school's budgets and in most cases where schools are expanding, the pupil numbers will be increased on the Authority Performance Template (APT), which is the tool used to calculate the Lambeth primary and secondary schools' budgets. In these cases the school receives the pupil driven element of their funding as part of their budget share rather than from the growth fund.

2. Growth Fund Criteria

- 2.1 The current Lambeth criteria for growth is as follows:

With the agreement of the Schools Forum, Lambeth are permitted to retain DSG to form a schools' growth fund to support those schools that, with the prior agreement of the Authority, are permanently expanding and those schools experiencing significant in-year pupil roll increases. This specific schools' fund is known as the Schools Growth Fund.

Schools Growth Fund funding allocations:

The calculation method in allocating the Schools Growth Fund payment will be based on the following:

For schools taking one-off bulge classes, this is based on:

- Age Weighted Pupil Unit (AWPU) basic entitlement funding x the planned number of additional pupils to be admitted in the Autumn term x 7/12 months.

- This funding is equivalent to pro-rata financial-year (September to March) funding for the number of additional pupils expected to join the school in the autumn as a result of the temporary expansion within a particular year group.
- For one off bulge classes the funding will be profiled over the period for which they cover (usually September to March) and will be paid with the monthly payments to schools via cash summary but is not reflected in APT budgets.
- An additional fund is available to support the additional direct revenue costs associated with the expansion such as resourcing equipment for the classrooms.
(note that no bulge classes were added in 2019 and also none are expected to be required in 2020)

For schools that are permanently expanding:

- For permanently expanding schools the main allocation of funding will be via an adjustment of pupil numbers within the APT and the adjustments will be confirmed with schools in December for adjustments applied to the following financial year's budgets.
- An additional fund is available to support the additional direct revenue costs associated with the expansion such as resourcing equipment for the classrooms.

2.2 The full proposed criteria for the 2020/21 Growth Fund is attached at Appendix 2.

2.3 Although the calculations for determining the amount that will be put aside in the growth fund have been based on an amount of £20,000 per additional class, the criteria do not specifically mention that growing schools will receive a defined amount and thus the allocations have in the past been determined on a case by case basis with £20,000 being the maximum amount per additional class that the school can receive. It is proposed that the criteria be amended to reflect that a school will be allocated a fixed amount of £20,000 from the fund for each form of entry that is added (where a half or other proportion of an FE is added then the amount will be pro-rata). This will make it easier for the school to plan for the additional class room provision and also for officers to administer the allocation of the fund to schools. It is further proposed that this approach be taken in 2019/20 as well as in the criteria for 2020-21 onwards.

2.4 Note that the criteria specifically requires the agreement of the London Borough of Lambeth, Director of Education for any growth in order to qualify for Schools Growth Fund funding. There are some schools that determine their own admission requirements (e.g. academies) that could choose to expand without getting such approval, but in these circumstances would not receive growth funding.

2.5 The DfE has recently published updated growth and falling rolls fund guidance for 2020 to 2021 which can be found via the following link [guidance for growth and falling rolls funds](#) and is also attached at Appendix 3.

3. 2019/20 Growth Fund

3.1 In 2019/20 an amount of £680,000 was set aside in the Growth Fund, this was made up of allocations for set-up costs for new classes that are being added, funding for diseconomies of scale in schools that are not yet full and a contingency for possible additional growth in secondary.

- 3.2 As we now have the complete set of census information for October 2019 we are able to confirm the schools that have expanded as planned and will allocate the funding to them. Officers are also in discussion with Woodmansterne about possible diseconomies of scale funding in 2019/20. There are also some schools that are yet to receive funding for 2018/19 that are being investigated and where funding may still need to be paid across.
- 3.3 The allocations for the 5 schools that had planned to add additional classes in September 2019 are shown below. The amount of £20,000 is based on the proposed decision set out in para 2.3. An extract of the census information is also included to illustrate that the expansions have taken place as planned.

Expanding Schools 2019/20 academic year	Revised Estimate as at Oct	Reception Census Oct 2019	Yr 6 count Oct 2018	Yr 7 Census Oct 2019	Yr 11 count Oct 2018
Paxton Primary School 60 pupils 40,000	40,000	90	28		
Woodmansterne (5 FE in secondary; 1 fe in Primary)	120,000	120	90	147	0
St Leonard's Church of England Primary school 30 pupils 20,000	20,000	57	28		
Julian's Primary School 60 pupils 40,000	40,000	140	88		
Dunraven School 60 pupils 40,000	40,000	61	0		
	260,000				

- 3.4 Once all of the allocations from the 2019/20 fund have been made these will be reported to the Schools Forum.

4. Planned Growth Fund for 2020-21

- 4.1 For the schools who are permanently expanding they will have their pupil number increase as demonstrated in the table in para 4.2 below.
- 4.2 The table below sets out those schools that will be expanding next year and the amount that is proposed to be included in the Growth Fund for next year. There is no proposal to keep a contingency for unforeseen growth as has been the case in previous years. The amount proposed is based on £20k per additional class.

			Additional Classes in 2020/21	Pupils to be added into APT	Growth Fund required for 2020/21	Prim	Sec KS3	Sec KS4
Growth to be Funded in the APT (2020)								
Woodmansterne Primary School & Children's Centre	Yr 5		2	60	40,000	2		
Woodmansterne Primary School & Children's Centre	Yr 10 and yr 8	+3FE in yr 10; +2FE in yr 8	5	150	100,000		2	3
Paxton Primary School	Yr 5 and Yr 6	1 FE to 2 FE (yr6); 2FE to 3FE (yr5)	2	60	40,000	2		
St Leonard's Church of England Primary school	Yr 4		1	30	20,000	1		
Julian's Primary School	Yr 6	3 FE to 5 FE	2	60	40,000	2		
			12	360	240,000	7	2	3
Non-S6a free school Growth to be Funded in the APT (2020)								
Harris Clapham	Yr 7		6	195	0		6	
			6	195	0	0	6	0
Total			18	555	240,000	7	8	3

