

Report to School Forum of the implications of the ceasing of the Local Authority Monitoring and Brokering (LAMB) Grant on its ongoing ability to provide School Improvement Services in its current form.

1 Recommendations:

- A. **To consult with schools about the potential increase to dedelegation to enable the LA to continue to support its school, including the possibility of reallocating funding currently dedelegated to Attain.**

2 Purpose of Report and Executive Summary

- 2.1 The report seeks to explain the challenges faced by the Local Authority since the Local Authority Monitoring and Brokering (LAMB) grant by the DFE was redistributed to schools and requests that consideration is given to consulting schools on how best to address the shortfall in LA funding.

3 Introduction and Background

3.1 The Local Authority's role in School Improvement

The key statutory guidance on its role in school improvement sits within two documents; [Statutory guidance on the roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services](#) and the [Schools causing concern \(publishing.service.gov.uk\)](#).

- 3.2 The statutory guidance, below, highlights the six core functions of the Local Authority (LA) in relation to schools. It has responsibility for the oversight school improvement of maintained schools and how it will deliver its school improvement function, either through direct delivery or commissioning. Merton has always retained a central team, as the ability to know its schools in detail and support in a coordinated way has been central to its success. The responsibilities in relation to school improvement are:

- take **rapid and decisive action in relation to poorly performing schools**, including **using their intervention powers** with regard to maintained schools and considering alternative structural and operational solutions;
- develop **robust school improvement strategies**, including choosing whether to offer such services in a competitive and open school improvement market, working beyond local authority boundaries;
- **promote high standards in education by supporting effective school to school collaboration** and providing local leadership for tackling issues needing attention which cut across more than one school, such as poor performance in a particular subject area across a cluster of schools;

- **support maintained schools in delivering an appropriate National Curriculum and early years providers** in meeting the requirements of the Early Years Foundation Stage (as outlined in the EYFS Statutory Framework);
- **establish a schools forum** for their area, maintain a scheme for financing maintained schools and provide financial information; and
- undertake **specified responsibilities in relation to staffing and governance** of maintained schools

3.3 The Schools Causing Concern Document notes that:

Local authorities should take action where:

1. the standards of performance of pupils at the school are unacceptably low and are likely to remain so; or
2. there has been a serious breakdown in the way the school is managed or governed which is prejudicing, or likely to prejudice, such standards of performance; or
3. The safety of pupils or staff at the school is threatened (whether by a breakdown of discipline or otherwise); or
4. The governing body have failed to comply with a provision of an order under section 122 of the Education Act 2002 (teachers' pay and conditions) that applies to a teacher at the school; or have failed to secure that the head teacher of the school complies with such a provision.

4 How LAs funded to provide the School Improvement function?

4.1 There are several ways that the Merton school improvement team is funded.

- De-delegated Dedicated Schools Grant (DSG) (as agreed by Schools' Forum on an annual basis)
- The council makes a contribution towards the cost of running the service, but this is not ringfenced and there are increasing pressures on the LA budget.
- DSG High Needs Block. We receive some funding to cover salaries of advisers with a particular SEND focus.
- Service Level Agreement with schools

4.2 **Local Authority Monitoring and Brokering Grant.** Since 2016, a core part of the funding which sustained the team came from the DFE's Local Authority Monitoring and Brokering (LAMB) grant. This made up a significant proportion of LA's School Improvement budgets. From October 2021 until November 2021, the DFE unexpectedly consulted on removing the LAMB grant. In January 2022 the DFE told LAs that they would be cutting 50% of the grant in April 2022, with the remainder being cut in April 2023. This funding was to be devolved directly to schools with the DFE making it clear that councils should 'de delegate funds via

their schools' formula to ensure they are sufficiently funded to exercise all of their improvement activities, including all core improvement activities'. The DFE's aim was that LAs would be funded in a similar way to academies, who are able to top slice a percentage of school funding to sustain their central function.

- 4.3 In November 2022 a request was brought to Schools forum for £105k to be de-delegated in addition to the £149,000 de-delegated in previous years, with a view to addressing the shortfall from the first 50% funding reduction. Schools contributed towards this fund based on numbers on roll through the AWPU factor. Prior to the removal of the LAMB grant, the cost in 2022/2023 to primary and secondary schools was £7.16 per pupil on roll to provide an overall de-delegated budget of £149,000. With the requested increase it rose to £13.30 per pupil. As can be seen from the table below, this was based on covering just 55% of the LAMB grant with no further request for the remaining 45% in 2023/24, which has placed a significant cost pressure on education budgets.

