

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

Wednesday 13th November 2019

18:00pm – 20.00pm

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

for the transaction of the business set out below.

Agenda

Time*	Item	
18.00	1.	Apologies & welcome Verbal
	2.	Membership, Register of Interests and Declaration of Interests Verbal
	3.	Minutes from the Schools Forum meeting held 10th September 2019 and matters arising Paper
	4.	Update on recent DSG Funding Announcements Paper
	5.	Update on Lambeth Formula Review Paper
	6.	Falling Rolls Fund Paper
	7.	Any Other business (AOB)
	8.	Agree date of next meeting, location and likely agenda items: The next meeting will be on: Tuesday 10th December 2019 6-8pm Tuesday 14th January 2020 6-8pm Tuesday 24th March 2020 6-8pm CAJ kindly offered his school for the SF venue for the above date.
	9.	Lambeth Scheme for Financing Schools Maintained Schools Only Paper
	10.	De-delegation (TU Duties) Maintained Schools Only Paper

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 10th September 2019 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	Roger Bowdery (RB) BTG	Present
Nick Butler (NB) St. Gabriel's College	Present	Ray Smith (RS) Pre-School Alliance	Present
Primary School - Vacant		Maksud Gangat (MG) Orchard Primary	Apologies
Glenda King (GK) Ethelred	Retired – Post Vacant	Matthew Green (MGr) Richard Atkins Primary	Present
David Boyle (DB) Dunraven School	Present	Charles Asher (CA) GHF	Absent
Mark Jordan (MJ) (PCA)	Present	Michael Holland (MH) Sunnyhill Primary	Present
Humaira Saleem (HS) Iqra	Present	Carena Hall (CH) Immanuel & St Andrews CE Primary	Apologies
Chris Toye (CT) Wyvern Federation	Present	Sarah Crisp (SC) The Michael Tippett School	Apologies – Resigning Post Vacant
Jayne Mitchell (JM) St. Andrew's Primary	Apologies		
Kate Atkins (KA) Great North Wood Education Trust	Present		

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	Absent
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) Interim Assistant Director Childrens Finance	Present	Cllr Jenny Brathwaite	Absent
Annie Hudson (AH) Strategic Director	Apologies		

MINUTES

1. **Welcome & Apologies**

CAJ welcomed everyone to the meeting.

Apologies were received and accepted from: Annie Hudson; Sarah Crisp, Carena Hall, Jayne Mitchell and Maksud Gangat.

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

CAJ informed SF members that the Membership List would be updated due to a number of vacancies.

- Primary HT Vacancy. Alison Moller from Julian's Primary School put herself forward for the post. SF members voted unanimously to appoint Alison.
- Nursery HT Vacancy - Glenda King retired and Rachel Hedley from the Lambeth Nursery Schools' Federation put herself forward for the post. SF members voted unanimously to appoint Rachel.
- Roger Bowdery's second term of office comes to an end in September 2019. CAJ thanked Roger for his time, his work and support on the SF.

- David Boyle's first term of office comes to an end in September 2019. David was happy to stand for another term of office. SF members voted unanimously to appoint David for a second term of office.
- Matthew Green's second term of office will be coming to an end in December 2019, so there will be a vacancy.
- Sarah Crisp has tendered her resignation due to work commitments, so there is a special school vacancy.
- Paul Cox's term of office comes to an end in September 2019, so there is a vacancy.

CAJ will approach the Lambeth Schools Partnership (LSP) for the SF vacancies to be filled. **ACTION: CAJ**

The Declaration of Interest forms will be completed at the next SF meeting.
ACTION: MG

3. **Election of Chair and Vice-Chair**

Chair – CAJ was nominated by KS and seconded by DB.

Vice-Chair – KA was nominated by DB and seconded by CAJ.

Both CAJ and KA accepted the nominations and were unanimously appointed by SF members.

4. **Minutes from the Schools Forum meeting held on 26th March 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

- Page 3 Item 3 – TG has written a letter to the DfE. A copy of the letter is in the papers.
- Page 4 Point 6.1 - Clarity was requested around the annual review. It was stated that it would be reviewed each year in March as part of the EY allocations for the following year. I.e. in Jan/Feb 2020 it will be reviewed and reported in March 2020.
- Page 6 Item 7 – Information on commissioning arrangements will be covered at the next SF meeting.

5. **Working Group update on the Schools Funding Formula**

CAJ thanked TG for his comprehensive paper on the Schools Funding Formula.

TG informed the meeting that an email had been received from the DfE earlier in the day setting out more details of the funding allocations for next year and setting out

some mandated changes to the formula, which will need to be considered. A paper was tabled that contained the email and the statement from the DfE.

TG gave a brief background to the National Funding Formula (NFF), which the government stated two years ago it would be rolling out in two phases. The first phase was the soft NFF, which was aggregated and distributed to schools via the local Lambeth funding formula. The government had originally announced that this would be in place for two years and would then move to the hard NFF. The government is now postponing the introduction of a hard formula.

At the last SF meeting, models were viewed. It was agreed to set up a Working Group to look at details of formula options and how these would affect schools.

The Working Group met and the Terms of Reference were adopted as set out on Page 4 Item 3.1.

The Working Group has looked at approximately 12 different formula models and how they affected schools. The models were then narrowed down and reviewed.

Funding allocations were reviewed for the formula on deprivation and how it would differ in the NFF. It was agreed it would be better to use a wider measure and to adopt all the deprivation data sets in the Lambeth formula. A model had been considered that changes the lump sum, which protects smaller schools. The recommendation was to keep the lump sum the same.

At the second meeting, the Working Group considered a range of models of different degrees of movement towards the NFF and differing levels of Minimum Funding Guarantee (MFG) protection. Further models had been requested and these were presented to the Schools Forum, these included MFG of -0.75% and -1% and movements of 20%, 30% and 40% towards the NFF – making it a total of 6 permutations. The impacts of the modelled changes were also analysed in groups (i.e. primary, secondary and all-through) as well as individually.

The notification from the DfE that had been received earlier in the day was tabled and members were given some time to read it through and the main points were highlighted as follows:

- Details of the additional allocations will be given in October 2019, which may affect the timetable for the Consultation.
- The DfE are consulting on the introduction of minimum levels of pupil funding. TG will write a response and share this with the Working Group. **ACTION: TG**
- The increase is not expected to be as much of an increase for Lambeth schools as for schools outside London and those that get low funding.
- 2017/2018 was used as a baseline, whereas Lambeth has given out more to schools in 2019/2020.
- The change that affects the recommendations in the paper is the change in the minimum funding guarantee levels that will be required in the formula.

Further information will come out in October 2019. Hypothetical models will need to be done, as the models that have been considered to date have been based on 2019/2020 control total. These additional models will make assumptions about likely levels of additional funding.

- Final funding allocations will be published in December which will be based on the pupil numbers in the October census.
- The growth funding part of the NFF affects Lambeth's funding allocation, as it is likely to be on the -0.5% level and at the same time will have to fund the new secondary school on the Glenbrook site due to the lagged nature of this part of the NFF.
- The MFG will be set at 0.5% and any funding over and above that will be allocated to schools as per models that will be presented to the Working Group.
- A revised timetable was considered and provisionally agreed by the meeting.

Recommendations:

- SF members voted and it was unanimously **agreed** that the lump sum in the formula should remain unchanged for 2020/21.
- SF members voted and it was unanimously **agreed** to use the full range of deprivation indices in the Lambeth Funding Formula.
- SF members voted and it was unanimously **agreed** to set the MFG at +0.5% subject to confirmation by the DfE and reviewed by the Working Party in preparation for the Consultation.
- The SF considered whether to move part way toward the NFF (20%, 30% or 40%), but did not want to further destabilise schools that may already be vulnerable due to fluctuating pupil numbers. The Working Group will review this and consult on the principle of moving towards the NFF. Clarity is also needed for the school budgets.
- SF members voted and **agreed** to consult in principle that the secondary schools collectively should not lose funding as a result ie. That the primary to secondary funding ratio only be reduced to the extent that additional funding being available in the overall schools budget allows this to be achieved.
- SF member voted and **agreed** that the recommendations should go out for consultation after being reviewed by the working group.

The Working Group informed that it will review the models and a staggered approach will need to be taken. It will adopt the principle and only change the prim:sec ratio if there is extra funding available. The Working Group will meet again to view the different funding scenarios and impacts and then report back at the next SF meeting. **Action: Working Group**

CAJ thanked TG and the Working Party for the work that has been done to date.

6. Support Staff Holiday Pay

CTw informed that there are ongoing negotiations with other LA on the issue whether retired staff can get back pay for holidays. Lambeth has not formulated a Lambeth proposal as yet and will also need to consult with the unions. Once Lambeth has the details CTw will inform the SF and the decision will go out formally by HR (Claire Cobbold). **Action: CTw**

7. DSG Outturn

TG formally reported the outturn. The amount of DSG related expenditure that was incurred in 2018/19 across all headings was £217,915m, i.e. an in-year deficit of £3.246m. The reserves that were carried forward at the end of the financial year were thus £1.649m. The paper provided is for information.

8. Special Schools Banding arrangements

An organisation called SEND4Change is working on a review. The banding system was introduced for Special Schools last year. As part of that process the Special Schools got together and moderated their existing pupils onto the new bands.

There is an increase of circa 60 pupils across the Special Schools. The cost of placing a child in a Lambeth Special School is generally lower than an independent or out of borough provision. A question was asked about the numbers of pupils that are going out of borough or into independent settings and the point was made that some of these placements are driven by a social services requirement.

This item will be on the agenda for the next meeting.

Q. What is the percentage of pupils out of borough, on EHCPs?

A. The point was made that these pupils are not likely to an out of borough placement. These are generally new EHCPs, as the number of EHCPs continues to rise this also adds to the funding pressures.

