

## **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 17<sup>th</sup> January 2019 3.45pm – 5.30pm**

David Cross

Email: [xdavidcross@yahoo.co.uk](mailto:xdavidcross@yahoo.co.uk)

### **All documents distributed in advance will be taken as read**

#### ***DRAFT AGENDA***

#### **ITEM**

1. Apologies for Absence, quorum and welcome to new members (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 6<sup>th</sup> December 2018 (5 minutes)
4. Matters Arising not on the Agenda (5 minutes)
  - a) Maternity Supply Cover Scheme see Item 6
5. Dedicated Schools Grant- (10 minutes)
  - 2018-19 Budget Monitor & Provisional Allocation for 2019-20
6. Schools Funding Formula 2019-20 (45 minutes)
7. Early Years Funding Formula 2019-20 (20 minutes)
8. High Needs Funding 2019-20 – see paragraph 7 of Item 6
9. A.O.B. Any items must be with the Clerk by Noon 8<sup>th</sup> January 2019 (5 minutes)
  - a) A schools rep on the Southwark LGPS Board
10. Dates of Further Meetings for 2018/19:  
21 March 2019, 16 May 2019, 4 July 2019

**THE SOUTHWARK SCHOOLS FORUM**

**MINUTES OF THE MEETING**

**Thursday 6<sup>th</sup> December 2018**

- 1. Attendance and Apologies:** See Annex A
- 2. 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.
- 3. Minutes of the Meeting of 4 October 2018**
  - 3.1 These were agreed with the change to the attendance sheet for Catherine May to read “Apologies”.
  - 3.2 Matters Arising:
    - a) Letter to Secretary of State from Southwark School Forum – reply had been circulated with the papers for the meeting - Noted
    - b) LA consultation with schools on transfer of funds from the Schools Block – not taken place
    - c) Membership of Working Groups to be circulated – had been distributed prior to the meeting
    - d) Local Authority Maternity Reimbursement Scheme – the update was deferred to the next meeting.
- 4. Dedicated Schools Grant 2018-19 Budget Monitor**
  - 4.1 A report setting out the detail of the financial position relating to the 2018-19 Dedicated Schools Grant (DSG) had been previously circulated to the Schools Forum.
  - 4.2 The Local Authority (LA) confirmed the position was as before i.e. a projected £10.6m overspend, which was as result of spending in the High Needs Block.
 

The report was noted.
- 5. High Needs Working Group Feedback Report**
  - 5.1 This previously circulated report of the Local Authority’s High Needs sub group set out the considerations for the High Needs funding block in 2019-20. It contained a number of proposals, both for the Schools Forum and the Local Authority itself. Members confirmed that they had read the report and the proposals.

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- 5.2 First of all the Schools Forum thanked those members who had sat on the working group for the extensive work that had gone into the detailed report on funding from the High Needs Block. The Schools Forum then reviewed the eighteen recommendations in order to group them into ones that a) which were for the council to decide, b) those which were within the Local Authority's jurisdiction to carry out and c) those that required a view from the Schools Forum, either in order to decide whether to proceed and/or whether to explore the proposals in more detail. The numbering of these proposals remains the same as used in the actual High Needs report which appendix A.
- 5.3 The proposals that were considered for the Director to take forward with the council, and supported by the Schools Forum, were:
- i) That the council seek to reduce the corporate overhead charge by £0.5m in 2019/20 with a further reduction of £0.5m in 2020/21
  - ii) That the DSG contribution to the council for transport be reduced by £0.2m in 2019/20 with a further reduction of £0.2m in 2020/21
  - iii) That a review takes place to the Hearing & Visual Impairment Teams to consider whether it is viable to implement efficiencies to the service by 2020/21
  - iv) That a review takes place to the SEN Inclusion Team to consider whether it is viable to implement efficiencies to the service by 2020/21
- 5.4 Those proposals that would be undertaken by the Local Authority and that were supported by the Schools Forum were:
- v) That a review takes place to the Autism Support Team to consider whether it is viable to implement efficiencies to the service by 2020/21
  - vi) That a review takes place of the Speech and Language contract so as to consider whether it is viable to implement efficiencies to the service by 2020/21
  - vii) That the contribution to the council for residential placements be reduced by £0.100m in 2019/20 with a further reduction of £0.175 in 2020/21
  - viii) That the contribution to the council for Early Help be reduced by £0.107m in 2019/20 with a further reduction of £0.107 in 2020/21
  - ix) Alternative funding of £0.194m should be found for the NEET service from April 2019
  - x) Alternative funding of £0.050m should be found for the Alternative | Provision service from April 2019
- 5.5 The Director said that the Education service was in a position of being overspent and all the above proposals were being actively considered by the council as part of its Budgetary Review Process by the council's Budget Review Board. There were no easy answers especially as there were interactions between different parts of the council and there may be a loss of services.

