

Appendix 1

Summary of Dedicated Schools Grant 2016/17 and 2017/18

| A. DSG Schools Block | 2016-17 DSG allocations | 2017-18 DSG allocations |
|--|-------------------------------|-------------------------------|
| Schools Block unit of funding (SBUF) | £5,913.42 | £5,835.24 |
| Schools Block pupil numbers (headcount) * | 33,059 | 33,467 |
| | £M | £M |
| Schools Block | 195.49 | 195.29 |
| <i>Of which ESG</i> | | 0.55 |
| NRA cash adjustment | 0.00 | |
| Total Schools Block before recoupment | 195.49 | 195.29 |
| | | |

| B. DSG Provisional Early Years Block | 2016-17 DSG allocations | 2017-18 DSG allocations |
|--|-------------------------------|-------------------------------|
| Early Years Block 3 & 4 year old unit of funding (EYBUF) | £5,345.46 | |
| Early Years Block 3 & 4 year old pupil numbers (FTE) | 2,405 | |
| | £M | £M |
| Early years universal entitlement for 3 and 4 year olds | 12.86 | 12.93 |
| Early years additional entitlement for 3 and 4 year old children of eligible working parents | | 2.06 |
| Early Years Block 2yo annual rates | £5,016.00 | |
| Early Years Block 2 year old pupil numbers (FTE) | 483 | |
| | £M | £M |
| Early years entitlement funding for disadvantaged 2 year olds | 2.42 | 2.60 |
| Indicative early years pupil premium | 0.17 | 0.17 |
| Illustrative allocation- Early years supplementary funding for maintained nursery school | | 0.63 |
| Illustrative allocation for Early years Disability Access Fund | | 0.06 |
| Total Provisional Early Years Block | 15.45 | 18.45 |
| | | |

| C. DSG High Needs Block | 2016-17 DSG allocations | 2017-18 DSG allocations |
|------------------------------------|--|--|
| | £M | £M |
| High Needs Block before deductions | 31.64 | 35.85 |
| | | |

| D. DSG non block additions | 2016-17 DSG allocations | 2017-18 DSG allocations |
|--|--|--|
| | £M | £M |
| Funding for Induction for newly qualified teachers | 0.05 | |
| Additions for cash floor | 0.00 | 0.00 |
| Non Block additions | 0.05 | 0.00 |
| | | |

| | | |
|-----------------------------|---------------|---------------|
| TOTAL DSG ALLOCATION | 242.63 | 247.43 |
|-----------------------------|---------------|---------------|

Appendix 2

Rationale for proposing an Option B to amend the deprivation weightings in the formula for primary and secondary schools

A proportion of the Dedicated Schools Grant is distributed through IDACI codes. There are 6 bands from most deprived (band 6) to the least. Schools receive an amount of money for each child classed within that band: eg In 2015 a primary school child in band 6 would receive £516. This isn't additional money brought into Haringey but how we choose to distribute the overall total. The total distributed through this factor is shown in the table below and following a rise in 2014/15 has been kept at around £12m.

The IDACI dataset is updated every five years by the Department for Communities and Local Government. The most recent update to the dataset in 2015, which impacted on school budgets for 2016/17 financial year, showed a markedly different distribution to the previous 2010 dataset. This would have had serious implications for schools with a high number of the most disadvantaged children. eg in 2015/16 the DfE considered 8,661 Haringey children in Band 5 but this dropped to 1,234 under the new data.

The data only came through in December 2015 and the working group had only a few weeks to solve this issue. The School's Forum Finance Working Party adapted the amounts paid within each band to avoid schools facing budget cuts. These changes were large eg a secondary pupil in Band 6 saw an increase from £904 to £1,567 however the overall effect was to maintain the total IDACI share at £12.9M and to avoid turbulence in individual school's budgets. There was no logical reason for the actual amounts for each band – they were not costed, but calculated to ensure no school took a heavy budget cut.

The DfE recognised that the 2015 data update created unexpected and unhelpful turbulence in budgets. The DfE considered the concerns raised by local authorities and views expressed elsewhere, and therefore decided to update the IDACI banding methodology to return the IDACI bands to a roughly similar levels (in terms of the proportion of pupils in each band) as in 2015/16.

In light of this new data the School's Forum Finance Working Party needed to recalculate the individual amounts distributed to maintain our proportion distributed through IDACI. For simplicity, it suggested that if we reduce all the new amounts distributed through IDACI bands by 15% then this will return us to the positions of the previous years. This would minimise any budget turbulence for individual schools and maintains our IDACI distribution at £12.9M. It was not cutting the proportion of funding spent through this formula. It was maintaining it.

