

Members of the **Schools Forum** are invited to the meeting due to be held at

4pm-6pm, Thursday 14th January 2021

Will be held **on-line** (via Microsoft Teams)

because of government advice on social gatherings relating to COVID-19 (Coronavirus)

Agenda

Time*	Item	
	1. Welcome & Apologies	Chair
	2. Membership, Register of Interests and Declaration of Interests	Chair
	3. Minutes from the Schools Forum meeting held 8 th December 2020 and matters arising	Chair
	4. DSG Overview 2020/21 and 2021/22	David Tully
	5. Schools Block 2021/22	Dominique Johnston-Franklin and David Tully
	6. High Needs Block 2020/21 and 2021/22	Adam Yarnold
	7. Central School Services Block 2021/22	Dominique Johnston-Franklin
	8. EY Block 2020/21 and 2021/22	Kathryn Shaw
	9. Any other business	Chair
	10. Agreed dates of next meetings and location: Thursday 18 th March 2021 – 4-6pm CAJ kindly offered Hitherfield School for the SF venue for the above dates, but the likelihood is that this will again be on-line.	Chair

LONDON BOROUGH OF LAMBETH

SCHOOLS FORUM

Draft minutes of the meeting of the Schools Forum held remotely due to Covid-19 lockdown measures being in place on Tuesday 8th December 2020 at 4:00pm – 6.00pm

School Forum Members:

<u>Schools:</u>	Present, Apologies, Absent	<u>Schools:</u>	Present, Apologies, Absent
Chris Ashley–Jones (CAJ) Hitherfield (Chair)	Present	Joanna Tarrant (JT) Elm Court	Present
Nick Butler (NB) St. Gabriel's College	Present	Ray Smith (RS) Pre- School Alliance	Present
Alison Moller (AM) Julian's Primary School	Present	Maksud Gangat (MG) Orchard Primary	Present
Rachel Hedley (RH) Lambeth Nursery Schools' Federation	Present	Coral Hayes Ruskin House School	Present
David Boyle (DB) Dunraven School	Present	Kate Atkins (KA) Great North Wood Education Trust (Vice-Chair)	Apologies
Mark Jordan (MJ) (PCA)	Present	Michael Holland (MH) Sunnyhill Primary	Present
Humaira Saleem (HS) Iqra	Present	Carena Hall (CH) Immanuel & St Andrews CE Primary	Present
Andrew Chaplin (AC) Walnut Tree Walk Primary School	Present	Gay Wenban-Smith (GWS) Henry Cavendish Primary School	Present
Chris Toye (CT) Wyvern Federation	Present	Eleanor Donegan (ED) Woodmansterne School	Present
Jayne Mitchell (JM) St. Andrew's Primary	Present		

<u>Officers:</u>	Present, Apologies, Absent	<u>Observers:</u>	Present, Apologies, Absent
Cathy Twist (CTw) Director – ELS	Present	Sara Tomlinson (ST) NUT/NEU	Present
Kathryn Shaw (KS) School Quality Improvement Lead	Present	Christine Golding (CG) GMB Union	Present
Bunmi Idowu (BI) Early Years	Present	Vinay Gupta (VG) St. Gabriel's College	Present
Hamant Bharadia – Children's Finance	Absent	Ryan Foster (RF) NASUWT Union	Present
Dominique Johnston-Franklin - Finance	Present	Brian Hazell (BH) NAHT Union	Present
Rachel Harrison - Assistant Director Children's Finance	Present	Lorna Burg (LB) Henry Cavendish	Present
Cllr Edward Davie	Present	Bianca Morris	Present
Cllr Jackie Dyer	Present	Christopher Gyton	Present
David Tully (DT) - Finance	Present		
Claire Cobbold – HR	Present		
Adam Yarnold	Absent		
Clare Dudman	Present		
Merlin Joseph	Absent		

SF Clerk: Maria Gabrielczyk(MGab) mgabrielczyk@lambeth.gov.uk

MINUTES

1. Welcome & Apologies

CAJ welcomed everyone to the meeting and confirmed it was quorate. CAJ reminded SF members to all participate in the meeting discussions.

Apologies were received and accepted from: Kate Atkins.

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

CAJ informed that there are still two vacancies on the SF – one for a Primary School and one for a Secondary Community School. Peter Compton will email Governors again to see if anyone is interested in joining.

There were no Declarations of Business Interests.

A few Declaration of Business Interests forms (2020-2021) have been returned to MGab. MGab will chase the outstanding ones. **ACTION: MGab**

3. **Minutes from the Schools Forum meeting held on 6th October 2020 and matters arising**

The minutes were agreed as a true and accurate record of the meeting and signed off by the Chair.

Matters arising

- P4 Item 5 – CAJ has written to London Councils, but has not yet received a response.
- P5 Item 6 – The sub group met and will report back later in the meeting.
- P6 Item 7 – This matter is covered in the HNB Agenda item.
- P7 Item 8 – CC informed that she was still waiting for the Unions to sign the Term Time Only agreement and this will be done shortly..

4. **DSG Overview 2020/21 and 2021/22**

DT informed that the paper was for information only and no decision needs to be made for this and the next financial year.

The DSG has been tipped into a deficit forecast of a £208K overspend for this year. EY had different arrangements for the Summer and the Autumn Terms due to Covid-19. EY may get a Covid-19 grant to offset part of the overspend.

HNB - prior year costs are contributing to the budget pressure for this financial year.

There will not be much change in the position on funding for 2021/22, compared to the one anticipated in Schools Forum planning in recent months. The deficit in this financial year may cause a problem for the next financial year. The deficit will need to be addressed as part of the consideration of setting the 2021/22 overall budget. DT informed that the final allocations will be brought to the next meeting to show what the DSG will be in the next year.

Q. Is the £208K a definite deficit or is there room to manoeuvre?

A. No that is a forecast.

Schools Forum members **noted** the content of the paper. SF members do not want to carry over an overspend, they hope to clear it by the next financial year.

5. **Schools Block Update 2021/22**

In the October meeting, SF members asked for the sub group to explore the shift in the local funding formula for 2021/22 so that it moves in line with the NFF by 1% or 2%.

The sub group met to review the Schools Block and the changing of the mainstream schools funding formula for 2020-21. The Consultation Paper went out – 6th-20th November 2020. There was a webinar event with a PowerPoint presentation of the proposals put to consultation and about 35 participants attended. The sub group met again after the event where they considered the 7 positive consultation responses that had been received. There was a clear direction of travel from those that responded.

Q. If there is a 2% move towards the NFF, would there be more money, but still be further away from the NFF?

A. The LA received protected funding from the ESFA. If all the money is distributed then it will be in excess of the NFF - £18m. Over time the local funding figure will be reconfigured, so that it will be in a better position for the Hard Funding Formula.

Q. Will the LA have that protection?

A. The DfE has taken incremental steps and is cautious of radical changes. The protection is a feature, but it is an unknown if it will remain. The direction of travel is towards the NFF.

Notional SEND Budget – This was flagged up in the June meeting showing the composition of notional SEND budget for Lambeth, as driven by age related pupil units. Proposals to change the mainstream formula will mean the notional budget will become skewed. To reconfigure the SEND budget will not have any impact on the actual formula allocations that any school receives. Table 1 shows what the notional SEND budget would look like if the number of age related pupil units was reduced and prior attainment was brought into the calculations. An alternative value for the SEND budget would be pupil led characteristics being the focus as opposed to age related units.

Q. Is it a tidying up exercise, which moves the principle closer to the NFF and does not overall affect budgets?

A. It does not affect the formula allocation that schools get, but it changes the overall totals of the notional SEND budget.

Q. The switch to prior attainment looks very big and mobility shown as not important, which is a big factor in London.

A. The mobility factor is small, the reflection is on how the national funding data will translate into individual allocations for schools.

Q. 100% of prior attainment is allocated. Is there any risks of not doing this?

A. No, it is purely a notional allocation and reflects pupil characteristics rather than pupil age related units.

Falling Rolls Fund – the ESFA allow for a small fund £0.585m for good schools that have a falling roll. Appendix 4 shows the distribution to fund the schools with a loss in pupil numbers. There are 338 eligible places – age related pupil units, which amounts to £1.8m for Lambeth. Agreement is needed from SF members around the Falling Rolls Fund and how we move forward with the pot.

Growth Fund Pot – £235K which is in the pot and carried forward. There may be a requirement to have a £180K increase to manage difficult circumstances if the deficit is coming in to the Schools Block. DSG

Q. Schools being hit by falling rolls, does the criteria reflect the fact if the LA ask these schools to reduce their PAN and if they refuse will they still get the money?

- A.** It is taking what the agreed PAN is, non-agreed PANS can be reviewed.
- Q.** Who agrees the PAN, can there be more clarity around the criteria?
- A.** The LA PAN is being used.
- Q.** Where a school lowers the PAN, will the school still qualify if Reception figures are low?
- A.** No, because a lower PAN was agreed.
- It was clarified that if a school has a PAN of 60 which is then reduced to 30 and still only has 23 pupils it would be supported. However, if a school has a PAN of 60 and has 23 pupils then it would not get the funding.
- Q.** What about schools with a continuing falling roll, which have come to the end of their 3 year support? Will there be a reduction in PAN?
- A.** At the end of the 3 years there is no more money to support the school. It is in their interest to have a reduction in their PAN.

It was suggested as per item 4.7 that next year a sub group is formed to review the variation of funding allocation.

- Q.** Which schools reduced their PAN for 2022?
- A.** Documents are going out for consultation.
- Q.** A school can bring an individual case to SF, if there are exceptional circumstances if they don't meet the criteria?
- A.** YES
- Q.** If a school agreed to lower their PAN for 1 year only, will they be supported for that year only?
- A.** No, they do not get the Falling Rolls Funding.
- Q.** Why have a growth fund when so many schools are being asked to reduce their PAN?
- A.** We have a growth fund as there is a growth in certain schools and this growth fund has been ring fenced. There are still schools in the borough with diseconomies of scale.
- Q.** Where?
- A.** Woodmansterne, Harris Academy Clapham.
- Q.** Any secondary schools?
- A.** It is split between primary and secondary schools. There are diseconomies of scale from secondary schools.

SF members **agreed** the following recommendations:

SF members:

- a) **agreed** to support the strategy of aligning the local mainstream funding formula with the national funding formula over the coming years;
- b) **agreed** to support Option 2 as the basis for preparing the mainstream funding formula for 2021/22;
- c) **agreed** to support the proposed change to the calculation of the notional SEND budget for 2021/22;
- d) **agreed** to note and comment on the possible funding of the Growth Fund for 2021/22;
- e) **agreed** to support the continued operation of the Falling Rolls Fund, with the same criteria as previously, and with a budget of £0.585m for 2021/22.

6. **High Needs Block 2020-2021 and 2021-2022**

The paper was for information only and for noting and commenting on the budget aspects.

There is a £1.091m pressure on the HN budget which contributes to the overall DSG balance that will be carried over to 2021/22. All commitments need to be costed including the teachers' pay grant for special schools and PRUs. The LA want to set a balanced budget, but there are issues in doing so eg. the LA pension fund increases for most maintained schools from 1st April 2021.

SF members were asked to consider the disproportionate SEND fund and whether it would be better to use the fund to increase the rate for all special mainstream schools to increase their top up fund or whether to continue with the disproportionate SEND fund and run the risk of not being able to afford the increase in EHCP top ups.

Q. What is the connection between this and the SEND strategy in development with the Council, how does it apply?

A. It was known that some schools in the borough had more EHCPs than other schools. This incurred extra costs for the schools and so the fund was created. £0.5m was taken out for an inclusion fund, which schools had to bid for. The Disproportionate SEND Fund is now £592K. SF members need to decide the way to support schools to be as inclusive as possible. Should the fund be divided up proportionately? Should the fund continue or should it be put back in the pot to increase the EHCP for each child. If the money is distributed then very few schools get a significant amount. The SEND strategy is being viewed in the LA and in schools.

The original idea was to benefit small schools – primary, as suffering diseconomy of scale and had no infrastructure to support the pupils. Not worked out that way. Was in mind of working party.

Q. In Table 1 there are various changes in funding. Do the windows stay open to challenge until January? What other contingencies are in place if these changes are not agreed?

A. Table 2 is based on this financial year. The ESFA is informed of changes to place numbers for 2021. Provisions are built into the forecast as there are unknown issues that may be resolved in January, where it is hoped that there will be more accurate figures..

It was **noted** that the final agreement will be made by SF members in the January meeting.

Lambeth is in deficit around the HNB. The budget aspirations for next year are to have a balanced budget, but in the context of the principles set out in section 3.2 of the report.

SF members **noted** and **commented** on **Recommendation 5.1**, on the High Needs Budget position for 2020/21 and 2021/22.

SF members considered Recommendation 5.2.

Q. If the budget is in deficit then it is a disproportionate fund. Can the HNB balance the disproportionate fund? Can a model be done of that with 4% and 5%?

A. Modelling is not difficult to do and this will be brought to the next meeting.

ACTION: DT

SF members responded to Recommendation 5.2 as follows:

Schools Forum to indicate how it wishes the LA to consider the Disproportionate SEND Fund when it brings final budget proposals forward in January 2021, specifically:

- did **not agree** that the Disproportionate SEND Fund should continue unchanged;
- did **not agree** that the Disproportionate SEND Fund should increase the threshold of support to those schools using more than 50% of their notional SEND budget for EHCP costs Or
- **agreed** that funding models on the Disproportionate SEND Fund be brought back to the January 2021 meeting for consideration. These models would scale back the funding to £0.1m and would illustrate the impact of allocating the remaining funding to schools with more than 4% and 5% EHCPs. The reduction in the size of this fund would contribute to, both, an increase in top-up funding rates and a balanced budget.

7. De-delegation of Trades Union Facilities and Education Support Services for maintained schools

This item was for maintained schools only.

- **Trade Union Facilities Arrangement (TUFA)** (de-delegation within the mainstream funding formula for maintained primary / secondary only). The rate rose per pupil to £5.08 for 2021-22 a total cost of £122K. It is based on pupil numbers and no changes are proposed.
- **Education Support** (treated as de-delegation in the mainstream funding formula for maintained primary / secondary schools, but also applying to special schools).

SF agreed not to deduct for the Vulnerable Schools Fund in 2020/21 and this will be the same for 2021/22 as the fund is still sufficient funding for the coming year.

Q. What is the cost that is incurred for the year?

A. It does not recoup everything that was incurred for HR, it was to support the costs. DF-J was asked to provide further details on the incurred costs. **ACTION:**

DF-J

Q. What does the £122K cover?

A. The NEU pays for local representation if the HT needs urgent help. Money goes on building local partnerships. BH put forward a paper, which he will resend. The unions are available to respond in situations in school to stop them getting out of hand and to minimise industrial action in school. It pays for local release time for reps from schools and includes the NAHT, NEU, NASUWT, Unison, GMB, Unite so that reps can attend schools for representing members and talking to Heads and negotiating over policies and all issues that come up. CTw meets with the unions on a weekly basis. DF-J will provide further information for the next meeting. **ACTION:**

DF-J

The next recommendation, the de-delegation of support functions came to SF the last 2 years. Appendix 1 details the de-delegating, prior to this it was part of the DfE grant – Education Services Grant. £20.80 is for the education services and a rise of 30% is proposed. Table 1 shows how the money is distributed by the Council for maintained schools.

Payment for term time only should not be factored in. SF members requested more information on the LSP, which has 2 subscription levels and pays for SIA services, Independent Chairs, H&S, EWO, Internal Audits etc.

SF members **agreed** the following recommendations:

SF members:

4.1 Maintained primary school representatives **agreed** to continue the de-delegation for the Trades Union Facilities Agreements in 2021/22 at a rate of £5.08 per pupil.

4.2 Maintained secondary school representative **agreed** to continue the de-delegation for the Trades Union Facilities Agreements in 2021/22 at a rate of £5.08 per pupil.

4.3 Maintained primary, secondary, all-through and special school representatives **agreed** to continue to de-delegate for Education Functions for 5-16 year old in 2021/22, at a rate of £20.80 per pupil for pupils in primary and secondary schools and £41.60 per commissioned place in maintained special schools.

8. EY Update

KS informed that Covid-19 has impacted on a lot of providers. Since the census, the EY team has been working with the finance dept on the true Covid-19 spend. The main part of the papers details some of the provisions and how the budget was funded for 2020-21 prior to Covid-19.

The DfE will fund 9/12 of the January 2020 census this year, rather than 5/12 so that EY can budget better and it will provide a bit of stability for a term and planning time for the new term in January 2021. The headcount has been done and there is pressure within the EY block – £646K, of which £390K will be offset by the Covid-19 grant.

