



Haringey Council

Report for:	Cabinet 17 December 2013	Item Number:	
Title:	Haringey Schools Funding Formula 2014-15		
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Ward(s) affected: All	Report for Key Decisions		

1. Describe the issue under consideration

The Council is responsible for setting the local funding formula for distributing resources between schools. The formula must conform to national regulations and the Council is required to consult with local schools and the Schools Forum on any proposed changes.

2. Cabinet Member introduction

In previous years the emphasis has been on targeting funding at deprivation and additional educational needs. In reviewing our formula it is clear that the proportion of the Basic Entitlement in Haringey is very low compared with statistically similar neighbours. Our recommended formula addresses this and provides all schools with the funding to enable all Haringey children to thrive. The proposed change also prepares our schools for the planned national schools funding formula from April 2015.

3. Recommendations

That Cabinet:-

- Agree the revised Schools Formula Funding Model 2 set out in the Appendix; and
- Agree to a lump sum of £60,000 each for the two schools on split sites.



4. Alternative options considered

The Council in reviewing its schools funding formula in preparation for 2014-15 liaised with a working party of the Schools Forum. The view of the Working Party was that:

- The 2013-14 funding formula, introduced following significant national changes, distributed too little through the basic per pupil entitlement.
- The range of factors used for deprivation and Additional Educational Needs (AEN) and their relative values were suitable.

As a result of this work four options were modelled; retaining the relative deprivation and AEN values but progressively reducing the total distributed through these factors and increasing the basic per pupil entitlement. The modelling also continued the narrowing of the differential between primary and secondary funding towards the national average that had begun in 2013-14.

Table 1. Options Modelled for Varying the Relative Proportions of Basic Entitlement and Deprivation Funding.

Model	Basic Entitlement	Deprivation
Current	63.09	18.78
1	71.50	14.27
2	73.75	12.65
3	75.23	11.57
4	77.72	9.75

This approach was tested through consultation with school governing bodies and the Schools Forum. The response supported retaining the current formula factors and their relative values but was divided on the issue of changing the balance between the basic entitlement and deprivation and AEN funding and the narrowing of the primary/secondary differential.

Schools Forum on 24 October 2013 agreed to recommend Model 2 (set out in the Appendix) as this brought Haringey's funding formula into line with the comparator group of other local authorities (see Table 2). It was also thought to be in line with the proportions expected in the national funding formula in April 2015.

The Forum also recommended abolishing the lower rate lump sum of £30,000 for split site schools less than 200 metres apart, recommending that the higher rate lump sum of £60,000 be applied to both schools on split sites.



5. Background information

The distribution of funds to schools for 5 to 15 year olds (including Reception Year) is determined by a local funding formula within the constraints of national regulations. The Department for Education (DfE) made major changes to the regulations for April 2013; greatly restricting the number of factors that could be used. This was the first stage in the move to a national funding formula that the DfE plans to implement in April 2015. The second stage in the move is further prescription on how factors are used from April 2014.

The work with the Schools Forum's working group in reviewing the formula compared Haringey's formula with those used by statistical and geographical neighbours and some other selected authorities. The result of the review is shown in Table 2.

Table 2 Value/Percentage of Haringey Factors compared with National and Comparator Group Averages.

Factor	Haringey	Comparator Group Average	National Averages
Primary Basic Entitlement	£3,080	£3,421	£2,922
Secondary Basic Entitlement	£4,685	£4,817	£4,065
Percentage Basic Entitlement	63%	74%	76%
Percentage Deprivation	19%	12%	9%
Primary Prior Attainment (Low Cost High Incidence SEN)	£1,124	£676	£982
Secondary Prior Attainment (Low Cost High Incidence SEN)	£2,124	£1,637	£2,125
Percentage Prior Attainment (Low Cost High Incidence SEN)	5%	3%	4%
Looked After Children	£1,000	£510	£553
Percentage LAC	0.09%	0.04%	0.06%
Primary English as an Additional Language	£500	£583	£497
Secondary English as an Additional Language	£1,000	£1,384	£938
Percentage EAL	2.42%	2.06%	0.9%
Percentage Mobility	2.18%	0.8%	0.3%
Percentage Pupil Led	91.4%	91.5%	90%
Lump Sum	£170,000	£147,750	£130,975
Percentage Lump Sum	7.1%	6.8%	8.2%
Primary/Secondary Ratio	1:1.38	1:1.31	1:1.28