If we accept the proposal to distribute monies using the new data set (returned to 2015/16 proportions) and the old figures produced in 2016/17

we will be reducing the amount available to all schools through basic funding and creating the budget turbulence that the working party were asked and agreed to avoid.

In the longer term, the DfE have provided indicative formula values for the new National Funding Formula which will begin to drive school budgets from April 2018. Although deprivation factors will remain high (with more funding planned through free school meals than Haringey currently distributes), but the values for IDACI are much less.

| Primary IDACI per pupil | | | | | | |
|-----------------------------------|----------------------|----------------------|----------------------|-----------------------------------|-----------------------------------|------------------------------|
| Band | 14/15 (£) | 15/16 (£) | 16/17 (£) | Option A 17/18 (£) | Option B 17/18 (£) | NFF 18/19 (£) |
| 1 | 144 | 145 | 252 | 244 | 210 | 200 |
| 2 | 176 | 177 | 308 | 298 | 257 | 240 |
| 3 | 224 | 226 | 392 | 380 | 327 | 360 |
| 4 | 288 | 290 | 503 | 488 | 421 | 360 |
| 5 | 352 | 355 | 615 | 596 | 514 | 420 |
| 6 | 513 | 516 | 895 | 867 | 704 | 575 |
| Secondary IDACI per pupil | | | | | | |
| Band | 14/15 (£) | 15/16 (£) | 16/17 (£) | Option A 17/18 (£) | Option B 17/18 (£) | NFF 18/19 (£) |
| 1 | 252 | 254 | 438 | 424 | 370 | 290 |
| 2 | 308 | 311 | 539 | 522 | 445 | 390 |
| 3 | 392 | 395 | 686 | 664 | 579 | 515 |
| 4 | 505 | 508 | 881 | 854 | 736 | 515 |
| 5 | 617 | 621 | 1,077 | 1,044 | 900 | 600 |
| 6 | 897 | 904 | 1,567 | 1,519 | 1,140 | 810 |
| Total Funded through IDACI | | | | | | |
| All bands | £8.96m | £12.62m | £12.90m | £15.02m | £12.84m | £10.40m |

Summary of formula factors 2016/17 and 2017/18 (Options A and B) and MFG impact.

| Factor | Actual APT for 2016/17 | Option A | Option B | Option A v 2016/17 | Option B v 2016/17 | Option B v Option A Difference |
|--------------------------------|---------------------------|------------------------------|------------------------------|-----------------------|-----------------------|--------------------------------------|
| | | 16-17 IDACI for 17/18 APT | 17-18 IDACI for 17/18 APT | | | |
| AWPU | 140,404 | 138,157 | 140,113 | -2,247 | -291 | 1,956 |
| Deprivation | 21,828 | 26,878 | 24,869 | 5,050 | 3,041 | -2,009 |
| Other pupil led | 3,685 | 3,557 | 3,607 | -128 | -78 | 50 |
| Attainment | 6,090 | 5,435 | 5,512 | -655 | -578 | 77 |
| Lump sums | 10,880 | 10,880 | 10,880 | | | |
| Split sites | 120 | 120 | 120 | | | |
| Rates | 2,102 | 2,580 | 2,580 | 478 | 478 | |
| Sixth Form funding from APT | 381 | | | -381 | -381 | |
| MFG capping | -2 | -90 | -90 | -89 | -88 | 1 |
| MFG support | 3,958 | 3,528 | 3,453 | -430 | -505 | -75 |
| Total after MFG | 189,445 | 191,044 | 191,044 | 1,600 | 1,600 | |

Impact of MFG on the formula illustrations

| | Actual APT for 2016/17 | Option A 16-17 IDACI for 17/18 APT | Option B 17-18 IDACI for 17/18 APT |
|--|---------------------------|--|---|
| MFG CAPPED. Number of schools whose budget is capped by the Minimum Funding Guarantee (ie only 40% of any gains beyond 2.5% increase per pupil) | 1 | 4 | 4 |
| NO MFG. Number of schools whose formula budget is unaffected by capping or support from the MFG. | 35 | 13 | 14 |
| MFG SUPPORTED. Number of schools whose formula budget was increased so that they were no worse than -1.5% per pupil on 2016/17. | 42 | 59 | 58 |
| TOTAL Total number of schools (Haringey Sixth Form no longer part of APT) | 78 | 77 | 77 |