

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

4pm-6pm, Tuesday 23rd June 2020

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

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

Agenda

Time*	Item	
	1. Welcome & Apologies	Chair
	2. Membership, Register of Interests and Declaration of Interests	Chair
	3. Minutes from the Schools Forum meeting held 14 th January 2020 and matters arising	Chair
	4. DSG Outturn 2019/20 and Overview 2020/21	David Tully
	5. Central Schools Services Block	David Tully
	6. Local Government Pension Scheme	Hamant Bharadia
	7. Back-dated term-time only claims	Claire Cobbald
	8. High Needs Block 2019/20 and 2020/21	Adam Yarnold
	9. COVID 19 – discussion on issues affecting schools	Cathy Twist
	10. Any other business	Chair
	11. Agreed dates of next meetings and location: Tuesday 6th October 2020 – 4-6pm CAJ kindly offered Hitherfield School for the SF venue for the above dates, but the likelihood is that this will again be on-line.	Chair

LONDON BOROUGH OF LAMBETH

SCHOOLS FORUM

Draft minutes of the meeting of the Schools Forum held at Hitherfield Primary School, Leigham Vale, Streatham, London SW16 2JQ on Tuesday 14th January 2020 at 18:00pm – 20.00pm

School Forum Members:

<u>Schools:</u>	Present, Apologies, Absent	<u>Governors:</u>	Present, Apologies, Absent
Chris Ashley–Jones (CAJ) Hitherfield	Present	Vacant	
Nick Butler (NB) St. Gabriel's College	Present	Ray Smith (RS) Pre-School Alliance	Present
Alison Moller (AM) Julian's Primary School	Present	Maksud Gangat (MG) Orchard Primary	Present
Rachel Hedley (RH) Lambeth Nursery Schools' Federation	Present	Vacant	
David Boyle (DB) Dunraven School	Apologies	Vacant	
Mark Jordan (MJ) (PCA)	Present	Michael Holland (MH) Sunnyhill Primary	Apologies
Humaira Saleem (HS) Iqra	Apologies	Carena Hall (CH) Immanuel & St Andrews CE Primary	Present
Chris Toye (CT) Wyvern Federation	Apologies	Vacant	
Jayne Mitchell (JM) St. Andrew's Primary	Present		
Kate Atkins (KA) Great North Wood Education Trust	Apologies		
Coral Hayes Ruskin House School	Absent		
<u>Officers:</u>	Present, Apologies, Absent	<u>Observers:</u>	Present, Apologies, Absent

Cathy Twist (CTw) Director - ELS	Present	Sarah Tomlinson (ST) NUT/NEU	Present
Kathryn Shaw (KS) School Quality Improvement Lead	Present	Christine Golding (CG) GMB Union	Absent
Bunmi Idowu (BI) Early Years	Present	Vinay Gupta (VG) St. Gabriel's College	Present
Tim Gibson (TG) Finance Consultant - Children's Finance	Present	Cllr Jenny Brathwaite	Absent
David Goldring (DG) Accountant- Finance	Absent	Rachel Harrison Assistant Director Children's Finance	Present
Annie Hudson (AH) Strategic Director of Children's Services	Absent	David Tully (DT) Finance	Present

MINUTES

1. Welcome & Apologies

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

Apologies were received and accepted from: Humaira Saleem, Chris Toye, David Boyle, Michael Holland and Kate Atkins.

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

CAJ informed that Joanna Tarrant (Elm Court School) and Andrew Chaplin (Walnut Tree Walk Primary School) have put themselves forward to join the SF. All SF members **agreed** to the two new applicants. They will both join the next SF meeting in March.

As per CAJ's request, Peter Compton has sent out a request for Governor representation on the SF, but nobody has come forward as yet.

CAJ wrote to thank Charles Asher for his work on the SF. Charles is now no longer a member.

This will be Tim's last SF meeting and he will be handing over to David Tully.

3. **Minutes from the Schools Forum meeting held on 10th December 2019 and matters arising**

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

Matters arising

- Pt2 – CAJ has filled two Headteacher posts on the SF. Action **completed**.
- Item 6 - updates to the removed item will be reported back by TG in the meeting.

4. **DSG Overview 2019/20 and 2020/21**

DT informed of the DSG financial position for 2019/20. It is estimated that Lambeth will break even overall. Appendix 1A sets out all the components and the factors that influence that.

The only changes in the DSG financial position for 2020/21 are due to pupil numbers and place numbers in the HNB. Appendix 2 shows the role of the LA and the SF context in this matter.

The same proposals will be taken to Cabinet on 3rd February 2020 where for final decision or ratification.

The drop in figures is the biggest impact on finances which is out of SF's hands. SF members were satisfied with the information provided in this paper.

5. **Growth Fund**

TG informed of a request by St. John's Angell Town to be considered for Growth Funding. The Growth Funding Criteria is set out in the paper and explains the situation at Woodmansterne. St. John's Angell Town would have had diseconomies of scale if it had started building a Secondary School. 2020/21 will be the last financial year of the diseconomies of scale where a Lump-sum factor of £170K would be allocated.

There is a Planned Growth Fund for 2020/21 for Woodmansterne of £75K.

St. John's Angell Town was expanded and it was thought it would grow from 1FE to a 3FE, but it has been scaled back to a 2FE and then it is not full. The unused area could be used for commercial space. This is the third and final year of support for the school. The rationale for this is set out in Appendix 1 and is self-explanatory. If the school expands in future years, then the support that they have had will be taken into consideration.

Q. In the Growth Fund Criteria (Pt 2) does St. John's Angell Town qualify for the 80%?

A. No not for falling rolls funding due to their Ofsted rating and the Lambeth criteria that an expanding school with falling rolls fund cannot get funding.

The PAN remains 60 until 2020. The PAN was expanded, but the pupil numbers did not materialise. This is a unique case.

Q. Will the SF help with filling the space?

A. The LA looked at putting in a Social Care contact centre but that fell through. This is the final year of funding for the school and it is the 2019/20 funding.

SF members voted and **agreed** the following recommendations:

- The Schools Forum **agreed** the amendment to the Growth Fund criteria for 2020/21 as set out in para 2.1.
- The Schools Forum **agreed** the allocation of £315K for the Growth Fund for 2020/21.
- The School Forum **agreed** the request to allocate £74K from the Growth Fund to St. John's Angell Town as set out in paras 3.1 and 3.2.

6. **Schools Block 2020/21**

The Schools Block is the largest part of the DSG. There was no request from the LA for the transfer of funds from the Schools Block to the HNB; up to 0.5% (£1m) was permissible with Schools Forum's consent. The HNB has increased a total of 10% year on year. Extra funding has been given nationally for Lambeth and for the Schools Block.

In September 2019 the SF agreed a Minimum Funding Guarantee (MFG) level of 0.5% (ie per pupil funding in 2019/20 (excluding rates and the lump sum) for each school would be protected at 100.5% of that per pupil value for 2020/21).

In December 2019, the SF agreed the basis of the local funding formula, following consultation with all primary and secondary schools. Amounts for the Growth Fund and the Falling Rolls Fund were previously agreed by SF.

The remaining funding in the Schools Block has been distributed through the formula and the results are as per the report. The formula was agreed by the LA having worked with the SF throughout. The recommendation that is being requested, if agreed, will go to Cabinet. It is the summary and impact of all the decisions made to date. The LA consulted with the SF and the LA was satisfied with the outcome of the decisions taken.

TG pointed out that Table 3 – Falling Rolls Fund and Growth Fund figures are the wrong way round. Falling Rolls Fund should read £585 and Growth Fund should read £315.

The Growth Fund Lambeth received through the DSG was higher than the pure formula allocation. The LA may not lose more than 0.5% (£1m) of the Schools Block in any year. The transitional protection in the Growth Fund allocation was £2m, suggesting that Lambeth will lose £1m next year and the year after unless the numbers grow.

The impact of falling rolls, lower Growth Fund protection, the introduction of the updated deprivation data (There are some protection mechanisms with the NFF, but the prospect of receiving more money should not be banked on.

CAJ will liaise with DT about informing schools. **ACTION: CAJ/DT**

SF members were asked to vote on the following recommendation:

- The Schools Forum is requested to agree to the proposed budget plans for the Schools Block 2020/21 and to provide any comments it may wish to make to Cabinet/Council on these proposals.

SF **agreed** to the proposed budget plans for the Schools Block 2020/21

SF **agreed** that comments about the proposals to convey to Cabinet would be cleared with the Chair later that week.*

*Note *: Subsequent to the meeting, the comments to be conveyed to Cabinet on this item were:*

Schools Block. *Schools Forum were concerned about the prospect of low increases in future years (due to reducing pupil numbers, less deprivation being recorded in Lambeth, stepped reductions in the protection for the Growth Factor and the likelihood that national increases in school funding will be targeted to authorities outside London). They agreed that the chair of Schools Forum would arrange for these concerns to be shared with all schools. Schools Forum recommends to Cabinet that these arrangements for the Schools Block be agreed for 2020/21.*

7. Central School services Block 2020/21

This is the statutory and regulatory services the LA provides. Lambeth gets a relatively small amount per pupils - £32, compared to other London Authorities that get £68 per pupil.

Q. Why is this the case?

A. Lambeth receives a basic allocation and there are no historic functions acknowledged. Other functions are charged to the DSG.

Q. If Lambeth was underfunded from the start, can anything be done about that?

A. This needs to be addressed and approaching the DfE may be a strategy. It is an old issue that goes back to 2013. The DfE's intention is to reduce this further and more rapidly.

Table 1 shows the list of statutory and regulatory services, totalling a £2m spend this year, due to the DSG reserves. Lambeth does not expect to have reserves by the end of this year and will break even. Lambeth needs to find a solution for the £2m charging to the DSG. It is unsustainable and will need to be addressed during the coming year, whether it be resizing, reshaping or seeing if there are alternative ways to fund it.

TG explained that he was seeking a conditional agreement to allow the move of £32m from the Central Schools Services to the DSG. All the Schools Block Funding and the EY Block Funding is committed and TG was proposing to budget for the full amount of HNB so there are no underspends there.

Q. What different things would they be?

A. That would be decided at the time, but the decisions already made would need to be viewed. The LA would have to look again and bring them to the SF.

Q. Was there previously a lower spend on the Central Schools Services Block? Was it historically a lower value?

A. This would need to be checked as there may have been a greater or lesser spend on individuals.

The Central Schools Services Block has existed for 2 years. It was previously known as the Education Service Grant, with a £4m fund and the LA had a list of statutory services to fill.

- Q.** The staff and officers are carrying out the functions and have not increased the costs of what the DSG is paying for.
- A.** The DSG is only paying for a share of the costs.
- Q.** Some of the roles are attributed to statutory function and some are not.
- A.** We need to go through the process to meet the income we receive and find ways to bring the costs down to the funding. There are strategic level officer roles that have large costs attached partially to the DSG and this is additional pressure on the budget.

After a brief discussion it was agreed that more time was needed for the issue of bringing costs down from the £2m block to that of the £1m block and working out how best to deal with the 2020/21 funding. SF members thought that £1m seemed unrealistic and it would be looking at income sources rather than cost reductions.

TG informed that the reserves were depleting to nothing and proposals need to be brought to the table on how to meet the costs in the future. A plan is needed, but there is no balanced plan to consider at the moment.

Point 2.11 sets out the proposals of how the LA would operate within the £1m budget for resources from 2021/22. This is a one off for this financial year to give the LA time to resolve the matter.

- Q.** The cost is shown against the function and not the individual.
- A.** All the functions need to be performed.
- Q.** There are no details seen around the costs of each function. Is Lambeth benchmarking against other Local Authorities?
- A.** Reserves in previous years have gone into SEN. If the proposal is agreed conditionally then it would give the LA more options and the LA would have the benchmarking in place for March with a benchmarking tool. The LA needs more of a plan to see how it can get the money.

CAJ asked SF members to vote on the Recommendation, as a conditional request subject to receiving a plan by the June SF meeting of some of the proposals for benchmarking. It is envisaged that when SF members meet at the June SF meeting they will know the outturn for the 2019/20 so they will have more information to hand to make a decision.

SF members voted and **agreed** the following recommendations:

- Schools Forum **agreed** to the use of the £1.055m CCSB as indicated in the schedule in Appendix 1.
- Schools Forum **agreed** to the charging of up to a further £0.977m to the CSSB activities, on condition that:
 - there were unplanned DSG reserves available during 2019/20 to cover such costs;
 - the Authority brought an updated plan to the June 2020 meeting of the Schools Forum; and
 - the budget plans for 2021/22 did not seek to charge more than the available Central School Services Block funding for that year.

It was noted for the record that one SF member **disagreed** on both of the above recommendations.

8. Early Years DSG 2020/21

KS reported that the EY meeting was well attended and with good representation. The proposals were agreed and now EY is able to offer a 4% increase in the hourly rate of 3-4 year olds.

Lambeth also receives the highest funding per hour for 2, 3 and 4 year olds. The highest national rate for 2 year olds and the 7th highest rate for 3 and 4 year olds.

The 2 year olds rate has increased from £6.07 to £6.58, but the 3 and 4 year olds rate has decreased from £8.14 to £7.32. The participation rate is based on the census numbers. The LA was allowed to retain 5% funding for the budget given to EY by the government. KS was unsure of the exact amount for 2019/20, but offered to confirm it for the June SF meeting. **ACTION: KS** (*Post meeting: the central Early Years limit from the 2019/20 allocation was £1.285m*)

The funding rates for 2020/21 will be determined.

The total spend was £29,781. The planned spend is broken down in Tables 1A and 1B and there is a contingency left of £1.142m, which is high. Therefore the contingency will cover the fluctuation of the participation levels.

Table 2A shows the indicative EY DSG allocations for 2020/21 with the increase from £6.03 to £6.27 making is a 4% increase. With the £7.32 rate for 3 and 4 year olds EY will receive funding from the DSG.

Table 2B shows the proposed EY funding distribution for 2020/21 and the SEND support. There is no contingency for 2020/21.

Table 3 shows the retention of 5% and what it will be spent on.

KS informed that as a LA, the Lambeth EY funding is well resourced. KS confirmed that the EY- sub group **accepted** the recommendations.

The 2 year old funded places are relatively near to the ratio of staffing for 2 year olds rather than 3-4 year olds.

There were concerns around funding of 2 year olds with SEN, as there were restrictions on EHCPs on EY. SENCOs would need to take advice on these from EY or the LA.

SF members voted and **agreed** the following recommendations:

- Schools Forum **agreed** and supported the EY sub-group on the Early Years Budget 2019/20.
- Schools Forum **agreed** to the proposed budget plans for the Early Years block 2020/21.

- Schools Forum **agreed** to the proposal to retain £1.266m (5%) of the 3 and 4 year olds funding for managing the service and promoting good practice.
- Schools Forum **agreed** to the recommendations by the EY Sub-Group to be made to Cabinet/Council on these proposals.

9. High Needs Block 2019/20 and 2020/21

The LA needs to set a HNB budget. The proposals in the paper will be considered. Currently the LA is spending £4.4m on the HNB. Some issues still need to be firmed up. The issues are around places, top ups, EHCPs, values of individual top-ups and cost pressures that need to be addressed.

In March the budget is being set. Cabinet will not be setting rates for individual top ups and the £42.7m needs to be allocated in full.

A paper will be brought back to the March meeting for further consideration on issues around top ups, as a lot of work still needs to be done on this issue. **ACTION: DT**

SF members were informed that the new Vanguard School was opening next Monday – 20th January 2020.

SF members voted and **agreed** the following recommendations:

- Schools Forum **noted** and **commented** on the High Needs Budget position for 2019/20.
- Schools Forum **agreed** to support the proposed High Needs budget for 2020/21.
- Schools Forum **agreed** that schools and the DSG cannot afford to give additional funding in the future. Schools Forum understand that Special Schools are finding it challenging which is the same across the education system.

There are 12 resource bases in the borough with all schools having Sixth Forms. There are 4 resource bases with SEMH – 4 of those are up and running, 2 Primary and 2 Secondary.

(Subsequent to the meeting, the Chair agreed the following brief summary of the points to convey to Cabinet:

High Needs Block. *Schools Forum supported the proposed High Needs budget for 2020/21. They were relieved that there was no transfer of funding from the Schools Block to the High Needs Block for 2020/21. They believe there are acute budget pressures in special schools, but there are also budget pressures across the education system. They welcomed a 10% increase in the High Needs DSG, but were aware that this represented something of a catch-up from previous years when increases were much smaller.)*

10. Scheme for Financing Schools (Maintained Schools Only)

In November 2019 all schools were consulted and there were no responses on the proposals.

It was recommended that the proposed changes be agreed.

SF members voted and **agreed** the following recommendation:

- Schools Forum **agreed** to adopt the Scheme for Financing Schools as set out in Appendix 2.

11. AOB

- CAJ stated that there have been meetings where the SF is very close to being quorate. CAJ suggested that if a SF member is unable to attend then he/she send a substitute eg. A Deputy HT or the SBM. This proposal was **agreed** by SF members and CAJ was asked to bring this back in a paper.
ACTION: CAJ
- Tonight was TG's last SF meeting as he leaves Lambeth Council. On behalf of everyone on the SF, CAJ thanked TG for all his work and support.
- Meeting dates were set for June and October at the earlier time of 4-6pm.

12. Future Meeting Dates

The next meeting will be on:

Tuesday 24th March 2020 6-8pm

Tuesday 23rd June 2020 – 4-6pm

Tuesday 6th October 2020 – 4-6pm

CAJ kindly offered his school for the SF venue for the above dates.

There being no further business to discuss, the Chair closed the meeting at 7.55pm.

Signed: _____

Date: _____

Chris Ashley-Jones

Chair of the School Forum

Agenda Item 4**Title: Dedicated Schools Grant Overview****Date: 23rd June 2020****Report to: Schools Forum****Report for: Information Decision Consultation Action****Author: David Tully****1 Background**

- 1.1 Schools Forum was advised at its meeting in January 2020 of the schools funding settlement for the Dedicated Schools Grant for 2020/21 which was announced by the Department for Education in December 2019. They were also advised of the forecast position on the DSG for 2019/20.
- 1.2 Schools Forum made a set of recommendations to Cabinet and Council for their consideration and final decision. This report provides an update on final decisions by Council and updates the DSG position for 2019/20 and 2020/21.

