



## NOTICE OF MEETING

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# Haringey Schools Forum

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THURSDAY, 28TH FEBRUARY, 2013 at 15:45 HRS FOR 16:00 HRS – HARINGEY PROFESSIONAL DEVELOPMENT CENTRE, DOWNHILLS PARK ROAD, TOTTENHAM, LONDON, N17 6AR

### AGENDA

**1. CHAIR'S WELCOME**

**2. APOLOGIES AND SUBSTITUTE MEMBERS**

Clerk to report.

**3. DECLARATION OF INTEREST**

Declarations are only required where an individual member of the Forum has a pecuniary interest in an item on the agenda.

**4. MINUTES OF THE MEETING OF 17 JANUARY 2013 (PAGES 1 - 8)**

**5. MATTERS ARISING**

**6. EARLY YEARS BLOCK BUDGET STRATEGY 2013/14 (PAGES 9 - 20)**

To consider the issues affecting Early Years, and to seek the views of the Forum on the allocation of the Early Years Block in 2013-14.

**7. HIGH NEEDS BLOCK BUDGET STRATEGY 2013/14 (PAGES 21 - 38)**

To consider the issues affecting High Needs, and to seek the views of the Forum on the allocation of the High Needs Block in 2013-14.

**8. THE SCHOOL AND EARLY YEARS FINANCE REGULATIONS 2012 (PAGES 39 - 48)**

To inform members of the publication of the School and Early Years Finance Regulations 2012 and to highlight the main changes being introduced for the financial year 2013/14. To inform members of the response to consultation on the Draft Scheme for Financing Schools and to recommend changes to the Draft.

**9. REVIEW OF 2013-14 SCHOOL FUNDING ARRANGEMENTS (PAGES 49 - 76)**

To inform members of the publication of a DfE review and to invite Schools Forum to contribute to a response.

**10. WORK PLAN FOR 2012-13 (PAGES 77 - 80)**

This report sets out the proposed meeting schedule and work plan for the year.

**11. ANY OTHER URGENT BUSINESS**

**12. DATES FOR FUTURE MEETINGS**

23 May 2013

11 July 2013

26 September 2013

**MINUTES OF THE SCHOOLS FORUM MEETING  
THURSDAY 17 JANUARY 2013**

**Schools Members:**

**Headteachers:**

**Special (1)** - Martin Doyle(A) (Riverside),  
**Children's Centres(1)** -Val Buckett (A) (Pembury),  
**Primary (7)** \*Evelyn Pittman (Tetherdown), Maxine Patterson (A)(Ferry Lane), \*Fran Hargroves ( St Mary's CE), \*Will Wawn ( Bounds Green) Linda Sarr (A) ( St Ann's), Cal Shaw ( Chestnuts), \*Julie D'Abreu (Devonshire Hill)  
**Secondary (4)** Alex Atherton (A) (Park View), \*Tony Hartney (Gladesmore), Monica Duncan (A) (Northumberland Park), \*Simon Garrill (Heartlands)  
**Academies(2)**Paul Sutton (Greig City),\* Michael McKenzie (Alexandra Park)

**Governors:**

**Special (1)** Vik Seeborun (The Vale)  
**Children's Centres (1)** \*Melian Mansfield (Pembury)  
**Primary (7)** \*Miriam Ridge (Our Lady of Muswell), \*Asher Jacobsberg (Welbourne),\* Louis Fisher (Earlsmead), \*Laura Butterfield (Coldfall),\* Andreas Adamides (Stamford Hill), \*Jan Smosarski (Bruce Grove),\*Sandra Carr (St John Vianney)  
**Secondary (4)** \*Liz Singleton (Northumberland Park),\* Imogen Pennell (Highgate Wood), \*Marianne McCarthy (Heartlands), \*Keith Embleton (Hornsey)

**Non School Members:-**

**Non – Executive Councillor** - \*Cllr Zena Brabazon  
**Professional Association Representative-** \*Julie Davies  
**Trade Union Representative** -\*Pat Forward  
**14-19 Partnership-** \*June Jarrett  
**Early Years Providers** -\*Susan Tudor-Hart  
**Faith Schools** - Mark Rowland (A)

**Observers:-**

**Cabinet Member for CYPS** (\*Cllr Ann Waters)  
**Education Funding Agency** (\* Alf Brown)

**Also attending:**

Steve Worth, School Funding Manager  
Wendy Sagar, Interim Head of Finance CYPS  
Carolyn Banks, Clerk  
Jan Doust, Deputy Director, CYPS  
Jon Abbey, Assistant Director, CYPS  
Steve Davies, Head of Human Resources

\*Members present  
A Apologies given

TONY HARTNEY [CHAIR] IN THE CHAIR

**MINUTE  
NO.**

**SUBJECT/DECISION**

**ACTION  
BY**

**MINUTES OF MEETING OF THE SCHOOLS FORUM  
THURSDAY 17 JANUARY 2013**

<b>1.</b>	<b>CHAIR'S WELCOME</b>	
1.1	The Chair welcomed everyone to the meeting. In particular he welcomed Jon Abbey, the newly appointed Assistant Director, School Improvement.	
<b>2.</b>	<b>APOLOGIES AND SUBSTITUTION MEMBERS ( Agenda Item 2)</b>	
3.1	Apologies for absence were received from Val Buckett, Mark Rowland, Maxine Pattison, Linda Sarr, and Alex Atherton	
3.2	The following substitute Forum members were noted:- James Lane for Cal Shaw, Mike Clayden for Monica Duncan, Ross McGill for Paul Sutton, and Julie Vaggers for Val Buckett.	
<b>3.</b>	<b>DECLARATION OF INTEREST (Agenda Item 4)</b>	
3.1	Both Julie Davies and Pat Forward declared an interest in relation to the de-delegation of staff costs supply cover and they were not present for the discussion on this item. Laura Butterfield advised that she worked as a full time official for Unison.	
<b>4</b>	<b>MINUTES OF MEETING HELD ON 6 DECEMBER 2012 (Agenda Item 5)</b>	
4.1	<b>AGREED:</b> The minutes of the meeting were agreed as a true record	
<b>5.</b>	<b>MATTERS ARISING</b>	
5.1	SW reported that all matters arising would either be items for future meetings or covered at this meeting.	
5.2	Item 5.1 KE was welcomed to his first meeting.	
5.3	The Forum <b>AGREED</b> that for the next meeting the agenda be produced with indicative timings.	CB
5.4	Item 6.5 SW advised that the 2013-14 funding formula had been agreed by the Council and submitted to the EFA. Further examination of local needs including deprivation could be looked at as part of a review during 2013.	SW
<b>6.</b>	<b>2013/14 BUDGET STRATEGY including further implementation of School Funding Reform (Agenda Item 6) report for information/note/consultation/decision</b>	
6.1	Further to the previous meeting the Forum noted the indicative DSG and DSB for 2013/14, together with the Education settlement which had been announced on 19 December 2012. It was noted that the DSG funding would be re-determined by changes in early years pupil numbers, taken from the January 2013 pupil count and finalised using January 2014 census participation numbers.	
6.2	SW reported that the DfE had announced that there would be one license with the Copyright Licensing Agency (CLA) and the Music	

**MINUTES OF MEETING OF THE SCHOOLS FORUM  
THURSDAY 17 JANUARY 2013**

	Publishers Association (MPA) to purchase a single national licence for all state-funded schools in England. This meant that local authorities and schools would no longer need to negotiate individual licences. The charge for Haringey in 2013/14 would be £62k and the DfE had confirmed that a deduction to cover this was an allowed exception to delegation from the Schools Block.	
6.3	There was a detailed discussion in relation to Central services which the Local Authority could retain. The Forum noted that no new commitments or increase in expenditure from 2012-13 levels, with the exception of the CRC budget, would be allowed. There was a general consensus that there was insufficient information provided on various items under central services and although the Forum accepted that they had to make decisions at this meeting they felt that they would have liked more information on the services and details of the implications should they not wish to approve their retention. MC also commented on the separate presentation of overheads, which meant that the total costs were higher than shown. Both Cllr Waters and ZB spoke about the importance of schools working together and being part of Haringey's family of schools. WW advised the Forum that should they decide not to retain the various central services, it would not be possible to reconsider in future years. He also added that the Forum was being asked to approve only for 2013-14; Schools Forum is required to make a decision annually before the start of the financial year on 1 April.. JD welcomed the need for greater transparency and the request for further details on the services. The Forum AGREED that a Sub Group be set up to look at and evaluate the services in greater detail. Although the Forum unanimously approved the retention of the Central Services budgets they also requested a further report setting out more detailed information and greater clarity and the observations as set out in the following paragraphs were noted.	SW/JA/ JD
6.4	It was noted that the Family Support Services was a referral based service which was largely based on CAF referrals, and not all schools used the service. MM asked how many schools and families it supported and AA asked if more information could be obtained so that a proper evaluation of its effectiveness could be made. MC suggested that the service be turned into an SLA from 1 September. This remains an option for the future but members decided to approve central retention of the whole budget for 2013-14. Officers to report further to the Forum, especially on more effective reporting of outcomes.	JD
6.5	JD advised that without the central retention of funding for the educational component of Looked After children placements the Council would have to fund from elsewhere. She added that to fund this way was the most cost effective method.	
6.6	In response to LB's concern that the sum of money identified for the Strategic and Intervention Education Service, for School to school support appeared to be rather high, JA replied that there was a restructuring of the school improvement service currently taking place and the newly established team would consist of Local Authority officers with the right skills to both fulfil statutory duties, align services and to support and provide effective challenge to Headteachers. In addition there was a cost involved in school's supporting each other. It was accepted that it was important to maintain expertise in this area centrally. JA also advised that it was a small team of high quality credible people.	

**MINUTES OF MEETING OF THE SCHOOLS FORUM  
THURSDAY 17 JANUARY 2013**

	More information was requested on how this service would be delivered.	JA
6.7	MM urged the Forum to consider how schools would fund the services under the Misc heading should they not be retained centrally and the implications should the LA no longer be able to offer the services. In response JD advised that the first consideration of the LA would be to ascertain whether they could offer a good traded service. SW also advised that any statutory duties that the Forum did not agree to retain centrally the LA could appeal to the Secretary of State. Additionally any services not retained centrally could result in reduced services and/or higher charges.	
6.8	WW commented on the cost of providing the governor support and training which fell under the Miscellaneous heading and sought greater clarification on this and JA welcomed the opportunity to provide greater transparency in this area. Some Forum members queried the quality of service being provided, albeit the service had been significantly reduced and was currently under resourced. The Forum agreed that it was essential for the service to be a good one and they were pleased to note that there had been a review. JA advised that he hoped that this team would return to the school improvement service. In agreeing to retain the GSTU centrally as part of the central services budget for a further year the Forum requested a further report setting out a breakdown of the cost, together with future proposals for the service, and that governors be involved in the process.	JA
6.9	As requested at the previous meeting clarification was provided around the proposed growth fund criteria. The Forum noted in particular that the proposals would be amended to ensure that there would be no double funding so that, where appropriate, the reception class uplift would replace any growth funding. It was noted that the Forum would receive an annual report setting out payments made against the growth fund.	SW
6.10	There was a detailed discussion in relation to the de-delegation of some services which could be retained centrally by the LA. The Forum was reminded that the decision on de-delegation had to be made by sector phase maintained school members of the Forum.	
6.11	With regard to the de-delegation  <u>Support to Schools in Financial difficulty (£220K)</u> SW advised that there was a small surplus carried forward at the moment.  Maintained school members of the Forum voted unanimously in favour of de-delegation.	
6.12	<u>Behaviour Support Services</u>  JD advised that this was a referral service, accessed through the CAF process and used by schools often at short notice. It offered targeted intervention which was delivered by a range of specialists to individual children, groups of children and to staff. SC stated that it would have	

**MINUTES OF MEETING OF THE SCHOOLS FORUM  
THURSDAY 17 JANUARY 2013**

	<p>been helpful if more information had been provided regarding the effectiveness of the service. MC commented about the high unit costs.</p> <p>Maintained school members of the Forum voted against de-delegation as follows:-</p> <p>Primary Sector</p> <p style="padding-left: 40px;">For de-delegation 0 Against de-delegation 9 Abstentions 2</p> <p>Secondary Sector</p> <p style="padding-left: 40px;">For de-delegation 1 Against de-delegation 6 Abstentions 1</p>	
6.13	<p><u>Support to underperforming ethnic minority groups and bilingual learners (£766K)</u></p> <p>SW advised that officers were seeking de-delegation of this budget for 2013/14 only, in order to provide funding and time to reconfigure the service. JA stated that approval would create the opportunity to adopt a different approach and to produce a programme of targeted support. Forum members noted that should de-delegation not be approved then the service would be lost. AA commented that underperforming ethnic minorities was still a priority for the borough and that approval for one year would provide the Local Authority with the opportunity to sort the service out. AJ also stated that although the school to school support was in place there was still a need for support from the LA.</p> <p>Louis Fisher left the meeting at this point</p> <p>Maintained school members of the Forum voted for de-delegation in the primary sector only as follows:-</p> <p>Primary Sector</p> <p style="padding-left: 40px;">For de-delegation 10 Against de-delegation 0 Abstentions 0</p> <p>Secondary Sector</p> <p style="padding-left: 40px;">For de-delegation 2 Against de-delegation 4 Abstentions 1</p>	
6.14	<p><u>Staff Supply Costs</u></p> <p>SD, Head of Human Resources provided background information on this item. In addition the Forum noted written representation received from the NUT and Unison.</p>	

**MINUTES OF MEETING OF THE SCHOOLS FORUM  
THURSDAY 17 JANUARY 2013**

	<p>Maintained school members of the Forum voted for de-delegation in the primary sector only as follows:-</p> <p>Primary Sector</p> <p style="padding-left: 40px;">For de-delegation 6 Against de-delegation 0 Abstentions 4</p> <p>Secondary Sector</p> <p style="padding-left: 40px;">For de-delegation 1 Against de-delegation 4 Abstentions 1</p>	
	<p><b>RESOLVED:-</b></p> <ol style="list-style-type: none"> <li><b>1. That the indicative DSG and DSB for 2013/14 be noted.</b></li> <li><b>2. That the retention of the Central Services budgets be approved and a Sub group be set up to evaluate the services in greater detail. A further report setting out more detailed information and greater clarity, particularly in respect of the Capital Expenditure Funded from Revenue Account and the Strategic and Intervention Education Service be presented to a future meeting.</b></li> <li><b>3. That a further report be presented to a future meeting in respect of the proposals for the Governors Support and Training Unit and that governors be involved.</b></li> <li><b>4. That the criteria for the Growth Fund, subject to 6.9, and for its use be approved.</b></li> <li><b>5. That the primary phase members of the Forum approve the de-delegation of:-</b> <ul style="list-style-type: none"> <li>• <b>Support for Schools in Financial Difficulty</b></li> <li>• <b>Support to Underperforming Ethnic Minority Groups and Bilingual Learners</b></li> </ul> </li> <li><b>6. That the primary phase members of the Forum not approve the de-delegation of Behaviour Support Services.</b></li> <li><b>7. That the secondary phase members of the Forum approve the de-delegation of Support for Schools in Financial Difficulty.</b></li> <li><b>8. That the secondary phase members of the Forum not approve the de-delegation of Behaviour Support Services and Support to Underperforming Ethnic Minority Groups and Bilingual Learners</b></li> <li><b>9. That the primary phase de-delegate funding to provide centrally funded union representation.</b></li> </ol>	<p>SW/JD</p>



**MINUTES OF MEETING OF THE SCHOOLS FORUM  
THURSDAY 17 JANUARY 2013**

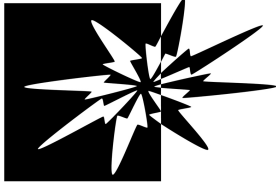
	<b>10. That the secondary phase retain the budget allocation within the school and utilise this to fund local union representation by way of union training and reasonable time off for each union to allow representation for respective members within each school.</b>	
<b>7.</b>	<b>THE SCHOOL AND EARLY YEARS FINANCE REGULATIONS 2012</b>	
	Consideration of this item was deferred.	
<b>8.</b>	<b>UPDATE ON WORKING PARTIES (Verbal report)</b>	
	Consideration of this item was deferred.	
<b>10.</b>	<b>ANY OTHER URGENT BUSINESS</b>	
	There was none.	
<b>11.</b>	<b>DATE OF FUTURE MEETINGS</b>	
	28 February 2013 23 May 2013 11 July 2013 26 September 2013	

The meeting closed at 7.30 pm

**TONY HARTNEY**

Chair

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**Haringey** Council

For Decision  
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### 1.1 The Children and Young People's Service

### 1.2 Report to Haringey Schools Forum – 28 February 2013

**Report Title:** Early Years Block Budget Strategy 2013-14

**Authors:**

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**Purpose:**

To consider the issues affecting Early Years, and the budget strategy for the Early Years Block of the Dedicated Schools Grant (DSG).