Q. Is there a strategy to reduce out of borough placements and bring them back into borough?

A. Lambeth have been trying to do this for the last few years. There will be the new Vanguard school opening next year.

TG offered to bring information to the SF on the amount and proportions spent on independent and non-maintained provisions and those in Lambeth for the last 3-5 years. **Action: TG/CT/AY**

9. Future Meeting Dates

The next meeting will be on:

Wednesday 13th November 2019 6-8pm

Tuesday 10th December 2019 6-8pm

Tuesday 14th January 2020 6-8pm

Tuesday 24th March 2020 6-8pm

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

10. AOB

- KA informed that she would host the Working Party meeting at Rosendale Primary School.
- EY – KS informed that it was the third year of 30hrs. Provider numbers continue to increase as expected. There are now 6,041 children taking up the funding. Taking up the 30hrs is now stable and on the rise.

BI stated that there is a significant decline in the number of 2year olds taking up the offer. The Government has given the rationale for two further groups that will be eligible. The information of children taking up the places feeds into the national statistics, the GLA etc.

- Maintained Nursery schools, in order to cope with less funding, have federated to ensure they can keep going in a cost effective way. They have one Executive Headteacher and heads of schools.

11. Revision of the Lambeth Scheme for Financing Schools

This item was for discussion by Maintained Schools Representatives only.

The paper was deferred and will be an Agenda item for the next meeting.

There being no further business to discuss, the Chair closed the meeting at 7.45pm.

Signed: _____

Date: _____

Chris Ashley-Jones

Chair of the School Forum

Agenda Item x**Title: Update on Recent DSG Funding Announcements****Date: 13 November 2019****Report to: Schools Forum****Report for: Information X Decision Consultation Action****Author: Tim Gibson****1. Background**

- 1.1 At the last Schools Forum meeting the DfE had just published some headline announcements and had said that further information would be released in October. Lambeth has now received additional information about the Schools Block, Central Schools Services Block and High Needs Block on the 11th of October and about the Early Years Block on the 31st of October.
- 1.2 It is important to note that the amount of DSG income that the local authority (LA) receives is adjusted during the year and also will differ from the amounts given in this paper not least of all because the indicative figures given are based on 2018 pupil numbers whereas the final allocations will be based on 2019 numbers.

2. Schools Block

- 2.1 The Schools Block allocation is made up of three elements: the National Funding Formula (NFF) elements, Premises Factors and Growth Funding. The amounts that Lambeth received for each of these elements in 2019/20 is shown below.

	<u>2019/20</u>
NFF Factors	203,017,375
Premises Factors	4,470,000
Growth Factor	4,124,437
Schools Block (Gross)	211,611,812

- 2.2 The lion's share of this is derived from the National Funding Formula (NFF) calculation that is calculated at the individual school level and is then aggregated to give a LA allocation. The aggregate LA allocation is then divided by the pupil numbers for primary and secondary to give the Primary Unit of Funding (PUF) and the Secondary Unit of Funding (SUF). It is these key figures that were published by the DfE on the 11th of October. It can be seen in the table below that the increases in the PUF and the SUF for Lambeth is in line with the national minimum of 1.84%; also at the individual school level almost all of the schools allocations are +1.84% compared to the previous year.

	2019/20	2020/21	Change	Change %
	£	£	£	
Primary Unit of Funding (PUF)	5,471.45	5,573.43	101.98	1.86%
Secondary Unit of Funding (SUF)	7,394.57	7,530.92	136.35	1.84%

- 2.3 The premises factors are based on the amount that was allocated out on the premises factors in the local formula in the previous year and includes rates (NNDR), Split Sites and PFI factors. The allocation for Premises Factors has reduced by £660k due to these timing differences.
- 2.4 Growth funding is allocated on a formula that uses lagged growth, in other words growth in one year will generate funding in the following year. In Lambeth pupil numbers in primary are declining and there is some growth in secondary. Due to the amount that Lambeth had allocated towards growth in the past Lambeth still receives more funding from this part of the formula than is spent on growth. In 2019/20 Lambeth received £4.124m in the Growth Factor (but without protection this would only have been £1.506m). The amount that was allocated to growth by amending the pupil numbers in the APT and by allocating funding to the Growth Fund was £1.958m). The allocations for Growth in 2020/21 are protected to the extent that an LA cannot lose more than 0.5% of its overall schools block, due to the reductions in pupil numbers it is expected that this will be the case, i.e. that the growth funding element will reduce by 0.5% which equates to £1.070m.
- 2.5 Note that the allocations described above are all gross, i.e. they include all primary and secondary academies, free schools and maintained schools. The amount that would be allocated to an academy or free school is calculated using the APT and is then “recouped” (deducted) from the LA’s DSG by the Education and Skills Funding Agency (ESFA) and this funding is then used to fund academy trusts directly.
- 2.6 The overall expected change in the Schools Block (before any adjustment for changes in pupil numbers is applied) is an increase of 0.96% as shown below.

	PUF/SUF	Pupil Numbers Prim/Sec	July 2019	2020/21	Change	
	£		£	£	£	
NFF Factors						
Primary 2019/20	5,471.45	21,602	118,194,263			
Primary 2020/21	5,573.43	21,602		120,397,235	2,202,972	1.86%
Secondary 2019/20	7,394.57	11,471	84,823,112			
Secondary 2020/21	7,530.92	11,471		86,387,183	1,564,071	1.84%
Premises Factors			4,470,000	3,809,610	-660,390	-14.77%
Growth Factor			4,124,437	3,054,437	-1,070,000	-25.94%
Schools Block (Gross)			211,611,812	213,648,465	2,036,653	0.96%

3. High Needs Block (HNB)

- 3.1 The government recently announced that an additional £700m would be allocated to High Needs (Special Educational Needs) in 2020/21 over and above the additional funding that had been allocated this year. They then subsequently announced that the additional funding would be nearly £780m. Lambeth’s share of this additional funding is £4.166m which is a 9.75% increase.
- 3.2 Note that the HNB is adjusted for commissioned places at institutions that receive their funding directly from the DfE (the adjustment for directly funded places was just over -£3m in

2019/20) and also an adjustment known as the “import/export adjustment” is made during the year. This means that the funding can change during the year, for example in 2019/20 the HNB allocation reduced by £408k part way through the year when this adjustment was updated.

4. Central Schools Services Block (CSSB)

4.1 Lambeth’s allocation has increased by £20k (1.95%).

5. Early Years Block (EYB)

5.1 The 3 and 4 year old funding rate will remain unchanged at £7.32 per hour. The 2 year old funding rate increases from £6.50 per hour to £6.58 per hour.

5.2 We have been informed that the Maintained Nursery School Supplementary (MNSS) Funding, which had previously only been guaranteed to the end of the current academic year (i.e. August 2020) is now to be funded until at least the end of the 2020/21 academic year. Lambeth received £523k of MNSS funding in 2019/20.

6. Total Provisional DSG Funding

6.1 A summary of the funding information for Lambeth is shown below:

	PUF/SUF	Pupil Numbers	July 2019	2020/21 Provisional	Change	Change %
	£	Prim/Sec	£	£	£	
NFF Factors						
Primary 2019/20	5471.45	21602	118,194,263			
Primary 2020/21	5573.43	21602		120,397,235	2,202,972	1.86%
Secondary 2019/20	7394.57	11471	84,823,112			
Secondary 2020/21	7530.92	11471		86,387,183	1,564,071	1.84%
Premises Factors						
			4,470,000	3,809,610	-660,390	-14.77%
Growth Factor						
			4,124,437	3,054,437	-1,070,000	-25.94%
Schools Block (Gross)						
			211,611,812	213,648,465	2,036,653	0.96%
Early Years Block (see below)						
			29,782,000	29,820,544	38,544	0.13%
HNB Allocation						
			42,730,000	46,896,639	4,166,639	9.75%
High Needs Block Deductions						
					0	
CSSB						
			1,042,000	1,062,311	20,311	1.95%
Total DSG allocation						
			285,165,812	291,427,959	6,262,146	

7. Recommendations / Decisions

7.1 Schools Forum is asked to note the contents of the report.

Lambeth Formula Funding Working Group

Date 15/10/2019

Meeting Notes:

1. Models of proposed formula changes:

Steps Followed (Talk through):

- Add in Harris Clapham (new secondary free school opening Sept 2020);
- Adjust baselines for schools changing composition (Dunraven, Van Gogh and Woodmansterne);
- Adjustments to Prim and Sec Deprivation ringfencing each sector;
- Adjustments to EAL, LPA and Deprivation ringfencing each sector;
- Compromise models based on Schools Forum principles;
- Final proposed formula factors.

Talked through the modelling approach subsequent to the Schools Forum and the application of the principles that had been agreed by the Schools Forum. Discussed the funding announcements that had been received on the previous day and the effect that this has on subsequent models; Three models had been produced using based on the hypothetical scenarios of a 2%, 1.5% and 1% increase in the amount of funding to be distributed via the formula; Following the funding announcements the most likely scenario is the model based on 1% uplift.

A breakdown of the proposed factors compared to the factors that would be used if the current Lambeth formula was used and only adjusted for the new mandatory MFG % of 0.5% is shown at Appendix 1.

A comparison of the allocations per school under each of the two funding scenarios is shown at Appendix 2. It can be seen that there is not much difference between the two scenarios being £28,632 and -£22,885 in £ terms and 0.5% and -0.4% in % terms. The reason that there is little difference between the two is that the MFG of +0.5% is the dominant factor in the formula due to the fact that there is little increase in the overall level of funding once growing schools are taken into consideration.

2. Additional considerations following DfE announcements:

- Mobility

It was proposed that we simply adopt the DfE's new definition of mobility into the Lambeth formula thus mirroring the NFF for this factor; this was agreed unanimously and will proposed to the Schools Forum.

3. Go through the DfE funding allocations for Lambeth

- NFF factors

- Premises factors
- Growth funding
- Mention pupil numbers

An analysis of the funding allocations that had been received the day before was presented to the group. This is largely the same information that is being presented to the Schools Forum as a separate item on this agenda.

4. Summary of Final recommendations

- a) That we move towards the NFF to the extent set out in the proposed model;
- b) That we adopt the NFF rates for Mobility;
- c) That we consult with all schools on the proposals and that the Schools Forum make a final decision following this consultation.