2 DSG 2019/20

- 2.1 The summary position for the DSG in 2019/20 is set out in **Table 1** below. Taking account of the final DSG provided by the DfE (including amounts recouped by the Education and Skills Funding Agency) and the brought forward balances from 2018/19, the final outturn was an underspend of £2.227m.
- 2.2 **Appendix 1A** provides more detail of the actual DSG expenditure for 2019/20 and **Appendix 1B** indicates the level of actual DSG income for 2019/20. An intermediate forecast had been prepared for the March 2020 meeting of Schools Forum, but as this did not take place, this final outturn is compared with the previously reported position in January 2020. Explanations about the position in each of the four blocks and the associated risks follow **Table 1**.

Table 1: Summary net spend of DSG 2019/20 against funding by block

Block	b/f balances £'000	DSG 2019/20 £'000	Outturn net spend 2019/20 £'000	Variance 2019/20 £'000
Schools Block *	£	£210,553	£210,318	-£235
Central School Services Block**	£992	£1,434	£2,368	-£58
Early Years Block	£	£28,941	£27,819	-£1,122
High Needs Block *	£345	£43,783	£43,539	-£589
De-delegated budgets***	£311	£	£88	-£223
Total DSG 2019/20	£1,648	£284,711	£284,132	-£2,227

Note *: £1.058m of Schools Block transferred to the High Needs Block, as agreed by Schools Forum.

*Note **: Central School Services Block includes accounting for two previous years' contributions to School Copyright Licences (ie DfE deduct from DSG, so drawing down costs revealed undrawn-down past-year DSG to cover these costs.)*

*Note ***: £0.311m balance on the Vulnerable Schools Fund being applied and is ring-fenced because it was previously de-delegated.*

- 2.3 **Schools Block.** The vast majority of the funding for the Schools Block has been allocated in accordance with the Authority Proforma Tool exercise on the mainstream schools funding formula in January 2019. 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.
- 2.4 The Falling Rolls fund of £0.585m was allocated in full for 2019/20.
- 2.5 The Growth Fund had £0.235m left after all claims were settled. The final balance will be ring-fenced and added to the Growth Fund for 2020/21. As amounts for 2020/21 have already been largely fixed, this sum may be underspent again in 2020/21 and will be available for reallocation in the Schools Block in 2021/22.
- 2.6 **Central School Services Block.** Lambeth's Central School Services Block is the smallest per pupil allocation in London, calculated by dividing the total CSSB allocation for each London Borough in 2019/20 with the number of primary and secondary school pupils used in the Schools Block. The Lambeth per pupil figure is £32, whereas the average for London Boroughs is £74.
- 2.7 This situation has meant that it has been difficult to contain the broad range of services that are covered by the Central Schools Services Block within the DSG allocation. For 2019/20 half of the expected spend of £2m is being supported by one-off reserves, a situation which will become more difficult to sustain beyond 2020/21.
- 2.8 At year-end, the school copyright licence costs for two previous years needed to be brought into the accounts. The DfE charge local authorities for this as a deduction from the DSG payments it makes each fortnight. So, neither the costs nor the income associated with these licences had been drawn down. Because the DfE charge VAT, the amount of revealed DSG was £58k greater than the net payment due to be charged to the revenue account, which is why Central Services Block had an underspend of £58k at year-end.
- 2.9 **Early Years Block.** The Early Years Block underspent by £1.1m, but it is a complex situation. During the year, it is difficult to produce a confident forecast because one-third of the costs of early years provision and 7/12ths of the DSG income for Early Years are based on the participation levels in the January 2020 census. Participation levels reduced 7.5% for 2 Year Olds and 5.5% for 3 & 4 Year Olds between January 2019 and January 2020. **Table 2** shows the difference between the January 2019 and January 2020 pupil censuses.

Table 2: Comparison of participation levels Jan 2019 and Jan 2020

Component	Jan 2019	Jan 2020	Difference	%age
2 year olds	845	782	-63	-7.5%
3&4 year olds (universal)	4,579	4,320	-259	-5.7%
3&4 year olds (extended)	1,623	1,540	-83	-5.1%
Totals	7,047	6,642	-405	-5.7%

- 2.10 The reasons for the underspend are:
- income has reduced by £1m because it is based on 5/12ths Jan 2019, 7/12ths Jan 2020 and there are 405 fewer pupils on the latest census. Because participation has also reduced, however, the loss of income is broadly neutral (ie the expenditure does not still need to be incurred if the pupils are not in settings).
 - Expenditure for schools and PVI is based on participation in each of May, October and January. There were fewer pupils counted in these censuses than the basis the DfE uses for income. This means that around £0.5m was provided in income for pupils that did not need to be funded.
 - Lambeth set aside a contingency of £1.1m in case the unpredictable workings of the early years formula had an adverse impact. £0.3m of it has been used for rates (NNDR) in maintained nursery schools and to resolve an error in the original calculation in the allocation of deprivation funding affecting all settings. So, the majority of this has not been needed.
 - Finally, some backdated clawback and income from 2018/19 accounts for the balance of £0.2m
- 2.11 The decisions about the Early Years budgets for 2020/21 recognised that the contingency was generous and could be sufficient for any contingencies that were to arise in that year. The Early Years budgets for 2020/21 do not provide for any contingency. It was decided that any variations in the pupil numbers that created budget pressures would be absorbed by any remaining contingency from 2019/20.
- 2.12 **High Needs Block.** The High Needs Block has been under pressure, but it ended the year with an underspend of £0.6m. Officers have concentrated on ensuring that all mainstream, resource base, special school and independent / non-maintained school funding claims for 2019/20 are reconciled. This has helped get a more up-to-date picture on the underlying costs and activity levels and some commitments that had been earmarked were able to be removed. There are increasing numbers of EHC plans, putting pressure on available specialist provision places. There are also cost pressures which may need to be addressed during 2020/21. The underlying position is that of increasing costs.
- 2.13 There is a separate report on this agenda which goes into more detail about the different components and complexities of the High Needs budget for this year and next.
- 2.14 **De-Delegated Budgets.** The Vulnerable Schools Fund is no longer being topped-up with DSG funding. £88k of the £0.311m brought forward was allocated to individual schools in difficult circumstances during 2019/20. The balance of £0.223m will remain ring-fenced for the Vulnerable Schools Fund until all funds are used.
- 2.15 **Overall.** The DSG carries forward a balance of £2.227m into 2020/21, of which £0.458m is ring-fenced for the Growth Fund and the Vulnerable Schools Fund. The remaining £1.769m is currently uncommitted.

3 Maintained Schools' Year-end Balances

3.1 At the end of 2018/19 (ie the brought forward position), the 70 maintained schools had an aggregated total of £13.5m surplus balance. Of these 70 schools, 17 had a deficit balance. The 17 in deficit had an average of £0.194m deficit and the 53 with a surplus had an average balance of £0.318m. Summary details are in **Table 3** and school-by-school figures are in **Appendix 2**.

Table 3: Summary b/f, movement and c/f balances for Maintained Schools 2019/20

Sector	Type of balance	Brought Forward	In Year	Carry Forward	Change
		2018/19	2019/20	2019/20	
		Surplus / Deficit	Surplus / Deficit	Surplus/ Deficit	
		£'000	£'000	£'000	£'000
All schools	SURPLUS	£16,891	£2,467	£15,805	(£1,087)
All schools	DEFICIT	(£3,308)	(£5,464)	(£5,219)	(£1,911)
Total		£13,584	(£2,998)	£10,586	(£2,998)
		No of schools	No of schools	No of schools	No of schools
All schools	SURPLUS	53	23	51	-2
All schools	DEFICIT	17	47	19	2
Total		70	70	70	0
Nursery	SURPLUS	4	1	4	0
Nursery	DEFICIT	1	4	1	0
Total		5	5	5	0
Primary	SURPLUS	41	19	40	-1
Primary	DEFICIT	13	35	14	1
Total		54	54	54	0
Secondary	SURPLUS	5	1	5	0
Secondary	DEFICIT	1	5	1	0
Total		6	6	6	0
Special	SURPLUS	3	2	2	-1
Special	DEFICIT	2	3	3	1
Total		5	5	5	0

3.2 The year-end process for 2019/20 was disrupted by the COVID19 lockdown and a number of schools have been able to provide full year-end positions. At time of writing this report, 61 schools had submitted final accounts and 9 had not been able to, meaning that the LA had to close their school accounts for the year on the basis of estimated. With this caveat about the number of estimated returns, it seems clear that 2019/20 has been a year where schools have drawn on balances or increased deficits.

- 3.3 At the end of 2019/20 (ie the carry forward position), the 70 maintained schools had an agreed total of £10.5m surplus balance, a reduction of £3m on the b/f position. Of these 70 schools, 19 had a deficit balance. The 19 in deficit had an average balance of (£0.275m) and the 51 with a surplus had an average balance of £0.310m.
- 3.4 All schools with a deficit balance are required to submit a recovery plan. The LA has been monitoring the financial management of schools already in deficit with the leadership and management teams in those schools. The LA will be ensuring that all 19 schools in deficit have realistic plans for recovering their deficit within a reasonable period of time. When Governing Bodies submit their budget plans for 2020/21 in June 2020, further recovery plans may be sought from those with in-year deficits, or who have begun to indicate cash flow difficulties.

4 DSG 2020/21

- 4.1 Schools Forum made recommendations to Cabinet and Council about the arrangements for school budgets for 2020/21 and all of these recommendations were agreed. This includes: the formula budgets for mainstream schools: the falling rolls and growth funds: the £2m budget for central spending, £1m of which is subject to conditions which Schools Forum has agreed; funding rates for early years provision; and the outline budget for High Needs, but not any changes to High Needs top-up rates at this stage.
- 4.2 The resulting budget for 2020/21 is as per **Table 4**.

Table 4: Agreed Schools Budget for 2020/21

Block	DSG 2020/21 £'000	Budget £'000	Difference £'000	Comment
Schools Block	£212,825	£212,825	£0	
Central School Services Block	£1,055	£2,032	£977	To be funded from reserves, subject to Schools Forum conditions
Early Years Block	£29,814	£29,814	£0	
High Needs Block	£47,101	£47,101	£0	
Total	£290,795	£291,772	£977	

- 4.3 The size of the Early Years Block will reduce because participation levels have reduced in the January 2020 census. The planned use of £0.977m reserves to support the Central School Services Block is dependent on there being sufficient uncommitted reserves at the end of 2019/20 (which the previous section confirms to be the case) and that the LA brings forward in June 2020 a plan for reducing central spend to within the available resource by 2021/22. A separate report on the Central School Services Block is elsewhere on this agenda.

5 Recommendations.

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

Appendix 1A**DSG Outturn EXPENDITURE 2019/20**

Division /Sub-division	SF Description	Final DSG Budget 2019/20	Final Actual spend 2019-20	Net spend v budget	Forecast net spend Q3 2019/20	Sum of Movement since Q3	Comment
Schools Block							
01 Schools Funding	Maintained mainstream budgets gross	£139,324	£139,324	£	£139,324	£	
	Recouped mainstream academy funding	£69,964	£69,964	£	£69,964	£	Transactions do not go through the Council's accounts
02 Other	Falling Rolls	£585	£585	£	£585	£	
	Growth Fund	£680	£445	-£235	£443	£2	Unspent Growth Fund would normally be ring-fenced.
Schools Block Total		£210,553	£210,318	-£235	£210,316	£2	
Central School Services Block							
01 School Admissions	School Admissions	£490	£490	£	£490	£	
02 Copyright licences	Copyright Licences	£167	£501	£334	£167	£334	School Licences for two previous years had not been reflected in the Income and Expenditure statement. The DSG funding for these items was still on the balance sheet. So, there was, in effect, more brought forward DSG to cover these costs.
03 Ed Welfare	Education Welfare Service	£217	£217	£	£217	£	
04 Stat & Reg	Other Statutory and regulatory functions	£1,638	£1,638	£	£1,638	£	
05 De-delegation	De-delegation Vulnerable Schools Fund	£311	£88	-£223	£100	-£12	Vulnerable Schools Fund is treated as ring-fenced.

Division /Sub-division	SF Description	Final DSG Budget 2019/20	Final Actual spend 2019-20	Net spend v budget	Forecast net spend Q3 2019/20	Sum of Movement since Q3	Comment
	De-delegation / Ed Responsibilities contribution	-£478	-£478	£	-£478	£	
Central School Services Block Total		£2,345	£2,456	£111	£2,134	£322	
Early Years Block							
01 EY Settings Funding	2 Year Olds Early Years Provision	£3,447	£3,233	-£214	£3,372	-£139	Lower participation in January 2020 also impacted on lower EY DSG
	3 & 4 Year Olds Early Years Provision	£24,558	£22,841	-£1,717	£23,693	-£852	Lower participation in January 2020 also impacted on lower EY DSG
	Disability Access Fund	£69	£35	-£34	£69	-£34	
	Early Years SEN Inclusion Fund	£350	£232	-£118	£350	-£118	Still some funding left after all projects agreed for 2019/20.
	EY Pupil Premium	£228	£160	-£68	£178	-£18	
02 Central spend within 5%	Children's Centres	£514	£514	£	£514	£	
	Early Years Central Team	£686	£719	£33	£686	£33	
	Early Years CPD	£85	£85	£	£85	£	
Early Years Block Total		£29,937	£27,819	-£2,118	£28,947	-£1,128	Because final EY DSG income is lower because of Jan 2020 participation levels, the underspend against the budget exaggerates its scale. The real underspend on Early Years DSG is £1.1m.
High Needs Block							
01 Places	Places for maintained Special Schools	£5,610	£5,798	£188	£5,868	-£70	
	Recouped High Needs places for FE and Academies	£3,051	£3,110	£59	£3,051	£59	Late adjustment by ESFA

Division /Sub-division	SF Description	Final DSG Budget 2019/20	Final Actual spend 2019-20	Net spend v budget	Forecast net spend Q3 2019/20	Sum of Movement since Q3	Comment
	Places - Resource Bases	£924	£924	£	£924	£	
02 Top-ups	Independent and non-maintained schools	£6,000	£5,344	-£656	£6,287	-£943	Detailed exercise done to bring payments up to date. Some costs attributable to FE.
	Top-ups - Mainstream Lambeth	£16,769	£6,858	-£9,911	£6,843	£15	Budget to be split for 2020/21.
	Top-ups - Resource Bases Lambeth	£7,648	£1,313	-£6,335	£1,320	-£7	Budget to be split for 2020/21.
	Top-ups - Mainstream Other LA	£	£1,807	£1,807	£1,572	£235	Still some estimated payments used to close the year.
	Top-ups - Special Schools Other LA	£	£2,567	£2,567	£2,848	-£282	Still some estimated payments used to close the year.
	Top-ups - Special Schools Lambeth	£	£8,113	£8,113	£8,504	-£390	Detailed exercise done to bring payments up to date.
	Top-ups - Alternative Provision Lambeth	£	£382	£382	£168	£214	Increased use of SEMH placements.
	Top-ups - Post-16 FE and Specialist	£	£3,598	£3,598	£2,974	£623	Still some estimated payments used to close the year.
03 Other	Alternative Provision	£1,876	£1,751	-£125	£1,876	-£125	Lower central team costs
	ASD Outreach	£255	£255	£	£334	-£79	Spent to budget
	CENMAC	£150	£37	-£113	£49	-£12	
	HN Fund to target pupils below EHCP Threshold	£500	£310	-£190	£500	-£190	Still some funding left after all projects agreed for 2019/20.
	Sensory Support Outreach	£660	£661	£1	£901	-£240	Spent to budget
	Specialist Equipment	£105	£140	£35	£129	£12	
	Disproportionate SEN in mainstream	£580	£571	-£9	£580	-£9	
High Needs Block Total		£44,128	£43,539	-£589	£44,728	-£1,189	
Grand Total		£286,963	£284,132	-£2,831	£286,125	-£1,993	

Appendix 1B**DSG Outturn INCOME 2019/20**

Description	Final DSG Budget 2019/20	Final Actual spend 2019-20	Net spend v budget	Forecast net spend Q3 2019/20	Sum of Movement since Q3	Comment
Funded from						
B/f DSG 2018/19	-£1,647	-£1,648	-£1	-£1,647	-£1	Brought forward
DSG 2019/20 received via ESFA remittances 2019/20	-£212,144	-£212,144	£	-£212,144	£	Actual DSG received for 2019/20 financial year.
Backdated DSG 2018/19, received in DSG remittances 2019/20	-£155	-£155	£	-£155	£	2018/19 EY DSG was increased when the final calculation of 5/12th Jan 2018, 7/12th Jan 2019 participation was done.
Revealed DSG through backdated licence transactions (2017/18 and 2018/19)	£	-£392	-£392	£	-£392	DfE pay nationally for School Licences and send VAT invoices to LAs, netting off against DSG. This had not been done for a couple of years, but neither the costs nor the income had been drawn down, so it did not create a pressure. The income revealed by the VAT components, however, represented additional b/f DSG that had not been recognised.
Funded from recoupment	-£73,015	-£73,074	-£59	-£73,015	-£59	This element is not received by the LA. ESFA made a final change to place funding deductions in March 2020.
Expected clawback of DSG income received for late High Needs DSG adjustment 2019/20	£	£58	£58	£	£58	While recoupment increased, the DSG did not increase overall. The late ESFA adjustment between DSG and recoupment, after the final DSG payment had been made for 2019/20, so this will be adjusted in 2020/21.
Expected reduction in Early Years DSG 2019/20 due to lower participation in January 2020	£	£996	£996	£	£996	DfE retrospectively calculate EY DSG as 5/12ths January 2019 participation and 7/12ths January 2020 participation. Jan 2020 participation is lower and the EY DSG 2019/20 at time of closing was based on 100% January 2019, so it is expected to reduce by £0.996m.
DSG income, including recoupment	-£286,961	-£286,358	£603	-£286,961	£603	
Variance		-£2,227				

Appendix 2

Real Maintained Schools Balances as at 05/05/2020

(This may differ from the official balances on Oracle where late returns have been received.)