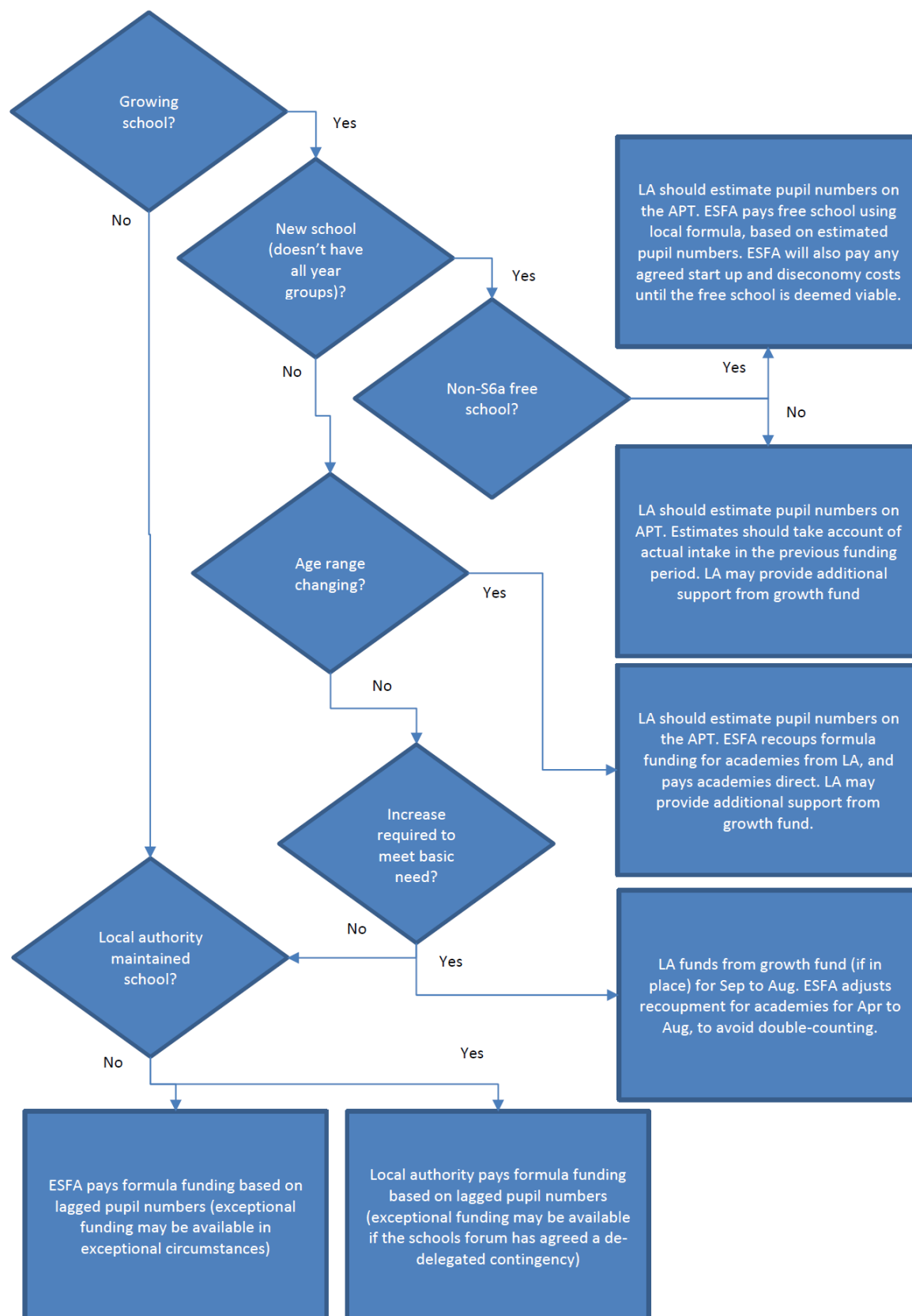
- 4.3 There are not expected to be any schools that will require diseconomies of scale funding for next year and thus no funding is proposed for this. It is recommended that the criteria for

diseconomies of scale funding be reviewed as and when any new basic need schools open that would require such funding.

5. Recommendations

- 5.1 The Schools Forum is requested to agree the Growth fund criteria for 20/21 as contained at Appendix 2.
- 5.2 The Schools Forum is requested to agree the allocation of £240k and for the Growth Fund for 2020/21.
- 5.3 The Schools Forum is asked to give further clarity to the Growth Fund criteria by agreeing that schools that are expanding for basic need will receive a fixed amount of £20,000 per additional class that is added. This is set out in para 2.3.

Annex 1 – Funding for growing schools



Lambeth Schools Growth Fund

Lambeth Schools Finance
E-mail: SchFinance@lambeth.gov.uk

Effective from 2020-21

This document outlines the purpose of the Dedicated Schools Grant (DSG) Schools Growth Fund and the basis in which it will be distributed to eligible schools by the Authority.

Under the Schools Finance (England) Regulations, local authorities, with the agreement of the Schools Forum, are permitted to retain DSG to form a Schools Growth Fund to support those schools that, with the prior agreement of the Authority, are permanently expanding and those schools experiencing significant in-year pupil roll increases.

Schools Growth Fund eligibility criteria:

In order to qualify for Schools Growth Fund funding, schools are required to formally request and obtain written approval to expand from the Director of Education prior to school expansion.

The Authority may make an allocation from the Schools Growth Fund in respect of expenditure for the education of the additional pupils, who have joined the school after beginning of the Autumn term during the financial year, where without this expenditure the education of these pupils would be seriously impaired and because of both the size and unexpectedness of the expenditure, it would be unreasonable to expect the governing body to meet these costs from the school's budget share.

Permanently expanding schools will qualify for Schools Growth Fund funding for each year of the expansion phase programme. For primary schools with will typically be 7 years and correspondingly may be 5 years for secondary schools.

Where schools are permanently expanding either by adding a form/s of entry or where a new school has opened and has not yet added all year groups, then the primary mechanism for the school to receive the additional funding that it requires to run the additional classes in the year of expansion will be by variation of the pupil numbers in the Authority Proforma Tool (APT).

Schools Growth Fund funding allocations:

The calculation method in allocating the Schools Growth Fund payment will be based on the following:

For schools taking one-off bulge classes

For schools taking one-off bulge classes, the funding allocation will be calculated as follows:

- Age Weighted Pupil Unit (AWPU) basic entitlement funding x the planned number of additional pupils to be admitted in the Autumn term x 7/12 months.
- This funding is equivalent to pro-rata financial-year (September to March) funding for the number of additional pupils expected to join the school in the autumn as a result of the temporary expansion within a particular year group.
- For one off bulge classes the funding will be profiled over the period for which they cover (usually September to March) and will be paid with the monthly payments to schools via the local authority cash summary.

- Schools will also be allocated £20,000 per bulge class to support the additional direct revenue costs associated with the expansion such as resourcing equipment for the classrooms. Where a half FE (or other proportion of an FE) is added then the amount will be pro-rata.

For schools that are permanently expanding:

- For permanently expanding schools the main allocation of funding will be via an adjustment of pupil numbers within the APT and the adjustments will be confirmed with schools in December for adjustments applied to the following financial year's budgets.
- Schools will also be allocated a fixed amount of £20,000 from the fund per additional class to support the additional direct revenue costs associated with the expansion such as resourcing equipment for the classrooms. Where a half FE (or other proportion of an FE) is added then the amount will be pro-rata. The funding will be allocated once the additional classes have been confirmed via the October census.

Agenda Item 5

Title: Schools Funding Formula Review

Date: 10 December 2019

Report to: Schools Forum

Report for: Information Decision Consultation x Action

Author: Tim Gibson

1 Background

- 1.1 At the schools forum in January it was agreed that Lambeth would review their funding formula and also give consideration to the effects of moving towards the NFF.
- 1.2 At their meeting in March, the Schools Forum agreed to set up a working group with the remit of considering various models of changes to the local formula and also to look at how implementing the NFF would affect Lambeth schools.
- 1.3 At the last two meeting the Forum agreed a set of proposals to amend the Lambeth formula and asked that officers consult with all primary and secondary schools on the proposals. This paper follows on from the paper and decisions that were taken at the previous Schools Forum and Working Group meetings.

2 Feedback from the Consultation

- 2.1 The consultation was sent out to the mailing list of all headteachers of primary and secondary schools both (academies and maintained) on the 22nd of November and responses were requested by the 2nd of December. The consultation was also shared with Chairmen of Governors. We have received only one response to the consultation (from Hitherfield). One other school has said that they intend to discuss the consultation at their governors meeting and will respond; any late responses will be tabled at the meeting. The consultation document is included as an appendix to this paper.
- 2.2 The response agreed with the questions asked but also made the point that “any extra funding should automatically go into address the imbalance between primary and secondary school funding ratios, so that this can move more inline with the national average”.
- 2.3 As far as we are aware the consultation went to all headteachers, however if you are aware of any headteachers that did not receive the consultation could they please contact the Schools Finance team so that we can update our mailing list.
- 2.4 It is likely that because the changes proposed have only a minor impact on next year’s funding allocations that schools have not prioritised taking the time to respond to the consultation.

3 Response from the DfE to the previous concerns raised about the baseline and the Funding methodology for Growth

- 3.1 A response has now been received to the letter that was sent the DfE on behalf of the Schools Forum, this is attached at Appendix 2.
- 3.2 As the response is largely as expected, it does not affect any previous decisions or recommendations that the Forum has taken.