5. Response to DfE Consultation

It was agreed that Tim would draft a response to the DfE consultation and would circulate this to the group for comments before being submitted to the DfE. This was done and a copy of the Council's response to the consultation is contained at Appendix 3.

6. Consultation with Schools about proposed changes

It was agreed that officers would draft a consultation document for consultation with all schools on the proposals and that this would be shared with the group and with the Schools Forum and also that the timetable would be revisited and shared.

Agenda Item 5

Title: Schools Funding Formula Review

Date: 13 November 2019

Report to: Schools Forum

Report for: Information Decision Consultation x Action

Author: Tim Gibson

1 Background

- 1.1 At the schools forum in January it was agreed that Lambeth would review their funding formula and also give consideration to the effects of moving towards the NFF.
- 1.2 At their meeting in March, the Schools Forum agreed to set up a working group with the remit of considering various models of changes to the local formula and also to look at how implementing the NFF would affect Lambeth schools.
- 1.3 This paper follows on from the paper and decisions that were taken at the previous Schools Forum meeting in September. The announcement of changes to funding and also some new parameters that Local Authorities would need to operate within, meant that the Schools Forum asked the Working Group to meet again and also that officers do some further modelling in advance of the publication of the funding information by the DfE (because we were not sure exactly when the funding announcements would be received). These further models also needed to reflect the decisions taken by the Schools Forum at their previous meetings.

2 Feedback from the Working group

- 2.1 The working group met on the 15th of October, the notes from that meeting are at Appendix 1. The recommendations from that meeting are contained in the recommendations of this paper.
- 2.2 The amended formula factors that were used in the compromise model that was considered by the Working Group is contained at Appendix 2. This is based on the assumption that the ISB in 2020/21 will be 1% higher than that in 2019/20, the rationale behind this assumption is set out in Paper 4 in this agenda.
- 2.3 Illustrative allocations by school are contained at Appendix 3. Note that Harris Clapham Secondary School that will be opening in 2020 is now contained in the model.
- 2.4 A revised timetable will be at Appendix 5 (to follow);
- 2.5 The draft consultation document to go out to all schools will contained at Appendix 6 (to follow)

6 Recommendations / Agreement

- 6.1 Schools Forum are asked to agree:
 - That we move towards the NFF to the extent set out in the proposed model, i.e. by adopting the formula factors presented in Appendix 2 and noting that these will be inflated / deflated to come back to the ISB control total once the final funding allocations are received from the DfE;

- That we adopt the NFF rates for Mobility (note that this is not reflected in the model in the Appendices);
- That we consult with all schools on the proposals and that the Schools Forum make a final decision following this consultation.

Appendices

- Appendix 1 – Lambeth Formula Funding Working Group Meeting Notes.
- Appendix 2 – Proposed Formula Factors
- Appendix 3 – Changes Illustrated by school
- Appendix 4 – Response submitted to the DfE Consultation
- Appendix 5 – Revised Timetable (to follow)
- Appendix 6 – Draft Lambeth Consultation Document

Appendix 2

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

		Current Lambeth Formula	NFF	New Proposed Formula Factors	£ Value allocated via factor in proposed formula	if existing formula was used and inflated/deflated (with 0.5% MFG)	£ Value allocations if existing formula was used and inflated/deflated
Awpu	Primary (Years R-6)	4,231.99	3,246.17	4,189.67	91,133,704	4,229.68	92,004,024
	Key Stage 3 (Years 7-9)	6,228.22	4,564.57	6,165.94	44,488,783	6,224.82	44,913,647
	Key Stage 4 (Years 10-11)	6,417.48	5,182.80	6,353.31	28,437,394	6,413.98	28,708,969
Primary	FSM		519.96	87.43	452,446	0.00	0
	FSM6	819.41	638.13	693.88	5,723,267	819.00	6,755,312
	IDACI Band F		236.34	39.74	84,915	0.00	0
	IDACI Band E		283.61	47.69	176,514	0.00	0
	IDACI Band D		425.42	71.54	240,492	0.00	0
	IDACI Band C		460.87	77.50	316,111	0.00	0
	IDACI Band B		496.32	83.46	309,430	0.00	0
	IDACI Band A		679.49	114.26	31,788	0.00	0
	EAL	682.05	608.59	608.59	3,512,505	681.68	3,934,335
LPA	461.88	1,207.72	533.71	4,252,689	461.63	3,678,356	
Secondary	FSM		519.96	97.71	314,220	0.00	0
	FSM6	819.41	927.65	760.84	4,629,806	818.93	4,983,280
	IDACI Band F		342.70	64.40	68,655	0.00	0
	IDACI Band E		460.87	86.60	174,390	0.00	0
	IDACI Band D		608.59	114.37	221,389	0.00	0
	IDACI Band C		661.76	124.36	312,972	0.00	0
	IDACI Band B		709.03	133.24	306,633	0.00	0
	IDACI Band A		957.19	179.87	34,115	0.00	0
	EAL	2,308.60	1,636.68	1,959.86	1,465,476	2,307.02	1,725,058
LPA	1,894.00	1,831.67	1,831.67	4,416,322	1,893.13	4,564,508	
Lumpsum	170,000.00	129,989.20	170000	13,430,000		13,430,000	
MFG	-1.50%	0.48%	0.5%	2,785,043	211315000	2,621,570	
Mobility				192,396		192,396	
Rates				3,198,112		3,198,112	
Split Site				405,433		405,433	
PFI				200,000		200,000	
				<u>211,315,000</u>		<u>211,315,000</u>	

Changes Illustrated by school

LAESTAB	School Name	Allocation if we inflated / deflated the existing Model	Allocation using proposed new formula	Difference	Difference %
2082022	Ashmole Primary School	1,174,863	1,174,863	0	0.0%
2082115	Clapham Manor Primary School	2,263,021	2,260,258	-2,763	-0.1%
2082265	Granton Primary School	3,194,067	3,194,067	0	0.0%
2082292	Heathbrook Primary School	1,870,528	1,869,861	-667	0.0%
2082295	Henry Cavendish Primary School	4,388,881	4,388,881	0	0.0%
2082331	Jessop Primary School	1,947,019	1,947,019	0	0.0%
2082359	Kingswood Primary School	4,278,969	4,278,969	0	0.0%
2082371	Lark Hall Primary School (Including Lark Hall Centre for P	2,266,613	2,266,613	0	0.0%
2082459	Paxton Primary School	2,288,325	2,287,660	-665	0.0%
2082504	Richard Atkins Primary School	1,777,739	1,776,098	-1,642	-0.1%
2082575	Sudbourne Primary School	1,712,040	1,717,059	5,019	0.3%
2082578	Sunnyhill Primary School	2,756,754	2,756,754	0	0.0%
2082591	Telferscot Primary School	2,081,505	2,081,505	0	0.0%
2082617	Vauxhall Primary School	1,195,664	1,192,651	-3,012	-0.3%
2082626	Walnut Tree Walk Primary School	1,275,986	1,278,620	2,634	0.2%
2082664	Wyvil Primary School and Centres for Children With Spee	2,929,768	2,929,768	0	0.0%
2082783	Crown Lane Primary School	2,170,468	2,170,468	0	0.0%
2082785	Fenstanton Primary School	2,840,001	2,840,001	0	0.0%
2082794	Elm Wood School	2,112,560	2,112,560	0	0.0%
2082808	Allen Edwards Primary School	1,931,349	1,931,029	-320	0.0%
2082836	Glenbrook Primary School	1,343,964	1,343,964	0	0.0%
2082868	Herbert Morrison Primary School	1,167,006	1,167,006	0	0.0%
2082895	Streatham Wells Primary School	1,173,674	1,173,284	-390	0.0%
2082897	Bonneville Primary School	1,932,332	1,932,332	0	0.0%
2082898	Hill Mead Primary School	2,279,520	2,279,520	0	0.0%
2082900	Hitherfield Primary School	3,423,011	3,423,011	0	0.0%
2082901	Henry Fawcett Primary School	1,968,519	1,968,519	0	0.0%
2082902	Stockwell Primary School	2,923,941	2,923,941	0	0.0%
2082903	Kings Avenue School	1,761,600	1,760,662	-938	-0.1%
2082905	Loughborough Primary School	2,131,804	2,130,335	-1,469	-0.1%
2083000	Jubilee Primary School	2,032,199	2,033,080	881	0.0%
2083307	Archbishop Sumner Church of England Primary School	2,274,960	2,274,960	0	0.0%
2083324	Christ Church Primary SW9	1,058,964	1,060,334	1,370	0.1%
2083375	Macaulay Church of England Primary School	1,053,137	1,055,711	2,574	0.2%
2083403	St Andrew's Church of England Primary School	1,112,560	1,113,245	685	0.1%
2083457	St John the Divine Church of England Primary School	892,999	893,279	280	0.0%
2083466	St John's Angell Town Church of England Primary School	1,199,501	1,200,468	968	0.1%
2083491	St Jude's Church of England Primary School	1,055,532	1,053,669	-1,863	-0.2%
2083502	St Mark's Church of England Primary School	1,101,368	1,101,002	-366	0.0%
2083589	St Saviour's Church of England Primary School	1,090,624	1,091,735	1,111	0.1%
2083596	St Stephen's Church of England Primary School	1,174,193	1,174,193	0	0.0%
2083621	Holy Trinity Church of England Primary School	1,789,004	1,789,549	546	0.0%
2083641	St Helen's Catholic School	1,450,575	1,449,532	-1,043	-0.1%
2083642	The Orchard School	1,201,846	1,201,846	0	0.0%
2083643	Iqra Primary School	1,442,659	1,442,659	0	0.0%
2085200	St Bernadette Catholic Junior School	1,282,212	1,282,212	0	0.0%
2085201	St Anne's Catholic Primary School	2,120,051	2,124,197	4,146	0.2%
2085203	St Bede's Catholic Infant School	976,764	972,867	-3,897	-0.4%
2085204	St Andrew's Catholic Primary School	2,267,181	2,260,188	-6,993	-0.3%
2085205	Immanuel and St Andrew Church of England Primary Sch	2,096,125	2,096,125	0	0.0%
2085206	Reay Primary School	1,201,829	1,202,686	858	0.1%
2085208	St Mary's Roman Catholic Primary School	1,676,913	1,673,895	-3,018	-0.2%
2085209	Julian's Primary School	4,735,483	4,735,483	0	0.0%
2084223	Norwood School	6,338,519	6,338,519	0	0.0%
2084321	Lilian Baylis Technology School	5,135,336	5,135,336	0	0.0%
2084509	Saint Gabriel's College	4,320,322	4,320,322	0	0.0%
2085400	La Retraite Roman Catholic Girls' School	5,725,299	5,726,677	1,378	0.0%
2085401	Bishop Thomas Grant Catholic Secondary School	6,563,027	6,555,585	-7,441	-0.1%