**Recommendations:**

- (i) The Forum is asked to note the restatement of the 2012-13 Early Year block and revised baseline (Para 3.3)
- (ii) The Forum is asked to note the indicative Early Years block income 2013-14 of £17.274m. (Para 4.1)
- (iii) The Forum is asked to approve the central retention of historic and statutory budgets (£1.949m) within the Early Years Block (Para 5.8)
- (iv) The Forum is asked to approve the retention of a three and four year old EYSFF Contingency Fund (£669m) for 2013-14 (Para 5.7)
- (v) The Forum is asked to approve the terms of reference for a Working Group to work with officers and make recommendations to the Forum at future meetings on key issues (Para 2.24)
- (vi) The Forum is asked to approve budget adjustments for nursery and primary providers to reflect actual participation in 2012-13 (Para

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| <p>2.3)</p> <p>(vii) The Forum is asked to approve a cap of £40,000 in respect of the 3 and 4YO EYSFF 2012-13 (Para 2.4)</p> <p>(viii) The Forum is asked to approve EYSFF payments of £5.74 per hour per child for all providers for the summer term only, except Children's Centres which will continue to be paid at market cost for the summer term only (Para 2.15);</p> |
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## **1. Background and Introduction.**

- 1.1. This report sets out the budget arrangements for provision of early years for 2013-14.
- 1.2. The Early Years Block is one of three blocks within the Dedicated Schools Grant (DSG), the ring-fenced government grant that must be used in support of the Dedicated Schools Budget (DSB).
- 1.3. The funding provided by the Department for Education (DfE) through the Early Years block (EYB) will either be delegated to nursery schools, primary schools, primary academies, children's centres and private, voluntary and independent Early Years providers through the relevant formula or retained by Haringey for Early Years services.
- 1.4. The new arrangements resulting from the implementation of School Funding Reform for the financial year 2013-14 include some changes to Early Years.
- 1.5. In addition, with effect from 1 September 2013, Haringey will have a statutory responsibility to provide 15 hours of free early education for the most vulnerable 20% of two year olds.

## **2. Early Years Issues**

- 2.1. In considering the deployment of the Early Years Block funding for 2012-13, there are a number of issues which are drawn to members attention.  
Clawback
- 2.2. Under the arrangements approved by Schools Forum for the implementation of the current 3 and 4YO Early Years Single Funding Formula (EYSFF), budgets are issued to nursery school, primary school and primary academy providers in advance of the start of the financial year based on projected participation levels. A prior year adjustment is then made in the following financial year to reflect actual participation in each of the three terms. The participation levels for 2012-13 have now been confirmed.
- 2.3. The number of funded full-time places was reviewed and reduced from September 2012. The movement in participation levels during the financial year are:

	Summer '12	Autumn '12	Spring '13	Total
	FTE	FTE	FTE	FTE
<b>Primary</b>				
Full-time	527	260	236	1,023
Part-time	1,163	1,099	1,286	3,548
<b>Nursery</b>				
Full-time	101	65	70	236
Part-time	133	76	116	325
<b>Total</b>	<b>1,924</b>	<b>1,500</b>	<b>1,708</b>	<b>5,132</b>

The reduction in participation levels generates a clawback of £626k from primary schools and academies and £59k from nursery schools.

Although it was clear that participation in full-time places would reduce, the expectation was that a corresponding increase in part-time places would compensate. Although part-time participation levels have increased, there has been significant turbulence during the year. There are 5 schools that, under the current arrangements, would be subject to clawbacks ranging from £62k to £72k. All have had significant reductions in funded full-time places.

- 2.4. In order to minimise turbulence for these schools and enable them to manage this transition, we recommend that Schools Forum approve a cap of £40,000 for the financial year 2012-13 only. This cap would reduce the value of the clawback by £132k to £553k. The clawback (£553k) will be added to the 2013-14 Early Years block funding.
- Two Year Old Early Education
- 2.5. From September 2013, there will be a statutory duty on local authorities to provide free early education places for eligible two year olds. Eligibility will be based on free school meal criteria and is intended to apply to the most disadvantaged 20% of two year olds.
- 2.6. Work has been ongoing to develop the Two Year Old Programme in Haringey in line with national expectations for September 2013 and the further expansion to 40% of the most disadvantaged two year olds from September 2014. The aims of this programme are to support better long-term outcomes through:
- Improving attainment for children who would be eligible for free school meals both by the end of the Early Years Foundation Stage (at the end of children's Reception year) and longer term across their time in school; and
  - Supporting parents back into work by providing 15 hours of free childcare.

- 2.7. Haringey has been running a Two Year Old Programme (initially as part of the national pilot) since September 2006. The pilot programme was targeted at the most economically deprived families. Locally we were able to use additional criteria to increase participation which were based on children's vulnerability. The pilot programme consisted of:
- Provision of 15 hours per week of good quality free education (term time only);
  - Involvement of parents; and
  - Support for parents' needs to access further learning or employment.
- 2.8. National data showed improved outcomes for children participating in the programme and our local data showed improved attainment for our children on the programme at the end of the Early Years Foundation Stage.
- 2.9. Funding for the pilot, through the Council's Early Intervention Grant, allowed us to pay for good quality places at the rate charged by each type of setting. Sufficient places were available in our children's centres with some additional places in good quality private nurseries and playgroups. At the present time we have 280 places.
- 2.10. From September 2013, children will be eligible for a place the term after their second birthday if they meet the free school meal criteria.
- 2.11. Based on the Department for Education (DfE) assessment and an 80% participation level, we expect to have to provide in the region of 730 places following the introduction of the statutory entitlement for 882 eligible two year olds in September 2013. This means we need to identify 450 additional good quality places for September this year. When the criteria is widened to cover 40% of the two year old population in September 2014, a further 800 places good quality places will be required.
- 2.12. The DfE announced last December the funding for Haringey for 2013-14 to establish the programme. The funding is intended to enable the creation of new places and other development (such as small building works), the improvement of provision through support, training and advice and delivery of free early education. Haringey's allocation for the expansion programme 2013-14 is:
- Revenue funding:
    - £1,042,000 – trajectory building (to include developing quality, resources & building up places); and
    - £2,656,000 - direct funding of places
  - Capital funding - £736,000 - capital works.
- 2.13. The two year old funding for 2013-14 is fixed and not dependant on participation levels. However, the DfE will monitor participation levels. Although the level of funding for 2014-15 has not yet been announced, it will not be based on participation either. However, the DfE has announced that with effect from April 2015, two year old funding will move to a participation basis.
- 2.14. The Department for Education has also informed Haringey that it is being funded at a rate of £5.28 per hour per child from September 2013. This rate is lower than the rates currently paid (£5.74 per hour) and also much lower than inner London Authorities will receive. We are concerned that the rate is unlikely to be acceptable to many providers,

with the exception of playgroups, and will be a barrier to increasing capacity. This issue was raised with the DfE when the rate was announced without success. Officers intend to develop a business case for submission to the DfE.

- 2.15. All local authorities are required to develop and implement a single funding formula for the two year old provision. Subject to the agreement of Schools Forum, officers intend to work with the Schools Forum Early Years Working Group to undertake the task of developing this single funding formula for implementation in September 2013. In the meantime, we propose that the current rate of £5.74 per hour per child for new places and the market cost for established children's centre places will continue to be paid for participation to the end of August.

Three and Four Year Old Early Education

- 2.16. When the Early Years Single Funding Formula (EYSFF) for three and four year old provision was implemented in April 2011, Schools Forum agreed that the formula would need to be reviewed at some point in the future. We now propose that this review of the three and four year old formula takes place during 2013-14 to ensure that the single funding formulas for all early education are properly aligned from April 2014. We believe it would be appropriate for the Schools Forum Early Years Working Group which developed the formula to undertake this work.

- 2.17. This review would include identifying a rate for childminders.

Capacity, Quality and Sustainability

- 2.18. Whilst it would be possible, although challenging, to create sufficient good quality two year old places for September 2013 the issues of funding and quality mean that the further 800 or more places needed for 2014 present us with some difficulty. In order to meet the further expansion for 2014 we will need to encourage new providers to come into the borough and to think creatively about the possible use of sites in the areas of greatest need.

- 2.19. The provision of 1,600 or more places by September 2014 will be a challenging target, particularly as the overall quality of provision within the areas of greatest deprivation, where we will need most places, is variable. It is a requirement of the programme, which we continue to support, that children should only be placed in good or outstanding quality provision. As a result we have already started a programme of support and training to improve 'satisfactory' provision to 'good'.

- 2.20. We believe that the sustainability of places for all free early education will be dependant on the rates to be agreed for the 2 year old EYSFF and the reviewed rates for the 3 and 4 year old EYSFF.

Other Issues

- 2.21. The pilot programme for two year olds has provided evidence of improved attainment following the provision of early education for the most vulnerable children. We are therefore seeking to maximise the numbers of places within or linked to primary schools to ensure that these children can benefit from continuity of provision and improve their attainment within the schools.
- 2.22. Historically, the provision of childcare in Haringey Children's Centres has been subsidised through the DSG in recognition of the benefit this can bring to children as they progress through their school journey. This

provision is high quality but also high in cost. Since the marketed cost of places was raised in September 2011 there has been a drop in take up of places, which has increased the pressure on the childcare budget. Many parents on low to middle incomes have withdrawn from places altogether or reduced the number of paid hours taken.

- 2.23. There is a clear link between free early education and childcare with the benefits cap that will be implemented in Haringey from 15 April. The Early Years Working Group will consider how provision and funding can best support the early years strategy and support children affected by the benefit cap. One possible approach, adopted by Camden, would be to extend free early education beyond 15 hours for some or all of the most vulnerable two, three and four year olds.

Early Years Working Group (EYWG)

- 2.24. Schools Forum approved the establishment of an EYWG to work with officers to develop an EYSFF for 3 and 4 year olds. We recommend that the terms of reference of the EYWG are extended to incorporate 2YO expansion, childcare strategy, review of use of EY funding and links to EY strategy. The Group have already held 2 meetings and recommend that Schools Forum approve the draft terms of reference attached at Appendix A.

### 3. Schools Funding Reform and Revised Baseline 2012-13

- 3.1. As previously reported, the new funding arrangements impact on the way that the DSG funding comes into Haringey, which from April 2013 will be through three blocks (Schools Block, High Needs Block and Early Years Block).
- 3.2. In order to implement the new arrangements, the 2012-13 DSB has been rebased over the three new blocks to determine the baseline for each of these new blocks.
- 3.3. The following table is a summary of the 2012-13 EYB income and expenditure, showing major movements and the resulting, revised baseline guaranteed unit of funding.

<b>Early Years Block 2012-13 Baselines</b>			
<b>Income</b>		<b>Expenditure</b>	
	<b>£'000</b>		<b>£'000</b>
Gross DSG	14,036	EYFSS 3&4YO	11,509
Area Cost Adjustment	498	EY Contingency	278
Removal of 3YO Protection	-1,860	Centrally managed budgets	2,249
<b>EYB Baseline</b>	<b>12,674</b>	<b>EYB Expenditure</b>	<b>14,036</b>
Jan 12 Pupil Numbers	2,371	<b>GAP</b>	<b>1,362</b>



EY Unit of Funding	£5,345		
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3.4. The revised 2012-13 has been used by DfE to distribute DSG funding for 2013-14.

#### 4. 2013-14 Early Years Block Funding

4.1. The following table is a summary of the 2013-14 EYB income and expenditure, showing major movements and the resulting gap.

<b>Early Years Block 2013-14 Projection</b>			
<b>Income</b>		<b>Expenditure</b>	
	<b>£'000</b>		<b>£'000</b>
Gross notional DSG	12,674	EYFSS 3&4YO	11,509
Transfer from EIG – 2YO	3,699	EY Contingency	669
Transitional protection – 3YO	900	Centrally managed budgets	1,949
Clawback 2012-13	553	2YO pilot	1,400
		Ring-fence 2YO	2,299
<b>EYB Baseline</b>	<b>17,826</b>	<b>EYB Expenditure</b>	<b>17,826</b>
Jan 12 Pupil Numbers	2,371		
EY Unit of Funding	£5,345		

4.2. The projected income for the Early Years block is all provided through the DSG. The actual DSG funding will be based on the new, baselined guaranteed unit of funding (£5,345) multiplied by actual participation of 3 and 4 year olds in 2013-14. The Early Years DSG (£12.674m) is estimated based on the January 2012 pupil count but will be updated retrospectively using actual pupil numbers (January 2013 count 5 months; January 2014 count 7 months). The guaranteed unit of funding (GUF) represents a continuing standstill at cash levels although clearly the effect of inflation means which schools and the Private, Voluntary and Independent (PVI) providers will experience a real terms decrease in their funding in 2013-14.

4.3. The actual level of three and four year old participation during 2013-14 poses a clear risk to the projected income. As stated in paragraph 2.3, participation fell as the number of full time places in Haringey schools was reduced. The anticipated increase in free early education participation levels continues to be monitored closely and initial

indications from the January 2013 count are encouraging. Officers will continue to monitor actual participation levels closely.

- 4.4. In order to fund the new responsibility for free early education for two year olds, a transfer (£3.699m) has been made from the Council's Early Intervention Grant (EIG) into DSG with effect from 1 April 2013. Haringey currently spends £1.4m on a pilot scheme to deliver free early education to 2 year olds and this commitment has also been transferred into the DSG.
- 4.5. We reported in January that transitional arrangements following the removal of the 90% guarantee on the number of three year olds funded were announced in December. The transitional adjustment has been confirmed at 50% of the former top-up (£900k). Based on January 2012 numbers this still represents a net reduction and gap of £0.461m.
- 4.6. In paragraph 2.4, we identify a one-off clawback of £553k.
- 4.7. Based on January 2012 participation levels and the income streams identified above, the projected EYB income for 2013-14 is £17.826m.

## **5. 2013-14 Proposed Early Years Block Budget**

- 5.1. As stated in paragraph 4.7, the projected income for the Early Years Block for 2013-14 is £17.826m. Given the uncertainty surrounding participation levels and the issues discussed in paragraph 2, we are proposing that the budget strategy for 2013-14 is to maintain stability. We expect that the EYWG will make recommendations for the allocation of the 2014-15 early years budget once it has completed its work.
- 5.2. We propose that the transferred funding (£3.699m) for the vulnerable 2 year old entitlement is ring-fenced for the delivery of that offer and capacity building. Further, detailed proposals for use of the EYB and capital funding to ensure the delivery of the statutory entitlement will be brought back to Schools Forum following review and recommendation at the Early Years Working Group.
- 5.3. The remaining funding (£14.127m (£17.826m- £3.699m)) is available to support delivery of 15 hours of free early education for 3 and 4 year olds and other services for pupils under 5.
- 5.4. The bulk of this funding will be required to fund Early Years Single Funding Formula (EYSFF) payments to nursery schools, primary schools and academies and PVI providers. Following the reduction in free full time early education, and based on current participation levels, it is projected that EYSFF payments will continue to total £11.508m in 2013-14.
- 5.5. The December meeting of Schools Forum approved amendments to the EYSFF in order to ensure compliance under the new funding arrangements. Members will recall that from April 2013 the EYSFF is only allowed to use the same factors as the R-16 formula, plus quality and sustainability. This means that we no longer have a VAT supplement for Private, Voluntary and Independent providers not registered for VAT. In 2012-13 this provided funding of £17k and from 1 April will be incorporated into the hourly rate for PVI providers. In addition, nursery schools currently receive funding for former standards fund and teachers pay grant totalling £172k through the schools funding

formula and from 1 April this sum will continue to be allocated to the nursery schools as a sustainability lump sum.

- 5.6. From 1 April 2013, a minimum funding guarantee (MFG) for the 3 and 4 year old EYSFF is being introduced. Under the MFG, all providers will receive protection so that the base rate (excluding supplements such as deprivation) will be paid at a level at least 98.5% of the 2012-13 basic rate. The Haringey EYSFF will continue, subject to the adjustments in paragraph 5.5, to be paid at 2012-13 rates to providers.
- 5.7. We propose to hold a contingency of £669k in 2013-14 pending the work of the EYWG. This contingency will mitigate against the risks identified throughout this report and is prudent in view of the one-off nature of the clawback and requirement to make additional savings of £900k in 2014-15 when the 90% participation transitional funding ends.
- 5.8. The balance of the early years funding (£1.949m) has, with the approval of Schools Forum, been retained centrally. The proposed centrally retained budgets for 2013-14 are:
  - Childcare subsidy – schools and Children’s Centres £1.557m; and
  - Other £0.392m.
- 5.9. These budget proposals are made on the basis of ensuring as much stability as possible for all providers. However, we are clear that the funding should be supporting delivery of the early years strategy for the benefit of children in Haringey.