School No.	School Name	Brought Forward 2018/19 Surplus / Deficit £'000	In Year Movement 2019/20 Surplus / Deficit £'000	Carry Forward 2019/20 Surplus/ Deficit £'000
1043	EFFRA	(£214)	(£164)	(£378)
1049	ETHELRED	£239	(£123)	£116
1058	HOLMEWOOD	£341	(£5)	£336
1055	MAYTREE	£411	£18	£429
1027	TRIANGLE	£72	(£41)	£31
	Sub Tot Nursery	£850	(£316)	£534
2808	ALLEN EDWARDS	£124	(£71)	£52
3307	ARCHBISHOP SUMNERS	£356	£6	£362
2022	ASHMOLE	£5	£	£5
2897	BONNEVILLE	(£149)	(£289)	(£438)
3324	CHRISTCHURCH SW9	(£341)	(£140)	(£481)
2115	CLAPHAM MANOR	£579	(£183)	£396
2783	CROWN LANE	(£40)	(£93)	(£133)
2794	ELM WOOD	(£26)	(£8)	(£34)
2785	FENSTANTON PRIMARY	£239	(£28)	£211
2836	GLENBROOK PRIMARY	(£27)	(£27)	(£54)
2265	GRANTON PRIMARY	£157	£379	£536
2292	HEATHBROOK PRIMARY	£340	(£265)	£75
2295	HENRY CAVENDISH	£339	£12	£352
2901	HENRY FAWCETT	£955	(£212)	£743
2868	HERBERT MORRISON	£70	(£67)	£3
2898	HILLMEAD PRIMARY	£603	(£327)	£275
2900	HITHERFIELD PRIMARY	£186	£30	£216
3621	HOLY TRINITY	£52	£41	£93
5205	IMMANUEL	£805	(£158)	£647
3643	IQRA	£657	£38	£694
2331	JESSOP PRIMARY	(£26)	(£281)	(£307)
3000	JUBILEE PRIMARY	(£117)	(£64)	(£181)
5209	JULIANS	£689	(£149)	£541
2903	KINGS AVENUE PRIMARY	(£230)	(£208)	(£438)
2359	KINGSWOOD PRIMARY	(£478)	£42	(£436)
2371	LARKHALL PRIMARY	£140	(£137)	£3

School No.	School Name	Brought Forward 2018/19 Surplus / Deficit £'000	In Year Movement 2019/20 Surplus / Deficit £'000	Carry Forward 2019/20 Surplus/ Deficit £'000
2905	LOUGHBOROUGH PRIMARY	£453	(£293)	£160
3375	MACAULAY	£181	(£44)	£138
3642	ORCHARD	£271	£22	£293
2459	PAXTON	(£183)	£9	(£175)
2504	RICHARD ATKINS	£263	£90	£353
3403	ST ANDREWS CE	(£130)	(£81)	(£211)
5204	ST ANDREWS RC	£261	(£94)	£167
5201	ST ANNES	£582	(£96)	£486
5203	ST BEDES	£280	£60	£339
5200	ST BERNADETTE'S	£35	£49	£84
3641	ST HELENS	£151	(£8)	£144
3457	ST JOHN THE DIVINE	£73	(£68)	£5
3466	ST JOHN'S ANGELL TOWN	(£183)	(£21)	(£204)
3491	ST JUDES	£127	(£140)	(£13)
3502	ST MARKS	£228	(£34)	£194
5208	ST MARYS	£264	(£125)	£139
3589	ST SAVIOURS	(£167)	(£48)	(£215)
3596	ST STEPHENS	£236	(£5)	£231
2902	STOCKWELL PRIMARY	£378	(£154)	£225
2895	STREATHAM WELLS	£199	(£45)	£154
2575	SUDBOURNE	£91	£50	£141
2578	SUNNYHILL	£497	£77	£575
2591	TELFERSCOT	£677	£12	£689
5206	The REAY	£329	(£80)	£249
2617	VAUXHALL	£349	£25	£375
2626	WALNUT TREE WALK	£287	(£17)	£269
2657	WOODMANSTERNE	£225	£1,119	£1,344
2664	WYVIL	£105	£24	£129
	Sub Tot Primary	£10,741	(£1,972)	£8,769
5401	BISHOP THOMAS GRANT	£369	(£172)	£196
4509	ST GABRIELS COLLEGE	£323	(£49)	£274
5400	LA RETRAITE	£473	£117	£590
4321	LILIAN BAYLIS	£1,139	(£120)	£1,019
5405	LONDON NAUTICAL	(£71)	(£114)	(£184)
4223	NORWOOD SCHOOL	£85	(£85)	£
	Sub Tot Secondary	£2,318	(£423)	£1,895
7115	ELM COURT	£304	£129	£434

School No.	School Name	Brought Forward 2018/19 Surplus / Deficit £'000	In Year Movement 2019/20 Surplus / Deficit £'000	Carry Forward 2019/20 Surplus/ Deficit £'000
7001	LANSDOWNE	£175	£117	£292
7194	LIVITY	£122	(£276)	(£154)
7195	MICHAEL TIPPETT	(£880)	(£209)	(£1,088)
5950	TURNEY	(£47)	(£48)	(£95)
	Sub Tot Special	(£325)	(£286)	(£611)
Grand Total		£13,584	(£2,998)	£10,586

Agenda Item 5**Title: Central School Services Block****Date: 23rd June 2020****Report to: Schools Forum****Report for: Information Decision Consultation x Action****Authors: David Tully****1. Summary**

1.1 At Schools Forum in January 2020, it was agreed that the LA could allocate £0.977m more costs to the Central School Services Block than the £1.055m DSG allocation for 2020/21. This was subject to three conditions:

- a) there were unplanned DSG reserves available during 2019/20 to cover such costs;
- b) the Authority brought an updated plan to the June 2020 meeting of the Schools Forum; and
- c) the budget plans for 2021/22 did not seek to charge more than the available Central School Services Block funding for that year.

1.2 This explains that: the first condition has been met; an updated plan is included here to fulfil the second condition; and it remains the LA's intention to honour the third.

2. Background

2.1 The Central School Services Block has been anomalous for Lambeth. The DSG has changed since it was introduced in 2006. It did not originally have the current four blocks and some costs have shifted from LA responsibilities, via the (now defunct) Education Services Grant into this Block and some costs have gone in the other direction.

2.2 Lambeth's allocation has been low, stemming from two past exercises. In 2013, the DfE reconfigured all the blocks and asked LAs to identify historic commitments that Schools Forum had previously agreed could be charged to the DSG; Lambeth were either not able to or did not identify any. Then in 2016/17, the DfE gave LAs an opportunity to re-baseline their DSG blocks again, but again Lambeth were either not able to or did not identify any further costs that should be attributed to the Central School Service Block. So, the allocation of £32 per pupil remains one of the lowest in the country.

2.3 Schools Forum were asked if they would support a proposal in January 2020 to allow the LA to charge more costs to the Central School Service Block while it

explored options on how to manage these costs during 2020/21. Schools Forum agreed to the allocations in **Table 1**, subject to the three conditions below:

- a) there were unplanned DSG reserves available during 2019/20 to cover such costs;
- b) the Authority brought an updated plan to the June 2020 meeting of the Schools Forum; and
- c) the budget plans for 2021/22 did not seek to charge more than the available Central School Services Block funding for that year.

Table 1: Budget approvals for CSSB 2020/21 by funding source

Component	Allocation funded from 2020/21 CSSB DSG £'000	Allocation funded from uncommitted reserves £'000	Total all £'000
Statutory and Regulatory	143	877	1,020
Education Welfare	220	0	220
Asset Management	0	100	100
Other ongoing duties	692	0	692
Total	1,055	977	2,032

2.4 This report explains the position on each of the three conditions.

3. Condition 1: Uncommitted Reserves

3.1 As is set out in the DSG Outturn report elsewhere on this agenda, the carried forward balance on the DSG for 2019/20 was £2.227m, of which £0.235m was earmarked for Growth Fund and £0.223m was earmarked for the Vulnerable Schools Fund. This leaves £1.769m formally uncommitted brought forward into 2020/21 and, thus, available to support the £0.977m additional central services costs.

3.2 This condition is, therefore, met.

4. Condition 2: Updated Plan

4.1 If the LA is to operate within the CSSB allocation in the future, the broad options for funding the excess activities are:

- a) Seek an increase in the CSSB allocation from the DfE;
- b) Seek an alternative funding source for those costs; or
- c) Cease to provide those services.

4.2 **Increased allocation from the DfE.** Officers contacted the DfE in May 2020 to explore whether it might be possible to revisit this situation, albeit 7 years on. The DfE explained that the past exercises were all about re-attributing DSG between blocks, rather than increasing funding overall. In the very unlikely

scenario where the DfE were to accept that historic costs in the CSSB should increase, this would be at the expense of another block in the DSG.

- 4.3 Moreover, the DfE are pursuing a policy of abating the historic allocations over time. For 2020/21, they have reduced the historic allocations for every LA by 20% and, while no decisions have been made for 2021/22 and beyond, it would be a reasonable assumption that a further 20% reduction each year until all the budgets were removed. It would not make sense for the LA to transfer DSG funding into a category that was due to be removed over time.
- 4.4 Expecting a material increase in the CSSB is not a viable option.
- 4.5 **Alternative Funding sources.** The nature of the services charged to the Central School Services Block does not make them all equally suitable for charging schools individually. Funding a statutory education or finance service through optional subscription creates problems if some schools choose not to pay, yet are bound to benefit from the existence of the service nonetheless.
- 4.6 The LA already has an agreement with maintained schools that Education Responsibilities will be funded through a de-delegation arrangement (£20.50 per pupil). These are not the same functions as those covered by the CSSB because CSSB is for services that apply to all schools including academies, whereas the Education Responsibilities element relates to those functions that the LA has to perform for maintained schools only.
- 4.7 The LA would like to continue the de-delegation arrangement for Education Responsibilities, but it is recognized that the component services for that de-delegation have not been fully explained. When the LA brings a paper to Schools Forum in the autumn for decision on the Education Responsibilities arrangements for 2021/22, officers will be mindful of the need to be explicit about which services and functions are included within this.
- 4.8 Where the LA is currently spending more than the CSSB allocation for statutory services and it wishes to continue to pay for those services, the only viable alternative source of funding is the Council's General Fund.
- 4.9 **Ceasing to provide services.** If resources are limited, the LA will need to prioritise. When budget plans are developed in the autumn term, leading up to the January 2021 Schools Forum meeting, the LA will identify what the priorities for both the available CSSB and the proposed Education Responsibilities de-delegation will be. Those services which are not put forward for inclusion in those budgets may need to be ceased if there is also no available General Fund support for them.
- 4.10 **Conclusion.** The £0.977m excess costs of statutory functions currently being charged to the CSSB will be included within the planning considerations for the development of the Council's Medium Term Financial Strategy. There is no guarantee that any or all of these costs will be accepted as part of the General Fund budget from 2021/22. Should it be the case that there is no additional resource to apply to these functions, officers will look for ways of managing the

reduction, either by scaling back these activities or looking to scale back other activities and substitute for these ones.

4.11 These arrangements mean that the LA has an outline plan for how it will move away from the current arrangement of charging more costs to the CSSB by 2021/22.

5. Condition 3: Limit charges for 2021/22 to the CSSB DSG

5.1 It is clear from the plan outlined in meeting condition 2 that the LA is seeking to avoid charging more to the CSSB in 2021/22 than the available CSSB DSG.

6. Key Points

6.1 The £1.1m CSSB DSG is not going to change much. The DfE will not see Lambeth's circumstances as meriting any special treatment. The excess spending of £1m in 2020/21 can no longer be charged to the DSG in 2021/22. The set of services that are attributed to the CSSB (including the de-delegated amount for Education Responsibilities) is to be completely refreshed to align better with the regulations and to assist in explaining this to stakeholders. The excess costs will be included in the Council's Medium Term Financial Plan (MTFP) for consideration alongside other competing priorities for Council resource and officers will manage the consequences arising from the revised MTFP.

7. Recommendations

7.1 Schools Forum is invited to:

- a) note and comment on the LA's progress report on limiting the Central School Services Block costs to the DSG allocation by 2021/22;
- b) support the proposal that the additional £1m costs of providing statutory and regulatory services for education in Lambeth be funded by the Council's General Fund budget when the Medium Term Financial Plan is updated for 2021/22.

Agenda Item 6**Title: Local Government Pension Scheme****Date: 23rd June 2020****Report to: Schools Forum****Report for: Information Decision Consultation x Action****Authors: Hamant Bharadia and David Tully**

1. Summary

- 1.1 Historically, pension contributions for non-teaching staff who are members of the Local Government Pension Scheme administered by the London Borough of Lambeth (LPF) have been collected through a direct monthly charge (Primary contributions) via payroll and secondary contributions through a central charge to DSG retained by the Council. The scope and nature of the DSG has changed over time, such that the previous approach is no longer sustainable, and the Council's own financial position means that it is no longer able to cover the central charge. This central charge is equivalent to 9.95% of pay.
- 1.2 59 individual maintained schools have staff who are members of the LPF, and it is these schools who will be affected by the change. Eleven individual schools either have no or very few LPF members; their support staff continued to be part of the Greater London Council or other pension funds. Individual academies or multi-academy trusts have been admitted to the LPF on the basis of the actuarial profile of their staff and the rates they pay are specific to them.
- 1.3 The 59 maintained schools were paying primary rate of 18.3% employer pension contributions in 2019/20 and are paying 19.3% from 1st April 2020. The secondary contribution of 9.95% follows the latest pension fund valuation and rate setting. This secondary contribution for the prior three years was set at 9.59%
- 1.4 Schools who have non-teaching staff in the LPF, will need to pay the total combined rate of 29.25% of pay for the years 2020/21 through to 2022/23. In order to give schools sufficient notice of this change and to manage the consequences, the LA proposes that this increase is delayed until April 2021.
- 1.5 This report explains why this change has become necessary at this point and what steps the LA intends to take to assist the affected schools.

2. Reasons for the change

- 2.1 The change to the employer contribution rate arises for two reasons.
- 2.2 **Medium Term Financial Planning.** The first is that officers have been reassessing whether costs have been appropriately attributed to the Dedicated Schools Grant, rather than to the General Fund, and vice versa. Cabinet and

Council were advised in February 2020 that such a review was likely to mean a shift of resources in the region of £4m. This is being considered as part of the Council's latest iteration of the Medium Term Financial Plan.

- 2.3 The budget information provided to Schools Forum in January 2020 (for both 2019/20 and 2020/21) represented the position after £4m of costs that had originally been planned to be charged to the DSG, but which was agreed by the Director of Finance should be charged to the General Fund, were so moved. The report elsewhere on the agenda regarding the plan to operate within the Central School Services Block from April 2021 would be the last element of costs that ought to be shifted from the DSG.
- 2.4 While this arrangement was not sustainable (which is why it has now been ceased), the overall position between the DSG and the General Fund was broadly in balance because the General Fund has shared some of the costs of the employer pension contributions that would otherwise fall on schools. Indeed, one of the components of funding that had been charged to the DSG in the past was a lump sum contribution to the LPF, even although the combination of that contribution and the amounts that individual schools were paying did not represent the full share of employer contributions necessary for school staff.
- 2.5 After asking 20 other London boroughs how they treat employer pension contributions for schools, it was established that Lambeth was an outlier; 90% of London boroughs charge schools the full combined rate to all their employers, including maintained schools.
- 2.6 **Actuarial Valuation of LPF.** The second issue was the Council's actuaries performed their triennial valuation of the LPF and made recommendations about the rates that each of the employers in the scheme should make. The LA's contributions are by far the largest share of the total (i.e. from other employers, such as academies or housing bodies).
- 2.7 In the three year period up to 31st March 2020, Lambeth were required to pay 18.3% for the primary rate (i.e. the amount needed for the pension of the people currently being employed) plus £12m as a lump sum for the secondary rate (i.e. to cover any historic shortfalls due to market performance of pension funds or the changing risk profile of members of the pension scheme).
- 2.8 For the three year period from 1st April 2020, the actuaries have indicated that primary rates must rise to 19.4% and the secondary lump sum should be £12.5m. In flat percentage terms, the combined rate is 29.35%.
- 2.9 The combined impact of the General Fund having to bear costs that it had hoped would be met by the DSG and an increase to the overall employer pension fund contributions pointed to the need to regularise the pension fund contributions across all employers.

3. Impact on schools

- 3.1 Schools do not all have the same arrangements for pension contributions for their non-teaching staff. Around 2/3rds of all schools are part of the Lambeth Council pool, most academies have a bespoke arrangement as Scheduled Bodies of the Lambeth Pension Fund and a small number of schools are members of the London Pension Fund Agency or of the old Greater London Council Fund.
- 3.2 **Appendix 1** identifies all 70 maintained schools as being in the LPF or not, then it assesses what a 9.95% increase in its support staff might represent as a proportion of its overall public funding. The overall cost for these schools is estimated to be £3.8m, based on April 2020 payroll being a typical month. The overall public funding includes estimates, (for instance, it uses the 2019/20 Pupil Premium Deprivation figures because those for 2020/21 are not yet available). The appendix can only give a sense of the possible impact to schools as overall funding will fluctuate and different spending decisions will affect the assessment. Each school will need to reassure itself about the impact of a 9.95% increase in pension costs.
- 3.3 **Table 1** summarises the impact for different sectors, based on the information in **Appendix 1**.

Table 1: Summary assessed impact of maintained schools of pension increase

Type of maintained school	Estimated annual public funding	Cost of extra 9.95% support staff contributions	Proportion (%age)
Mainstream in LPF	£143.725m	£3.205m	2.2%
Nursery in LPF	£3.967m	£0.216m	5.4%
Special in LPF	£11.699m	£0.327m	2.8%
Schools with no, or very few, LPF members	£44.520m	£0.005m	0.0%
Total	£203.912m	£3.753m	1.8%

- 3.4 Maintained primary and secondary schools are looking at an average increase in their overall costs equivalent to 2.2% of their estimated 2020/21 funding. For maintained nursery schools, an average increase of 5.4% looks more likely. And the amount for maintained special schools is 2.8%. It will affect those schools with larger numbers of support staff, such as those who provide after-school clubs and breakfast clubs, or who have the largest proportion of children with high needs.
- 3.5 The sorts of considerations that arise from this situation include:
- The DSG is set by the Education and Skills Funding Agency (ESFA), but what decisions might the LA make about allocating the DSG that would assist schools in managing these extra costs?
 - The LA will be constrained in targeting support to individual schools because one-third of schools will not be directly affected by these arrangements and they have their own issues about affording pensions or other staff, goods or services.
 - Is the school able to absorb the extra costs of support staff from its budget share?