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The view of the Working Party was that Haringey's formula, although compliant with regulations, distributed too little through the Basic Allocation and the alternatives set out in 4 were modelled.

It should be noted that the Minimum Funding Guarantee limits year on year loss to 1.5% of per pupil funding. This provides substantial support to schools losing as a result of the proposed changes. It should also be noted that there will be a further rise in Pupil Premium in 2014-15 and that this in general will benefit those schools that would be adversely affected by the proposed changes. The Appendix sets out the implications of the overall changes and it can be seen that overall no school has a cash reduction.

6. Comments of the Chief Finance Officer and financial implications

The Schools Funding Formula is funded from the ring-fenced Dedicated Schools Grant that can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance Regulations. The budgets delegated to schools form the major part of this grant and the local funding formula determines the distribution of funds to all state funded schools, including academies, within the local authority's area.

7. Head of Legal Services and legal implications

The Head of Legal Services has been consulted in the preparation of this report, and makes the following comments.

Regulation 10 of The Schools Forums (England) Regulations 2012 (the Forum Regulations) requires an authority to consult the Schools Forum annually on the schools budget and may consult on such other matters concerning the funding of schools as they see fit.

Regulation 9(2) of the Schools and Early Years Finance Regulations provides that in determining its schools funding formulae a local authority may make changes to the formulae they determined the previous year and in making changes to the formula a local authority must consult its forum.

Consultation must be undertaken when proposals are still at a formative stage to enable those consulted to give a response. Cabinet must be satisfied that these requirements have been met, in particular, as to consultation before the proposal is agreed. In relation to the consultation this is covered in Section 4 of the report.

Regulation 10 of the Forum Regulations requires that a local authority must, before the beginning of the funding period and after carrying out any consultation required by regulation 9(2) of the Finance Regulations, decide upon the formula which they will use to determine the budget shares for schools maintained by them and by



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Regulation 11(1) of the Finance Regulations currently provides that not later than 15 March a local authority must determine the budget share for each of the schools maintained by them.

In making its decision the Council must have due regard to the public sector equality duty in accordance with the Equality Act 2010.

8. Equalities and Community Cohesion Comments

The proposed changes to the funding formula moves money from schools serving more deprived populations to those serving less deprived populations. There is a risk that this could compound disparities in attainment between these groups. In mitigation the schools adversely affected by these changes will benefit from the Minimum Funding Guarantee that limits losses to 1.5% per pupil for pupil led funding. These schools will also benefit from the increase in Pupil Premium that is targeted at pupils from the most deprived communities.

9. Head of Procurement Comments

There are no procurement implications.

10. Policy Implication

The proposals impact on the Council's priority of Outstanding for All, ensuring that all schools have sufficient in their Basic Entitlement per child to enable all children to thrive. Previous changes to the funding formula targeted deprivation and AEN to such an extent that Haringey's Basic Entitlement is significantly below that of the majority of other local authorities, including those that face similar levels of deprivation.

11. Reasons for Decision

The proposed change brings Haringey's funding formula in line with those of comparative authorities and will address issues raised by some schools on the level of the Basic Entitlement in the 2013-14 allocation. It will also more closely align Haringey's formula with the expected profile of the national funding formula planned for 2015-16.

12. Use of Appendices

The proposed funding model, Model 2, is attached as an appendix. The Appendix includes a comparison with the current funding model.

13. Local Government (Access to Information) Act 1985