EY has kept providers open and provided sustainability with key worker child care. Without increasing the hourly rate for providers it would not have been possible to support the key workers. A spending review took place on 25th November and a £60m budget offered for maintained nursery schools. Further details of funding allocation will be shared in December.

There has been a decrease in the number of 2, 3 and 4 year olds taking up places. The falling rolls are an impact of Brexit and Covid-19.

There are two settings that are open. Staff have received furlough, but EY have lost out a lot of money as they cannot access money from the Covid-19 fund. EY are still waiting to hear about the Supplementary Funding.

There are less pupil numbers for the Spring term based on the census and EY will be looking at sustainability across the borough. Various providers are seeing if they can sustain the offer and the EY team are supporting with business planning. The DfE are supporting with the take up for 2 year olds, but it depends if extra funding is received and on parental confidence, which is 14% lower for 0-4yr olds.

9. AOB

Q. A procedural question – if the vote is in relation to your own interests, should observers withdraw? At Governing Board meetings Governors would withdraw if they have an interest.

A. Yes they should and they will do so in future.

10. Future Meeting Dates

The next meeting will be on:

Thursday 14th January 2021 - 4-6pm

Thursday 18th March 2021 – 4-6pm

CAJ kindly offered Hitherfield School for the SF venue for the above dates, but the likelihood is that this will again be online.

There being no further business to discuss, the Chair closed the meeting at 6pm.

Signed: _____

Date: _____

Chris Ashley-Jones

Chair of the School Forum

Agenda Item 4**Title: Dedicated Schools Grant Overview****Date: 14th January 2021****Report to: Schools Forum****Report for: Information Decision Consultation Action****Author: David Tully****1 Background**

1.1 This report provides an update on the DSG for 2020/21 and 2021/22.

2 DSG 2020/21

2.1 **Table 1** sets out the current summary forecast position for each block for 2020/21. This now points to a possible deficit at year-end of **£0.516m** if these forecasts prevail. This is particularly due to an adverse movement in High Needs, with some risk pressures materialising. The explanations about the position in each of the four blocks and the associated risks then follow.

Table 1: Summary forecast spend against funding by DSG block 2020/21 (Period 8)

Block	b/f balances £'000	Funding 2020/21	Forecast 2020/21 (P07) £'000	Variance £'000	Previous Variance (October SF) £'000	Movement £'000
Schools Block	£235	£212,825	£212,825	-£235	-£235	£
Central School Services Block	£977	£1,055	£2,032	£0	£0	£
Early Years Block	£	£28,025	£28,671	+£646	+£646	£
Possible COVID Grant (for Early Years)*	£	£	-£379	-£379	-£379	£
High Needs Block	£	£47,167	£48,566	+£1,399	+£1,091	+£308
De-delegated budgets**	£223	£	£100	-£123	-£123	£0
Unallocated	£792	£	£	-£792	-£792	£0
Total DSG 2020/21	£2,227	£289,072	£291,507	£516	+£208	+£308

*Note *: Additional funding for key workers and higher rates for open PVI settings in the summer term and summer holidays have been included in COVID claims from Ministry of Housing, Communities and Local Government (MHCLG). There is no guarantee that this will be received.*

*Note **: £0.223m balance on the Vulnerable Schools Fund being applied and is ring-fenced because it was previously de-delegated.*

2.2 **Schools Block.** The vast majority of the funding for the Schools Block has been allocated in accordance with the Authority Proforma Tool exercise on the mainstream schools funding formula in January 2020. The DSG position has been accounted for in gross terms, but the LA

only disburses funds directly to maintained schools; the ESFA deducts (recoups) funding from the DSG to provide funding for academies and sixth form High Needs provision more directly.

- 2.3 The Falling Rolls fund of £0.585m was allocated in full for 2020/21.
- 2.4 The Growth Fund had £0.235m brought forward from 2019/20. The 2020/21 allocation for growth is expected to be sufficient at this stage of the year, suggesting that the £0.235m brought forward will still be there to carry forward again at year-end.
- 2.5 **Central School Services Block.** Schools Forum agreed that, for one final year, the allocation for the Central School Services Block could exceed the amount in the DSG by £0.977m, using DSG reserves. This budget is expected to balance at year-end.
- 2.6 **Early Years Block.** There is a separate report on this agenda considering the position in the Early Years Block. While there is a pressure of £0.671m, it is expected that £0.379m of this will be covered by COVID grant from the Ministry of Housing, Communities and Local Government. The Early Years service has had to adapt its normal arrangements each term this year to respond to the changing circumstances arising from COVID and lockdowns. It was recognised at the start of the year that any budget pressures would be absorbed by brought forward DSG balances, rather than creating a contingency for this purpose.
- 2.7 **High Needs Block.** There is a separate report on this agenda which includes more detail about the pressures in the High Needs Block. The position has worsened since the previous meeting as some prior-year costs (which do not have an on-going implication) for non-Lambeth settings have become due, as a consequence of efforts to bring payments for those settings more up-to-date.
- 2.8 **De-Delegated Budgets.** The Vulnerable Schools Fund is no longer being topped-up with DSG funding. £0.223m was brought forward from 2019/20 and it is estimated that £0.100m will be drawn down during 2020/21. The remaining £0.123m would then be carried forward into 2021/22.
- 2.9 **Overall.** The DSG brought forward a balance of £2.227m into 2020/21 and is now forecast to carry forward a deficit of £0.516m into 2021/22, based on the assumptions in this report. In practice, the final costs for higher participation in individual early years settings in autumn 2020, compared to autumn 2019, may be slightly lower in the final analysis. Conversely, the volatility of the high needs budget may not yet have ceased. Because two of the components of the carry forward balance are ring-fenced (£0.123m for Vulnerable Schools Fund and £0.235m for Growth Fund), the £0.516m net deficit implies a larger deficit in practice: £0.874m.

3 DSG Funding 2021/22

- 3.1 The Secretary of State for Education published the schools funding settlement for 2021/22 on 17th December 2020. Much of this was anticipated from announcements in July 2020. Final differences were largely attributed to using October 2020 pupil number.
- 3.2 **Table 2** sets out the Provisional DSG for 2021/22 and how it compares to the 2020/21 DSG and the working estimates for 2021/22 previously advised to Schools Forum. (These figures include, at this stage, amounts that will be recouped by the ESFA).

**Table 2: Provisional DSG funding for 2021/22,
and comparisons to 2020/21 DSG and previous working estimates for 2021/22**

Block	Actual DSG 2020/21 £'000	Estimated (based on July announcement) DSG 2021/22 £'000	(December announcement) Provisional DSG 2021/22 £'000	Difference from estimates based on July announcement £'000	Difference from 2020/21 DSG £'000
Schools Block	£212,825	£223,192	£222,315	-£877	+£9,490
CSSB	£1,055	£1,123	£1,181	+£58	+£126
Early Years	£28,025	£28,054	£28,092	+£38	+£67
High Needs	£47,167	£51,528	£51,672	+£144	+£4,505
Total	£289,072	£303,897	£303,260	-£637	+£14,188

- 3.3 **Schools Block (£222.3m)** is based on October 2020 pupil numbers (which reflect falling rolls from 2019) and the funding rates for primary and secondary pupils announced in July. After taking account of the transfer of specific grants (for teachers pay and pensions) into the DSG, the School Block allocation has increased by 2% per pupil, the lowest increase nationally because the National Funding Formula does not help London schools. Moreover, the Growth Fund has reduced by £1m. All of this was anticipated in the discussions with schools and Schools Forum in the autumn term.
- 3.4 **Central School Services Block (£1.2m)** is based on October 2020 pupil numbers and now includes teachers pay and pension grant for centrally employed teachers, many of whom are funded outside the DSG currently (eg Music Service, School Improvement). The CSSB continues to be a small allocation for Lambeth £36 per pupil, compared to £84 pp for London.
- 3.5 **High Needs Block (£51.7m)** is £150k more than notified in July 2020. The £4.5m increase, year-on-year, is part of the second year (of 3) of the national £7.1bn funding increase for schools. It includes £0.6m for teachers pay and pension, so it represents an 8% increase on a like-for-like basis.
- 3.6 **Early Years (£28.1m)** reflects an 8p rise per hour per part-time equivalent 2 year old (to £6.66 per hour). Funding per hour for 3 and 4 year olds is unchanged at £7.32. Hints that Mainstream Nursery School Funding might rise have not materialised: the national supplement for the five Lambeth schools is still £0.533m, no change on 2020/21, and the element from September 2021 is not guaranteed. The Early Years Block is shown based on January 2020 participation levels, but the final EY DSG for 2021/22 will be based on 5/12th Jan 2021 and 7/12ths Jan 2022.
- 3.7 **Other grants.** Pupil Premium per pupil rates remain the same as for 2020/21. The DfE has, however, indicated that Pupil Premium will be based on October 2020, rather than the usual January 2021 census. In Lambeth, had that arrangement been in place for 2020/21, c500 fewer pupils would have attracted Pupil Premium that did. Schools may need to consider this when they anticipate how much funding they may receive for Pupil Premium in 2021/22.

4 DSG budget plan for 2021/22

- 4.1 **Overall strategy.** The DSG, particularly the High Needs Block, looks set to incur a deficit in 2020/21 and there are high risks that a further deficit will be incurred in 2021/22. At a school

level, the financial position is not good. 19 out of 70 maintained schools have licenced deficits for 2020/21 financial year. Lambeth has the lowest national rises for Schools Block and Early Years Block. Then, we must take account of the local impact of an increase in the Lambeth Pension Fund contributions for support staff in April 2021.

4.2 In the circumstances, it is important to allocate the DSG in full for 2021/22. Moreover, it is important to increase High Needs Top-Up rates to take account of the increased costs of support staff in 2021/22. The forecast of a deficit to carry forward from 2020/21 and the risks of further pressure in the High Needs Block in 2021/22 are real and a cumulative deficit at the end of 2021/22 is likely. Nonetheless, this approach is being pursued with two aims in mind:

- a) **Individual schools' budgets.** To incur a short-term deficit centrally in the DSG to mitigate the impact of the Lambeth Pension Fund increase on the budgets of individual schools. Schools will still need to manage their increase, but by providing the additional high needs funding required for support staff, this ought to assist in adapting to the new arrangements.
- b) **Medium Term Financial Strategy.** 2021/22 is the second year of the £7.1bn national funding increase for schools. While that has not helped Lambeth Schools Block, nor the Early Years Block, it has provided stepped increases in the High Needs Block. On the expectation that 2022/23 will be the third and final year of a stepped increase, the aim would be to incur a short-term deficit in 2021/22 and to balance the DSG by March 2023.

4.3 Uncomfortable as it may be to risk a deficit position, this would appear to be the most appropriate approach for the circumstances that Lambeth finds itself in at this point. From a technical perspective, the in-year 2021/22 DSG will budget to bring forward part of the 2022/23 DSG to the extent that there are risks of overspend. The forecast 2020/21 DSG deficit, whatever it might finally be, will be deferred to 2022/23.

Table 3: Proposed DSG budget 2021/22

Block	(Estimated) Brought forward 2021/22 £'000	Provision al DSG 2021/22 £'000	Proposed budget requirement 2021/22 £'000	(Estimated) Carry Forward 2021/22 £'000	Comment
Schools Block	£235	£222,315	£222,315	-£235	Schools Block to budget for full requirement, such that the brought forward on the Growth Fund can be carried forward to 2022/23.
Central School Services Block	£	£1,181	£1,181	£	CSSB to be fully committed.
Early Years Block	£	£28,092	£28,092	£	Plan to allocate all of the Early Years Block
High Needs Block	£	£51,672	£52,454	£782	A planned temporary overspend in 2021/22, to be addressed with the expected third year of stepped High Needs budget increases in 2022/23.
De-delegated budgets	£123	£	£100	-£23	Vulnerable Schools Fund.
Unallocated	-£874	£	£	£874	
Total	-£516	£303,260	£304,142	£1,398	A planned temporary deficit to support schools with the aim of recovering by March 2023.

4.4 For the reasons set out in this section, it is these estimates that the LA will build into its budget plans for 2021/22, on the basis that the DSG returns to a balanced position by March 2023, subject to comments from Schools Forum and final decisions by Cabinet and Council.

4.5 The other reports on this agenda set out the issues, block by block. Appendix 1 sets out the timetable for budget setting for 2021/22 nationally and Appendix 2 sets out the decisions that are for the LA and those which are for Schools Forum to make.

4.6 The individual reports make it clear where Schools Forum is being asked to make a decision and where it is being asked to comment before the LA (ie Cabinet and Council) make final decisions. Broadly, Schools Forum are making decisions about Growth Fund (the decision on Falling Rolls has already been taken), most of the Central School Services Block activities and the proposed centrally retained spending in Early Years. The LA will make decisions on overall funding levels, mainstream and early years formulae and the High Needs budget arrangements. Where the LA is making the decision, it would be helpful for Schools Forum to indicate (where the recommendations prompt for comments) whether it is supportive of the proposed arrangements.

5 Recommendations.

5.1 This is an information item because decisions on each block are set out in separate papers, so Schools Forum is invited to discuss the overarching approach.

Extract from DfE Operational Guidance for Pre-16 funding 2021/22 (Timetable)

Local authority activity

01 October

- School census day.

11 October 2020

- Deadline for submitting disapplication requests (for response by December) for:
- MFG exclusions
- exceptional circumstances
- sparsity factors
- lump sum variations for amalgamating schools
- pupil number reductions

Mid-November 2020

- Closing date for submission of the 2021 to 2022 high needs place change workbooks.

20 November 2020

- Deadline for submitting disapplication requests (for response by the APT deadline) for:
- MFG exclusions
- exceptional circumstances
- sparsity factors
- lump sum variations for amalgamating schools
- pupil number reductions
- Deadline for submitting disapplication requests if the local authority wishes to move more than 0.5% of the schools block.
- A request must also be submitted if the schools forum has turned down a proposal from the local authority to move funding out of the schools block, but the local authority wishes to proceed with the transfer. The department aims to issue decisions before the APT deadline.

November 2020

- School census database closed.
- Check and validate school census.

Mid-January 2021

- Schools forum consultation and political approval required for final 2021 to 2022 funding formula.
- 16 January schools block disapplication submission amendment date.

21 January 2021

- Deadline for submission of final 2021 to 2022 APT to ESFA.

28 February 2021

- Deadline for confirmation of schools budget shares to mainstream maintained schools.

DfE or ESFA activity

July to September 2020

- NFF arrangements for 2021 to 2022 for schools, central school services and high needs published (illustrative allocations, PUFs, SUFs, policy document, technical notes).
- Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2021 to 2022.
- High needs funding operational guide for 2021 to 2022 issued to local authorities.
- Further information to illustrate 2021 to 2022 growth funding allocations will be provided to local authorities.

October to November 2020

- Publish 2021 to 2022 high needs place change notification: technical note.
- Check and validate school census.
- We will issue an early modelling version of the APT to help decision making in the autumn.

December 2020

- Final APT issued to local authorities, containing October 2020 census-based pupil data and factors.
- Publication of 2021 to 2022 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and initial high needs block allocations for 2021 to 2022.

By 31 March 2021

- Confirmation of 2021 to 2022 general annual grant for academies open by 9 January 2021.
- 2021 to 2022 allocation statements issued to post-16 institutions, academies, and NMSS.
- Publication of 2021 to 2022 high needs place numbers at institution level.

April 2021

- First DSG payments to local authorities based on 2021 to 2022 allocations, including academies recoupment (DSG allocations updated termly for in-year

academy conversions), FE high needs place funding deductions, and other adjustments.

Summer 2021

- Early years block updated for January 2021 early years pupil numbers.

Summer 2022

- Early years block updated for January 2022 early years pupil numbers (pro rata seven twelfths, as this relates only to the period September 2020 to March 2021).