- 5.6 The Schools Forum noted that the Council will need to undertake an equalities impact assessment and to consult schools and stakeholders (including parents where relevant) on the above proposals and also on those that follow. The Schools Forum then looked at the remaining eight proposals.
- 5.7 Proposal xi) looked at two specific aspects of Education Health Care Plans. Firstly a) the new banding system to be introduced over the next two years and b) the protection for inclusive schools.
- 5.8 Following the introduction of a new banding system for EHCPs the current approach is to review and amend EHCPs and realign funding at phase review points (KS2-3, KS3-4, KS4-5, and KS5-adulthood). This though will take some time to implement. If the new banding system was put in place it would save £1.3m in a full year. Potentially the new banding could be implemented as soon as possible across the cohort of children on the old system. This could be considered at the review of EHCP's
- 5.9 The Schools Forum agreed that this would involve a saving but there were two major areas of fallout to the proposal. Firstly, that the change would need managing the parental expectations and secondly, schools would need to know well in advance of the reduction in funding in order that they could manage the redundancies of teaching assistants. Both would need to be part of the LA consultation.
- 5.10 Regarding the "inclusive" aspect, this was explained where schools had high proportion of children with EHCPs and so had to use more of their own "notional" SEN funding that was part of their core funding. Supporting such schools was important.
- 5.11 It was noted that the worked model, Appendix C to the report, did not show any academies, it was confirmed that they would be eligible should they meet the criteria.
- 5.12 Proposal xii) relating to a review of resource bases to be carried out with the target implementation date set at September 2019 was noted.
- 5.13 The proposal (xiii) for the minimum funding guarantee for special schools was discussed and for Special schools the minimum funding guarantee to be set at -1.5% but related to the place element only. It was felt that the proposal as set out in the feedback report required re-wording to ensure clarity.
- 5.14 This proposal (xiv) related to bringing 10 children currently in independent places back into Southwark maintained and academy provision.
- 5.15 Proposal xv) is for the LA to review the SEND Inclusion Fund relating to the three and four year olds with SEND who take up the current free provision.
- 5.16 It was noted that proposal xvi) – the options to bring back into balance the Alternative Provision budget – would be undertaken by the LA and that proposal xvii) - the current savings on the Admissions budget of £50k be transferred to the High Needs Block.

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- 5.17 The Schools Forum then considered the LA proposal (xviii) to ask for a transfer of £1m from the Schools Block to the High Needs Block. The Schools Forum considered that such a proposal would only be shifting the problem around within the blocks of the Dedicated Schools grant (DSG). A number of members gave examples of the financial problems their schools were experiencing as costs have increased considerably whilst funding levels have remained static.
- 5.18 It was noted that there was no school by school impact analysis of such a proposal and moving to a National Funding Formula it is building up a problem with the LA periodically coming back for more – a permanent solution is needed and so should continue to place pressure on central government to resolve.
- 5.19 The Schools Forum then voted on the proposals in the Feedback report that was Appendix A to Item 6. The decision was as follows:

Proposals i) to x) – the Schools Forum was minded to recommend to the LA that they should look at implementing these proposals after undertaking the necessary equalities impact assessment and where necessary consultations with schools and other stakeholders:

In favour – 11, none against nor any abstentions

Proposals xi) and xiii) – the LA was asked to investigate, continue the High Needs Working Group to look at the impact of these changes, consult where necessary and report back in January 2019:

In favour – 11, none against nor any abstentions

Proposals xii) and xiv) to xvii) – the Schools Forum was minded to recommend the LA to investigate:

In favour – 11, none against, one abstention

Proposal xviii) That the Schools Forum does not agree to the transferring of £1m from the Schools Block to the High Needs Block

In favour – 9, none against, two abstentions

## **6. Dedicated Schools Grant - 2019-20 – Schools Funding**

- 6.1 This report, previously circulated, set out the Local Authority's proposals relating to the Schools Block of the 2019-20 Dedicated Schools Grant (DSG) and the centrally retained and de-delegated budgets for that year. In addition, it updated the Schools Forum on the work of the Formula sub-group.
- 6.2 The Local Authority introduced the report and said that 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 decision applies to all maintained schools within that phase. There was little change compared to the previous year.
- 6.3 Following a number of points of clarification about the various 2019-20 de-delegated budgets the relevant members of the Schools Forum, as set out in the

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legislation, voted as set out below. Note that c) below included the proposal to increase the de-delegated funding by £100k:

- a) Contingencies: In favour 4, against 0, Abstentions 0
- b) Behaviour Support Services-Primary: In favour 3, against 0, Abstentions 0
- c) Behaviour Support Services: Summerhouse: In favour 3, against 0, Abstentions 0
- d) Free School Meals Eligibility-Primary: In favour 3, against 0, Abstentions 0
- e) Maternity Cover Scheme: In favour 4, against 0, Abstentions 0
- f) Trade Union Facility Scheme: In favour 4, against 0, Abstentions 0