Table 1 Income towards School Improvement from the LAMB grant and dedelegation from schools

Year	LAMB grant amount	Contribution from schools	Shortfall
2021/22	£197,518	0	0
2022/23	£109,514	0	£88,004
2023/24	0	£105,000	£92,518* (£180,522 cumulative)

*NB This is the shortfall from the 2021/22 Lamb grant allocation and does not take into account inflation or pay rises for staff during this period.

5 Impact of the removal of the LAMB grant

- 5.1 The removal of the LAMB grant took place at the time when all schools were expected to become academies by 2030 as part of education White Paper [Opportunity for All](#), which anticipated that the role of the LA would decrease and the role of the Regional Director for Academies would increase. This is no longer the expected direction of travel, and so LAs continue to support their LA schools without the LAMB grant funding to do so.
- 5.2 The removal of the grant means that it is difficult for Merton to offer the same level of service over time.
- Other LAs, for example Croydon, agreed to de-delegate the full amount of the LAMB grant for a 3 year period to give stability.
 - Rotherham increased the de-delegated amount over and above the LAMB grant to enable a seconded headteacher to work alongside the team.
 - Other LAs, have started to decrease their offer or increase traded services.
- 5.3 With the shortfall in funding, Merton is holding two part time Merton Education Partner vacancies at present which means that we cannot offer the same level of challenge and, more importantly support.

- 5.4 It is important to note that when Reading Borough Council commissioned a review into their [Independent Review into the death of Ruth Parry](#) the report noted:

'..here we can see that the School Monitoring and Brokering Grant which came from DfE to local authorities was reduced by 50% in 2022/23 and finally withdrawn (i.e. reduced to zero) in 2023/24. Local authorities are now reliant on maintained schools de-delegating part of their budgets back to the local authority to fund the monitoring and intervention work with those schools still maintained by the local authority.' It noted that, LAs go down the route of trading more of its services, they will be put in the position of providing what schools want and not what they need.

5.5 Other de-delegated funds

- 5.6 At present schools also de-delegate £100,000 of funding to the Attain partnership. This is not under the direction of the LA but controlled by the Attain board. This is at the rate of £5.31 per pupil. At present this contributes £42,500 (Pro Rata 0.4/0.6 FTE) to the cost of an Attain Coordinator, a post which has been advertised 4 times and remains vacant. The rest of the money is distributed by the board against bids submitted by partners. These do not necessarily link to borough improvement priorities, but rather what partners feel they have the capacity to bid for.

- 5.7 Attain is reviewing its terms of reference an operating model during the autumn term and this would be a good time to review how funding is allocated.

6 Available Options

6.1 Option 1 – retain funding at its current level

This will mean that the current offer will be unsustainable over time as the accumulative deficit is unsustainable. This will either mean:

- a) The School Improvement Team will reduce in size and their capacity to support schools in challenging circumstances, as part of its statutory function, will be compromised. This has the potential to impact on outcomes at Ofsted inspections and outcomes at the end of key stages. Schools will retain the funding that was delegated to them and will need to commission their own support at a higher cost than that provided by the LA.
- b) The LA will need to increase its trading offer to offset the loss of income which will reduce the time it can spend on supporting schools, which may result in schools purchasing what they want rather than what they require.

6.2 Option 2 – increasing the de-delegated amount

This will help to stabilise the income of the team. Capacity can be sustained and there is the possibility of delivering more of the work which Attain commissions out eg Learning Walks, in house. Increasing de-delegated income can take a variety of forms:

Increasing the de-delegated amount to take funding back to the level of 2 years ago. This will enable the LA to offer the same level of support and is a recognition that this was delegated to schools as the Lamb grant was withdrawn. There is, however, an appreciation that this is an additional challenge for schools at a time when budgets are challenging.

Option 3 reallocating the funding de-delegated to Attain

To consult with schools about reducing the amount of dedelegate funding allocated to Attain and seeking agreement to use this to offset the shortfall in the Lamb grant.

7 Preferred Option

- 7.1 The options above will be included in the consultation with all schools for the 25/26 financial year.
- 7.2 The Local Authority would prefer to increase the de-delegated amount to be able to maintain services to schools (Option 2 or 3).

8 Next Steps & Timetable: Communication and Implementation of the Decision

- 8.1 Schools forum to launch a consultation with maintained schools leaders with a view to making a decision at the December Schools Forum.