- If a school is using support staff to provide services that it charges for (e.g. parental contributions or lettings), what impact will the cost changes have on the fees and charges it sets?
 - If a school is not able to absorb the additional costs, what actions will it take to scale back its activity to be able to operate within available resources?
- 3.6 The principle that schools pay the full actual cost of the staff they engage was one of the main ones adopted when Local Management of Schools was introduced in the early 1990s. Difficult though it may be to make the transition, it is correct that schools should be paying the same percentage employer contributions to the pension Fund as other LA services pay for their staff. The issue is really about how we get from where we are to where we need to be.
- 3.7 The change to the Lambeth Pension Contributions set out by the actuaries takes effect from 1 April 2020. The LA accepts that making such a large change retrospectively, with no advance warning, is not a sensible approach and is keen to support schools through a transition arrangement. Schools have had little idea that they were benefitting from a lower pension contribution rate, nor have they had any opportunity to plan for such an increase.
- 3.8 The LA is mindful of the potential equalities impacts that may arise if schools are faced with unplanned, additional costs of support staff. This is from the perspective of both any impact on vulnerable children which those staff may support and whether such changes would disproportionately impact women or black and minority ethnic staff who fill many of these support roles.
- 3.9 Without any chance to plan for such an increase, the immediate consequence is that school balances would reduce and the 19 schools with deficit balances would have larger ones and the number of schools with a deficit would increase.
- 3.10 Schools may wish to consider the wider financial impact of the review of the balance between the DSG and the Council's General Fund budget. For 2019/20 and 2020/21, the DSG is not bearing £4m of costs that are now being met by the Council's General Fund budget.
- 3.11 Had that money stayed in the DSG for 2019/20 and 2020/21, the £2m underspend on the DSG at the end of 2019/20 would have been a £2m deficit and we would have been having to contend with a possible £6m deficit if the same budget plans were pursued.
- 3.12 Individual schools may face additional costs for pensions, but without the rebalancing of the DSG, in 2020/21: we would not have been able to increase early years budgets by 4%; nor would we have been able to afford a 3% increase in high needs top-ups and changes to bandings; and the difficulties in the High Needs block might have required another year of transferring £1m from Schools Block to High Needs Block.

- 3.13 Individual schools may look unfavourably on the extra costs that their school may have to manage because of the pension contribution change, but the review of accounting for the DSG has had benefits as well as costs.

4. What does the LA propose to do?

- 4.1 Given the considerations above, the LA intends to delay implementation of the 9.95% LPF employer pension contributions until 1st April 2021. Schools with staff in the LPF will continue to pay 19.3% for the remainder of this financial year until 31st March 2021.
- 4.2 Schools with staff in the LPF will be advised of this change, giving them 9 full months to plan for its introduction.
- 4.3 In the 2021/22 budget setting for the DSG, the LA will acknowledge the need to maximise funding for schools. This will include acknowledging the impact of these measures on special schools, nursery schools and high needs top-ups generally. The LA will work with the Schools Forum to identify ways in which funds can be effectively targeted, while recognising that one-third of schools are unaffected by this change.
- 4.4 Individual schools with deficits or ones particularly affected by this change will be asked to provide a simple plan for how they intend to manage within their available resources and absorb the impact of this change.

5. Recommendations

- 5.1 **Schools Forum is invited to note and comment on the LA's intention to charge maintained schools 29.25% for employer contributions to the Lambeth Pension Scheme with effect from 1st April 2021.**

Appendix 1**Impact of change to LPF employer contribution rate for maintained schools and services**

Full DfE No	School	Sector	Total estimated annual funding £'000	Estimated extra annual cost of LPS increase of 9.95% £'000	Extra pension as a %age of annual budget	In Lambeth Pension Scheme?
2082022	Ashmole Primary School	Mainstream	1,501	36	2.4%	Yes
2082115	Clapham Manor Primary School	Mainstream	3,149	101	3.2%	Yes
2082265	Granton Primary School	Mainstream	4,106	81	2.0%	Yes
2082292	Heathbrook Primary School	Mainstream	2,483	31	1.2%	Yes
2082295	Henry Cavendish Primary School	Mainstream	5,309	139	2.6%	Yes
2082331	Jessop Primary School	Mainstream	2,684	88	3.3%	Yes
2082359	Kingswood Primary School	Mainstream	5,102	174	3.4%	Yes
2082371	Lark Hall Primary School (Including Lark Hall Centre for Pupils with Autism)	Mainstream	3,511	93	2.7%	Yes
2082459	Paxton Primary School	Mainstream	3,206	66	2.1%	Yes
2082504	Richard Atkins Primary School	Mainstream	2,171	44	2.0%	Yes
2082575	Sudbourne Primary School	Mainstream	2,364	40	1.7%	Yes
2082578	Sunnyhill Primary School	Mainstream	3,137	55	1.8%	Yes
2082591	Telferscot Primary School	Mainstream	2,585	77	3.0%	Yes
2082617	Vauxhall Primary School	Mainstream	1,674	46	2.8%	Yes
2082626	Walnut Tree Walk Primary School	Mainstream	1,862	34	1.8%	Yes
2082664	Wyvil Primary School and Centres for Children With Speech and Language Impairment and Autism	Mainstream	4,860	110	2.3%	Yes
2082783	Crown Lane Primary School	Mainstream	2,885	57	2.0%	Yes
2082785	Fenstanton Primary School	Mainstream	3,352	97	2.9%	Yes
2082794	Elm Wood School	Mainstream	2,668	66	2.5%	Yes
2082808	Allen Edwards Primary School	Mainstream	2,632	63	2.4%	Yes

Full DfE No	School	Sector	Total estimated annual funding £'000	Estimated extra annual cost of LPS increase of 9.95% £'000	Extra pension as a %age of annual budget	In Lambeth Pension Scheme?
2082836	Glenbrook Primary School	Mainstream	1,526	36	2.4%	Yes
2082868	Herbert Morrison Primary School	Mainstream	1,614	27	1.7%	Yes
2082895	Streatham Wells Primary School	Mainstream	1,531	39	2.5%	Yes
2082897	Bonneville Primary School	Mainstream	2,420	49	2.0%	Yes
2082898	Hill Mead Primary School	Mainstream	3,191	50	1.6%	Yes
2082900	Hitherfield Primary School	Mainstream	4,422	161	3.6%	Yes
2082901	Henry Fawcett Primary School	Mainstream	2,442	63	2.6%	Yes
2082902	Stockwell Primary School	Mainstream	3,986	134	3.4%	Yes
2082903	Kings Avenue School	Mainstream	1,972	30	1.5%	Yes
2082905	Loughborough Primary School	Mainstream	2,699	81	3.0%	Yes
2083000	Jubilee Primary School	Mainstream	2,819	59	2.1%	Yes
2083307	Archbishop Sumner Church of England Primary School	Mainstream	2,770	60	2.1%	Yes
2083324	Christ Church Primary SW9	Mainstream	1,421	39	2.7%	Yes
2083375	Macaulay Church of England Primary School	Mainstream	1,409	28	2.0%	Yes
2083403	St Andrew's Church of England Primary School	Mainstream	1,389	45	3.3%	Yes
2083457	St John the Divine Church of England Primary School	Mainstream	1,275	21	1.7%	Yes
2083466	St John's Angell Town Church of England Primary School	Mainstream	1,631	38	2.3%	Yes
2083491	St Jude's Church of England Primary School	Mainstream	1,263	23	1.8%	Yes
2083502	St Mark's Church of England Primary School	Mainstream	1,492	35	2.4%	Yes

Full DfE No	School	Sector	Total estimated annual funding £'000	Estimated extra annual cost of LPS increase of 9.95% £'000	Extra pension as a %age of annual budget	In Lambeth Pension Scheme?
2083589	St Saviour's Church of England Primary School	Mainstream	1,209	34	2.8%	Yes
2083596	St Stephen's Church of England Primary School	Mainstream	1,589	40	2.5%	Yes
2083621	Holy Trinity Church of England Primary School	Mainstream	2,163	47	2.2%	Yes
2083641	St Helen's Catholic School	Mainstream	1,965	17	0.9%	Yes
2083642	The Orchard School	Mainstream	1,434	19	1.3%	Yes
2083643	Iqra Primary School	Mainstream	1,818	22	1.2%	Yes
2085200	St Bernadette Catholic Junior School	Mainstream	1,496		0.0%	Not LPS
2085201	St Anne's Catholic Primary School	Mainstream	2,560		0.0%	Not LPS
2085203	St Bede's Catholic Infant School	Mainstream	1,306		0.0%	Not LPS
2085204	St Andrew's Catholic Primary School	Mainstream	2,515		0.0%	Not LPS
2085205	Immanuel and St Andrew Church of England Primary School	Mainstream	2,503	3	0.1%	Not LPS
2085206	Reay Primary School	Mainstream	1,620	44	2.7%	Yes
2085208	St Mary's Roman Catholic Primary School	Mainstream	2,029		0.0%	Not LPS
2085209	Julian's Primary School	Mainstream	5,758		0.0%	Not LPS
2084223	Norwood School	Mainstream	8,542	90	1.0%	Yes
2084321	Lilian Baylis Technology School	Mainstream	7,179	127	1.8%	Yes
2084509	Saint Gabriel's College	Mainstream	5,255	86	1.6%	Yes
2085400	La Retraite Roman Catholic Girls' School	Mainstream	8,081		0.0%	Not LPS
2085401	Bishop Thomas Grant Catholic Secondary School	Mainstream	9,399		0.0%	Not LPS
2085405	London Nautical School	Mainstream	5,430		0.0%	Not LPS
2082657	Woodmansterne All-through School	Mainstream	8,437	164	1.9%	Yes

Full DfE No	School	Sector	Total estimated annual funding £'000	Estimated extra annual cost of LPS increase of 9.95% £'000	Extra pension as a %age of annual budget	In Lambeth Pension Scheme?
2081043	Effra Nursery	Nursery	986	58	5.9%	Yes
2081049	Ethelred Nursery	Nursery	684	21	3.1%	Yes
2081058	Holmewood Nursery	Nursery	1,136	47	4.2%	Yes
2081055	Maytree Nursery	Nursery	677	79	11.6%	Yes
2081027	Triangle Nursery	Nursery	485	11	2.3%	Yes
2087115	Elm Court	Special	3,090	54	1.8%	Yes
2087001	Lansdowne	Special	3,155	54	1.7%	Yes
2087194	The Livity	Special	2,491	115	4.6%	Yes
2087195	Michael Tippett	Special	2,963	105	3.5%	Yes
2085950	Turney	Special	3,444	2	0.0%	Not LPS
	Total Maintained Schools		203,912	3,753	1.8%	

Agenda Item 7**Title: Back-dated Term-Time Only Claims****Date: 23rd June 2020****Report to: Schools Forum****Report for: Information** x **Decision** **Consultation** **Action****Authors: Claire Cobbald**

1. Information

- 1.1 In March 2020, schools were updated on the LA's approach to settling claims from staff and former staff about the way in which holiday pay was calculated. The letter in **Appendix 1** was sent to all schools affected.
- 1.2 This agenda item is an opportunity for the Director of Education to provide an update on this matter and for Schools Forum to feedback schools' views on how this matter is being managed.
- 1.3 Letters have now been sent to all types of schools with details of the new calculation agreed with unions which has been implemented for all schools using Lambeth Payroll service effective from 1st April 2020.
- 1.4 For schools using external payroll providers the new calculation and example calculations have been shared for these schools who can instruct their payroll providers accordingly.
- 1.5 A letter for schools to share with their staff has also been shared along with a long hand version of the calculation.
- 1.6 Negotiation meetings are currently taking place with school trades unions to agree on the level of back pay. Schools where Lambeth is not the employer can opt for the LA to negotiate for them, too.
- 1.7 Schools continue to be advised that, if they receive any Employment Tribunal claims or ACAS correspondence, they share this with the LA.
- 1.8 The total settlement for backdated claims is not yet known, as it is subject to the outcomes of the negotiations with the unions. From a practical perspective, the LA has agreed to pay any settlement amounts due once they are agreed. Once the outcomes are known, Schools Forum, initially, will be presented with a paper on the settlement outcomes, with a view to agreeing a reasonable way of funding the overall costs
- 1.9 Given that the negotiations are on-going, the LA would prefer to defer any discussion or decision on the ultimate funding of the backdated costs until the negotiations are complete and we understand the scale.

2. Recommendations

- 2.1 Schools Forum is invited to note and comment on the update provided by officers.**



5th March 2020

Dear Headteacher/Chair of Governors

Holiday pay for part year workers

I write to clarify a number of issues in relation to this issue. You may be aware of the case of Brazel vs the Harper Trust which affects the amount of holiday pay part year workers are paid. ([Full link](#)) A part year worker is someone employed who works for only part of the year and this may include your teaching assistants and other support staff who only work during school terms.

The Harper Trust is currently waiting to see if they have permission to appeal to the Supreme Court to overturn the Court of Appeal decision made in August 2019.

If permission is denied the Court of Appeal decision will be binding and part year workers will be owed holiday pay in relation to previous years in which it was pro-rated. This is because the case decided that part year workers are entitled to 5.6 weeks un prorated holiday pay per year.

It would appear that Lambeth and some other London Boroughs have not been paying their part year workers in accordance with this case. The unions are now issuing employment tribunal claims on behalf of their members to recover this outstanding holiday pay and are also claiming indirect sex discrimination, equal pay, and breach of the Part Time Workers Regulations 2010. A number of individual claims are now coming through.

This email is being sent to all schools and converter Academies within Lambeth to make you aware of this situation.

Lambeth is in talks with the trades unions to agree a new calculation and to negotiate the period of any back pay which is owed.

Greenwich Borough Council have settled previously, and details of their settlement can be found on their website and this may help you in understanding the size and complexity of the issue.

Any further settlement negotiated by Lambeth Borough Council and the unions will be binding and will settle all the claims raised in the employment tribunal claims. We are looking to enter into discussions with schools to agree whether cases will be handled collectively or individually. Any back pay owed would initially be paid by the Council and we would then work with Schools Forum to reimburse this over time.

If any school receives any ACAS certificates or employment tribunal claims relating to this matter please contact Dawn Lelliott in Lambeth Legal services as soon as anything is received. Dawn's contact details are as follows 07591382471 and e-mail: DLelliott@lambeth.gov.uk.

We understand that you may have received an email saying that if you receive a claim you do not need to do anything. This is incorrect. If a Grounds of Resistance is not filed judgement can be entered in default. If schools agree that they wish to work together on this the council's legal department will act on



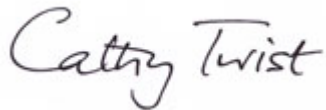
your behalf, free of charge, and file a Grounds of Resistance in this matter. We will also apply for the claim to be stayed at this point of time.

It has been agreed with the Unions that non pro-rated holiday pay will be paid to part time workers from April 2020. Please ensure that this increase is accounted for in the school's budget from April 2020 onwards.

We would like to reassure you that we are actively working with other Boroughs, the LGA and unions to reach a resolution to this matter.

We will of course keep you updated as this matter progress.

Yours sincerely



Cathy Twist
Director for Education and Learning
Email: ctwist@lambeth.gov.uk





3rd June 2020

Dear Colleague,

Change to Part year workers' pay calculation effective 1st April 2020

I am writing to inform you following talks with Schools Trade unions, Lambeth have agreed a new calculation for part year workers holiday pay.

The change to the calculation has arisen out of a recent Brazel vs Harper Trust - Employment Tribunal case with regards how annual leave is calculated for staff who work term time only. The outcome of this case has led to changes in the Green Book – (the document which has the National terms and conditions for your employment) and the way annual leave is calculated. When this was checked against the Lambeth formula currently used, it revealed that Lambeth needed to make some adjustments to its formula.

The new calculation has already been implemented in April's 2020 pay for staff of those schools which use Lambeth payroll services. For those schools who use an external payroll provider these Headteachers have been written to with a copy of the new calculation to inform and request that they make the necessary back payment using this new calculation from 1st April 2020 as soon as possible.

Lambeth is now in talks with the School Trade unions to negotiate the period of any back pay which is owed. The use of the new calculation now means that we are not compounding the error and are now compliant with the Green Book.

The Local Authority and the school trade unions will keep you up to date with progress over the coming weeks/months on this matter.

For any HR queries, please send an email to the Lambeth Schools HR at the team email address SchoolsHr@lambeth.gov.uk or for payroll queries regarding this change, please contact Lambeth Schools Payroll at Schoolspayrollinbox@lambeth.gov.uk. Please clearly reference any emails with the subject heading TTO Query.

Yours faithfully

A handwritten signature in black ink that reads "Cathy Twist".

