

SOUTHWARK CHILDREN'S SERVICES

SCHOOLS FORUM

Members are requested to attend a meeting via Zoom

Thursday 11th March 2.00pm – 3.30pm

David Cross

Email: xdavidcross@yahoo.co.uk

All documents distributed in advance will be taken as read

AGENDA

ITEM

1. Apologies for Absence and whether quorate (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. Minutes of the Meeting of 14th January 2021 (5 minutes)
4. Matters Arising not on the Agenda (5 minutes)
 - a) Mechanism for Allocating £1.4m (2020-21) to assist schools with falling rolls
 - b) Report back on LA consulting Maintained Special Schools as to whether they wish to participate in the Contingency Fund
5. Dedicated Schools Grant- Budget Monitor 2020-21 and Financial Year 2021-22 Update (20 minutes)
6. National Funding Formula- Impact on Southwark Schools (30 minutes)
7. Local Authority Statutory Scheme for Financing Schools (15 minutes)
8. A.O.B. Any items must be with the Clerk by Noon 8th March 2021 (5 minutes)
9. Dates of Further Meetings for 2020/21: 13th May 2021 and 8th July 2021 subject to review at this meeting.

THE SOUTHWARK SCHOOLS FORUM

<i>MINUTES OF THE MEETING</i>

Thursday 14th January 2021
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1. **Attendance and Apologies:** - See Annex A -
2. **Quorum:** The Clerk confirmed that the meeting was quorate - Note that the meeting was conducted via Zoom meeting technology.
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. None were declared.
4. **Minutes of the Meeting of 10th December 2020**
 - 4.1 These were agreed for accuracy
 - 4.2 Matters Arising:
 - a) Mechanism for Allocating £1.4m to assist schools with falling rolls - The LA reported that this had been partly completed and will be brought back to the summer meetings with the proposed methodology to distribute to schools.
 - b) Report back on LA consulting Maintained Special Schools as to whether they wish to participate in the Contingency Fund - so far it is believed that they wish to participate in the maternity fund - but to be confirmed - the maintained special school member was not in attendance at the meeting to confirm.
 - c) Report back on LA consulting Maintained Nursery Schools – agreed that the nursery schools could buy back into the contingency and maternity fund if they wanted to.

The chair explained that the decisions on each individual report impacted on other decisions the LA and Clerk had drawn up a summary of all the decisions and circulated to members along with which decisions were to be made by which specific Schools Forum constituencies.

It was agreed that the Schools Forum would go through all the of the reports then move to the decision making and voting. The LA gave a summary overview of each paper

5. **Dedicated Schools Grant- 2020-21 Budget Monitor and 2021-22 Allocation**
 - 5.1 This previously circulated report provided the Schools Forum with a financial update on the 2020-21 Dedicated Schools Grant (DSG) and the Education and Skills Funding Agency (ESFA) allocation for 2021-22.
 - 5.2 The High Needs block remains the main DSG budget pressure. The current deficit recovery plan shows the end-of-year deficit growing to £19.6m, assuming growth in placements of 100 at an average cost of £17k, a total of £1.7m. However, the current growth in numbers is exceeding

this forecast with placements approaching 250. It is currently expected that, with the situation surrounding COVID-19.

- 5.3 The cost per place is increasing and the forecast therefore allows for an increase to £18k. As this is a needs-led budget this forecast is highly subjective and could change significantly during the year. The forecast in-year deficit has remained at £3.2m.
- 5.4 As reported at the December 2020 meeting, the provisional DSG allocation for 2021-22, before deductions for academies recoupment (including growing free schools), is £352.5m, an increase of £19.9m from 2020-21. While the DSG has been set at this level, it will change for adjustments to pupil numbers. The large increase is due to teachers pay and pension grants merging into the Dedicated Schools Grant. In the past these were paid separately to schools and sat outside of the school funding formula. This accounts for £11m of the change.
- 5.5 Concern was expressed at the Census Date that might be used for Early Years funding and the Local Authority (LA) said they were planning to fund using the higher of the January 2020 or January 2021 census at least for the Spring Term 2020 but await further announcements before they can finally confirm this. The LA will be meeting the Regional Schools Commissioner and will clarify the position.
- 5.5 The remainder of the report was noted by the Schools Forum.

6. Schools Funding 2021-22

- 6.1 This report provided the Schools Forum with the details of the proposed mainstream school funding formula for 2021-22. The budgets need to be formally submitted to the Education & Skills Funding Agency (ESFA), using their template Authority Proforma Tool (APT), on 21st January 2021. For reference the details of the settlement were included in Item 5 on the agenda and this report showed how the funds available should be allocated to schools.
- 6.2 It was noted that the DfE updating of data and banding has created turbulence in the funding, reducing the amount allocated to schools by £3.2m. However, as agreed at the December 2020 Schools Forum meeting, the quantum allocated to the funding has been restored to its original level, with the Primary and Secondary phases being dealt with differently. This reduces the instability in schools' funding levels and provides a degree of protection.
- 6.3 Following a question regarding the Teachers' Pay and Pension Grants, the LA confirmed that the change in the distribution by the DfE only applied to statutory school age, not nursery age children nor maintained nursery schools. The LA also confirmed that the same methodology applied to academies.
- 6.4 The LA Director said that the LA is committed to getting as much into school budgets as it can and using the social deprivation factors assists with this. The chair said that raising the value of the lump sum helps protect vulnerable schools in this period for falling rolls. The LA Director added that schools. As a result of COVID-19, schools will have a lot of catch up work, pupils learning, pupils mental health, teacher skills, etc., and school will need the funding to do this.
- 6.5 The LA brought the Schools Forum attention to the various models that were attached to the report as appendix A. The overall roll was down by 502, but with base funding up by 6 %.

However, the post MFG figures showed that the change in schools funding ranged from minus 1% to plus 14%. The LA confirmed that the current rate of MFG was 1.5%.

- 6.6 The Schools Forum voted on the proposals made by the Local Authority:
- i. Agree to set the Minimum Funding Guarantee (MFG) at 2%
In favour - Unanimous
 - ii. Agree, following the updating of the data to the 2019 census, to restore the quantum for social deprivation as distributed through the "Income Deprivation Affecting Children Index" within Southwark's formula to the level of 2020-21
In favour - Unanimous
 - iii. Agree that the teachers' pay grant be added to the Basic Entitlement at a per pupil rate of £55.94 in Primary and £82.34 in Secondary.
In favour - Unanimous
 - iv. Agree to the teachers' pension grant be added to the Basic Entitlement at a rate per pupil of £158.06 in Primary and £232.65 in Secondary.
In favour - Unanimous
 - v. Agree to increase the lump sum to £175,000
In favour - Unanimous
 - vi. Agree to distribute the balance through the prior attainment and Income Deprivation Affecting Children Index (IDACI) funding factors evenly
In favour - Unanimous

The Schools Forum noted that the supplementary funding on the pay grant had been added to the MFG.

7. The Dedicated Schools Grant 2021-22 – centrally retained items and de-delegations

- 7.1 This report set out Southwark's proposed centrally retained and de-delegated budgets of the 2021-22 Schools Block of the Dedicated Schools Grant and requested the Schools Forum approval.
- 7.2 The Schools Forum firstly addressed the issue of the top sliced centrally retained budgets. It was noted that the previously combined Falling Rolls Fund/Growth Fund and school audits was to be reduced from £1.6m to £300k with £100k allocated to the Growth Fund and £200k allocated to schools in financial difficulty fund.
- 7.3 The LA proposed that the £1.3m either be redistributed to all schools via the funding formula or the maintained schools share of this being returned to the local authority via the schools improvement fund for the LA to target this money to the schools in greatest need.
- 7.4 The Schools Forum then debated these options: It was agreed that schools faced a lot of issues as a result of COVID-19 previously set out by the LA Director; some felt that school were in the best place to determine what their priorities were and so how to use their funds; some schools already work together e.g., catholic groups and having the funds means they do not have to go through the LA.

7.5 The Primary academy members felt that with the number of schools in deficit, on balance, the funding should be returned to schools. Some other primary representatives felt that expanding the School Improvement Fund would be more beneficial.