- 6.4 Following the October 2018 meeting which reviewed the LA's options for how it charged primary schools for their use of Summerhouse, the LA worked up the impact of the various models available.
- 6.5 As any change could cause considerable uncertainties on the funding of the provision, the proposal to increase the current budget by £100k was built in to the de-delegated budget would allow Summerhouse to continue to offer the level of services the schools and Local Authority rely on and expect and so it is proposed to continue with the current charging mechanism of Free School meals ever 6. This was noted.
- 6.6 Centrally Retained Budgets – the LA explained that the only change to these in 2019-20 was that the Growth Fund was no longer needed, so reducing the total by £500k. The Schools Forum asked that the LA brings options to the next meeting of where this can be re-allocated to.
- 6.7 The Schools Forum then considered each Centrally Retained Budget in turn and voted on each. For each one set out in Table 11 in paragraph 3.7.2 of the report the Schools Forum voted unanimously in favour.
- 6.8 The Schools Forum noted the recommendation by the Formula Sub Group not to make changes to the schools funding formula, this was accepted unanimously.
- 6.9 The Formula Sub Group also reviewed the use of the Split Site element of the Formula, the group felt the costs analysed by the schools were not always just the extra running costs but all the costs of the split site and that in some cases services could be procured in a more efficient way. The group were also concerned that some schools designated as split sites were not true split sites in accordance with the definition of the current formula.
- 6.10 The Schools Forum supported the Group's recommendation that the criteria should be applied consistently across such schools and that the current level of funding for be ring fenced to those eligible schools, although the split across the schools may change. The voting was: In Favour 10, Against 0, Abstentions 1.

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**7. Under Any Other Business**

- 7.1 A member of the Schools Forum raised the fact that, despite many requests, the LA had still not reimbursed nursery schools and those primary schools with nursery classes, the cost of providing free school meals, as required by statute.
- 7.2 The Director said that the Council acknowledges this and has made a pledge to address it, more work is being done and the council is hopeful this will be finished by April 2019. The Schools Forum will be kept updated.

**8. Dates of Future Meetings**

17<sup>th</sup> January 2019, 21<sup>st</sup> March 2019, 16<sup>th</sup> May 2019, 4<sup>th</sup> July 2019 (or perhaps 11<sup>th</sup> July)

**Annex A**

**SCHOOLS FORUM ATTENDANCE SHEET  
6<sup>th</sup> December 2018**

**VOTING MEMBERS**

<b>NAME</b>	<b>CONSTITUENCY</b>	<b>PRESENT</b>
Anita Gallagher	Primary School Headteacher	Yes
Susannah Bellingham	Primary School Headteacher	Yes
Pia Longman	Primary School Headteacher	Yes
Gregory Doey	Primary School Headteacher	Apologies
Laura Johnson	Primary School Governor	Apologies
Vacant	Primary School Governor	
Rebecca Sherwood	Nursery School Headteacher	Yes
Vacant	Special School Headteacher	Teresa Neary covering
Nicola Howard	Early Years – Private/Voluntary and Independent Settings	Apologies
Steve Morrison	Academy	Yes
Mickey Kelly	Academy	Apologies
Mike Antoniou	Academy	Yes
Maria Rodrigues	Special School Academy	Apologies
Yomi Adewoye	Pupil Referral Units	Yes
Sister Anne-Marie Niblock	Secondary School Headteacher	Yes
Vacant	FE SEN	No
Catherine May	Diocese Board	Yes
Betty Joseph	Trade Unions	Yes

## Senior Officers in Attendance

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

<b>Date:</b> 17 January 2019	<b>Item</b> 5	<b>Type of report:</b> Information
<b>Report title:</b>	<b>Dedicated Schools Grant- 2018-19 Budget Monitor and Provisional 2019-20 Allocation.</b>	
<b>Author name and contact details:</b>	Russell Dyer/ Dave Richards <a href="mailto:russell.dyer@southwark.gov.uk">russell.dyer@southwark.gov.uk</a> <a href="mailto:dave.richards@southwark.gov.uk">dave.richards@southwark.gov.uk</a>	
<b>Officer to present the report:</b>	Russell Dyer Dave Richards	

## 1. Executive Summary

This report gives a financial update on the Dedicated Schools Grant for 2018-19 DSG and the provisional for 2019-20.

## 2. Schools Forum Actions

The Schools Forum is asked to note:

- the 2018-19 DSG budget monitor position and the anticipated deficit position of £10.6m
- the provisional 2019-20 DSG allocation of £321.5m before recoupment (funding that goes direct to academies & free schools, including growth and per place funding for high needs)

## 3. Introduction

This paper considers the budget monitoring position for 2018-19 and the announcement on the 17 December 2018, by Education Funding Agency (EFA) on the Funding Settlement for 2019/20.

