

SOUTHWARK CHILDREN'S SERVICES SCHOOLS FORUM

Members are requested to attend a meeting to be held at:

**Notre Dame High School,
118 St George's Rd, London SE1 6EX**

Thursday 5th December 2019 3.45pm – 6.00pm

David Cross

Email: xdavidcross@yahoo.co.uk

All documents distributed in advance will be taken as read

AGENDA

ITEM

Clerk to lead

1. Apologies for Absence, and to confirm quorum (5 minutes)
2. Declaration of interests – the Education (Schools Government) Regulations 1989 (as amended) oblige members with a pecuniary interest in a contract or other matter to disclose the fact, to withdraw from the meeting when it is being discussed and not vote on it.
3. Election of Vice Chair - deferred from October 2019 meeting
4. Minutes of the Meeting of 3rd October 2019 -Accuracy (10 minutes)
 - a) Accuracy
 - b) Matters Arising not on the Agenda
 - i) 6.9 Pay and Pensions Grant Information provided to schools by LA
5. Minutes of the Meeting of 21st November 2019 (10 minutes)
 - a) Accuracy
 - b) Matters Arising not on the Agenda
 - i) 4.15 - Clarification of the corporate overheads
 - ii) Progress on consultation processes required for January 2020 meeting
6. Dedicated Schools Grant- 2019-20 Budget Monitor (15 minutes)
7. Dedicated Schools Grant - 2020-21 (60 minutes)
8. A.O.B. Any items must be with the Clerk by Noon 2nd December 2019 (5 minutes)
9. Dates of Further Meetings for 2019/20

January 15 January 2020, 19 March 2020, 14th May 2020 and 9 July 2020

THE SOUTHWARK SCHOOLS FORUM

MINUTES OF THE MEETING

Thursday 3rd October 2019

1. Attendance and Apologies: See Annex A

- 1.1 The Clerk welcomed members to the first meeting of the re-constituted Southwark Schools Forum and explained that the Local Authority was still in the process of nominating members for some constituencies and that elections for both primary Headteachers and Governors were still in process. The meeting was quorate.

2. Election of Chair

The Clerk asked for nominations for Chair of the Schools Forum for the 2019/2020 Academic Year. Sister Anne-Marie Niblock was nominated – there being no other nominations Sister Anne-Marie Niblock was duly elected and took the chair.

3. Election of Vice Chair

Following discussion, it was agreed as there were a number of vacancies to be filled in the primary constituencies, the election of vice chair would be deferred to the next meeting.

4. *Declaration of Interests*

Members were asked to declare any pecuniary or other interests they might have that were greater than the interests of other members of the Schools Forum in any matter on the agenda for discussion. There were none.

5. Minutes of the Meeting of 4 July 2019

- 5.1 These were agreed for accuracy
- 5.2 Matters Arising: It was agreed that these were now covered in the reports on the agenda.

6. Dedicated Schools Grant 2019-20 Budget Monitor

- 6.1 A report setting out the budget monitoring position as at 31st August 2019 of the central budgets of the Dedicated Schools Grant and updating the Schools Forum on the recent events in schools finance had been circulated with the agenda.
- 6.2 The Local Authority (LA) confirmed that the position was still showing a projected overspend of £6.5m due to the pressures in the High Needs Block and with the carry forward of an £11m overspend this now totalled an £18.5m deficit.
- 6.3 The financial position of the central de-delegated budgets was that they remained in budget. members noted that item 7 on the agenda addressed the deficit and they voted unanimously to agree to carry forward the deficit to the 2019-20 financial year.

- 6.4 The Minister of State for School Standards had made an announcement on school funding in parliament on the 9 September 2019 which confirmed that funding for schools and high needs (compared to 2019-20) will rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23. In 2020-21, this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF). The Department for Education will publish provisional NFF allocations at local authority and school level in October, including local authorities' final primary and secondary units of funding for the Schools Block.
- 6.5 The important matter for Southwark Schools was that as Southwark is the 3rd best funded authority in the country it will not benefit from the minimum funding level increases. It is expected that Southwark will receive the minimum level increase of 1.84%, although clarity is awaited on exactly how this is to be calculated.
- 6.6 The DFE are consulting on whether to extend the Risk Protection Arrangements (RPA) - a form of insurance - to LA maintained schools as well as the current academies and free schools. Steve Morrison said that as an academy the insurance is quite comprehensive and although some supplementary insurances are needed e.g. minibuses, his trustees consider it good value for money.
- 6.7 The consultation on the "Implementation Of The Mandatory Minimum Per Pupil Funding Levels" is due to close and although the LA is above the level, its schools still have high levels of social deprivation and as such will not receive the same level of funding as currently - this needs to be stressed to the DFE at every opportunity.
- 6.8 The position on clawing back funds from schools when they permanently exclude pupils was noted and the Schools Forum agreed that the LA should enforce this as it did in previous years (as contained in Education Acts) and if academies do not comply use the ESFA to obtain the overpaid pupil funding by the LA.

The Schools Forum noted the report

- 6.9. The LA gave a verbal update on the second year of the 2018/19 Teachers Pay Grant, the new 2019/20 Teachers Pay Grant and the 2019/20 Teachers Pensions Grant. The Schools Forum asked that schools are given clear written simple information on all three grants so they review their budgets accordingly.