7.6 The voting on these group of proposals was as follows:

a) That the level of the Growth Fund for 2021-22 be set at £100k

In favour - Unanimous

b) That the level of the Falling Rolls Fund for 2021-22 be set at £200k

In favour - Unanimous

c) That the balance from that fund be distributed to schools via the funding formula

In favour - 8

Against - 4

7.7 The Schools Forum then addressed the LA proposals regarding De-Delegated services which maintained primary and secondary school representatives decide on as set out in the following table

Budget	Basis	Propose 2021-22 Estimate Budget £,000	Proposed 2021-22 Primary School Rate £	Proposed 2021-22 Secondary School Rate £
Contingency (now excluding the intervention Fund)	AWPU	506	27	27
School Improvement	Lump Sum	198	3,300	0
	and			
	AWPU	270	14	14
Behaviour support services – Contribution to early help	FSM Ever 6	366	64.55	N/A
Behaviour support services – Summerhouse	FSM Ever 6	1,060	187.00	N/A
Free school meals eligibility (primary schools only)	FSM Ever 6	55	9.81	N/A
Staff costs supply cover (maternity scheme)	AWPU	764	40.15	40.15
Staff costs supply cover (trade union)	AWPU	76	4.00	4.00
Total Proposed de-delegated budget		3,295		

7.8 Key points noted were that the for 2020-21 the service level agreement with schools comes to an end, and so the considered that a different approach was needed. Therefore, it was proposed that for primary, instead of buying into an SLA (current cumulative cost £440k); schools would contribute to the service by a standard contribution of £3,300k. Every school would see a reduction in paying for school improvement services, overall, there will be a reduction of costs across schools of just over £200k.

7.9 To reflect this, the LA proposed increasing the Funding Formula flat lump sum to reduce the higher impact on smaller schools(see item 6 on this agenda) to compensate for this. It was noted that academies could buy into the service if they wished to.

7.10 It was noted that the per pupil rates for the other de-delegated services had not changed.

7.11 The voting was as follows:

- a) Contingency
Maintained Primary & Secondary - In favour 5
- b) School Improvement
Maintained Primary - In favour 4
Maintained Secondary - In favour 1
- c) Behaviour support services – Contribution to early help
Maintained Primary - In favour 4
- d) Behaviour support services – Summerhouse
Maintained Primary - In favour 4
- e) Free school meals eligibility (primary schools only)
Maintained Primary - In favour 4
- f) Staff costs supply cover (maternity scheme)
Maintained Primary - In favour 4
Maintained Secondary - In favour 1
- g) Staff costs supply cover (trade union)
Maintained Primary - In favour 4
Maintained Secondary - In favour 1

7.12 The Schools Forum then reviewed the centrally retained budgets which had been discussed in detail at the December Schools Forum meeting. These were:

LA Duties for all schools including academies
Places in Independent schools for non SEN
Admissions
Servicing of Schools Forum and Committees

This amounted to £1.532m and was no change compared to 2020-21

7.13 The voting by all members was as follows:

LA Duties for all schools including academies	Unanimous
Places in Independent schools for non SEN	Unanimous
Admissions	Unanimous
Servicing of Schools Forum and Committees	Unanimous

7.14 .The final section of the report related to the Local Authority held responsibilities for maintained schools. The LA is asking maintained schools to approve the continuation of this central retention in 2021-22 by maintained schools at the rate per pupil is £16.43 (the same as in the previous year) although the funding would fall in line with the expected reduction in pupil numbers.

7.15 The voting was restricted to maintained primary, secondary, special and the PRU - members, however those for the PRU and special were not in attendance, therefore the proposal was agreed by the other 5 members.

8. Schools Funding 2021-22 – Schools Block Transfer and Special Schools Funding Rates

8.1 This report that had been circulated with the agenda provided the Schools Forum with the details of the recent consultation with mainstream schools on the potential Schools Block transfer and the Local Authority's proposed funding of special schools and hospital schools and resource basis for the 2021-22 financial year.

8.2 The LA explained that the Schools Block transfer influences the funding allocations to schools which were considered earlier on the agenda.

8.3 The LA drew members attention to the consultation on the proposed Block Transfer which was emailed to schools on 7 December 2020 and closed on 18 December 2020. There were 12 responses; this included a joint response from Southwark Association of Secondary Head Teachers (SASH), and four of the Harris Secondary academies sent in a combined response.

8.4 On the school block transfer, ten schools agreed with the proposal, one did not, and one school made general observations. No school agreed to any of the alternatives suggested.

8.5 The LA then explained that their proposal as detailed in the consultation document to fund those schools with high percentages of children with EHCPs meant that £400k would be distributed to mainstream schools who had higher than average EHCPs to compensate for the £6,000 that the school itself has to find.

8.6 The Director pointed out that High Needs Block Action/Recovery Plan had been on track to bring the overspend down but COVID-19 had impacted negatively on progress.

The Schools Forum Actions for this report, Item 8, and outcome was as follows:

i) Agree the Schools block transfer of 0.5%, of £1.2m.

In Favour 12, Abstentions 0, Against 0

ii) Agree to support the Local Authority to seek the Secretary of State approval for the continuation of the current school block transfer of a further £1.9m over and above the £1.2m in (i) above, making a total block transfer of £3.1m.

In Favour 12, Abstentions 0, Against 0

iii) Agree to support the introduction of the mechanism detailed in the consultation document to fund those schools with high percentages of children with EHCPs.

In Favour 12, Abstentions 0, Against 0

iv) Supports the Local Authority's proposal that the special schools' Minimum Funding Guarantee (MFG) is aligned to the mainstream schools MFG for 2021-22, suggested at 2%.

In Favour 12, Abstentions 0, Against 0

v) Supports the Local Authority's proposal that the funding rates for the special schools funding formula will be as in Table 1 for 2021-22.

In Favour 12, Abstentions 0, Against 0

vi) Supports the Local Authority's proposal that the ASD review, as part of the review of provision, considers the funding rates of placements to meet need

In Favour 12, Abstentions 0, Against 0

vii) Supports the Local Authority's proposal that the top-up rate for SILS should be £11,000 which is at the same level as 2019-20

In Favour 12, Abstentions 0, Against 0

viii) Supports the Local Authority's proposal that the funding rate for hospital schools for 2020-21 should be re-aligned to the funding level included in the High Needs block

In Favour 12, Abstentions 0, Against 0

ix) Supports the Local Authority's proposal that the funding rates for Resources Bases should be increased by the level of the MFG agreed for mainstream schools suggested at 2%.

In Favour 12, Abstentions 0, Against 0

9. Early Years Funding 2021-22

9.1 This report sets out the provisional allocation for 2021-22 of the Early Years Block of the Dedicated Schools Grant (DSG) and provided details of the changes in comparison to 2020-21. It asks for the Schools Forum views of the funding rates for early year providers. This had been previously discussed at the December 2020 meeting.

9.2 Following a question regarding the census dates to be used, members unanimously agreed the LA proposed funding rates for Early Year providers of:

- 3 and 4 year olds base rate of £5.96 per hour
- 3 and 4 year olds deprivation funding rates
- 2 year old funding of £6.25 per hour
- 2 year old deprivation rates are re-aligned to the follow

9.3 In addition the Schools Forum agreed to support the Local Authority proposal that maintained nursery schools agree the distribution of the nursery school supplementary funding of £1,455,843 for 2021-22 and that the LA Early Years central retentions budget should be set at £921k as per Section 5.2.

Annex A
SCHOOLS FORUM ATTENDANCE SHEET

14th January 2021

VOTING MEMBERS

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

Senior Officers in Attendance

Nina Dohel	Yes
Tim Jones	Yes
Dave Richards	Yes with 3 colleagues
Yvonne Ely	Yes
Jenny Brennan	Yes
Kevin Morris	Yes part
David Cross	Clerk

Observer: Gemma Donnelly EFSA

Date: 11 March 2021	Item 5	Type of report: Information
Report title:	Dedicated Schools Grant 2020-21 Budget Monitor	
Author name and contact details:	Tim Jones / Dave Richards timothy.jones@southwark.gov.uk dave.richards@southwark.gov.uk	
Officer to present the report:	Tim Jones Dave Richards	

1. Executive Summary

This report sets out the January 2021 Dedicated Schools Grant (DSG) budget monitoring position for 2020-21 allocation and updates members on the latest issues regarding the Dedicated Schools Grant.

