

## Agenda Item 5

<b>Title:</b>	<b>DRAFT Early Years Funding 2019-20</b>			
<b>Date:</b>	<b>26<sup>th</sup> March 2019</b>			
<b>Report to:</b>	<b>March-19 Schools Forum</b>			
<b>Report for:</b>	<b>Information X</b>	<b>Decision</b>	<b>Consultation</b>	<b>Action</b>
<b>Author:</b>	<b>Susan Woodland</b>			

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### **1. Background to Item**

- 1.1 The regulations require that from 2019-20 all early years' providers for 3 and 4 year olds are funded on the same base rate. See Appendix 1 for an extract from the EYNFF operational guide 2019-20. The regulations also state that authorities are encouraged to use a flat rate hourly rate for all providers for 2 year old provision. Lambeth has decided to follow best practice and apply the same principal to the hourly rates for 2 year olds as for 3 and 4 year olds. In February the DfE published a research report regarding "The role and contribution of maintained nursery schools in the early years' sector in England". The full document can be found in Appendix 2 of this report. The funding changes proposed in this report were discussed at the Early Years sub group and no objections were raised to their implementation.
- 1.2 Local Authorities are required to pass through 95% of the 3 and 4 year old funding that is received to providers. The authority can thus retain 5% of the funding centrally.

### **2. Funding for 3 and 4 year olds**

- 2.1 Lambeth currently funds both the universal and the extended offer for maintained nursery schools on a base rate of £8.35 per hour, whilst other providers are funded on a base rate of £6.03 per hour
- 1.3 The change in aligning the base rate would result in an overall reduction of £165,685 for the nursery schools. In order to provide stability for these nursery schools, it is proposed that a sustainability lump sum of £165,685 be added to the schools budgets. Details of the changes can be seen in table 1.

### **3. Funding for 2 year olds**

- 3.1 Lambeth currently funds the 2 year old provision at maintained nursery schools on an hourly rate of £8.50 whereas other providers are funded at a rate of £6.50 per hour. Changing the 2 year old funding to a single base rate of £6.50, creates a funding differential of £110,295 for the maintained nursery schools. To continue to provide stability for these nursery schools, we are again proposing to include a lump sum equal to the loss of funding. Details of these changes can be seen in Table 2.

### **4. Deprivation Supplement**

- 4.1 As was discussed and agreed at previous Schools Forum meetings, in 2018/19 the percentage of total funding distributed by the deprivation supplement was 5.4%. The funding rate was £1.10 (but based on a different measure of deprivation). The percentage has reduced slightly in

2019/20 to 4.72% of the total funding. However, the funding rate has been increased to £1.56 per hour based on the new IDACI based measure of deprivation.

## 5. Quality Supplement

5.1 In 2018/19 the rate for this supplement was £0.10. It is proposed to keep the rate the same for 2019/20.

## 6. Recommendations / Agreement

6.1 Schools Forum are asked to;

- Agree the hourly rate of £6.03 to remain the same as 2018/19 for PVI, childminders and other providers
- Note the change in the hourly rate for Maintained Nursery Schools from £8.35 in 2018/19 to £6.03 in 2019/20 in line with current regulations (see Appendix 1).
- Agree the rate for Deprivation supplement of £1.56 per hour in 2019/20.
- Agree that the rate of £0.10 for the Quality supplement remains the same as in 2018/19
- Agree the addition of a sustainability lump sum of £165,685 for maintained nursery school provision for 3 and 4 year olds, in light of the reduced hourly rate.
- Agree the addition of a sustainability lump sum of £110,295 for maintained nursery school provision for 2 year olds in light of the reduced hourly rate.
- Agree to keep the Early Years Inclusion Fund unchanged at £350,000.
- Agree to keep the Early Years Centrally retained element unchanged at 5% of the allocated funding in order to ensure that the 95% pass-through requirement is met.