Appendix 2

Extract from DfE Operational Guidance for Pre-16 funding 2021/22 (Annex 3: Schools Forum Approvals for Centrally Held Funding)

Schools forum approval is not required (although they should be consulted)

- high needs block provision
- central licences negotiated by the Secretary of State
- funding of brought forward deficits

Schools forum approval is required on a line-by-line basis

- funding to enable all schools to meet the infant class size requirement
- back pay for equal pay claims
- remission of boarding fees at maintained schools and academies
- places in independent schools for non-SEN pupils
- admissions
- servicing of schools forum
- contribution to responsibilities that local authorities hold for all schools
- contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only)
- de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)

Schools forum approval is required

- central early years block provision
- any movement of funding out of the schools block

Schools forum approval is required on a line-by-line basis – the budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into

- capital expenditure funded from revenue
- projects must have been planned and decided on prior to April 2013; no new projects can be charged
- details of the remaining costs should be presented
- contribution to combined budgets
- where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources
- existing termination of employment costs
- costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged
- prudential borrowing costs
- the commitment must have been approved prior to April 2013

- details of the remaining costs should be presented
- SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment)

Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools

- funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy
- funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years

Agenda Item 5

Title:	Schools Block Update 2021/22			
Date:	14th January 2021			
Report to:	Schools Forum			
Report for:	Information	Decision X	Consultation x	Action
Author:	Dominique Johnston-Franklin, David Tully			

1 Purpose of this report

- 1.1 This report seeks confirmation by Schools Forum of their support for the arrangements for the mainstream schools funding formula for 2021/22. This includes:
- Budgeting to use the whole of the available £222.315m in 2021/22
 - Final figures for the main funding formula, the principles of which have already been agreed in previous meetings;
 - Setting the Minimum Funding Guarantee at 1.5% for 2021/22;
 - Supporting technical adjustments to the Minimum Funding Guarantee for three schools, the principles of which were considered as part of the formula consultation exercise in November 2020;
 - A budget for the Growth Fund;
 - Confirmation of the Falling Rolls Fund.

2 Schools Block Funding 2021/22

- 2.1 The arrangements for the use of the Schools Block, in particular how the mainstream funding formula should be adapted for 2021/22, have been the subject of consultation with all schools. Schools Forum has made decisions in recent meetings to determine the principles on which the formula will distribute available funding.
- 2.2 The Secretary of State for Education announced the Schools Funding Settlement on 17th December 2020, including the Provisional DSG for 2021/22. The Schools Block reflected the Primary and Secondary Units of Funding advised in July 2020, updated to reflect the pupil numbers in the October 2020 census. The LA also received an Authority Proforma Tool (APT) (the mechanism for calculating and reporting mainstream formula budgets for 2021/22), which reflected October pupil and other data. The LA must submit a completed APT by 21st January 2021, subject to political clearance.
- 2.3 In Lambeth, the process is that Schools Forum decides on those aspects of the DSG arrangements that are theirs to decide (eg Minimum Funding Guarantee, Growth Fund, Falling Rolls Fund) (see Appendix 2 in the DSG Overview Report for details), but other matters, including the overall funding and the formula itself are formally for the LA to determine. Schools Forum is invited to make a recommendation to Cabinet about the Schools Block. In turn, Cabinet makes recommendations to full Council on 24th February 2021, where final decisions are made.
- 2.4 The Provisional Schools Block DSG for 2021/22 is set out in **Table 1a**. They reflect a headline 2% increase per pupil, after Teachers Pay and Pension Grants are mainstreamed into the DSG. Pupil numbers are falling in primary by 564, but have increased in secondary by 141, a net loss of 423. Premises funding rose by £0.8m to reflect the sum of the allocations in the 2020/21 formula for split sites, rates and PFI (plus

indexation for PFI only). Funding of £0.4m was no longer a feature in the 2021/22 Schools Block. Growth Funding had been expected to reduce by 0.5% of the DSG (the maximum loss in the Growth Factor).

Table 1a: Provisional Schools Block DSG 2021/22, compared to 2020/21.

Component	2020/21			2021/22			Difference £m
	Pupil Nos	PUF / SUF*	Total 2020/21 £m	Pupil Nos	PUF / SUF*	Total 2021/22 £m	
Primary NFF*	21,292	£5,787.43	£123.225m	20,728	£5,893.62	£122.163m	-£1.062m
Secondary NFF*	11,539	£7,845.91	£90.534m	11,680	£8,004.63	£93.494m	+£2.960m
Premises NFF			£3.810m			£4.656m	£0.846m
Funding protection			£0.381m			£0m	-£0.381m
Growth Factor			£3.066m			£2.002m	-£1.064m
Total Schools Block DSG (Including TPG / TPECG)			£221.015m			£222.315m	+£1.299m

Note *: In 2020/21, the equivalent Primary / Secondary Unit of Funding included Teachers Pay and Pension Grant elements of £214 per primary pupil and £314.99 per secondary pupil. These elements have been mainstreamed into the DSG for 2021/22.

2.5 The figures in **Table 1a** differ from those used in the consultation paper in November 2020, only to the extent that the final validated pupil numbers from the ESFA were different to those supplied by individual schools. **Table 1b** sets out the differences.

Table 1b: Provisional Schools Block DSG 2021/22, compared to figures used in local Nov 2020 consultation.

Component	November 2020 consultation assumptions			Provisional DSG December 2020 for 2021/22			Difference £m
	Pupil Nos	PUF / SUF*	Total £m	Pupil Nos	PUF / SUF*	Total £m	
Primary NFF*	20,764	£5,893.62	£122.375m	20,728	£5,893.62	£122.163m	-£0.212m
Secondary NFF*	11,763	£8,004.63	£94.158m	11,680	£8,004.63	£93.494m	-£0.664m
Premises NFF			£4.656m			£4.656m	£0m
Funding protection			£0m			£0m	£0m
Growth Factor			£2.002m			£2.002m	£0m
Total Schools Block DSG (Including TPG / TPECG)			£223.192m			£222.315m	-£0.876m

2.6 The allocation for the Growth Fund was protected because the pure Growth Factor in the NFF provides Lambeth with much less than in previous years. The figures for 2021/22 do, however, give some good news. On the basis of the 2020/21 Growth Factor, it was expected that the £2.002m for 2021/22 would be followed by a possible further c£1m reduction in 2022/23.

2.7 **Table 2** sets out the calculation for the Growth Fund entitlement, which has £0.370m transitional protection and an £81k allocation for the new Harris Clapham school. For 2022/23, the working assumption would be that neither of these two elements would feature. So, the working assumption about the growth fund allocation for 2022/23 is £0.333m + £1.218m = **£1.551m**.

Table 2: Composition of the Growth Factor in the Schools Block 2021/22

Sector	No of Lambeth MSOAs with schools (out of 33)	No with growing pupil numbers	Fte pupils total in growing MSOAs	Rate (including ACA of 1.184) £	Allocation 2021/22 £m
Primary	31	10	193.5	£1,722.45	£0.333m
Secondary	16	8	473	£2,574.80	£1.218m
New school allocation (ie Harris Clapham)					£0.081m
Transitional protection					£0.370m
Total Growth Allocation 2021/22					£2.002m

- 2.8 While this is a reduction of £0.432m, this coincides with the natural ending of additional support for the 1 fe expansion at Paxton and 5 of the 7 forms of entry expansion at Woodmansterne.
- 2.9 The Growth Fund budget for 2022/23 would not need to provide for 6 new classrooms at £20k each, saving £0.120m against the 2021/22 position.
- 2.10 The funding formula would not need to factor in 30 primary places at Paxton for September 2022 to March 2023 (7/12ths), saving £88k against the 2021/22 position.
- 2.11 The funding formula would not need to factor in 60 primary places and 90 secondary places at Woodmansterne for September 2022 to March 2023 (7/12ths), saving £0.536m against the 2021/22 position.
- 2.12 Overall this suggests that the expected loss of £0.432m on the Growth Factor in the DSG will be more than offset by £0.744m of reduced costs in 2022/23. In effect, this may prove to be less of an issue for the next few years (ie until the Woodmansterne, then the Harris Clapham expansions, are complete).

3 Falling Rolls Fund

- 3.1 Schools Forum agreed at its meeting in December 2020 to set aside £0.585m for the Falling Rolls Fund for 2021/22 and that it should be allocated on the same basis as in 2020/21. An indication of the likely distribution was included as an appendix to that report.

4 Growth Fund

- 4.1 Schools Forum agreed the criteria for the Growth Fund at its meeting in October 2020. A total of £0.180m was expected to be required for 2021/22 and that continues to be the case. Originally, the intention was to use the brought forward balance of £0.235m to meet any costs on the Growth Fund. Given the financial position of the DSG overall, the LA proposes that the brought forward balance be deferred to 2022/23 and that the Growth Fund requirement of £0.180m be budgeted for in full for 2021/22.

- 4.2 **Table 3** sets out a reminder of the expected Growth Fund commitments for 2021/22 and indicates the likely calls on the fund in 2022/23.

Table 3. Estimated commitments on Growth Fund 2021/22 and 2021/23

School	Component	Extra forms of entry (2021/22 academic year)	Sept 2021 (2021/22 financial year) £'000	Sept 2022 (2022/23 financial year) £'000
Paxton	Classroom start-up	1 primary (Y6)	£20	£0
St Leonards	Classroom start-up	1 primary (Y5)	£20	£0
Woodmansterne	Classroom start-up	2 primary (Y6), 2 secondary (Y9) 3 secondary (Y11)	£140	£60
Total			£180	£60

5 Mainstream Funding Formula

- 5.1 Schools Forum agreed at its meeting in December, following consultation with all schools in November 2020, that changes to the mainstream funding formula should be made. Schools Forum supported the option that shifted 2% of the age-weighted pupil unit (AWPU) values in 2020/21 to pupil led factors and that those factors better reflect the relative amounts in the National Funding Formula.
- 5.2 The illustrations in the November 2020 consultation exercise used estimates of the October 2020 pupil numbers, but had to use the October 2019 pupil characteristics data. The October 2020 pupil numbers and pupil characteristics have now been received from the ESFA for use in the 2021/22 formula.
- 5.3 Officers have populated the formula with refreshed values for National Non-Domestic Rates (estimates for 2021/22 and adjustments for prior years), split sites (including 1.2% general inflation increase) and PFI factor (no change on the figure included in the November consultation papers).
- 5.4 Two technical adjustments to the Minimum Funding Guarantee are proposed for the two all-through schools because of the changing balance in their primary pupils compared to their secondary numbers. The details of this are in the next section.
- 5.5 The remaining factor values were set at those agreed for Option 2 in the November consultation papers and the Minimum Funding Guarantee was set at 0.5%. In order to distribute the total available funding, the AWPU and pupil-led factor values were adjusted relative to each other until the grand total matched.
- 5.6 The resulting outcomes of the formula are summarised in **Table 4**. **Appendix 1** sets out the factor values and **Appendix 2** sets out the school-by-school impact of these allocations.

Table 4: Analysis of Lambeth mainstream formula proposals 2021/22

Formula factor	Primary	Secondary	Total
AWPUs	£91.241m	£77.651m	£168.892m
Pupil led factors	£19.013m	£14.265m	£33.278m
Lump sums	£10.345m	£3.086m	£13.431m
Split sites	£0.388m	£0.042m	£0.430m
NNDR (rates)	£2.584m	£1.078m	£3.662m
PFI		£0.209m	£0.209m
Minimum Funding Guarantee	£0.932m	£0.717m	£1.649m
Total formula	£124.503m	£97.048m	£221.551m
Falling Rolls Fund			£0.585m
Growth Fund			£0.180m
Total Schools Block allocations 2021/22			£222.315m

- 5.7 The turn-around time for preparing the APT is very short and it remains possible that amendments to the details are necessary either prior to submission on 21st January 2021, or in response to ESFA queries later. These may result in changes to the precise details for individual schools, but there will be no change to the principles of how the formula allocations have been agreed.

6 Minimum Funding Guarantee

- 6.1 The ESFA has indicated that the MFG may be set locally at a rate between 0.5% and 2.0%. Schools Forum has not formally decided what rate should apply for 2021/22. In the illustrations in the November consultation and in the illustrations here, the LA has adopted the lowest rate in the range (ie 0.5%). A low MFG is consistent with an approach that is trying to move closer to the National Funding Formula. This is because a higher level of protection would inhibit the operation of the formula and it would delay the changes that have been agreed. An MFG of 0.5% still provides protection for schools that would otherwise lose funding. Officers would recommend that Schools Forum agree to the adoption of 0.5% as the MFG rate for 2021/22.
- 6.2 In the November consultation and in previous considerations by Schools Forum, it was highlighted that there may be up to four schools where a technical adjustment to the Minimum Funding Guarantee was sought. The matter was deferred until the details of the December announcement were available. Of the four schools, officers believe that only two technical adjustments are necessary. Any technical adjustment has to be approved by the Secretary of State and an adjustment is much less likely to be agreed if it does not have School Forum support.
- 6.3 The situation with the four schools is as follows:
- Woodmansterne.** This is an all-through school, where the expansion of the school is resulting in more secondary age pupils than primary ones. Their MFG for 2020/21 was based on 37% of their pupils being in secondary (which have higher AWPU and other values) and their unadjusted MFG for 2021/22 is based on 42% of their pupils being in secondary. **Appendix 3** sets out the basis of the calculation to adjust their MFG such that the 2021/22 balance between primary and secondary at the school is used. This has the effect of **increasing their MFG by £145.11 per pupil**, which has a total cost of **£0.139m** to the funding formula.
 - Dunraven.** This is an all-through school, where natural changes in the demographics of the school have resulted in slightly more secondary age pupils than primary ones. Their MFG for 2020/21 was based on 72% of their pupils being in secondary (which have higher AWPU and other values) and their unadjusted MFG for 2021/22 is based on 73% of their pupils being in secondary. **Appendix 3** sets out

the basis of the calculation to adjust their MFG such that the 2021/22 balance between primary and secondary at the school is used. This has the effect of **increasing their MFG by £7.78 per pupil**, which has a total cost of **£0.012m** to the funding formula.

- c. **Harris Clapham.** This is a new secondary school whose pupil led funding for 2020/21 had to be estimated (as they did not have any actual pupils at the time). The concern was that the pupil characteristics of their actual intake in September 2020 would point to a lower level of funding than that used for the estimates. Had that been the case, the school would have received protected funding, possibly for many years, that was not merited. In the end, this has not happened. The actual funding requirement for the school, driven by their actual pupil cohort, is materially higher than the MFG. No adjustment is necessary.
- d. **Lilian Bayliss.** Schools Forum were advised that officers were re-considering the long-term affordability of the PFI contract at Lilian Bayliss. Had it been the case that the LA was heading for a deficit on the PFI account by contract end, an increase in the PFI factor would have been sought. An adjustment to the MFG for Lilian Bayliss would have ensured that they received this adjusted sum. Officers have concluded that no adjustment to the PFI factor is necessary, so no adjustment to the MFG for Lilian Bayliss is necessary either.

7 Next steps

- 7.1 This paper reflects the outcomes of many months of analysis, consultation and discussion by Schools Forum. The responses to the recommendations below will be conveyed to Cabinet and to Council when they make final decisions about the DSG for 2021/22 at their meetings in February 2021.

8 Recommendations

8.1 Schools Forum is invited to:

- a) Confirm the funding formula for 2021/22 as set out in section 5
- b) Confirm that the Minimum Funding Guarantee should be set at 0.5% for 2021/22
- c) Confirm agreement to seek approval from the Secretary of State to vary the MFG on technical grounds for the two all-through schools (Woodmansterne and Dunraven) because of shifts in the balance of their pupil numbers to secondary.
- d) Note that Falling Rolls Fund of £0.585m has already been agreed.
- e) Confirm that a budget of £0.180m for the Growth Fund be set aside in 2021/22
- f) Identify any points they may wish to convey to Cabinet as part of their deliberations on the DSG budget for 2021/22.

Formula values and units 2021/22

This uses 99.84% of the values for AWPU's and pupil led factors in the Option 2 of the consultation that was agreed by SF, then adds the other factors.