2. Schools Forum Actions

The Schools Forum is asked to

- Note the 2020-21 DSG budget monitor position and the anticipated deficit position of £21.7m.
- Note the consultation on High Needs funding
- Note the agreement of the Secretary of State to the Schools Block Transfer of £3.1m for 2021-22
- Note the position on school carry forwards across London
- Agree the date of the next Schools Forum will be 17 June 2021

3. Background

This paper considers the budget monitoring position as at the end of January 21 for the 2020-21 financial year.

4. Budget Monitoring 2020-21

- 4.1 The budget monitoring and the information contained in this report needs to be viewed with caution given that many of the budgets are led by demand and participation, and may be subject to change.
- 4.2 The overall position on budget monitoring is summarised in the table below, after recoupment for academies, and differ from the figures quoted above.

Table 1: Forecast financial position on the Dedicated Schools Grant 2020/21

	DSG Allocation 2020-21 £000s	Over/ (Underspend) £000s
Schools Block	120,627	0

Central services block	1,692	0
High Needs Block	48,097	3,200
Early Years Block	26,645	0
Total	197,061	3,200
Deficit carry forward from 2018-19		18,525
Total deficit		21,725

The 2020-21 DSG allocations are after deductions for academies recoupment and direct funding of high needs places by ESFA but before the Schools Block transfer. These allocations will be revised by the ESFA during the year for changes in pupil numbers.

4.3 High Needs Block

The High Needs block remains the main DSG budget pressure. The original deficit recovery plan showed the end-of-year deficit for 2021-22 growing to £19.6m, assuming growth in placements of 100 at an average cost of £17k, a total of £1.7m. However, the current growth in numbers is exceeding this forecast with placements approaching 250, due to situation surrounding COVID. We are also seeing that the cost per place is increasing and the forecast allows for an increase to £18k. As this is a needs-led budget this forecast is highly subjective and could change significantly still.

The forecast in-year deficit for 2020-21 is £3.2m.

4.4. Early Years census – January 2021

Following the receipt of the January 2021 census data we will fund settings for the Spring Term 2021 on the higher of either the January 2020 or the January 2021 census

The Summer Term funding for early years will be more difficult as we will be funded on the January 2021 numbers which are around 90% of the expected number. However, we will review this in due course.

4.5 Financial position on de-delegated budgets and growth fund

The summary position is shown in the table below.

Table 2: Forecasted position on de-delegated budgets and growth funds

2020-21	Budget £m	Forecast Outturn £m	Over/ (Underspends) £m
Schools in financial difficulty	0.5	0.5	0
Behaviour Support services	1.6	1.6	0
Maternity	0.8	0.7	(0.1)

2020-21	Budget £m	Forecast Outturn £m	Over/ (Underspends) £m
Trade Unions	0.1	0.1	0
Growth Funds	0.1	0.1	0
Falling Rolls*	1.5	1.5	0

* This has been set at fully spent as it assumed any balance at the end of the year is rolled forward.

5. High Needs Consultation

- 5.1 The high needs national funding formula (NFF) provides funding to local authorities for children and young people in England with special educational needs and disability (SEND) or who require alternative provision (AP). We commonly know it as the High Needs Block within the Dedicated Schools Grant. The Department for Education (DFE) issued a consultation on the 10th February 2021 which closes on the 24 March 2021.
- 5.2 This consultation will form the first stage of the high needs NFF review. This review will consider how the high needs NFF can be improved in order to achieve the highest quality support for these children and young people.
- 5.3 The proposals are for a small number of changes to the national funding formula that the DFE will use to allocate high needs funding to local authorities in the 2022-23 financial year. They are also seeking views on some of the long term changes to the formula that could be considered in future.
- 5.4 The main consultation is around the use of the high needs historical spend factor within the national calculations. They are seeking views as to whether they should change from using the current budget for 2017/18 to the actual spend and also whether the significance of the factor should be increased. That is more of the formula allocated through the historical spend factor. The Local Authority is supportive of this and will respond likewise.

6 School Block Transfer 2021/22

- 6.1 The Secretary of state has agreed the school block transfer of £3.1m as discussed and agreed at the meeting of the Schools Forum on the 14 January 2021.

7. Schools Financial Position

- 7.1 Appendix A (London Schools' Revenue Balances) to this report shows a comparison of Southwark's schools financial position with other London Authorities and is for information. It does this on the basis of looking at the schools carry forward balances since 2014/15. It does show the significant difficulties schools in Southwark face and the information will feed into the review of schools provision.

8. Schools Forum meeting in the summer term

The norm for Southwark Schools Forum is to have two meetings in the summer term. This is not necessarily the case in other Local Authorities where there is just one. This is mainly due to the fact the business is fairly light in the summer with most of the decisions being taken at the budget setting meetings in December / January meetings. With the situation with COVID it is proposed that only one meeting takes place in the Summer and that this is scheduled for the 17th June 2021 this year.

Item 5 - APPENDIX A

1. Executive Summary

This appendix shows how the revenue balances of South London schools decreased rapidly from 2014-15 to 2019-20, with Southwark amongst the worst hit. The number of Southwark schools in deficit or losing more than half of their balances has increased by more than any other London Local Authority (LA).

2. Contents

Section 1 looks at total revenue balances by LA, and how Southwark compares to overall LA balances over the period.

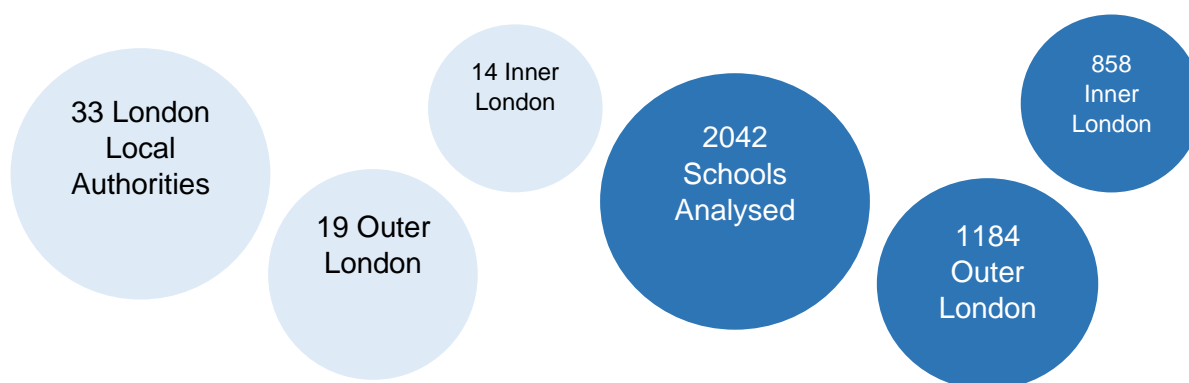
Section 2 looks at revenue balances by school, particularly the growth of deficits, with a focus on Southwark schools.

Section 3 looks at primary schools, a particular area of concern for Southwark.

Introduction

This report examines London schools' revenue balances and deficits from financial years 2014-15 to 2019-20, by region, LA, and school phase, with a focus on Southwark.

For the purposes of Section 1, Academies, and schools that became Academies in the period, have not been included, so that loss of those balances do not contribute to LA's overall revenue balances. Section 2 does include these schools, however.



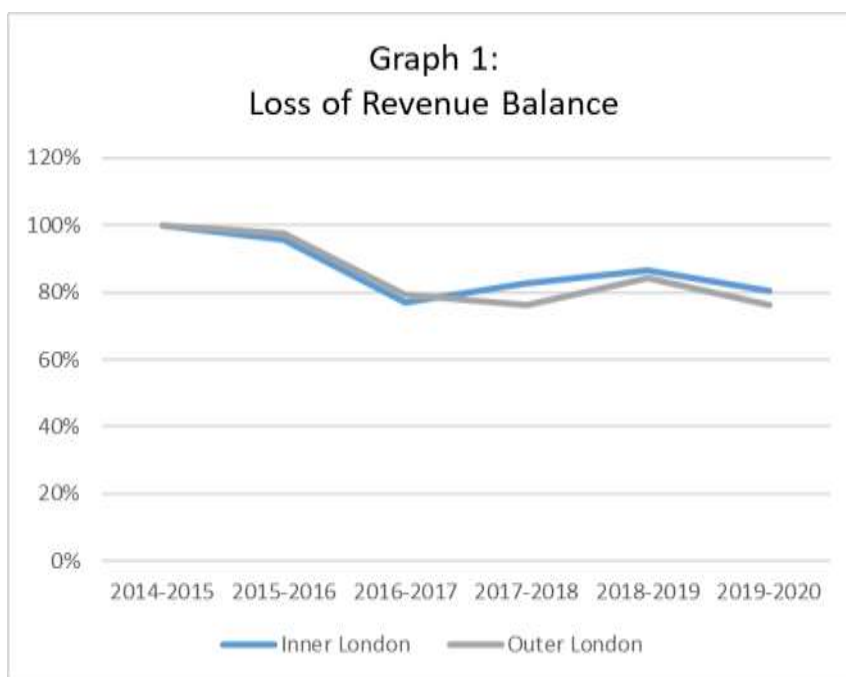
NOTE: Revenue balance is calculated as the sum of CFR codes B01 Committed Revenue Balance and B02 Uncommitted Revenue Balance. Community focussed balances (B06) are not included.