Table 2

2019-20 Lambeth Provisional 2 Year old budgets						
DCSF URN	SCHOOL	Spring 19 Headcount	Summer 18 Headcount	Autumn 18 Headcount	Average Headcount over 3 terms	Provisional 2 Year Old Budgets 19-20 £
	Basic rate £ per hour	12.6 Weeks	12.6 Weeks	12.8 Weeks		£6.50
	Nursery School rate £ per hour					£8.00
						15 Hours per week
						38 Weeks
<b>NURSERY SCHOOLS</b>						
1043	Effra Nursery	25	23	22	24	£109,440
1049	Ethelred Nursery	37	16	28	27	£123,120
1058	Holmewood Nursery	33	29	40	34	£155,040
1055	Maytree Nursery	30	21	39	30	£136,800
1027	Triangle Nursery	15	16	11	14	£63,840
	<b>Nursery Total</b>	<b>140</b>	<b>105</b>	<b>140</b>	<b>129</b>	<b>£588,240</b>

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	Nursery School rate £ per hour					£6.50
						15 Hours per week
						38 Weeks
<b>NURSERY SCHOOLS</b>						
1043	Effra Nursery	25	23	22	24	£88,920
1049	Ethelred Nursery	37	16	28	27	£100,035
1058	Holmewood Nursery	33	29	40	34	£125,970
1055	Maytree Nursery	30	21	39	30	£111,150
1027	Triangle Nursery	15	16	11	14	£51,870
	<b>Nursery Total</b>	<b>140</b>	<b>105</b>	<b>140</b>	<b>129</b>	<b>£477,945</b>

## Appendix 1

### Key points for 2019 to 2020

11. The key points on local authority funding of providers are that local authorities:
- should set a single funding rate (including the same base rate and supplements) for both entitlements for three and four year olds (that is, both the universal 15 hours, and the additional 15 hours for working parents)
  - must plan to pass on at least 95% of their three and four year old funding directly to providers to deliver the three and four year old entitlements
  - may request that the 95% requirement be disapplied in specific, exceptional circumstances
  - must now use a universal base rate for all types of provider in their local three and four year old formula, including for Maintained Nursery Schools
  - may continue to use 'lump sums' to distribute additional funding to Maintained Nursery Schools
  - must use a deprivation supplement in their local three and four year old formula, and any other supplements used must fall within one of the allowable categories
  - must not channel more than 10% of their funding for three and four olds through funding supplements
  - must provide a Special Educational Needs Inclusion Fund (SENIF) for three and four year olds
  - must pass on Early Years Pupil Premium (EYPP) in full to providers for eligible three and four year olds
  - must pass on Disability Access Fund (DAF) funding in full to providers for eligible three and four year olds
12. We will monitor compliance with the above through Section 251 (s251) returns. We will also monitor provision on the ground in order to follow up any anomalous results.

## Changes for 2019 to 2020

13. The main changes from the requirements for the 2018 to 2019 financial year are:
- authorities must use a universal base rate for all types of provider, including Maintained Nursery Schools, in their local three and four year old formula (but will continue to be able to fund Maintained Nursery Schools through additional lump sums)
  - clarification of the rules on the use of the quality – system leadership – supplement (see paragraph 47).

## **Agenda Item 6**

**Title:** Lambeth Schools Funding Formula

**Date:** 26<sup>th</sup> March 2019

**Report to:** Schools Forum

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

**Author:** Tim Gibson

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### **1. Background to Item**

1.1 Two years ago the DfE consulted on the introduction of a National Funding Formula (NFF) for schools and also for High Needs. Following this a new formula was introduced, but it was announced that in 2018/19 and 2019/20 there would be a “soft” NFF where each school would have an allocation under the NFF but that these allocations would then be aggregated and this aggregate amount would then be allocated to the local authority (LA) to be distributed to schools using the LA’s local funding formula, authorities could adopt parts of the NFF during this time subject to consultation with the Schools Forum and the schools in the area. In Lambeth it was decided in discussion with the Lambeth Schools Forum to keep the Lambeth formula, including the minimum Funding Guarantee (MFG) largely unchanged. It has now been announced that the “soft” NFF will continue in 2020/21 and thus the Schools Forum has requested that a review be carried out to analyse where the Lambeth formula differs from the NFF and to consider whether to move the Lambeth formula closer to the NFF, to adopt parts of the NFF or to amend the MFG.