LAESTAB	School Name	Allocation if we inflated / deflated the existing Model	Allocation using proposed new formula	Difference	Difference %
2085405	London Nautical School	3,937,786	3,951,122	13,336	0.3%
2082657	Woodmansterne Primary School & Children's Centre	5,440,798	5,417,913	-22,885	-0.4%
2082332	Oasis Academy Johanna	1,090,715	1,091,211	495	0.0%
2082899	Rosendale Primary School	3,104,590	3,102,153	-2,437	-0.1%
2083329	Christ Church, Streatham Church of England Primary School	1,144,045	1,144,918	873	0.1%
2083493	St Leonard's Church of England Primary school	1,565,569	1,563,077	-2,492	-0.2%
2083499	St Luke's Church of England Primary School	1,159,135	1,157,076	-2,059	-0.2%
2085202	Corpus Christi Catholic Primary School	2,003,477	2,005,391	1,914	0.1%
2084000	Oasis Academy South Bank	4,677,705	4,698,805	21,100	0.5%
2084003	Trinity Academy	3,492,034	3,492,034	0	0.0%
2084005	South Bank Engineering UTC	903,277	903,277	0	0.0%
2084322	Platanos College	7,863,983	7,892,615	28,632	0.4%
2084731	The Elmgreen School	6,731,682	6,716,030	-15,652	-0.2%
2085404	St Martin in the Fields High School for Girls	3,387,414	3,386,399	-1,015	0.0%
2086905	Lambeth Academy	6,077,308	6,065,260	-12,048	-0.2%
2086906	Ark Evelyn Grace Academy	5,002,389	5,002,389	0	0.0%
2086907	City Heights E-ACT Academy	5,993,856	6,004,199	10,343	0.2%
2082001	Van Gogh Academy	3,400,570	3,404,317	3,747	0.1%
2085402	Dunraven School	9,586,327	9,586,327	0	0.0%
2085403	Archbishop Tenison's School	2,864,137	2,857,618	-6,520	-0.2%
2089999	Harris Clapham	1,015,450	1,014,154	-1,295	-0.1%
		211,372,919	211,372,919	-0	0.0%

Question 1: Do you agree that, in order to calculate mandatory minimum per pupil funding levels, all local authorities should follow the NFF methodology? If not, please explain your reasons.

Yes, this methodology seems fine. Lambeth does not have any objection to the implementation of the mandatory minimum per pupil funding levels in the formula. Lambeth does however have a concern about the introduction of the mandatory increase in the MFG to +0.5% to +1.84% as this may not be affordable in 2020/21 or will effectively override all other aspects of the formula. The reasons for this are set out in our response to Q3.

Question 2: Do you agree that any requests from local authorities to disapply the use of the mandatory minimum per pupil levels should only be considered on an exceptional basis and in the context of the grounds described above? If not, please explain your reasons.

Yes

Question 3. Please provide any additional comments you wish to make on the implementation of mandatory minimum per pupil levels.

Lambeth is concerned that there has been no consultation on the change in the mandatory MFG levels as for us this is a much more fundamental change than the one that you are consulting on.

In Lambeth we are already funding above the minimum per pupil funding levels and so this change will have little effect on us, however the increase in the MFG levels is likely to be a cause for concern and is quite likely to be unaffordable. The reason for this is that although the funding on the pupil driven part of the NFF is increasing by 1.84% which equates to circa £3.8m, we expect to lose about £0.7m on the Premises Factors part of the formula and circa £1.1m on the Growth Factor part of the formula. This is all funding that had been going out to Lambeth schools through the local formula in 2019/20. At the same time a large new Secondary Free School will be opening in the September 2020 and these pupil numbers will need to be added into the equation, which will further reduce the amount of funding available to the existing schools by circa £1.1m. I have written to the DfE previously on behalf of the Lambeth Schools Forum about the way that the selection of the 17/18 baseline year has adversely affected the funding allocations in Lambeth and the way that 2020/21 will be a crunch year for funding, but I am yet to receive a response.

Question 4a: Do you think that any of our proposals could have a disproportionate impact, positive or negative, on specific pupils, in particular those who share a protected characteristic? Please provide evidence to support your response.

No

Question 4b: How could any adverse consequences be reduced and are there any ways we could better advance equality of opportunity between those pupils who share a relevant

protected characteristic and those who do not? Please provide evidence to support your response.

No

Lambeth Council

Draft Consultation on Proposed Changes to the Lambeth Funding Formula

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

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

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

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

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

The areas covered are:

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

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

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

- 1.1 The current Lambeth formula uses the Free School Meals Ever 6 measure (FSM6), the NFF uses a variety of measures including Free School Meals (FSM), and the Income Deprivation Affecting Children Index (IDACI).

- 1.2 The FSM6 measure includes any child that has been entitled to a free school meal on any of the previous 18 censuses (i.e. each of the censuses in the past 6 years).
- 1.3 The FSM measure counts any child that is entitled to a free school meal on census day.
- 1.4 Area-level deprivation data: Income Deprivation Affecting Children Index (IDACI)
- The IDACI element of the deprivation factor is based on the IDACI dataset, which is published by the Ministry for Housing, Communities and Local Government. IDACI is a relative measure of socio-economic deprivation: an IDACI 'score' is calculated for a lower super output area (LSOA, an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing socio-economic deprivation.
- 1.5 The Department for Education (DfE) applies a 'banding' methodology to enable the IDACI data to be used for school funding purposes. IDACI scores are grouped into seven bands, with each band representing an increase in the expected level of deprivation. The DfE matches IDACI data to pupils' home postcode data recorded in the school census in order to find the IDACI score relevant to each pupil in a school. The amount of IDACI funding received by a school depends on the IDACI score of each pupil.
- 1.6 The DfE matches the IDACI data to pupil data from the October school census, on the basis of the LSOA of each pupil's home address. The NFF IDACI bands (also to be used by LAs that choose to allocate funding through the IDACI factor in their local formula) are set out in Figure 1.

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

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

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

- 1.8 The proposal is thus to amend the Lambeth Formula to use all of the Deprivation measures rather than just the FSM6 measure.

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

2. Moving towards the NFF rates

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

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

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

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

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

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

The impact on individual schools of moving towards the factors proposed (highlighted above) compared to inflating the current formula and implementing the changes that have been mandated by the DfE are illustrated in appendix 1 to this consultation.

Question 2: Do you agree with the principles recommended by the Schools Forum, i.e. that Lambeth move towards the National Funding Formula Factors in a staged approach and in such a way that no group of schools see their funding reduced as a result, i.e. only to the extent that additional funding in any given year allows this to be achieved?

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

3 Minimum Funding Guarantee (MFG)

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

Question 4: Do you agree with the recommendation to set the MFG rate at 0.5% (subject to the provisos about affordability set out in paragraph 3.5)?

Response to Consultation on Lambeth Schools Funding Formula

Responder:

On behalf of:

School Name:

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

Question 2: Do you agree with the principles recommended by the Schools Forum, i.e. that Lambeth move towards the National Funding Formula Factors in a staged approach and in such a way that no group of schools see their funding reduced as a result, i.e. only to the extent that additional funding in any given year allows this to be achieved?

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

Question 4: Do you agree with the recommendation to set the MFG rate at 0.5% (subject to the provisos about affordability set out in paragraph 3.5)?

Appendix 5

Agenda Item 5

Title: Schools Funding Formula Review

Date: 13 November 2019

Revised Timetable and Additional recommendation

13 November 2019	Schools Forum to receive feedback and recommendations from Working Group; consider draft consultation; decide on recommendations	
15 November 19 to 29 November 19	Consult with schools on proposals	
	Officers summarise feedback received from schools	
10 December 19	Schools Forum considers feedback received from schools and decides on final recommendations	
Mid December	Updated APT and funding allocations received from DfE	
Mid December to 10 Jan ish	Complete APT; submit disapplication request to SOS if MFG not affordable	
	Submission of APT to DfE	
	Lead Member ratification of formula allocations	
	Communication of budget information to schools	

Agenda Item x

Title:	Falling Rolls Fund			
Date:	13 November 2019			
Report to:	Schools Forum			
Report for:	Information X	Decision X	Consultation	Action
Author:	Tim Gibson			

1. Background

- 1.1 The ability for Local Authorities to set criteria for a falling rolls fund was introduced by the Department for Education (DfE) in 2014 to protect schools from financial instability. The key aim of the fund is to protect schools from financial turbulence which may have been caused by external factors and which are likely to be short term in nature.
- 1.2 Schools experience fluctuations in rolls for a variety of reasons, including new schools being set up locally, school rebuilding programmes, dislocations through regeneration programmes resulting in the movement of local housing estates etc. However set against the background of increases in pupil numbers, especially in London, the decision on the viability of schools should not be overly affected by the inflexibility of the national funding formula mechanisms but also on the need to retain school places in local communities.
- 1.3 Local authorities are allowed to ask their schools forum's to top slice the schools block of the Dedicated School Grant in order to create a fund to support 'good' or 'outstanding' schools with falling rolls where local planning data show that the surplus places will be needed in the near future. In Lambeth, the Schools Forum has recognised that there will be circumstances when support over and above formula budget share will be necessary and has for the past few years maintained a Falling Rolls Fund to support those schools that meet the criteria.