Appendix 1

99.84%

Factor type	Factor	2021/22 Lambeth Value Primary	2021/22 Lambeth Value Secondary	Units Primary	Units Secondary	Amount distributed 2021/22 £'000
Age-Weighted Pupil Unit	Primary (Years R-6)	£4,383.23		20,816.00		£91,241
Age-Weighted Pupil Unit	Key Stage 3 (Years 7-9)	£6,450.84		7,302.75		£47,109
Age-Weighted Pupil Unit	Key Stage 4 (Years 10-11)	£6,637.50		4,601.50		£30,542
Deprivation	FSM	£398.32	£398.32	6,350.01	3,917.73	£4,090
Deprivation	FSM6	£497.90	£727.37	7,342.27	5,644.72	£7,761
Deprivation	IDACI Band F	£186.17	£268.43	3,140.09	1,855.17	£1,083
Deprivation	IDACI Band E	£225.14	£359.35	3,770.88	2,205.76	£1,642
Deprivation	IDACI Band D	£355.02	£502.23	3,069.72	1,883.94	£2,036
Deprivation	IDACI Band C	£385.33	£545.52	3,553.59	2,269.03	£2,607
Deprivation	IDACI Band B	£411.31	£588.82	923.01	724.97	£807
Deprivation	IDACI Band A	£536.87	£749.01	181.51	114.29	£183
3) Looked After Children (LAC)	LAC X March 19	£0.00		106.70		£
English as an Additional Language	EAL 3 Primary	£476.25		5,200.11		£2,477
English as an Additional Language	EAL 3 Secondary		£1,285.88		743.14	£956
Mobility	Pupils starting school outside of normal entry dates	£779.32	£1,117.03	29.32	0.00	£23
Prior Attainment	Primary Low Attainment		£948.17	32.47%	6,284.56	£5,959
Prior Attainment	Secondary low attainment (year 7)	64.53%		21.37%		
Prior Attainment	Secondary low attainment (year 8)	63.59%		22.46%		
Prior Attainment	Secondary low attainment (year 9)	58.05%	£1,437.41	21.24%	2,543.17	£3,656
Prior Attainment	Secondary low attainment (year 10)	48.02%		20.76%		
Prior Attainment	Secondary low attainment (year 11)			16.51%		
Basic Entitlement	7) Lump Sum	£170,000		79.00		£13,430
Premises	10) Split Sites					£430
Premises	11) Rates					£3,662
Premises	12) PFI funding					£209
Minimum Funding Guarantee	MFG					£1,649
Growth Fund						£180
Falling Rolls Fund						£585
Unallocated						
GRAND TOTAL SCHOOLS BUDGET						£222,315

Agreed Option 2 Values - Primary	Agreed Option 2 Values - Secondary
£4,390.16	
6,461.05	
6,648.01	
398.95	398.95
498.69	728.52
186.47	268.86
225.49	359.92
355.59	503.02
385.94	546.39
411.96	589.75
537.72	750.20
477.01	
	1,287.91
780.55	1,118.79
32.61%	949.67
21.84%	
22.48%	
21.08%	1,439.69
21.12%	
17.01%	

£170,000

School-by-school illustration of the mainstream formula proposals 2021/22

Appendix 2

URN	LAESTAB	School Name	Formula pupil numbers - total	Formula pupil numbers - Primary	Formula pupil numbers - secondary	Basic Entitlement Total £'000	Additional Educational Needs Total £'000	School Factors total £'000	21-22 MFG Adjustment £'000	21-22 Post MFG Budget £'000	De-delegation	Education functions for maintained schools	Post De-delegation and Education functions budget
100556	2082022	Ashmole Primary School	204.00	204.00	0.00	£894	£179	£203	£	£1,276	-£1	-£4	£1,271
100560	2082115	Clapham Manor Primary School	395.00	395.00	0.00	£1,731	£353	£248	£	£2,332	-£2	-£8	£2,322
100564	2082265	Granton Primary School	586.00	586.00	0.00	£2,569	£556	£235	£	£3,360	-£3	-£12	£3,345
100566	2082292	Heathbrook Primary School	331.00	331.00	0.00	£1,451	£319	£209	£	£1,979	-£2	-£7	£1,970
100567	2082295	Henry Cavendish Primary School	762.00	762.00	0.00	£3,340	£475	£363	£88	£4,267	-£4	-£16	£4,247
100572	2082331	Jessop Primary School	339.00	339.00	0.00	£1,486	£280	£218	£	£1,984	-£2	-£7	£1,976
100574	2082359	Kingswood Primary School	671.00	671.00	0.00	£2,941	£661	£320	£	£3,922	-£3	-£14	£3,905
100576	2082371	Lark Hall Primary School (Including Lark Hall Centre)	324.00	324.00	0.00	£1,420	£433	£222	£245	£2,321	-£2	-£7	£2,312
100577	2082459	Paxton Primary School	501.50	501.50	0.00	£2,198	£366	£241	£	£2,806	-£3	-£10	£2,793
100578	2082504	Richard Atkins Primary School	283.00	283.00	0.00	£1,240	£320	£234	£	£1,794	-£1	-£6	£1,787
100584	2082575	Sudbourne Primary School	302.00	302.00	0.00	£1,324	£285	£211	£	£1,819	-£2	-£6	£1,812
100585	2082578	Sunnyhill Primary School	367.00	367.00	0.00	£1,609	£347	£269	£40	£2,265	-£2	-£8	£2,256
100586	2082591	Telferscot Primary School	396.00	396.00	0.00	£1,736	£161	£209	£18	£2,123	-£2	-£8	£2,113
100588	2082617	Vauxhall Primary School	201.00	201.00	0.00	£881	£250	£177	£	£1,308	-£1	-£4	£1,303
100589	2082626	Walnut Tree Walk Primary School	271.00	271.00	0.00	£1,188	£278	£201	£	£1,667	-£1	-£6	£1,660
100591	2082664	Wyvil Primary School and Resource Bases for Special	470.00	470.00	0.00	£2,060	£642	£259	£12	£2,973	-£2	-£10	£2,961
100593	2082783	Crown Lane Primary School	315.00	315.00	0.00	£1,381	£344	£261	£	£1,986	-£2	-£7	£1,978
100595	2082785	Fenstanton Primary School	376.00	376.00	0.00	£1,648	£430	£170	£	£2,248	-£2	-£8	£2,238
100597	2082794	Elm Wood School	392.00	392.00	0.00	£1,718	£295	£225	£	£2,238	-£2	-£8	£2,228
100598	2082808	Allen Edwards Primary School	305.00	305.00	0.00	£1,337	£359	£219	£	£1,915	-£2	-£6	£1,907
100601	2082836	Glenbrook Primary School	169.00	169.00	0.00	£741	£205	£215	£	£1,161	-£1	-£4	£1,156
100604	2082868	Herbert Morrison Primary School	190.00	190.00	0.00	£833	£206	£199	£	£1,237	-£1	-£4	£1,232
100608	2082895	Streatham Wells Primary School	208.00	208.00	0.00	£912	£138	£199	£2	£1,251	-£1	-£4	£1,245
131247	2082897	Bonneville Primary School	335.00	335.00	0.00	£1,468	£287	£217	£	£1,973	-£2	-£7	£1,964
131340	2082898	Hill Mead Primary School	345.00	345.00	0.00	£1,512	£447	£226	£	£2,185	-£2	-£7	£2,176
131824	2082900	Hitherfield Primary School	598.00	598.00	0.00	£2,621	£449	£300	£89	£3,460	-£3	-£12	£3,444
131874	2082901	Henry Fawcett Primary School	301.00	301.00	0.00	£1,319	£356	£212	£	£1,887	-£2	-£6	£1,879
100582	2082902	Stockwell Primary School	466.00	466.00	0.00	£2,043	£481	£291	£	£2,815	-£2	-£10	£2,803
133315	2082903	Kings Avenue School	218.00	218.00	0.00	£956	£250	£219	£	£1,425	-£1	-£5	£1,420
133584	2082905	Loughborough Primary School	311.00	311.00	0.00	£1,363	£432	£242	£	£2,037	-£2	-£6	£2,029
133662	2083000	Jubilee Primary School	348.00	348.00	0.00	£1,525	£402	£259	£	£2,186	-£2	-£7	£2,177
100609	2083307	Archbishop Sumner Church of England Primary School	362.00	362.00	0.00	£1,587	£364	£211	£71	£2,232	-£2	-£8	£2,222
100610	2083324	Christ Church Primary SW9	176.00	176.00	0.00	£771	£190	£178	£	£1,139	-£1	-£4	£1,134
100612	2083375	Macaulay Church of England Primary School	176.00	176.00	0.00	£771	£125	£176	£	£1,073	-£1	-£4	£1,068
100613	2083403	St Andrew's Church of England Primary School	198.00	198.00	0.00	£868	£211	£175	£	£1,254	-£1	-£4	£1,249
100614	2083457	St John the Divine Church of England Primary School	154.00	154.00	0.00	£675	£142	£175	£	£992	-£1	-£3	£988
100615	2083466	St John's Angell Town Church of England Primary School	193.00	193.00	0.00	£846	£223	£192	£	£1,261	-£1	-£4	£1,256
100616	2083491	St Jude's Church of England Primary School	198.00	198.00	0.00	£868	£112	£176	£	£1,156	-£1	-£4	£1,151
100619	2083502	St Mark's Church of England Primary School	188.00	188.00	0.00	£824	£233	£175	£	£1,232	-£1	-£4	£1,228
100620	2083589	St Saviour's Church of England Primary School	193.00	193.00	0.00	£846	£140	£173	£	£1,159	-£1	-£4	£1,154
100621	2083596	St Stephen's Church of England Primary School	184.00	184.00	0.00	£807	£218	£174	£	£1,199	-£1	-£4	£1,194
100622	2083621	Holy Trinity Church of England Primary School	270.00	270.00	0.00	£1,183	£305	£180	£	£1,668	-£1	-£6	£1,661
100623	2083641	St Helen's Catholic School	262.00	262.00	0.00	£1,148	£298	£175	£	£1,622	-£1	-£5	£1,615
134507	2083642	The Orchard School	210.00	210.00	0.00	£920	£210	£173	£	£1,304	-£1	-£4	£1,298
135614	2083643	Iqra Primary School	209.00	209.00	0.00	£916	£233	£175	£151	£1,475	-£1	-£4	£1,470
100628	2085200	St Bernadette Catholic Junior School	220.00	220.00	0.00	£964	£177	£175	£	£1,316	-£1	-£5	£1,310

School-by-school illustration of the mainstream formula proposals 2021/22

Appendix 2

URN	LAESTAB	School Name	Formula pupil numbers - total	Formula pupil numbers - Primary	Formula pupil numbers - secondary	Basic Entitlement Total £'000	Additional Educational Needs Total £'000	School Factors total £'000	21-22 MFG Adjustment £'000	21-22 Post MFG Budget £'000	De-delegation	Education functions for maintained schools	Post De-delegation and Education functions budget
100629	2085201	St Anne's Catholic Primary School	326.00	326.00	0.00	£1,429	£403	£182	£	£2,014	-£2	-£7	£2,006
100631	2085203	St Bede's Catholic Infant School	121.00	121.00	0.00	£530	£147	£173	£	£850	-£1	-£3	£847
100632	2085204	St Andrew's Catholic Primary School	405.00	405.00	0.00	£1,775	£274	£183	£	£2,232	-£2	-£8	£2,221
100633	2085205	Immanuel and St Andrew Church of England Prima	407.00	407.00	0.00	£1,784	£243	£182	£11	£2,221	-£2	-£8	£2,210
100634	2085206	Reay Primary School	204.00	204.00	0.00	£894	£196	£176	£	£1,266	-£1	-£4	£1,261
100636	2085208	St Mary's Roman Catholic Primary School	300.00	300.00	0.00	£1,315	£246	£173	£	£1,734	-£2	-£6	£1,726
100602	2085209	Julian's School	951.00	951.00	0.00	£4,168	£546	£256	£105	£5,076	-£5	-£20	£5,051
100624	2084223	Norwood School	875.00	0.00	875.00	£5,704	£882	£457	£178	£7,222	-£4	-£18	£7,199
100625	2084321	Lillian Baylis Technology School	600.00	0.00	600.00	£3,915	£773	£624	£	£5,312	-£3	-£12	£5,296
100627	2084509	Saint Gabriel's College	590.00	0.00	590.00	£3,849	£873	£136	£	£4,858	-£3	-£12	£4,842
100637	2085400	La Retraite Roman Catholic Girls' School	830.00	0.00	830.00	£5,415	£863	£191	£	£6,469	-£4	-£17	£6,447
100638	2085401	Bishop Thomas Grant Catholic Secondary School	938.00	0.00	938.00	£6,119	£606	£203	£134	£7,062	-£5	-£20	£7,037
100642	2085405	London Nautical School	508.00	0.00	508.00	£3,318	£660	£191	£	£4,169	-£3	-£11	£4,156
100590	2082657	Woodmansterne All-through School	1,341.50	772.00	569.50	£7,085	£1,033	£565	£140	£8,822	-£7	-£28	£8,788
146368	2082001	Van Gogh Primary	469.00	469.00	0.00	£2,056	£537	£253	£	£2,846	£	£	£2,846
137430	2082332	Oasis Academy Johanna	196.00	196.00	0.00	£859	£209	£175	£	£1,243	£	£	£1,243
144308	2082899	Rosendale Primary School	668.00	668.00	0.00	£2,928	£369	£183	£	£3,480	£	£	£3,480
145614	2083329	Christ Church, Streatham Church of England Prima	196.00	196.00	0.00	£859	£163	£175	£	£1,197	£	£	£1,197
145615	2083493	St Leonard's Church of England Primary school	334.50	334.50	0.00	£1,466	£219	£181	£	£1,867	£	£	£1,867
145616	2083499	St Luke's Church of England Primary School	187.00	187.00	0.00	£820	£203	£173	£	£1,195	£	£	£1,195
137295	2085202	Corpus Christi Catholic Primary School	393.00	393.00	0.00	£1,723	£263	£202	£	£2,188	£	£	£2,188
139659	2084000	Oasis Academy South Bank	608.00	0.00	608.00	£3,967	£967	£214	£	£5,148	£	£	£5,148
140966	2084003	Trinity Academy	534.00	0.00	534.00	£3,477	£795	£217	£123	£4,611	£	£	£4,611
142905	2084005	South Bank Engineering UTC	55.00	0.00	55.00	£365	£62	£226	£10	£663	£	£	£663
145857	2084006	Archbishop Tenison's School	319.00	0.00	319.00	£2,087	£492	£186	£	£2,765	£	£	£2,765
147543	2084007	Harris Academy Clapham	310.75	0.00	310.75	£2,005	£443	£234	£	£2,681	£	£	£2,681
136450	2084322	Platanos College	961.00	0.00	961.00	£6,272	£1,407	£250	£	£7,929	£	£	£7,929
144309	2084731	The Elmgreen School	866.00	0.00	866.00	£5,649	£914	£231	£124	£6,918	£	£	£6,918
137966	2085404	St Martin in the Fields High School for Girls	392.00	0.00	392.00	£2,559	£508	£209	£5	£3,281	£	£	£3,281
134815	2086905	Lambeth Academy	691.00	0.00	691.00	£4,513	£853	£228	£36	£5,629	£	£	£5,629
135389	2086906	Ark Evelyn Grace Academy	512.00	0.00	512.00	£3,346	£800	£226	£	£4,372	£	£	£4,372
137954	2086907	City Heights E-ACT Academy	644.00	0.00	644.00	£4,211	£972	£231	£	£5,414	£	£	£5,414
137093	2085402	Dunraven School	1,514.00	413.00	1,101.00	£8,992	£1,187	£288	£68	£10,535	£	£	£10,535
Total			32,720	20,816	11,904	£168,892	£33,278	£17,731	£1,649	£221,550	-£116	-£476	£220,958

Assessment of whether an adjustment is needed for the MFG at Woodmansterne and Dunraven

Appendix 3

	Woodmansterne			Dunraven		
	Primary	Secondary	Total	Primary	Secondary	Total
APT 2020/21	£3,945,040.15	£3,248,716.66	£7,193,756.81	£2,032,011.93	£7,802,217.84	£9,834,229.76
less rates	-£351,327.22	-£202,463.88	-£553,791.10	-£17,187.72	-£45,081.18	-£62,268.90
less lump sum	-£107,848.66	-£62,151.34	-£170,000.00	-£46,924.11	-£123,075.89	-£170,000.00
plus TPG / TPPG	£176,232.84	£149,487.74	£325,720.58	£97,026.91	£374,586.52	£471,613.43
Amount inside MFG	£3,662,097.11	£3,133,589.18	£6,795,686.29	£2,064,927.01	£8,008,647.29	£10,073,574.29
2020/21 pupil numbers	721.00	415.50	1,136.50	411.00	1,078.00	1,489.00
Separate MFG values 2021/22	£5,079.19	£7,541.73	£5,979.49	£5,024.15	£7,429.17	£6,765.33
2021/22 pupil numbers	772.00	569.50	1,341.50	413.00	1,101.00	1,514.00
Revised MFG value 2021/22*	£5,079.19	£7,541.73	£6,124.60	£5,024.15	£7,429.17	£6,773.11
Difference			£145.11			£7.78

Conclusion:

Woodmansterne. The balance of pupil numbers has shifted to secondary where there is higher protection. Seek a technical adjustment to the MFG for 2021/22. Impact is in excess of £130k.

Dunraven. The balance of pupil numbers has shifted marginally to secondary where there is higher protection. Seek a technical adjustment to the MFG for 2021/22. Impact is in excess of £10k.

Both schools would receive (more) MFG in 2021/22 as a consequence of making this adjustment.

TPG / TPPG relative amounts pp	£214.00	£314.99		£214.00	£314.99	
Ratio of funding	1.00	1.47		1.00	1.47	
Weighted pupil numbers	721.00	611.58	1,332.58	411.00	1,586.73	1,997.73

Note *: (2021/22 primary pupils x primary MFG value plus 2021/22 sec pupil numbers x secondary MFG value) all divided by total 2021/22 pupil numbers.