4 Recommendations

- 4.1 The Schools Forum has already decided on recommendations regarding the proposed changes, nothing raised in the consultation or in the response from the DfE suggests that the Schools Forum should need to revise any of its previous decisions.

Appendices

- 1. Consultation Document
- 2. Response from the DfE



1. Home (<https://www.gov.uk/>)
2. Pre-16 schools funding: local authority guidance for 2020 to 2021
(<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021>)
1. Education & Skills
Funding Agency (<https://www.gov.uk/government/organisations/education-and-skills-funding-agency>)

Guidance

Growth and falling rolls fund guidance: 2020 to 2021

Updated 16 September 2019

Contents

1. Introduction
2. Section one: growth funding
3. Section 2: falling rolls funding



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This publication is available at <https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021/growth-and-falling-rolls-guidance-2020-to-2021>

1. Introduction

This document is split into two sections:

- section one: growth funding
- section two: falling rolls funding

In each section, the operational guidance around setting compliant growth and falling rolls funding criteria is outlined.

Each section then provides examples of a range of local authorities' clear and objective criteria for growth and falling rolls funding, set in the 2019 to 2020 financial year. This has been provided in order to support local authorities and their schools forums to set their own compliant criteria.

2. Section one: growth funding

2.1 Growth funding through the national funding formula (NFF)

Growth funding is allocated through the national funding formula (NFF) within each local authority's school block. Unlike the other factors in the NFF, a provisional growth allocation is not published. This is because growth funding is based on the latest pupil data, recorded in the October 2019 census, which is not yet available. Instead, each local authority's growth allocation is included in the dedicated schools grant (DSG) published in December. However, local authorities can use the growth funding calculator to input estimated pupil numbers in the October 2019 census and forecast growth funding in advance.

The methodology to calculate growth funding was introduced for the 2019 to 2020 financial year, and has remained the same for the 2020 to 2021 financial year. This means it will be based on the observed differences between the primary and secondary number on roll in each local authority between the October 2018 and October 2019 school censuses. Growth is measured at the middle layer super output area (MSOA) within each local authority – these are areas used by the Office for National Statistics

(<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography#output-area-oa>), based on population data, which allow us to capture growth in small geographical areas within local authorities. The growth allocation for each local authority will be £1,425 per new primary pupil and £2,130 per new secondary pupil, plus a lump sum of £67,000 for each brand new school. These values have increased in line with the other NFF core factors at 4% compared to last year.

Local authorities which received transitional protection to their 2019 to 2020 growth funding will be eligible for protection in 2020 to 2021. The maximum reduction in growth funding for these local authorities will be set at -0.5% of a local authority's total DSG schools block allocation in 2019 to 2020. The only difference to the growth funding methodology in 2020 to 2021 is the removal of the gains cap on growth funding allocations. This means local authorities will no longer see gains above 50% from the previous year scaled back.

The methodology is explained further in recent national funding formula policy documents (<https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>). The 'National funding formula for schools and high needs: 2019 to 2020' policy document includes an explanation of the methodology itself, and the 2020 to 2021 policy document includes an explanation of changes to the transitional protection on growth allocations for next year. A worked example of growth funding is illustrated in the 'Schools block national funding formula', Annex C (<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2020-to-2021>).

As growth funding is within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. However, the schools forum must be consulted on, and agree, the total size of the growth fund. In addition, they should be consulted before any expenditure from the growth fund, is incurred.

2.2 Operational guidance on growth funding

This information outlines operational guidance regarding local authorities' growth funds, also published in the schools operational guide: 2020 to 2021

(<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021>).

The growth fund can only be used to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the revenue cost of new schools

Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria. Where growth occurs in academies that are funded by Education and Schools Funding Agency (ESFA) on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in section 6A of the Education and Inspections Act 2006.

The growth fund must not be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
- general growth due to popularity; this is managed through lagged funding

The growth fund may not be the most appropriate source of funding for growing schools and we expect local authorities to use varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula. The following provides an example of the distinction of where we'd expect the growth fund to be used, and where we'd expect pupil numbers to be changed on the Authority Proforma Tool (APT):

Example 1: based on the pupil census data a local authority has projected that there will be a need for an extra 30 places in secondary provision in the next school year. They have approached a school which has agreed to increase provision from September 2020. This should be recorded on the APT in January 2020 and would be managed through a variation to pupil numbers

Example 2: based on previous years and anticipated growth the local authority has forecast a possible need for 100 new primary places. This has yet to be confirmed and as such the local authority has not yet agreed any additional placements but know that they will need to do so within the next year. This is an appropriate reason to hold money in the growth fund and to use as and when the basic need occurs

Local authorities will not need to submit a disapplication request for an increase to numbers where this is due to a change to the admission limit or a local reorganisation. Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

The schools forum must also be consulted on the total size of the growth fund from each phase, and should be consulted prior to any expenditure from the growth fund been incurred.

In 2020 to 2021, local authorities will continue to set criteria to determine how to allocate growth funding to schools in their local area.

2.3 Setting growth funding criteria

Local authorities' growth funding criteria should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis. This will be checked by ESFA for compliance with the 2018 (No. 2) Regulations (<http://www.legislation.gov.uk/uksi/2018/1185/contents/made>), to check that it provides a transparent and consistent basis for the allocation of funding, which may be different for each phase.

Compliant criteria would generally contain some of the features set out below:

- support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its pupil admission numbers (PAN), by a minimum number of pupils, in agreement with the authority
- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

The local authority growth criteria need to be discussed and approved by schools forum. The criteria will need to be set out on the APT, alongside the local schools funding formula.

Methodologies for distributing growth funding could include:

- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class or the estimated start-up costs)
- a per-pupil rate (usually based on age weighted pupil unit (AWPU), and reflecting the proportion of the year which is not funded within the school's budget share)
- a per-pupil rate, with a maximum ceiling

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

ESFA will not make growth fund recoupment adjustments for diseconomy of scale, or start-up funding; local authorities should not enter these on the recoupment tab of the APT. This funding will continue to be met from the local authority's growth fund.

Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

Local authorities should report any unspent growth funding remaining at the year end to the schools forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

2.4 Examples of compliant criteria for growth allocations

Some examples of local authorities' compliant criteria are shown below.

Example 1

The purpose of the growth fund is to support:

- basic need expansions (permanent and bulge) approved by the local authority as these are not captured in the October census until the following year; additional classes must be part of the growth plan agreed and co-ordinated by the admissions and schools investment team
- additional classes needed to meet the infant class size regulation

These will be funded from the centrally retained growth fund.

Where a school increases its PAN in agreement with the admissions and schools investment team, funding will be provided based on AWPU multiplied by the number of additional places until these are reflected in the school funding formula; funding will be adjusted to reflect the proportion of the year which is not funded within the school's budget share.

Growth funding will be allocated as follows:

- (primary AWPU or KS3) \times 30 to each school, adjusted to reflect the proportion of the year which is not funded within the school's budget share until the school receives funding through their funding formula
- for example, new classes opening at any point in September will be funded at $30 \times \text{AWPU} \times 7/12$, and one opening at any point in January will be funded at $\text{AWPU} \times 30 \times 3/12$
- where primary schools have expanded from 1.5 to 2 full time equivalent in September, funding will be calculated on primary AWPU $\times 15 \times 7/12$
- academies, as these operate on a different funding cycle, would be funded from the month of opening to the following August but the additional payment relating to the April to August period is adjusted against the DfE recoupment amount so that the call on the growth fund is the same as funding maintained schools

In exceptional cases, additional funding may be provided towards start-up costs outside of the agreed growth fund formula.