## 4. Budget Monitoring 2018/19

4.1 The overall position on budget monitoring is summarised within the table below:

	<b>DSG 2018-19 £m</b>	<b>Over/ (Underspend) £m</b>
Schools Block	126.133	0
Central services Block	1.655	0
High Needs Block	41.498	6.5
Early Years Block	27.890	0
<b>Total</b>	<b>197.176</b>	<b>6.5</b>
<b>Deficit carry forward from 2017-18</b>		<b>4.1</b>



<b>Total</b>		<b>10.6</b>
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- 4.2 The above figures have been adjusted for the recently converted academy recoupment of Spa Special School and Surrey Square Primary School. It does not include the adjustment for the likely conversion of St Paul's Church of England School. The High Needs Block funding includes the additional funding of £0.7m which was announced by the Secretary of State on the 17 December 2018.
- 4.3 The above figures do not take into account the reduction in the Early Year's Block for the 2017-18 adjustment which will also be deducted from the above figures. The above forecasts assume that this will be carry forward and funded out of the 2019-20 allocation.
- 4.4 The forecast overspend on the High Needs Block remains as the previously reported, however, this does not reflect the underlying trend of increasing pressure in the numbers of children with EHCP's. While the extra funding announced for the High Needs Block in December is welcome this has only offset the increase in the number of children with EHCP's over the original predictions.
- 4.5 The forecast overspend position on this block remains at a significant level. Given the demand led nature of the budget there can be a risk to the accuracy of the forecast of expenditure and therefore this needs to be viewed with caution at this stage and the level of overspend may increase.

## 5 Financial position on de-delegated budgets and Growth Fund

- 5.1 The summary position is shown in the table below:

2018-19	Budget £m	Forecast Outturn £m	Over/ (Underspends) £m
Schools in financial difficulty	0.5	0.5	0
Behaviour Support services	1.6	1.7	0.1
Maternity	0.8	0.8	0

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2018-19	Budget £m	Forecast Outturn £m	Over/ (Underspends) £m
Trade Unions	0.1	0.1	0
Growth Funds	0.6	0.4	(0.2)
Falling Rolls	0.1	0.1	0

The overspend of £0.1m on Summerhouse will be carried forward to next year in accordance with the funding regulations.

## 6. Dedicated Schools Grant Allocation 2019-20

6.1 The provisional DSG allocation for 2019-20, before deductions for academies recoupment (including growing free schools) is £321.5m, an increase of £6.3m from 2018-19's figure of £315.2m. While the DSG has been set at this level, it will change for adjustments to pupil numbers. The DSG is set out in four blocks; schools block, central block, early years block and the high needs block. A comparison between financial years is given in the table below

	2018-19	2019-20	Change
	£m	£m	£m
Schools Block	241.9	247.3	5.4
Central block	1.7	1.7	0.0
High Needs block	*43.7	44.7	1.0
Early years block	27.9	27.8	- 0.1
<b>Total</b>	<b>315.2</b>	<b>321.5</b>	<b>6.3</b>

\*Includes the extra £0.7m announced on the 17 December by the Secretary of State

6.2 The increase in the Schools Block of £5.4m can be broken down as follows:

Ref	Reason	£m
1	An increase in secondary pupils of 761	5.9
2	A decrease in primary pupils of 192	-1.1
3	Pupil Guarantee increase of 0.5%	0.6
4	Premises factors / Growth fund	0.0
	<b>TOTAL</b>	<b>5.4</b>

## 7. Pupil Premium Rates

7.1 The rates per pupil for pupil premium in 2019-20 will be the same as last year which are as follows:

**Disadvantaged pupils**

**Pupil  
Premium  
per pupil**

<b>Date: 17 January 2019</b>	<b>Item 6</b>	Type of report: <b>For decision</b>
<b>Report title:</b>	<b>Schools Funding 2019-20</b>	
<b>Author name and contact details:</b>	Russell Dyer/ Dave Richards <a href="mailto:Russell.dyer@southwark.gov.uk">Russell.dyer@southwark.gov.uk</a> Dave.Richards@southwark.gov.uk	
<b>Officer to present the report:</b>	Russell Dyer Dave Richards	

**Disadvantaged pupils****Pupil Premium per pupil**

Pupils in Year R to Year 6 recorded as Ever 6 free school meals

£1,320

Secondary aged pupils 11-15

£935

Looked-after children (LAC) defined in the Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority

£2,300

Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order

£2,300

**8 Schools Forum actions**

The Schools Forum is asked to note this report.

**Executive Summary**

This report gives the detail of the mainstream school funding formula for 2019-20 and its associated school budgets. This will be formally submitted to the Education & Skills Funding Agency (ESFA), using their template Authority Proforma Tool (APT), on 21st January 2019.

**Schools Forum Actions**

The Schools Forum is asked to:

- a. Agree that the minimum funding guarantee be fixed at 0% for 2019-20
- b. Agree that the split sites factor for schools that are separated by a public road be increased from £42,847 to £54,272
- c. Confirm the funding rates for the schools formula will remain the same as 2018-19 apart from prior attainment factor which will be set at £407.

- d. Confirm the funding rates for the resource base funding formula will stay the same as 2018-19
- e. Confirm the funding rates for the Special Schools funding formula will stay the same as 2018-19
- f. Agree to approval being sought from the Secretary of State for the transfer of the reduction in growth fund budget of £0.5m to the high needs block
- g. Approval be sought from the Secretary of State for the transfer of the headroom funding of £0.7m be made from the schools block to the high needs block.
- h. Agree the special schools MFG be set at 0.0%
- i. Note there will be no change in the terms and conditions of the maternity fund

## 1. Background

- 1.1 The local authority is required to submit each year to the Education and Skills Funding Agency (ESFA) details of the mainstream school funding formula which is based on data provided by the ESFA, although there is some scope to make some changes, the funding rates are agreed with the Schools Forum.