1. Revenue Balance by Local Authority

London schools' combined revenue balance has decreased by nearly a third between financial years 14-15 and 19-20. Outer London schools' overall loss has been more pronounced than Inner London.

<u>Table 1: Revenue Balance movement</u>	<u>Change over period (£)</u>	<u>Percentage change</u>
Inner London Total	- 38,741,620	-20%
Outer London Total	- 45,560,694	-24%
London Total	- 84,302,314	-22%

Graph 1 shows the similar rates of change of overall revenue balance for Inner and Outer London over the period.



Southwark

Southwark’s rate of loss is far above the averages of both Inner and Outer London LAs. Through the period, Southwark schools’ combined revenue balance has fallen by 47%, compared to the average fall per LA of 13% (Inner London) and 26% (Outer London).

Table 2 below shows Southwark’s overall revenue balance in 19-20 as a percentage of 14/15, compared to London LAs. Its balance has fallen amongst the fastest, similar to that of Local Authority 8 and Local Authority 13.

Graph 2 below shows Southwark’s rate of loss over the whole period compared to the Inner/Outer London LA average revenue balance loss.

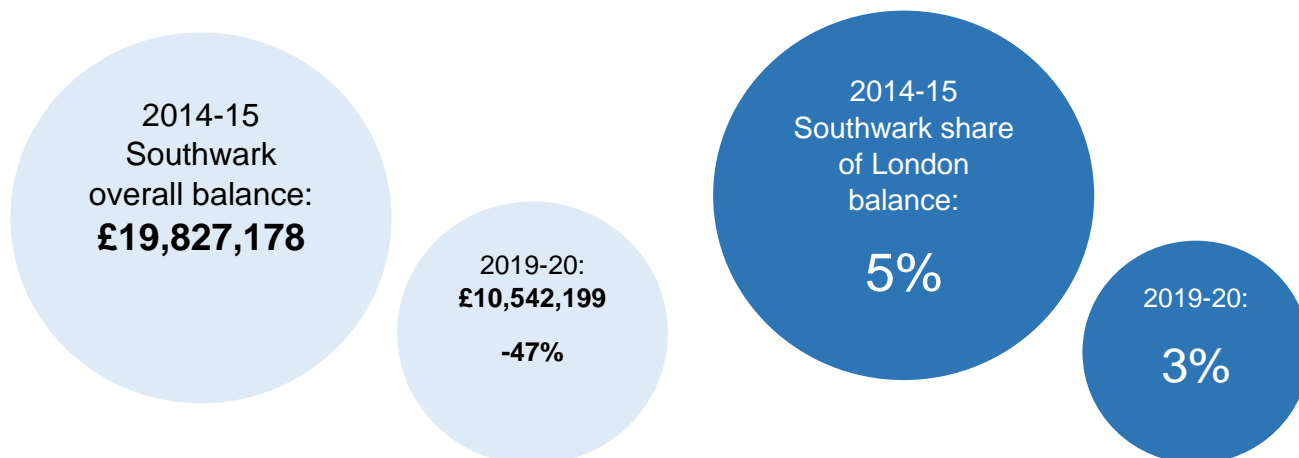
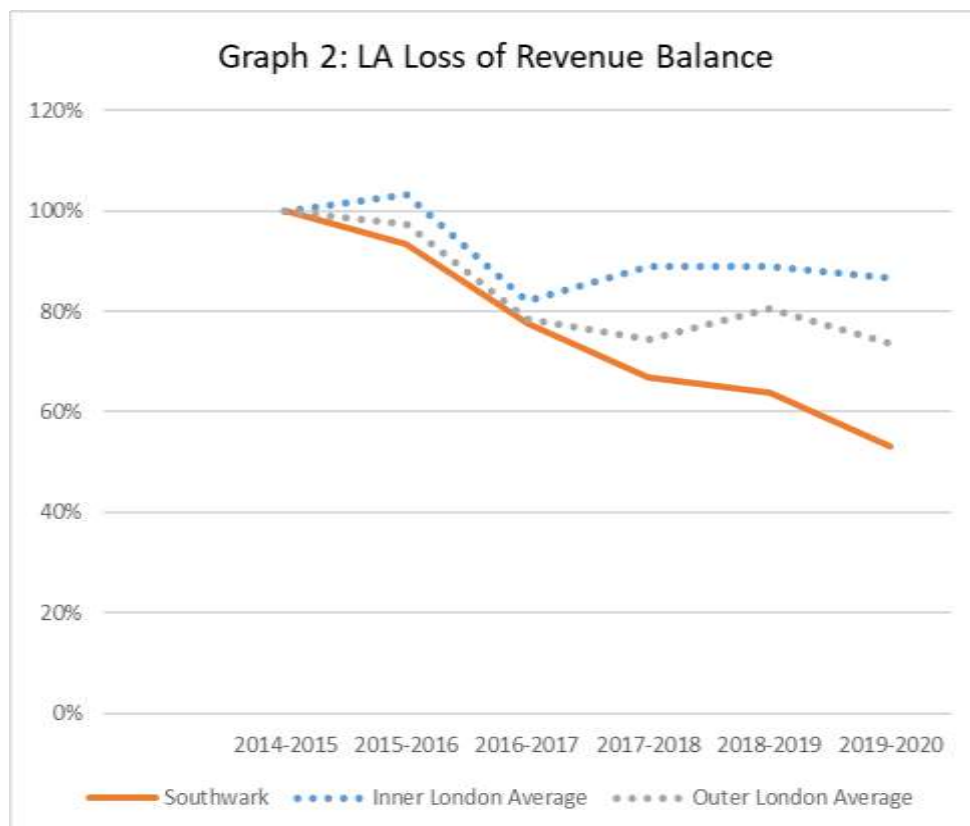


Table 2	Region	19/20 balance as % of 14/15	Change from 14/15 to 19/20
Local Authority 2	Inner	198%	98%
Local Authority 30	Outer	139%	39%
Local Authority 9	Inner	136%	36%
Local Authority 18	Outer	117%	17%
Local Authority 10	Inner	115%	15%
Local Authority 17	Outer	113%	13%
Local Authority 19	Outer	99%	-1%
Local Authority 24	Outer	98%	-2%
Local Authority 4	Inner	97%	-3%
Local Authority 31	Outer	89%	-11%
Local Authority 29	Outer	87%	-13%
Local Authority 6	Inner	86%	-14%
Local Authority 26	Outer	85%	-15%
Local Authority 12	Inner	85%	-15%
Local Authority 1	Inner	83%	-17%
Local Authority 23	Outer	82%	-18%
Local Authority 3	Inner	75%	-25%
Local Authority 7	Inner	74%	-26%
Local Authority 21	Outer	74%	-26%
Local Authority 27	Outer	72%	-28%
Local Authority 33	Outer	72%	-28%
Local Authority 15	Outer	69%	-31%
Local Authority 5	Inner	66%	-34%
Local Authority 32	Outer	57%	-43%
Local Authority 8	Inner	56%	-44%
Local Authority 28	Outer	56%	-44%
Local Authority 13	Inner	53%	-47%
Southwark	Inner	53%	-47%
Local Authority 14	Inner	36%	-64%
Local Authority 20	Outer	30%	-70%
Local Authority 25	Outer	30%	-70%
Local Authority 22	Outer	-43%	-143%