Any underspend on growth funding may be carried forward to the following funding period, and any overspent growth funding will form part of the overall DSG surplus or deficit balance.

Example 2

Growth fund allocations will be made for approved bulge classes in the first year, or for agreed

expansion classes as the expansion moves up the school.

The amount of funding will be paid at 90% of AWPU for the year group, for a minimum of 26 pupils up to a maximum of 28 pupils multiplied by 7/12 pro-rata for the period from September to the following March; thereafter the class will be funded annually through the usual schools funding mechanism.

If the bulge class is in an academy, then an additional period from April through to August may be funded in the appropriate funding year, with the cost being met through a reduction in recoupment deducted by ESFA from the local authority in the same funding year.

The growth fund will only be utilised for primary schools with local authority approved or planned year-on-year expansions, and not for growth resulting from popularity.

The growth fund will be applied equally to academies and free schools where growth is not already addressed by amended pupil number projections.

Example 3

The following criteria apply unless the school (maintained school, free school, or academy) is funded via the APT through estimated pupil numbers:

- funding will be available to those schools that take on additional classes on a planned basis to meet the identified basic need for additional places for pupils in Kingston schools; that is, places commissioned by the Director of Children's Services
- initial year's pupil funding: the pupil numbers used to calculate the basic sum are those of the autumn census prior to the start of the financial year. The calculation used to calculate is $AWPU \times 30$ (estimated class size)
- where a school takes on an additional class in the autumn term during a financial year, and the numbers are not included in the previous year's census, they will be eligible to receive additional funding equivalent to 7/12 of the basic sum for the estimated numbers of pupils in the growth class. Due to academies' financial year starting in September, they will be funded based on a full year and 5/12 entered into the recoupment tab of the APT
- eligible schools will receive growth fund as a lump sum in September
- protection funding for subsequent years: the intention is that no school should be financially disadvantaged from agreeing to host additional classes to help meet a need for places in the local community. In some cases, demand may not quite reach the level initially reflected in applications and consequently some of the additional places may be vacant. As the affected cohort passes through the school it is unlikely there will be a significant variation in the number on roll. It is therefore appropriate to provide some financial protection should the number of surplus places be significant. The funding will be paid where the total number on roll in any affected year group falls below 95% of the agreed admissions numbers. Funding equivalent to 1/30 of the cost of a teacher, based on Main Scale 6 plus on-costs, will be allocated for each surplus place in the year group below 95% of the agreed admission number.
- this funding is paid in September as a lump sum payment
- new and growing schools: new schools are funded via estimated pupil numbers through the APT

- in exceptional circumstances, where a school needs to admit a pupil into a key stage 1 class for a reason other than as an 'excepted pupil' under the school admissions code, additional funding will be made available, if necessary, to enable the school to take relevant measures to comply with the infant class size regulations. The maximum allocation will be equivalent to the cost of an additional teacher (based on Main Scale 6 plus on-costs) for a period of three academic years
- pupils above published admission numbers: if a school or academy agrees to take one or more additional pupils at key stage 1 which would take them above their published admission numbers for the relevant year group, additional funding will be provided on the following basis:
 - the number of eligible pupils to be funded is those pupils over the published admission numbers who remain in the school at the end of each half term
 - funding will be paid in respect of each eligible pupil based upon 1/6 of the AWPU amount for the relevant financial year
 - funding will be paid each half term in arrears
 - funding will be limited to the time period prior to the additional pupil or pupils attracting funding through the usual funding formula allocations, for a maximum of ten half terms

Example 4

Permanent expansions

When a school admits an additional form of entry as part of a permanent expansion planned by the local authority, it will be eligible for support from the growth fund.

First year funding guarantee

Each new form of entry will receive a first year funding guarantee; a minimum of $7/12 \times 25 \times$ average pupil-led funding rate for the school. That is, for a minimum of 25 places for seven months (September to March).

If more than 25 pupils appear on the following October census for reception or year 7, additional average pupil-led funding will be allocated.

There will be no claw-back if less than 25 pupils appear.

Second and subsequent entry years of expansion

Ordinarily, the first year funding guarantee will apply in the second and subsequent years to each new form entry until the fully expanded PAN has been reached.

Where more than one form of entry has been implemented, and more than 30 additional pupils appear on the following October census, the first year funding guarantee will apply for the first form of entry up to 30, then for any subsequent forms up to the number on roll (NOR).

Temporary (bulge class) expansions

When a school admits an additional form of entry as a temporary expansion (bulge class) planned

by the local authority, it will be eligible for support from the growth fund.

First year funding guarantee

Each new bulge class will receive a first year funding guarantee; a minimum of $7/12 \times 25 \times$ average pupil-led funding rate for the school; that is, for a minimum of 25 places for seven months (September to March).

Where more than one bulge class has been implemented for the same year group in an academic year, and more than 30 additional pupils appear on the following October census, the first year funding guarantee will apply for the first bulge class up to 30, then for any subsequent classes up to the NOR.

If more than 25 pupils appear on the following October census for reception or year 7, additional average pupil-led funding will be allocated. There will be no claw-back if less than 25 pupils appear.

Years after admission: minimum class size guarantee

The local authority will give a minimum class size guarantee of AWPU funding for 25 pupils per bulge class until the final year the bulge class is in the school unless the numbers in the bulge class fall to zero, when the class size guarantee will cease.

In the final year the class size protection will be reduced to $5/12$ of AWPU to reflect that the bulge class matures after five months.

Final year protection

The final year of a bulge class gives protection to the school. When a bulge class matures, the seven months (September to March) funding generated by the bulge class pupils is retained by the school to assist with the contraction in resources.

Resources

An additional amount will be paid for each new full time equivalent pupil towards the cost of additional resources when the first year funding guarantee is applicable.

All schools and academies within our growth fund are eligible for funding under the above criteria.

Example 5

Growth fund approved by schools forum 12 December 2018. This includes the basic budget which was increased by to accommodate 2017 to 2018 overspend carried forward into 2018 to 2019.

Summary of method for allocating funding

Methodology 1: where a specific additional class is agreed

$7/12$ of teacher value.

Methodology 2: where 1/2 class of 15 pupils commissioned

In year 1 we will pay the cost of 0.5 or 1.0 FTE teacher for 7/12 at standard rate, prorate from September to March.

In year 2 we assess the actual pupils on roll, if there is a justification for an additional class, we will fund the difference between actual roll in that year group and whole numbers of 30 at per pupil rate. For example, if extra class has 16 pupils, we will top up 14 pupils at the per pupil rate, and we continue this method until the bulge works its way through the infant phase. Funding will not continue into the junior phase.

Methodology 3: we will consider contributing additional funds for furniture and equipment where a new class is established. Normally at a rate per class of 30. This is not paid where pupil number variation has been applied.

Methodology 4: where permanent pupil growth is more than a single class, and a pupil number variation is not applied to the funding formula, in-year pupil growth funding will be the expected growth in pupils multiplied by the full AWPU factor multiplied by 7/12 for September intake. This sum is also expected to pay any class set-up costs.

Methodology 5: a tailored approach specific to the needs of the school; for example, a school facing growth across a number of year groups arising from housing developments, and the approaches above would not be appropriate.

Qualification for funding through the scheme

Additional funding will be made available to schools and academies in circumstances where:

- the council carries out a formal consultation and approves to increase the capacity of a school
- a school or academy carries out a formal consultation at either the request of the council or supported by the council
- the council requests a school or academy to increase their PAN to meet localised demand
- a school or academy admits a significant increase in pupils to meet demand from new housing developments at the request of the council

3. Section 2: falling rolls funding

3.1 Operational guidance on falling rolls funding

This information outlines operational guidance regarding local authorities' falling rolls funds, also published in the schools operational guide: 2020 to 2021.

Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

The schools forum should agree both the value of the fund and the criteria for allocation, and the local authority should consult schools forum before expenditure is incurred. As with the growth fund, the falling rolls fund is within the NFF schools block.

3.2 Setting falling rolls funding criteria

Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

Local authorities, working closely with other responsible bodies, will want to manage the local school estate efficiently and reduce or find alternative uses for high levels of spare capacity, in order to avoid detriment to the educational offer or financial position of schools in the area. Falling rolls funding should only be used to support schools where the places are forecast to be needed over the short-medium term.

Methodologies for distributing funding could include:

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

Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget.

3.3 Examples of compliant criteria for falling rolls funding

Some examples of local authorities' compliant criteria are shown below.

Example 1

Identification of schools with falling rolls:

- the school must have been judged good or outstanding at their last Ofsted inspection
- the total NOR has dropped by at least 5% between last October census and the previous year's October census
- capacity of school is a minimum of 15% of published admission number (PAN)
- local planning data shows the places will be required within the next 3 - 5 years

Where a school meets all the above criteria, funding will be provided using the following calculation:

- the NOR as at last October census will be deducted from the NOR of the previous October's census. The result will be multiplied by the current base rate, appropriate to phase, pro rata April - August (5 months)

Example 2

Schools and academies must have a good or outstanding Ofsted rating to be eligible for this funding. Additional funding is allocated based on a proportion of the basic entitlement for vacant places below 85% of the PAN for the normal year of entry (YR or Y7) and also for the next year group after entry (Y1 and Y8). Funding is available for a maximum of 3 years after which a school's PAN may be adjusted or other action taken.

Example 3

The falling rolls fund is based on the following criteria:

- access to the fund is only available to schools judged good or outstanding at their last Ofsted inspection
- local pupil place planning projections show a requirement for at least 80% of the total admission number for reception in primary and infant schools, Y3 in junior schools and Y7 in secondary schools within 2 years of the support being applied
- the school or academy's admission number is set at the PAN established for the relevant academic year
- any school increasing their PAN will only be provided support from the falling rolls fund against their relevant PAN
- however, should a school reduce their PAN, funding will be allocated against the lower PAN
- falling rolls funding will apply only in areas where housing developments have been granted full planning consent with the cumulative developments exceeding 500 homes planned for release within a 5-year period

Funding would be allocated to those schools deemed eligible on the following basis:

- schools will be funded for school places equivalent to the difference between the number on roll in the October census and 80% of the admission number for the relevant year of entry. Each place will be valued at the basic per pupil entitlement relevant to the year groups set out in the criteria
- identified year groups will be funded for a maximum of 2 years. Falling rolls funding allocated to the year group will not increase if the population of the year group decreases following the relevant October census period but the Council will reduce funding to the relevant level should pupil numbers increase in the October census of the 2nd year of funding

Example 4

To qualify, the eligible criteria would be as follows:

- support for schools judged as good or outstanding at their last Ofsted inspection (mandatory)
- surplus capacity exceeds 15% of the total PAN for the school
- local authority planning data shows a requirement for at least 15% of the total surplus places within the next year

Schools must meet all the criteria above, then funding would be provided based on the AWPU rate per vacant place required, up to a maximum of the number of further places vacant from the prior year's census.

Example 5

Schools that meet the following criteria will receive support from the falling rolls fund:

- good or outstanding
- numbers on roll are less than 80% of total planned admission number (PAN)
- numbers on roll are more than 5% lower in the October 2018 census than the October 2017 census
- school is in a planning area where the vacant places are required

These criteria have been set to ensure that funding supports good and outstanding schools with falling rolls in planning areas where places are needed and the local authority cannot support reductions in PAN and does not support schools that have vacant places as they have increased their PAN for reasons other than addressing basic need.

Schools will receive protection for the fall in numbers above the 5% threshold. This will be paid at the current AWPU rate. For example, a school that experienced a drop of 6.5% will receive AWPU for 1.5% of its previous intake.

Lambeth Council

Consultation on Proposed Changes to the Lambeth Funding Formula

Please send responses to Lambeth Schools Finance Team at XDLESchFinance@lambeth.gov.uk

The consultation will end on the **2nd of December 2019**

The Lambeth Schools Forum set up a working group to look at the areas where the Lambeth formula differs from the National Funding Formula (NFF) for schools and to consider whether there are any areas of the formula that it wishes to change in advance of the possible introduction of a “hard” NFF in the future.

The Draft Terms of Reference that were adopted by the working group were:

- To provide an overview of the existing Lambeth Funding Formula and the NFF
- To review the Lambeth Funding Formula and to compare where it differs from the NFF
- to report back to the Schools Forum with recommendations about any changes that could be made to the Lambeth Formula in advance of the introduction of the Hard NFF
- To look at the impact that any changes would have on individual schools
- To identify and narrow down the range of options and to recommend alternatives to be modelled for consideration.

The working group has met a number of times and has considered a number of possible areas in which the Lambeth Formula could be amended, it has made proposals back to the Schools Forum and the Schools Forum now wishes to get feedback from all the schools in Lambeth that would be affected by any such changes before making final recommendations to the Council to amend the formula.

This includes all primary, secondary, infant, junior and all-through schools in Lambeth whether part of an academy trust or maintained by the LA.

The areas covered are:

1. The use of deprivation factors in the formula;
2. Moving the factors towards the NFF rates – English as an Additional Language (EAL), Low Prior Attainment Levels (LPA) and the proportion of the formula that is allocated to deprivation and basic entitlement / Age Weighted Pupil Unit (AWPU);
3. The Minimum Funding Guarantee;
4. Mobility Funding

The working group also considered the lump-sum element in the formula and is recommending that this remains unchanged, thus this is not being consulted on.

1. Socio-economic deprivation – Factors used in the Lambeth Formula

- 1.1 The current Lambeth formula uses the Free School Meals Ever 6 measure (FSM6), the NFF uses a variety of measures including Free School Meals (FSM), and the Income Deprivation Affecting Children Index (IDACI).
- 1.2 The FSM6 measure includes any child that has been entitled to a free school meal on any of the previous 18 censuses (i.e. each of the censuses in the past 6 years).
- 1.3 The FSM measure counts any child that is entitled to a free school meal on census day.
- 1.4 Area-level deprivation data: Income Deprivation Affecting Children Index (IDACI)

The IDACI element of the deprivation factor is based on the IDACI dataset, which is published by the Ministry for Housing, Communities and Local Government. IDACI is a relative measure of socio-economic deprivation: an IDACI 'score' is calculated for a lower super output area (LSOA, an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing socio-economic deprivation.

- 1.5 The Department for Education (DfE) applies a 'banding' methodology to enable the IDACI data to be used for school funding purposes. IDACI scores are grouped into seven bands, with each band representing an increase in the expected level of deprivation. The DfE matches IDACI data to pupils' home postcode data recorded in the school census in order to find the IDACI score relevant to each pupil in a school. The amount of IDACI funding received by a school depends on the IDACI score of each pupil.
- 1.6 The DfE matches the IDACI data to pupil data from the October school census, on the basis of the LSOA of each pupil's home address. The NFF IDACI bands (also to be used by LAs that choose to allocate funding through the IDACI factor in their local formula) are set out in Figure 1.