7. Dedicated Schools Grant Deficit Recovery Plan

- 7.1 This report, previously circulated to the Schools Forum, gave the details of the progress made to date by the Local Authority on the required Education Funding & Skills Agency (EFSA) Draft Dedicated Schools Grant Recovery Plan which was discussed at the Schools Forum July meeting.
- 7.2 The Schools Forum Actions noted the correspondence between the LA and the EFSA and that there was a meeting scheduled with the EFSA and feedback will be given.
- 7.3 The Schools Forum noted that the recent announcement by the Secretary of State of additional funding may impact on the draft plan and although it is welcomed, it still does not resolve the problem.

8. Report of the High Needs Sub-Group

- 8.1 The report, previously circulated, provided an update of the work of the Schools Forum High Needs sub-group and in particular its meet meeting on the 19 September 2019.
- 8.2 It was noted that the Sub-Group is currently looking at the following areas:
- Corporate overheads and transport
 - A further school block transfer
 - A different funding mechanism/source for SENDIF
 - The appropriate level of the Minimum Funding Guarantee for Special Schools and Early Year's funding rates
 - To review the LAC Education budget
- 8.3 The sub-group also looked at the recent funding announcement. As Southwark is one of the highest funded authorities in the country for high needs, it is expected that it will receive the minimum increase of 8%. i.e. £3.7m, although the precise details of the calculation are yet to be published.
- 8.4 The Schools Forum noted the LA's proposal to reduce funding to schools with Resource Bases, as discussed by the Sub-Group, and asked that as this may involve making staff redundant, that the implementation date we moved from January to April 2020 so that the formal staff redundancy consultations, if necessary, can be undertaken.
- 8.5 Finally, it was noted that the government has announced the launch of a cross-cutting review of SEND through an internal look across education, health and care.
- 8.6 The London Councils document on Inclusive Practice was also noted.

9. Financial Transparency

- 9.1 The report containing the LA's response to the Department For Education (DFE) consultation on the Financial Transparency of local authority maintained schools and academy trusts had been circulated with the agenda.
- 9.2 The main point was to apply practices in the academy sector to LA Maintained Schools - however it was not always thought that the academy sector was always publicly transparent itself and that it was difficult to do benchmarking across academies and schools due to the different accounting regimes with the LAs using the detailed Consistent Financial Reporting regime and academies using a more aggregation of spend in their returns.
- 9.3 The issue around 3-year budgets was that schools were not told what the funding would be beyond the current year that they were working on so it makes projections expenditure driven.

The report was noted

10. Southwark Maintained Schools Annual Internal Audit Report 2018-19

10.1 The report had been previously circulated to the Schools Forum.

10.2 From experience, schools found the value of the findings of individual school reports variable and the external company carrying out the audits often went beyond what schools were told the appropriate practices are. It was felt that, like academies, a pre-meet prior to the actual audit commencing takes place, so all are clear, as is the practice in the academy sector.

10.3 The issue raised by the LA about Cash Flow was one that most schools are aware of, but there is no requirement by the LA for a school to produce. It was felt that the LA's Scheme for Financing Schools should make it a requirement and be one of the supporting documents with the quarterly returns, and importantly scrutinised by the LA then actioned if necessary.

10.4 It was felt that the setting up of a group of experienced school business managers will not assist ensuring the practices are carried out by all schools as it is those that do not currently do them who should be targeted. This should be Headteachers, governors as well as bursarial type staff, including financial services bought in by schools.

Annex A

SCHOOLS FORUM ATTENDANCE SHEET 3rd October 2019

VOTING MEMBERS

NAME	CONSTITUENCY	PRESENT
Janice Babb	Primary School Headteacher	Yes
Susannah Bellingham	Primary School Headteacher	Yes
Pia Longman	Primary School Headteacher	Apologies
Vacant	Primary School Headteacher	
Vacant	Primary School Governor	
Vacant	Primary School Governor	
Rebecca Sherwood	Nursery School Headteacher	Apologies
Teresa Neary	Special School Headteacher	Yes
Nicola Howard	Early Years – Private/Voluntary and Independent Settings	Apologies
Steve Morrison	Academy	Yes
Vacant	Academy (Primary)	
Mike Antoniou	Academy	Apologies
Simon Eccles	Special School Academy	Yes
Yomi Adewoye	Pupil Referral Units	Yes
Sister Anne-Marie Niblock	Secondary School Headteacher	Yes
Vacant	FE SEN	
Catherine May	Diocesan Boards	Apologies
Betty Joseph	Trade Unions	Yes

Senior Officers in Attendance

Nina Dohel	Apologies
Russell Dyer	Yes
Dave Richards	Yes
Terry Segarty	Yes
David Cross	Clerk

THE SOUTHWARK SCHOOLS FORUM

MINUTES OF THE MEETING

Thursday 21st November 2019

1. **Attendance and Apologies:** See Annex A

2. **Quorum:** The Clerk confirmed that the meeting was quorate.

3. *Declaration of Interests*

Members were asked to declare any pecuniary or other interests they might have that were greater than the interests of other members of the Schools Forum in any matter on the agenda for discussion. There were none.

4. **High Needs Working Group Final Report**

4.1 This had been previously circulated with the agenda. The Chair reminded members that this was an extra meeting of the Schools Forum to discuss this single item. All confirmed that they had received the report and had read it. As a consequence, there would be no need to go through the report at this meeting line by line but members have the opportunity of asking questions and seeking clarifications from the Local Authority (LA) as each of the recommendations were addressed. This was agreed.