The split between primary secondary in the first line is based on discrete primary or secondary formula factors. Other factors (rates, lump sums) are split on simple pupil numbers (ie even if there are discrete rates bills for primary premises / secondary premises, the total for rates is still split on pupil numbers). The TPG / TPPG (teachers pay and pension grants) are apportioned on weighted pupil numbers, relative to the per pupil values in the grants.

Agenda Item 6**Title: High Needs Block 2020/21 and 2021/22****Date: 14th January 2021****Report to: Schools Forum****Report for: Information x Decision Consultation x Action****Authors: David Tully, Adam Yarnold****1. Purpose of this report.**

1.1 This report provides an update on the overall High Needs Block for 2020/21 and it sets out the proposed High Needs budget for 2021/22 to put to Cabinet in February 2021. The High Needs Budget is a Local Authority responsibility, but Schools Forum is entitled to be consulted on the arrangements before decisions are made.

2. High Needs Budget Monitor 2020/21

2.1 The DSG Overview report elsewhere on this agenda indicates that there is a £1.399m pressure on the High Needs budget currently. **Table 1** below summarises the position. **Appendix 1** provides more details on the current forecasts.

Table 1. Summary forecast position for the High Needs Budget 2020/21 (Dec 2020)

Component	Latest budget 2020/21	Forecast 2020/21 £'000	Variance £'000	Previous Variance (Nov SF) £'000	Movement £'000
1. Places only	£10,500	£10,384	(£116)	(£116)	£0
2. SEN Top-Ups	£32,446	£34,263	+£1,820	+£1,509	+£308
3. AP Top-Ups	£1,989	£1,628	(£361)	(£361)	£0
4. Other High Needs provision	£2,232	£2,291	+£59	+£59	£0
Total Commitment (gross)	£47,167	£48,566	+£1,399	+£1,091	+£308
High Needs DSG Funding (gross)	£47,167	£47,167	£0	£0	£0
Total funding	£47,167	£47,167	£0	£0	£0
Net position	£0	+£1,399	+£1,399	+£1,091	+£308

2.1 The overall position on SEND is a projected overspend of £1.8m, with a compensating saving of £0.4m in Alternative Provision. The High Needs budget is volatile; numbers and costs of cases can fluctuate and back-dated claims can sometimes exceed expectations. Previous reports had indicated that there were some risks of further pressure as officers worked to bring payments up-to-date, particularly on non-Lambeth settings.

2.2 Officers have been working through the summer leavers / autumn joiners at all settings. Much of this work is near completion for Lambeth settings, but there remain some further changes to reflect in non-Lambeth settings. Bringing the payments for some institutions up-to-date has revealed some back-dated costs that have a one-off impact on the underlying position.

- 2.3 The Alternative Provision position has been discussed with the LA's main provider. The AP reductions are due to lower participation levels in Lambeth PRUs, which is partly offset by those settings providing SEND support for more children with social, emotional and mental health needs.

3. Proposed High Needs budget 2021/22

- 3.1 The provisional High Needs DSG for 2021/22 has been confirmed as £51.672m, an increase of £0.144m on the indicative figures provided by the ESFA in July 2020, and an increase of £4.5m on the High Needs Block for 2020/21. The figures include Teacher Pay Grant (TPG) and Teachers Pension Employer Contribution Grant (TPECG) for specialist SEND and Alternative Provision settings of £0.6m. On a like-for-like basis, this represents a £3.9m (8%) increase in funding. This gives scope again to address any priority funding issues for the high needs block in 2021/22.
- 3.2 The plan for setting the 2021/22 High Needs budget has been broadly as follows:
- a. Always seek to meet the needs of Lambeth's children and young people with SEND;
 - b. Promote inclusion above exclusion;
 - c. Seek provision in-borough before out-borough;
 - d. Set a balanced budget;
 - e. Identify and cost known commitments for 2021/22;
 - f. Estimate potential leavers and joiners during the year;
 - g. Aim to increase Lambeth top-up rates to address cost pressures, particularly that for the Lambeth Pension Fund increase of 10% from April 2021;
 - h. Provide for other cost pressures;
 - i. Review the scope and size of the Disproportionate SEND Fund.
- 3.3 **Table 2** sets out the budget that officers propose to put to Cabinet in February 2021, with further details in **Appendix 2**. This is followed by an explanation of the main components and the medium-term aims.
- 3.4 The DSG Overview report elsewhere on this agenda identifies that the plan is to balance the DSG overall by March 2023 and to manage a probable deficit position in 2021/22 in the High Needs Block. This keeps the risks and assumptions about the high needs budget transparent. It allows the cost-pressures from the Lambeth Pension Fund changes to be mitigated for support staff in high needs provision by increasing high needs top-ups. This approach is dependent on the third year of the £7.1bn national increase for schools translating again into a stepped increase for the High Needs budget.

Table 2. Proposed High Needs DSG budget 2021/22

Component	Budget 2020/21 £'000	Proposed budget requirement for 2021/22 £'000	Variance £'000
1. Places only	£10,500	£11,683	£1,183
2. SEN Top-Ups	£32,446	£37,602	£5,156
3. AP Top-Ups	£1,989	£1,307	(£682)
4. Other High Needs provision	£2,232	£1,862	(£370)
Total Commitment (gross)	£47,167	£52,454	£5,286
High Needs DSG Funding (gross)	£47,167	£51,672	£4,505
Total funding	£47,167	£51,672	£4,505
Net position	£0	£782	£782

- 3.5 **Place Funding.** The LA has requested some changes to the numbers of places at academies and further education establishments whose place funding is recouped from Lambeth's High Needs DSG. The ESFA will advise their initial response to these proposals in January 2021 and any final changes will take effect from September 2021.
- 3.6 The forecast cost of place factors has taken account of the expected changes for academies and FE institutions and any agreed changes with maintained providers. The Teachers Pay and Pension Grant amounts, based on £785 per high needs place in special schools and Alternative Provision must be replicated in the allocations to those institutions for 2021/22 and this has been included here. Finally, there is some provision for additional Alternative Provision, SEND and Further Education places.
- 3.7 **SEND Top-ups.** The appendix sets out the basis for each of the main components of the SEND Top-ups budgets. For each component, the underlying position is identified, as best we can know, then we have provided for future cases and indexation and possible increases to top-up rates.
- 3.8 It is important to factor in future cases, as the numbers of EHCPs that the LA supports does not stand still. As in 2020/21, we have assessed the likely rate of new cases to be 25 per month (from December 2020 through to March 2022) and that the number of summer leavers is expected to be 150. The resulting number would be costed at the average top-up cost of £13,780 for all settings.
- 3.9 High Needs top-up rates are proposed to increase to reflect cost pressures, including the 10% increase in Lambeth Pension Fund contributions for support staff will have an impact on those schools with high numbers of EHCPs. It is 10% of the employee's salary, which typically accounts for 75% of the total cost to the school. So, the overall cost increase for schools employing their support staff is 7.5%. (ie typically, salary (100%) plus national insurance of 13.8% and pension of 19.3% sums to 133.1%; after the pension increase of a further 9.95%, the total including on-costs is 143.05%, which is an increase of 7.5%).
- 3.10 **Table 3** sets out the proposed top-up rates for Lambeth high needs provision for 2021/22. The calculations for this are in **Appendix 3**. The principles are that the element of combined place and top-up that is generally estimated to be for support staff is increased by 7.5% and the remainder (ie teachers and other costs) is increased by 1.2%. For mainstream school top-ups, 90% of the combined place and top-up is estimated to be for support staff. For special

schools, it is 30%. For Resource Bases, the approach mirrors the mainstream proportion and scales down to the special school proportion in higher bands.

3.11 These rates apply to all schools equally, whether they are maintained or academy, whether they are in the Lambeth Pension Fund or a different one. For those pupils attracting a bespoke allocation, however, the principle will be that the current funding level is sufficient for the pupil's needs and increases will only be applied where there is a direct additional cost. That means that bespoke amounts for support staff will only increase where the school is in the Lambeth Pension Fund and they will not increase for those in other pension schemes. The element for teachers and other costs would increase by 1.2% in all cases. This will need to be done on a case by case basis, but bespoke cases amount to only c1% of the total mainstream top-ups.

Table 3: Proposed High Needs Top-Up Rates 2021/22

Special School (S) Band	S1	S2	S3	S4	S4+	
Special School Rates 2020/21	£10,857	£12,712	£16,008	£21,003	£26,050	
Special School Rates from 1st April 2021	£11,501	£13,414	£16,812	£21,961	£27,164	
Increase (£)	£644	£702	£804	£958	£1,114	
Resource Base (R) Band	R1		R2	R3	R3+	
Resource Base Rates 2020/21	£3,750		£6,500	£10,857	Bespoke	
Resource Base Rates from 1st April 2021	£4,695		£7,332	£11,501	Bespoke	
Increase (£)	£945		£832	£644		
Mainstream (M) Band	M1	M2	M3	M4	M5	M5+
Mainstream School Top-up Rates 2020/21	£2,755	£5,330	£8,935	£12,540	£16,660	Bespoke
Mainstream School Top-up Rates from 1st April 2021	£3,356	£6,108	£9,961	£13,814	£18,217	Bespoke
Increase (£)	£601	£778	£1,026	£1,274	£1,557	
Alternative Provision (A) Band	A1			A2		
Alternative Provision Top-up Rates 2020/21	£9,570			£10,091		
Alternative Provision Top-up Rates from 1st April 2021	£10,175			£10,712		
Increase (£)	£605			£621		

3.12 **Alternative Provision top-ups.** Reductions in levels of participation in Alternative Provision that are paid for by the LA have freed up some resource already and this will help towards addressing pressures elsewhere in the high needs DSG budget. Neither of the Alternative Provision settings are currently in the Lambeth Pension Fund. Nonetheless, for the purposes of this exercise, they are being treated on the same basis as special schools (not all of which are in the Lambeth Pension Scheme). 30% of their costs are attributed to support staff and 70% to teachers and other costs. The latest DfE school benchmarking information for both

settings (2018/19) suggests that this is not an unreasonable assumption. Their top-up rates are proposed to increase by a composite 3.09% of the combined place (up to £10k) and top-up. The proposed figures are in **Table 3** above.

3.13 **Other.** The LA wishes to continue to provide the outreach that it currently has for sensory deprivation, autism and early years support. It also wishes to continue with the current levels of budget for specialist equipment and the CENMAC service. Moreover, it is important to continue to maintain the Inclusion Fund at current levels of funding. The main change for 2021/22 is the proposed scaling back of the Disproportionate SEND Fund from £0.592m to £0.100m, to assist in funding the increases in top-up values. The next section deals with that matter.

3.14 **Disproportionate SEND.** At the previous meeting, Schools Forum agreed to scale back the fund to £0.100m and to consider how to adapt the formula, with a higher threshold for eligibility. **Appendix 4** sets out how the funds would be allocated, based on a threshold of 3%, 4% and 5%.

3.15 A threshold of 3% would provide funding for 39 schools. Given that the average for October 2020 is 3%, it is difficult to argue that half of all schools have disproportionate SEND numbers that merit additional support. A 4% threshold reduces the numbers eligible to 16, each of whom would receive £1,407 per pupil, of which there are 71. A 5% threshold reduces the numbers eligible to 9, each of whom would receive £3,590 per pupil, of which there are 27.

3.16 If the aim is to target the available funding at those schools with the highest proportions of EHCPs, **Table 4** would indicate that all of the seven schools with 5.5% or more of their roll with EHCPs benefit most from a threshold of 5%. Schools Forum is invited to consider the figures and advise whether it agrees with that, or if they take a different view.

Table 4: Disproportionate SEND amounts received by the 7 schools with the highest percentage EHCPs (those with more than 5.5%)

DfE No	School	%age EHCPs Oct 2020	3%	4%	5%
			£100k £'000	£100k £'000	£100k £'000
2082808	Allen Edwards Primary School	7.3%	7	14	25
2082836	Glenbrook Primary School	6.5%	3	6	9
2083000	Jubilee Primary School	5.8%	5	9	10
2083375	Macaulay Church of England Primary School	5.7%	3	4	4
2083641	St Helen's Catholic School	5.7%	4	6	7
2084321	Lilian Baylis Technology School	6.7%	12	23	36
2082332	Oasis Academy Johanna	5.6%	3	4	4

4. Risks

4.1 The High Needs budget is volatile, so it is never entirely risk free to commit additional funding.

4.2 Provisions have been built in for expected additional pupil numbers, but it is difficult to know whether this will be sufficient. Sometimes a few very expensive extra placements can put pressure on the high needs budget. This may adversely impact the budget.

- 4.3 Commitments have been identified on the range of activities supported by the High Needs Block, but some are more certain than others. In particular, rates and numbers on Further Education and out-of-borough high needs placements are sometimes only firmed up a few terms after the provision began. While forecasts try to anticipate that, there are inevitably risks that such forecasts will be insufficient.
- 4.4 Increases in top-up rates reset the baseline for the following year, so if numbers of EHCPs continue to grow, they will cost more if we raise the rate at which we pay top-ups.
- 4.5 The risk of not allocating additional funding to schools must also be taken into account. The responsibility for funding high needs top-ups for Element 3 rests with the local authority. If there are cost-pressures associated with those activities, without additional funding, these costs are absorbed by schools.
- 4.6 For 2020/21 and 2021/22, there have been stepped increases in the local High Needs Block. 2022/23 would be the third year of the funding settlement that produced those increases. The hope and expectation would be that a further stepped increase would occur then. There is inevitably a risk that this might not happen.

5. Recommendations

- 5.1 Schools Forum is invited to:
 - a) note the High Needs Budget position for 2020/21 and 2021/22;
 - b) indicate whether it supports an increase to the threshold of support for Disproportionate SEND to those schools with more than 5% of their pupils with EHCPs; and
 - c) add any comments it may wish to make to Cabinet when it comes to consider setting the High Needs Budget for 2021/22.

Summary forecast position for the High Needs Budget 2020/21 (December 2020)

Component	ORIGINAL BUDGET 2020/21	Latest budget 2020/21	Forecast 2020/21 £'000	Difference £'000	Comment
1. Places only	£10,434	£10,500	£10,384	(£116)	Position reflects all agreed place numbers for 2020/21 with only £66k unallocated from original amounts set aside. Some possible pressure as colleges seeking increased place numbers in-year.
2. SEN Top-Ups	£32,455	£32,446	£34,263	£1,817	Latest known position, plus indexation and an assumption about growth. Some pressures emerging on late claims from out-of-borough providers which may grow. Further work to be done in this area.
3. AP Top-Ups	£1,979	£1,989	£1,627	(£362)	Reflects lower participation levels in PRUs
4. Other High Needs provision	£2,232	£2,232	£2,291	£59	Pressure on outreach costs
Total Commitment (gross)	£47,101	£47,167	£48,566	£1,399	
Brought forward					
Funding transferred from Schools Block	£	£	£	£	
High Needs DSG Funding (gross)	£47,101	£47,167	£47,167	£	Reflects latest DSG noritication from ESFA
Total funding	£47,101	£47,167	£47,167	£	
Net position	(£)	£	£1,399	£1,399	This would be a call on brought forward DSG.