Cathy Twist,
Director, Education and Learning

Head of Schools HR
Education, Learning and Skills
London Borough of Lambeth

tele 020 7926 9541

mob 07725478532

email: ctwist@lambeth.gov.uk

Part year worker long hand calculation

Annual leave entitlement

Under 5 years service

5-10 years service

10 years or more

182 hours - 26 days

217 hours - 31 days

238 hours - 34 days

} + 56 hours Bank Holidays (8 days)

Your term time leave calculation is;

- i) **Full Time Working Days** = $\frac{\text{Days in year}}{7} \times 5 - \text{Annual Leave days Inc. B/H}$
- ii) **Accrual Rate** = $\frac{\text{Annual Leave}}{\text{Full time hours per day}} \times 100$ (to give percentage)
- iii) **Pro-rated A/L days** = Weeks per year x Days work per week x (ii)
- iv) **Pro-rated working days** = Weeks per year x Days worked per week + (iii)
- v) **Annual Leave Hours** = (iii) x Hours worked per day
- vi) **Full time hours worked** = $\frac{\text{(iv)}}{\text{Full time hours per day}} \times \frac{\text{Hours worked per day}}{\text{Full time hours per day}} \times 100$
*260.71
- vii) **Full time hourly rate** = Annual Salary x $\frac{7}{365} \div 35$
- viii) **Term time allowance per month** = (vii) x (v) $\div 12$

Salary

- viii) Basic Pay = $\frac{\text{Annual salary} \times \text{contracted hrs per wk} \times \text{wks per yr} \div 12}{\text{Full time hrs per week } 52.14}$
- x) Monthly salary = viii + viii
- xi) Annual salary = (x) x 12

*Assuming a five-day working week, the number of days available annually is 260.71 (365 \div 7 x 5 = 260.71)

Appendix 3

BASIC	22,002
T/T WEEKS	39
CONT HRS	32.5
FULL TIME HRS	35
A/L DAYS	34

1st aid	disc pt
0	0

OLD METHOD

(input 52.143 for full time weeks)

(34, 39 or 42)

TERM TIME BASIC	1st aid	disc pt	ANNUAL LEAVE HRS	FULL TIME HRLY RATE	TERM TIME ALLCE.	A/L hrly	Whole Hrly
1273.4732	0.0000	0.00	165.30	12.0559	166.0749	1.5723	13.6282
			1ST AID	0.0000	0.69456		
			DISC PT	0.0000	2869.3019		

Total Monthly Salary

1439.55

Total Annual Salary

17274.58

FT TT ALL

178.8499

239.1085

BASIC SALARY*	0.00
WEEKS WORKED PER YEAR*	0.000
DAYS WORKED PER WEEK*	0
HOURS WORKED PER DAY*	0.00
FULL-TIME HOURS PER DAY	7
CONTRACTUAL HOURS PER WEEK	0.00
FULL-TIME HOURS PER WEEK	35
A/L DAYS (inc B/H)*	0

Enter FTE salary

Input no of basic weeks worked - e.g. 39,40,42

34 days for less than 5 yrs service, 39 for over 5 and less than 10 years service, 42 for over 10 yrs service - Bernadettes and St Bedes use 28 days for under 5 yrs service and 33 days for over 5 yrs service

TERM-TIME CALCULATION (GREEN BOOK)

NEW METHOD

NOTE St

Term Time Basic Pay	Full-Time Working Days	Accrual Rate	Pro-rated A/L Days	Pro-rated Working Days	Annual Leave Hours	Full-Time Hours Worked	Full Time Hourly Rate	Term Time Allowance (Monthly)
0.0000	260.7100	0.0000%	0.0000	0.0000	0.0000	0.0000%	£0.0000	0.0000

Total Monthly Salary

£0.00

Total Annual Salary

£0.00

Required Fields

Amounts paid

Agenda Item 8**Title: High Needs Block 2019/20 and 2020/21****Date: 23rd June 2020****Report to: Schools Forum****Report for: Information Decision Consultation x Action****Authors: David Tully, Adam Yarnold, Sue Franklin****1. Background**

- 1.1 This report provides an update on the overall High Needs Block for 2019/20 and 2020/21.
- 1.2 The Children and Families Act 2014 brought in a range of changes for assessment, provision and support for children and young people with SEND and their families including increasing the age range eligible for Education, Health and Care Plans from 3-19 to 0-25 and including health and care provision where appropriate. Lambeth created their Local Area Strategy 2017-2020 in the Autumn of 2017 in consultation with partners, providers, parents and carers and children and young people. This sets out the Local Area's vision for children and young people with Special Education Needs and Disabilities (SEND). Ofsted and the Care Quality Commission (CQC) are now inspecting local areas on how well the partnership of the Council, schools and the Clinical Commissioning Group (CCG) work together to commission and provide services for children and families.
- 1.3 Lambeth's SEND Strategic Board has overseen a comprehensive implementation of the Children and Families Act and has completed self-evaluation allowing the board to oversee the strengths and areas for improvement, so that they can ensure the best outcomes for children and young people and continue to monitor the Local Area's outcomes for children and young people with SEND.
- 1.4 The High Needs Block underspent by £0.6m in 2019/20. This situation has only been possible through the use of reserves (£0.3m), a transfer from Schools Block (£1m) and cost reductions (eg the paring back of the Disproportionate SEND Fund).
- 1.5 Schools Forum agreed the outline High Needs budget for 2020/21 (£47.1m) which was confirmed at Cabinet and Council in February 2020. While this represents a £4.4m (10%) increase on the 2019/20 DSG (£42.7m), the use of one-off monies in 2019/20 mean that the effective increase is lower (around 7%).
- 1.6 At the meeting in January 2020, it was indicated that further work would be done on the High Needs activity and finance to consider options for managing the High Needs budget during 2020/21. This report sets out how the LA intends to proceed.
- 1.7 In broad terms, the proposals identify that expected levels of activity at current prices would cost £45.1m, leaving £2.0m from the available £47.1m for 2020/21. This paper explains how changes to top-up rates and arrangements are to be managed for 2020/21.

2. Service context

- 2.1 The Children and Families Act 2014 brought in a range of changes for assessment, provision and support for Children and Young People with SEND and their families. The age range went from 3-19 to 0-25 for those children and young people supported by Statements/Education Health Care Plans (EHCP) and included Health and Care provision where appropriate within Education Health Care and Plans. It put the children and young people and their parents' and carers' voice at the heart of the Education Health Care Plan.
- 2.2 Lambeth has a SEND Strategic Board which oversees the implementation of the Children and Families' Act and developed a Local Area Strategy 2017-2020 alongside the Children and Young Peoples Plan.
- 2.3 The Board have undertaken regular evaluation via a Self-Evaluation Form (SEF) process which enables them to have a clear understanding of strengths and areas for development in relation to the Children and Families Act. This has then informed our Local Area Strategy. The Strategy is monitored via the Board which has representation from elected members, Education, SEND, Social Care, Health, Commissioners and parents and carers.
- 2.4 Our Local Area Strategy sets out our shared vision, principles and priorities to ensure partners are working together to effectively identify and meet the needs of Lambeth's children and young people with Special educational needs and / or Disabilities. This work directly supports the three priorities within our Borough Plan 2016-2021; partners working together, increasing provision within Lambeth so children and young people remain part of their communities, and reducing inequality for Children and Young People with SEN or disabilities.

3. Service Next Steps

- 3.1 We will continue to further refresh our Self Evaluation Form (SEF) and 'position statement' making changes and modifications to services to ensure they are as efficient as possible.
- 3.2 We have rebranded the Lambeth Local Offer and implemented an advertising timetable around the borough, so that we can raise awareness of the Local offer Website.
- 3.3 Within Children's and Adults Social Care work is underway to develop a 14-25 'Pathways to Adulthood' team so that children and young people with disabilities have smoother transitions within their lives.
- 3.4 We are opening and commissioning a range of new provision for those with Social Emotional Mental Health (SEMH) needs which will reduce costs and improve outcomes for those children and young people who have SEMH needs.
- 3.5 We are expanding our independent travel training programme after a successful first year to encourage more young people with SEND to travel independently. We will review our SEN Transport policy to ensure we encourage supported independence as far as is possible.

- 3.6 Lambeth has contracted an organisation called SEND 4 Change who have independently reviewed our SEF and set out areas for improvement. We will continuously act on feedback.
- 3.7 SEND 4 Change have also carried out a review of the banding model that was introduced just over a year ago to fund special schools and are also carrying out a review of the arrangements for funding of bases in the borough.

4. High Needs Budget 2019/20

- 4.1 Special Educational Needs provision (Special schools, education plans for individual pupils and specialist school placements, etc.) and Alternative Provision (Pupil Referral Units, Hospital Tuition and Education Otherwise than at School) is funded through the Dedicated Schools Grant (DSG) High Needs Block. The Children and Families Act 2014 put significant additional burdens on the DSG High Needs budget for SEN nationally. In Lambeth, EHCPs have increased by 25%, above the London average of 14%. The High Needs Budget has up to 2019/20 only increased by 2%.
- 4.2 The High Needs budget, in **Table 1** and in more detail in **Appendix 1**, underspent by £0.589m in 2019/20. A deficit would have arisen had there not been reserves (£0.3m), a transfer from Schools Block (£1m) and cost reductions (eg the paring back of the Disproportionate SEND Fund by £0.5m).

Table 1: High Needs Block outturn position 2019/20 – comparison outturn v Q2 2019/20

Sub-Division	Forecast spend 2019/20 Q2 £'000	Final Outturn 2019/20 £'000	Change £'000
01 Places	£9,585	£9,832	+£247
02 Top-ups	£32,636	£31,732	-£904
03 Other	£2,188	£1,975	-£213
Total forecast expenditure	£44,409	£43,539	-£870
Funded from			
DSG reserves brought forward	£345	£345	£0
Transfer from Schools Block 2019/20	£1,058	£1,058	£0
Latest High Needs DSG allocation 2019/20	£42,725	£42,725	£0
Forecast income 2019/20	£44,128	£44,128	£0
Forecast variance	£281	-£589	-£870

- 4.3 The outturn position for the High Needs Block is an improvement of £0.870m on the position reported at the January 2020 Schools Forum meeting. Officers ensured that all mainstream and resource base high needs claims were received and processed for 2019/20, special school funding was reconciled and commitments on independent and non-maintained schools were rigorously scrutinized. This included ensuring that old year payments were also up-to-date, which explains why the total for top-ups in 2019/20 is higher than the forecast for 2020/21, set out later in this report.

- 4.4 The information is less up-to-date for out-of-borough and Further Education placements, where claims have been and continue to be late. Accruals were raised at year-end on the basis of the best information available, but there will remain a risk that confirmation of outstanding old-year amounts during 2020/21 could exceed the amount set aside.
- 4.5 While the outturn is an improvement in the position compared to Quarter 2, the level of spending in the High Needs budget still exceeded the DSG High Needs Block itself by £0.8m (ie ignoring the transfer from Schools Block and the brought forward amount). Costs of EHCPs are increasing nationally and out of borough placement costs are also increasing. There are a number of reasons that the numbers of EHCPs have risen:
- Introduction of the extended age range (0-25) in the Children and Families Act 2014. This has led to a sharp rise in the number of requests for assessment for an EHCP (particularly 19-25 year olds), and the increased expectation that an EHCP will remain in place until age 25.
 - The 2014 reforms have raised parental awareness and expectations, making some parents more proactive in pursuing an EHCP for their child.
 - The financial pressures faced by schools leading them to encourage parents or young people to apply for EHCPs more readily than previously.
 - Reduction in early prevention services (in local authorities, schools, and CAMHS) due to funding pressures.
 - There has been an increase in the number of young people presenting with Autism Spectrum Disorders (ASD) and Social Emotional Mental Health (SEMH) needs in particular.
 - There has been an increase in accuracy of diagnosis and earlier identification of SEND.
 - Advances in paediatric care for babies and children with complex conditions means more children are presenting with needs.
- 4.6 Officers continue to analyse information on cost and activity, but the High Needs budget is complex; efficiencies are only possible in the context of meeting the needs of children and young people; developing new provision takes time and demand for places continues to grow.

5. High Needs Block 2020/21 - overview

- 5.1 The High Needs budget for 2020/21 has been set at the amount of the High Needs DSG for 2020/21 ie £47.1m. **Appendix 2** sets out what the components of that are.
- 5.2 For the purposes of 2020/21 budget setting, the decision of Cabinet and Council was to set a High Needs budget that uses all of the available funding, but it was recognized that the precise incidence of costs will be driven by a wide range of factors.
- 5.3 Officers have spent time reconsidering the activity and finance that underpins the High Needs budget and identifying some costs that have been combined in the past, as well as assessing the robustness of the data and the processes associated with managing it. This has enabled

a more comprehensible format of activity and finance for the budget components of the High Needs block in **Appendix 2**.

Table 2: Summary forecast position for the High Needs Budget 2020/21

Component	Agreed budget 2020/21 £'000	Forecast 2020/21 £'000	Difference £'000
1. Places only	10,434	10,291	(143)
2. SEN Top-Ups	32,455	30,616	(1,839)
3. AP Top-Ups	1,979	2,112	133
4. Other	2,232	2,232	
Total Exp	47,101	45,252	(1,849)
B/F	0	0	0
High Needs DSG	47,101	47,101	
Total funding	47,101	47,101	
Uncommitted	()	(1,849)	(1,849)

5.4 **Table 2** summarises the agreed budget and the updated forecast, which includes:

- a) Known high needs places, either agreed locally or with ESFA
- b) Current open cases (as at April 2020) of SEN and AP top-ups are at current prices
- c) Future SEN top-up cases increasing steadily by 25 per month and an expected 150 leavers at the end of the summer of 2020, all costed at the average top-up rate of £13k across all types of provision.
- d) Provision for further places at Alternative Provision should it be required
- e) Spend to budget on those items which are in the “Other” category.

5.5 **Table 2** suggests that there is around £1.8m uncommitted in the High Needs budget for 2020/21, meaning that there is scope to increase top-up rates or pursue new initiatives. The LA is working with SEND4Change to consider top-up rates for different types of settings, but, as ever, the longer-term position needs to be considered.

5.6 On the basis of a continued net increase in the number of EHCPs of c300 new cases, offset by c150 leavers, **Table 3** suggests that commitments would grow by £2m per year. This is before there is any consideration of what indexation might be appropriate for different settings or how the profile of provision were to change (eg more/less mainstream, more/less expensive independent or non-maintained placements etc).

Table 3: Forecast of future year change in top-up costs with 150 net additional EHCPs each year

Financial Year	Estimated fte	Year-on-year	Current average top-up rate	Forecast cost £'000	Year-on-year increase
March 2020	2,270		£13,063		
2020/21	2,344	+74	£13,063	£30,620	
2021/22	2,494	+150	£13,063	£32,579	£1,959
2022/23	2,644	+150	£13,063	£34,539	£1,959

5.7 The LA, nonetheless, has to ensure that it funds schools and other providers for the high needs cost of the children in their settings. The Department for Education had announced stepped increases in funding for schools in the autumn (£7.1bn over three years). While they have not indicated how much of the 2021/22 increase will go to the High Needs Block, it is likely that some of the additional funding will be included in the High Needs Block.

5.8 If the whole of the High Needs budget of £47.1m were to be committed for 2020/21, a £2m increase (from Table 3) in the number of children requiring top-ups would represent a 4% increase in funding, before taking account of any inflationary impacts in 2021/22.

5.9 If the currently uncommitted £1.8m (from Table 2) were to be used to increase rates, this would equate to around an average 3.6% increase to settings, but there are some changes to top-up rates that are desirable which will erode the headline increase.

5.10 The approach outlined in the following sections explains a 3% increase in top-ups generally, with 0.6% being targeted to address:

- the introduction of a Band D+ in special schools (because of proposed banding changes across the service, this will become known as Band S4+)
- facilitation of a move to a banded system in mainstream schools; and
- standardization of the place funding applied to Resource Bases.

5.11 These proposals will be subject to consultation and Member decision.

5.12 **Appendix 3** explains the assumptions about how the £1.8m in the High Needs Block is intended to be allocated. The precise impacts are subject to consultation and Member decisions, as well as to changes in the numbers of pupils and their costs, compared to our estimates.

6. Special Schools top-ups 2020/21

6.1 Lambeth Special Schools are funded on the basis of £10k per place plus a top-up, based on amounts for 4 different bands.

6.2 As at 1st April 2020, there were 466 pupils in Lambeth Special Schools, attracting an average top-up of £17,183 at a cost of £8.007m. Any inflationary increases would be based on £8.007m (top-ups) and £4.660m (for £10k place funding for each of those pupils) = £12.667m.

6.3 The LA pays top-ups for out-of-authority special schools, too. There are likely to be parallel arrangements for such schools, depending on the individual circumstances. The current forecast cost of 148 open top-ups in 2020/21 for out-of-authority special schools is £2.822m.

- 6.4 The LA has worked with SEND4Change to review the operation of the banding arrangements for special schools for the past 2 years. They concluded that the banding approach was generally working well, but the highest band (Band D, a top-up value of £20,100 was insufficient for pupils with very exceptional needs). They proposed that the LA should consider introducing a new Band D+ at a top-up value in the region of £25,000 to address this.
- 6.5 The special school top-up rates have not changed since they were introduced at the start of 2018/19, so there is some built-up cost pressure to be considered.
- 6.6 The special school arrangements include a requirement to observe a Minimum Funding Guarantee. For 2019/20, the total of places and top-ups for the whole school had to be no less than a 1.5% reduction against the same types of children in 2018/19. The MFG protected only The Michael Tippett School (by £0.6m), whose top-up rates were around 50% higher than those applying to the four other schools.
- 6.7 For 2020/21, the MFG continues to apply, but top-up rates must be set to ensure that the combined place and top-ups for the whole school are no lower than the equivalent for 2019/20. This arrangement means that a new Band D+ rate or any increase for indexation will have a neutral effect on The Michael Tippett School (ie as with mainstream schools protected by MFG, more funding entitlement means less protection).
- 6.8 Discussions continue with special headteachers, but the general approach that the LA would be seeking to discuss with them is:
- a) The introduction of Band D+ at a top-up rate of £25k, at equivalent prices to those for the existing four bands in 2019/20.
 - b) An indexation rate of 3% applied to the combined place and top-up for each pupil;
 - c) Because bands are proposed for mainstream top-ups and Resource Base top-ups, too, the labelling of bands is to become more consistent. So, the Bands for Special Schools will become Band S1 to Band S4+.

Table 4: Proposed top-up rates for Lambeth Special Schools 2020/21

Band	S1	S2	S3	S4	S4+
Core	10,000	10,000	10,000	10,000	10,000
Top Up (current rates)	10,250	12,050	15,250	20,100	25,000
Total	20,250	22,050	25,250	30,100	35,000
Revised top-ups after 3% increase	£10,857	£12,712	£16,008	£21,003	£26,050

- 6.9 Precise details of this would be agreed with the special schools themselves, but this would be expected to cost in the region of £0.5m, net of any impact of the MFG, for Lambeth Special Schools. There could be knock-on impacts on out-of-authority special schools of £0.2m, depending on when their last increase was agreed. **A total cost of £0.7m.**
- 6.10 Because there are only 5 special schools and the discussions are far advanced, it would be proposed to make any changes effective from 1st April 2020, if agreement can be reached with them.

7. Resource Bases

- 7.1 Currently, Resource Bases are funded on the basis of filled places attracting the relevant age-weighted pupil unit funding through the mainstream formula plus £6k from the High Needs Block or unfilled places attracting £10k from the High Needs Block. This is then supplemented by a specific top-up for each individual school.
- 7.2 The 2018/19 changes to the national arrangements to place funding for Resource Bases resulted in local compensating changes to top-ups that have not always been clearly understood. Prior to 2018/19, Resource Bases would have been funded on the basis of £10k per place from the High Needs block and any pupil in the mainstream school attending the Resource Base would not have been included in the mainstream funding formula (ie they would not have attracted any age-weighted pupil unit funding for those children). The gross costs of provision would have been reduced by £10k to get the top-up amount for each child attending the Resource Base.
- 7.3 From 2018/19, the arrangements changed such that pupils in Resource Bases were included in the mainstream funding formula (ie they attracted an AWPU value). For pupils filling a place at the Resource Base at the time of the October census, a further £6k was added from the High Needs Block.
- 7.4 The underlying assumption in the national arrangements is that the place factor for resource bases is £4k for the AWPU (Element 1 in the SEND funding arrangements) and £6k for the place (Element 2 in the SEND funding arrangements). For primary schools in Lambeth the 2020/21 AWPU value is £4,265, which is not so far from the implicit £4k. For secondary schools in Lambeth, the AWPU value is £6,277 (KS3) and £6,468 (KS4), which is £2k+ more than the implicit £4k.
- 7.5 When the new arrangements were introduced in 2018/19, Lambeth looked at the gross amount being provided to Resource Bases and deducted the sum of the AWPU and the £6k to arrive at a revised top-up value for each Resource Base. In principle, this is correct and it has a neutral effect on each Resource Base. The reduction in the top-up value has left some Resource Base schools believing that their funding has reduced when that has not been the case.
- 7.6 Undoubtedly, however, these arrangements are not straightforward, particularly as filled and unfilled places are treated differently, and complications can arise where places were unfilled at the census but subsequently become filled. We would want to discuss with Resource Bases how best to revert to a standard £10k place factor reduction for all gross top-ups.
- 7.7 Accepting that the arrangements are not simple, and without wishing to misrepresent the position, there are currently 162 pupils in Resource Bases, attracting an average top-up of £8,352 at a cost of £1.353m. Any inflationary increases would be based on £1.353m (top-ups) and £1.944m (for an average £12k place funding for each of those pupils) = £3.297m. Nonetheless, the proposals for Resource Bases is not to allocate indexation because the other proposals to change their top-up rates will provide them with sufficient additional resource instead.