4.2 Recommendation E): The Schools Forum thanked the members of the Working Group for their hard work and agreed that as the work was ongoing and moving into the monitoring of the actions the LA is putting in place to bring about change, that it supports the proposal to extend the timescale and remit of the group under the same membership.

4.3 Recommendation A): The Schools Forum noted that the LA is required to carry consultations of stakeholders, including parents, especially where any changes may impact on existing provision to those children already in receipt of support.

4.4 Recommendation B): This related to the transfer of considerable funding from the Schools Blocks to the High Needs Block, one which the Working Group itself felt that, as it was such a small group, it could not make a firm decision without wider feedback from schools.

4.5 The Chair explained that key was that the Schools Forum was not being asked to support the actual transfer of funds but “support... the principle for the LA to apply for the required provisional disapplication requests.” The LA explained the statutory requirements around such requests especially the consultation with schools and the need to report back the results accordingly.

- 4.6 With this understanding, the Schools Forum was being asked not to agree or disagree the LA proposals for block transfers but to support the LA to go out to consult with stakeholders and come back in January 2020 to the Schools Forum.
- 4.7 The LA then set out the possible timetable for such consultations and the Schools Forum requested that it would need to start immediately with the meetings already scheduled of various Head Groups and the timing of the “roadshows” the LA proposed would have to be brought forward so that the Schools Forum had their various views in advance of the January meeting so as to be able to give adequate time to their evaluation.
- 4.8 To assist with the briefing of academies in the borough, the LA undertook to give a briefing note to the mainstream academy reps on the Schools Forum who can then assist with communications to their academy colleagues.
- 4.9 The LA agreed that prior to issuing the relevant consultation document(s) the LA would provide them in draft to the Chair of the Schools Forum for any comment and input.
- 4.10 Recommendation C): The LA reported that the proposal as set out in the report, namely to change the Minimum Funding Guarantee (MFG) for special schools from 0% to minus 1.5% would bring special schools and special academies in line with mainstream schools. It would, however, need approval of the Secretary of State and would need consulting upon with the special schools and special academies. However, due to DFE deadlines the LA has already put a marker down with the DFE that the LA could be making a Disapplication request for this to happen in 2020-21.
- 4.11 The representative of the special academies and the representative of LA maintained special schools said that they could call a special meeting of their headteachers in the next few weeks for the LA to attend and formally put the proposal to them in order that they may respond to the consultation.
- 4.12 The Schools Forum noted that a Disapplication request had already been submitted but believed that the decision to change the MFG for special schools and academies was integrally linked to the LA recommendation B) regarding the transfer of funds from the Schools Block to the High Needs Block. And that required consultation as well.
- 4.13 The LA said that they would bring the outcome of both consultations to the January meeting of the Schools Forum and the Schools Forum would be requested to consider the responses and decide on both issues and so permit the LA to meet the 16th January 2020 deadline of submitting 2020-21 DSG budget proposals to the DFE.
- 4.14 Recommendation D): This related to the central retentions and recharges where the decision to do so rests with the LA and or the council itself and the need to reduce the cost to the High Needs Block.
- 4.15 The Schools Forum members sought clarification of the corporate overheads as set out in 5.5.1 of the report. In particular the high cost of Facilities Management (£0.7m) and what I & D (£0.137m) actually was. The LA said that they would review this table and bring an explanation and breakdown to the next meeting of the Schools Forum.
- 4.16 The Schools Forum then supported the working groups recommendation that the LA respond to them regarding the central retentions where the decision rests with the council.

- 4.17 Finally, that once the general election was over, then as this deficit position is a result of inadequate central funding and increasing demand, then the Schools Forum may wish to seek explanations from central government on how they are going to address this shortfall without having to transfer monies from other sources in education, especially the mainstream schools and academies.

5. Date of Next Meetings:

5 December 2019, 15th January 2020 (moved from the 16th) 2020, 19th March 2020, 14th May possible only, 9th July 2020

- 5.1 The Chair reminded the members that this meeting was a special extra meeting and the meeting set for the 5th December was the main scrutiny meeting prior to budget setting.
- 5.2 Following discussion and the EFSA deadline for 2020/21 Budget returns from local authorities - it was agreed that, following confirmation that most members in attendance would be available, that the January meeting set for 16th January be brought forward to the 15th.

Annex A

**SCHOOLS FORUM ATTENDANCE SHEET
21st November 2019**

VOTING MEMBERS

NAME	CONSTITUENCY	PRESENT
Janice Babb	Primary School Headteacher	Yes
Susannah Bellingham	Primary School Headteacher	Yes
Pia Longman	Primary School Headteacher	No
Vacant	Primary School Headteacher	
Vacant	Primary School Governor	
Vacant	Primary School Governor	
Rebecca Sherwood	Nursery School Headteacher	No
Teresa Neary	Special School Headteacher	Substitute Heidi Tully
Nicola Howard	Early Years – Private/Voluntary and Independent Settings	Yes
Steve Morrison	Academy	Apologies
Vacant	Academy (Primary)	
Mike Antoniou	Academy	Yes
Simon Eccles	Special School Academy	Yes
Yomi Adewoye	Pupil Referral Units	Yes
Sister Anne-Marie Niblock	Secondary School Headteacher	Yes
Vacant	FE SEN	
Catherine May	Diocesan Boards	Yes
Betty Joseph	Trade Unions	Yes

Senior Officers in Attendance

Nina Dohel	Yes
Russell Dyer	Yes
Dave Richards	Yes
Terry Segarty	Yes
David Cross	Clerk

<i>Date:</i> 5 December 2019	Item 6	<i>Type of report:</i> Information
Report title:	Dedicated Schools Grant - Schools Block Budget Monitor October 2019 and Financial Update	
Author name and contact details:	Russell Dyer/ Dave Richards Russell.Dyer@southwark.gov.uk Dave.Richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer/ Dave Richards	

Executive Summary

This sets out as at 31st October 2019 the budget monitoring position on the central budgets of the Dedicated Schools Grant and also provides an update on the latest events in schools finance.