## **6. Next Steps**

- 6.1. As demonstrated in this and other reports, the agenda for Early Years is challenging and taking place alongside major changes in other areas of education funding.
- 6.2. The key milestones in respect of Early Years for 2013-14 will be:
  - Schools Forum April 2013 – Set approved EY budget for 2013-14, including 3&4YO EYSFF rates and 2YO pilot rate;
  - Schools Forum July 2013 - Recommend 2YO EYSFF to Cabinet;
  - September 2013 – Implement 2YO EYSFF;
  - Schools Forum late 2013 - Recommend 3&4YO EYSFF to Cabinet;
  - February 2014 – Early Years Block budget proposals 2014-15; and
  - 1.4.14 and Implement revised 3&4YO EYSFF.

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## Early Years Working Group Draft Terms of Reference

### Purpose

To bring together representatives from the Schools Forum, other early years bodies and local authority officers to recommend to the Schools Forum the use of the Early Years Funding Block to support the implementation of the Early Years Strategy and deliver the desired outcomes within sustainable funding.

### Terms of Reference

- To assist in the development of Single Funding Formulae (SFF) for 2, 3 and 4 year olds that meet the objectives of the Haringey Early Years Strategy;
- To provide the necessary challenge and support for Local Authority officers working on the Single Funding Formula (SFF);
- To be representative of and to represent all settings affected by the SFF;
- To take forward recommendations arising from consultation:
- To advise the Local Authority on the processes for consultation and communication of the SFF proposals;
- To identify and ensure that all relevant funding streams are encompassed by the SFF;
- To assist in the development, consultation and implementation of the Two Year Old Programme in Haringey
- To recommend to the Schools' Forum the use of the Early Years Funding Block to support the implementation of the Early Years Strategy to deliver the desired outcomes within sustainable funding.

### Proposed Membership

Membership can be drawn from either 'staff' or governors.

No.	Representing Body	Nominations
1	Private Sector	Susan Tudor-Hart
1	Voluntary Sector	Vacant
1	Independent Sector	Vacant
4	Primary Schools with Nursery Class Headteacher Headteacher Governor Governor	William Wawn Vacant Melian Mansfield Cllr Zena Brabazon
2	Nursery Schools Headteacher Headteacher	Julie Vaggers Peter Catling (substitute)
1	Children Centres (non school based)	Vacant
2	Professional Associations	Vacant
2	Setting based finance staff	Diane Richardson

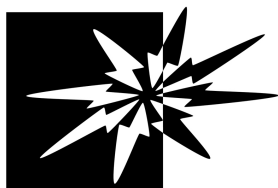
1	Social Care	Vacant
	L A Officers - Head of EY EY Commissioning Manager Interim Head of Finance School Finance Manager EY Lead Vulnerable children	Ros Cooke Ngozi Anuforo Wendy Sagar Stephen Worth Shubhi Raymond
<b>15</b>	<b>Total</b>	12 filled
		5 vacancies

### Accountability

Colleagues from Finance will report on the ongoing process to the Schools Forum. Colleagues from Children's Networks and School Standards and Inclusion will report the ongoing process to the Early Childhood Services Strategy Group.

### Areas for Discussion

1. Strategy for Early Years
2. Use of DSG funding to support the expansion of the two year old programme
3. Development of a single funding formula for 2 year olds
4. Review of the Early Years Single Funding Formula for 3 & 4 year olds, to include rates for childminders
5. Provision of childcare subsidy
6. Review of targeted full time places



**Haringey** Council

**For Decision**

7

### 1.1 The Children and Young People's Service

### 1.2 Report to Haringey Schools Forum – 28 February 2013

**Report Title:** High Needs Block Budget Strategy 2013-14

**Authors:**

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**Purpose:**

To consider the issues affecting High Needs, and the budget strategy for the High Needs Block of the Dedicated Schools Grant (DSG) in 2013-14.

**Recommendations:**

- (i) The Forum is asked to note the restatement of the 2012-13 High Needs block and revised baseline (Para 3.2)
- (ii) The Forum is asked to note the indicative High Needs block income 2013-14 of £29.840m. (Para 4.1)
- (iii) The Forum is asked to approve the budget proposals for 2013-14 (Para 5.2 – Para 5.12)
- (iv) The Forum is asked to approve the establishment and membership of a High Needs Working Group to work with officers and make recommendations to future meetings of the Forum (Para 2.19)
- (v) The Forum is asked to note the continuing uncertainty regarding responsibility and funding for post 16 high needs pupils and students (Para 5.12).

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## 1. Background and Introduction.

- 1.1. This report sets out the budget arrangements for provision for pupils with high levels of need in 2013-14. This includes funding for commissioning and top-ups in mainstream schools, resource units, special schools, alternative provision and independent schools, as well as support services.
- 1.2. The High Needs Block is one of three blocks within the Dedicated Schools Grant (DSG), the ring-fenced government grant that must be used in support of the Dedicated Schools Budget (DSB).
- 1.3. The funding provided through the High Needs block (HNB) is used to make provision for those pupils and students aged up to 25 with high needs.
- 1.4. The new arrangements resulting from the implementation of School Funding Reform are being implemented within a challenging timescale for the financial year 2013-14 and include significant change to High Needs provision and funding.
- 1.5. In addition, with effect from 1 September 2013, the statutory responsibility to meet the education needs of post 16 pupils transfers to Haringey.

## 2. High Needs Issues

### Background and Context

- 2.1. The Green Paper on special educational needs and disability (SEND), *Support and Aspiration*, and Charlie Taylor's report, *Improving Alternative Provision*, have set out an ambitious reform agenda for raising aspirations and improving the attainment of pupils who require additional specialist educational provision. Central to the reform is the intention to develop an integrated approach to assessment for children and young people with SEND and to introduce an integrated education, care and health plan for them. These reforms aim to encourage the development of high-quality and innovative provision, to improve transparency and, particularly in relation to SEND, to empower young people and their families, as well as increasing choice through promoting the use of a wide range of providers including those from the voluntary and community sector. It is a system which will apply to children and young people, from birth to 25. From 2014, SEN statements and separate learning difficulty assessments, for older young people, will be replaced with a single, birth to 25 years assessment process and education, health and care single plan.
- 2.2. To underpin this, the Department for Education (DfE) is requiring local authorities to implement a set of funding arrangements for pupils and students with high needs that is responsive to the needs of individual pupils and students. Under the reformed arrangements, financial resources will follow the pupil / student and this will be supported by clear information in the form of a local offer about the high needs



provision available in all schools and colleges, as well as through Haringey and other providers.

- 2.3. From 2014, parents will be given a new, legal right to a personal budget to buy in specialist special educational needs (SEN) and care services for their children.

#### School Funding Reform

- 2.4. As a result of school funding reform, all high needs pupils will be funded through a place-plus methodology from April 2013, with the exception of pupils in academies and post 16 students where the changes come in from the autumn term (September).

- 2.5. The funding reform has also introduced, within the Schools Block, a Notional SEN Budget. The Haringey notional SEN budget is made up of an element of deprivation (both free school meals and Index of Child Deprivation) and lump sum funding and all of the low attainment funding. Through this budget, base funding is provided to schools in their delegated budget to meet the first £6,000 of additional support for high needs pupil. In addition, schools also receive funding for core education of each pupil, so that the school has a delegated budget of approximately £10,000. Schools Forum reviewed the operation of the Notional SEN budget and has already approved a contingency fund (£0.5m) and criteria to support schools. A copy of the extract from a previous report is attached at Appendix A.

- 2.6. The DfE has recommended that a banding system is adopted for the allocation of the top up element for children and young people with high needs. Currently, special schools are funded using a planned place formula and receive a budget based on three funding bands as determined by an agreed set of descriptors. In the future places in all specialist provision will receive a base level of funding at £10,000 per place. Top-up funding in the new system will be provided on a per-pupil basis by the commissioning local authority.

- 2.7. Following discussions with Head teachers of Special Schools, we will maintain the current banding system for the top up element for 2013 -14 and will develop revised descriptors and a banding framework from April 2014. The top-up for each school will be a combination of the band related top-up and a school specific per pupil top-up. Subject to pupil numbers, this will ensure stability for the first year of implementation of this significant funding reform. We will also be able to carry out this detailed work in a considered manner with a Working Group of Schools Forum, subject to approval of the recommendation in paragraph 2.19. This timescale will also enable the new banding framework to be aligned to the introduction of the Local Offer and Single Education, Health and Care Plan from 2014. The opportunity will also be taken to align the banding framework so that it will also apply to alternative provision.

- 2.8. We are aware that implementation of the new arrangements whereby schools will be responsible for recovering top-ups from both Haringey and other local authorities on a real-time basis will be challenging. This will be a particular issue for Blanche Neville Special School where 45 (63%) pupils come from 11 different local authorities. As a result, we intend to engage temporary support for 2013-14 only so that we can

support special schools and resourced provision to implement robust processes to manage under place-plus.

Post 16

- 2.9. Local authorities will take on greater responsibility for funding post 16 provision for high needs pupils and students from the start of the academic year 2013/14. This will involve new responsibilities for students (previously 14-19 Partnership) and Haringey will need to work with providers, other local authorities that commission provision from the same providers and the Education Funding Agency (EFA) to calculate appropriate future levels of top-up funding. The EFA will commission and fund places for post 16 students and local authorities will take on responsibility for funding the appropriate levels of top-up.
- 2.10. Furthermore, as local authorities become more active commissioners of post-16 high needs education provision, authorities will also need to review existing systems and processes for arranging post-16 provision for high needs pupils and students, including through discussions with providers, other local authority commissioners and the EFA.
- 2.11. This is complex, and labour-intensive work is already underway. Regrettably, there is still considerable uncertainty around the management of the processes and funding transfer from the EFA to local authorities. This uncertainty results in considerable risk to the DSB in 2013-14 so it will be vital that numbers of students, top-ups and funding are closely monitored during the year.

Growth and Pressures

- 2.12. Haringey's Inclusion Policy aims to educate children and young people with additional and special educational needs as close to home as possible. This is achieved for the majority of the children with statements who attend Haringey mainstream, special schools and resourced provision. Appendix B illustrates the success of this policy which delivers better outcomes for the pupils in a cost-effective manner.
- 2.13. There are currently 116 children and young people in independent day and residential schools, with a steady reduction in the numbers in expensive residential placements. Additional places provided through the Inclusive Learning Campuses have all been allocated and both the Brook and Riverside Special Schools will be full from September 2013.
- 2.14. In September 2013, 15 of the 25 additional places established in the resourced provision have already been allocated. The admissions to Riverside and Heartlands have enabled four young people to return to Haringey from independent schools. However, pressure on places continues as a result of:
  - Increase in child population in Haringey;
  - Increase in the number of children and young people with complex needs, in particular children with autism;
  - Mismatch between places available and the child's needs, age, parental preference;
  - Increase in number of children with complex needs moving in borough;
  - Increase in number of requests from mainstream schools for places in special schools at Key Stages 2 -4;

- Parental preferences for two independent schools based in the borough; and
  - Reducing number of places in other Local Authorities provision as all boroughs experience these pressures.
- 2.15. Haringey is a member of the North London Strategic Alliance (NLSA), comprising Islington, Camden, Enfield, Hackney and Barnet. Work is underway to share approaches to the implementation of the funding reforms and to develop a protocol for cross-borough placements in mainstream and special provision. Currently the cost of planned places in special schools in the NLSA is similar to those costs charged by Haringey to other LAs. However indications are that some members are considering charging much higher top-up elements in their special schools. Final costs are as yet unknown. This is clearly a risk and, if this materialises, will cause pressure within the High Needs Budget.
- 2.16. The education finance settlement issued on 19 December 2012 did not provide any additional funding for the high needs block. Growth provision was made for those authorities identifying additional planned places in 2013-14 during the recent baseline process. No net additional places were planned in Haringey. The consultation paper, reported elsewhere on this agenda, is seeking views on how to manage growth in high needs for future years. We are working on the assumption that growth will have to be managed within existing resources.

#### Alternative Provision

- 2.17. There are four strands to alternative provision in Haringey; namely Simmons House (hospital), Tuition Service, PSC Primary and PSC Secondary. With effect from 1 April 2013, we are required to establish a Management Committee and delegate budgets and other responsibilities to the Committee. The Interim Executive Group has discussed these requirements and is planning a reconfiguration of alternative provision in Haringey in order to meet these requirements. A project plan will be presented to the next IEG meeting and a workshop with Secondary Heads has been arranged for 12 March.
- 2.18. The objectives of the reconfiguration are primarily to ensure the best outcomes for pupils, whilst also supporting schools needs, clarifying commissioning and provider roles and meeting statutory responsibilities. Schools Forum will be updated on progress with the reconfiguration as it progresses.

#### High Needs Working Group

- 2.19. Given the issues identified above and the need to ensure provision and services meet the needs of pupils, students and schools, we are recommending that Schools Forum appoint a High Needs Working Group. Draft terms of reference are attached at Appendix C. The objectives of the group will be to advise officers on high needs issues and review funding allocations within the High Needs block to ensure that funding meets needs and supports both the Inclusion Strategy and the proposed legislation arising from the Green Paper, *Support and Aspiration*.

### **3. Schools Funding Reform and Revised Baseline 2012-13**

- 3.1. As previously reported, the new funding arrangements have impacted on the way that the DSG funding comes into Haringey, which from April 2013 will be through three blocks (Schools Block, High Needs Block and Early Years Block). In order to implement the new arrangements, it was necessary to rebase the 2012-13 DSB over the three new blocks, make a number of technical adjustments and determine baselines for each of the new blocks.
- 3.2. The following table is a summary of the 2012-13 High Needs Block (HNB) income and expenditure budgets.

<b>High Needs Block 2012-13 Baselines</b>			
<b>Income</b>		<b>Expenditure</b>	
	<b>£'000</b>		<b>£'000</b>
Gross DSG	28,850	Individual School Budgets	19,145
Area Cost Adjustment	1,109	Transfer to Schools Block	-3,600
Hospital Top-slice	-365	Centrally managed budgets	13,305
Other adjustments	7		
EYB Baseline	29,601	EYB Expenditure	28,850
		<b>Headroom</b>	<b>751</b>
		(£1.109-£0.365+£0.007)	

- 3.3. The revised 2012-13 baseline is then used by DfE to distribute DSG funding for 2013-14.

#### **4. 2013-14 High Needs Block Funding**

- 4.1. The following table is a summary of the 2013-14 HNB projected income and expenditure

<b>High Needs Block 2013-14 Projection</b>			
<b>Income</b>		<b>Expenditure</b>	
	<b>£'000</b>		<b>£'000</b>
Gross notional DSG	29,601	Special school provision	10,327
Hospital Provision	221	Independent placements	6,177
Initial 16+ Adjustment	98	Special unit provision	1,409
8 Academy places	-80	Mainstream top-ups	3,712
		Alternative provision	3,169
		SEN in Nursery Schools	286
		SEN Support Services & provision for pupils with SEN	2,187
		Other HN services	2,073
		HN Contingency	500
<b>HNB Projected Income</b>	<b>29,840</b>	<b>HNB Proposed Budget</b>	<b>29,840</b>

- 4.2. The projected income for the High Needs block is all provided through the DSG. Unlike the Schools and Early Years Block, the High Needs

Block is a cash sum. The education settlement on 19 December confirmed the Gross Notional DSG (£29.601m) based on the 2012-13 baseline. An additional £98k was added as an initial post-16 adjustment. In addition, we have now had confirmation from the DfE that an additional £221k will be provided to fund hospital provision.

- 4.3. Under place-plus, Academy places (in special schools, special units or alternative provision) will be funded directly by the Education Funding Agency (EFA). The 8 places currently commissioned at Harris Primary Academy - Coleraine Park will in future be funded directly by the EFA. We will continue to be responsible for the top-ups for any Haringey pupils filling these places.
- 4.4. With effect from 1 September 2013, Haringey will have a legal responsibility to fund the top up for post 16 pupils and students with statements of special educational need. Currently, we receive funding through the EFA for post 16 pupils (that is, those in our maintained schools) only and fund provision for these pupils. From September, we will take on a new responsibility for all post 16 SEN students up to the age of 25. Nationally and locally, work has been progressing since last March to identify pupil numbers and funding transfers to each local authority. Despite this work, which we have contributed to, we are still unclear as to the post-16 numbers and available funding. This is a significant risk. Although we believe that it is appropriate to assume that the transfer of responsibility will be matched by a transfer of funding, and have incorporated this assumption in our proposals, officers will monitor developments closely.
- 4.5. Based on the information currently available, the projected HNB income for 2013-14 is £29.84m.