2. Current Criteria

- 2.1 The DfE has suggested that an acceptable methodology would generally contain some of the features set out below:
- support is available only for schools judged 'Good' or 'Outstanding' at their last Ofsted inspection (note that this is a mandatory requirement)
 - surplus capacity exceeds x pupils or x% of the published admission number
 - local planning data shows a requirement for at least x% of the surplus places within the next x years
 - formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- 2.2 In 2015 Lambeth schools Forum agreed the following Criteria for Lambeth Falling rolls fund after a working group was set up to discuss the different factors and how this was Identified via a fair formula. An amount of £585k was set aside from the Schools Block of the Dedicated Schools Grant to support schools following the formula below:-

- Support is available only for schools judged Good or Outstanding at their last Ofsted inspection.
- Threshold for funding to be set at over 20%, therefore the school will absorb falling rolls of less than 20%.
- Growing schools do not qualify for falling rolls funding
- Pupils in Special Units are excluded.
- There must be intent for the school to regain its planned admissions numbers (PAN) within 3 years

To qualify, schools must meet all the criteria

2.3 The full narrative of the Falling Rolls Fund criteria that have been applied and communicated to schools is attached at Appendix 1.

2.4 A proposed amendment to the criteria is proposed: The following bullet point to be inserted:

- Where a school has been consulted with to reduce the PAN of the school by a form of entry, the reduced PAN number that has been proposed will be used to calculate eligibility for falling rolls funding whether or not the school has agreed to the change in the PAN.

2.5 **Exceptions**

There is an agreement from the Schools Forum, that the Local Authority can bring funding proposals on behalf of schools that do not meet all of the qualifying criteria, for the Forum's consideration, on an exceptional basis. Proposals cannot be brought by schools that are not judged as good or outstanding by Ofsted as this is a mandatory requirement.

Such cases must be brought to the Schools Forum for agreement on an annual basis as any agreement only covers one funding period (year).

2.6 **Funding Methodology**

Funding is based on the prevailing school sector average weighted pupil unit (AWPU), which set in the Authority's funding formula for key stages. For primary schools this is KS1 AWPU unit value and for secondary schools, KS3.

The formula determines the difference between the number on roll (NOR) recorded in the October pupil census and the planned admissions number (PAN) for the academic year in question. For primary schools, the NOR is Reception year- group and for secondary, it is year-group 7.

This difference between the NOR and PAN is expressed at a percentage of PAN.

If the % change exceeds 20%, then number of pupils above this level are funded at the prevailing AWPU.

If the £585,000 is exceeded the AWPU rate will be adjusted to ensure it is distributed evenly but does not exceed the budget.

3. Deployment of the Falling Rolls Fund in 2019/20

3.1 The amounts that were allocated from the Falling Rolls Fund in 2019/20 are shown below:

School Name	Phase	NOR Reception	NOR Y7	Reception / Yr 7 Pan September 2018	Reception / Year 7 Differences	Good or Outstanding	Year of Support (can be maximum of 3)	Number of pupils to be funded	Total	Total (scaled back)
Lark Hall Primary School	Primary	42.00	0.00	60	-18.00	Good	3	6.00	24,947.88	22,180
Fenstanton Primary School	Primary	57.00	0.00	90	-33.00	Good	2	15.00	62,369.70	55,451
Allen Edwards Primary School	Primary	32.00	0.00	60	-28.00	Good	1	16.00	66,527.68	59,147
Glenbrook Primary School	Primary	16.00	0.00	60	-44.00	Good	3	32.00	133,055.36	118,295
Hill Mead Primary School	Primary	40.00	0.00	60	-20.00	Outstanding	1	8.00	33,263.84	29,574
Jubilee Primary School	Primary	39.00	0.00	60	-21.00	Good	1	9.00	37,421.82	33,270
St John the Divine C of E Primary School	Primary	14.00	0.00	30	-16.00	Good	3	10.00	41,579.80	36,967
St Mark's C of E Primary School	Primary	17.00	0.00	30	-13.00	Good	3	7.00	29,105.86	25,877
Holy Trinity C of E Primary School	Primary	42.00	0.00	60	-18.00	Good	1	6.00	24,947.88	22,180
St Helen's Catholic School	Primary	25.00	0.00	38	-13.00	Good	1	5.40	22,453.09	19,962
Oasis Academy Johanna	Primary	21.00	0.00	30	-9.00	Good	1	3.00	12,473.94	11,090
St Luke's C of E Primary School	Primary	23.00	0.00	30	-7.00	Good	1	1.00	4,157.98	3,697
Van Gogh Academy	Primary	66.00	0.00	90	-24.00	Good	1	6.00	24,947.88	22,180
Ark Evelyn Grace Academy	Secondary	0.00	121.00	180	-59.00	Good	1	23.00	140,743.90	125,130
									657,996.61	585,000

4. Total Allocation

4.1 It is recommended that the Schools Forum agree to continue to have a Falling Rolls Fund in 2020/21 and that the size of the fund and the criteria be kept unchanged for 2020/21, i.e. that £585,000 be allocated to the Falling Rolls Fund

5. Recommendations / Decisions

5.1 Schools Forum is asked to consider whether it wishes to continue to maintain a falling rolls fund for 2020/21.

5.2 The Schools Forum is asked to agree the criteria for eligibility and method of calculation for allocating the falling rolls subject to the insertion of the bullet point contained in paragraph 2.4.

5.3 Schools Forum to agree to provisionally allocate an amount of £585k in 2020/21 – this can be revised once final census figures are known and/or any funding that is not allocated will be carried forward to future years.

Lambeth Schools Falling Rolls Criteria

1 Introduction

- 1.1 The ability for Local Authorities to set criteria for a falling rolls fund was introduced by the Department for Education (DfE) from 2014/15 to ensure schools do not unduly face instability. The key aim of the fund is to protect schools from undue hardship and costly restructuring which may have been caused by change or movement of demographics which is anticipated to be short term.
- 1.2 Local Authorities may top slice the DSG in order to create a small fund to support to good or outstanding schools with falling rolls where local planning data show that the surplus places will be needed in the near future.
- 1.3 The criteria for 2019-20 remain unchanged from the previous year.

2 Criteria

- 2.1 The criteria agreed by the Schools Forum and which conforms to the DfE guidelines are:
 - 2.1.1 Support is available only for schools judged Good or Outstanding at their last Ofsted inspection.
 - 2.1.2 Threshold for funding to be set at over 20%, therefore the school will absorb falling rolls of less than 20%.
 - 2.1.3 Growing schools do not qualify for falling rolls funding
 - 2.1.4 Pupils in Special Units are excluded.
 - 2.1.5 There must be intent for the school to regain its planned admissions numbers (PAN) within 3 years

To qualify, schools must meet all the criteria

3 Exceptions

- 3.1 There is an agreement from the Schools Forum, that the Local Authority can bring funding proposals for schools that do not meet all of the qualifying criteria for the Forum's consideration, on an exceptional basis.
- 3.2 Such cases must be brought to the Schools Forum for agreement on an annual basis as any agreement only covers one funding period (year).

Lambeth Schools Falling Rolls Criteria

4 Funding

- 4.1 Funding will be top-sliced from the annual allocation of the Dedicated Schools Grant. The amount of the budget for 2019-20 is of £585,000.
- 4.2 If the total allocations for qualifying schools exceeds the annual budget, then the amounts will be revised downwards proportionately, to the amount of the budget available.
- 4.3 Any funding unallocated is carried forward and added to the following years DSG.

5 Methodology

- 5.1 Funding is based on the prevailing school sector average weighted pupil unit (AWPU), which set in the Authority's funding formula for key stages. For primary schools this is KS1 AWPU unit value and for secondary schools, KS3.
- 5.2 The formula determines the difference between the number on roll (NOR) recorded in the October pupil census and the planned admissions number (PAN) for the academic year in question. For primary schools, the NOR is Reception year- group and for secondary, it is year-group 7.
- 5.3 This difference between the NOR and PAN is expressed at a percentage of PAN.
- 5.4 If the % change exceeds 20%, then number of pupils above this level are funded at the prevailing AWPU.
- 5.5 If the £585,000 is exceeded the AWPU rate will be adjusted to ensure it is distributed evenly but does not exceed the budget.

Funding will be paid in equal instalments over the financial year.

Agenda Item 9

Title:	Scheme for Financing Schools			
Date:	13 November 2019			
Report to:	Schools Forum			
Report for:	Information	Decision x	Consultation x	Action
Author:	Susan Woodland			

Note that this is for discussion by maintained schools representatives only

1. Background to Item

- 1.1 To inform the Forum of the changes between version 9 of the Statutory Guidance, Scheme for Financing Local Authority Maintained Schools issued by the Department for Education (DfE) covering financial year 2018/19 and version 10 of the guidance, covering financial year 2019/20.
- 1.2 The DfE annually issue an updated Statutory Guidance, Scheme for Financing Local Authority Maintained Schools. Local Authorities are required annually to publish an updated Scheme for Financing Schools
- 1.3 Prior to publishing any updated Scheme for financing schools, the local authority requires approval from maintained schools representatives of the Schools Forum to accept any optional amendments to the scheme. The authority is also required to consult maintained schools and seek an opinion of any changes to inform the schools forum decision as to accepting or rejecting the proposed scheme for financing schools.

2. Scheme for Financing Schools 2019-20

- 2.1 A revised scheme for financing schools can be found at Appendix 1. This contains both the directed revisions for 2018-19 and 2019-20 as well as some minor changes to bring the scheme in line with the DfE Scheme Guidance, which can be found on the following link; [DfE Scheme for Financing Schools](#).
- 2.2 The numbering within the scheme has been updated to reflect that which is used by the DfE within their scheme to enable changes directed/suggested by the DfE easier to locate and amend.
- 2.3 The summary of changes made to the scheme (excluding numbering revisions) can be found in Appendix 2.

5. Recommendations / Agreement

- 5.1 Schools Forum are asked to;
 - Note the amendment of the Draft Scheme for financing schools for 2019-20 and to agree that officers should consult with all maintained schools regarding the changes.