Schools Forum Actions

The Schools Forum is asked:

- To note that at the 31st October 2019 the Dedicated Schools Grant 2019-20 shows a forecast overspend of £6.5m.
- To note the financial position on the de-delegated funds.
- To note the details on the Teachers Pensions Grant
- To note the position on the ring-fencing consultation of the Dedicated Schools Grant.

1. DSG 2020-21 Budget Monitor

- 1.1 The overall position of the 2020-21 Dedicated Schools Grant as at 31st October 2019 (Month 7) is summarised in the table below. The allocation is before any block transfers are applied, namely £3.2m movement from Schools Block to the High Needs Block (£3.1m) as approved by the Secretary of State with the balance to Central Services.

	DSG Allocation 2019-20 £m	Over/ (Underspend) £m
Schools Block	122.732	(0.2)
High Needs Block	42.383	7.6
Early Years Block	26.747	(0.6)
Central Services	1.683	(0.3)

	DSG Allocation 2019-20 £m	Over/ (Underspend) £m
Total	193.545	6.5
Deficit as at 31 March 2019		11.5
Forecast Deficit as at 31 March 2020		18.0

Note 1 - These figures are after recoupment for academies but before any block transfer

Note 2 – These figures now include the adjustment relating to the pupil numbers in January for Early Years pupils and Special Education Needs Children in other Local Authorities

- 1.2. The outturn position for the DSG as at the 31st March 2019 was a deficit of £11.5m - the deficit as at 31 March 2018 was £4.1m).
- 1.3. The current forecast indicates a £6.5m in year pressure on the DSG which is after offsetting other underspends. The main area of pressure continues to be the high needs block with a pressure of £7.6m. The high needs forecast is predicated on a set level of increased activity and assumed unit cost values. Should these assumptions change significantly during the year, then the forecast will change.
- 1.4. Whilst budget monitoring for maintained settings in the borough has been improved via termly adjustments and is generally reliable, there is further ongoing work to enhance budget monitoring in the other areas including non-maintained settings, out of borough, independent/NMSS (non- maintained special schools) and FE aged 19-25. The LA has engaged management consultants to assist with this process and they generally concur with this view and have made recommendations to make improvements to budget monitoring in this area.
- 1.5. While the early years block is forecast to underspend, the funding will be adjusted retrospectively next July and this adjustment will be based on the January 2020 pupil numbers. It will not be possible to know the exact amount until the data is collected. It is still expected, however, that there will be an underspend and will be used to fund the SENDIF (the SEND Inclusion Fund) as set out in the report discussed at the 21 November 2019 meeting.

2. De-delegated budgets and Growth Fund

The summary position is shown in the table below:

2019-20	Budget £m	Forecast Outturn £m	Over/ (Underspends) £m
Schools in financial difficulty	0.5	0.5	0
Behaviour Support Services (including Summerhouse)	1.6	1.6	0
Maternity	0.8	0.6	(0.2)
Trade Union Facility Time	0.1	0.1	0
Growth Funds	0.1	0.1	0
Falling Rolls	0.1	0.1	0

- 2.1 The Schools in Financial Difficulty Fund is, perhaps, not surprisingly showing signs of pressure. At the moment it is unknown how many applications for funding will be received during this Autumn Term, if they are significant the fund would be in deficit and the shortfall would be charged to next year. At the moment the forecast has been left at a balanced position.
- 2.2 The maternity fund at the moment has paid out just under £300k. Traditionally schools are slow in submitting claims, last year from November to the end of the year the fund paid out £425k, although the trend is that the number of cases are slightly lower this year. If this year is similar, there could be an underspend of £0.2m and this has been assumed.
- 2.3 The Trade Unions Facilities Time budget over the past few years has been overspent. The LA changed the method of allocating funds so as to reimburse the cost of the supply based on an average rate. This is now confirmed as £280 per day. It is expected the fund will be balanced at the end of the year.
- 2.4 The Growth fund (£0.1m) has been fully allocated but no further calls are expected on this.
- 2.5 The Falling Rolls fund (£0.1m) has paid out for one application and currently there is a balance of £50k left in the fund. A letter was sent out to schools reminding them that the window for making bids for this year is now open but will close at the end of December 2019. The Panel will sit in January to consider bids. One bid has already been received, it is unknown whether there will be further claims.