- 7.8 The LA has worked with SEND4Change on a banding approach for Resource Bases. Their recommendations are in Table 5 below. The amounts shown are after indexation.

Table 5: Proposed Resource Base bands for 2020/21

Band	R1	R2	R3	R3+
Core	10,000	10,000	10,000	10,000
Top Up	3,750	6,500	10,857	Bespoke
Total	13,750	16,500	20,857	Bespoke

- 7.9 Standard top-up rates for individual settings would be either Band R1 or Band R3. In exceptional circumstances a small number of children would have needs that could not be met in the Resource Base with the standard funding for that setting and other bands would be considered. For those few whose needs exceeded what Band 3 could provide, they would be considered for Band 3+ funding, which would identify an appropriate band from the Special Schools range that was suitable for that child. This would demonstrate a continuum and recognize that Resource Bases are sometimes meeting the needs of children who could otherwise be in special schools.
- 7.10 Unlike the proposals for other top-ups, it is not proposed to apply an inflationary increase to the gross costs of Resource Base top-ups. Resource Bases top-ups will change in two ways. The first is to introduce a banding system for Resource Bases which integrates with that for special and other mainstream schools. The second is to apply the standard £10k deduction to identify the net amount that will be paid as top-up to each Resource Base. (Appendix 4 sets out the details of how each school may be affected). The net impact of both of these is expected to exceed the inflationary increase proposed for other types of high needs top-up.
- 7.11 These changes are estimated to cost £0.237m, but the details of how current top-ups for individuals migrate to the new bands will be for discussion with Resource Bases.
- 7.12 It is proposed that the LA consult more widely on the changes to a revised basis for calculating the top-ups and the proposed bandings. The timing of the changes would also be part of the consultation, but the intention would be to pass on any benefit to Resource Bases from April 2020 (ie backdated) if this were practical and the arrangements could be agreed.

8. Mainstream Schools

- 8.1 SEND in mainstream schools has four funding streams (Top-ups, Notional SEND, Disproportionate SEND and the SEND Inclusion Fund). These ought to be considered together.
- 8.2 **Top-ups.** There were 857 current pupils attracting top-ups in mainstream schools on 1st April 2020 at an average cost of £7,908, at a total cost of £6.777m. Any inflationary increases would be based on £6.777m (top-ups) and £5.142m (for £6k notional SEND funding for each of those pupils) = £11.919m.
- 8.3 Top-ups for individual children with EHCPs is calculated on an individual basis, based on bids from schools to SEND panels. While it is no longer the case that allocations are based on an hourly rate for a teaching assistant for the number of hours per week that is agreed as

necessary for each child, nearly 90% of the individual top-ups can be reconciled back to the hourly rate. There are dozens of combinations of rates for mainstream schools.

- 8.4 Top-up rates are considered individually, but have not been systematically increased for many years. This may well have led to individual schools bidding for the sum they actually need, rather than what the indicative amount for teaching assistants may have bought when it was originally introduced.
- 8.5 The funding is what schools have sought, but there may well be a disconnection with what it might originally have been provided for. This leaves a dilemma about how to re-index. The basic rates may not have gone up for 5 years or more, but schools will have taken that into account in their bids.
- 8.6 The other issue around mainstream top-ups is that they are individually calculated, rather than being based on a banding which is being used for special schools and is proposed for Resource Bases. We would not wish to move to a banded approach without consulting with all mainstream schools first.
- 8.7 Moving to a set of bands creates an issue about how you move from lots of individual amounts to a discrete set of bands. The bands themselves ought to represent the amount of additional support the school would be expected to provide for each child. Rounding up every pupil to the next highest band is an option, but would be very expensive and would eat into the funding available for increasing rates more generally. Rounding down would increase the funding available to increase rates, but would set every school's baseline top-up rates at a lower level than their current allocations.
- 8.8 The proposed bands for mainstream schools are set out in **Table 6**. The first table is the five principal bands that 99% of pupils would be funded on, with the remaining 1% being exceptional cases in Band M5+ which would have a more bespoke allocation. The intention would be to try to match the exceptional needs of a child to one of the other bands in the special school range.
- 8.9 It is proposed to round each child's current top-up to the nearest band, up or down. The largest step between bands is £4k, so individual schools could lose up to -£2k or gain up to +£2k, but only around one third (29/81) of schools have a net loss from this migration and all but three of them lose less than £3k overall. Once the indexation of 3% has been applied to the revised bands, there is only one single school that ends up with less money than currently (a few hundred pounds).
- 8.10 **Appendix 5** sets out the comparison for each school on the basis of the current cohort of 857 mainstream children with top-ups. The migration to the new bands would cost £45k (ie there are slightly more rounds up than roundings down). The 3% increase would be applied to the resulting bands.

Table 6: Proposed bandings for mainstream schools 2020/21

Band	M1	M2	M3	M4	M5	M5+
No of children	83	240	319	197	12	6
Core	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000
Top-up at current rates	£2,500	£5,000	£8,500	£12,000	£16,000	Bespoke
Total	£8,500	£11,000	£14,500	£18,000	£22,000	Bespoke
Revised top-ups after 3% increase	£2,755	£5,330	£8,935	£12,540	£16,660	Bespoke

8.11 It is proposed that the LA consults schools about new banding rates for mainstream schools. This would include descriptors associated with each new band. The intention would be for any changes to be implemented from September 2020 if that were practical. For the summer term, top-up rates would continue exactly as now, but, once indexation was confirmed for September 2020, a simple uplift on the summer term payments for mainstream schools could be made to ensure the same increase was back-dated to take effect from April 2020.

8.12 **Notional SEND budget.** The mainstream funding formula distributes available resources on the basis of individual factors, including per pupil funding, per school funding, premises related items and funding to recognize the characteristics of the pupils in the school (eg eligibility for free school meals, prior attainment, deprivation (IDACI) index scores, mobility and English as an additional language). Each local authority has a different basis of determining how much of the formula is attributed to the notional SEND budget. Whatever the basis, this notional SEND budget is where schools are expected to fund the additional needs of individual children up to £6k. Where the SEND of an individual are agreed by the LA as costing more than £6k, the LA will provide a top-up for the surplus.

8.13 Lambeth designates £37.5m (17.7%) of the formula funding as Notional SEND. See **Table 7** below.

Table 7: Current basis of determining Notional SEND budgets for mainstream schools

Formula factor	Total	%age of total for Notional SEND	Amount for Notional SEND	%age of Notional SEND
AWPUs	£166.023m	20%	£33.205m	88.6%
FSM / FSM6	£10.908m	30%	£3.272m	8.8%
EAL	£4.725m	20%	£0.945m	2.5%
Mobility	£0.120m	10%	£0.012m	<0.1%
IDACI	£2.284m	Nil	Nil	0%
Prior Attainment	£8.348m	Nil	Nil	0%
Other Factors & MFG	£19.515m	Nil	Nil	0%
Total	£211.923m	17.7%	£37.458m	100%

8.14 89% of the funding designated as notional SEND is for AWPUs. This assumption may be in need of review, because it means that 89% of the distribution of EHCP plans is random. Moreover, none of the low prior attainment funding is counted as notional SEND, when the vast majority of that ought to be an indicator of SEND.

8.15 The DfE are currently evaluating the feedback they received in the call for evidence on SEND in the summer of 2019. This is expected to result in further advice and clarification of the

calculation, explanation and use of the current Notional SEND budget. The funding formula for 2020/21 has been submitted and there are no proposed changes for 2020/21. The LA does expect to receive guidance from the DfE during the year which might require some reconsideration of this for future years.

- 8.16 **Disproportionate SEND.** The LA consulted schools in 2019/20 about how the Disproportionate SEND fund should be used. It was reduced from £1m to £0.5m and was distributed to all those schools who had more than 3% of their Reception to Year 11 pupils with EHCPs.
- 8.17 The DfE introduced the facility to support schools with disproportionate numbers of High Needs pupils, yet one third of all Lambeth mainstream schools receive a share of this fund. The idea that one third of schools need some support because of the number of EHCPs cannot in principle be right. Moreover, the allocation takes no account of the Notional SEND factor; the idea is that this fund should be used to support a small number of outliers, where the profile of their pupils suggests low numbers of High Needs pupils (eg low levels of deprivation, high levels of prior attainment, low mobility, few children with English as an additional language), yet their numbers of High Needs pupils requires them to contribute £6k from their notional SEND budget than is reasonable.
- 8.18 Given that we have already submitted the Notional SEND budget for 2020/21 and the DfE are considering this matter nationally, it is not proposed to change the local arrangements for Disproportionate SEND for 2020/21. The fund of £0.592m will be distributed to those schools with more than 3% of their pupils on roll in October 2019 with EHCPs at that point. **Appendix 6** sets out the resulting allocations for 2020/21 and, unless Schools Forum wished to change the basis of this at this stage, these amounts will be included in the July 2020 Cash Summary
- 8.19 **SEN Inclusion Fund.** There is a fund of £0.510m available to support school who wish to undertake projects or initiatives to support individual children, with or without EHCPs. The purpose of this is to try to intervene in situations where some support now may avoid the need for a long-term EHCP for the child. This is good practice and it is not proposed to change this arrangement for 2020/21.
- 8.20 The proposed basis for allocating this fund is set out in Appendix 7. It proposes to include a category specifically for initiatives that deal with issues arising from COVID 19.

9. Risks

- 9.1 The High Needs budget is volatile, so it is never entirely risk free to commit additional funding.
- 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 Increases in top-up rates reset the baseline for the following year, so if numbers of EHCPs continue to grow, they will cost more if we raise the rate at which we pay top-ups.

- 9.5 The risk of not allocating additional funding to schools also has to be taken into account. The responsibility for funding high needs top-ups for Element 3 rests with the local authority. If there are cost-pressures associated with those activities, without additional funding, these costs are absorbed by schools.
- 9.6 There are no guarantees about whether there will again be a stepped increase in funding for High Needs in 2021/22, as there was in 2020/21. The LA underspent by £2.227m in 2019/20, of which £0.977m is to be used to fund central spending and £0.458m is earmarked for Growth Fund / Vulnerable Schools Fund, leaving £0.792m to cover any financial risks that may exist in the Early Years and High Needs Block.
- 9.7 Many individual LAs have struggled to contain their high needs cost pressures within their High Needs DSG allocation. There is uncommitted funding for 2020/21 in the High Needs Block. These proposals aim to allocate the 2020/21 high needs DSG in full to assist schools in meeting their commitments.
- 9.8 The report identifies that the underlying position currently is that the High Needs Block would underspend by £1.9m if no changes were made to bandings or indexation. After making the proposed changes in this report, subject to consultation, Member decisions, as necessary, and the risks outlined above, the High Needs budget for 2020/21 would be expected to break-even.

10. Recommendations

- 10.1 Schools Forum to note and comment on the High Needs Budget position for 2019/20.
- 10.2 Schools Forum to indicate whether it supports the proposed arrangements for High Needs funding for 2020/21:
- a. Special Schools top-ups to include a Band D+ (to become known as Band S4+) and indexation of 3% with effect from April 2020, in consultation with special schools themselves.
 - b. Resource Base top-ups to have no inflationary increase, but instead to be consulted on a new set of gross top-up rates, from which a standard place amount of £10k would be deducted;
 - c. Mainstream funding arrangements to be the subject of consultation with all schools and brought back to Schools Forum in June for a decision to take effect from September 2020. This will include:
 - a. Indexation equivalent to 3% overall for 2020/21;
 - b. A realignment of the dozens of top-up combinations onto a simple set of 5 bands and 1 for exceptional circumstances;
 - c. A continuation of the current arrangements for Notional SEND (already notified to schools via the mainstream formula);
 - d. A continuation of the current arrangements for Disproportionate SEND (£0.592m allocated to Schools with more than 3% of their October 2019 pupils with EHCP plans);
 - e. Operating the arrangements for the SEND Inclusion Fund (£0.510m) as set out in **Appendix 7**.
 - d. Alternative Provision top-ups to increase by 3% from April 2020.

- e. Top-ups for FE Colleges, out-of-borough mainstream and special schools to be set at a rate that ensures value for money, which recognizes when institutions last increased their rates and which ensures that Lambeth pupils in out-of-authority institutions are being funded fairly, compared to those in Lambeth settings.

Appendix 1

Detailed High Needs Block forecast position 2019/20 – comparison Outturn v Q2 2019/20

Sub-division	Component	Forecast spend 2019/20 Q2 £'000	Forecast spend 2019/20 Q3 £'000	Change £'000
01 Places	Places for maintained Special Schools	£5,610	£5,798	£188
	Recouped High Needs places for FE and Academies	£3,051	£3,110	£59
	Places - Resource Bases	£924	£924	£0
02 Top-ups	Independent and non-maintained schools	£6,390	£5,344	–£1,046
	Top-ups - Mainstream Lambeth	£7,166	£6,858	–£308
	Top-ups - Mainstream Other LA	£1,586	£1,807	£221
	Top-ups - Special Schools Other LA	£2,877	£2,567	–£310
	Top-ups - Post-16 FE and Specialist	£2,958	£3,598	£640
	Top-ups - Resource Bases Lambeth	£1,320	£1,313	–£7
	Top-ups - Special Schools Lambeth	£8,295	£8,113	–£182
	Alternative Provision (including top-ups)	£1,876	£1,751	–£125
	Alternative Provision (SEMH)	£168	£382	£214
03 Other	ASD Outreach	£203	£255	£52
	CENMAC	£55	£37	–£18
	HN Fund to target pupils below EHCP Threshold	£500	£310	–£190
	Sensory Support Outreach	£759	£661	–£98
	Specialist Equipment	£91	£140	£49
	Disproportionate SEN in mainstream	£580	£571	–£9
Total	Forecast expenditure 2019/20	£44,409	£43,539	–£870
	Funded from			
b/f	DSG reserves brought forward	£345	£345	£0
DSG 2019/20	Transfer from Schools Block 2019/20	£1,058	£1,058	£0
DSG 2019/20	Latest High Needs DSG allocation 2019/20	£42,725	£42,725	£
Total	Forecast income 2019/20	£44,128	£44,128	£0
Forecast variance		£281	–£589	–£870

Appendix 2

Summary forecast position for the High Needs Budget 2020/21 (before indexation)

Component	Agreed budget 2020/21	Forecast 2020/21 £'000	Difference £'000	Comment
1. Places only	10,434	10,291	(143)	Latest known places, but further update expected from ESFA, so £0.4m for variations built in.
2. SEN Top-Ups	32,455	30,616	(1,839)	Most top-ups are now final. This is based on current known open cases at current prices plus an extra 25 EHCPs per month and around 150 leavers in summer 2020.
3. AP Top-Ups	1,979	2,112	133	Current budgets for top-ups plus a provision for further KS3 provision.
4. Other High Needs provision	2,232	2,232		Currently forecast set at budget.
Total Commitment (gross)	47,101	45,252	(1,849)	
Brought forward				
Funding transferred from Schools Block				
High Needs DSG Funding (gross)	47,101	47,101		
Total funding	47,101	47,101		
	()	(1,849)	(1,849)	Amount available for indexation.

This forecast takes account of prevailing numbers and current costs of open places.
 We have added numbers of new EHCPs each month, less any expected leavers.
 The remaining £1.9m could be used for increased top-ups, which the paper explains.