Appendix 1: Draft Scheme for Financing Schools 2019-20

Appendix 2: Table of changes from the last published Lambeth Scheme for Financing Schools

Lambeth Scheme for Financing Schools: Revisions September 2019; Table of changes

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
DfE update – all maintained schools have to be consulted on changes to the scheme	<p>1.4 Revision of the Scheme</p> <p>All proposed revisions to the scheme must be submitted to the schools forum for approval by members representing maintained schools. Where the schools forum does not approve or approves them subject to modifications which are not acceptable to LB of Lambeth, the LA may apply to the Secretary of State for approval.</p>	<p>3.5 Revision of the Scheme</p> <p>Any proposed revisions to the scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the authority before they are submitted to the schools forum for their approval. All proposed revisions to the scheme must be submitted to the schools forum for approval by members representing maintained schools. Where the schools forum does not approve or approves them subject to modifications which are not acceptable to LB of Lambeth, the LA may apply to the Secretary of State for approval.</p>	<p>3.5 Revision of the scheme</p> <p>The scheme should contain a statement that any proposed revisions to the scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the authority before they are submitted to the schools forum for their approval.</p> <p>All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.</p> <p>It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.</p>
In procedures manual but Missing from current scheme	Not in current scheme	<p>3.6 Delegation of Powers to the Head teacher Taken from the procedures manual</p> <ul style="list-style-type: none"> • The resource committee may Authorise the disposal of assets with value between £500 - £5,000 (secondary) and £250 - £2,500 (other); • The Governing Board may Authorise the disposal of assets (where the value of the assets is 	<p>3.6 Delegation of powers to the head teacher</p> <p>The scheme should require the governing body to consider the extent to which it wishes to delegate its financial powers to the head teacher, and to record its decision (and any revisions) in the minutes of the governing body.</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
		<p>greater than £5,000 in a secondary school or £2,500 in other schools;</p> <ul style="list-style-type: none"> • The Headteacher may Authorise the disposal of assets up to a value of £5,000 (secondary) and £2,500 (other) – The school governing board may choose to set these limits at a lower level if it so chooses. • The Governing Board may Authorise the disposal of assets (where the value of the assets is greater than £5,000 in a secondary school or £2,500 in other schools); • The Headteacher may Authorise the disposal of assets up to a value of £5,000 (secondary) and £2,500 (other) – The school governing board may choose to set these limits at a lower level if it so chooses. 	<p>The scheme should state the responsibilities of the head teacher and governing body in respect of the annual budget plan; the first formal budget plan of each financial year must be approved by the governing body, or by a committee of the governing body.</p> <p>It is open to the authority to suggest to schools what might be a desirable level of delegation to head teachers, but the scheme must not seek to impose any particular level of delegation</p>
New paragraph added to clarify procedure	2.3 Submission of budget plans	<p>4.3 Submission of budget plans</p> <p>If a school considers they are likely to have to set a deficit budget they must notify the Director of Children’s Services as soon as possible prior to June 1st.</p>	Not specified, (it is a Lambeth procedure to reinforce to schools that they are not allowed to set a deficit budget without the authorities consent)
Heading change as directed by DfE	2.4 Efficiency and Value for Money	4.4 SCHOOL RESOURCE MANAGEMENT	4.4 School resource management
The name of the Auditors has been	2.6 Audit: General 2.6.2 With regard to internal audit, all schools fall within the audit regime determined by the Authority. Price	4.6 Audit general With regard to internal audit, all schools fall within the audit regime determined by the Authority. The council’s auditors largely carry out the	Na as a Lambeth change only

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
removed as the company enlisted for this contract changes periodically	Waterhouse Coopers (PWC) largely carry out the Council’s internal audit function under contract. PWC carry out school audits on a cyclical basis	Council’s internal audit function under contract. School audits are carried out on a cyclical basis.	
DfE update	Additional requirement since the publication of this scheme	<p>4.8 Audit of Voluntary and Private Funds</p> <p>A school refusing to provide audit certificates to the authority as required by the scheme is in breach of the scheme and the authority can take action on that basis. Access to the accounts of such funds by other agencies is a matter for them. Any other requirement as to audit of such funds is a matter for those making the funds available, and any Charity Commission requirements.</p>	<p>4.8 Audit of Voluntary and Private Funds</p> <p>A school refusing to provide audit certificates to the authority as required by the scheme is in breach of the scheme and the authority can take action on that basis. Access to the accounts of such funds by other agencies is a matter for them. Any other requirement as to audit of such funds is a matter for those making the funds available, and any Charity Commission requirements.</p>
Elements Missing from current scheme	2.10 Purchasing, Tendering and Contracting requirements	<p>4.10 Purchasing, tendering and contracting requirements</p> <p>However, the scheme should also contain a provision which has the effect of disapplying from schools any provision of those rules or standing orders which would require them:</p> <ul style="list-style-type: none"> • to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU procurement directive • to seek local authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year 	<p>4.10 Purchasing, tendering and contracting requirements</p> <p>However, the scheme should also contain a provision which has the effect of disapplying from schools any provision of those rules or standing orders which would require them:</p> <ul style="list-style-type: none"> •to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU procurement directive •to seek local authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
		<ul style="list-style-type: none"> • to select suppliers only from an approved list • or would permit schools to seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to specific listed exceptions <p>Schools may seek advice on a range of compliant deals via Buying for schools</p>	<ul style="list-style-type: none"> •to select suppliers only from an approved list •or would permit schools to seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to specific listed exceptions <p>The fact that an authority contract has been let in accordance with EU procurement procedures does not in itself make it possible to bind a school into being part of that contract. For the purposes of the procurement directives schools are viewed as discrete units.</p> <p>The countersignature requirement should be applied sensibly by authorities and schools alike, avoiding attempts to artificially aggregate or disaggregate orders to avoid or impose the requirement.</p> <p>Schools may seek advice on a range of compliant deals via Buying for schools.</p>
Not in published version. Paragraph added in line with DfE	2.12 Central funds and earmarking	4.12 Central funds and earmarking Such allocations might, for example, be sums for SEN or other initiatives funded from the central expenditure of an authority’s schools budget or other authority budget.	4.12 Central funds and earmarking Such allocations might, for example, be sums for SEN or other initiatives funded from the central expenditure of an authority’s schools budget or other authority budget
DfE guidance updated with regulations	2.14 Capital spending from budget shares 12.14.1 Governing bodies are permitted to use their budget shares to meet the	4.14 Capital spending from budget shares 4.14.1 Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. This includes	4.14 Capital spending from budget shares The scheme should contain a provision specifically allowing governing bodies to use their budget shares to meet the cost of capital expenditure on

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
	<p>cost of capital expenditure on the school premises and from 1st April 2011. Amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purpose of the school</p>	<p>expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the act</p> <p>4.14.4 The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.</p>	<p>the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the act.</p> <p>The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.</p>
<p>DfE revision</p> <p>But Lambeth also added a paragraph to add an earlier date for submission to the LA</p>	<p>2.16 Schools Financial Value Standard (SFVS)</p> <p>All maintained schools with a delegated budget must submit the form to the local authority before 31 March 2013 and annually thereafter.</p>	<p>4.16 Schools Financial Value Standard (SFVS)</p> <p>4.16.3 All maintained schools with a delegated budget must submit the form to the local authority before January 31st to enable the authority to comply the auditing of the forms prior to the end of the financial year</p>	<p>4.16 Schools financial value standard (SFVS)</p> <p>All maintained schools with a delegated budget must submit the form to the local authority before the end of the financial year.</p>
<p>DfE 2018 revision this paragraph was not part of the last published scheme</p>	<p>Section 3: Instalments of the budget share; banking arrangements</p> <p>3.5.1 Restrictions on Accounts</p>	<p>SECTION 5: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS</p> <p>5.7 Restrictions on Accounts</p> <p>Budget share funds paid by the authority and held in school accounts remain authority property until spent (section 49(5) of the act).</p>	

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
<p>Optional – not required specifically by the scheme but as an authority it is useful to remind schools that these limits apply</p>	<p>3.6 Borrowing by schools</p> <p>Paragraphs not part of the last published scheme</p>	<p>5.8 Borrowing by schools</p> <p>5.8.5 Removal of permissions: The local authority has the right to remove permission for a school to hold a debit card or procurement card, where a school has infringed on any of the criteria for holding any card, including breaches of their own controls or infringements. Schools should ensure that all internal controls on cards are reviewed annually and updated as necessary. All procedural changes need to be agreed with the local authority</p> <p>5.8.6 Leases: Schools may not enter into a ‘finance lease’ or ‘hire-purchase’ unless the written permission of the Secretary of State has been obtained, since these are classified as borrowing.</p> <p>Schools may enter into an ‘operating lease’, as defined by the Local Authorities (Capital Finance) Regulations 1997 as these do not count as borrowing. The definition of an ‘operating lease’ is summarised as follows.</p> <ul style="list-style-type: none"> • The asset under lease must have a residual value at the end of the agreed lease period of at least 10% of its original cost. • The lease cannot transfer ownership of the asset to the lessee (at any time during the agreed lease period or a renewal or continuation period). 	<p>5.8 Borrowing by schools</p> <p>The scheme should contain a provision reminding schools that governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State.</p> <p>The Secretary of State’s general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.</p> <p>The scheme must contain a provision that allows schools to use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving.</p> <p>Schemes may explicitly bar schools from using interest bearing credit cards and overdrafts, which are regarded as borrowing. However, they should encourage the use of procurement cards by schools, as these cards can be a useful means of facilitating electronic purchase.</p> <p>Schemes may also wish to permit the use of credit or charge cards. However, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis.</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
		<ul style="list-style-type: none"> • The lease cannot provide for renewal or continuation beyond the initial term at less than the “market value” for this provision at the commencement of the secondary arrangement. • The lessee cannot share in the sale proceeds of the asset under lease 	<p>The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on government accounts.</p> <p>These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the trustees or foundation are able to provide as a consequence of their own borrowing.</p> <p>Governing bodies do not act as agents of the authority when repaying loans.</p> <p>This provision does not apply to loan schemes run by the authority.</p>
Updated in line with DfE guidance as there are no longer GM schools	4.8 Interest on surplus balances The provision does not apply to deficits of former GM schools if the deficit was incurred prior to April 1 1999.	6.6 Charging of interest on deficit balances 6.6.1 The Authority will not charge interest on any deficit balance, except where the deficit has been incurred through the school ignoring advice of the Authority. The basis of the calculation of interest shall be on the basis of Base Rate plus 2%.	6.6 Charging of interest on deficit balances The scheme may contain a provision permitting the authority to charge interest on deficit balances. If so the basis on which interest is charged must be made clear in the scheme itself
Updated in DR 2018	4.8 Balances of closing and replacement schools When a maintained school closes any balance (whether surplus or deficit) shall revert to the Authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school except that a surplus transfers to an academy where a school converts to academy	6.8 Balances of closing (and replacement) schools 6.8.1 Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding	6.8 Balances of closing and replacement schools Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share, including any surplus carried over from previous funding periods, of the