## 2. Establishing the Overall Individual Schools Budget

- 2.1 The overall DSG settlement for the schools block is **£247.3m**. This represents the resources available for deployment to schools. However, there are a number of commitments against that total that need to be made. These are noted below:

**Table 1**

	Budgets	2019/20	2018/19
		£m	£m
1	Growth Fund	0.1	0.6
2	Falling Rolls Fund	0.1	0.1
3	Schools Block transfer to High Needs Block	1.9	1.9
4	Fund the schools block element of the DSG deficit in 2018/19 (deficit having accumulated in 2017/18)		0.5
5	Licenses and subscriptions	0.1	0.1
6	Allocation of growth fund budget no longer required to transfer to the High Needs block subject to consultation	0.5	
	<b>TOTAL</b>	<b>2.7</b>	<b>3.2</b>

- 2.2 In calculating individual schools budget there are a number of initial assumptions that need to be made, all funding rates apart from one (see para 7 on prior attainment) have been set at the same level as 2018-19. These can be seen in Appendix A to this report. The most significant funding rate is the basic entitlement or as more commonly known as the AWPU. The rates set are as follows:

- Primary (Years R-6) £4,143
- Key Stage 3 (Years 7-9) £5,929
- Key Stage 4 (Years 10-11) £5,929

- 2.3 The Minimum Funding Guarantee (MFG) protects schools from excessive year-on-year changes but allows for some changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through. Under national regulations the MFG can be set between minus 1.5% and plus 0.5% per pupil. The initial calculations have been based on a MFG of 0.0%. In the current year it was -1.5%. By setting the MFG at 0.0% has increased the amount of funding given out under the MFG from £0.8m in 2018-19 to £1.9m in 2019-20.
- 2.4 The Schools Block is allocated to Local Authorities on the basis of the pupil numbers on roll at the previous October. For 2019-20 the schools block uses allocation the October 2018 school census.
- 2.5 The schools block for 2019-20 is based on the financial year April 2019 to March 2020. Some schools are undergoing permanent expansion, which will increase their roll significantly in September 2019. There is also a new free school planned to be open in September 2019. These schools will need funding but under the current funding system with the numbers lagged (October 18 in the case of next year) there would be no recognition of these costs within the funding formula. In these cases Local Authorities are able to adjust the pupil numbers provided by the DfE. This does not mean the Local Authority will receive extra funding for the pupils, it means the costs are borne by the DSG schools block or in reality by the other schools.
- 2.6 In some respects the DfE do ameliorate this by including a growth factor within the schools block allocation. The way funding is allocated has been subject to a recent consultation by the DfE. The funding provided is now £2.6m. It has to be noted the growth fund covers basic need only.
- 2.7 The schools under going permanent expansions and the extra pupils allowed for are shown below.

School	Funded Pupils	Oct-18
Haberdashers' Aske's Borough Academy (see 2.8)		0
Galleywall Primary School	104	169
The Belham Primary School	326	291
John Keats Primary School	59	24
The Charter School East Dulwich	525	420
Harris Primary Academy East Dulwich	311	276
Total	1,525	1,180

- 2.8 From September 2019 Haberdashers' Aske's Borough Academy free school will open. It will be a comprehensive school with 180 places in each year group up to age 16. The first children are due to be admitted to year 7 in September 2019 and the school will grow by one year group every year thereafter. It will have a sixth form with 250 places which will open five years later. This means that 180 pupils need to be funded on an estimate basis. This would previously

have been funded by the ESFA, however, the cost of £0.8m now falls to the schools block.

- 2.9 The overall cost of the permanent expansions plus the £0.1m in the growth fund is £2.3m.
- 2.10 The increasing costs of business rates also impacts upon the costs to the DSG. In 2019-20 the increase in cost has been estimated at £0.4m. The funding under the current system is on a time lagged basis and so Southwark will be reimbursed in 2020-21.
- 2.11. It should be noted that the ESFA no longer permits local authorities to set a primary weighting for low prior attainment, this is sensible change. The change stems from the change in Early Years assessments in 2013. All primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP) are now funded under prior attainment. This was not the case in the current year, as Year 6 were still funded under Low Attainment % old Foundation Stage Profile 78. While the weighting has been removed (to reflect the different levels in the assessment) the funding rates have been correspondingly adjusted, to leave the funding distributed at the same level as the current year, adjusted for reduced pupil numbers.
- 2.12 The current costing of the 2019-20 APT and reconciliation to the grant funding is shown in Table 2.