1. Core Place Funding 2020/21

Appendix 1.2

2020/21	ORIGINAL budget 2020/21	Latest budget 2020/21	No of place April 2020	No of places Sept 2020	Rate (£)	Forecast cost 2020/21 (£'000)	Difference
Special Schools (Pre-16)	£5,870	£6,257	614	634	£10,000	£6,257	-£0
Special Schools (Post-16)	£0	£0	0	0	£10,000	£0	£0
Resource Bases (Pre-16 filled)	£1,432	£1,089	191	210	£6,000	£1,213	£124
Resource Bases (Pre-16 unfilled)	£0	£178	19	22	£10,000	£208	£30
Resource Bases (Post-16)	£0	£0	0	0	£6,000	£0	£0
FE Places	£1,020	£1,020	170	170	£6,000	£1,020	£0
Pupil Referral Units	£1,513	£1,429	154	135	£10,000	£1,429	£0
Hospital Funding	£200	£192	19.2472	19.2472	£10,000	£192	£0
Provision for new cases or import / export a	£400	£335				£66	-£269
Total allocations	£10,434	£10,500				£10,384	-£116
Retained for LA allocation	7,448	7,258				£7,142	
Recouped by ESFA	2,986	3,242				£3,242	
Total source of funding	£10,434	£10,500				£10,384	OK

2. Top-up Rates SEND 2020/21

Appendix 1.3

2020/21	Agreed budget	Forecast cost	Difference	Comment
	2020/21	2020/21	£'000	
Special Schools	£8,752	£9,233	£481	Based on April position plus indexation.
Resource Bases	£1,393	£1,720	£327	July position plus indexation.
Mainstream Schools	£7,563	£8,123	£560	July position plus indexation.
Out of Borough Special	£3,036	£3,129	£93	July position plus indexation.
Out of Borough Mainstream	£1,673	£1,701	£28	July position plus indexation.
Further Education SEND	£3,121	£3,881	£760	July position plus indexation.
Pupil Referral Units (SEMH)	£168	£577	£409	July position plus indexation.
Independent and non-maintained schools	£5,423	£4,442	-£981	July position plus indexation.
Home Tuition	£1,155	£1,168	£13	
Other AP (SEND)	£20	£13	-£7	
Therapy	£41	£89	£48	
Personal Budget	£101	£188	£87	
Total allocations	£32,446	£34,263	£1,817	

3. Top-up Rates Alternative Provision 2020/21

2020/21	Agreed budget	Forecast cost	Difference	Comment
	2020/21	2020/21	£'000	
Pupil Referral Units	£1,292	£842	-£450	This is based on £101k per month in 2019/20 plus estimated indexation
Other Alternative Education	£697	£785	£88	This is the remainder of the Alternative Education budget for the team and other activities and provision for new cases.
Total allocations	£1,989	£1,627	-£362	
ALL TOP-Ups	£34,435	£35,890	£1,455	

4. Other High Needs functions and activities 2020/21

Appendix 1.4

2020/21	Agreed budget 2020/21	Forecast cost 2020/21 (£'000)	Difference	Comment
Disproportionate SEN (mainstream)	£592	£592	£0	Currently allocated to all settings with more than 3% of their 4-15 year olds with an EHCP.
HN Fund for mainstream pupils below EHCP threshold	£510	£510	£0	Allocated on bids for early intervention for children with SEND.
Hearing / Visual Impairment Outreach	£733	£758	£25	Staffing
Autistic Spectrum Disorders Outreach	£205	£206	£1	
Early Years SEN Team	£88	£96	£8	
SEN Specialist Equipment	£48	£48	£0	
CENMAC Service	£56	£81	£25	
Total allocations	£2,232	£2,291	£59	

Summary proposed High Needs Budget 2021/22

Component	Latest budget 2020/21	Forecast Budget Requirement 2021/22 £'000	Difference £'000	Comment
1. Places only	£10,500	£11,683	£1,183	Emerging position for 2021/22 places, based on updated rates for special schools (£10,785, including £785 for TPG / TPECG) and place numbers for expected provision during that year. Provision included for possible additional FE places. Provision for up to 30 extra places in the system during 2021/22. No assumptions about changes to import / export calculation.
2. SEN Top-Ups	£32,446	£37,602	£5,156	Reflects updated pupils on roll in Lambeth settings, with new rates, and open cases for Further Education and Out of borough schools at current known costs. New cases from now to March 2022 have been forecast at a rate of 25 new ones each month, with 150 leavers in summer 2021, all at an annual average top-up rate of £13.8k, which is the current average. It also includes an illustration of how much it would cost to adjust top-up rates for 7.5% pension fund increase for support staff and 1.2% for other costs. It further includes provision of 1% possible inflation for cost drift across all settings.
3. AP Top-Ups	£1,989	£1,307	(£682)	Current budgets have been abated to recognise payments for actual participation only.
4. Other High Needs provision	£2,232	£1,862	(£370)	Outreach team costs reflect current forecasts. Inclusion Fund maintained at £0.510m. Disproportionate SEND reduced to £0.100m for exceptional circumstances only.
Total Commitment (gross)	£47,167	£52,454	£5,286	
Brought forward				
Funding transferred from Schools Block	£	£	£	
High Needs DSG Funding (gross)	£47,167	£51,672	£4,505	Budgets updated to reflect Dec 2020 ESFA notification.
Total funding	£47,167	£51,672	£4,505	
Net position	£	£782	£781	The plan is to accept the risks and costs associated with the High Needs budget in 2021/22 and aim to balance the DSG overall by March 2023, on the basis of an expected third and final year of the £7.1bn national increase in school funding that has produced stepped increases in High Needs for Lambeth in the first two years.

1. Core Place Funding 2021/22

Appendix 2.2

2021/22	Latest budget 2020/21	No of place April 2021	No of places Sept 2021	Rate (£)	Forecast budget requirement 2021/22 (£'000)	Difference
Special Schools (Pre-16)	£6,257	634	634	£10,785	£6,838	£581
Special Schools (Post-16)	£0	0	0	£10,785	£0	£0
Resource Bases (Pre-16 filled)	£1,089	196	203	£6,000	£1,201	£112
Resource Bases (Pre-16 unfilled)	£178	36	36	£10,000	£360	£182
Resource Bases (Post-16)	£0	0	0	£6,000	£0	£0
FE Places	£1,020	170	210	£6,000	£1,180	£160
Pupil Referral Units	£1,429	135	80	£10,785	£1,110	-£319
Hospital Funding	£192	10	10	£19,472	£195	£3
Provision for supplementary TPG / TPECG	£0				£2	£2
Provision for new £10k cases	£0	30	85	£10,000	£621	£621
Provision for new £6k cases	£335	50	15	£6,000	£178	-£158
Total allocations	£10,500	1261	1273		£11,683	£1,183
Retained for LA allocation	7,258				£8,542	
Recouped by ESFA	3,242				£3,141	
Total source of funding	£10,500				£11,683	OK

TPG and TPECG funding of £785 per place (as per 2020/21 for the automatic support) has been added for special schools and AP. The precise arrangements for allocating this may become clearer in the December DSG announcements. The supplementary element (TPG / TPECG) may need to be reconsidered but must be provided for.

2. Top-up Rates SEND 2021/22

Appendix 2.3

2021/22	Agreed budget 2020/21 £'000	Current number of pupils (fte)	Average cost (£)	Forecast budget requirement 2021/22 £'000 (£'000)	Difference £'000	Comment
Special Schools	£8,752	502.0	£18,732	£9,404	£652	Based on December 2020 pupils who are expected to be still on roll in March 2021.
Resource Bases	£1,393	171.0	£9,870	£1,688	£295	Based on December 2020 pupils who are expected to be still on roll in March 2021.
Mainstream Schools	£7,563	853.0	£8,654	£7,382	-£181	Based on December 2020 pupils who are expected to be still on roll in March 2021.
Out of Borough Special	£3,036	148.0	£22,060	£3,265	£229	Based on December 2020 open cases.
Out of Borough Mainstream	£1,673	186.0	£9,145	£1,701	£28	Based on December 2020 open cases.
Further Education SEND	£3,121	300.0	£12,415	£3,724	£603	Based on December 2020 open cases.
Pupil Referral Units (SEMH)	£168	19.0	£21,397	£407	£239	Based on December 2020 pupils who are expected to be still on roll in March 2021, with place funding of £10k paid for differently from Sept 2021.
Independent and non-maintained schools	£5,424	119.0	£34,430	£4,097	-£1,327	Based on Mosaic current open commitments in March 2021 at weekly rate x 38 and full-year expected costs of open cases not on Mosaic.
Home Tuition	£1,154			£1,200	£46	Estimate, based on current spend of £0.1m per month.
Personal Budgets	£101			£101	£0	Based on November 2020 forecast
Other AP (SEND)	£20			£20	£0	Based on November 2020 forecast
Therapy	£41			£40	-£1	Based on November 2020 forecast
Provision for new cases		168.8	£13,780	£2,326	£2,326	25 new cases from Dec 2020 to Mar 2021 less 150 leavers Aug 2021, all at £13,780 each.
Estimated cost of increasing Lambeth settings for 7.5% (support staff) and 1.2% (teachers and other costs)	£0			£1,768	£1,768	Based on mainstream schools 90% support staff, 10% other, Resource Bases (variable), Special Schools (40:60).
Provision for indexation?				£480	£480	Illustration of 1% beyond indicated rate increases in Lambeth settings for some movement between bands or changes in placement.
Total allocations	£32,446			£37,602	£5,156	

3. Top-up Rates Alternative Provision 2021/22 (DRAFT)

2020/21	Agreed budget 2020/21 £'000	Current number of pupils (fte)	Average cost (£)	Forecast budget requirement 2021/22 (£'000)	Difference £'000	Comment
Pupil Referral Units	£1,282			£600	-£682	Based on 60 AP top-ups at c10k each.
Other Alternative Education	£707			£707	£0	This is the remainder of the Alternative Education budget for the team and other activities and provision for new cases and indexation.
Total allocations	£1,989			£1,307	-£682	
ALL TOP-Ups	£34,435			£38,909	£4,473	

4. Other High Needs functions and activities 2021/22

Appendix 2.4

2021/22	Agreed budget 2020/21	Forecast budget requirement 2021/22 (£'000)	Difference	Comment
Disproportionate SEN (mainstream)	£592	£100	-£492	Scale back to a smaller number of schools
HN Fund for mainstream pupils below EHCP threshold	£510	£510	£0	Retain at current level
Hearing / Visual Impairment Outreach	£733	£813	£80	November 2020 estimate
Autistic Spectrum Disorders Outreach	£205	£206	£1	November 2020 estimate
Early Years SEN Team	£88	£96	£8	November 2020 estimate
SEN Specialist Equipment	£48	£81	£33	November 2020 estimate
CENMAC Service	£56	£56	£0	November 2020 estimate
Total allocations	£2,232	£1,862	-£370	

Special Schools (30% support staff at 7.5% and 70% other at 1.2%) Combined rate of 3.09%

Band (S)	S1	S2	S3	S4	S4+
Core	10,000	10,000	10,000	10,000	10,000
Addition for TPG / TPPG	785	785	785	785	785
Top Up (current rates)	10,857	12,712	16,008	21,003	26,050
Total	21,642	23,497	26,793	31,788	36,835
Revised top-ups after 3.09% increase on combined place and top-up (ie not TPG /TPPG)	£11,501	£13,414	£16,812	£21,961	£27,164
Change in top-up	£644	£702	£804	£958	£1,114
Actual increase top-up v top-up	5.9%	5.5%	5.0%	4.6%	4.3%

Resource Bases
 (R1 is 90% support staff at 7.5%, 10% other at 1.2%) 6.87%
 R3 matches special school rate S1, without the £785 TPG / TPPG - 3.2%
 R2 is mid-way between 3.2% and 6.87% ie 5.04%
 Bespoke is currently based on actual expected costs, so increases should be tailored to real circumstances.

Band (R)	R1	R2	R3	R3+
Core	10,000	10,000	10,000	10,000
Top Up (current rates)	3,750	6,500	10,857	Bespoke
Total	13,750	16,500	20,857	Bespoke
Revised top-ups after increases	£4,695	£7,332	£11,501	
Change in top-up	£945	£832	£644	
Actual increase top-up v top-up	25.2%	12.8%	5.9%	

Mainstream
 M1 - M5 is 90% support staff at 7.5%, 10% other at 1.2% 6.87%
 Bespoke is currently based on actual expected costs, so increases should be tailored to real circumstances.

Band (M)	M1	M2	M3	M4	M5	M5+
Core	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000
Top-up at current rates	£2,755	£5,330	£8,935	£12,540	£16,660	Bespoke
Total	£8,755	£11,330	£14,935	£18,540	£22,660	Bespoke
Revised top-ups after increases	£3,356	£6,108	£9,961	£13,814	£18,217	Bespoke
Change in top-up	£601	£778	£1,026	£1,274	£1,557	
	21.8%	14.6%	11.5%	10.2%	9.3%	

Alternative Provision
 To be treated on the same basis as Special Schools
 (30% support staff at 7.5% and 70% other at 1.2%) Combined rate of 3.09%

Band (A)	A1	A2
Core	£10,000	£10,000
Addition for TPG / TPPG	£785	£785
Top Up (current rates)	£9,570	£10,091
Total	£20,355	£20,876
Revised top-ups after 3.09% increase on combined place and top-up (ie not TPG /TPPG)	£10,175	£10,712
Change in top-up	£605	£621
Actual increase top-up v top-up	6.3%	6.2%

Disproportionate SEND 2021-22 (Illustrations for £100k - 3%, 4% and 5% thresholds)

Appendix 4

DfE No	School	Phase	A	B	C	D	E = (A/D) x 100	F= If >3%, (3%-E) x D	G	H= if >4%, (4%-E) x D	I	J= if >5%, (5%-E) x D	K	L = F x £559.69	M = H x £1407.66	N = J x £3590.66
			R-11 EHCP's (excluding Resource Bases)	Total number on roll R-11	less pupils in Resource Bases	Adjusted number on roll R-11	Proportion of EHCP's	Number beyond 3%	Eligible 3%	Number beyond 4%	Eligible 4%	Number beyond 5%	Eligible 5%	3% Threshold Disprop SEN Allocation 2021/22	4% Threshold Disprop SEN Allocation 2021/22	5% Threshold Disprop SEN Allocation 2021/22
2082022	Ashmole Primary School	Primary	7	204		204	3.4%	0.88	Yes	0	No	0	No	£493	£0	£0
2082115	Clapham Manor Primary School	Primary	12	395		395	3.0%	0.15	Yes	0	No	0	No	£84	£0	£0
2082265	Granton Primary School	Primary	10	586		586	1.7%	0	No	0	No	0	No	£0	£0	£0
2082292	Heathbrook Primary School	Primary	6	331		331	1.8%	0	No	0	No	0	No	£0	£0	£0
2082295	Henry Cavendish Primary School	Primary	10	762		762	1.3%	0	No	0	No	0	No	£0	£0	£0
2082331	Jessop Primary School	Primary	11	339		339	3.2%	0.83	Yes	0	No	0	No	£465	£0	£0
2082359	Kingswood Primary School	Primary	15	671		671	2.2%	0	No	0	No	0	No	£0	£0	£0
2082371	Lark Hall Primary School (Including Lark Hall Ce	Primary	13	324	-41	283	4.6%	4.51	Yes	1.68	Yes	0	No	£2,524	£2,365	£0
2082459	Paxton Primary School	Primary	10	484		484	2.1%	0	No	0	No	0	No	£0	£0	£0
2082504	Richard Atkins Primary School	Primary	14	283		283	4.9%	5.51	Yes	2.68	Yes	0	No	£3,084	£3,773	£0
2082575	Sudbourne Primary School	Primary	0	302		302	0.0%	0	No	0	No	0	No	£0	£0	£0
2082578	Sunnyhill Primary School	Primary	13	367		367	3.5%	1.99	Yes	0	No	0	No	£1,114	£0	£0
2082591	Telferscot Primary School	Primary	10	396		396	2.5%	0	No	0	No	0	No	£0	£0	£0
2082617	Vauxhall Primary School	Primary	6	201		201	3.0%	0	No	0	No	0	No	£0	£0	£0
2082626	Walnut Tree Walk Primary School	Primary	3	271		271	1.1%	0	No	0	No	0	No	£0	£0	£0
2082664	Wyvil Primary School and Centres for Children	Primary	9	470	-83	387	2.3%	0	No	0	No	0	No	£0	£0	£0
2082783	Crown Lane Primary School	Primary	12	315	-13	302	4.0%	2.94	Yes	0	No	0	No	£1,645	£0	£0
2082785	Fenstanton Primary School	Primary	10	376		376	2.7%	0	No	0	No	0	No	£0	£0	£0
2082794	Elm Wood School	Primary	11	392		392	2.8%	0	No	0	No	0	No	£0	£0	£0
2082808	Allen Edwards Primary School	Primary	22	305	-5	300	7.3%	13	Yes	10	Yes	7	Yes	£7,276	£14,077	£25,135
2082836	Glenbrook Primary School	Primary	11	169		169	6.5%	5.93	Yes	4.24	Yes	2.55	Yes	£3,319	£5,968	£9,156
2082868	Herbert Morrison Primary School	Primary	10	190		190	5.3%	4.3	Yes	2.4	Yes	0.5	Yes	£2,407	£3,378	£1,795
2082895	Streatham Wells Primary School	Primary	3	208		208	1.4%	0	No	0	No	0	No	£0	£0	£0
2082897	Bonneville Primary School	Primary	8	335		335	2.4%	0	No	0	No	0	No	£0	£0	£0
2082898	Hill Mead Primary School	Primary	14	345	-3	342	4.1%	3.74	Yes	0.32	Yes	0	No	£2,093	£450	£0
2082900	Hitherfield Primary School	Primary	22	598		598	3.7%	4.06	Yes	0	No	0	No	£2,272	£0	£0
2082901	Henry Fawcett Primary School	Primary	11	301		301	3.7%	1.97	Yes	0	No	0	No	£1,103	£0	£0
2082902	Stockwell Primary School	Primary	17	466		466	3.6%	3.02	Yes	0	No	0	No	£1,690	£0	£0
2082903	Kings Avenue School	Primary	7	218		218	3.2%	0.46	Yes	0	No	0	No	£257	£0	£0
2082905	Loughborough Primary School	Primary	6	311		311	1.9%	0	No	0	No	0	No	£0	£0	£0
2083000	Jubilee Primary School	Primary	20	348	-2	346	5.8%	9.62	Yes	6.16	Yes	2.7	Yes	£5,384	£8,671	£9,695
2083307	Archbishop Sumner Church of England Primary	Primary	11	362	-1	361	3.0%	0.17	Yes	0	No	0	No	£95	£0	£0
2083324	Christ Church Primary SW9	Primary	6	176		176	3.4%	0.72	Yes	0	No	0	No	£403	£0	£0
2083375	Macaulay Church of England Primary School	Primary	10	176		176	5.7%	4.72	Yes	2.96	Yes	1.2	Yes	£2,642	£4,167	£4,309
2083403	St Andrew's Church of England Primary School	Primary	6	198		198	3.0%	0.06	Yes	0	No	0	No	£34	£0	£0
2083457	St John the Divine Church of England Primary Sc	Primary	5	154		154	3.2%	0.38	Yes	0	No	0	No	£213	£0	£0
2083466	St John's Angell Town Church of England Primar	Primary	2	193		193	1.0%	0	No	0	No	0	No	£0	£0	£0
2083491	St Jude's Church of England Primary School	Primary	4	198		198	2.0%	0	No	0	No	0	No	£0	£0	£0
2083502	St Mark's Church of England Primary School	Primary	6	188		188	3.2%	0.36	Yes	0	No	0	No	£201	£0	£0
2083589	St Saviour's Church of England Primary School	Primary	2	193		193	1.0%	0	No	0	No	0	No	£0	£0	£0
2083596	St Stephen's Church of England Primary School	Primary	4	184		184	2.2%	0	No	0	No	0	No	£0	£0	£0
2083621	Holy Trinity Church of England Primary School	Primary	8	270		270	3.0%	0	No	0	No	0	No	£0	£0	£0
2083641	St Helen's Catholic School	Primary	15	262		262	5.7%	7.14	Yes	4.52	Yes	1.9	Yes	£3,996	£6,363	£6,822
2083642	The Orchard School	Primary	1	210		210	0.5%	0	No	0	No	0	No	£0	£0	£0
2083643	Iqra Primary School	Primary	10	209		209	4.8%	3.73	Yes	1.64	Yes	0	No	£2,088	£2,309	£0
2085200	St Bernadette Catholic Junior School	Primary	3	220		220	1.4%	0	No	0	No	0	No	£0	£0	£0
2085201	St Anne's Catholic Primary School	Primary	10	326		326	3.1%	0.22	Yes	0	No	0	No	£123	£0	£0
2085203	St Bede's Catholic Infant School	Primary	2	121		121	1.7%	0	No	0	No	0	No	£0	£0	£0
2085204	St Andrew's Catholic Primary School	Primary	8	405		405	2.0%	0	No	0	No	0	No	£0	£0	£0
2085205	Immanuel and St Andrew Church of England Pri	Primary	9	407		407	2.2%	0	No	0	No	0	No	£0	£0	£0
2085206	Reay Primary School	Primary	4	204		204	2.0%	0	No	0	No	0	No	£0	£0	£0