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
	status under section 4 (1)(a) of the academies act 2010	periods) of the closing school for the funding period in which it closes	closing school for the funding period in which it closes.
Directed revision 2018	<p>4.9 Licensed deficits 4.9 Licensed deficits</p> <p>4.9.1 The Authority will permit schools to plan for a deficit budget in particular circumstances. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the authority on behalf of schools.</p> <p>4.9.2 The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years. The Business Partner of Place and Environment (Schools) or his/her nominated representative will meet at least termly with the Chair and Head teacher of each school with a licensed deficit to review progress against the agreed deficit repayment plan. 4.9.3 Deficits will normally only be agreed for items of a one off nature and may not be agreed to support recurrent spending.</p> <p>4.9.4 The maximum deficit will normally be 2% of the school’s formula funding for the year in which the deficit is applied for. Deficits will not be licensed for sums less than £3,000 – these must be contained by budget reductions. The</p>	<p>6.9 Licensed deficits</p> <p>It is not permissible for schools to budget for a deficit, except in those circumstances set out in 6.9 below. School budget plans must be prepared with a view to breaking even or creating a surplus at the end of the financial year. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the authority on behalf of schools. Although it is open to the Authority, in circumstances where there is no such surplus, to make alternative arrangements if it can do so within the relevant local authority finance legislation</p> <p>6.9.1 Where schools have reason to anticipate a deficit the Directors of Education and Finance must be informed immediately.</p> <p>6.9.2 A formal sign off of all arrangements will be required by the Director of Education and Chief Finance Officer (or their representative)</p> <p>6.9.3 The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance) is three years. Director of Education?? or his/her nominated representative will meet at least termly with the Chair and Head teacher of each school with a licensed deficit to review progress against the agreed deficit repayment plan.</p>	<p>6.9 Licensed deficits</p> <p>An authority may include in its scheme provision for an arrangement whereby schools are allowed to plan for a deficit budget.</p> <p>Such an arrangement is normally funded by the collective surplus of school balances held by the authority on behalf of schools, although it is open to an authority with no such surplus to make alternative arrangements if it can do so within the relevant local authority finance legislation.</p> <p>Although such a provision may refer to other guidance on the operation of the deficit arrangement, the scheme itself should specify the:</p> <ul style="list-style-type: none"> •maximum length, not to exceed three years, over which schools may repay the deficit (reach at least a zero balance), with appropriate mechanism to ensure that the deficits are not simply extended indefinitely •purposes for which the deficit arrangement may be agreed •maximum size of the deficits which may be agreed; this may be by reference to the size of the budget share or in cash terms or some combination •maximum proportion of the collective balances held by the authority which will be used to back the arrangement

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
	<p>total amount of licensed deficits will be backed by the collective balances of all schools. A maximum of 40% of the total surpluses may be used to support licensed deficits</p> <p>4.9.5 Applications for licensed deficits will be copied to the Authority’s Chief Finance Officer and he/she (or accredited representative) will have the right to attend any meetings to discuss licensed deficits with individual schools.</p> <p>4.9.6 The detailed arrangements applying to this scheme are set out in the School Financial Procedures Manual. The above provisions do not apply in respect of deficits held prior to April 1999. These will be reviewed and brought into balance as agreed with individual schools. 4.9.7 If a school with a licensed deficit proposes to spend amounts received in respect of other specific grants on purposes other than reducing the deficit, the Authority will agree to such a proposal unless in its view the proposed expenditure is unreasonable in the school’s financial circumstances.</p>	<p>6.9.4 Deficits will normally only be agreed for items of a one off nature and may not be agreed to support recurrent spending.</p> <p>6.9.5 The maximum deficit will normally be 2% of the school’s formula funding for the year in which the deficit is applied for. Deficits will not be licensed for sums less than £3,000 – these must be contained by budget reductions. The total amount of licensed deficits will be backed by the collective balances of all schools. A maximum of 40% of the total surpluses may be used to support licensed deficits</p> <p>6.9.6 Applications for licensed deficits will be copied to the Authority’s Chief Finance Officer and he/she (or accredited representative) will have the right to attend any meetings to discuss licensed deficits with individual schools.</p> <p>6.9.7 The detailed arrangements applying to this scheme are set out in the School Financial Procedures Manual. The above provisions do not apply in respect of deficits held prior to April of the new financial year. These will be reviewed and brought into balance as agreed with individual schools.</p> <p>6.9.8 If a school with a licensed deficit proposes to spend amounts received in respect of other specific grants on purposes other than reducing the deficit, the Authority will agree to such a</p>	<p>•role of the Director of Children’s Services and the Chief Finance Officer of the Authority in agreeing any arrangements for individual schools</p> <p>It is open to a local authority to extend such an arrangement by inviting schools holding balances in external bank accounts to use some or all of those balances to back the arrangement; if so the scheme should make clear the basis on which this would occur.</p> <p>Balances held by a school in an external bank account remain the property of the authority, if made available by the authority initially, and therefore may legally be taken into account by the authority in assessing the total level of licensed deficit which it might wish to make to schools.</p> <p>However, the Secretary of State believes that it is right that schools be asked to give a view as to whether the authority should take them into account in this way, and that this provides assurance for the authority as well as schools.</p> <p>Under a licensed deficit scheme the only effect on budget and outturn statements is that in the latter, the balance goes into deficit because expenditure is at a higher level than the budget share, but this deficit reduces to zero by the end of the repayment period because the school has to constrain its expenditure to effect the repayment. No ‘payment’ to the school is recorded.</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
		<p>proposal unless in its view the proposed expenditure is unreasonable in the school's financial circumstances.</p> <p>6.9.9 Schools will not be charged interest on any unplanned year end deficits as a matter of course. However, where an unplanned overdraft occurs on a school's local bank account, although Lambeth Council will underwrite such an overdraft, the school's budget will be charged any interest or other costs that arise</p> <p>6.9.10 Balances held by a school in an external bank account remain the property of the authority, if made available by the authority initially, and therefore may legally be taken into account by the authority in assessing the total level of licensed deficit which it might wish to make to schools.</p> <p>However, the Secretary of State believes that it is right that schools be asked to give a view as to whether the authority should take them into account in this way, and that this provides assurance for the authority as well as schools.</p>	
Directed revision 2018	<p>4.10 Loan schemes The Authority does not offer loan arrangements for schools such as actual payments to the individual schools or expenditure by the authority, in respect of a particular school, are made on condition that a corresponding sum is repaid from the budget share.</p>	<p>6.10 Loan Schemes</p> <p>Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.</p>	<p>6.10 Loan schemes</p> <p>It is open to an authority to include in its scheme a form of loan arrangement for schools that does not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the authority in respect of a particular school on condition that a</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
		<p>Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.</p> <p>If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school in individual cases</p>	<p>corresponding sum is repaid from the budget share; if so, the same parameters for the arrangement should appear in the scheme as listed above for licensed deficits.</p> <p>Again, an authority may wish to invite schools with balances in external accounts to use some or all of those balances to back a loan scheme, and the scheme should make clear on what basis this would occur.</p> <p>If there is a loan scheme on this basis the authority must show in its budget statements the amount centrally retained for what would be a devolved payment to schools, and the payment should appear in the outturn statements.</p> <p>Loans must only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.</p> <p>Loans must not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.</p> <p>If loans are made to fund a deficit, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
paragraph in line with DfE scheme	<p>8.1 Provision of services from centrally retained budgets</p> <p>The Authority is debarred from discriminating in its provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties</p>	<p>10.1 Provision of services from centrally retained budgets</p> <p>The Authority will not discriminate in its provision of services to schools on the basis of their category except in circumstances where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.</p>	<p>The scheme should contain a provision barring the authority from discriminating in its provision of services on the basis of categories of schools, except where this would be permitted under the School and Early Years Finance Regulations or the dedicated schools grant conditions of grant</p>
Additional paragraph in line with DfE scheme	<p>8.2 Provision of services bought back from the authority using delegated budgets</p> <p>Paragraph not last published scheme</p>	<p>10.2 Provision of services bought back from the Local Authority using delegated budgets</p> <p>This provision complements the implied requirements of the regulations on central retention of funds. It is recognised that absolute break-even or profit is not always achievable over fixed financial years; it is for the authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services</p>	<p>10.2 Provision of services bought back from the authority using delegated budgets</p> <p>This provision complements the implied requirements of the regulations on central retention of funds. It is recognised that absolute break-even or profit is not always achievable over fixed financial years; it is for the authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.</p>
Updated date included	<p>8.3 Service Level Agreements</p> <ul style="list-style-type: none"> •will be in place by the end of January 	<p>10.4 Service Level Agreements</p> <p>10.4.1</p> <ul style="list-style-type: none"> •will generally be in place by the end of February 	<p>10.4 Service level agreements</p> <p>The scheme should provide that service level agreements must be in place by a certain date to be effective for the following financial year, and that schools must have at least a month to consider the terms of agreements.</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
Updated to reflect DfE scheme 2019	8.4 Teachers’ Pensions Paragraphs omitted	10.5 Teachers’ Pensions 10.5.1 The scheme should provide that governing bodies of schools which provide payroll services should submit a monthly return of salary and service to the authority. Governing bodies should also ensure that details of additional voluntary contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The standard text for this is:	10.5 Teachers’ Pensions The scheme should provide that governing bodies of schools which provide payroll services should submit a monthly return of salary and service to the authority. Governing bodies should also ensure that details of additional voluntary contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The standard text for this is:
Additional paragraphs added in line with DfE updates	11.4 Responsibility for legal costs Paragraphs not included in this version	13.4 Responsibility for legal costs 13.4.1 The effect of this is that a school cannot expect to be reimbursed for the cost of legal action against the authority itself; although there is nothing to stop an authority making such reimbursement if it believes this to be desirable or necessary in the circumstances. The costs referred to are those of legal actions, including costs awarded against an authority; not the cost of legal advice provided.	13.4 Responsibility for legal costs The effect of this is that a school cannot expect to be reimbursed for the cost of legal action against the authority itself; although there is nothing to stop an authority making such reimbursement if it believes this to be desirable or necessary in the circumstances. The costs referred to are those of legal actions, including costs awarded against an authority; not the cost of legal advice provided.
Numbering change	11.11 Redundancy / early retirement costs	13.11 Redundancy and early retirement costs	paragraph 13.11 (2018 numbering)