Note the figures above are for a financial year not academic year



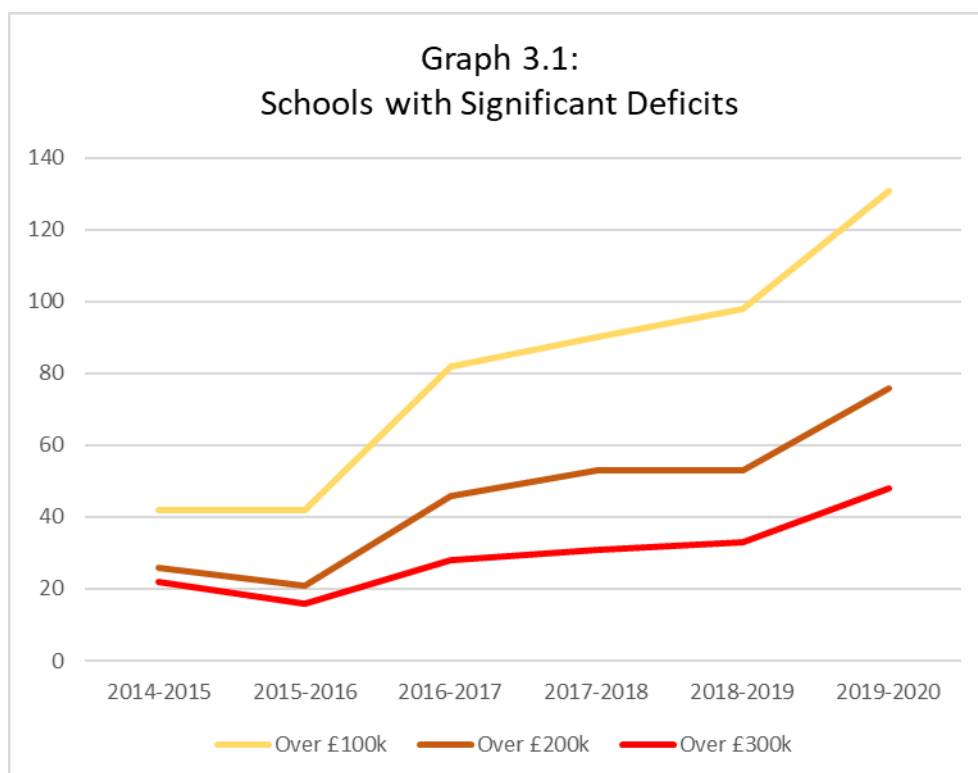
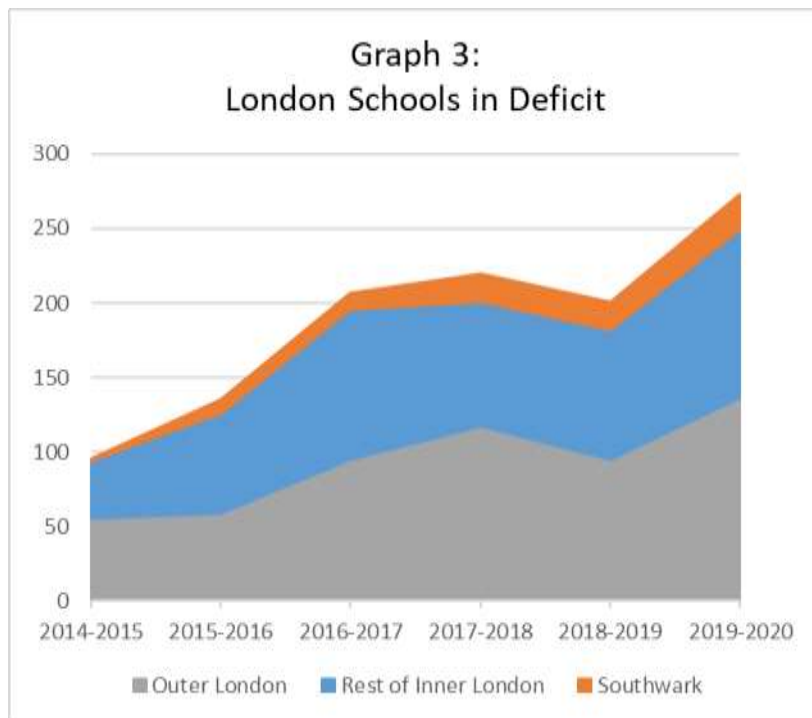
2. Revenue Balance by School

Total number of schools in deficit

Graph 3 shows total number of London schools in deficit. The similar rate of change to LA overall balances suggests the rise of schools in deficit are the main driver of the rate of LA revenue loss.

But the number of schools with more serious deficits has a more constant rate of change: Graph 3.1 shows that the number of schools with significant deficits is increasing more consistently.

Graph 3.2 shows deficit schools as percentages of total schools of regions and all London, showing Southwark schools falling in to deficit at a much higher rate than the rest of London.



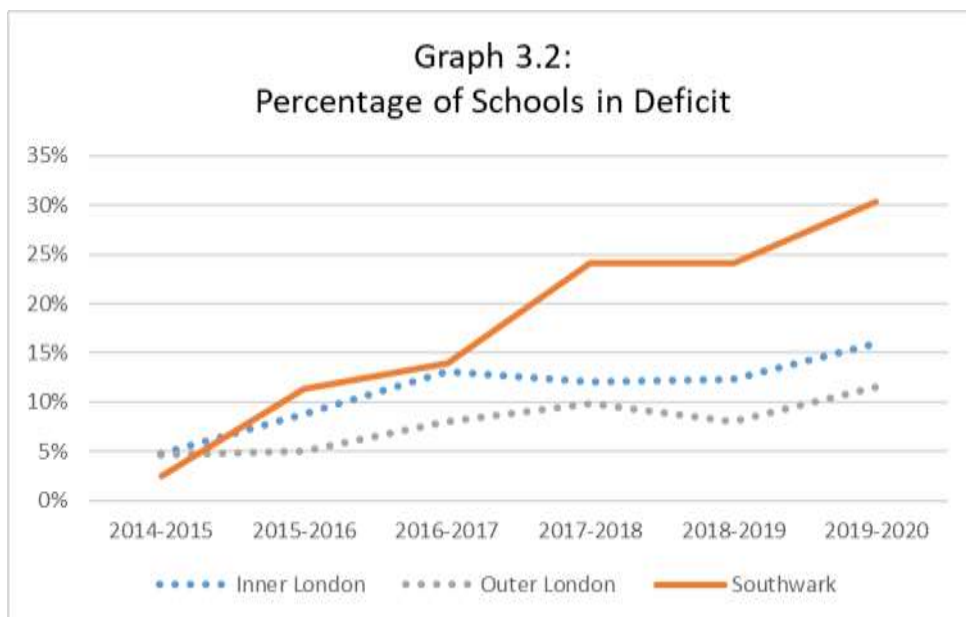
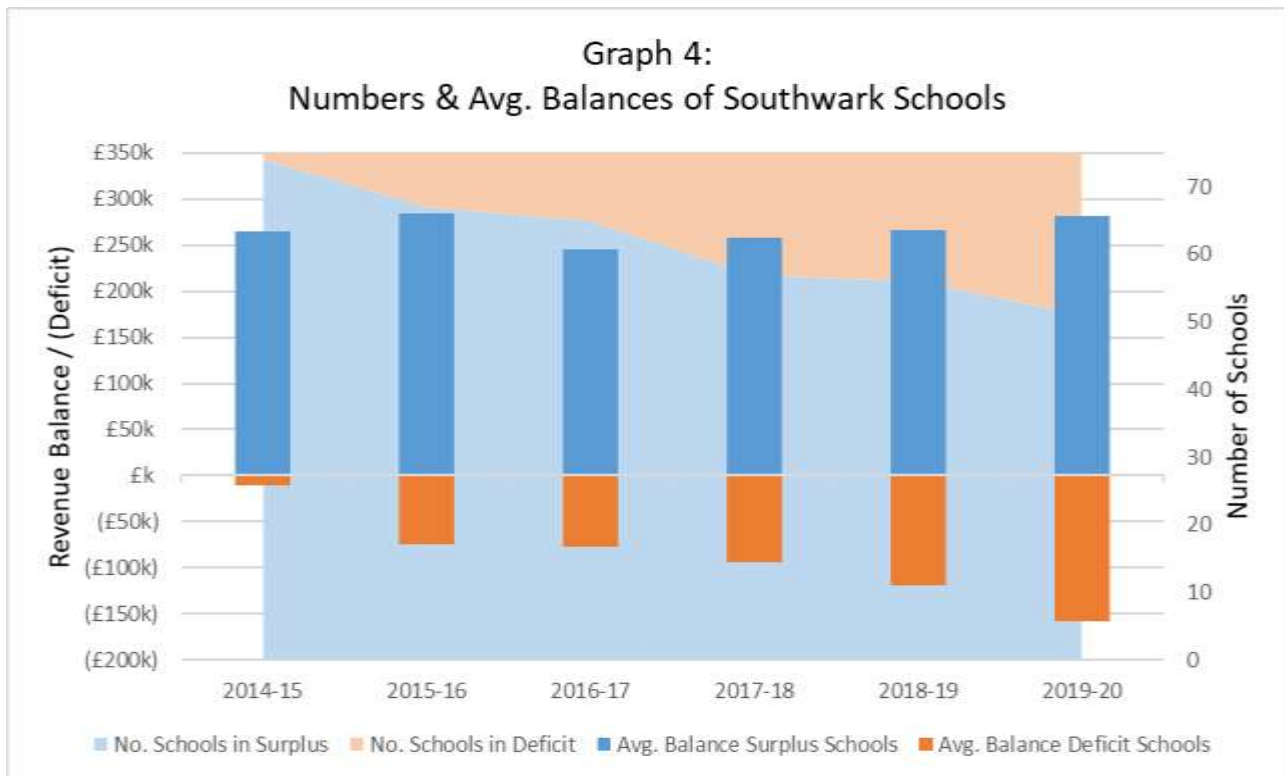