### **2. NFF Comparisons**

2.1 The NFF rates are shown on the attached appendix 1 alongside the current Lambeth rates.

2.2 It can be seen that the NFF rates differ from the Lambeth rates in a number of areas, in particular:

- The Lambeth funding rates for deprivation are significantly lower than the NFF;
- The Lambeth Basic Entitlement rates are significantly higher than the NFF;
- The Lambeth Low Prior Attainment rate for primary is lower than the NFF;
- The Lambeth lump-sum is higher than the NFF.

### **3. School Level Comparisons**

3.1 A calculation for each Lambeth school has been done using a formula that closely mirrors the NFF. This has been done using the funding rates that have been set out in Appendix 1 and uses the MFG as the balancing figure rather than the AWPU rates as is the case in the Lambeth Formula. This means that a MFG rate of +0.48% has been applied rather than the current Lambeth MFG rate of -1.5%. The school level modelled allocations compared to the current Lambeth allocations are shown in Appendix 2. These hypothetical allocations thus in effect show each school’s allocation at the MFG level of +0.48% compared to the 18/19 baseline.

3.2 The illustration shows a large difference for Woodmansterne, but this is because Woodmansterne currently has largely Primary provision and is expanding to include additional secondary provision. At present the school’s MFG baseline does not properly reflect the new

primary : secondary split in the school and if a new formula were to be adopted a new adjusted baseline would need to be calculated for the school which lessen this impact.

## **6. Recommendations**

- 6.1 It is recommended that Schools Forum sets up a working group comprising primary and secondary school representatives and council officers to look at options to align the Lambeth Funding Formula more closely to the NFF in 2020/21.

It is expected that this working group would need to meet twice in May / June and would then bring back more detailed proposals to the Schools Forum meeting on the 25<sup>th</sup> of June for consideration before a wider consultation across all school was carried out.



total SB excl MFG  
£207,781,624

Factor	NFF Rate	ACA	NFF	Current	Variance NFF to Lambeth	New rate			New rate @ 75% NFF	DfE NFF %	Lambeth current %	
		1.18172	Adjusted Rate	Lambeth Rate		50% on NFF Rate	@ 50% NFF	75% on NFF rate				
Basic Entitlement												
	Primary	2,746.99	1.18172	3,246.17	4231.99	-985.82	-492.91	3739.08	-739.36	3492.63	37.9	44.30%
	KS3	3,862.65	1.18172	4,564.57	6228.22	-1,663.65	-831.82	5396.40	-1247.74	4980.48	20.3	21.29%
	KS4	4,385.81	1.18172	5,182.80	6417.48	-1,234.68	-617.34	5800.14	-926.01	5491.47	14.3	13.82%
Deprivation												
Primary	FSM	440.00	1.18172	519.96	819.41	519.96	259.98	259.98	389.97	389.97	0.9	3.25%
	FSM6	540.00	1.18172	638.13		-181.28	-90.64	728.77	-135.96	683.45	1.8	
	Band F	200.00	1.18172	236.34		236.34	118.17	118.17	177.26	177.26	0.3	
	Band E	240.00	1.18172	283.61		283.61	141.81	141.81	212.71	212.71	0.3	
	Band D	360.00	1.18172	425.42		425.42	212.71	212.71	319.06	319.06	0.4	
	Band C	390.00	1.18172	460.87		460.87	230.44	230.44	345.65	345.65	0.4	
	Band B	420.00	1.18172	496.32		496.32	248.16	248.16	372.24	372.24	0.5	
	Band A	575.00	1.18172	679.49		679.49	339.74	339.74	509.62	509.62	0.3	
Secondary	FSM	440.00	1.18172	519.96	819.41	519.96	259.98	259.98	389.97	389.97	0.5	2.38%
	FSM6	785.00	1.18172	927.65		108.24	54.12	873.53	81.18	900.59	1.9	
	Band F	290.00	1.18172	342.70		342.70	171.35	171.35	257.02	257.02	0.2	
	Band E	390.00	1.18172	460.87		460.87	230.44	230.44	345.65	345.65	0.3	
	Band D	515.00	1.18172	608.59		608.59	304.29	304.29	456.44	456.44	0.3	
	Band C	560.00	1.18172	661.76		661.76	330.88	330.88	496.32	496.32	0.3	
	Band B	600.00	1.18172	709.03		709.03	354.52	354.52	531.77	531.77	0.4	
	Band A	810.00	1.18172	957.19		957.19	478.60	478.60	717.89	717.89	0.2	
English as an Additional Language (EAL)												
	Primary	515.00	1.18172	608.59	682.05	-73.46	-36.73	645.32	-55.10	626.95	0.9	1.89%
	Secondary	1,385.00	1.18172	1,636.68	2308.6	-671.92	-335.96	1972.64	-503.94	1804.66	0.3	0.81%
Mobility												
	Primary	1,531.30	1.18172	1,809.57	1531.3	278.27	139.13	1670.43	208.70	1740.00	0.1	0.07%
	Secondary	1,531.30	1.18172	1,809.57	1531.3	278.27	139.13	1670.43	208.70	1740.00	0.1	0.02%
Prior Attainment												
	Primary	1,022.00	1.18172	1,207.72	461.88	745.84	372.92	834.80	559.38	1021.26	4.6	1.77%
	Secondary	1,550.00	1.18172	1,831.67	1894	-62.33	-31.17	1862.83	-46.75	1847.25	2.8	2.17%
Lump Sum												
	Primary	110,000.00	1.18172	129,989.20	170,000	-40,010.80	-20005.40	149994.60	-30008.10	139991.90	5.6	4.91%
	Secondary	110,000.00	1.18172	129,989.20	170,000	-40,010.80	-20005.40	149994.60	-30008.10	139991.90	1.1	1.47%