3. Grant to cover the cost of the increased Employers Contributions to Teachers' Pensions

- 3.1 The pension supplementary fund provides additional support alongside the teachers' pension employer contribution grant (TPECG), for the additional cost to schools due to the increase in the employers contribution rate to the Teachers' Pension Scheme from September 2019. Local authorities can also apply for funding to cover the total cost due to the increase in contributions for centrally employed teachers that they employ directly.
- 3.2 The guidance issued recently covers payments for the period September 2019 to March 2020. The DFE will publish guidance on payments for April 2020 onwards in due course. There will be 2 separate application windows: the first window is for mainstream schools, who will be able to apply directly to the fund from 2nd December 2019 to the 17th January 2020, if a school's TPECG allocation falls short of the cost increase for September 2019 to March 2020 by more than 0.05% of their budget, the DFE will provide funding for costs above that threshold. Special units and resourced provision at mainstream schools should be considered as part of the application for the school.
- 3.3 The second window is in April 2020 is for local authorities and non-maintained special schools (NMSS).

3.4 Applications to the supplementary fund will use actual pension costs from the November 2019 pay bill. The DFE are including the following funding streams in our definition of overall budget:

- the budget given to a school by their local authority for the 2019-20 financial year, as published in the authority pro-forma tool (APT), following de-delegation
 - school sixth form funding: 2019-20 academic year funding allocations
 - teachers' pay grant: 2019-20 financial year allocations
- An Example calculation is as follows:
- TPECG allocation (covers the 7 months September 2019 to March 2020) - £20,000
 - increased costs over 12 months due to contribution rate increase - £37,500
 - increased costs over 7 months due to the contribution rate increase - £22,000
 - shortfall between allocation and 7-month cost - £2,000
 - overall budget for 2019-20 - £860,000
 - overall budget pro rated for 7 months - £500,000
 - 0.05% of 7-month school budget - £250 supplementary fund payment - £1,750

3.5 Maintained schools will apply directly, and multi-academy trusts will apply on behalf of their mainstream academies. Special and alternative provision academies will need to apply through their local authority in the second application window.

3.6 Local authorities will be able to apply on behalf of the following specialist institutions in their area for which they have received a grant allocation:

- maintained special schools
- special academies and special free schools
- pupil referral units
- alternative provision academies and alternative provision free schools
- hospital schools

3.7 The online application form for schools will be pre-populated with the school's pension grant allocation, and, for schools except maintained nursery schools, the overall budget. Maintained nursery schools will need to provide their overall budget figure, signed off by their local authority. Although the exact process has not been confirmed as yet, schools are advised to set up a DFE sign in. When further data is received, we will write to schools

4 Revised arrangements for the Dedicated Schools Grant

4.1 The Department for Education issued a consultation on the 11 October 2019 which closed on the 15 November 2019. The consultation clarifies that the DSG is a ring-fenced specific grant separate from the general funding of local authorities, and that

any deficit an authority may have on its DSG account is expected to be carried forward and does not require to be covered by the authority's general reserves.

- 4.2 Currently if there is an overspend on the DSG, it requires the consent of the Schools Forum to be carry forward, or if that is not forthcoming the authorisation of the Secretary of State. In practice, Schools Forums across the country have almost always approved the carrying forward of an overspend.
- 4.3 Until the last few years, few local authorities were recording DSG overspends, and those overspends were small. However, pressures on the high needs budget have led to more and larger overspends in recent years. Local authorities' budget data for 2019-20 shows that at the end of 2018-19, about half of all authorities experienced an overspend, amounting to over £250m in all, while others were still carrying forward surpluses. The national net position was an overspend of £40m, and authorities were forecasting that there would be a net overspend of £230m at the end of 2019-20.
- 4.4 The Government's intention is that DSG deficits should not be covered from general funds but that over time they should be recovered from DSG income. No timescale has been set for the length of this process. If the consultation is agreed, it will mean that the deficit Southwark has on the High Needs Block will need to be recovered from the Dedicated Schools Grant by operating in-year surpluses in the future.
- 4.5 Whilst the Authority and representative bodies are generally welcoming to the clarity that the consultation seeks, the main concern is about how historic large DSG deficits accumulated will be paid back over time. The Authority and representative bodies continue to seek to clarity from the DFE in that regard be given to the fact that to a large extent, the deficits flow from SEND reforms in 2014, including the extension of the age range to 25 which were not properly funded. It is the Authority's view that DFE needs to back date the additional funding that it has now placed in the system from 2020-21 to address this.

At the time of this report the outcome of the consultation is still awaited.

<i>Date:</i> 5 December 2019	Item 7	<i>Type of report:</i> Decision
Report title:	The Dedicated Schools Grant 2020-21	
Author name and contact details:	Russell Dyer / Dave Richards russell.dyer@southwark.gov.uk dave.richards@southwark.gov.uk	
Officer to present the report:	Russell Dyer / Dave Richards	

Executive Summary

This report starts to consider the budget of the Schools Block of the 2020/21 Dedicated Schools Grant including the centrally retained and de-delegated budgets with the final decisions being taken at the Schools Forum January 2020 meeting.