**Table 2**

	£m
DSG School Block allocation 2019-20	247.3
Less School block allocation as per APT	243.5
Headroom available	3.8
Allocation of DSG Headroom per Table 1 above	2.7
	1.1
Estimated contingency for National Non-Domestic Rates (NNDR)	0.4
Funding available for distribution	0.7

- 2.13 The proposed school by school allocations are shown in Appendix B. These are not the final ones as these will depend on the allocation of the £0.7m mention in table 2 . Even then the ESFA could make further changes.

The current summary position is shown in table 3

2.14 **Table 3**

Sector	2019/20 Pupils	2018/19 pupils	Change in pupils	2019/20 Funding £'000	2018/19 Funding £000	Change in Funding £000	% change	2019/20 per pupil amount £
Primary	23,077	23,313	- 236	128,025	129,119	1,094	-0.8%	5,548
Secondary	14,013	13,215	798	107,449	101,475	5,974	5.9%	7,668

All-through	1,106	1,099	7	8,054	8,003	51	0.6%	7,282
<b>TOTAL</b>	<b>38,196</b>	<b>37,627</b>	<b>569</b>	<b>243,528</b>	<b>238,597</b>	<b>4,931</b>	<b>2.1%</b>	<b>6,376</b>

2.15 Table 4 below gives the DFE funding rates for each of the inner London Local Authorities

**Table 4**

2019-20 DSG schools block DFE funding rates				
Local Authority	2019-20 <u>primary unit</u> of funding (£s)	Rank	2019-20 <u>secondary unit</u> of funding (£s)	Rank
Camden	5,389	5	6,928	7
Greenwich	4,907	12	6,598	11
Hackney	5,909	2	7,873	1
Hammersmith and Fulham	5,209	9	7,012	5
Islington	5,250	8	6,962	6
Kensington and Chelsea	5,325	6	6,749	9
Lambeth	5,471	4	7,395	4
Lewisham	5,042	11	6,723	10
<b>Southwark</b>	<b>5,538</b>	<b>3</b>	<b>7,756</b>	<b>3</b>
Tower Hamlets	5,923	1	7,861	2
Wandsworth	5,068	10	6,335	12
Westminster	5,284	7	6,776	8

### 3. Split Sites

- 3.1 Belham Primary Free School during the period September 2016 to December 2017 was temporarily operating across two sites while it awaited its permanent premises to be renovated. The funding formula was such that it needed time to catch up and the funding was built into the APT in 2018-19. This funding has now been removed.
- 3.2 It is recommended that this is now shared between the other split sites that are categorised as being split by a public road carrying through traffic as per minute 6.10 of the 6 December 2018 meeting. This will increase the funding rate for these schools from £ 42,847 to £54,272. This is in line with the Schools Forum Formula Funding Sub-Group recommendation

- 3.3 The Schools Forum supported the Group's recommendation that the criteria for split sites should be applied consistently across such schools and that the current level of funding for this criteria be ring fenced to those eligible schools. There is further scrutiny of the remainder of the other split sites as described in the funding regulations. The schools receiving funding for split sites in the current year are shown in Table 5 below:

**Table 5**

School	Split site Funding £
Ivydale Primary School	42,847
John Ruskin Primary School and Language Classes	23,234
Phoenix Primary School	42,847
Bessemer Grange Primary School	23,234
Dulwich Village Church of England Infants' School	42,847
English Martyrs Roman Catholic Primary School	42,847
St James' Church of England Primary School	42,847
	260,703

#### 4. Distribution of £0.7m Headroom

- 4.1 There are a number of options available for distributing the remaining schools block headroom of £0.7m as identified in Table 2 above:
- 4.2 Firstly, to assist with the high needs block deficit position This would be the LA's highest priority option given the scale of the challenge being faced in this area overall. The impact on each school of the transfer would be similar to the consultation for the £0.5m, noting that this funding is not already within school's budgets but would be additional.
- 4.3 This transfer would also mitigate the lost saving within the overall DSG recovery plan that will happen by maintaining MFG at 0% across mainstream schools and special schools in 2019-20 to allow further time to benchmarking special school top ups for any change proposal to be implemented in 2020-21. This matter is considered later in the report.
- 4.4 Secondly, it could be used to increase the funding for distribution to schools via;
- the basic AWPU entitlement, primary or secondary or both,
  - a deprivation factor such as Free Schools Meals "ever 6"
  - the lump sum.
  - the falling rolls fund



- 4.5 Whilst additional funding would be released to schools, there would be a number of downsides to this which would in the LA's view be undesirable. These are highlighted as follows:
- The impact of the Minimum Funding Guarantee where a number of schools would not gain any funding under these options in any case
  - It would move us even further away from the National Funding Formula rates and create more protection could be undesirable in allowing schools to make adjustments for when such protection measures are withdrawn
  - As the secondary AWPU is greater than the suggested NFF ratio it would seem unwise to maintain or add to this difference
  - An increase to the lump sum would not be appropriate due to NFF direction of travel is to reduce it.
  - Other funding streams already support deprivation such as the pupil premium, UIFSM and also the overall free healthy school meals local scheme.
  - There is already extra funding within the settlement for schools
  - The funding rates within table 4 indicate that current funding levels are already comparatively high even without adding to this
  - The purpose of the falling rolls fund is to protect schools from temporary reductions in pupil numbers where it can be seen that the numbers will rise over the next 2 years. At the moment as we are not expecting school rolls to rise in the near future, it is not expected there will be many calls on the fund.
- 4.6 Therefore in the light of the above, the LA considers that the option to add the additional headroom within the schools block to the high needs block transfer is the highest priority and the most desirable option to take. Whilst this is the decision of the LA, the Schools Forum must be consulted in taking this decision.