Figure 1: NFF IDACI bands – using pupil-level data from the October 2017 school census

IDACI score	Band	% pupils in the band nationally
Between 0.5 and 1	A	3%
Between 0.4 and 0.5	B	8%
Between 0.35 and 0.4	C	7%
Between 0.3 and 0.35	D	8%
Between 0.25 and 0.3	E	9%
Between 0.2 and 0.25	F	10%
Less than 0.2	G	55%

- 1.7 In the DfE's original proposals on the introduction of the NFF they proposed that pupil-level and area-level deprivation data both play a significant role in the formula. Pupil-level deprivation data has been shown to predict children's later attainment more strongly, so this has a higher weighting in the NFF (at 5.4% of the national schools block budget compared to 3.9% for area-level data). This balance means that the focus is on the most disadvantaged pupils, targeting funding to those pupils who have been eligible for free school meals in the last 6 years, with additional support if they face the double disadvantage of living in a deprived area. The DfE proposals suggest that the use of area-level data gives a broader measure of deprivation, targeting additional funding to pupils who might not be eligible for free school meals, but whose families are still struggling to get by. In essence therefore it is recognised that each of the datasets that can be used to allocate deprivation funding have their own limitations but using a range of measures allows for a fairer allocation than by using just one measure.
- 1.8 The proposal is thus to amend the Lambeth Formula to use all of the Deprivation measures rather than just the FSM6 measure.

Question 1: Do you agree with the proposal to use all of the deprivation measures available, i.e. Free School Meals (FSM), The Free School Meals Ever 6 Measure (FSM6) and the six IDACI bands in the Lambeth Formula?

2. Moving towards the NFF rates

2.1 The Working Group and the Schools Forum have looked at various models which move the current Lambeth towards the NFF in varying degrees. The NFF differs from the local formula in the following respects:

- The NFF allocates a higher percentage to deprivation than the current Lambeth formula;
- The NFF has a lower primary : secondary ratio than the current Lambeth formula;
- The Low Prior Attainment (LPA) proportion for primary is significantly higher in the NFF than in the local formula whereas the LPA proportion for secondary is marginally lower in the NFF than it is in the local formula;
- The English as an Additional Language (EAL) proportion in the NFF is lower in the NFF for both primary and secondary than in the local formula, although more so for secondary than for primary (circa 11% lower for primary and 29% lower for secondary).

Thus clearly any move towards the NFF could have the effect of some schools receiving less funding and some schools receiving more funding, in particular unless primary and secondary schools are treated separately when modelling any movement towards the NFF, then any such changes have the potential to move funding away from secondary schools in favour of primary schools. The minimum funding guarantee protects schools from this happening however and also this can be mitigated where there is additional funding in the formula. The schools forum's recommendation regarding this is that in principle it supports moving towards the NFF rates but only to the extent that additional funding is available so that secondary schools do not see a reduction in funding as a result and also that no schools are unduly de-stabilised as a result. In particular it was noted that there are already some schools that could also be vulnerable as a result of falling pupil numbers and the group did not want to create any additional instability.

The Minimum Funding Guarantee (MFG) that is discussed further in para 3 provides a level of protection to schools. Under current proposals this means that no school will gain less than 0.5% of funding next year (provided that is affordable once final funding allocations have been received). The net effect of these changes which have been modelled using the most up to date and likely Schools Block funding increases for next year are shown in figure 2 below.

- 2.2 Note that due to the fairly modest increase that is expected in schools' funding next year, the changes to the mandatory requirement to set a MFG of greater than +0.5% and due to the increasing number of secondary school places that require funding, the changes that are being consulted on in this paper will not have a great deal of relevance for 2019/20. The principles agreed will however impact on the allocations in future years and will give a steer on the approach that Lambeth intends to take on amending the local formula over time to more closely resemble the DfE's National Funding Formula.
- 2.3 The DfE have introduced a mobility factor into the NFF from 2020/21, previously local authorities were funded based on the amounts that they had allocated to mobility previously. Data was also supplied to LA's that allowed them to use mobility in their local formulae (as was the case in Lambeth). The DfE have introduced a new way of calculating mobility into the NFF and the data that will be supplied going forward will be the same data that has been used in the NFF.
- 2.4 The extract from the NFF document on mobility is at Appendix 1 to this paper. (Note that the rates quoted in the extract will be subject to the area cost adjustment)
- 2.5 The working group and Schools Forum recommendation is that that Lambeth adopt the new NFF definition of mobility into the Lambeth formula thus mirroring the NFF for the mobility factor.

Figure 2: Proposed Formula Factors (Note that these would then need to be inflated / deflated to come back to the ISB control total once the final funding allocations are received from the DfE)

(note that the “NFF” rates quoted below are the 2019/20 rates and the MFG reflects the extent to which Lambeth would have been able to adopt the NFF in 2019/20 had we tried to mirror the NFF as closely as possible; i.e. with MFG as the balancing factor)

		Current Lambeth Formula	NFF	New Proposed Formula Factors	£ Value allocated via factor in proposed formula	if existing formula was used and inflated/deflated (with 0.5% MFG)	£ Value allocations if existing formula was used and inflated/deflated
Basic Entitlement / AWP	Primary (Years R-6)	4,231.99	3,246.17	4,189.67	91,133,704	4,229.68	92,004,024
	Key Stage 3 (Years 7-9)	6,228.22	4,564.57	6,165.94	44,488,783	6,224.82	44,913,647
	Key Stage 4 (Years 10-11)	6,417.48	5,182.80	6,353.31	28,437,394	6,413.98	28,708,969
Primary	FSM		519.96	87.43	452,446	0.00	0
	FSM6	819.41	638.13	693.88	5,723,267	819.00	6,755,312
	IDACI Band F		236.34	39.74	84,915	0.00	0
	IDACI Band E		283.61	47.69	176,514	0.00	0
	IDACI Band D		425.42	71.54	240,492	0.00	0
	IDACI Band C		460.87	77.50	316,111	0.00	0
	IDACI Band B		496.32	83.46	309,430	0.00	0
	IDACI Band A		679.49	114.26	31,788	0.00	0
	EAL	682.05	608.59	608.59	3,512,505	681.68	3,934,335
	LPA	461.88	1,207.72	533.71	4,252,689	461.63	3,678,356
Secondary	FSM		519.96	97.71	314,220	0.00	0
	FSM6	819.41	927.65	760.84	4,629,806	818.93	4,983,280
	IDACI Band F		342.70	64.40	68,655	0.00	0
	IDACI Band E		460.87	86.60	174,390	0.00	0
	IDACI Band D		608.59	114.37	221,389	0.00	0
	IDACI Band C		661.76	124.36	312,972	0.00	0
	IDACI Band B		709.03	133.24	306,633	0.00	0
	IDACI Band A		957.19	179.87	34,115	0.00	0
	EAL	2,308.60	1,636.68	1,959.86	1,465,476	2,307.02	1,725,058
	LPA	1,894.00	1,831.67	1,831.67	4,416,322	1,893.13	4,564,508
Lumpsum		170,000.00	129,989.20	170000	13,430,000	170000	13,430,000
MFG		-1.50%	0.48%	0.5%	2,785,043	0.5%	2,621,570
Mobility Rates					192,396		192,396
Split Site					3,198,112		3,198,112
PFI					405,433		405,433
					200,000		200,000
					211,315,000		211,315,000

The impact on individual schools of moving towards the factors proposed (highlighted above) compared to inflating the current formula and implementing the changes that have been mandated by the DfE are illustrated in appendix 2 to this consultation.

Question 2: Do you agree with the principles recommended by the Schools Forum, i.e. that Lambeth move towards the National Funding Formula Factors in a staged approach and in such a way that keeps the funding for groups of schools as stable as possible, i.e. by using additional funding that becomes available rather than

by reallocating existing funding (in so far as this is possible and subject to any mandatory requirements that are imposed by the DfE)?

Question 3: Do you agree with the model proposed in figure 2 above which moves the formula slightly towards the NFF while adhering to the principles recommended by the Schools Forum and takes into consideration the likely level of funding that will be available in the schools formula for 2020/21?