Schools Forum Actions

The Schools Forum is recommended by the Local Authority to:

- A) Agree by phase (maintained mainstream schools only) to the proposed de-delegated funding rates, as outlined in 2.6;
- B) Agree to the Local Authority to seek the decision of the maintained nursery schools as to whether they wish to buy into the 2020-21:
 - i) Contingency fund
 - ii) Maternity fund
- C) Agree to the Local Authority to seek the decision of the maintained special schools as to whether they wish to buy into the 2020-21:
 - i) Contingency fund
 - li) Maternity fund
- D) Agree to the De-delegated services and costs in 2020-21 (to be agreed individually by the LA maintained primary and secondary schools only) as outlined in 2.6
- E) Agree to the LA proposed Centrally Retained Budgets – (to be agreed individually and by the maintained and academy and free schools representatives) as outlined in 3.4
- F) Agree to the LA proposed Maintained Only Schools Centrally Retained Budget (to be agreed by the maintained primary and secondary school representatives only) set out in 3.6

1.0 Background

- 1.1 The guidance surrounding central retentions and de-delegations is governed by the Education and Skills Funding Agency (ESFA) publication *Schools Revenue Funding 2020 to 2021 Operational Guide*.

- 1.2 Under these regulations the Schools Block of the DSG can only be held centrally for certain services as specified by the DfE and where the Schools Forum agree to:
- De-delegate funding, by phase;
 - The LA to Centrally retain funding before allocating funding to the formula.
- 1.3 The LA is required to submit to the Education & Skills Funding Agency (EFSA) the provisional 2020-21 pro-forma by 21 January 2020. The pro-forma outlines the details of the local funding formula, including the agreed de-delegated budgets. The early decisions from this report will aid officers in preparing the submission but if any further issues on either de-delegated and central retention arise, this will be brought to the meeting of the Forum on 15 January 2020. Leaving all the decisions to that meeting would create a real risk of not meeting the deadline.
- 1.4 There is currently no intention to reduce the formula funding rates for primary and secondary schools. In fact, it may be the case that they can increase. There are, however, a number of complex factors around the additional 1.84% funding, the impact of the MFG that detail is still to be provided by the DfE and decisions by the Schools Forum and the Secretary of State as to whether there is support to the LA's proposals relating to the transfer of funds from the Schools Block to the High Needs Block.

Should this be the case, then the LA will come back in January with details and possible proposals as to how this could impact on individual schools depending on which formula factors rates could be increased.

2.0 De-delegated Services

- 2.1 This funding is initially allocated to all schools, as part of the Southwark Schools Funding Formula. For maintained primary and secondary schools funding in some instances can be de-delegated or "returned" to the Local Authority to be held and managed centrally. De-delegation is not applicable to academies, special schools, nurseries or PRU's. For PRUs, nursery schools and special schools to benefit from these services there would need to be "buy back" into service. Nursery schools and special schools (except hospital schools) agreed to buy back into the fund for contingencies and maternity in this current year (2019-20) and it is assumed they will continue although the Schools Forum are asked to confirm this position should they wish to. Academies can buy into some funds but not others, specifically not maternity and nor contingencies.
- 2.2 The Schools Forum are required to formally agree the de-delegated budgets annually, with members for primary maintained schools and secondary maintained schools required to decide separately for each phase. The outcome of the decision applies to all LA maintained schools within that phase.
- 2.3 **The** funding for de-delegated services is automatically allocated to academies as part of the schools funding formula and they are able to make their own arrangements for these services. Academies may choose to purchase services from the LA, where they are offered.
- 2.5 The Schools Forum agreed to de-delegate funding for the following services in 2019-20 as follows:

Table 1

Budget	Basis	2019-20 Budget £000	2019-20 Primary School Rate £	2019-20 Secondary School Rate £
Contingencies* (including schools in financial difficulties and deficits of closing schools)	AWPU	841	41.00	41.00
Behaviour support services	FSM Ever 6	423	64.55	N/A
Behaviour support services – Summerhouse	FSM Ever 6	1,146	174.71	N/A
Free school meals eligibility (primary schools only)	FSM Ever 6	108	16.60	N/A
Staff costs supply cover (maternity scheme)	AWPU	824	40.15	40.15
Staff costs supply cover (trade union)	AWPU	82	4.00	4.00
De-delegated budget		3,424		

*Schools in Financial Difficulty £505k, Audit £36k and Intervention Fund £300k.

- 2.6 The proposed funding for 2020-21 is shown in the table 2. The rationale for these proposals is then shown below:

Table 2

Budget	Basis	Proposed 2020-21 estimate d Budget £000	Proposed 2020-21 Primary School Rate £ per pupil	Proposed 2020-21 Secondary School Rate £ per pupil
Contingencies* (including schools in financial difficulties and deficits of closing schools)	AWPU	815	41.00	41.00
Behaviour support services	FSM Ever 6	410	64.55	N/A
Behaviour support services – Summerhouse	FSM Ever 6	1,111	174.71	N/A
Free school meals eligibility (primary schools only)	FSM Ever 6	62	9.81	N/A
Staff costs supply cover (maternity scheme)	AWPU	799	40.15	40.15
Staff costs supply cover (trade union)	AWPU	82	4.00	4.00
Total De-delegated budget		3,279		

* Schools in Financial Difficulty £490k, Audit £35k and Intervention Fund £290k.

The exact budgets used in the final calculation of de-delegated amounts for each school will be influenced by the pupil numbers at the October 2019 census. These pupil numbers are being finalised, while the funding rates above will be used this could change the estimated budget quoted above. The pupil numbers used in calculating the

budgets above are currently showing a 3% fall, the rates of funding are the same as last year, hence the budgets are reduced.