1. Core Place Funding

	Agreed budget	No of place	No of places	Rate	Forecast cost	
2020/21	2020/21	April 2020	Sept 2020	(£)	2020/21	Difference
					(£'000)	
Special Schools (Pre-16)	£5,870	614	634	£10,000	£6,257	£387
Special Schools (Post-16)	£0	0	0	£10,000	£0	£0
Resource Bases (Pre-16 filled)	£1,432	189	176	£6,000	£1,089	-£343
Resource Bases (Pre-16 unfilled)	£0	19	17	£10,000	£178	£178
Resource Bases (Post-16)	£0	0	0	£6,000	£0	£0
FE Places	£1,020	170	170	£6,000	£1,020	£0
Pupil Referral Units	£1,513	154	139	£10,000	£1,453	-£60
Hospital Funding	£200	19.2472	19.2472	£10,000	£192	-£8
Provision for new cases or import / export	£400				£103	-£297
Total allocations	£10,434				£10,291	-£143
Retained for LA allocation	7,448				£7,026	
Recouped by ESFA	2,986				£3,265	
Total source of funding	£10,434				£10,291	OK

2. Top-up Rates SEND

2020/21	Agreed budget 2020/21	Number of pupils supported at 1st April 2020	Average Rate (£)	Forecast cost 2020/21 (£'000)	Comment
Special Schools	£8,752	466	£17,183	£8,007	Based on open cases used for Cash Summary from April 2020
Resource Bases	£1,393	162	£8,354	£1,353	Based on open cases used for Cash Summary from April 2020
Mainstream Schools	£7,561	857	£7,908	£6,777	Based on open cases used for Cash Summary from April 2020
Out of Borough Special	£3,036	148	£19,067	£2,822	Based on open cases in the latest claim, but there are some overdue claims which could change this.
Out of Borough Mainstream	£1,673	193	£9,067	£1,750	Based on open cases in the latest claim, but there are some overdue claims which could change this.
Further Education SEND	£3,121	224	£11,127	£2,492	Based on open cases in the latest claim, but there are some overdue claims which could change this.
Pupil Referral Units (SEMH)	£177	17	£24,470	£416	Based on open cases in the final for 2019/20
Independent and non-maintained schools	£6,742	203	£29,729	£6,035	Based on open cases in the latest claim, with only a small number of overdue invoices.
Provision for new SEND cases or cost increases		73.75	£13,063	£963	Based on 25 new cases per month (300 per year) and 150 leavers (generally at the end of the academic year)
Total allocations	£32,455	2343.75	£13,063.00	£30,616	

3. Top-up Rates Alternative Provision

2020/21	Agreed budget 2020/21	Number of pupils supported at 1st April 2020	Average Rate (£)	Forecast cost 2020/21 (£'000)	Comment
Pupil Referral Units	£1,282	135	£9,000	£1,215	This is based on £101k per month in 2019/20.
Other Alternative Education	£697			£697	This is the remainder of the Alternative Education budget for the team and other activities.
Provision for new AP cases or cost increases		0		£200	Possible creation of a KS3 AP resource?
Total allocations	£1,979			£2,112	

4. Other High Needs functions and activities

2020/21	Agreed budget 2020/21	Forecast cost 2020/21 (£'000)	Comment
Disproportionate SEN (mainstream)	£592	£592	Currently allocated to all settings with more than 3% of their 4-15 year olds with an EHCP.
HN Fund for mainstream pupils below EHCP threshold	£510	£510	Allocated on bids for early intervention for children with SEND.
Hearing / Visual Impairment Outreach	£774	£774	To budget
Autistic Spectrum Disorders Outreach	£207	£207	To budget
SEN Specialist Equipment	£93	£93	To budget
CENMAC Service	£56	£56	To budget
Total allocations	£2,232	£2,232	

Summary forecast position for the High Needs Budget 2020/21 (before indexation)

	A	B	C	D	E	F	G	H	I	J
	Indexation rate	Current number of pupils supported	Average Rate (£)	Top-ups at 2019/20 rates (£'000)	Implicit place funding (£'000)	Implicit total (£'000)	Amount for Indexation (£'000)	Other (£'000)	Expected cost of top-ups	Total increase
2020/21										
Special Schools	3.00%	466	£17,183	£8,007	£4,660	12,667	£380	100	£8,487	£480
Resource Bases	0.00%	162	£8,354	£1,353	£1,944	3,297	£0	237	£1,590	£237
Mainstream Schools	3.00%	857	£7,908	£6,777	£5,142	11,919	£358	45	£7,180	£403
Out of Borough Special	3.00%	148	£19,067	£2,822	£1,480	4,302	£129		£2,951	£129
Out of Borough Mainstream	3.00%	193	£9,067	£1,750	£1,158	2,908	£87		£1,837	£87
Further Education SEND	3.00%	224	£11,127	£2,492	£1,344	3,836	£115		£2,608	£115
Pupil Referral Units (SEMH)	3.00%	17	£24,470	£416	£0	416	£12		£428	£12
Independent and non-maintained schools	3.00%	203	£29,729	£6,035	£0	6,035	£181		£6,216	£181
Pupil Referral Units	3.00%	135	£9,000	£1,215	£1,350	2,565	£77		£1,292	£77
Provision for new SEND cases or cost increases	3.00%	73.75	£13,063	£963	£511	1,474	£44		£1,008	£44
Other Alternative Education	3.00%			£697		697	£21		£718	£21
Provision for new AP cases or cost increases	3.00%	0		£200		200	£6		£206	£6
Total allocations	£0	2478.75		£32,728	£17,589	£50,317	£1,411	£382	£34,521	£1,793

Examples

Special School or Alternative Provision top-up of £15k, implies that the school will receive £10k place plus £15k top-up.

So, 3% applies to the combined total of £25k (ie £750), but the place funding remains at £10k, so the whole of the indexation is applied to the top-up.

The top-up increases from £15,000 to £15,750, an increase on the top-up of 5%.

Mainstream school or Further Education top-up of £15k, implies that the school will receive £6k place plus £15k top-up.

So, 3% applies to the combined total of £21k (ie £6305), but the place funding remains at £6k, so the whole of the indexation is applied to the top-up.

The top-up increases from £15,000 to £15,630, an increase on the top-up of 4.2%.

Place funding for Resource Bases varies because it depends on whether they are primary or secondary, filled places or unfilled places. The average place factor is £12k.

The reason it is proposed not to apply indexation for Resource Bases is because their implied place funding since 2018/19 has taken account of all the formula funding driven by the pupil being on roll, plus £6k from the HNB. While this is technically in line with the transfer from the HNB to the Schools Block in 2018/19, departing from the implied £10k place factor for funding Elements 1 and 2 for Resource Bases creates inconsistencies, particularly when recouping costs from other LAs. All Resource Bases will benefit from the standardisation of the baseline to £6k extra for a filled place and £10k extra for an empty place, combined with a new banding system, as an alternative to indexation.

Top-ups for SEMH in Alternative Provision or in independent / non-maintained provision does not include any place funding, so a 3% increase would mean an increase on the top-up of 3%.

Payments to out-of-borough providers and non-standard rates paid to individual Lambeth schools will not necessarily be automatically increased, it will depend on when rates were last considered and whether the rates continue to offer value for money.

Estimated impact of introducing revised top-ups with standard £10k deductions.

Appendix 4

Resource Base	Current numbers (April 2020)	Total annualised top-ups in April cash summary £	Current main top up rate £	Proposed new band	Top-up rate for proposed new Band (tbc) £	Revised funding at new top-up rates £	Difference in top-ups alone £	Difference as a percentage of previous top-up plus £10k (%)
Larkhall Primary School	29	£253,331	£8,736	Band R3	£10,857	£314,853	£61,522	
Larkhall Primary School	1	£27,102	£27,102	Band S4+	£26,050	£26,050	£1,052	
Larkhall Primary School	1	£16,102	£16,102	Band S3	£16,008	£16,008	£94	
Larkhall Primary School	1	£16,072	£16,072	Band S3	£16,008	£16,008	£64	
Larkhall Primary School Total	32	£312,607				£372,919	£60,312	10%
Crown Lane Primary School	14	£138,398	£9,886	Band R3	£10,857	£151,998	£13,600	
Crown Lane Primary School Total	14	£138,398				£151,998	£13,600	5%
Hill Mead Primary School	6	£60,872	£10,145	Band R3	£10,857	£65,142	£4,270	
Hill Mead Primary School Total	6	£60,872				£65,142	£4,270	4%
Jubilee Primary School	2	£5,439	£2,720	Band R1	£3,750	£7,500	£2,061	
Jubilee Primary School	1	£12,720	£12,720	Band S2	£12,712	£12,712	£8	
Jubilee Primary School Total	3	£18,159				£20,212	£2,053	4%
Archbishop Sumner	5	£10,949	£2,190	Band R1	£3,750	£18,750	£7,801	
Archbishop Sumner Total	5	£10,949				£18,750	£7,801	13%
The Elmgreen School	8	£5,952	£744	Band R1	£3,750	£30,000	£24,048	
The Elmgreen School	6	£69,000	£11,500	Band R3	£10,857	£65,142	£3,858	
The Elmgreen School Total	14	£74,952				£95,142	£20,190	9%
The London Nautical School	3	£24,519	£8,173	Band R3	£10,857	£32,571	£8,052	
The London Nautical School Total	3	£24,519				£32,571	£8,052	15%
City Heights E-ACT Academy	8	£60,600	£7,575	Band R3	£10,857	£86,856	£26,256	
City Heights E-ACT Academy Total	8	£60,600				£86,856	£26,256	19%
Dunraven School	10	£11,640	£1,164	Band R1	£3,750	£37,500	£25,860	
Dunraven School Total	10	£11,640				£37,500	£25,860	23%
Allen Edwards Primary	2	£5,522	£2,761	Band R1	£3,750	£7,500	£1,978	
Allen Edwards Primary Total	2	£5,522				£7,500	£1,978	8%
Wyvil ASD	41	£385,756	£9,409	Band R3	£10,857	£445,137	£59,381	
Wyvil ASD	6	£166,626	£27,771	Band S4+	£26,050	£156,300	£10,326	
Wyvil ASD	2	£36,818	£18,409	Band S3	£16,008	£32,016	£4,802	
Wyvil ASD	1	£13,909	£13,909	Band S2	£12,712	£12,712	£1,197	
Wyvil ASD Total	50	£603,109				£646,165	£43,056	4%
Wyvil SLCN Resourced Base	15	£31,975	£2,132	Band R1	£3,750	£56,250	£24,275	
Wyvil SLCN Resourced Base Total	15	£31,975				£56,250	£24,275	13%
Grand Total	162	£1,353,302				£1,591,005	£237,703	8%

Prior to 2018/19, place funding for Resource Bases was provided from the High Needs Block at £10k per place. The "previous to p-up rate prior to 2018/19" was after the deduction of £10k.

From 2018/19, the ESFA transferred costs from the High Needs Block to the Schools Block so that individual pupils attending the Resource Base could be funded from the mainstream funding formula. Schools with filled places benefitted from the AWPV value plus all the other pupil-led allocations in the formula plus an extra £6k from the High Needs Block. Schools with empty places received £10k from the High Needs Block. These calculations in the DSG were followed through in the calculation of the top-up values for each school.

To take the first school above as an example, Larkhall previously had a top-up value of £11,000. With a £10,000 place value, that implied that the gross cost of provision was £21,000. From 2018/19, Larkhall's gross cost of provision of £21,000 did not change, but the funding already provided for the pupil was £4,000 (the standard Element 1) plus £2,264 = £6,264 from the combination of the AWPV and other pupil driven formula elements plus a further £6,000 from the HNB. So, instead of deducting £10,000 for place funding, as before, the LA deducted £12,264 from £21,000 to arrive at the revised top-up of £8,736. The same principles applied to the other Resource Bases.

These calculations were correct at the time and it was a valid approach to take. So, although schools may feel that this approach has not benefitted them, neither has it disadvantaged them. This approach, however, is unnecessarily complex and it creates tensions in three ways:

- It is difficult to explain**, so it is not always obvious to schools why their allocation is as it is;
- It departs from the standard national system** whereby Element 1 is deemed to be £4k and Element 2 is deemed to be £6k. Other LAs with pupils attending these Resource Bases would expect to be paying the amount beyond £6k for Element 2. For Lambeth mainstream top-ups, individual pupils attract more than £4k for Element 1, but we stick to a standard approach with each school contributing the first £6k of costs for Element 2.
- It ignores a situation where unfilled places become filled**. If all places at the Resource Base are filled, this system applies to all the top-ups, but if there is a mixture of filled and unfilled places, and places unfilled on the October census subsequently become filled, there is an implicit difference in the place funding for individual pupils (ie some in Larkhall would have attributed £12,264 as the place factor and others would have £10,000 attributed to them).

Revising the top-up values, based on a standard £10k adjustment is estimated to cost £0.237m (c8%) with current top-ups and numbers.

Estimated combined impact of new bandings and 3% indexation for individual schools (subject to consultation and final decisions)

Appendix 5

Sector	School DFE Number	SCHOOL NAME CHECK	Current	Revised Top-	Difference	Estimated	Overall	
			No of pupils SEN Top-ups £'000	Annualised Top-ups £'000	ups with new bands £'000	attributable to bands £'000	impact of 3% increase £'000	impact of both changes £'000
All-through	2082657	Woodmansterne All-through School	17	£113	£114	£1	£6	£7
	2085402	Dunraven School	38	£323	£333	£10	£17	£27
All-through Total			55	£437	£447	£10	£23	£34
Nursery	2081027	Triangle Nursery School	2	£23	£25	£2	£1	£3
	2081043	Effra Early Years Centre	1	£14	£16	£2	£1	£3
	2081049	Ethelred Nursery School and Children's Centre	1	£7	£9	£1	£	£2
	2081055	Maytree Nursery School	2	£17	£17	£	£1	£1
	2081058	Holmewood Nursery	2	£17	£17	£	£1	£1
Nursery Total			8	£78	£83	£5	£4	£9
Primary	2082022	Ashmole Primary School	8	£64	£66	£2	£3	£5
	2082115	Clapham Manor Primary School	14	£121	£122	£1	£6	£7
	2082265	Granton Primary School	9	£57	£56	-£1	£3	£2
	2082292	Heathbrook Primary School	7	£54	£54	-£	£3	£3
	2082295	Henry Cavendish Primary School	12	£97	£97	£	£5	£5
	2082331	Jessop Primary School	10	£97	£99	£2	£5	£7
	2082332	Oasis Academy Johanna	11	£126	£123	-£3	£6	£2
	2082359	Kingswood Primary School	14	£113	£119	£6	£6	£12
	2082371	Lark Hall Primary School	11	£95	£94	-£1	£5	£4
	2082459	Paxton Primary School	3	£29	£29	£	£1	£1
	2082504	Richard Atkins Primary School	14	£98	£96	-£3	£5	£3
	2082575	Sudbourne Primary School	17	£171	£171	-£1	£8	£7
	2082578	Sunnyhill Primary School	12	£112	£113	£	£6	£6
	2082591	Telferscot Primary School	8	£78	£76	-£2	£4	£1
	2082617	Vauxhall Primary School	5	£32	£34	£2	£2	£4
	2082626	Walnut Tree Walk Primary School	6	£54	£55	£	£3	£3
	2082664	Wyvil Primary School	14	£97	£97	-£1	£5	£5
	2082783	Crown Lane Primary School	9	£68	£67	-£1	£4	£2
	2082785	Fenstanton Primary School	10	£91	£92	£1	£5	£5
	2082794	Elm Wood School	5	£42	£43	£	£2	£3
	2082808	Allen Edwards Primary School	17	£161	£161	-£1	£8	£7
	2082836	Glenbrook Primary School	9	£60	£60	£	£3	£3
	2082868	Herbert Morrison Primary School	11	£78	£81	£2	£4	£7
	2082895	Streatham Wells Primary School	4	£36	£38	£2	£2	£4
	2082897	Bonneville Primary School	11	£81	£82	£1	£4	£5
	2082898	Hill Mead Primary School	15	£136	£136	-£	£7	£7
	2082899	Rosendale Primary School	14	£135	£137	£1	£7	£8
	2082900	Hitherfield Primary School	20	£171	£174	£3	£9	£11
	2082901	Henry Fawcett Primary School	15	£130	£131	£1	£7	£7
	2082902	Stockwell Primary School	18	£171	£175	£3	£8	£12
	2082903	Kings Avenue School	5	£46	£46	£	£2	£2
	2082905	Loughborough Primary School	6	£39	£38	-£1	£2	£1
	2083000	Jubilee Primary School	14	£120	£120	-£	£6	£6
	2083307	Archbishop Sumner Church of England Primary School	12	£115	£118	£3	£6	£8
	2083324	Christ Church Primary SW9	7	£56	£57	£1	£3	£4
	2083329	Christ Church, Streatham Church of England Primary School	2	£16	£17	£1	£1	£2
	2083375	Macaulay Church of England Primary School	8	£90	£93	£2	£4	£6
2083403	St Andrew's Church of England Primary School	7	£70	£70	-£	£3	£3	
2083457	St John the Divine Church of England Primary School	3	£25	£26	£1	£1	£2	

Estimated combined impact of new bandings and 3% indexation for individual schools (subject to consultation and final decisions)

Appendix 5

Sector	School DFE Number	SCHOOL NAME CHECK	Current	Revised Top-	Difference	Estimated	Overall	
			No of pupils SEN Top-ups £'000	ups with new bands £'000	attributable to bands £'000	impact of 3% increase £'000	impact of both changes £'000	
	2083466	St John's Angell Town Church of England Primary School	3	£26	£26	-£	£1	£1
	2083491	St Jude's Church of England Primary School	3	£31	£33	£1	£2	£3
	2083493	St Leonard's Church of England Primary school	2	£19	£21	£1	£1	£2
	2083499	St Luke's Church of England Primary School	5	£36	£36	-£	£2	£2
	2083502	St Mark's Church of England Primary School	3	£33	£33	-£	£2	£1
	2083589	St Saviour's Church of England Primary School	2	£21	£21	-£1	£1	£
	2083596	St Stephen's Church of England Primary School	6	£39	£38	-£1	£2	£2
	2083621	Holy Trinity Church of England Primary School	7	£52	£53	£	£3	£3
	2083641	St Helen's Catholic School	11	£98	£101	£2	£5	£7
	2083642	The Orchard School	4	£37	£38	£1	£2	£3
	2083643	Iqra Primary School	6	£40	£41	£	£2	£3
	2085200	St Bernadette Catholic Junior School	3	£26	£26	-£	£1	£1
	2085201	St Anne's Catholic Primary School	15	£110	£112	£2	£6	£8
	2085202	Corpus Christi Catholic Primary School	5	£31	£31	-£	£2	£2
	2085203	St Bede's Catholic Infant School	3	£22	£22	-£	£1	£1
	2085204	St Andrew's Catholic Primary School	5	£52	£50	-£2	£2	£
	2085205	Immanuel and St Andrew Church of England Primary School	4	£36	£34	-£2	£2	-£
	2085206	Reay Primary School	3	£24	£26	£2	£1	£3
	2085208	St Mary's Roman Catholic Primary School	5	£25	£24	-£1	£2	£
	2085209	Julian's Primary School	22	£164	£166	£1	£9	£10
Primary Total			514	£4,355	£4,377	£22	£224	£246
Secondary	2084000	Oasis Academy South Bank	15	£124	£124	£	£6	£7
	2084003	Trinity Academy	18	£125	£124	-£2	£7	£5
	2084006	Archbishop Tenison's School	13	£85	£86	£1	£5	£6
	2084223	Norwood School	20	£128	£132	£4	£8	£12
	2084321	Lilian Baylis Technology School	39	£246	£250	£3	£15	£18
	2084322	Platanos College	18	£109	£111	£2	£7	£8
	2084509	Saint Gabriel's College	13	£97	£99	£1	£5	£7
	2084731	The Elmgreen School	32	£213	£207	-£6	£12	£6
	2085400	La Retraite Roman Catholic Girls' School	10	£59	£59	£	£4	£4
	2085401	Bishop Thomas Grant Catholic Secondary School	34	£221	£217	-£4	£13	£8
	2085404	St Martin in the Fields High School for Girls	8	£45	£46	£	£3	£3
	2085405	London Nautical School	9	£79	£78	-£1	£4	£3
	2086905	Lambeth Academy	21	£163	£165	£2	£9	£11
	2086906	Ark Evelyn Grace Academy	7	£48	£49	£1	£3	£3
	2086907	City Heights E-ACT Academy	23	£167	£173	£6	£9	£15
Secondary Total			280	£1,908	£1,916	£7	£108	£115
Grand Total			857	£6,777	£6,822	£45	£359	£404

Disproportionate SEND 2020-21 (DRAFT)