Table 3 highlights how a third of Southwark schools had deficits in 19/20, compared with a negligible proportion in 14/15. Only a handful of other LAs are in as serious a position. Southwark has the sharpest increase in school deficits, matched only by Local Authority 3, suggesting that circumstances affecting London as a whole are being compounded by problems specific to Southwark: in 14/15, Southwark's schools in deficit were 2% of London total, and in 19/20 9%, but constitute only 4% of London schools.

Table 3: Schools in deficit						
LA	Region	14/15	19/20	Change	Deficit schools % LA total	
Local Authority 4	Inner	3	0	-100%	0%	
Local Authority 10	Inner	7	2	-71%	2%	
Local Authority 33	Outer	7	6	-14%	11%	
Local Authority 2	Inner	0	0	0%	0%	
Local Authority 19	Outer	0	0	0%	0%	
Local Authority 30	Outer	3	3	0%	4%	
Local Authority 20	Outer	9	10	11%	12%	
Local Authority 12	Inner	5	6	20%	6%	
Local Authority 23	Outer	7	10	43%	12%	
Local Authority 18	Outer	4	6	50%	9%	
Local Authority 6	Inner	3	5	67%	9%	
Local Authority 24	Outer	0	1	100%	2%	
Local Authority 28	Outer	0	1	100%	3%	
Local Authority 17	Outer	1	2	100%	4%	
Local Authority 27	Outer	3	7	133%	11%	
Local Authority 26	Outer	2	5	150%	8%	
Local Authority 16	Outer	6	17	183%	17%	
Local Authority 1	Inner	2	6	200%	10%	
Local Authority 9	Inner	4	12	200%	14%	
Local Authority 14	Inner	6	18	200%	44%	
Local Authority 15	Outer	2	6	200%	12%	
Local Authority 29	Outer	3	10	233%	20%	
Local Authority 5	Inner	5	17	240%	25%	
Local Authority 7	Inner	0	3	300%	9%	
Local Authority 21	Outer	2	8	300%	10%	
Local Authority 22	Outer	4	16	300%	20%	
Local Authority 31	Outer	0	4	400%	9%	
Local Authority 32	Outer	0	5	500%	11%	
Local Authority 8	Inner	3	25	733%	32%	
Local Authority 13	Inner	0	8	800%	11%	
Local Authority 25	Outer	2	19	850%	30%	
Local Authority 3	Inner	1	11	1000%	17%	
Southwark	Inner	2	24	1100%	30%	

Southwark Schools in Surplus vs Schools in Deficit

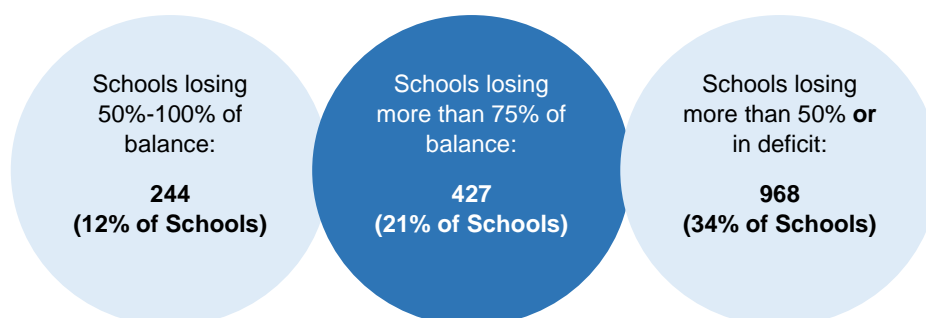
Graph 4 shows how deficits have a tendency to become exponentially worse and hard to manage without urgent action. A Southwark school entering deficit in 14/15 saw that deficit rise



by £100k on average, whereas schools with surpluses maintained sizeable, steady balances.

Schools with significant loss of revenue balance

The graphic below factors in non-deficit schools which are losing more than half or three quarters of their revenue balance. This contextualises the £84m lost in total by London schools over the period.



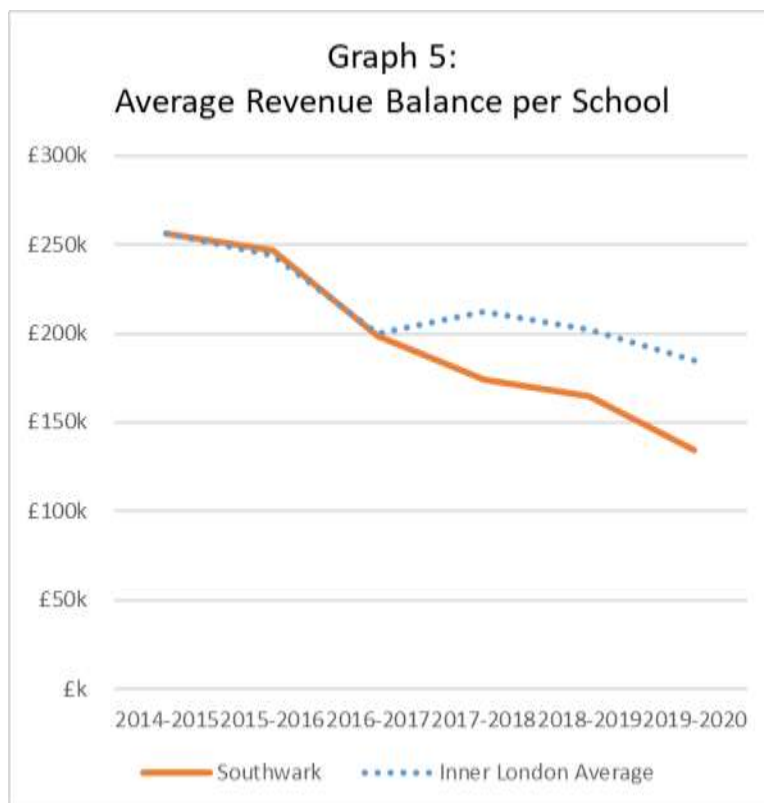
16 Southwark schools have lost more than half of their revenue balance, with 24 already in deficit. That is 50% of Southwark schools, well beyond the 34% of London as a whole in this position.