## 5. 2013-14 Proposed High Needs Block Budget

- 5.1. As stated in paragraph 4.5, the projected income for the High Needs Block for 2013-14 is £29.84m.
- 5.2. We propose that stability of budgets is maintained during 2013-14 as we implement the place-plus methodology and the implications for high needs of funding reform become clearer. The implementation of place-plus is challenging for the LA, schools and other providers who all have to adjust their processes and systems to meet new requirements.
- 5.3. The following table identifies the pre-16 provision that is being commissioned in 2013-14:

<b>Provider</b>	<b>Commissioned Places</b>
<b>Resource Units</b>	
Harris Academy - Coleraine Park	8
The Mulberry	18
West Green	8
Heartlands (part year)	11.2
<b>Alternative Provision</b>	
The Octagon (PSC-P & PSC-S)	42

Tuition Service	55
<b>Special Schools</b>	
Blanche Neville	73
Vale	96
The Brook	100
Riverside	113.8

#### Special School Provision

- 5.4. We plan to commission 382.8 (full year equivalent) places in our 4 special schools and these schools will receive £10,000 for each of these places. Pupils will be placed by the SEN Panel in Special schools in Haringey and other local authorities to meet their specific needs. The special school in which the pupil is placed will, in addition to the £10,000 place funding, receive a top-up for each pupil on roll depending on the agreed banding of the pupil and the top-up rate of the school. Based on current numbers of pupils in special schools we project that a total budget of £10.327m will be required in 2013-14, comprising places £3.825m and top-ups £6.502m.

#### Independent Placements

- 5.5. We project that, based on the current numbers of pupils in independent schools, a budget of £6.177m will be required in 2013-14. This includes provision for top up for post 16 high needs students, £0.818m, as identified by the EFA.

#### Resourced Provision

- 5.6. A number of primary and secondary schools have established resourced provision for pupils with additional needs which can be met without the need for special or independent school placements. We plan to commissioned 37.2 (full year equivalent and excluding EFA Academy funded places) places in schools and these schools will receive £10,000 for each of these places. Pupils will be placed by the SEN Panel in resourced provision in Haringey and other local authorities to meet their specific needs. The school in which the pupil is placed will, in addition to the £10,000 place funding, receive a top-up for each pupil on roll depending on the agreed banding of the pupil and the top-up rate of the school. Based on current numbers of pupils in resourced units we project that a total budget of £1.409m will be required in 2013-14, comprising places £0.372m, top-ups £0.617m and Haringey 6<sup>th</sup> Form Centre summer term SEN payments of £0.500m.

#### Mainstream Top-ups

- 5.7. Members of Schools Forum will recall that, as part of the implementation of Schools Block reform, funding has been delegated to schools through the formula to enable them to meet additional needs of individual pupils up to £6,000. The school will, in addition to their formula funding, receive a top-up for each pupil on roll with additional needs in excess of £6,000 depending on the agreed banding of the pupil. Based on current numbers of pupils with statements in mainstream schools and academies, we project that a total budget of £3.712m will be required in 2013-14 for top-ups.

#### Alternative provision.

- 5.8. The current Alternative Provision and planned reconfiguration is outlined in paragraph 2.17 and 2.18. Whilst this reconfiguration is in progress, we are recommending that the budget is retained at 2012-13 level, £3.169m. As part of the reconfiguration, it will also be necessary to clarify a commissioning budget and a provider budgets.  
SEN Support Services & provision for pupils with SEN
- 5.9. We are proposing to maintain stability for these budgets in 2013-14. Subject to Schools Forum approval to a High Needs Working Group, we plan to review these budgets with the Working Group in order to inform future budget allocations.  
Other HN services
- 5.10. We are proposing to maintain stability for these budgets in 2013-14. Subject to Schools Forum approval to a High Needs Working Group, we plan to review these budgets with the Working Group in order to inform future budget allocations.  
High Needs Contingency
- 5.11. A contingency of £0.5m has been set aside to fund schools who meet the criteria approved by Schools Forum (paragraph 2.5).
- 5.12. As this is year 1 of the new funding arrangements, there is still a high level of uncertainty and risk attached to the proposed High Needs Budget. There is clear uncertainty around two specific issues, namely (i) post 16 transfer and (ii) growth in the numbers of pupils with high needs. It is always prudent to hold a contingency in these circumstances. At this point in time, there is no contingency for growth in pupil numbers. We will continue to review the projections and propose that any additional funding identified is set aside as a contingency.

## **6. Conclusion and Next Steps**

- 6.1. These significant changes have to be implemented in a relatively short timescale at the same time as the implementation of other funding reform changes. The continuing level of uncertainty is a significant risk to be considered when considering the budget proposals. The key risks are the continuing uncertainty around post 16 responsibilities and funding and the capacity to meet growth in high need numbers. The key risks for schools are managing additional provision within the £6,000 notional SEN allocation, managing top-ups and communication with parents, carers and commissioners. Special schools and resourced units will also have to manage the risk that available places may not be filled.
- 6.2. There is still a significant amount of work required to fully implement the funding reform, including developing commissioner and provider arrangements. We believe this implementation can be best achieved through collaborative working.
- 6.3. If approved, a High Needs Working Group to work through the issues with officers to ensure that funding meets needs and supports the Inclusion Strategy, would report back to Schools Forum with recommendations to inform budget proposals for 2014-15.

- 6.4. As identified in the report, it is vital that post 16 and growth are monitored closely during 2013-14 in order to manage the risks and ensure that appropriate action is taken.

Background documents

School funding reform: Arrangements for 2013-14  
DfE

School funding reform: Next steps towards a fairer system, March 2012,  
Department for Education

High needs funding reform: Next steps towards a fairer system Ben Bryant  
DfE benjamin.bryant@education.gsi.gov.uk

Support and Aspiration: A new approach to special educational needs and  
disability: Progress and next steps,

<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DFE-00046-2012>

The Taylor review of alternative provision: Improving alternative provision,  
<http://www.education.gov.uk/schools/pupilsupport/behaviour/a00204776/taylor-review-of-alternative-provision>

[www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00205567](http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00205567)



**Extract from Schools Forum Report – 6 December 2012**

At its meeting of 11<sup>th</sup> October 2012, the Forum supported the proposal to create a contingency of £0.5m within the High Needs Block to support schools with disproportionately high numbers of statemented pupils compared with funding for deprivation and low prior attainment. We propose that, other than in exceptional cases, the contingency will be allocated late in the autumn term following the movement of pupils in September. This contingency supports schools with relatively high levels of statemented pupils but lower formula allocations through the deprivation or AEN factors.

The contingency will be allocated to schools where the ratio of Element Two funding (£6,000) to that received through deprivation and AEN funding is more than the standard deviation for all schools in that phase. For schools that meet this criterion the contingency will be allocated using the difference between the Element 2 ratio and the standard deviation multiplied by the school roll and a phase weighting of 2 (for primary schools only). The maximum any school can receive is capped at £6,000 per statemented pupil. An exemplification of this approach was set out in an Appendix.

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Year	Statements	
	Number	% Increase
2010-11	1301	
2011-12	1314	1.0%
2012-13	1367	4.0%
2013-14	1408	3.0%

LBOH	Maintained Mainstream				Total	%
	Academy	Nursery				
704	20	10		734	56.4%	
723	22	7		752	57.2%	
732	23	7		762	55.7%	
710	98	5		813	57.7%	

Resourced Units	Total	%	Maintained Special	
			Total	%
	89	6.8%	338	26.0%
	91	6.9%	335	25.5%
	96	7.0%	359	26.3%
	97	6.9%	352	25.0%

Mainstream	Independent				Total	%
	Special Day	Special Residential				
22	61	34		117	9.0%	
19	60	28		107	8.1%	
26	60	24		110	8.4%	
26	70	20		116	8.8%	

Other	%
23	1.8%
29	2.2%
40	3.0%
30	2.3%

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**Draft Terms of Reference****Terms of Reference for the High Needs Funding Block (HNFB) Working Party of the Schools Forum****Purpose;**

To bring together representatives from Schools, Alternative Provision and Local Authority Officers to recommend to the Schools' Forum the use of the HNBF to support the implementation of the SEN Funding reforms and deliver the desired outcomes within sustainable funding.

**Proposed Membership;****Schools and Alternative Provision representatives;**

Mainstreams School	2 Head teachers
Special Heads	4 Head teachers
Resourced provision	1 Head teacher
Haringey 6 <sup>th</sup> Form Centre	Principal
Alternative Provision	Head of Centre

**Local Authority representatives;**

Interim Head of Finance	Wendy Sagar
School Finance Manager	Stephen Worth
Alternative Provision	Heather Johnston
Head of Early Years	Ros Cooke
Head of Inclusion	Kirstie Watkins
SEN Team Manager	Janet Miller
Finance Officer	Cynthia Dako
Additional Needs and Disabilities	Phil Di Leo

**Objectives:**

- 1 To work together to devise fair, understandable and transparent eligibility criteria for the allocation of HNB funding and aligned to ensure best fit with the needs and preferences of children, young people and their parents;

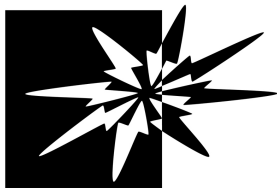
- 2 To develop Place Plus funding for special schools, resourced and alternate provision to ensure funding is on an equivalent basis;
- 3 To determine and agree the number of planned places to be commissioned at each setting/provider;
- 4 To consider maintaining the threshold between low needs and high needs in mainstream schools at 15 hrs for a further year (2013-14) for primary and secondary pre-16 pupils;
- 5 Oversee the introduction of delegated budgets for Alternative Provision including PSCs and Tuition;
- 6 Oversee the introduction of commissioning arrangements in relation to top-up funding;
- 7 Clarification of new arrangements for assessing a pupil's needs and the menu of interventions that should be managed via the school (£6k) and top up interventions funded by the High Needs Block (Above £10k);
- 8 Developing the "Local Offer" due for implementation in September 2014 and determining how arrangements will work in the interim i.e. development of the menu of interventions expected from Schools for notional SEN and menu of intervention from the HN block;
- 9 Monitor the implementation of arrangements for dealing with schools who might require additional support over and above the notional SEN budget (i.e. exceptional high number of HN pupils, in-year movement);
- 10 To oversee the transfer of responsibilities for Post 16 funding from the EFA and the commissioning of specialist provision and payment of top-up funding;
- 11 To engage and support all stakeholders through this period of change and to produce guidance and procedures for top-up allocations to enable schools manage this process, including the DfE Contract;
- 12 To establish agreed protocols with neighbouring Local Authorities so that cross border funding systems and charges are clear and understood;
- 13 To agree thresholds with other Local Authorities for recovering top-up costs and providing advice to schools for operational arrangements.

**The Working Party will ensure that in taking forward this review they will ensure that: -**

- (i) the agreed solutions are clear and transparent;*
- (ii) the agreed solutions allocate the resources in an equitable manner;*
- (iii) the agreed solutions are clearly documented and available to all concerned;*
- (iv) the recommendations meet the aims of the Local Authority's Strategic Plan for Special Educational Needs and Alternative Provision;*
- (iii) outcomes derived from the recommendations reduce administration, bureaucracy and focus appropriately on meeting the need of children and young people;*
- (iv) achievement and progression for children and young people is taken into account when delivering a curriculum (including raising the participation age);*
- (v) it takes account of proposed legislation arising from the Green Paper 'Support and Aspiration' DfE 2011.*

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**Haringey** Council

**The Children and Young People's Service**

**Agenda Item  
8**

**Report Status**

For information/note   
 For consultation & views   
 For decision

**Report to Haringey Schools Forum – Thursday 28<sup>th</sup> February 2013**

**Report Title: The School and Early Years Finance Regulations 2012.**

**Authors:**

Wendy Sagar – Interim Head of Finance (Children and Young People's Service)

Contact: 0208 489 3539 Email: [wendy.sagar@haringey.gov.uk](mailto:wendy.sagar@haringey.gov.uk)

Steve Worth – Finance Manager (Schools Budget)

Contact: 0208 489 3708 Email: [Stephen.worth@haringey.gov.uk](mailto:Stephen.worth@haringey.gov.uk)

**Purpose:**

1. To inform members of the publication of the School and Early Years Finance Regulations 2012 and to highlight the main changes being introduced for the 2013-14 financial year.
2. To inform members of proposed changes to Haringey's Scheme for Financing Schools following consultation.

**Recommendations:** That members note the School and Early Years Finance Regulations 2012 and approve the changes to the Scheme set out in Section 5.

## **1. Background and Introduction.**

- 1.1. The School and Early Years Finance Regulations are made under the School Standards and Framework Act 1998. They:
  - Define the local authority education budgets (the non-schools education budget, the schools budget the central expenditure and the individual schools budget);
  - Set out how local authorities are to allocate funding from the Individual Schools Budget (ISB) to maintained schools and private, voluntary and independent providers of free early years provision (relevant early years providers) through a locally determined formula.
  - Require Local Authorities (LAs) to maintain a local Scheme for Financing Schools.
- 1.2. Associated with the Regulations are changes to the Conditions of Grant for the Dedicated Schools Grant (DSG).
- 1.3. The full Regulations can be found at:  
<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/financeregulations/a00218106/school-and-early-years-finance-regulations>  
and the main changes being introduced for 2013-14 are set out in the following sections.

## **2. DSG Conditions of Grant.**

- 2.1. From April 2013 academies will be funded using the Local Authority's (LAs) formula for the current financial year. There will be a single formula for both maintained schools and academies and the circumstances of local academies as well as maintained schools must be taken into account in setting the formula. Centrally retained funding must be used for the benefit of both maintained schools and academies except where the funding has been de-delegated by maintained schools.
- 2.2. The conditions of grant also require that arrangements to commission services for high needs pupils treat all providers on a fair and equivalent basis. This means, for example, that LAs cannot favour provision in maintained special schools over provision in special academies or in non-maintained special schools. However, a Minimum Funding Guarantee (MFG) will apply to placements in maintained or formerly maintained special schools for 2013-14 and placements in existence at 1 April 2013 will continue.

## **3. The School and Early Years Finance Regulations 2012.**

- 3.1. The 2012 regulations apply to the 2013-14 financial year and incorporate the significant changes being introduced from April 2013. The main changes to note are set out below.

3.2. Changes in Definitions.

- 3.2.1. The definition of contingencies, retained by de-delegation, will be limited to purposes for which it would be unreasonable to expect governing bodies to meet from their budget share. This includes financial difficulty, deficits arising from closing schools and costs associated with new, amalgamating or closing schools.
  - 3.2.2. The definition of hospital education is limited to that provision, required by medical needs and usually on a temporary basis.
  - 3.2.3. References to governing bodies will include the PSCs management committees.
- 3.3. The Regulations will provide for maintained primary and secondary forum members to approve the de-delegation of specific services for their phase of maintained schools. The items that can be de-delegated are set out in Part 5 of Schedule 2 to the Regulations.
- 3.4. The Regulations bring the date by which LAs must set their Schools Budgets from 31<sup>st</sup> March to 15<sup>th</sup> March. The date for budgets issued under the Early Years Single Funding Formula (EYSFF) remains the 31<sup>st</sup> March. Governing bodies and management committees of maintained schools and PSCs must be notified of their budget shares by 31<sup>st</sup> March.
- 3.5. The Schools Budget is being extended to include expenditure on further education for those aged under 19 with learning difficulties and those aged 19 to 25 with a learning difficulty assessment.

The Regulations require that the local forum's approval must be sought for central school and early years block items; Schedule 2 to the Regulations define and limit these items.

- 3.6. The Regulations enable LAs to seek the permission of the Secretary of State to approve other central schools budget expenditure or to authorise retention disallowed by the local forum or for variations to the regulations.
- 3.7. The amount and criteria for use of any contingency set aside to fund pupil growth and expanding schools must be agreed by the local forum. The forum must be consulted before any allocations can be made from the fund.
- 3.8. The Regulations extend the legal requirement to consult on changes to the local schools funding formula to all schools and on the EYSFF to all early years providers. Previously the only legal requirement was consultation with the local forum. Conversely, the Regulations remove the requirement to consult with all schools on changes to the local scheme for financing schools, from 1 January it will only be necessary to consult the local forum.