2.7 Free School Meals Eligibility Team

- 2.7.1 In 2019-20 the Schools Forum expressed concerns at the cost of the Free School Meals (FSM) Eligibility checking Team who provide comprehensive advice and information on the legal requirements of free school meals and checking of eligibility using the Central Government Benefit Hub. Benchmarking the provision, Southwark's cost is high. It was proposed last year that the costs of Southwark's team should be set at the average for Inner London Authorities

The figures for each inner London authority from the Benchmarking data for 2019-20 are as follows:

		£
201	City of London	-
202	Camden	35,000
203	Greenwich	84,943
204	Hackney	70,523
205	Hammersmith & Fulham	32,000
206	Islington	42,767
207	Kensington & Chelsea	-
208	Lambeth	-
209	Lewisham	58,664
211	Tower Hamlets	113,000
212	Wandsworth	-
213	Westminster	-

The Inner London average is £62,400, which equates to £9.81 per pupil for Southwark.

2.8 Trade Union Facility Time Duties

The amount would continue at £82k in 2020-21 which is supported by a breakdown of the staff and the schools. The funding rate will remain as in 2019-20.

2.9 Summerhouse

- 2.9.1 Summerhouse is a Southwark provision for which offers specialist educational and SEMH interventions. Interventions are tailored specifically to the individual pupil by specialist staff who have proven expertise and skills in this discrete area. It is directly responsible for the reduced number of fixed term exclusions and eliminating the need for primary permanent exclusions within the borough.
- 2.9.2 Over the past few years the financial pressures and lack of expertise are affecting schools' capacity and ability to identify and support a growing number of pupils' complex needs (particularly Social, Emotional and Mental Health and developmental difficulties) and Summerhouse provides the early interventions that are necessary to avoid exclusions. These pressures have increased mainstream school referrals to Summerhouse for support.
- 2.9.3 The 2019-20 budget was increased in line with the extra demand although this was offset to a degree by two schools becoming academies and the Free School Meal "Ever 6" data used in the final calculation being lower.

2.10 Contingencies

This includes funding for Schools in Financial Difficulty, school audits and school intervention.

2.10.1 Schools in Financial Difficulty (£480k)

The contingency supports those schools who are in financial difficulty and who are make staffing reductions. The call on this fund could grow in the current climate of financial constraint. The fund is currently showing signs of financial pressure and while it is difficult to predict the exact end of year financial position, no further increase is proposed at this time.

2.10.2 School Audits (£35k)

This budget funds the school audit programme, to ensure that all schools in Southwark are audited once every three years. This provides assurances to schools, governing bodies and the Local Authority on the financial controls in place in schools. It is not proposed to reduce the funding rates, although discussions will be held on the audit programme.

2.10.3 School Intervention (£300k)

This funding is used to support individual “schools of concern” with school improvement support. No changes are proposed.

2.11 Supply Cover (Maternity cover)

No changes are currently proposed to the existing scheme.

2.12 Behaviour Support Services - Contribution to the Family Early Help Service

2.12.1 The funding to Behaviour Support Services assists the delivery of a whole family approach by the Family Early Help service which was restructured in July 2018 to bring together localities teams, the Specialist Family Focus Team, the Parenting Team and statutory education welfare functions.

2.12.2 Children & Family Centres were integrated in 2019 to extend Family Early Help (FEH) to a 0 – 18 provision including the Youth Offending Service. The FEH service budget of £4m is funded from a combination of Troubled Families monies (including Payment by Results), core council budgets, income from trading schools and the Dedicated Schools Grant contributions from the Schools block and Early Years or High Needs block. The service provides a Single Point of Contact for all Southwark Schools to support inclusion.

2.12.3 All schools are provided with support to work with families where children are at risk of permanent exclusion or there are multiple risk factors as well as persistent absenteeism. Additional resources co-located within Family Early Help include Early Help CAMHS and a specialist school nurse plus links to a number of third sector agencies. Maintained Primary Schools and trading schools additionally receive termly team support around the school multi-agency meetings to identify and agree provision for vulnerable children, with this enhanced service requiring lower referral thresholds for family support.

3.0 Centrally Retained Services

- 3.1 Funding can be centrally retained for some services with the agreement from the Schools Forum. The services allowed are constrained nationally by the DfE with a number of these subject to a limitation of no new commitments nor any increases, other than for the cost of schools forums and admissions.
- 3.2 The Schools Forum agreed to centrally retain funding for the following services in 2019-20:
- Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy (Growth fund);
 - A falling rolls fund
 - Admissions
 - Servicing of the Schools Forum
- 3.4 The proposed 2020-21 centrally retained budgets are outlined in Table 3.

Table 3 – proposed 2020-21 centrally retained budgets

See page below

Budget	Approved 2019-20 budget £000	Proposed 2020-21 budget £000	Comments
LA duties for all schools	600	600	This relates to statutory and regulatory duties for all schools in the borough regardless of whether they are maintained, free or academies. See Appendix A – all schools section
Growth fund	100	100	There is no planned bulge classes opening in September 2020. The budget has been fully spent in 2019/20, funding has been provided to an academy and one maintained. The academy received funding due to the nature of their lagged funding, one other maintained school opened a class. The funding has been left at the same level for 2020/21 and provides for two bulge classes in case of emergencies. The DFE have just issued new guidance and now the Schools Forum should be consulted before any expenditure from the growth fund, is incurred.
Schools Falling Rolls	100	100	The purpose of the fund is to provide support to those schools whose rolls are falling only for them to rise in the following two years. This is to avoid the possibility that a school will reduce their staffing complement one year only to need to reemploy staff the next. With schools rolls expected to continue to decline it is not expected many schools will qualify for the fund. Further constraints on allocating the fund is made by the Department for Education who will only allow funding to be provided to schools that are judged by Ofsted as “Good” or “Outstanding”. There is a window for schools to bid for funds which closes on the 31 December 2019. There is currently one definite bid although a number of schools are considering making a bid
Places in independent schools for non-SEN pupils	294	294	LA proposes to continue to top-slice the schools budget to contribute towards the educational costs of looked after children that Southwark is responsible for.
Admissions	623	623	Admissions is a statutory LA responsibility and therefore funding cannot be delegated to schools to carry out this function.
Servicing of Schools Forum	15	15	LA proposes to continue to retain funding of £15,000 in 2020-21 to cover the costs of servicing the Schools Forum operation including clerking and working groups. It is not proposed to increase this contribution.
Total	1,732	1,732	