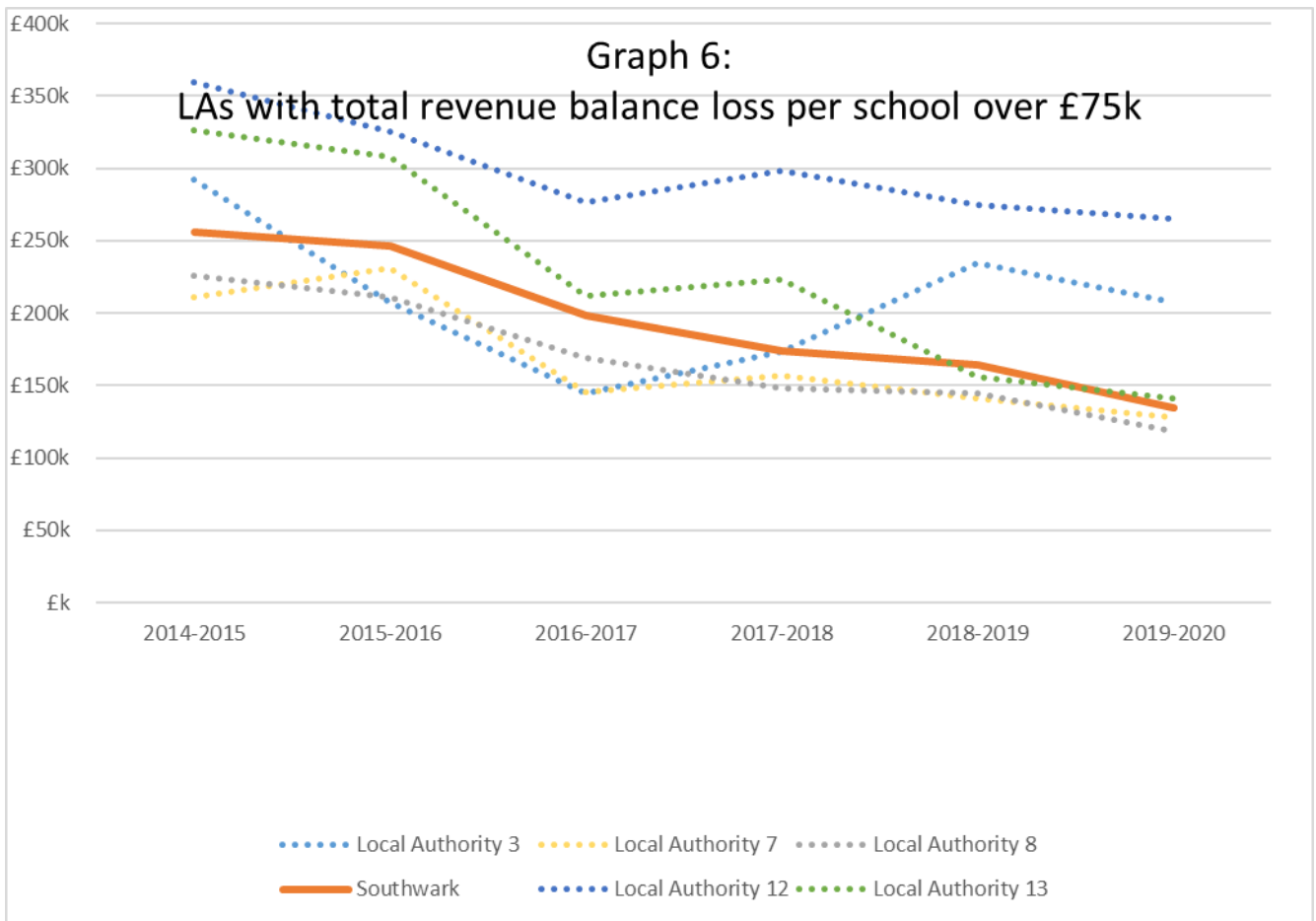
Table 4 shows some Inner London (27% of London schools) also seeing huge losses in surplus and deficit schools - responsible for 65% of London's overall balance loss.

Table 4	Loss of revenue balance	% of total London loss	LA share of London schools
Local Authority 3	5,570,394	7%	3%
Local Authority 8	8,262,150	10%	4%
Local Authority 9	4,605,442	5%	4%
Local Authority 10	4,727,280	6%	4%
Southwark	9,614,481	11%	4%
Local Authority 12	8,711,922	10%	5%
Local Authority 13	13,183,895	16%	3%
Total	54,675,564	65%	27%

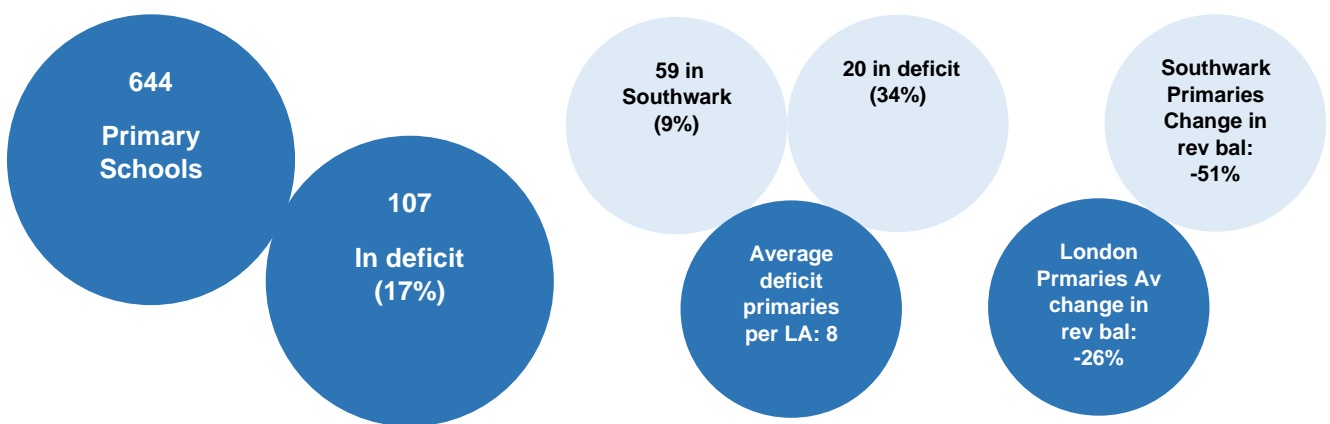
Period trend

Graph 5 shows that Southwark schools' rate of loss is more consistent over the period than an average of Inner London. Graph 6 below shows Inner London LAs with a total average loss per school of more than £75k, Southwark proving more consistent even in this group of high loss boroughs. It is interesting to note the convergence of these LA's schools to similar positions by 19-20.





3. Schools by type

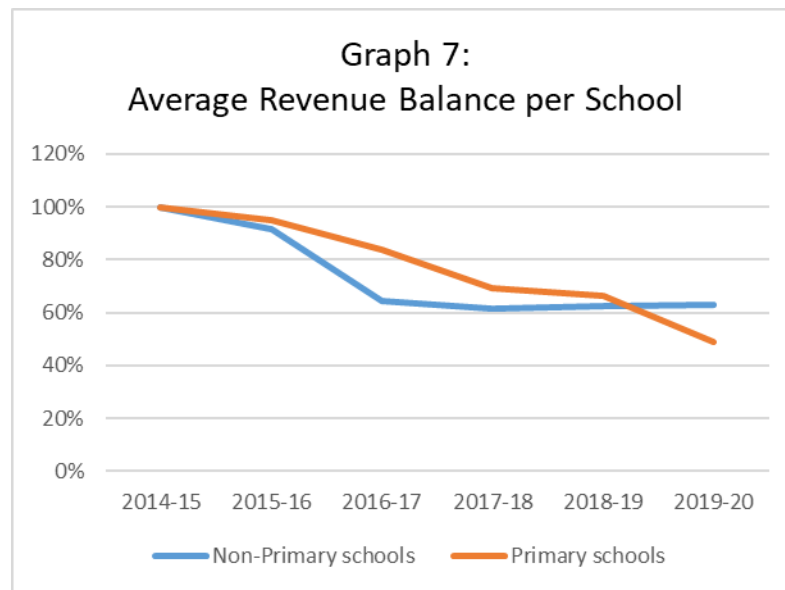


Southwark's Primary Schools

Table 5 shows how Inner London LA primary schools' revenue balances compare over the period. Southwark's primary schools have lost an average of 49% of their revenue balance, amongst the highest average in Inner London.