## Appendix 2

School Name	Actual SBS 2019-20	SBS with NFF rates 2019-20	Variance 2019-20 to NFF 2019-20	Difference %
Ashmole Primary School	1,161,144	1,169,871	8,727	0.75%
Clapham Manor Primary School	2,253,742	2,223,211	-30,531	-1.37%
Granton Primary School	3,173,740	3,180,332	6,592	0.21%
Heathbrook Primary School	1,863,106	1,848,467	-14,639	-0.79%
Henry Cavendish Primary School	4,286,588	4,367,873	81,285	1.86%
Jessop Primary School	1,913,630	1,938,402	24,772	1.28%
Kingswood Primary School	4,178,986	4,257,826	78,840	1.85%
Lark Hall Primary School (Including Lark Hall Centre for Pupils with Autism)	2,217,341	2,255,143	37,802	1.68%
Paxton Primary School	2,278,740	2,272,509	-6,231	-0.27%
Richard Atkins Primary School	1,770,987	1,756,022	-14,965	-0.85%
Sudbourne Primary School	1,705,107	1,682,942	-22,165	-1.32%
Sunnyhill Primary School	2,695,329	2,740,729	45,400	1.66%
Telferscot Primary School	2,069,472	2,071,212	1,740	0.08%
Vauxhall Primary School	1,191,315	1,183,135	-8,180	-0.69%
Walnut Tree Walk Primary School	1,271,071	1,265,202	-5,869	-0.46%
Wyvil Primary School and Centres for Children With Speech and Language Impairment and Autism	2,864,682	2,917,781	53,099	1.82%
Crown Lane Primary School	2,133,712	2,158,685	24,972	1.16%
Fenstanton Primary School	2,774,342	2,824,745	50,403	1.78%
Elm Wood School	2,094,839	2,104,825	9,986	0.47%
Allen Edwards Primary School	1,923,779	1,916,692	-7,087	-0.37%
Glenbrook Primary School	1,315,998	1,330,988	14,989	1.13%
Herbert Morrison Primary School	1,159,872	1,163,760	3,888	0.33%
Streatham Wells Primary School	1,169,057	1,165,435	-3,622	-0.31%
Bonneville Primary School	1,889,433	1,922,727	33,294	1.73%
Hill Mead Primary School	2,228,891	2,266,612	37,720	1.66%
Hitherfield Primary School	3,345,480	3,407,217	61,737	1.81%
Henry Fawcett Primary School	1,928,674	1,961,498	32,824	1.67%
Stockwell Primary School	2,858,999	2,908,390	49,391	1.70%
Kings Avenue School	1,754,861	1,746,381	-8,481	-0.49%
Loughborough Primary School	2,123,722	2,114,312	-9,410	-0.45%
Jubilee Primary School	2,024,455	2,006,462	-17,992	-0.90%
Archbishop Sumner Church of England Primary School	2,223,904	2,267,867	43,963	1.94%
Christ Church Primary SW9	1,055,132	1,053,583	-1,549	-0.15%
Macaulay Church of England Primary School	1,048,914	1,042,450	-6,465	-0.62%
St Andrew's Church of England Primary School	1,108,318	1,089,901	-18,418	-1.69%
St John the Divine Church of England Primary School	889,691	882,088	-7,603	-0.86%
St John's Angell Town Church of England Primary School	1,195,145	1,191,892	-3,253	-0.27%
St Jude's Church of England Primary School	1,051,236	1,028,791	-22,445	-2.18%
St Mark's Church of England Primary School	1,097,412	1,094,054	-3,358	-0.31%
St Saviour's Church of England Primary School	1,086,149	1,073,938	-12,211	-1.14%
St Stephen's Church of England Primary School	1,165,245	1,170,060	4,815	0.41%
Holy Trinity Church of England Primary School	1,781,727	1,755,698	-26,029	-1.48%
St Helen's Catholic School	1,444,943	1,424,982	-19,961	-1.40%
The Orchard School	1,188,071	1,197,901	9,830	0.82%
Iqra Primary School	1,412,209	1,437,612	25,403	1.77%
St Bernadette Catholic Junior School	1,265,627	1,275,160	9,534	0.75%
St Anne's Catholic Primary School	2,111,505	2,090,990	-20,515	-0.98%
St Bede's Catholic Infant School	973,250	934,354	-38,896	-4.16%
St Andrew's Catholic Primary School	2,257,317	2,222,943	-34,374	-1.55%
Immanuel and St Andrew Church of England Primary School	2,062,750	2,086,745	23,995	1.15%
Reay Primary School	1,197,235	1,183,057	-14,179	-1.20%
St Mary's Roman Catholic Primary School	1,669,882	1,652,208	-17,674	-1.07%
Julian's Primary School	4,622,312	4,714,334	92,022	1.95%
Norwood School	6,283,325	6,320,478	37,153	0.59%
Lilian Baylis Technology School	5,104,827	5,118,768	13,941	0.27%
Saint Gabriel's College	4,225,257	4,309,971	84,714	1.97%
La Retraite Roman Catholic Girls' School	5,708,747	5,650,912	-57,835	-1.02%
Bishop Thomas Grant Catholic Secondary School	6,543,139	6,508,477	-34,662	-0.53%
London Nautical School	3,926,773	3,889,036	-37,737	-0.97%
Woodmansterne Primary School & Children's Centre	5,419,995	5,078,010	-341,985	-6.73%
Oasis Academy Johanna	1,091,213	1,075,002	-16,211	-1.51%