- 3.9. LAs will be required to identify the notional SEN budget within each mainstream school's budget share. This will normally be derived from allocations for eligibility for free school meals, from Income Deprivation Affecting Children Index (IDACI) allocations and from prior attainment allocations, although other factors are allowed. A school will in future be expected to fund the first £6,000 of the additional costs of a statement of special educational needs from its budget share. The Regulations also set out how the mandatory deprivation factors in the schools and EYSFF may be calculated. It will not be necessary to have a deprivation factor for two year olds.
- 3.10. The Regulations set out the arrangements for the use of pupil numbers, including the ability to use a reception uplift.
- 3.11. The Regulations set out the requirement to fund special schools and units and the PSC for an agreed number of places at a rate of £10,000 in the first two settings and £8,000 in the latter. They also set out the difference in funding for sixth form special places between the 2012-13 and 2013-14 academic years.
- 3.12. The Regulations allow for the rules on place led funding in early years to be temporarily relaxed to allow for the building of capacity in providing for two year olds. The Regulations set out the factors that can be used in early years funding but also allow the use of factors from the schools funding formula.
- 3.13. The Regulations set out the factors that can be used in funding formulas, including a factor for sixth form pupils where they have previously been funded from the DSG, the requirement and methodology for the Minimum Funding Guarantee (MFG), including an MFG on the basic hourly rate for the EYSFF and the power to cap and scale back gainers under the new formula.
- 3.14. LAs will be able to issue a single budget share for federated schools but these must be the sum of the individual school budget shares.
- 3.15. The Regulations continue the requirement to adjust school budget shares for the movement of permanently excluded pupils. The movement of funds will be equivalent to those attributable to a registered pupil of the same age and personal circumstances as the excluded pupil as calculated using the new funding formula. The appropriate amount of any Pupil Premium will also transfer and an excluding school's budget must also be reduced by the amount of any financial adjustment order.
- 3.16. Any redetermination of budgets due to errors will take effect in the following funding period.
- 3.17. The Schedules to the Regulations set out in detail the elements and factors covered by the regulations. The Schedules are:

- Schedule 1. Sets out the education services found outside the Schools Budget. These are funded from core LA funds and not the DSG.
- Schedule 2 is formed of five parts; the four requiring local forum approval are set out in 3.3 and 3.6. The remaining part, number 4, details top-up provision for pupils and students with high needs; the Special Educational Needs (SEN) contingency to support schools in meeting the first £6,000 of the additional cost of a statement; centrally retained early years SEN funding; SEN support and integration services; additional support for alternative provision: SEN placement costs in PVI settings.
- Schedule 3 sets out the formula factors that can be used and have previously been reported to Forum.
- Schedule 4 sets out the MFG calculation.
- Schedule 5 sets out the items that must be included in a LAs Scheme for Financing Schools, see Section 4.

#### 4. Haringey Scheme for Financing Schools.

- 4.1. This was reported to Forum on 12<sup>th</sup> July 2012. The changes set out in 3.9 remove the need to consult with schools; however we have consulted with schools and received one response covering two schools. The main points raised by the response are summarised in the table together with our response. Minor points such as typing errors have been amended and are not included below.

Section	Comment	LA Response
General	There is an erratic overlap with schools finance regulations and this can cause difficulties and possible ambiguities.	The Scheme and its general contents are a statutory requirement. When making future changes we will look to reduce duplication as far as possible within the legal constraints.
2.2 Financial controls	There is no mention of the Schools Financial Value Standards (SFVS).	We propose the insertion of a new section (see below). This is a directed change from the Secretary of State.
2.2.7 Budget virements	The requirement to submit information on all virements has no value as a generality but may be useful in some circumstances proposal to submit 'may be required' for 'are required'.	Agreed.
2.3.3 Teachers pensions	Need to refer to recent pension regulations.	This section is about the requirement on governing bodies to provide the LA with the information necessary to discharge its duty to the

		Teachers Pension Agency. We expect the DfE to provide directed changes in relation to other pension requirements.
2.20.2 Seeking LA advice on capital schemes.	The figure at which schools should seek advice (£15,000) needs revising.	This is the minimum stipulated by the DfE, but we are allowed to specify some higher sum. We will review this figure for possible revision upwards in future amendments to the Scheme.
3.2.4 Payment of budget shares through cash-flow.	This is not specific about the payment of other grants and allocations.	There are now far fewer grant payments and those that remain may have specific requirements about the timing of payments to schools. Where that is not the case we would pay in monthly instalments.
3.6.1 Restrictions on bank accounts	What is the legal basis for this restriction given that the LAs approved contractor system does not apply to schools? What is the criteria for not approving banking organisations not on the list.	<p>A model Scheme for Financing Schools is issued by the DfE in the Schools and Early Years Finance Regulations under the School Standards and Framework Act 1998. The DfE requires a LA to have the following in its Scheme.</p> <p>3.5.1 Restrictions on accounts</p> <p>The scheme should specify which banks or building societies accounts may be held with for the purpose of receiving budget share payments. <u>The approved list should be consistent with the authority's Treasury Management policy.</u></p> <p>The list in the proposed Scheme are those approved in Haringey's Treasury Management policy.</p>
5.5 Income from the sale of assets.	The term non-delegated funds is ambiguous.	This section is taken directly from the DfE's model Scheme. In future revisions of the Scheme we will review

		this to see if we can provide greater clarity.
6.2 Circumstances in which charges can be made to a schools budget share.	The comment in one section that the charge to be the minimum needed to meet the cost of the authority's compliance with its statutory obligations should be generally applied.	This section complies with the DfE's model scheme.
9.1.2 PFI	Why does this section refer to PFI/PPP schemes – it also applies to schemes such as BSF arrangements? In practice costs were invoiced not top sliced so is this true.	This section complies with the DfE's model scheme, which does not mention BSF. In practice in Haringey this was invoiced rather than deducted but the effect was the same.
11.11.1	In requiring staff to be released to attend child protection meetings - there needs to be a reasonably in this sentence – schools cannot release staff at the drop of a hat.	It is hoped that those calling meetings would seek to be reasonable; however, given the seriousness of this issue the requirement to release staff should not be compromised.

11.12 Fees to be Deducted from Teachers' Salaries and Remitted to the General Teaching Council for England	No longer exists.	Agreed, there has been a directed revision from the DfE that this requirement should be deleted from schemes. We will therefore remove this section.
11.13.2 Responsibility for Redundancy and Early Requirement Costs.	There are many occasions when schools may have staff surplus to requirements or wishes to dismiss staff for quality reasons without having an overall budget problem. Clearly the La does not want to have an open door to easy ways out for schools but this runs the risk of giving the LA an oppositional role to change for quality or good management. It should be rethought to give more flexibility and partnership between the authority and its schools.	This complies with the DfE's model scheme. Where a governing body is making decisions in pursuit of quality or good management and is not in a deficit situation it does not seem unreasonable that it takes account of the associated costs. The Scheme does not preclude charging these costs centrally but states that it will consult with the school in these circumstances.
11.15 Legal Costs	'School budgets will be charged with legal costs unless the governing body has acted on the advice of Haringey Council.' This is not what the law says - there needs to be an unreasonably in here somewhere - the LA does not have a monopoly on wisdom	The DfE's model scheme states that charges may be made to a '..school's budget share unless the governing body acts in accordance with the advice of the authority.' However in law there would be a presumption that an authority had acted reasonably and could be challenged if it had not.

## 5. Proposed Amendments to the Draft Scheme.

- 5.1. Delete 11.2 Fees Deducted from Teachers Salaries and remitted to the GTC.



5.2. Insert the following directed revisions:

## **Section 2.**

### **Schools Financial Values Standard (SFVS)**

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.

Maintained schools that did not achieve the Financial Management Standard in Schools (FMSiS) must submit the form to the local authority before 31 March 2012, and annually thereafter.

All other maintained schools with a delegated budget must submit the form to the local authority before 31 March 2013 and annually thereafter.

In addition we wish to add the following directed revisions to the Scheme.

### **Efficiency and value for money**

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements.

It is for heads and governors to determine at school level how to secure better value for money.

### **Fraud**

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls.

This information must also be included in induction for new school staff and governors.

## **Section 12**

### **Community Facilities.**

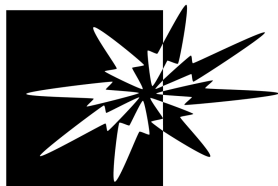
12.1.3 For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

*(7) Where a local education authority incur costs—  
(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or  
(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,  
they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.*

*(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.*

*(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.*

*(9) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.*



**Haringey** Council

**The Children and Young People's Service**

**Agenda Item  
9**

**Report Status**

For information/note   
 For consultation & views   
 For decision

**Report to Haringey Schools Forum – Thursday 28<sup>th</sup> February 2013**

**Report Title: Review of 2013-14 School Funding Arrangements.**

**Authors:**

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Steve Worth – Finance Manager (Schools Budget)  
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**Purpose: To inform the Forum of the review by the Department for Education of the 2013-14 funding arrangements and its consultation on the arrangements for 2014-15.**

**Recommendations:**

**That the Funding Formula Review Group reconvene to review our funding formula and to agree a response to the consultation document.**

**1. Review of 2013-14 School Funding Arrangements.**

- 1.1. The Department for Education (DfE) recently published its 'Review of 2013-14 School Funding Arrangements', which reviews the move to a new funding formula for 2013-14 and identifies areas of concern and possible changes for 2014-15. It also looks at options for adjusting high needs funding in future years and whether schools forums are operating more democratically and transparently. Within the document are a series of consultation questions on these issues with a deadline for responses of 26 March 2013.
- 1.2. The Annex to the document provides a useful review of how the new formula is being implemented in 2013-14. The review is based on the October pro-forma rather than the final January return and shows the distribution of factor values and the proportions of the delegated Schools Block distributed through them. It will be a useful tool in our review of the funding formula for 2014-15.
- 1.3. The document and our final funding pro-forma are attached for information. The latter shows the factor values used in Haringey and the proportion of funding distributed through them, which can be compared with the national picture shown in the Annex.
- 1.4. As the deadline for response is before the next Forum we recommend that the response is delegated to the Funding Formula Review Group and that the Group meet in March to do an initial review of our formula, set out areas of future work and agree a response to the consultation.



Department  
for Education

# **Review of 2013–14 School Funding Arrangements**

## Contents

Contents	2
Introduction	3
Section 1: Are we moving towards national consistency?	5
Section 2: Areas of concern and possible changes for 2014-15	7
Prior attainment	8
Pupil mobility	8
The lump sum	8
Targeting funding to deprived pupils	10
Service children	11
Other groups of pupils	12
Schools with falling rolls	12
Section 3: Options for adjusting high needs funding in 2014-15 and beyond	13
Issues for 2014-15 and beyond	14
Base funding for specialist providers	14
Notional SEN budget for mainstream schools	14
Arrangements for top-up funding	15
Pre and post-16 arrangements	15
Section 4: Schools Forums	16
Annex: Details of distribution of the Schools Block	17

## Introduction

1. We have made a clear commitment to reform the school funding system and end the inequalities and inconsistencies that have built up over many years. We want a funding system which:
  - is **up-to-date** and reflects the current demographics of pupils across the country;
  - targets **additional money to pupils who need extra support** to achieve;
  - is **consistent and pupil-led** so that, wherever a pupil goes to school, he or she will attract similar levels of funding;
  - is **transparent** so that parents, head teachers, governors and tax-payers can see clearly how funding has been distributed and why;
  - gives pupils (supported by their parents and carers) **genuine choice** about which school they attend.
2. We confirmed in March last year that we will introduce a national funding formula in the next spending review period but that we will take a gradual approach to ensure that we get it right.
3. Our priority for 2013-14 therefore has been to make some improvements to the current system so that there is a greater focus on the needs of pupils and greater consistency across local areas. We have:
  - Simplified and rationalised the formula factors that local authorities can use when allocating funding to schools, in order to move away from overly complex and opaque formulae. This means that, across the country, schools will be funded using up to 12 clearly defined factors. Those 12 factors represent the circumstances under which we believe schools should attract additional funding (for example, for deprived pupils, for pupils with low attainment, or for those operating on split sites) and represent the likely direction of a national funding formula. We removed a large number of factors which we did not believe justified additional funding (these included swimming pools and floor space).
  - Ensured that the maximum amount of money is passed on to schools to spend as they see fit.
  - Put in place a more transparent and comparable process for funding academies by reducing the time-lag in their funding from 17 months to just 5.
  - Reformed the funding arrangements for pupils with high needs by introducing the 'place-plus' system. This ensures that schools have clearly identifiable budgets for

pupils with special educational needs (SEN) and that local authorities take a consistent approach to funding needs over and above those budgets.

- Strengthened the local decision-making process by ensuring that Schools Forums operate more transparently, and that school and academy representatives have a greater say about how money is distributed.
4. We have always been clear that these arrangements are intended to pave the way for a new national funding formula and that there are still a number of issues about its shape and structure that we need to resolve. We want to ensure that we continue to make progress and so, over the coming weeks and months, we will be looking at whether the 2013-14 arrangements are simplifying the system, securing greater consistency between local areas and moving us towards a national funding formula.
  5. We know that some local authorities, schools and parents are concerned about the impact of the new arrangements. While we remain committed to the core principles at the heart of the funding reforms, the review we are carrying out will consider whether and to what extent we need to make small changes in 2014-15 in order to address those concerns and prevent unacceptable consequences. The areas on which we have focused in this document are those most frequently raised with us or issues we have identified as requiring further consideration through our analysis of the budgets that have been set for 2013-14.
  6. We are clear, however, that as we move towards a pupil-led system, there will be changes to schools budgets and some degree of re-allocation between schools. That is a necessary and not an unintended consequence of reform. The Minimum Funding Guarantee (MFG) ensures that, in most cases, schools will not lose more than 1.5% of their funding per pupil in both 2013-14 and 2014-15. We have also confirmed that an MFG will continue to operate after 2014-15 although we cannot confirm the exact level.
  7. This document gives a summary of how the 2013-14 funding arrangements have been implemented and outlines some specific concerns that have been raised. It seeks views from a range of interested parties including local authorities, head teachers, principals, governors and locally elected members on a number of questions.
  8. There is a template which can be downloaded separately which you can use to answer those questions and then email to the Department at [Funding.REVIEW2013-14@education.gsi.gov.uk](mailto:Funding.REVIEW2013-14@education.gsi.gov.uk) by 26 March 2013.



## Section 1: Are we moving towards national consistency?

9. Local authorities were asked to submit a pro forma containing information about their simplified funding formula by 31 October 2012. After the results of the autumn census and confirmation of the DSG settlement for 2013-14, revised pro formas were submitted on 22 January.
10. At the time of writing this document, not all of the January pro formas had been submitted to the Department or analysed. In the interests of publishing this document and allowing sufficient time to make any changes for 2014-15, we have used the October pro formas to give a broad assessment of 2013-14. The Annex includes graphs which give a fuller picture of how funding is being distributed across the country. We realise that this does not represent the most up-to-date picture and will update our understanding once the January pro formas have been fully analysed and quality-assured.
11. In analysing the pro formas, we have been keen to understand whether we are moving towards a more pupil-led system, and where the greatest variation has arisen. While the funding reforms have enabled local authorities to allocate funding to schools on a much more consistent and comparable basis, the data shows that there is still variation in how local authorities have distributed their Dedicated Schools Grant within the constraints. This is to be expected given that per-pupil funding allocations vary across the country, making each local authority's starting point different from its neighbours.
12. The majority of primary Age Weighted Pupil Units (AWPUs) are in the range of £2,250 to £3,250, although there are a few significant outliers of over £4,000. The 15 local authorities with highest primary AWPUs are all in London. The secondary AWPUs show a similar pattern and, again, the few outlier authorities with significantly higher secondary AWPUS are mostly in London.
13. Overall, the proportion of funding being spent on the AWPUs varies between 60% and 87%, with half of local authorities allocating between 75% and 80%.
14. The data does, however, show good progress towards our aims of moving to a more pupil-led system. Authorities are allocating at least 77% of funding through a combination of the pupil-led factors (these are the AWPU, deprivation, prior attainment, EAL, looked after children and pupil mobility) and around 49% of authorities are allocating between 90% and 95% of funding in this way.
15. We are keen to ensure that even more money is targeted to the needs of pupils, rather than to the circumstances of schools. We said in the document we published in June 2012, [School funding reform: Arrangements for 2013-14](#), that we would consider whether to set a minimum threshold for either the AWPUs or a combination of all the pupil-led factors.
16. Setting a minimum threshold for the AWPUs alone may not be meaningful given that the variation in deprivation across the country requires some local authorities to target more funding to deprived pupils than others. We are therefore inclined to set a minimum threshold for all the pupil-led factors. We realise a requirement of this nature

would have an impact on the level of the lump sum and so we would be interested in views on this. If, for example, we set it at 85% then seven local authorities would need to move money away from the lump sum, post-16 and premises factors and put it into the pupil-led factors.

**Q1: Should we set a minimum threshold for the pupil-led factors and, if so, at what level?**

17. There is considerable variation in the proportion of funding allocated through the deprivation factors – ranging from 2% to 25% (with 83% of local authorities allocating between 2% and 12%). There could be a number of explanations for this variation and we would be interested in learning more.

**Q2: On what basis did local authorities decide on the quantum or proportion of funding to target to deprived pupils?**

18. Another finding from the pro formas relates to the prior attainment indicators. Six local authorities chose not to use this formula factor at all and an additional four only used it for pupils in secondary schools.
19. There is also a significant degree of variation in the per-pupil allocations for the prior attainment factors. They range from £125 to £8,300 for primary pupils and £158 to £10,688 for secondary pupils. In both cases there are one or two local authorities with markedly higher per-pupil amounts than the rest, but even disregarding this, the variation is still significant.