Table 5	Primaries	14-15	Average rev bal per primary	19-20	Average rev bal per primary	Change in average	Deficit Primaries	As % of LA primaries
LA 1	41	8,445,667	205,992	6,171,869	150,533	-27%	6	15%
LA 2	53	9,120,179	172,079	8,451,369	159,460	-7%	9	17%
LA 4	31	7,073,001	228,161	5,808,046	187,356	-18%	0	0%
LA 5	53	6,090,108	114,908	4,139,574	78,105	-32%	14	26%
LA 6	42	6,531,778	155,519	5,516,878	131,354	-16%	5	12%
LA 7	24	5,992,912	249,705	3,125,746	130,239	-48%	3	13%
LA 8	57	10,937,132	191,880	6,251,955	109,683	-43%	19	33%
LA 9	65	10,314,430	158,684	15,795,928	243,014	53%	5	8%
LA 10	65	18,389,749	282,919	15,678,489	241,208	-15%	2	3%
Southwark	59	12,748,869	216,083	6,565,028	111,272	-49%	20	34%
LA 12	66	13,073,456	198,083	11,972,169	181,396	-8%	4	6%
LA 13	54	14,614,485	270,639	8,780,853	162,608	-40%	5	9%
LA 14	34	6,046,934	177,851	747,952	21,999	-88%	15	44%
Totals/Avgs	644	9,952,208	201,731	7,141,076	146,786.82	-26%	107	17%

Graph 7 shows that Primary's balances have been declining at a steadier rate than other schools in Southwark. If not for the anomalous year 15/16 – 16/17 for non-primaries (suddenly losing 30% of their balance), primary schools' loss over the period would look even worse.



Date: 11 March 2021	Item 6	Type of report: Discussion
Report title:	National Funding Formula	
Author name and contact details:	Dave Richards dave.richards@southwark.gov.uk	
Officer to present the report:	Dave Richards / Hayden Judd	

1. Executive Summary

This report considers the implementation of the Government's schools national funding formula and is the background and overview to the detailed presentation that will be provided at the meeting which will set out the mechanics of the formula and how it compares with Southwark's own funding formula.

2. Schools Forum Actions

The Schools Forum is asked to note the report.

3. Background

- 3.1 The government has wanted to move to a "Hard" national funding formula (NFF) for schools since 2018-19; a so-called "Hard" formula is where the cash goes straight from government to schools.
- 3.2 However the transition has been delayed, meaning the cash for 2021-22 will continue to be allocated to Local Authorities. Local Authorities can then set their own local formula with agreement with school forums to distribute the cash to schools. This is termed a "Soft" National Funding Formula, partly because the formula factors that a Local Authority can use are limited to specific ones and data used must be that provided by the Department for Education. The flexibility for Local Authorities through the Schools Forum agreement is the rates of funding that can be attached to each factor. This allows the Local Authority to address local needs and priorities, albeit with limited scope.
- 3.4 The Government will use the 'Hard' national formula to determine all of individual schools' funding. It is a question of when and how those schools that will lose funding can be protected.
- 3.5 The argument for a new funding formula has never been about all schools receiving the same amount of funding. It has been about redressing the balance between the best funded and the lowest. Southwark is the 3rd best funded authority currently in the country.
- 3.6 It is believed that the Government will have to introduce primary legislation to move to a hard formula, which will probably require at least two public consultations. The timetable is at best unclear, although it is thought that the first consultation will be late spring 2021, with a potential start date of 2023-24 or 2024-25. If the hard NFF is implemented, many areas will see significant shifts and disruption in the distribution of funding between both local authorities and schools within local authorities.

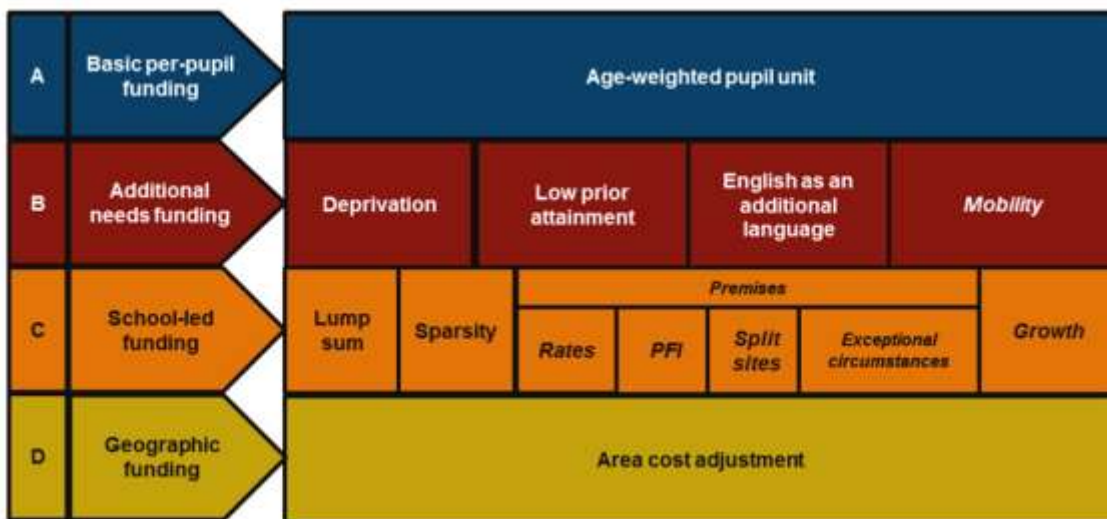
3.7 Accepting that under the NFF all our schools are likely to lose funding, there are a number of questions for us to consider.

- When will the National Funding Formula be implemented?
- What are our local priorities and how do they align with the national funding formula ?
- Should we influence our funding formula before the NFF introduction ?

3.8 The approach in setting the 2021-22 budget has been to maximise funding delivered to schools. The Local Authority would wish to continue this in future years. The expectation is that the High Needs block transfer will reduce and with the national three-year settlement indicating extra resources for 2022-23 (expecting that the government may now be in a slightly different position with the impact of Covid-19 on the economy) the signs are there should reasonable extra resources available for schools next year. It is perhaps opportune to analyse our priorities now on school funding. Even more so as we debate the education provision within Southwark in the light of the falling rolls.

4. National Funding Formula

4.1 The structure of the national funding formula is shown in the diagram below



4.2 A presentation will be provided at the meeting going into more detail of the above structure and the differences between the Southwark formula and the National Funding Formula

5. Conclusion

5.1 It is difficult to say exactly when the hard national funding formula will be implemented but it is likely to be over the next two to four years. While it will probably have a negative impact on our funding, we need to develop an approach that minimises too much disruption for schools' funding.

Date: 11 March 2021	Item 7	Type of report: For decision
Report title:	Approval of the Scheme of Delegation	
Author name and contact details:	Dave Richards Dave.Richards@southwark.gov.uk	
Officer to present the report:	Dave Richards	

Executive Summary

This report is to request that the Schools Forum to approve the Southwark Scheme for Financing Schools following the recent consultation with schools and applies to LA Maintained Schools.

Schools Forum Actions

The Schools Forum is asked to agree “The Southwark Scheme for Financing Schools” is Appendix A to this report

1 Background

- 1.1 Under the School Standards and Framework Act 1998, Local Authorities (LA) are required to draw up a scheme for financing schools (The Scheme). This scheme sets out the financial relationship between the LA and the maintained schools which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.
- 1.2 Any proposed revisions to the scheme are subject to consultation of Schools Forum for approval pursuant to regulation 27 of The Schools and Early Years Finance (England) Regulations 2015.
- 1.3 In line with national requirements which have been in place for many years, the Scheme gives schools freedom to exercise choice over their spending plans. Like other local authorities, Southwark can only impose regulations which are consistent with the need for accountability and control over expenditure of public funds. The Scheme expects all schools to set a balanced budget and manage within the resources made available to them. This is specifically a duty on the governing body of the school.
- 1.5 The consultation with schools on the attached draft scheme opened on 8 February 2021 and closed on the 26 February 2021.
- 1.6 The scheme changes are mostly mandatory ones although there is a tidying of words within the scheme in places.
- 1.7 The main change follows the Secretary of State’s direction that the text below shall be incorporated into the schemes of all local authorities in England:

From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, at a date determined by the local authority between 1 May and 30 June.

Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for the submission of a recovery plan if they wish.

Our consultation was based on setting the threshold at 1%.

- 1.8 No comments were received from schools
- 1.9 This Scheme does NOT apply to academies who are controlled by the EFSA.