- 3.5 Recoupment academies contribute to budgets for centrally retained services as this funding is top-sliced from the Southwark Dedicated Schools Grant funding.

3.6 Maintained Schools Only Central Retention

The LA continues to hold specific responsibilities for maintained schools, the 2019-20 budget is £337k, which is an amount per pupil of £16.43 which was the same per pupil level as 2018-19. The overall funding had reduced due to the fall in pupil numbers and two schools converting to academies.

These duties continue into 2020-21 and are given in the maintained schools only section of Appendix A. The LA is asking maintained schools to approve the continuation of this central retention in 2020-21 at the same rate per pupil of £16.43 (the same as in the previous year) although the funding would fall in line with the expected reduction in pupil numbers. The amount is forecast to be £327k.

Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Director of children's services and personal staff for director (Sch 2, 15a)</p> <p>Planning for the education service as a whole (Sch 2, 15b)</p> <p>Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)</p> <p>Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)</p> <p>Formulation and review of local authority schools funding formula (Sch 2, 15d)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)</p> <p>Consultation costs relating to non-staffing issues (Sch 2, 19)</p> <p>Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)</p>	<p>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</p> <p>Budgeting and accounting functions relating to maintained schools (Sch 2, 73)</p> <p>Functions relating to the financing of maintained schools (Sch 2, 58)</p> <p>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57)</p> <p>Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58)</p> <p>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 59)</p> <p>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)</p> <p>Investigations of employees or potential employees, with or without</p>

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</p> <p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</p>	<p>remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 61)</p> <p>Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 62)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</p> <p>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)</p> <p>Consultation costs relating to staffing (Sch 2, 66)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</p> <p>School companies (Sch 2, 69)</p> <p>Functions under the Equality Act 2010 (Sch 2, 70)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 71)</p>

Responsibilities held for all schools	Responsibilities held for maintained schools only
	Appointment of governors and payment of governor expenses (Sch 2, 72)

Table 8a: Central services responsibilities held by local authorities (statutory and regulatory duties)

Education welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <p>School attendance (Sch 2, 16)</p> <p>Responsibilities regarding the employment of children (Sch 2, 18)</p>	<p>Inspection of attendance registers (Sch 2, 78)</p>

Table 8b: Central services responsibilities held by local authorities (education welfare)

Asset management

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</p> <p>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</p> <p>This does not apply to VA schools.</p>	<p>General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads • reasonable weather resistance • safe escape routes • appropriate acoustic levels

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<ul style="list-style-type: none"> lighting, heating and ventilation which meets the required standards adequate water supplies and drainage playing fields of the appropriate standards <p>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)</p> <p>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)</p>

Table 8c: Central services responsibilities held by local authorities (asset management)

Central support services

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	<p>Clothing grants (Sch 2, 52)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 53)</p> <p>Visual, creative and performing arts (Sch 2, 54)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</p>

Table 8d: Central services responsibilities held by local authorities (central support services)

Premature retirement and redundancy

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)

Table 8e: Central services responsibilities held by local authorities (premature retirement and redundancy)

Monitoring national curriculum assessment

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	Monitoring of National Curriculum assessments (Sch 2, 74)

Table 8f: Central services responsibilities held by local authorities (monitoring national curriculum assessment)

Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
No functions	This is now covered in the high needs section of the regulations and does not require schools forum approval

Table 8g: Central services responsibilities held by local authorities (therapies)

Other ongoing duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval</p> <p>Admissions (Sch 2, 9)</p> <p>Places in independent schools for non-SEN pupils (Sch 2, 10)</p>	No functions

Responsibilities held for all schools	Responsibilities held for maintained schools only
Remission of boarding fees at maintained schools and academies (Sch 2, 11) Servicing of schools forums (Sch 2, 12) Back-pay for equal pay claims (Sch 2, 13) Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018 to 2019 regulations) ¹	

Table 8h: Central services responsibilities held by local authorities (other ongoing duties)

Historic commitments

Responsibilities held for all schools	Responsibilities held for maintained schools only
Capital expenditure funded from revenue (Sch 2, 1) Prudential borrowing costs (Sch 2, 2(a)) Termination of employment costs (Sch 2, 2(b)) Contribution to combined budgets (Sch 2, 2(c))	No functions

Table 8i: Central services responsibilities held by local authorities (historic commitments)

¹Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018-19.

Additional note on central services

Services set out in the tables above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

expenditure related to functions imposed by or under Chapter 4 of Part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions

expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services

expenditure in relation to the investigation and resolution of complaints

expenditure on legal services