Question 4: Do you agree with the recommendation that Lambeth adopt the new NFF definition of mobility into the Lambeth formula thus mirroring the NFF for the mobility factor?

3 Minimum Funding Guarantee (MFG)

- 3.1 The minimum funding guarantee is a mandatory factor in the local formula and seeks to protect schools that would otherwise have a reduction in their funding by ensuring that they either cannot lose more per pupil than a given percentage or that they will see an increase of at least a certain percentage per pupil depending on where it is set.
- 3.2 Prior to the introduction of the NFF the MFG rate was specified by the DfE and LA's had to adopt the rate that was set, this had been -1.5%.
- 3.3 With the introduction of the NFF the DfE changed this part of the regulations such that LA's could have some control over the rate used for the NFF and could choose to set this between -1.5% and +0.5%. In 2019/20 the MFG rate in the Lambeth formula continued to be set at -1.5% as it had been decided locally not to change this part of the formula.
- 3.4 The models that had originally been considered by the working group had been based on the assumption that the parameters mentioned above would continue to be in place in 2020/21. The working group had been minded to increase the MFG rate but not to as much as 0.5%. In September LA's were notified that they would be required to set a MFG rate of between +0.5% and +1.84% in 2020/21. This meant that the working group had to reconvene and to look at additional models based on various funding scenarios of additional funding that is likely to be received in 2020/21. The Schools Forum also provisionally recommended that the MFG rate to be used for modelling be set at +0.5%. As we now have further information about the likely additional funding that we will receive in 2020/21 we can see that +0.5% will be just about affordable but as it is very close to this level this may not be affordable when the final funding allocations and pupil level data is received from the DfE.
- 3.5 The proposal is thus that the MFG be set at 0.5% if this is affordable. Should the MFG rate of 0.5% not be affordable then the LA will need to request permission from the DfE and Secretary of State to set the MFG at a lower rate.

Question 5: Do you agree with the recommendation to set the MFG rate at 0.5% (subject to the provisos about affordability set out in paragraph 3.5)?

Response to Consultation on Lambeth Schools Funding Formula

Please send responses to Lambeth Schools Finance Team at XDLESchFinance@lambeth.gov.uk
The consultation will end on the 2nd of December 2019

Responder:

On behalf of:

School Name:

Question 1: Do you agree with the proposal to use all of the deprivation measures available, i.e. Free School Meals (FSM), The Free School Meals Ever 6 Measure (FSM6) and the six IDACI bands in the Lambeth Formula?

Question 2: Do you agree with the principles recommended by the Schools Forum, i.e. that Lambeth move towards the National Funding Formula Factors in a staged approach and in such a way that keeps the funding for groups of schools as stable as possible, i.e. by using additional funding that becomes available rather than by reallocating existing funding (in so far as this is possible and subject to any mandatory requirements that are imposed by the DfE)?

Question 3: Do you agree with the model proposed in figure 2 which moves the formula towards the NFF while adhering to the principles recommended by the Schools Forum and takes into consideration the likely level of funding that will be available in the schools formula in 2020/21?

Question 4: Do you agree with the recommendation that Lambeth adopt the new NFF definition of mobility into the Lambeth formula thus mirroring the NFF for the mobility factor?

Question 5: Do you agree with the recommendation to set the MFG rate at 0.5% (subject to the provisos about affordability set out in paragraph 3.5)?

Mobility

Extract from *The national funding formulae for schools and high needs*
2020-21

Published October 2019 (Department for Education)

Mobility funding from 2020-21

27. The mobility factor is intended to support schools in which a high proportion of pupils first join on a non-standard date. In 2020-21, we are introducing a formulaic approach to allocating mobility funding in the NFF, using a new and more robust methodology to determine pupil mobility than that used previously in LAs' local formulae.

28. In 2019-20 we allocated £21 million of mobility funding to local authorities based on what they spent on mobility the year before. For the past two years, we have funded the factor on a historic basis due to the unreliability of the previous data. This means that only the 63 local authorities that chose to use the factor in 2018-19 were eligible for mobility funding in 2019-20.

29. We have stated previously that we did not consider this approach to be consistent, as schools with high mobility in local authorities that do not use the factor were not attracting additional funding. After discussion with local authorities, we committed to introducing a new formulaic approach in 2020-21.

30. The new mobility factor is fairer because it will ensure that we are treating all schools with high mobility consistently and fairly, using a methodology that eliminates the need for local authorities to manually adjust the data before using it in local formulae. Funding mobility on a formulaic basis is also consistent with our intention to move to a hard NFF.

New methodology

31. Our new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years rather than relying on a single census. If the first census when the pupil was in the school was a spring or summer census, they are classified as a mobile pupil. This excludes reception pupils who start in January. For the purposes of the factor, we are not counting as mobile pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census. This is because the first census these pupils will be captured in is the autumn census. This new methodology offers a significant improvement over the previous approach.

Allocating funding for mobility

32. For each local authority, the mobility factor will allocate funding for schools whose proportion of mobile pupils in each phase is above a threshold of 6%. As the new methodology eliminates pupils incorrectly identified as mobile in the old system, the number of pupils identified as mobile, in the authorities currently using the factor, is considerably lower. Because of this, and to minimise disruption, we have opted to lower the threshold from its previous value of 10%, with the intention of capturing a similar cohort size and a similar number of schools overall in the 63 local authorities that were already using the factor.

33. All mobile pupils above that threshold will be allocated a per pupil amount at a rate of:

33.1. £875 for each primary mobile pupil above the threshold; and

33.2. £1,250 for each secondary mobile pupil above the threshold.

34. We have set the rates based on the principle of broadly maintaining the overall levels of mobility funding by phase for local authorities that currently use the factor (£21 million overall in 2019-20), and increasing the funding through the factor in order to extend it to all local authorities.

35. Moving to a new methodology will inevitably result in some change at local authority and school level. From 2020-21 we are now including mobility funding in our calculation of the funding floor. This ensures that no school will see a fall in their NFF allocation as a result of the new mobility factor.

36. Mobility will continue to be an optional factor for local authorities to use in their local formulae. We will supply local authorities with mobility data calculated according to the new method in the APT.

Appendix 2

This illustrative model shows how the proposals in this consultation would impact on schools funding allocations had they been applied to the 2019/20 data (i.e. based on October 2018 census), using a MFG rate of 0.5% and assuming a 1% increase in the schools block funding next year.