School Name	Actual SBS 2019-20	SBS with NFF rates 2019-20	Variance 2019-20 to NFF 2019-20	Difference %
Rosendale Primary School	3,106,180	3,083,331	-22,849	-0.74%
Christ Church, Streatham Church of England Primary School	1,144,571	1,141,903	-2,667	-0.23%
St Leonard's Church of England Primary school	1,566,325	1,553,145	-13,180	-0.85%
St Luke's Church of England Primary School	1,159,661	1,155,563	-4,099	-0.35%
Corpus Christi Catholic Primary School	2,004,460	1,984,183	-20,277	-1.02%
Oasis Academy South Bank	4,680,130	4,666,665	-13,465	-0.29%
Trinity Academy	3,483,514	3,504,330	20,816	0.59%
South Bank Engineering UTC	889,241	907,094	17,853	1.97%
Platanos College	7,868,150	7,818,925	-49,226	-0.63%
The Elmgreen School	6,735,242	6,714,795	-20,447	-0.30%
St Martin in the Fields High School for Girls	3,389,151	3,360,766	-28,385	-0.84%
Lambeth Academy	6,080,504	6,002,668	-77,836	-1.30%
Ark Evelyn Grace Academy	5,002,083	4,997,450	-4,633	-0.09%
City Heights E-ACT Academy	5,996,994	5,914,440	-82,553	-1.40%
Van Gogh Academy	3,403,136	3,460,402	57,266	1.65%
Dunraven School	9,497,413	9,679,269	181,857	1.88%
Archbishop Tenison's School	2,865,610	2,810,319	-55,291	-1.97%
Totals	208,704,709	208,705,891	1,181	0.00%