## **5. Growth Fund**

- 5.1 At the meeting on the 6 December 2018 the Schools Forum discussed the possibility of transferring the reduction in the growth fund from £600k to £100k to the High Needs Block. Local authorities wishing to make a transfer should consult with all local maintained schools and academies, and the schools forum should take into account the views of the schools responding before giving their approval. This in turn will need approval by the Secretary of State.
- 5.2 At the time of writing this report the consultation with schools has opened. This includes two briefing sessions and closes on the 16 January 2019. A verbal update will be given to the Schools Forum on the outcome for consideration, before asking the Schools Forum whether they wish to support their decision.

## **6. Final school budget pro-forma**

- 6.1 The pro forma APT template containing the unit values will need to be submitted to the ESFA by the 21 January 2019. Following this, the ESFA can make changes and therefore the estimates provided at this meeting can be subject to change.

## 7. Special School and Resource Base Funding Rates

- 7.1 The Schools Forum, at its previous meeting, considered the High Needs Sub-Group Report. One of the recommendations of the group was to set the Minimum Funding Guarantee (MFG) for special schools at -1.5%. In reality this would reduce the top-up funding rates for special schools by 1.5%. It would be in line with the MFG for mainstream schools in the current year.
- 7.2 When considering the report the Schools Forum expressed concern asked for further details. As the LA now recommends that the mainstream MFG be set at 0.0% then it seems appropriate to set the Special Schools MFG at 0.0% as well.
- 7.3 This will be a cost to the High Needs block of £100k and will need to be found by reductions elsewhere in that block. An additional transfer of £1.1m from the Schools Block to the High Needs Block rather than the £1m planned would address this.
- 7.4 Funding rates for Special schools and resource bases will stay the same in 2019-20 as they are in 2018-19. Table 6 below confirms these:

**Table 6**

School	Top-up Rate £	Type of Need
<b>Resource Bases</b>		
John Ruskin	5688	Autism
Brunswick Park	14,430	Autism
Rye Oak	14,430	Autism
St Johns and St Clements	8,228	Hearing
Lyndhurst	11,667	Dyslexia
<b>Special Schools</b>		
Beormund School	£17,568	BESD
Cherry Garden	£21,634	PMLD / SLD
Haymerle School	£18,906	Autism
Highshore	£13,212	MLD
Spa School	£19,030	Autism
Tuke School	£19,629	PMLD / SLD

## 8. Maternity Fund

- 8.1 The terms and the conditions of the maternity fund were adjusted, in order to ensure a break even budget position was reached. The contributory rate for the

fund was set at a rate of £40.15 per pupil and a pay our rate of 70% was agreed from the 1 April 2018.

- 8.2 It is always difficult to gauge, year on year, the exact call on the fund, partly as payments are only made when a teacher returns to school and schools often delay sending in returns until the end of the year. Although, now, the latter is changing as the cash flow situation in schools becomes tighter. Due to this we look at trends in claims, comparing previous years with the current year.
- 8.3 The steps taken for this year are dampening the costs and at the mid-point of this year the amount the fund had paid out, has fallen by 15% or some £60k, although the number of cases remain similar. We also expect more cases to feed through at the new 70% rate.
- 8.4 It is proposed that for 2019-20, the terms and conditions are kept the same, using the fund rate that was set at the last meeting at £40.15 and the pay-out rate will continue at 70%.

**Item 6 Appendices A and B are spreadsheets that are attached as a separate excel file**

<b>Date:</b> 17 January 2019	<b>Item</b> 7	<b>Type of report:</b> Information
<b>Report title:</b>	<b>Early Years Funding 2019-20.</b>	
<b>Author name and contact details:</b>	Russell Dyer/ Dave Richards <a href="mailto:russell.dyer@southwark.gov.uk">russell.dyer@southwark.gov.uk</a> dave.richards@southwark.gov.uk	
<b>Officer to present the report:</b>	Russell Dyer Dave Richards	

## 1. Executive Summary

This report sets out the provisional Early Years Block of the Dedicated Schools Grant (DSG) for 2019-20 and requests the Schools Forum to agree the funding rates for early year providers.