School Name	Allocation if we inflated / deflated the existing Model	Allocation using proposed new formula	Difference	Difference %
Ashmole Primary School	1,174,863	1,174,863	0	0.0%
Clapham Manor Primary School	2,263,021	2,260,258	-2,763	-0.1%
Granton Primary School	3,194,067	3,194,067	0	0.0%
Heathbrook Primary School	1,870,528	1,869,861	-667	0.0%
Henry Cavendish Primary School	4,388,881	4,388,881	0	0.0%
Jessop Primary School	1,947,019	1,947,019	0	0.0%
Kingswood Primary School	4,278,969	4,278,969	0	0.0%
Lark Hall Primary School (Including Lark Hall Centre f	2,266,613	2,266,613	0	0.0%
Paxton Primary School	2,288,325	2,287,660	-665	0.0%
Richard Atkins Primary School	1,777,739	1,776,098	-1,642	-0.1%
Sudbourne Primary School	1,712,040	1,717,059	5,019	0.3%
Sunnyhill Primary School	2,756,754	2,756,754	0	0.0%
Telferscot Primary School	2,081,505	2,081,505	0	0.0%
Vauxhall Primary School	1,195,664	1,192,651	-3,012	-0.3%
Walnut Tree Walk Primary School	1,275,986	1,278,620	2,634	0.2%
Wyvil Primary School and Centres for Children With	2,871,849	2,871,849	0	0.0%
Crown Lane Primary School	2,170,468	2,170,468	0	0.0%
Fenstanton Primary School	2,840,001	2,840,001	0	0.0%
Elm Wood School	2,112,560	2,112,560	0	0.0%
Allen Edwards Primary School	1,931,349	1,931,029	-320	0.0%
Glenbrook Primary School	1,343,964	1,343,964	0	0.0%
Herbert Morrison Primary School	1,167,006	1,167,006	0	0.0%
Streatham Wells Primary School	1,173,674	1,173,284	-390	0.0%
Bonneville Primary School	1,932,332	1,932,332	0	0.0%
Hill Mead Primary School	2,279,520	2,279,520	0	0.0%
Hitherfield Primary School	3,423,011	3,423,011	0	0.0%
Henry Fawcett Primary School	1,968,519	1,968,519	0	0.0%
Stockwell Primary School	2,923,941	2,923,941	0	0.0%
Kings Avenue School	1,761,600	1,760,662	-938	-0.1%
Loughborough Primary School	2,131,804	2,130,335	-1,469	-0.1%
Jubilee Primary School	2,032,199	2,033,080	881	0.0%
Archbishop Sumner Church of England Primary Scho	2,274,960	2,274,960	0	0.0%
Christ Church Primary SW9	1,058,964	1,060,334	1,370	0.1%
Macaulay Church of England Primary School	1,053,137	1,055,711	2,574	0.2%
St Andrew's Church of England Primary School	1,112,560	1,113,245	685	0.1%
St John the Divine Church of England Primary School	892,999	893,279	280	0.0%
St John's Angell Town Church of England Primary Sch	1,199,501	1,200,468	968	0.1%
St Jude's Church of England Primary School	1,055,532	1,053,669	-1,863	-0.2%
St Mark's Church of England Primary School	1,101,368	1,101,002	-366	0.0%
St Saviour's Church of England Primary School	1,090,624	1,091,735	1,111	0.1%
St Stephen's Church of England Primary School	1,174,193	1,174,193	0	0.0%
Holy Trinity Church of England Primary School	1,789,004	1,789,549	546	0.0%

School Name	Allocation if we inflated / deflated the existing Model	Allocation using proposed new formula	Difference	Difference %
St Helen's Catholic School	1,450,575	1,449,532	-1,043	-0.1%
The Orchard School	1,201,846	1,201,846	0	0.0%
Iqra Primary School	1,442,659	1,442,659	0	0.0%
St Bernadette Catholic Junior School	1,282,212	1,282,212	0	0.0%
St Anne's Catholic Primary School	2,120,051	2,124,197	4,146	0.2%
St Bede's Catholic Infant School	976,764	972,867	-3,897	-0.4%
St Andrew's Catholic Primary School	2,267,181	2,260,188	-6,993	-0.3%
Immanuel and St Andrew Church of England Primary	2,096,125	2,096,125	0	0.0%
Reay Primary School	1,201,829	1,202,686	858	0.1%
St Mary's Roman Catholic Primary School	1,676,913	1,673,895	-3,018	-0.2%
Julian's Primary School	4,735,483	4,735,483	0	0.0%
Norwood School	6,338,519	6,338,519	0	0.0%
Lilian Baylis Technology School	5,135,336	5,135,336	0	0.0%
Saint Gabriel's College	4,320,322	4,320,322	0	0.0%
La Retraite Roman Catholic Girls' School	5,725,299	5,726,677	1,378	0.0%
Bishop Thomas Grant Catholic Secondary School	6,563,027	6,555,585	-7,441	-0.1%
London Nautical School	3,937,786	3,951,122	13,336	0.3%
Woodmansterne Primary School & Children's Centre	5,440,798	5,417,913	-22,885	-0.4%
Oasis Academy Johanna	1,090,715	1,091,211	495	0.0%
Rosendale Primary School	3,104,590	3,102,153	-2,437	-0.1%
Christ Church, Streatham Church of England Primary	1,144,045	1,144,918	873	0.1%
St Leonard's Church of England Primary school	1,565,569	1,563,077	-2,492	-0.2%
St Luke's Church of England Primary School	1,159,135	1,157,076	-2,059	-0.2%
Corpus Christi Catholic Primary School	2,003,477	2,005,391	1,914	0.1%
Oasis Academy South Bank	4,677,705	4,698,805	21,100	0.5%
Trinity Academy	3,492,034	3,492,034	0	0.0%
South Bank Engineering UTC	903,277	903,277	0	0.0%
Platanos College	7,863,983	7,892,615	28,632	0.4%
The Elmgreen School	6,731,682	6,716,030	-15,652	-0.2%
St Martin in the Fields High School for Girls	3,387,414	3,386,399	-1,015	0.0%
Lambeth Academy	6,077,308	6,065,260	-12,048	-0.2%
Ark Evelyn Grace Academy	5,002,389	5,002,389	0	0.0%
City Heights E-ACT Academy	5,993,856	6,004,199	10,343	0.2%
Van Gogh Academy	3,400,570	3,404,317	3,747	0.1%
Dunraven School	9,586,327	9,586,327	0	0.0%
Archbishop Tenison's School	2,864,137	2,857,618	-6,520	-0.2%
Harris Clapham	1,015,450	1,014,154	-1,295	-0.1%
Total	211,315,000	211,315,000	-0	0.0%

Dear Tim

Thank-you for getting in touch and apologies for our delayed response. It was good to discuss this over the phone earlier this week.

While the 2017-18 baseline did reflect what schools in Lambeth received that year, we appreciate that its continued use can have different impacts based on local decisions and circumstances.

Furthermore, while Lambeth did in 2018-19 receive the total amount set aside for growth for the opening of Gipsy Hill Free School in 2017-18, I recognise that the move to a new methodology in 2019-20 led to Lambeth's growth allocation decreasing. We believe, however, the move to this methodology in 2019-20 has made the factor significant fairer than in previous years, by basing it on the actual growth that local authorities' experience. It is right to allocate this funding fairly and consistently across local authorities. We engaged with a number of local authorities and other stakeholders in developing the new approach, and would be happy to bear Lambeth in mind for any work to further develop growth funding.

Because there was a very wide variation in per pupil spend on growth prior to introducing a formulaic growth factor in the NFF, we recognise that this could have led to large fluctuations in growth allocations between 2018-19 and 2019-20. Therefore, as you have noted in your correspondence, we implemented transitional protection so that no local authority could lose more than 0.5% of their total schools block from the previous year. We have continued this protection next year in 2020-21 for those local authorities that received it this year, which includes Lambeth. Moreover, we have increased the growth factor values by 4% next year, in line with the other core factors in the NFF.

During our phone call, you described a 'perfect storm' of factors including, but not limited to, the reduction in growth funding and continued use of the 2017-18 baseline, and how this could impact on affordability of the minimum range of the minimum funding guarantee of +0.5% next year. You noted that you're considering submitting a disapplication request to set a minimum funding guarantee below this minimum level. More detail regarding this is included in paragraphs 126 to 129 of the operational guide.

Moreover, while the operational guide states that the deadline for disapplication requests is 20 November 2019, we recognise that as this is before receipt of the overall settlement you won't know whether a disapplication is required or not. Therefore, I refer to paragraph 206 of the operational guide which states that disapplications can be submitted up until the 16 January 2020 in exceptional situations.

Lastly, in response to the second of your two queries, about the eligibility of the falling rolls fund, as explained on the phone if an academy conversion has yet to receive an Ofsted inspection, the predecessor school's most recent Ofsted inspection grade is the one we would use.

I hope that this response is helpful.

Kind Regards,

Peter

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