DfE No	School	Phase	R-11 EHCP's	R-11 NOR	Proportion of EHCP's	Number beyond 3%	Eligible	Disprop SEN Allocation 2020/21	Comparative allocation for 2019/20	Change
2082022	Ashmole Primary School	Primary	9	197.00	4.6%	3.09	Yes	14,752	33,414	-18,661
2082115	Clapham Manor Primary School	Primary	10	409.00	2.4%	0	No	0	0	0
2082265	Granton Primary School	Primary	12	592.00	2.0%	0	No	0	0	0
2082292	Heathbrook Primary School	Primary	10	339.00	2.9%	0	No	0	0	0
2082295	Henry Cavendish Primary School	Primary	11	802.00	1.4%	0	No	0	0	0
2082331	Jessop Primary School	Primary	11	367.00	3.0%	0	No	0	0	0
2082359	Kingswood Primary School	Primary	18	740.00	2.4%	0	No	0	0	0
2082371	Lark Hall Primary School (Including Lark	Primary	12	297.00	4.0%	3.09	Yes	14,752	0	14,752
2082459	Paxton Primary School	Primary	7	449.00	1.6%	0	No	0	0	0
2082504	Richard Atkins Primary School	Primary	18	276.00	6.5%	9.72	Yes	46,405	59,903	-13,497
2082575	Sudbourne Primary School	Primary	10	312.00	3.2%	0.64	Yes	3,055	0	3,055
2082578	Sunnyhill Primary School	Primary	14	389.00	3.6%	2.33	Yes	11,124	0	11,124
2082591	Telferscot Primary School	Primary	6	410.00	1.5%	0	No	0	0	0
2082617	Vauxhall Primary School	Primary	9	197.00	4.6%	3.09	Yes	14,752	41,145	-26,393
2082626	Walnut Tree Walk Primary School	Primary	6	245.00	2.4%	0	No	0	16,135	-16,135
2082664	Wyvil Primary School and Centres for Ch	Primary	9	397.00	2.3%	0	No	0	0	0
2082783	Crown Lane Primary School	Primary	6	343.00	1.7%	0	No	0	0	0
2082785	Fenstanton Primary School	Primary	8	452.00	1.8%	0	No	0	0	0
2082794	Elm Wood School	Primary	7	394.00	1.8%	0	No	0	0	0
2082808	Allen Edwards Primary School	Primary	15	317.00	4.7%	5.49	Yes	26,210	5,378	20,832
2082836	Glenbrook Primary School	Primary	9	192.00	4.7%	3.24	Yes	15,468	4,706	10,762
2082868	Herbert Morrison Primary School	Primary	10	196.00	5.1%	4.12	Yes	19,670	15,060	4,610
2082895	Streatham Wells Primary School	Primary	4	204.00	2.0%	0	No	0	0	0
2082897	Bonneville Primary School	Primary	12	343.00	3.5%	1.71	Yes	8,164	4,572	3,592
2082898	Hill Mead Primary School	Primary	13	378.00	3.4%	1.66	Yes	7,925	9,143	-1,218
2082900	Hitherfield Primary School	Primary	15	601.00	2.5%	0	No	0	0	0
2082901	Henry Fawcett Primary School	Primary	11	302.00	3.6%	1.94	Yes	9,262	11,093	-1,831
2082902	Stockwell Primary School	Primary	18	515.00	3.5%	2.55	Yes	12,174	0	12,174
2082903	Kings Avenue School	Primary	4	252.00	1.6%	0	No	0	0	0
2082905	Loughborough Primary School	Primary	6	335.00	1.8%	0	No	0	0	0
2083000	Jubilee Primary School	Primary	13	357.00	3.6%	2.29	Yes	10,933	0	10,933
2083307	Archbishop Sumner Church of England P	Primary	9	356.00	2.5%	0	No	0	10,555	-10,555
2083324	Christ Church Primary SW9	Primary	8	181.00	4.4%	2.57	Yes	12,270	0	12,270
2083375	Macaulay Church of England Primary Sc	Primary	13	186.00	7.0%	7.42	Yes	35,425	36,036	-611
2083403	St Andrew's Church of England Primary	Primary	9	191.00	4.7%	3.27	Yes	15,612	0	15,612
2083457	St John the Divine Church of England Pri	Primary	4	164.00	2.4%	0	No	0	0	0
2083466	St John's Angell Town Church of England	Primary	3	193.00	1.6%	0	No	0	0	0
2083491	St Jude's Church of England Primary Sch	Primary	3	199.00	1.5%	0	No	0	0	0
2083502	St Mark's Church of England Primary Sch	Primary	3	187.00	1.6%	0	No	0	0	0
2083589	St Saviour's Church of England Primary S	Primary	3	189.00	1.6%	0	No	0	0	0
2083596	St Stephen's Church of England Primary	Primary	5	193.00	2.6%	0	No	0	0	0
2083621	Holy Trinity Church of England Primary S	Primary	7	319.00	2.2%	0	No	0	0	0
2083641	St Helen's Catholic School	Primary	11	265.00	4.2%	3.05	Yes	14,561	9,480	5,082
2083642	The Orchard School	Primary	4	204.00	2.0%	0	No	0	0	0

Appendix 6

Disproportionate SEND 2020-21 (DRAFT)

Appendix 6

DfE No	School	Phase	R-11 EHCP's	R-11 NOR	Proportion of EHCP's	Number beyond 3%	Eligible	Disprop SEN Allocation 2020/21	Comparative allocation for 2019/20	Change
2083643	Iqra Primary School	Primary	8	209.00	3.8%	1.73	Yes	8,259	25,077	-16,818
2085200	St Bernadette Catholic Junior School	Primary	3	225.00	1.3%	0	No	0	1,076	-1,076
2085201	St Anne's Catholic Primary School	Primary	14	362.00	3.9%	3.14	Yes	14,991	30,119	-15,128
2085203	St Bede's Catholic Infant School	Primary	2	140.00	1.4%	0	No	0	0	0
2085204	St Andrew's Catholic Primary School	Primary	5	427.00	1.2%	0	No	0	0	0
2085205	Immanuel and St Andrew Church of Eng	Primary	3	394.00	0.8%	0	No	0	0	0
2085206	Reay Primary School	Primary	3	201.00	1.5%	0	No	0	0	0
2085208	St Mary's Roman Catholic Primary Schoo	Primary	6	313.00	1.9%	0	No	0	0	0
2085209	Julian's Primary School	Primary	25	922.00	2.7%	0	No	0	17,883	-17,883
2084223	Norwood School	Secondary	26	861.00	3.0%	0.17	Yes	812	0	812
2084321	Lilian Baylis Technology School	Secondary	41	617.00	6.6%	22.49	Yes	107,372	164,245	-56,873
2084509	Saint Gabriel's College	Secondary	15	569.00	2.6%	0	No	0	0	0
2085400	La Retraite Roman Catholic Girls' School	Secondary	7	808.00	0.9%	0	No	0	0	0
2085401	Bishop Thomas Grant Catholic Secondar	Secondary	38	938.00	4.1%	9.86	Yes	47,074	26,758	20,316
2085405	London Nautical School	Secondary	19	510.00	3.7%	3.7	Yes	17,665	0	17,665
2082657	Woodmansterne School	All-Through	30	1,015.00	3.0%	0	No	0	0	0
2082001	Van Gogh Primary	Primary	5	544.00	0.9%	0	No	0	0	0
2082332	Oasis Academy Johanna	Primary	11	191.00	5.8%	5.27	Yes	25,160	15,866	9,294
2082899	Rosendale Primary School	Primary	9	638.00	1.4%	0	No	0	0	0
2083329	Christ Church, Streatham Church of Eng	Primary	11	205.00	5.4%	4.85	Yes	23,155	0	23,155
2083493	St Leonard's Church of England Primary	Primary	4	297.00	1.3%	0	No	0	0	0
2083499	St Luke's Church of England Primary Sch	Primary	5	185.00	2.7%	0	No	0	0	0
2085202	Corpus Christi Catholic Primary School	Primary	5	393.00	1.3%	0	No	0	0	0
2084000	Oasis Academy South Bank	Secondary	22	606.00	3.6%	3.82	Yes	18,237	0	18,237
2084003	Trinity Academy	Secondary	11	494.00	2.2%	0	No	0	0	0
2084005	South Bank Engineering UTC	Secondary	2	64.00	3.1%	0.08	Yes	382	14,656	-14,274
2084006	Archbishop Tenison's School	Secondary	10	334.00	3.0%	0	No	0	8,673	-8,673
2084322	Platanos College	Secondary	23	1,021.00	2.3%	0	No	0	0	0
2084731	The Elmgreen School	Secondary	29	864.00	3.4%	3.08	Yes	14,705	15,866	-1,162
2085404	St Martin in the Fields High School for G	Secondary	6	417.00	1.4%	0	No	0	0	0
2086905	Lambeth Academy	Secondary	21	748.00	2.8%	0	No	0	2,622	-2,622
2086906	Ark Evelyn Grace Academy	Secondary	8	578.00	1.4%	0	No	0	0	0
2086907	City Heights E-ACT Academy	Secondary	20	714.00	2.8%	0	No	0	0	0
2085402	Dunraven School	All-Through	49	1,482.00	3.3%	4.54	Yes	21,675	0	21,675
2089999	Harris Clapham	Secondary	0	0.00	0.0%	0	No	0	0	0
TOTAL			901	32,712.00	2.8%	124		592,000	579,462	12,538

£4,774.19	30	£592,000
Per pupil	Schools eligible	total

Agenda Item 9**Title: Financial outlook in the context of COVID 19****Date: 23rd June 2020****Report to: Schools Forum****Report for: Information** x **Decision** **Consultation** **Action****Authors: David Tully, Cathy Twist**

1. Background

- 1.1 The lockdown arising from the COVID19 virus has created financial pressures for individual schools that they are able to manage in various ways. This paper provides some pointers to the main sources of financial support available to schools. It also reiterates what the key issues around the financial outlook for Lambeth are.
- 1.2 This report is brief, to give some pointers for discussion.

2. Funding to address COVID 19 issues

- 2.1 Schools have been receiving their full budgets since April and are expected to do what they can to continue employing staff, paying contractors (including services provided by the LA), even if contracts might be difficult to fulfil.
- 2.2 Two major elements of school funding are paid on estimates then adjusted for actuals:
- **Early Years.** We expect numbers to be low for the rest of the summer term, so we will be funding schools on the basis of summer 2019 participation levels, with no adjustments.
 - **High Needs.** We will take account of new cases and movements of pupils, but we will not take account of whether children are attending school in summer term or not.
- 2.3 For the autumn term, the aim is to continue to fund schools as normally as possible, but the precise arrangements will depend on whether pupils are generally back at school or not.
- 2.4 We are aware of three separate ways of schools being able to mitigate particular funding issues:
- DfE has indicated that schools can claim for premises cost, cleaning and free school meals from the DfE (Appendix 1 has an extract from the DfE advice, including limits for individual schools claiming for such costs);
 - Schools have been getting their payroll provider to furlough a very small number of staff whose funding is dependent on non-public funds (eg lettings or parental contributions); and
 - The LA can claim specific additional COVID costs from the Ministry of Housing Communities and Local Government (MHCLG), but because maintained

schools are substantially being funded as normal, it would genuinely have to be exceptional circumstances for maintained schools to be included on this log.

- 2.5 The DfE has provided a contact email where individual schools and academies believe they have particular issues that go beyond the scope and size of the compensation scheme they are currently offering. DfE.CoronavirusHelpline@education.gov.uk The LA would encourage schools to use it if they believe they have such issues.

3. Financial Outlook

- 3.1 Whether there will be any further specific COVID19 funding from the DfE will depend on how much longer schools will not be fully open to all pupils. If all pupils were back in the classroom in September, perhaps funding could revert to something approaching normal. At time of writing, that did not look to be the most likely scenario. This will put pressure on individual schools in operating smaller (socially distanced) classrooms, continuing with remote teaching or incurring additional premises, cleaning and free school meals. It will continue the pressure that individual schools will experience through loss of lettings or parental contributions income. The expectation would be that the DfE would increase limits of what could be claimed to allow for this.
- 3.2 Not having all pupils in schools creates practical issues about how to fund schools. This has been managed in the summer term by either paying as though children are still going to school (high needs) or with reference to comparable data (summer term 2019 data for early years). This may have to continue into the autumn term. If the October 2020 pupil census cannot be undertaken, this will have knock-on impacts on how the Dedicated Schools Grant (DSG) is calculated for 2020/21.
- 3.3 For 2020/21, Schools Forum members are aware of the issues affecting the financial position of individual schools.
- 3.4 DfE announced in autumn 2019 stepped increases in national funding for schools over the next three years (£7.1bn by 2022/23), but the key issues for Lambeth are:
- The National Funding Formula for mainstream schools does not favour London;
 - There is a smaller lump sum in the mainstream NFF which does not favour smaller schools;
 - IDACI 2019 will be used for 2020/21 and that reflects less deprivation in Lambeth than the IDACI 2015 dataset;
 - The Schools Block DSG Growth Fund component is expected to reduce by £2m over the next couple of years;
 - Falling rolls is a real issue for many schools;
 - Outcomes from the DfE review of maintained nursery schools and how they are funded is still awaited;
 - High Needs activity and cost pressures will continue.
- 3.5 This is in the context of unpicking any financial issues that schools experienced as a consequence of COVID19 and any individual local pressures (eg pension contributions) that they may have.

4. Recommendations

- 4.1 Schools Forum is invited to note and comment on the update provided by officers.

Extract from DfE guidance on financial support for schools during COVID19

[Link to DfE guidance on COVID19 Financial support](#)

“We understand this is a very challenging time for schools. We encourage all schools to continue to manage their budgets in the most effective way possible, and to redirect their existing resources to best support all their pupils, particularly vulnerable children and children of critical workers, in the current circumstances.

We have identified areas where we believe is it most likely that schools may face additional costs, as a result of the coronavirus (COVID-19) outbreak.

These are:

- **increased premises related costs** (including utilities and resources needed to keep the school open, such as hygiene services) associated with keeping schools open during the Easter and/or summer half term holidays, for vulnerable children and the children of critical workers, over and above the costs that schools would have faced in other circumstances
- **support for free school meals (FSM) for eligible children who are not attending school**, where those costs are not covered by the FSM [national voucher scheme](#) - this covers:
 - costs to schools arising before the introduction of the national voucher scheme
 - costs where schools are providing free meals to children for whom the national voucher scheme is inappropriate (for example, because there are no participating supermarkets locally or schools are providing meals directly)
- **additional cleaning** – required due to confirmed or suspected coronavirus (COVID-19) cases, in line with [COVID-19: cleaning of non-healthcare settings](#), over and above the cost of existing cleaning arrangements

If a school faces other, extraordinary costs to deliver appropriate support to their pupils through this period that are not covered by this list and cannot be met by existing budgets, they should contact DfE.CoronavirusHelpline@education.gov.uk. Other queries should continue to be directed towards central enquiry channels.”

Limits for schools

Mainstream schools	
250 pupils or fewer	£25,000
251 to 500 pupils	£30,000
501 to 1000 pupils	£50,000
Over 1000 pupils	£75,000
Special schools and alternative provision	
All schools	£50,000

School Inclusion Fund – COVID-19 SPECIAL Guidance

Financial Year 2020-21

COVID-19 Pandemic

Due to the Covid-19 pandemic and its impact on education, it has been decided to use the school inclusion fund to increase the universal response by educators in school settings to respond to the follow key issues:

- the emotional well-being and mental health needs of children for whom the social isolation has impacted greatly (e.g. emotional neglect, highly anxious households, bereavements, other forms of neglect and trauma)
- the emotional well-being and mental health needs of our BAME children for whom the Covid-19 has significantly impacted due to BAME families being at increased risk of serious illness and death
- the risk of progress gaps growing exponentially
- the inequity in access to home learning due to IT barriers

The monies for these targeted projects will replace the cluster fund application. There will still be opportunities to apply for individual children to support their learning. These individual applications follow the guidance below for eligibility. Catch-up work projects for vulnerable learners will develop over summer and autumn. Schools can also use the individual application process for catch-up support interventions.

Allocation of 2020-21 funding:

COVID-19 Recovery Projects: £100k

Individual applications: £400k

This spending allocation will be reviewed in October 2020.

Projects to target these issues for our vulnerable learners

- Commissioning of **Trauma Informed Training** for all our educational settings by Trauma Informed Schools UK. This training will be available by the end of June 2020 and will provide all schools with a 3-month licence to use the materials with **all** staff in a setting. A live 3 hr webinar was made available on 9th June, which 50 practitioners signed up for.
- Commissioning of **Natural Thinkers** to produce, with secondary partners, a secondary curriculum that will support outdoor and nature learning through the curriculum. This feels particularly pertinent when many vulnerable children have been restricted to indoor living.

- Increasing access to IT equipment for SEND Support students who are not receiving equity in access to home learning approaches (google classrooms, live lessons etc.)
- Providing bespoke catch-up for vulnerable learners over time.

Aims of the fund:

- For school settings to remove barriers to learning quickly and effectively by providing timely support when existing offers, both SEND and Pastoral, are at capacity or do not have a specific enough offer.
- For professionals to be confident in identifying the root causes of challenging behaviour e.g. unidentified SEN, unidentified medical need, unidentified social-environmental need, and have robust and appropriate ways of assessing and meeting these needs.
- To increase confidence in the SEND Support and Pastoral offers in school for parents and families across the local area.

Eligibility:

- Lambeth mainstream schools making the request
- Child must be attending a Lambeth school (does not have to be a Lambeth resident)
- Reception (age 4 or 5) to Year 11. Children aged 4 attending pre-school are not eligible for this fund.
- Child or Young Person on SEND register at SEND Support or
- Child or Young Person is being supported by pastoral team

Criteria for yes decision:

- Meets eligibility criteria.
- SEMH needs, access to IT needs, and vulnerable learner catch-up needs are targeted.
- Identified resource/intervention is appropriate to the need and amount requested.
- Shows awareness of how to measure impact of intervention in regard to inclusion in mainstream school.
- Parent/CYP has been involved in decision to apply for funding. Where IT is involved this does not need to be the case as arrangements will be made for bulk buying. However, schools will reference how they are safeguarding and trouble shooting IT.

Criteria for no decision:

- Does not meet eligibility criteria.
- Application is not clearly explained.
- Funding total does not match the requested resource.
- No clear link between the intervention school want to fund and impact on child's inclusion in school.

Appeals:

- No route of appeal.
- Feedback will be given and can re-apply.

Releasing Funds:

- Following a panel decision to agree funding, the funds will be released and in school accounts within 1 month.
- Contact schoolinclusionfund@lambeth.gov.uk with any payment queries.

Evaluation of impact and sharing good practice

- To ensure that monies are targeting the identified need.
- To ensure that parents and young people are involved in the feedback loop and can inform or be informed of the impact of the intervention/approach taken.
- To ensure that good ideas spread between schools within and beyond clusters.
- To inform commissioning arrangements within schools for inclusion offer.
- To inform commissioning arrangements in the local area for SEND offer (Local Offer).