Disproportionate SEND 2021-22 (Illustrations for £100k - 3%, 4% and 5% thresholds)

Appendix 4

DFE No	School	Phase	A R-11 EHCP's (excluding Resource Bases)	B Total number on roll R-11	C less pupils in Resource Bases	D Adjusted number on roll R-11	E = (A/D) x 100 Proportion of EHCP's	F= If >3%, (3%-E) x D Number beyond 3%	G Eligible 3%	H= if >4%, (4%-E) x D Number beyond 4%	I Eligible 4%	J= if >5%, (5%-E) x D Number beyond 5%	K Eligible 5%	L = F x £559.69 3% Threshold Disprop SEN Allocation 2021/22	M = H x £1407.66 4% Threshold Disprop SEN Allocation 2021/22	N = J x £3590.66 5% Threshold Disprop SEN Allocation 2021/22
2085208	St Mary's Roman Catholic Primary School	Primary	5	300		300	1.7%	0	No	0	No	0	No	£0	£0	£0
2085209	Julian's Primary School	Primary	26	951		951	2.7%	0	No	0	No	0	No	£0	£0	£0
2084223	Norwood School	Secondary	31	875		875	3.5%	4.75	Yes	0	No	0	No	£2,659	£0	£0
2084321	Lilian Baylis Technology School	Secondary	40	600		600	6.7%	22	Yes	16	Yes	10	Yes	£12,313	£22,523	£35,907
2084509	Saint Gabriel's College	Secondary	18	590		590	3.1%	0.3	Yes	0	No	0	No	£168	£0	£0
2085400	La Retraite Roman Catholic Girls' School	Secondary	11	830		830	1.3%	0	No	0	No	0	No	£0	£0	£0
2085401	Bishop Thomas Grant Catholic Secondary School	Secondary	42	938		938	4.5%	13.86	Yes	4.48	Yes	0	No	£7,757	£6,306	£0
2085405	London Nautical School	Secondary	16	508	-15	493	3.2%	1.21	Yes	0	No	0	No	£677	£0	£0
2082657	Woodmansterne School	All-Through	31	1,219		1,219	2.5%	0	No	0	No	0	No	£0	£0	£0
2082001	Van Gogh Primary	Primary	8	469		469	1.7%	0	No	0	No	0	No	£0	£0	£0
2082332	Oasis Academy Johanna	Primary	11	196		196	5.6%	5.12	Yes	3.16	Yes	1.2	Yes	£2,866	£4,448	£4,309
2082899	Rosendale Primary School	Primary	11	668		668	1.6%	0	No	0	No	0	No	£0	£0	£0
2083329	Christ Church, Streatham Church of England Pri	Primary	4	196		196	2.0%	0	No	0	No	0	No	£0	£0	£0
2083493	St Leonard's Church of England Primary school	Primary	11	317		317	3.5%	1.49	Yes	0	No	0	No	£834	£0	£0
2083499	St Luke's Church of England Primary School	Primary	3	187		187	1.6%	0	No	0	No	0	No	£0	£0	£0
2085202	Corpus Christi Catholic Primary School	Primary	11	393		393	2.8%	0	No	0	No	0	No	£0	£0	£0
2084000	Oasis Academy South Bank	Secondary	24	608		608	3.9%	5.76	Yes	0	No	0	No	£3,224	£0	£0
2084003	Trinity Academy	Secondary	22	534		534	4.1%	5.98	Yes	0.64	Yes	0	No	£3,347	£901	£0
2084005	South Bank Engineering UTC	Secondary	0	55		55	0.0%	0	No	0	No	0	No	£0	£0	£0
2084006	Archbishop Tenison's School	Secondary	10	319		319	3.1%	0.43	Yes	0	No	0	No	£241	£0	£0
2084322	Platanos College	Secondary	23	961		961	2.4%	0	No	0	No	0	No	£0	£0	£0
2084731	The Elmgreen School	Secondary	30	866	-21	845	3.6%	4.65	Yes	0	No	0	No	£2,603	£0	£0
2085404	St Martin in the Fields High School for Girls	Secondary	8	392		392	2.0%	0	No	0	No	0	No	£0	£0	£0
2086905	Lambeth Academy	Secondary	18	691		691	2.6%	0	No	0	No	0	No	£0	£0	£0
2086906	Ark Evelyn Grace Academy	Secondary	3	512		512	0.6%	0	No	0	No	0	No	£0	£0	£0
2086907	City Heights E-ACT Academy	Secondary	33	644		644	5.1%	13.68	Yes	7.24	Yes	0.8	Yes	£7,657	£10,191	£2,873
2085402	Dunraven School	All-Through	63	1,514	-12	1,502	4.2%	17.94	Yes	2.92	Yes	0	No	£10,041	£4,110	£0
2084007	Harris Clapham	Secondary	7	197		197	3.6%	1.09	Yes	0	No	0	No	£610	£0	£0
TOTAL			979	32,449	-196	32,253	3.0%	178.67		71.04		27.85		£100,000	£100,000	£100,000

£559.69 Per pupil	39 Schools eligible	£1,407.66 Per pupil	16 Schools eligible	£3,590.66 Per pupil	9 Schools eligible	£100,000 total	£100,000 total	£100,000 total
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Agenda Item 7

Title: Central School Services Block 2020/21

Date: 14th January 2021

Report to: Schools Forum

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

Author: David Tully

1 Background to Item

- 1.1 The Central School Services Block is relatively small for Lambeth, compared to other London Authorities. The December 2020 announcement on Schools Funding identified a grand total of £1.81m for this block of the DSG for 2021/22. This represents £36 per pupil, again the lowest in London, with the average for London being £45 per pupil.
- 1.2 This low level of resource has put pressure on the LA in being able to afford the range of statutory, regulatory and other functions that an education authority must provide, whether it has many or few academies. For 2020/21, the LA asked Schools Forum to agree to use DSG reserves to meet nearly £1m of additional central costs, on the basis that from April 2021/22 the LA would operate within the CSSB allocation. This report seeks agreement to use the CSSB amount and no more for 2021/22.
- 1.3 At Schools Forum in December 2020, it was agreed that a sum of £20.80 per maintained school pupil would be used to de-delegate funding for the Local Authority's educational responsibilities. This was expected to provide a sum in the region of £0.5m for 2021/22 financial year. This is a separate consideration to that of how much should be applied to Central School Services Block responsibilities.

2 Details

- 2.1 The Central School Services Block is for local authority services and function that apply, regardless of how many academies an authority may have. This is to provide funding for a prescribed list of services under the headings: Statutory and Regulatory, Education Welfare, Admissions, Asset Management, Other Ongoing Duties and Historic Responsibilities.
- 2.2 The funding formula distinguishes between the current list of services and functions and the historic responsibilities which would have had to be agreed by the Schools Forum prior to 2013.
- 2.3 The current list of services is funded by way of a formulaic allocation based on a per pupil amount (£36.44) multiplied by the number of primary and secondary school pupils used in the Schools Block (32,408), giving £1.181m. This includes an amount of £74k of funding for Teachers Pay and Pension costs where teachers are employed by the LA centrally. This includes School Improvement, Outreach and Music Service, some of which are in the DSG and others in the General Fund.

- 2.4 The historic list of services has been funded on the basis of a fixed amount, linked to previously agreed items. The DfE is continuing the phased withdrawal of this element of funding by abating each LA's amount by 20%. Lambeth, unfortunately, did not have any historic costs that were recognised as meeting the criteria, so it receives no funding for this element of the allocation.
- 2.5 These two amounts combine to produce the third lowest allocation per pupil in London for the Central School Services Block. This has created difficulties for the LA in the past, but the LA agreed that from April 2021 the budget for the Central School Services Block would be limited to the actual allocation from the DSG.
- 2.6 The proposed allocations for 2021/22 are set out in Table 1 below. They are also referenced in Appendix 1.

Table 1: Allocation of CSSB 2021/22, compared to 2020/21.

Component	Allocation 2020/21 £'000	Proposed allocation 2021/22 £'000	Difference £'000
Statutory and Regulatory	1,010	185	-825
Education Welfare	220	220	0
Asset Management	100	0	-100
Admissions	500	500	0
School Licences	177	177	0
Schools Forum	25	25	0
Pay and Pension Grant on central services	0	74	+74
Total	2,032	1,181	-851

3 Recommendations

- 3.1 Schools Forum is invited to agree with the proposed budget for the Central School Services Block for 2021/22.

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement	Brief explanation of what the assessed amount might pay for in 2020/21	Indicative Amount for 2021/22 £'000
Statutory & Regulatory	<ul style="list-style-type: none"> Director of children's services and personal staff for director (Sch 2, 15a) Planning for the education service as a whole (Sch 2, 15b) 	Central budgets for education planning that are not already charged elsewhere in the DSG.	85
Statutory & Regulatory	<ul style="list-style-type: none"> Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c) Formulation and review of local authority schools funding formula (Sch 2, 15d) 	Accounting and finance staff directly supporting education budget setting and funding for all schools.	80
Statutory & Regulatory	<ul style="list-style-type: none"> 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) 	Estimated cost of internal audit time	0
Statutory & Regulatory	<ul style="list-style-type: none"> Consultation costs relating to non-staffing issues (Sch 2, 19) Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) 	Estimated cost of public consultation on service development (eg High Needs) and collaborative working.	0
Statutory & Regulatory	<ul style="list-style-type: none"> Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) 	Current budget for SACRE.	20
Statutory & Regulatory	<ul style="list-style-type: none"> Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	Legal Services staff support.	0
Education Welfare	<ul style="list-style-type: none"> Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) School attendance (Sch 2, 16) Responsibilities regarding the employment of children (Sch 2, 18) 	Current budget for Education Welfare	220
Asset Management	<ul style="list-style-type: none"> 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) 	Current budget for education property management and capital programme monitoring.	0

	<ul style="list-style-type: none"> General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 		
Other ongoing duties	<ul style="list-style-type: none"> Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval 	Costs notified by ESFA	177
Other ongoing duties	<ul style="list-style-type: none"> Admissions (Sch 2, 9) 	Costs of the Admissions Function in Lambeth	500
Other ongoing duties	<ul style="list-style-type: none"> Places in independent schools for non-SEN pupils (Sch 2, 10) 	None	0
Other ongoing duties	<ul style="list-style-type: none"> Remission of boarding fees at maintained schools and academies (Sch 2, 11) 	None	0
Other ongoing duties	<ul style="list-style-type: none"> Servicing of schools forums (Sch 2, 12) 	Estimated cost of clerking and accommodation mainly.	25
Other ongoing duties	<ul style="list-style-type: none"> Back-pay for equal pay claims (Sch 2, 13) 	None	0
Other ongoing duties	<ul style="list-style-type: none"> 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 (Sch 2, 23) 	Immaterial	0
Other ongoing duties	<ul style="list-style-type: none"> 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)) 	ESFA does not recognise any historic commitments for Lambeth.	0
New item	<ul style="list-style-type: none"> Teachers Pay and Pension funding for centrally employed teachers 	Continuation of the amounts claimed for 2020/21	74
	TOTAL Central School Services Eligible Expenditure		1,181

Agenda Item 8**Title: Early Years Block 2021/22****Date: 14th January 2021****Report to: Schools Forum****Report for:** Information **Decision x** **Consultation x** **Action****Author: Kathryn Shaw, David Tully****1. Background**

- 1.1 The Early Years National Funding Formula (EYNFF) has been operating for four years. Lambeth is amongst the authorities to receive the highest funding per hour for 2, 3 and 4 year old provision; highest national rate for 2 year olds and 7th highest rate for 3 and 4 year olds. The two year old rate has been increasing in recent years, from £6.07 in 2016/17 to £6.58 for 2020/21. The three and four year old rate has been reducing during that period, from £8.14 in 2016/17 to £7.32 in 2020/21.
- 1.2 The 2 year old rate for 2021/22 is an 8p increase on 2020/21 and the 3&4 year old rate for 2021/22 is no change on that for 2020/21.
- 1.3 The EYNFF has required a universal funding rate to be applied to all types of settings (maintained nursery schools, nursery classes in mainstream schools and academies, private, voluntary and independent (PVI) providers and child-minders). There are limits on the amounts that can be distributed through the formula for deprivation, quality and specific support for maintained nursery schools. A provision for SEND Inclusion to meet emerging needs is permitted. The Local Authority may retain funding to manage the service and promote good practice, but this is limited to a maximum of 5% of the amount of 3&4 year old funding total.
- 1.4 In recent years, the early years offer has included offering 30 hour provision to working families. Take up for this has risen nationally and in Lambeth.
- 1.5 Funding is provided to settings each term on the basis of actual provision (ie an estimate at the beginning of the year, adjusted for actual participation once the census numbers are known). Funding provided through the DSG, however, is based on 5/12ths of the January census prior to the start of the financial year and 7/12ths of the January census during the year. Thus, until the final January census numbers are verified, the true income and expenditure for Early Years is not fully available. The final January census accounts for 1/3rd of the expenditure for the year and 7/12ths of the income. The ESFA will not confirm the final 2020/21 Early Years DSG total until the summer of 2021.
- 1.6 2020/21 has been an unusual year. Changes to the funding arrangements have had to be made to ensure that settings received money during lockdowns, because termly censuses could not all be completed and to recognise nationally lower take-up due to COVID. Nationally, the DfE adapted the Early Years arrangements, such that the 2020/21 EY DSG was based on 9/12ths of the January 2020 census and 3/12ths of the January 2021 census.
- 1.7 The current arrangement is that settings will be funded in the spring term 2021 for participation, particularly from the January 2021 census. It is not clear whether the new lockdown in January 2021 will result in further changes to funding arrangements.