**Q3: On what basis did local authorities decide on the per-pupil amounts for the prior attainment factors?**

20. Fewer than half of local authorities used the mobility indicator. This may be because we only introduced it in June 2012 in response to the representations we received as a result of our March 2012 consultation. Nonetheless, the per-pupil allocations vary in both primary and secondary phases from £10 to £2,000 (although there is a significant outlier of £5,012 for secondary pupils). We discuss the effectiveness of this indicator in section 2 of this document.
21. The lump sums chosen by local authorities varied significantly from £42,000 right up to the maximum cap of £200,000. The most common choice was £150,000 (used by 26 authorities) but, overall, there is no consistency in the values set. The lump sum is discussed again in section 2.

## Section 2: Areas of concern and possible changes for 2014-15

22. We have been clear in our publications and in our discussions with local authorities, schools and other representatives that the new arrangements require a radical change in the way schools are funded in many local areas. Moving towards a more consistent and transparent system will inevitably lead to shifts in school budgets. Local authorities, in partnership with their Schools Forums, will therefore need to review the whole of the distribution, including the primary: secondary ratios and the weightings for deprivation and the lump sum.
23. Nonetheless, we are aware that some schools, local authorities, parents and governors are worried about the impact of the new arrangements. So far, reactions to the 2013-14 arrangements have been limited to a few issues and have come from a small minority of mainly rural local authorities.
24. In October 2012, in response to those concerns, the Department wrote to all Directors of Children's Services and Members of Parliament to provide reassurance that we will review the 2013-14 arrangements. The Department also confirmed that, if we find any unacceptable consequences for schools, we will make further changes in 2014-15 in order to prevent those consequences. Below is a list of the current 12 allowable factors.
- Age weighted pupil unit (AWPU)
  - Deprivation
  - Looked after children
  - SEN / prior attainment
  - EAL
  - Pupil mobility
  - Post-16 provision
  - Lump sum
  - Split sites
  - Rates
  - PFI
  - London fringe
25. In light of the feedback we have received to date, we are seeking specific views on whether changes are needed to three of these factors. They are: prior attainment; pupil mobility; and the lump sum. These are considered in paragraphs 27 to 38 below.
26. We are also aware that there are concerns about the factors which we are no longer allowing and about the restrictions on the targeting of deprivation funding. This is discussed in paragraphs 39 to 50 below.

## Prior attainment

27. We know that the current prior attainment indicators are not a perfect measure for identifying pupils with special educational needs (SEN). They are, however, not intended to be used on their own and we have been clear that local authorities can use a combination of deprivation, prior attainment and AWPU and/or elements of the lump sum as indicators for the notional SEN budget. Furthermore, we have allowed local authorities flexibility to target additional resources to schools where the notional SEN budget is insufficient to meet some of the costs relating to pupils with high cost SEN (see paragraph 58 in section 3 for further details). We do, however, think it is important to allow a proxy measure of low attainment to be used and that is why we have allowed authorities to use EYFSP and Key Stage 2 data. As we acknowledged in June, the current EYFSP comes to an end this year and the new framework is being updated and will come in to effect from this autumn.
28. We are currently looking at pilot data from the new EYFSP framework to create a new proxy indicator to identify low cost SEN related to attainment and we will provide more information this summer. In the interim, as local authorities already have data for all of their EYFS pupils and KS1 pupils (apart from those entering the system this year) we expect local authorities to continue with the current proxy until analysis is completed on the new framework.

**Q4: Do you agree that local authorities should continue to use EYFSP data as an attainment-related proxy or should we consider use of a different indicator to identify low cost SEN in primary schools? If so, what indicator?**

29. For secondary schools we propose to continue with the attainment-related proxy for KS2 whereby all pupils who fail to achieve Level 4 or above in both English and mathematics at Key Stage 2 will be eligible for low cost SEN support<sup>1</sup>.

## Pupil mobility

30. The mobility factor is intended to address the administrative costs incurred by schools that experience high levels of pupils leaving and joining throughout the academic year. We have heard concerns that the factor, as currently designed, does not differentiate between a school that has few mobile pupils (and therefore incurs significantly lower administrative costs) and a school that has significantly larger numbers of mobile pupils (and therefore incurs higher costs).

**Q5: Would it help to allow an additional weighting to be given if a school experiences in-year changes to pupil numbers above a certain threshold? If so, where should this threshold be set?**

## The lump sum

31. We introduced the single lump sum predominantly to provide sufficient funding for those necessary small schools, particularly in rural areas, that may not be able to operate on the basis of their per-pupil funding alone. Small schools benefit

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<sup>1</sup> The year 7 literacy and numeracy catch up premium also targets funding at year 7 pupils who have not achieved Level 4 at KS2 in reading, mathematics or both. More detail is available here: <http://www.education.gov.uk/schools/pupilsupport/year7catchup>

proportionately more from the lump sum because it acts as a larger boost to their per-pupil funding than for larger schools, and a single lump sum for all schools ensures that there can be no ambiguity over how much funding goes to one phase or type of school compared to another.

32. It has, however, become apparent that the current lump sum arrangements are causing concerns, particularly in relation to small schools in rural areas, and we would like to understand the factors that are driving this.
33. It is not our intention that any necessary small school should be forced to close as a result of these reforms, and we acknowledge the need to support unavoidably small but necessary schools, for example in very sparsely populated areas. In seeking to achieve this, we are considering the possibility of introducing an optional school-level sparsity factor for 2014-15, specifically to target funding at necessary small schools in rural areas.
34. We expect that, in sparse areas, pupils have to travel further to school, and have less choice over which school they can attend. The proposed sparsity factor could, for every school:
  - identify the pupils for whom it is their nearest school (this will not necessarily be the school the pupils actually attend); and
  - for those pupils only, measure the distance that they live from their *second nearest* suitable school. Where this distance is high, we assume that it becomes difficult for the pupil to attend any school other than the nearest one, making the existence of that school necessary. Taking the average distance that relevant pupils live from their second nearest school would allow us to apply a sparsity factor based on set thresholds.
35. This could identify the necessary schools serving pupils in remote areas with limited alternatives; these schools are necessary because children could not realistically attend another school. The simplest way to use this measure would be to set a threshold and provide a sparsity uplift to any schools that have an average distance above the threshold. Separate thresholds would need to be applied for primary and secondary schools, as pupil travel distance varies by phase. Alternatively, extra funding could be given to schools as the sparseness of an area increases.
36. Data is available to produce this measure using crow flies distances. But such a measure would be unlikely to be fit for purpose as this would not take into account the actual time that it would take a pupil to travel to a school, so we are investigating whether the measure could use travel distance instead.

**Q6: In areas with large numbers of small schools, could the problem of having a fixed lump sum be overcome by reducing the relevant AWPU?**

**Q7: Would having the ability to apply a separate primary and secondary lump sum avoid necessary small schools becoming unviable? If so, how should we deal with middle and all-through schools?**

**Q8: We said in June that we would review the level of the lump sum cap (currently £200,000) for 2014-15 in order to establish whether it is the minimum cap needed to ensure the sustainability of necessary small schools. If we continued with one lump sum for both primary and secondary, what would be the minimum level of cap needed to ensure the sustainability of necessary small schools? If we had separate lump sums for primary and secondary, what would be the minimum cap needed for each in order to ensure the sustainability of necessary small schools?**

**Q9: Would using a school-level sparsity measure to target a single lump sum, based on distance between pupils and their second nearest school, avoid necessary small rural schools becoming unviable?**

**Q10: What average distance threshold would be appropriate?**

**Q11: If we had a sparsity measure, would it still be necessary to have a lump sum in order to ensure that necessary schools remain viable? Why? What is the interaction between the two?**

37. We have proposed a sparsity measure based on pupil distance to second nearest school as we have found this to be the most pragmatic option. However there are a range of possible sparsity measures that can be used, for example distance between schools, none of which have been ruled out.

**Q12: What alternative sparsity measures could we use to identify necessary small schools in rural areas?**

38. As with all schools though, small schools may have to make savings and efficiencies in order to live within their means. This may include merging formally with other small schools in the area to reduce fixed costs. However, we know that in some cases the lump sum can be a disincentive to schools from merging where it is rational to do so, because it results in the loss of one of the lump sums.

**Q13: Would the ability for both schools to retain their lump sums for one or two years after amalgamation create a greater incentive to merge?**

39. A few other issues have been brought to our attention since we published the June 2012 document. In most cases, we have no or little evidence about the cause of these issues. This section sets out the rationale behind our current position and seeks evidence on why the issues raised cannot be addressed through the new funding arrangements.

## **Targeting funding to deprived pupils**

40. We have heard concerns from some local authorities that the 2013-14 arrangements have resulted in funding moving away from schools with high numbers of deprived pupils. We believe it is very important that deprived pupils are allocated more funding than non-deprived pupils. We do however recognise that the removal of certain factors (such as floor space and other premises-related issues) and a greater focus on pupil-led factors may cause some schools to experience changes to their budgets.

41. As we set out in the beginning of this section, these new arrangements may require

local authorities to change their formulae in a more radical way. The Government is committed to raising the life chances of pupils from deprived backgrounds and ensuring that deprived pupils receive additional funding. It is not acceptable that deprived pupils are penalised as a consequence of local authorities seeking to maintain the status quo in their area and not exploring the full range of options open to them to target money to deprivation. By using an appropriate combination of the permitted deprivation indicators (FSM, Ever6 and IDAC1) with an optimum per-pupil rate, local authorities should be able to target money more adequately to deprived pupils.

42. If, however, you feel that even with the optimum use of indicators and an appropriate per-pupil rate, schools with a high proportion of deprived pupils would lose significant amounts of funding, we need to understand why that would be the case.

**Q14: If you think local authorities will be unable to use the allowable deprivation indicators in order to prevent significant losses to schools with a high proportion of deprived pupils, why do you think that is the case?**

### Service children

43. A number of schools with large numbers of service children have written to us to express concerns that they are set to lose funding as a result of the new arrangements. This is largely because some local authorities were targeting extra funding to schools with service children through other factors (such as the lump sum, for example). We know that in a few parts of the country, the additional funding being allocated to schools with service children was very high.
44. The allowable factors in the formula are intended to support pupils that do not achieve as well as their peers, for example those from deprived backgrounds and those with low prior attainment. The Department has no evidence that this is the case for service children as a group.
45. We do recognise, however, that service children sometimes require additional pastoral care because of their circumstances and this is reflected in the Service Premium (which currently allocates £250 to every service child and will rise to £300 in 2013-14). We also recognise that the mobile nature of service children can sometimes create additional costs to schools and that is why we have allowed local authorities to apply a pupil mobility factor to their formulae.
46. We have received no evidence as to why service children should attract higher levels of funding over and above that received through the Service Premium, the Pupil Premium and factors in the local formula to reflect pupil mobility, deprivation, prior attainment and EAL. It is therefore difficult to justify targeting additional money at this group of children.

**Q15: Do you have any evidence that service children (once we account for deprivation, mobility and pastoral care through the Pupil Premium) require additional funding in order to achieve as well as non-service children?**

## Other groups of pupils

47. As we state above, the evidence we have indicates that we have allowed local authorities enough flexibility to target funding to low-achieving pupils. This, however, remains an important area for the Department and so we want to ensure that we do not overlook vulnerable groups of pupils.

**Q16: Have the 2013-14 reforms prevented local authorities from targeting funding to groups of pupils that need additional support? If so, which?**

## Schools with falling rolls

48. Greater choice for pupils supported by more outstanding schools is one of the Department's principal objectives and this is underpinned by our Academies and Free Schools programmes. A successful funding system should enable pupils to attend the school of their choice without the funding being 'locked in' at a different school. It should also enable good and outstanding schools to expand so that more pupils can benefit and not be forced to go to less popular schools.

49. If a school has falling rolls, it should consider its longer term viability. It may consider merging or federating with other schools in order to save money but also to improve its leadership capacity and quality. We are clear that, in times of economic austerity, money should be spent on pupils who are actually in schools and not spent on funding empty places. If a school is small or in a rural area and has limited options, we have set out options in paragraphs 31 to 38 above which should help.

50. We are aware that, in some areas, the demographic trend has meant that secondary school pupil numbers have reduced but a bulge is imminent as more primary pupils move up. In such cases, local authorities can retain a small fund for schools in financial difficulty (this would need to be de-delegated by maintained schools). This can be used to help bridge the gap between the falling rolls and the imminent bulge. Schools should also consider more innovative use of their facilities, such as hiring out school halls or swimming pools.

**Q17: In cases where a population bulge is imminent, what is preventing good and necessary schools from staying open?**

**Q18: Are there any other circumstances in which falling rolls are unavoidable in the short term?**



## Section 3: Options for adjusting high needs funding in 2014-15 and beyond

51. As part the 2013-14 reforms, we introduced a new framework for funding provision for children and young people with high level needs, including special educational needs (SEN), learning difficulties and disabilities (LDD) and those requiring alternative provision (AP). This framework is designed to go alongside the new arrangements for SEN in the Children and Families Bill. Schools, colleges and other providers will be given funding within their formula sufficient to enable them to meet costs up to about £10,000 for pupils and students with SEN and LDD. This base funding does not relate to specific individuals, but is intended to meet the costs of all those with SEN and LDD who are at the institution, up to the high needs threshold. Funding to meet additional costs follows the individual pupils and students with high needs and will come from the home local authority – i.e. the local authority in which the pupil or student lives – in the form of top-up funding.
52. The base funding is calculated differently according to the type of provider and age of the pupil or student. Included within mainstream schools' normal per-pupil funding is a notional SEN budget to meet the costs of pupils with SEN up to £6,000. Some local authorities are setting a different threshold as a transition to the £6,000 level. Special schools will get a standard £10,000 for each planned place. A similar system will operate for AP for the pre-16 age group, where the base funding will be £8,000 per place. All base funding for post-16 students with high needs – in schools, colleges and other providers – will comprise the programme funding that post-16 student places would normally attract, according to the new national 16-19 formula, plus £6,000 for each planned high needs place.
53. Top-up funding is for the commissioning local authority to determine, by agreement with the providers. Schools rather than local authorities will often place pupils in pupil referral units (PRUs) and other AP and they will be responsible for paying the top-up funding in these circumstances.
54. Hospital education is being funded through transitional arrangements which essentially preserve the institution's funding in 2012-13. We are looking at options for a different funding approach in 2014-15 or subsequently.
55. The base funding for maintained schools, the top-up funding and funding retained centrally for SEN support services, hospital education services, AP services and other services specified in the relevant regulations is all paid for from the local authority's high needs budget. Local authorities have flexibility to determine the balance of funding between their high needs budget, schools budget and early years budget. In particular, they can move funds between their high needs budget and schools budget to make sure that, on the one hand, they have sufficient funding for all those with high needs and, on the other, schools have sufficient funding in their notional SEN budgets.

## Issues for 2014-15 and beyond

### Base funding for specialist providers

56. Base funding for specialist providers is set, according to the number of planned places, at: £10,000 per place for pre-16 SEN; a bit more, on average, for SEN and LDD in the 16-24 age group; and £8,000 for AP. We are not proposing to review at this stage whether these are broadly the right levels.
57. Some have argued that the AP level is too low and should be brought up to £10,000. However, there is evidence that low cost AP in some areas would be over-funded if we were to change the level of base funding for PRUs and other forms of AP. We believe it is too early to consider changes at this stage, and will therefore look at this as part of a subsequent review.

### Notional SEN budget for mainstream schools

58. Mainstream schools and academies receive a notional SEN budget, determined by the local authority using the permitted formula factors (as discussed in section 2). Some local authorities have told us that limitations on the formula factors they can use do not allow them to target funds to those pupils with particular needs or where schools attract a higher number of pupils with high needs because they have a good reputation for meeting those needs. We have therefore allowed local authorities flexibility to use their high needs block to make additional allocations outside the formula to schools that have a disproportionate population of pupils with high needs, after consulting the Schools Forum.
59. We are also planning to introduce to the schools census, from 2014, a marker that will indicate those pupils who receive top-up funding. This high needs marker could be used to target extra funding to schools that have a disproportionate number of high needs pupils, but cannot be introduced before 2015-16 because the census data will not be available.

**Q19: Would a formula factor that indicates those pupils who receive top-up funding be a useful addition to help deal with the funding of high needs?**

60. Despite the strong recommendation that local authorities should construct their schools' notional SEN budgets so that schools are required to contribute up to £6,000 towards the additional support costs of their pupils with SEN, some have adopted a different threshold as a transitional arrangement. This creates differences in the base funding between neighbouring local authorities, and therefore in the top-up funding levels they are implementing. Commissioning authorities, however, are likely to be dealing with schools in more than one authority area.