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
<p>Updated in line with 2019 DfE scheme</p>	<p>Section 13: Community facilities 13.1-2</p> <p>Schools, which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities, which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its local authority and have regard to advice from the authority. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that. However, under s.28(1), the main limitations and restrictions on the power will be:</p> <p>a. those contained in schools’ own instruments of government, if any; and</p> <p>b. contained within the maintaining local authority’s scheme for financing schools; under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.</p>	<p>SECTION 15: COMMUNITY FACILITIES</p> <p>Schools now have greater opportunities to provide services for the community. An extended school is one that provides a range of services and activities often beyond the school day to help meet the needs of its pupils, their families and the wider community.</p> <p>Please see Annex C for more detail.</p> <p>The mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.</p>	<p>15. Community facilities</p> <p>The scheme should contain an introductory section which describes the manner in which the scheme relates to the power to provide community facilities.</p> <p>A specimen description is at Annex C. This may be amended, but the end result should be that schools are clear how and why any use of the power is subject to the scheme provisions.</p> <p>The scheme may have a provision which explains that mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget. This provision is discretionary because the power to suspend delegation, and the procedure to be used, arise from primary legislation, not the scheme itself</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
	<p>Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.</p> <p>This section of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning. 13.2 The budget share of a school may not be used to fund community facilities – either start-up costs or ongoing expenditure - or to meet deficits arising from such activities. Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.</p>		
Updated in line with 2019 DfE scheme	<p>13.3-5 Consultation with the Local Authority:</p> <p>13.3 Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the local education authority, and have regard to advice given to them by their local authority.</p> <p>13.4 A written proposal should be submitted to the authority and the authority will respond and provide advice within six weeks of receipt of the proposal.</p>	<p>15.1 Consultation with the authority – financial aspects</p> <p>In every school and community there will be key groups who need to be consulted about activities. They should be involved in the planning process to ensure that extended school programmes are in demand, well organised and meet local needs.</p> <p>Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the authority when establishing community facilities under Section 27 of the Education Act</p>	<p>15.1 Consultation with the authority: financial aspects</p> <p>Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the authority when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by their authority.</p> <p>However, as public bodies, they are expected to act reasonably, and this includes consulting those affected by decisions that they make.</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
	<p>13.5 Governing Bodies must inform the local authority of the action they have taken following this advice. The local authority may not levy a charge to schools for such advice.</p>	<p>2002. Nor do they have to have regard to advice given to them by their authority.</p> <p>However, as public bodies, they are expected to act reasonably, and this includes consulting those affected by decisions that they make.</p> <p>Whatever their level of involvement, all school staff should be kept informed and involved in any decisions that relate to the school premises, staff or pupils.</p> <p>Schools may still approach the Authority for a strategic view on potential programmes. The Authority is well placed to help in assessing the ability of schools to offer additional activities. The Authority will take into account the school’s resources, financial management abilities and other considerations.</p>	
<p>Updated in line with current DfE scheme</p>	<p>13.10-11 Supply of financial information</p> <p>13.10 Schools which exercise the community facilities power (e.g. Extended Schools) are required to provide the Authority every six months with a summary statement, in a form determined by the Authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months</p>	<p>15.4 Supply of financial information</p> <p>15.4.1 Any school operating community activities must provide the Authority with a financial report identifying income and expenditure received, accumulated balance brought forward from the previous financial year and projected year-end financial position every six months.</p> <p>If the Authority has concerns of the financial viability of any community activities a school may be required to provide a financial report identifying income and expenditure received, accumulated balance brought forward from the</p>	<p>15.4 Supply of financial information</p> <p>The scheme may contain a provision requiring schools which exercise the community facilities power to provide the authority every 6 months with a summary statement, in a form determined by the authority, showing the income and expenditure for the school arising from the facilities in question for the previous 6 months and on an estimated basis, for the next 6 months.</p> <p>The scheme may contain a provision which allows the authority, on giving notice to the school that it believes there to be cause for concern as to the</p>

Reason for change	Lambeth Old Scheme – Published 2015/16	Proposed Lambeth Scheme 2019-20	DfE Scheme Guidance 2019-20
		<p>previous financial year and projected yearend financial position on a quarterly basis.</p> <p>If the Authority continues to have concerns of the financial viability of any community activities a school will be required to submit a recovery plan for the activity in question.</p> <p>Financial information relating to community facilities will be included in returns made by schools under the Consistent Financial Reporting (CFR) Framework, and these should be relied upon by authorities as their main source of information for the financial aspects of community facilities.</p> <p>However, the CFR timetable is such that authorities are likely to want supplementary information in order to ensure that schools are not at financial risk. (Schedule 15 of the Act provides that mismanagement of funds spent or received for community facilities is a basis for suspension of the right to delegation of the budget share).</p> <p>These provisions do not preclude the insertion of other provisions in specific funding agreements between schools and the authority as to the financial reporting requirements arising from the funding in question.</p>	<p>school’s management of the financial consequences of the exercise of the community facilities power, to require such financial statements to be supplied every three months and, if the authority sees fit, to require the submission of a recovery plan for the activity in question.</p> <p>Financial information relating to community facilities will be included in returns made by schools under the consistent financial reporting (CFR) framework, and these should be relied upon by authorities as their main source of information for the financial aspects of community facilities.</p> <p>However, the CFR timetable is such that authorities are likely to want supplementary information in order to ensure that schools are not at financial risk. Schedule 15 of the act provides that mismanagement of funds spent or received for community facilities is a basis for suspension of the right to delegation of the budget share.</p> <p>These provisions do not preclude the insertion of other provisions in specific funding agreements between schools and the authority as to the financial reporting requirements arising from the funding in question.</p>

Agenda Item 10**Title: De-Delegation for 2020/21****Date: 13 November 2019****Report to: Schools Forum****Report for: Information Decision X Consultation Action****Author: Tim Gibson****1. Background to Item**

1.1 For 2020/21 there is only one item that is requested to be deducted from schools budget shares which is for:

- Trade Union Duties

This is in line with decisions that were taken by the Schools Forum in relation to 2019/20.

The Schools Forum has agreed not to deduct for the Vulnerable Schools Fund in 2019/20 and this will be the same for 2020/21 as the fund is still sufficient funding for the coming year.

1.2 A separate paper on deductions for education functions (which is similar to De-delegation) will be brought to the next meeting of the Schools Forum.

2. Trade Union Duties

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

The Trade Union Facilities Arrangement (TUFA) for schools was first bought the schools Forum in Dec 2015 where it was agreed. From April 2016 schools have been paying towards this agreement at a rate of £4.50 per pupil since this time the rate has not been reviewed.

2.2 The purpose of the TUFA agreement is to provide a framework agreement between Lambeth Council, its community of schools which includes foundation, academies and voluntary controlled, and the recognised trade unions. It is expected that all schools will sign up to this agreement.

The agreement provides a framework between the council, its schools and recognised trade unions. Its aim is to facilitate, improve and provide a constructive framework for consultation and industrial relations with the Council and within individual schools.

There has been no increase in the TUFA rate over the 3 years, despite numerous pay awards for teaching and support staff over this period and an increase is now required in order to cover the costs of the service.

- 2016 teachers pay award = 1%
- 2017 support staff pay award = 1%

- 2017 Teachers pay award = 2% uplift and 1% to Leadership scales and TLR and SEN points
- 2018 – overall 2% Support staff pay award for lower grades and more for lower grades
- 2019 support staff 2%
- 2019 Teachers 2.75%
- In addition there has been an increase of teachers' pensions contributions from 16.48% to 23.68%

2.3 Unions represented as part of the Agreement

GMB, Unison, NEU, NAHT and NASUWT

Despite NASUWT being allowed facility time there has not been a representative to hold this role so to date no finances have been shared and any work has been picked up by a regional official. However, there is now an elected representative from the NASUWT so going forward they will need to have this position funded. These additional monies will now need to be featured into the budget for the new financial year.

Shortfall

Currently the budget for 19/20 is running at a £6,237 deficit, this includes £17k backdated income from last year so does not reflect the actual pressure. Next year is currently forecasted a £17.5k deficit.

At present the TUFA contributions from schools are collected by schools' finance via the APT return and cash summary twice a year and schools are advised at the start of each financial year the costs for their school.

Academies and PRU's are invoiced individually.

Nurseries and Special Schools will be billed for their use of the agreement for 19/20 and then notified of the amounts and charged via the cash summary moving forward as their funding comes from different budgets. This provides an additional £5K into the TUFA budget.

A new administration charge has been included for the first time of £11,000 to recoup the staffing costs associated for providing the service from Schools HR based on a day per month calculated at the charge out rate in the Schools HR SLA.

2.4 Proposals – price increase moving forward

Taking account of the above, the review suggests an increase of the TUFA rate to £5.00 per pupil to cover the costs of providing the service. This new rate will be applicable from financial year 20/21.

3. Recommendations

- 3.1 The Schools Forum (Maintained School Representatives only) is asked to agree to de-delegate £5.00 per pupil to cover the cost of trade union representatives for both primary and secondary schools.