## 2. Schools Forum Actions

The Schools Forum is asked to agree:

- a) the funding rates for Early Year providers of:
  - 3 and 4 years olds base rate of £5.95 per hour (Section 4.1)
  - 3 and 4 years olds deprivation funding rates (Section 4.2)
  - 2 year old funding of £6.25 per hour (Section 4.3)
- b) that the distribution of the supplementary funding of £1,468k for local authority maintained nursery schools be determined following consultation with those providers
- c) that the centrally retained budget should be set at £921k (Section 5.2)

## 3. Background

- 3.1 The Early Years block of the Dedicated Schools Grant provides the funding for under 5's and is based on the January 2018 pupil numbers. This will then be revised during the financial year to reflect actual numbers. The estimated funding for 2019-20 for Southwark's early years has been initially set at £27.8m.
- 3.2 The six relevant funding streams which together form the early year's block of the DSG are:

	2019-20 Estimated Funding	2018-19 Final Funding	Change
	£m	£m	£m
Two year olds	3.888	3.888	0.000
Three and four year olds	17.871	17.923	-0.052
Additional hours for three and four year old children of eligible working parents	4.292	4.304	-0.012
Supplementary funding for Maintained Nursery Schools (MNS)	1.468	1.493	-0.025
Pupil Premium (EYPP)	0.208	0.208	0.000
Disability Access Fund (DAF)	0.070	0.073	-0.003
<b>Total</b>	<b>£27.797</b>	<b>£27.889</b>	<b>£-0.092</b>

- a. The funding rates received by Southwark are as follows

	2019-20 Estimated Funding	2018-19 Final Funding	Change
	Per hour £	Per hour £	Per hour £
Two year olds	6.50	6.50	0.00
Three and four year olds	6.86	6.88	-0.02

- 3.4 At the moment there is no indication as to whether the nursery schools supplementary funding of £1,468k will continue beyond this year and it is unlikely that anything will be confirmed before the comprehensive spending review which is due in November. The nursery schools were invited last year to agree the distribution of this funding and it is recommended that this repeated for 2019-20.

#### 4. Funding Rates for 2019-20

The funding is distributed through the Early Years Single Funding Formula (EYSFF) and as there has been no significant change, it is proposed that the funding rates remain the same as this year.

- 4.1 EYSFF base rates – 3 and 4 year olds

Provider	2018-19 Base Rates £	Proposed 2019-20 Base Rates £
MNS	5.95	5.95
Primary	5.95	5.95
PVI	5.95	5.95

- 4.2 EYSFF deprivation rates for three and four year olds

Provider	2018-19 Base Rates			Proposed 2019-20 Base Rates		
	MNS £	Primary £	PVI £	MNS £	Primary £	PVI £
IDACI 1	0.31	0.31	0.31	0.31	0.31	0.31
IDACI 2	0.62	0.62	0.62	0.62	0.62	0.62
IDACI 3	0.94	0.94	0.94	0.94	0.94	0.94
IDACI 4	1.25	1.25	1.25	1.25	1.25	1.25

- 4.3 EYSFF – 2 year old rates

Rate across all settings were £6.25 per hour in 2018-19 and it is proposed that they remain the same for 2019-20.

## 5 Early Years Central Retentions

- 5.1 The Local Authority retains a proportion of the Early Years Block in order to meet its statutory duties in respect of early education and childcare as set out in the Childcare Act 2016 and related guidance. These include:
- Duty to secure free early education for all three and four year olds and specified two-year-olds,
  - Duty to collect information about individual children receiving early year's provision and supply that information to DfE (school and early years census)
  - Duty to fund early education places in all sectors using a locally-determined, transparent formula – the early years single funding formula
  - Duty to secure information, advice and training for childcare providers in their area
  - Duty to provide information, advice and assistance to parents and prospective parents on the provision of childcare in their area

These duties are delivered through three teams within Children's & Adults services:

- The Free Early Learning Team (3 staff) manages the free early education offer process, including termly headcount/claims process, funding to early years settings and promoting the free entitlement to parents.
- The Early Years Quality Improvement Team (6 staff) provides information, advice and support to the 150 early years group care settings and 350 childminders in Southwark
- The Early Years Consultants (4 staff) in the Standards team provide information, advice and support to schools in relation to the Early Years Foundation Stage.

- 5.2 In 2018-19 the limit for central retentions on the early years block was reduced from 7% to 5% and continues at the 5% level for 2019-20. Based upon the December allocations the limit is now £0.9m. The follow central retention is proposed for the central

<b>2019-20 Proposed Central Retention on early year block for approval</b>	<b>£000</b>
Early Years Teams Staffing	539
Early Help Service (See below)	392
<b>Total</b>	<b>921</b>

- 5.3 In 2018-19 the Early Years Block funding to Early Help was reduced by £165k. The council increased their funding to cover this reduction and has also committed its continued support for Under 5s work through the Children's Centres provision at a cost of £2.4m per annum.
- 5.4 The overall restructured Family Early Help Service continues to provide a team of 68 staff, delivering a whole family approach that now includes a specific senior officer with responsibility for integration of under 5s work. The whole family approach ensures that all children and adults within a household are offered support so referrals from primary and secondary schools will also include provision for younger children. If support were to be withdrawn from the DSG this service would likely need to be subject to a significant service reduction impacting on many families, including those with young children. If required, further information can be provided at the meeting.