**Q20: To address the variation in base funding between neighbouring local authorities, how fast should local authorities be required to move towards the £6,000 threshold? Should it be made a requirement from 2014-15?**

## Arrangements for top-up funding

61. We are allowing local authorities flexibility in the top-up funding arrangements. In many cases these arrangements for 2013-14 will not have been finalised, particularly for pupils and students starting at schools and colleges in September. It is therefore too early to consider changing the national requirements on top-up funding. We are, however, interested in receiving feedback on the issues that have been raised so far, and whether any changes should be considered for 2014-15.
62. In particular, some stakeholders have suggested that the new arrangements would create additional administrative processes for negotiating and paying top-up funding. We have encouraged local authorities to look carefully at how they can reduce bureaucracy, for their own organisation as well as for the schools and PRUs they maintain, and for those institutions to which they pay top-up funding. We would be interested in good practice in this area that can be shared more widely.

**Q21: Should the Department play an active role in spreading good practice and model contracts/service level agreements?**

## Pre and post-16 arrangements

63. The Department is aware that the administrative processes pre- and post-16, in the run-up to 2013-14, have not been co-ordinated as helpfully as they might have been. The separate data collection exercises and implementation timetables for pre- and post-16 have been confusing. We will be looking to improve this substantially for 2014-15. But we also wish to look at how arrangements can be brought closer together so that they are easier to understand and use for local authorities, colleges, schools and Academies.

**Q22: Do you have ideas about how the pre and post-16 high needs systems might be brought closer together?**

## Section 4: Schools Forums

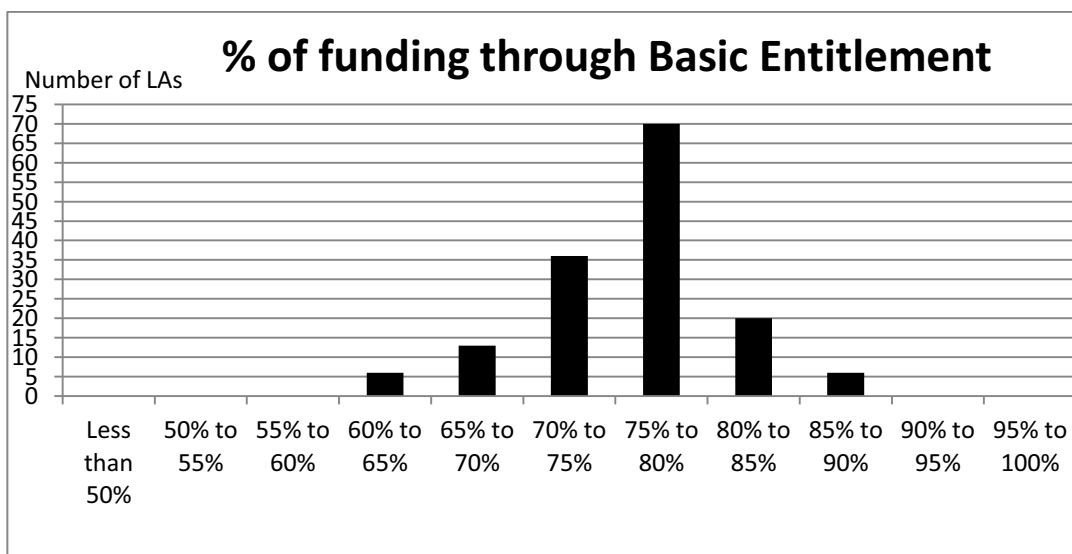
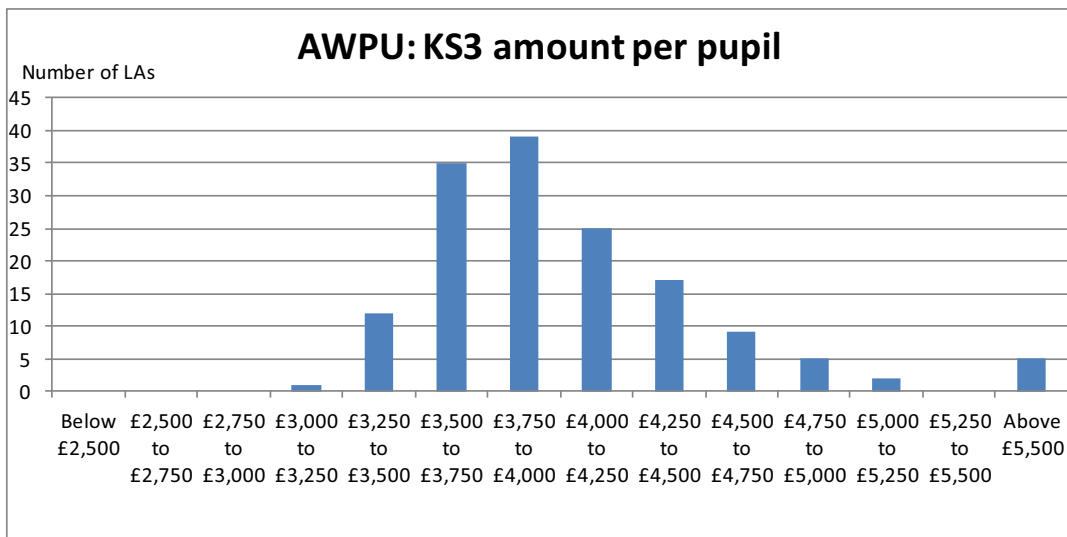
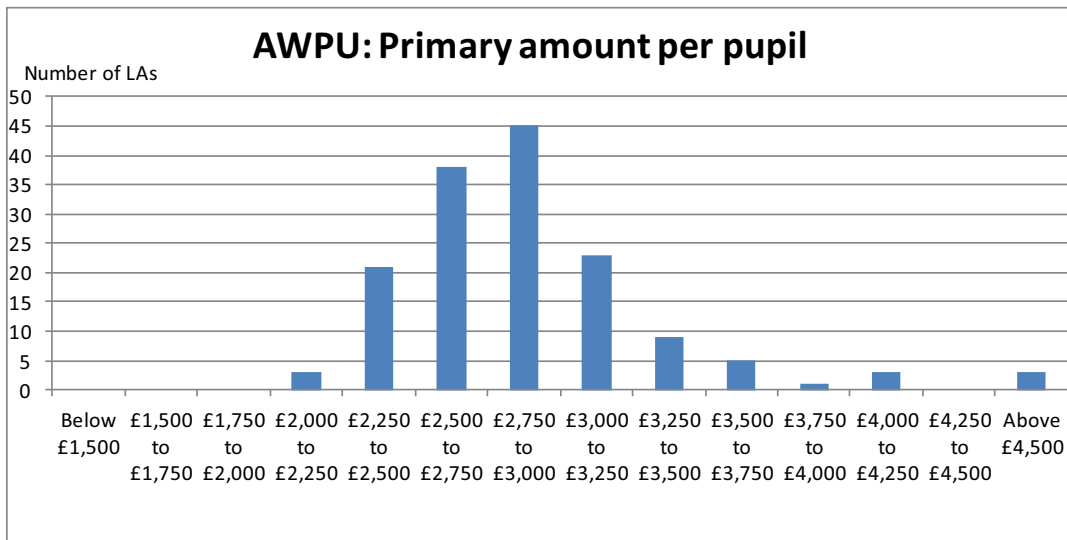
64. We have heard concerns that Schools Forums were not always operating fairly or transparently. Examples include meeting papers and agendas not being published and voting rights being spread too widely across a range of members. In response to these concerns, we made a number of changes which came into effect on 1 October 2012. We have:

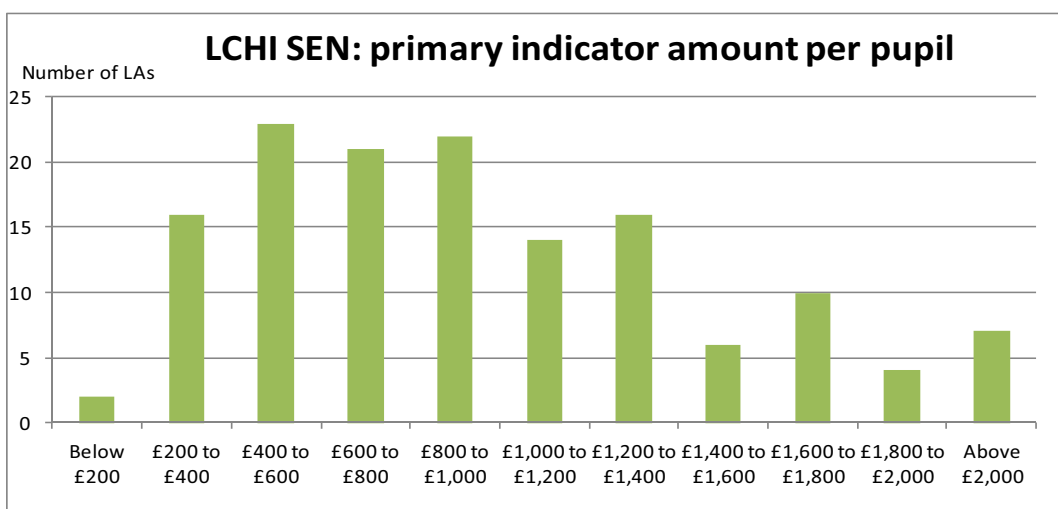
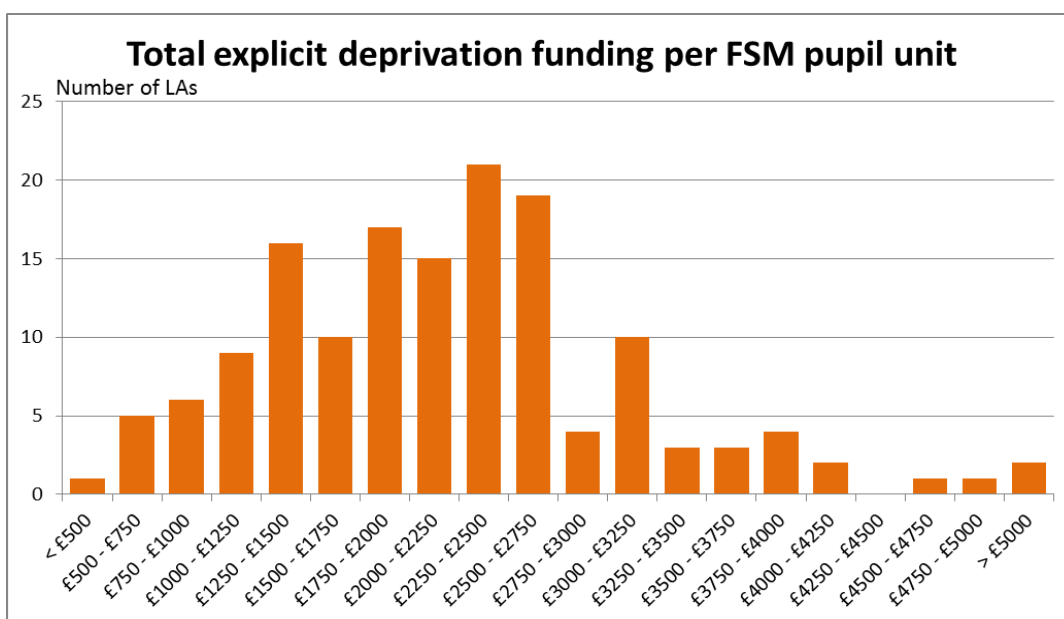
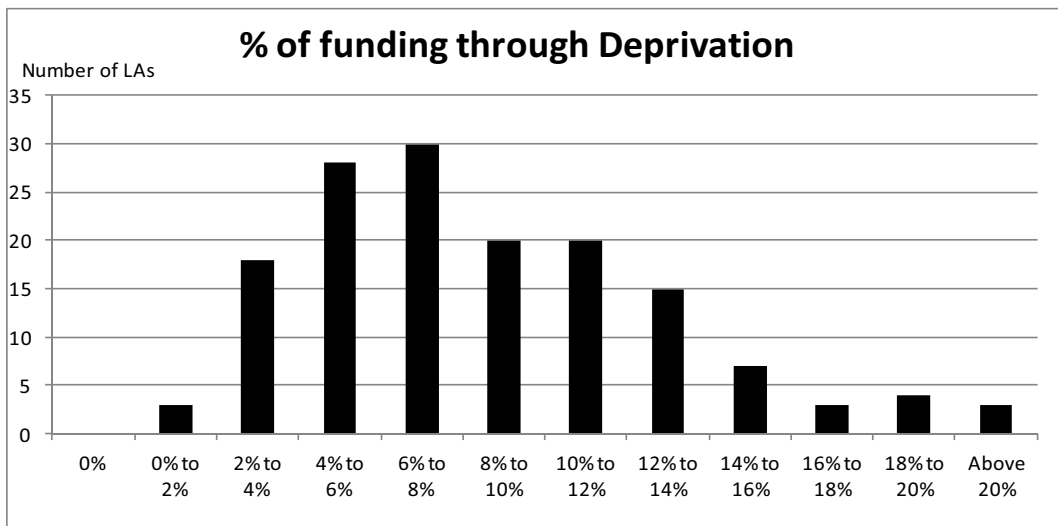
- removed the requirement to have a minimum of 15 people on a Forum;
- limited the number of local authority attendees from participating in meetings unless they are a Lead Member, DCS, DCS representative or are providing specific financial or technical advice (including presenting a paper to the Forum);
- restricted the voting arrangements by allowing only schools members and the PVI members to vote on the funding formula;
- required local authorities to publish Forum papers, minutes and decisions promptly on their websites;
- required Forums to hold public meetings, as is the case with other Council Committees;
- given the EFA observer status at Schools Forum meetings.

65. We said that we would keep these changes under review and, if there is evidence that schools are still concerned about the operation of Forums, we would consider making further changes. We are not inclined to make any further changes for 2014-15 as we think more time is required to assess how the new arrangements are being embedded and whether they are improving the operation of Forums.