- 1.8 It is in this context that decisions about the local early years funding rates for 2021/22 must be determined.

2 Early Years Funding 2020/21

- 2.1 The decisions about the Early Years budgets for 2020/21 recognised that the 2019/20 contingency was generous and could be sufficient for any contingencies that were to arise in that year or the next. The Early Years budgets for 2020/21 do not provide for any contingency. It was decided that any variations in the pupil numbers that created budget pressures would be absorbed by any remaining contingency from 2019/20.
- 2.2 Budgets were set in January 2020 on the basis of the £ per hour for January 2019 participation levels as below.

Table 1: Actual Early Years Funding Distribution 2020/21

Planned spending component	PTE pupils (570 hours)	Rate per hour (£)	Total Planned 2020/21 £'000
2 year old funding	845	£6.580	£3,170
3&4 YO Universal & Extended rates	6,202	£6.270	£22,165
Deprivation	6,202	£0.325	£1,149
Quality	6,202	£0.135	£477
Maintained Nursery Supplements	6,202	£0.122	£431
SEND Inclusion Fund	6,202	£0.110	£389
Retained central support	6,202	£0.358	£1,266
Contingency for variations in pupils etc	6,202	£0.000	£
Total for 3 and 4 year olds		£7.32	£25,877
Maintained Nursery Supplements (national)			£523
EY Pupil Premium			£178
Disability Access Fund			£64
Total spend at the same participation level			£29,814

- 2.3 As indicated in the background section above, the final EY DSG will be based on 9/12ths of participation in January 2020 and 3/12ths of participation in January 2021. Presently, the working assumption is that January 2021 participation will be the same as that in January 2020. So, a refreshed version of the participation levels has generated lower EY DSG for 2020/21, as per **Table 2**.

Table 2: Revised Early Years Funding 2020/21 (Jan 2020 participation)

	PTE pupils (570 hours)	Rate per hour (£)	Total Planned 2020/21 £'000
Planned spending component			
2 year old funding	786	£6.58	£2,949
Total for 3 and 4 year olds	5,827	£7.32	£24,312
Maintained Nursery Supplements (national)			£533
EY Pupil Premium			£195
Disability Access Fund			£64
Less clawback from 2019/20			-£29
Revised income 2020/21			£28,025

- 2.4 The COVID lockdown meant that the termly early years census could not take place in May 2020. Schools were funded on the basis of summer 2019 participation levels and 2020/21 rates of funding. This is the same basis as the schools are funded on account in the Cash Summary each month and it means that there is no adjustment needed for the summer term 2020; the indicative allocations became the final allocations.
- 2.5 For Private, Voluntary and Independent settings, some were open and some were not. Closed PVI settings and childminders were funded for the children on their roll in Spring 2020, at 2020/21 funding rates. Open settings were funded for any additional key worker children who attended and they received an extra £1 per hour for all attending children (up to 31st May 2020) and they were funded for being open during school holidays.
- 2.6 The forecast cost of key workers, holiday provision and extra hourly rates was estimated to cost £0.379m, which was what was reported to the Ministry of Housing, Communities and Local Government (MHCLG), which is the route for the LA claiming COVID 19 grant from central government. There is no guarantee that any COVID Grant will be available to cover this estimated cost.
- 2.7 For the autumn term, DfE / ESFA has indicated that it expects settings to be protected at previous levels of participation; they should not generally be having to bear the impact of lower participation levels due to COVID. To this end, all settings, whether schools or PVIs will be funded on the basis of the higher of:
- participation levels in autumn 2019 at 2020/21 funding rates; or
 - actual participation in autumn 2020 at 2020/21 funding rates.
- 2.8 The forecast position for December 2020 included in the DSG Overview report currently forecasts that the Early Years budget will spend £28.671m. This is an overspend against the forecast £28.025m Early Years DSG of £0.646m, of which £0.379m may be offset by COVID grant. This is no change on the position reported at Schools Forum in December 2020. **Appendix 1** sets out the main components of the expenditure forecast.
- 2.9 There are still some allocations to check. For instance, where protecting the autumn 2019 level of participation would mean funding a setting that has decided no longer to operate.
- 2.10 For the spring term, the participation levels in the spring census are being used to determine the payments to individual settings and to determine the EY DSG for that term. So, major variations ought not to occur in spring term 2021. It is not clear, however, whether the latest

January 2021 lockdown, where the expectation is that nurseries remain open, will further impact on the funding arrangements for this term.

3 Early Years DSG 2021/22

- 3.1 There are only minor changes to the funding for 2021/22 because the funding is still based on the January 2020 pupil census. The 2 year old rate has increased by 8p an hour. Lambeth already passes on the full amount of the 2 year old rate to settings. The only other change is a £2k increase in the allowance for Disabled Access Funding, but that does not change the entitlements for that allocation.
- 3.2 There had been some suggestion from central government that additional funding would be provided for Maintained Nursery Schools. No additional funding, compared to the latest 2020/21 EY DSG allocations, has been provided for Maintained Nursery Schools through the national supplement. Indeed, the allocation from September 2021 to March 2022 is not guaranteed. Officers remain hopeful that the outcomes of the All Party Parliamentary Group on Maintained Nursery Schools will report soon to assist in long-term planning for these settings.
- 3.3 **Table 2A** sets out the indicative allocations for 2021/22. The final Early Years DSG will not be known until the summer of 2022, once the January 2022 census has been collated.

Table 2A: Provisional Early Years DSG allocations 2021/22

Income component	PTE pupils (570 hours)	Rate per hour (£)	Total EY DSG 2021/22 £'000
2 Year old funding	786	£6.66	£2,985
3&4 YO funding (Universal)	4,286	£7.32	£17,884
3&4 YO funding (Extended)	1,541	£7.32	£6,428
EY Pupil Premium			£195
Disability Access Fund			£66
Maintained Nursery School Supplement (MNSS)			£533
Total based on January 2019 participation			£28,092

- 3.4 There have been overspends in the Early Years Block for 2020/21, mostly arising from COVID lockdown arrangements. The funding rates for 2020/21 did not include a contingency; relying on underspends from 2019/20. Creating a contingency would require a paring back of some of the hourly rates. In a normal year, a contingency requirement ought to be a minor consideration, perhaps a variation of 1% of the EY DSG up or down (+/- £0.3m). This is because variations in participation will be reflected in the termly censuses ie higher or lower EY DSG funding will flow from higher or lower actual participation in settings. There can be no guarantees of this. If decisions are made to operate at no more than the hourly rate, the main variable that will produce a variation is whether termly censuses record more or less participation than the 5/12ths January 2021 / 7/12ths January 2022 method that the DfE use to determine the funding. This is as likely to be a saving as a cost. The proposal is not to budget for a contingency in 2021/22 and to allow the risk of variations to be managed between years. Should there again be disruption to the arrangements because of COVID, we would be looking to the government to vary the funding arrangements or provide additional support.

3.5 The hourly rates, with the exception of that for two year olds, would be to make no changes from those decided for 2020/21.

- **Two year old rate** for 2021/22 be set at £6.66 per hour, reflecting the 8p per hour national allocation, fully passed on to all settings, based on participation.
- **Universal and Extended hours 3 and 4 year olds hourly rate** for 2021/22 to remain at £6.27.
- **Deprivation funding** to remain at 33.5p per hour and that the available funding is again allocated on the basis of the IDACI 2019 weightings for those pupils in each setting on the January 2021 census (ie not updated each term), as now. No change to the formula, just adjust the rates to distribute the available funding.
- **Quality supplement** to remain at 13.5p per hour. Again, no change to the formula, just adjust the rates to distribute the available funding.
- **Maintained Nursery School** supplement to remain at 12.2p per hour. This element of the 3 and 4 year olds allocation to be combined with the national MNS supplement of £0.533m.
- **SEND Inclusion Fund** to remain at 11p per hour.
- **Centrally retained funding** for management and oversight of the service and the promotion of good practice to represent a maximum of 5% of the total 3 and 4 year old funding. This remains at 0.358p per hour.

3.4 **Table 2B** sets out the overview of these proposals.

Table 2B: Early Years proposed allocations 2021/22, compared to 2020/21

Planned spending component	PTE		Original Planned 2020/21 £'000	PTE		Total Planned 2021/22 £'000	Change £'000
	pupils Jan 2019 (570 hours)	Rate per hour (£)		pupils Jan 2020 (570 hours)	Rate per hour (£)		
2 year old funding	845	£6.580	£3,170	786.2	£6.660	£2,985	−£185
3&4 YO Universal & Extended rates	6,202	£6.270	£22,165	5,827	£6.270	£20,825	−£1,340
Deprivation	6,202	£0.325	£1,149	5,827	£0.325	£1,079	−£70
Quality	6,202	£0.135	£477	5,827	£0.135	£448	−£30
Maintained Nursery Supplements	6,202	£0.122	£431	5,827	£0.122	£405	−£26
SEND Inclusion Fund	6,202	£0.110	£389	5,827	£0.110	£365	−£24
Retained central support	6,202	£0.358	£1,266	5,827	£0.358	£1,189	−£77
Contingency for variations in pupils etc	6,202	£0.000	£	5,827	£0.000	0	£
Total for 3 and 4 year olds		£7.320	£25,877		£7.320	£24,312	−£1,567
Maintained Nursery Supplements (national)			£523			£533	+£10
EY Pupil Premium			£178			£195	+£17
Disability Access Fund			£64			£66	+£2
Total spend at the same participation level			£29,814			£28,092	−£1,722

3.2 **Appendix 2** sets out how the formula would operate for 2020/21 on the basis of these values.

3.3 The SEND Inclusion Fund will operate as in 2020/21, with additional funding and support for settings being provided for those children accessing early years provision who have emerging Special Educational Needs (ie they do have an Education, Health and Care Plan). An SEND Panel operates to assist in identifying settings requiring such support.

3.4 The 5% retained centrally will be used as per **Table 3**

Table 3: Components of the allowable, retained 5% within the Early Years 3 and 4 allocation

Planned spending component	Purpose	Total Planned 2020/21 £'000	Total Planned 2021/22 £'000	Difference £'000
Central Early Years Team	Administering Early Years funding, supporting settings and Continuing Professional Development for staff at early years settings.	£752	£706	-£46
Children's Centres	Funding for each Children's Centre to assist them with the support they provide for Under 5s in their service offer.	£514	£483	-£31
Total		£1,266	£1,189	-£77

3.5 The Early Years Pupil Premium will be paid as a supplement at a rate of 53p per hour for each eligible child for a maximum of 15 hours universal provision (ie extended provision is not a feature of EYPP).

3.6 Disabled Access Fund will be paid at a rate of £615 per eligible child.

4 Risks

4.1 The proposed allocations have been set within the hourly rates advised in the provisional Early Years DSG. The main risk arises from changes to pupil numbers, but the broad expectation is that lower funding from lower participation will be reflected in lower payments to settings. There are no guarantees that these will match, particularly as the income in the EY DSG is based on two January censuses and the expenditure is based on three termly censuses in May, October and January.

4.2 The proposals do not set aside any contingency because, to do so, would require a reduction of funding rates for settings. In effect, the DSG overall will have to be used to manage any variations in the actual spend in Early Years. In future years, a contingency could be built back in through, either through underspends in any given year or through future increases in funding. Pressures in this unusual 2020/21 financial year, after taking account of expected contributions from COVID grant are currently forecast to be £0.267m, which is less than 1% of the overall EY DSG. 1% up or down might be the expected normal range for variations arising from pupil number differences. In the longer term, it would be desirable to have DSG balances sufficient to absorb such variations.

4.3 Further COVID lockdowns affecting early years settings may create pressures. The experience of 2020/21 is that central government may again vary the terms of the DSG or provide access to other grants to assist in managing the revised arrangements.

5 Recommendations

- 5.1 The Schools Forum is requested to
- Note and comment on the Early Years Budget 2020/21;
 - Agree to the proposed budget plans for the Early Years Block 2021/22,
 - Agree to the proposal to retain £1.189m (5%) of the 3 and 4 year olds funding for managing the service and promoting good practice.
 - To provide any comments it may wish to make to Cabinet / Council on these proposals.

Early Years Funding forecast 2020/21 - based on stated assumptions.

Component	Forecast Total allocations £'000	Comment
2 Year Olds Schools	£835	Based on Summer 19 headcount - Autumn 20 headcount (higher of 19vs20) Average headcount budgeted for Spring 21
2 Year Olds PVI (Summer 2020)	£754	Based on Spring numbers plus actual attendees and higher funding rates, offset by (-£89k) prior-year reconciled amounts. Plus higher of Autumn19 vs Autumn 20 - subject to further checks
2 Year Olds PVI (Autumn 2020 / Spring 2021)	£1,573	Based on Summer Actuals plus Autumn 19vs Autumn 20 higher of 2 plus Spring 19 headcount – subject to further checks
3- and 4-Year olds Schools	£12,402	Based on Summer 19 headcount - Autumn 20 headcount (higher of 19vs20) Average headcount budgeted for Spring 21
3- and 4-Year olds PVI (Summer 2020)	£3,786	Based on Spring numbers plus actual attendees and higher funding rates and (+£33k) prior-year reconciled amounts.
3- and 4-Year olds PVI Autumn 2020	£3,569	Based on Autumn 20 vs Autumn 19 higher plus plus 1/3 Dep and Quality Subject subject to further checks
3- and 4-Year olds PVI Spring 21	£3,147	Based on Spring 19 1/3 dep and quality
New Starters Jun- Aug in PVI and COVID spend	£645	Based on Ledger Reconciliation November 2020
Central Spend	£1,311	Based on budget
Emerging SEND	£389	Based on budget
DAF	£64	Based on updated allocation in DSG.
Pupil Premium	£195	Based on updated allocation in DSG.
Total Expenditure	£28,671	

Appendix 2

Operation of the Early Years Formula 2021/22 (on the basis of the indicated values)

Two year olds

Standard rate £6.66: all eligible actual participation in each of the three terms (summer 2021, autumn 2021 and spring 2022) funded at the rate of **£6.66** per hour for all settings.

Three and Four year olds

Universal and Extended hours rate £6.27: all eligible actual participation in each of the three terms (summer 2021, autumn 2021 and spring 2022) funded at the rate of **£6.27** per hour for all settings.

Deprivation 32.5p: actual participation in spring 2021 used as a proxy for all participation during 2020/21 financial year. Any 3 or 4 year old supported in spring 2020 in a setting will attract deprivation funding if their post-code indicates an IDACI score (using the 2019 IDACI national dataset) greater than or equal to 30%. The available funding will be distributed in full on the basis of the IDACI score multiplied by the number of hours per week and the number of full weeks in the year multiplied by a cash value. In 2020/21 the cash value was £4.24, but the value for 2021/22 will be determined by setting it to the amount that distributes all the available funding, once all the participation in the spring term 2021 is known. As an example, for an IDACI score of 0.4 (ie 40% deprivation) and participation of 15 hours a week for 38 weeks, the calculation would have been $£4.24 \times 0.4 \times 570 = £966.72$.

Quality 13.5p: Settings with OFSTED ratings of Good or Outstanding will attract a supplement per hour for each hour of participation during 2020/21. Those with a Good OFSTED rating (at the beginning of any given term) will attract a supplement of 10.4p per hour. Those with an Outstanding OFSTED rating (at the beginning of any term) will attract a supplement of 20.8p per hour. Settings with a rating of Inadequate or no OFSTED rating will attract no such supplement.

Maintained Nursery School Supplement 12.2p: A lump sum will be calculated for each maintained nursery school individually. The first part of it will be funded by the DSG national supplement for Maintained Nursery Schools. The balance will be funded from the 12.2p from the DSG allocation for 3&4 year olds. This supplement will be calculated as follows:

- The gross rate per hour for 3&4 year old provision will be £8.68. After deducting the proposed £6.27 per hour for all settings, this indicates a supplement of £2.41. Participation will be based on that for the Jan 2021 census, assuming the same level of participation for the whole financial year.
- The gross rate per hour for 2 year old provision will be £8.08. After deducting the proposed £6.66 per hour for all settings, this indicates a supplement of £1.50. Participation will be based on that for that for the January 2021 census, assuming the same level of participation for the whole financial year.
- The estimated National Non-Domestic Rates bills for 2021/22. Normally, this would include a prior-year adjustment, but this is to be skipped for this year because nurseries received an NNDR holiday in 2020/21 and to claw that back would mean that the settings themselves did not receive the benefit of that.
- If the total allocation exceeds the available funding in Table 2B, the supplements per pupil (but not the NNDR elements) will be scaled down to distribute only the available funding.
- The lump sums calculated in this way will not vary during the year.