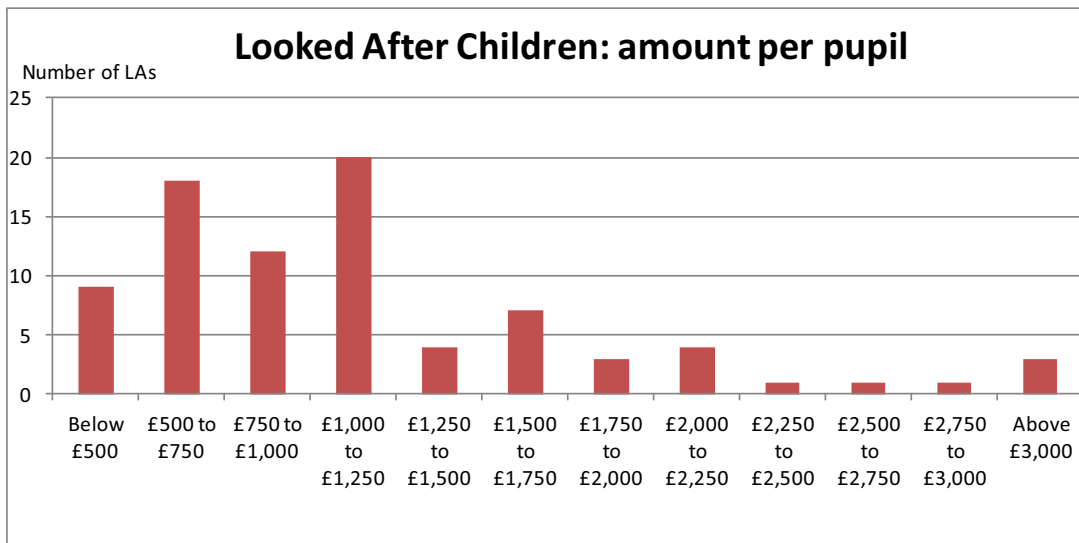
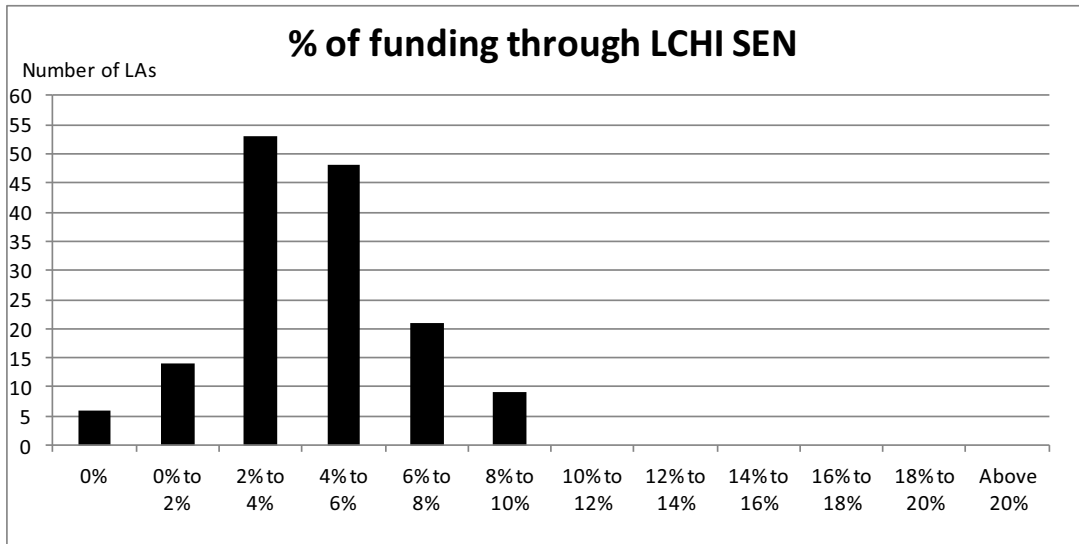
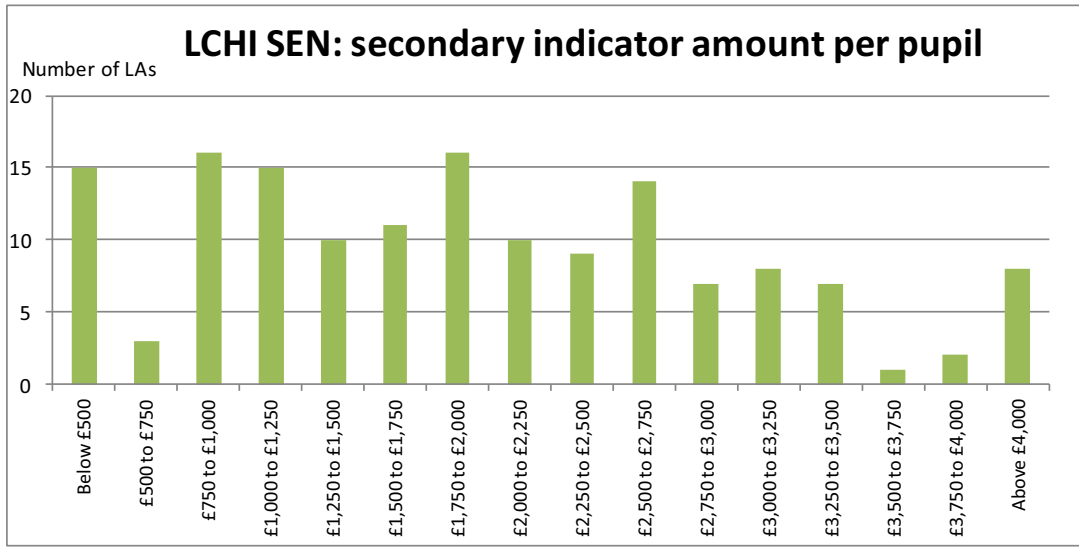
**Q23: Do you think that Schools Forums are operating more democratically and transparently? If not, what further measures could the Department take in order to improve this?**

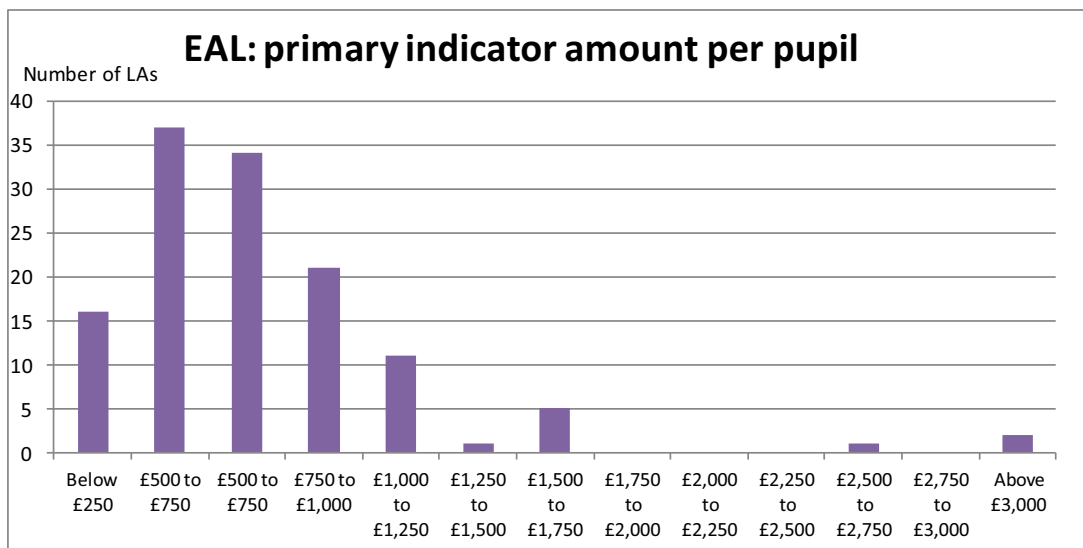
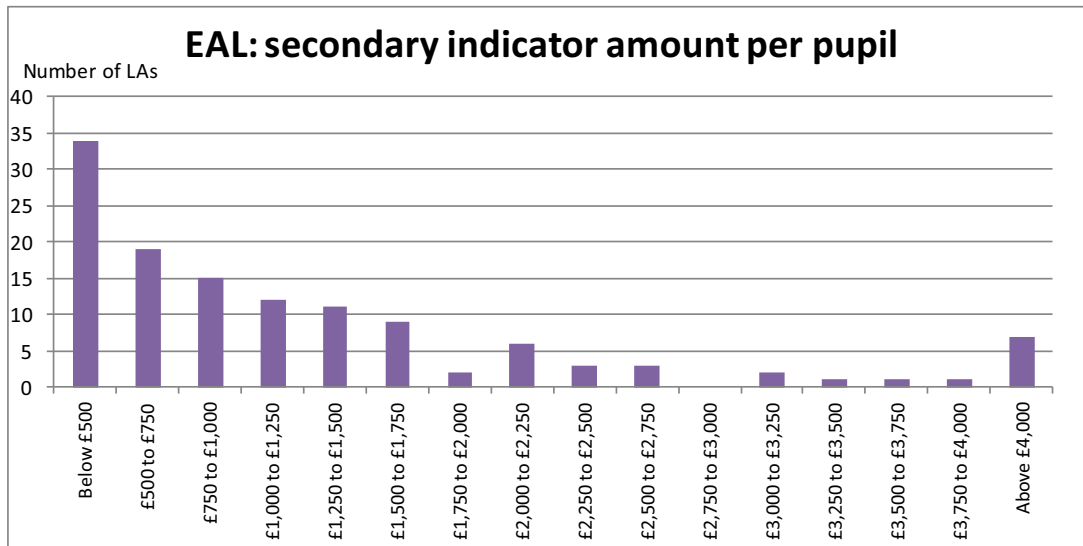
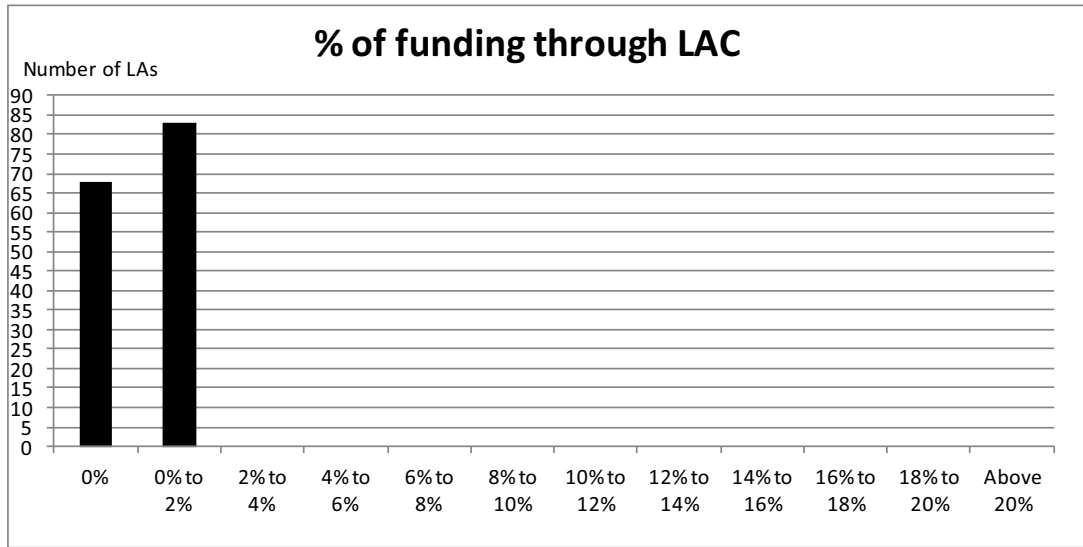
## Annex: Details of distribution of the Schools Block



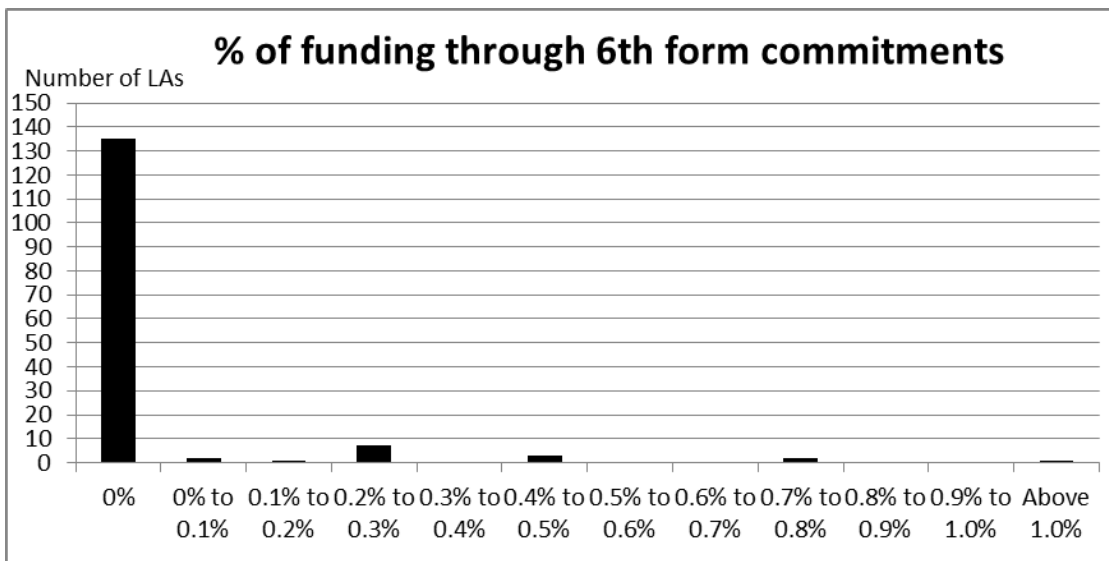
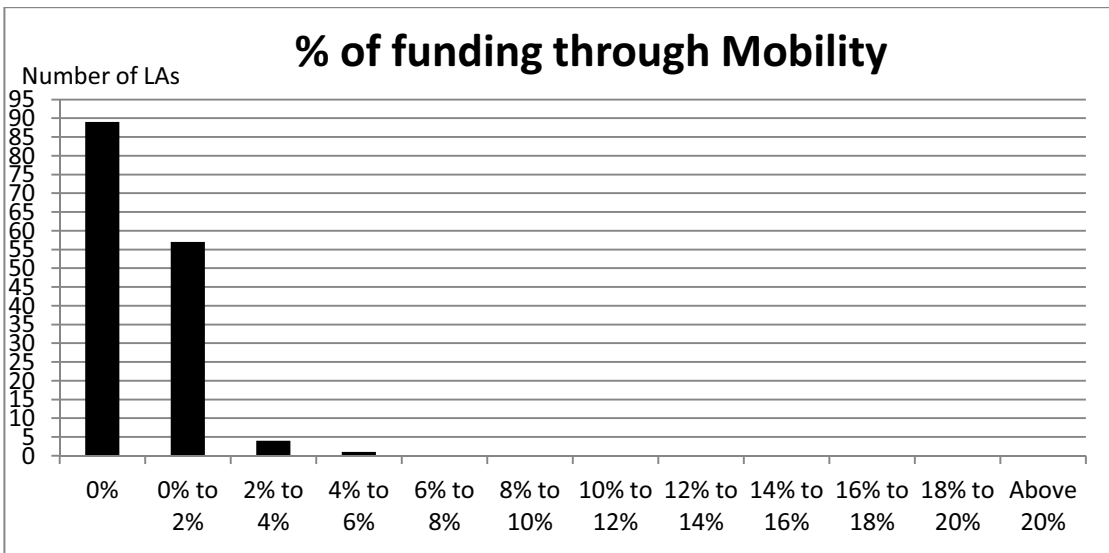
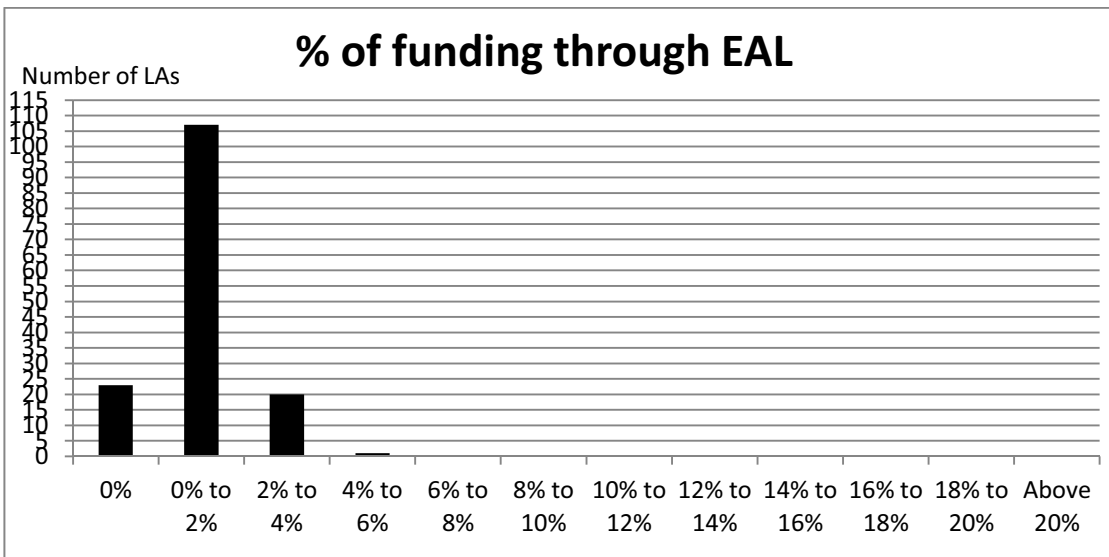


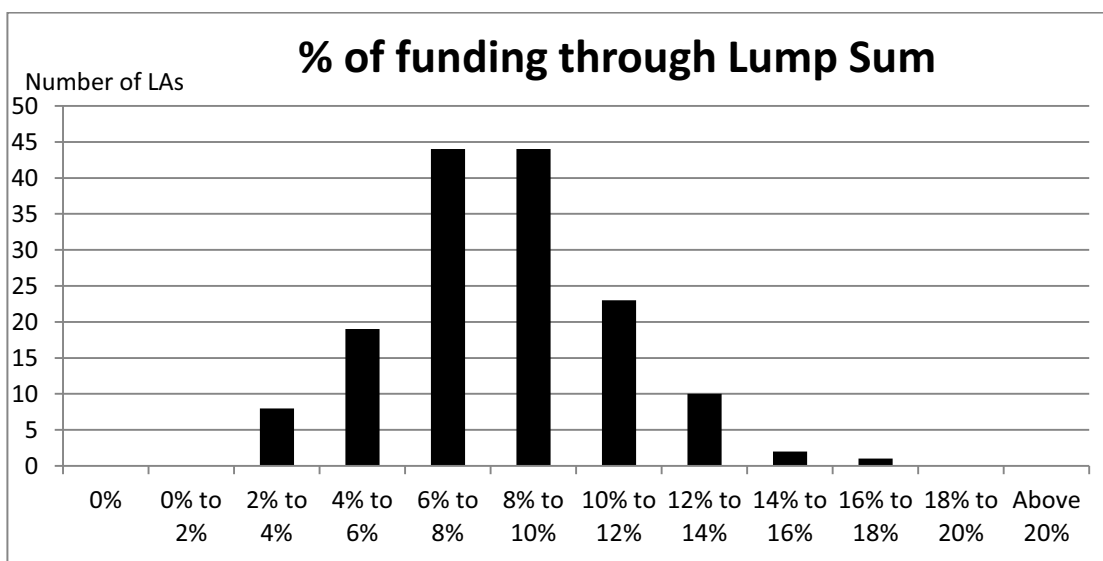
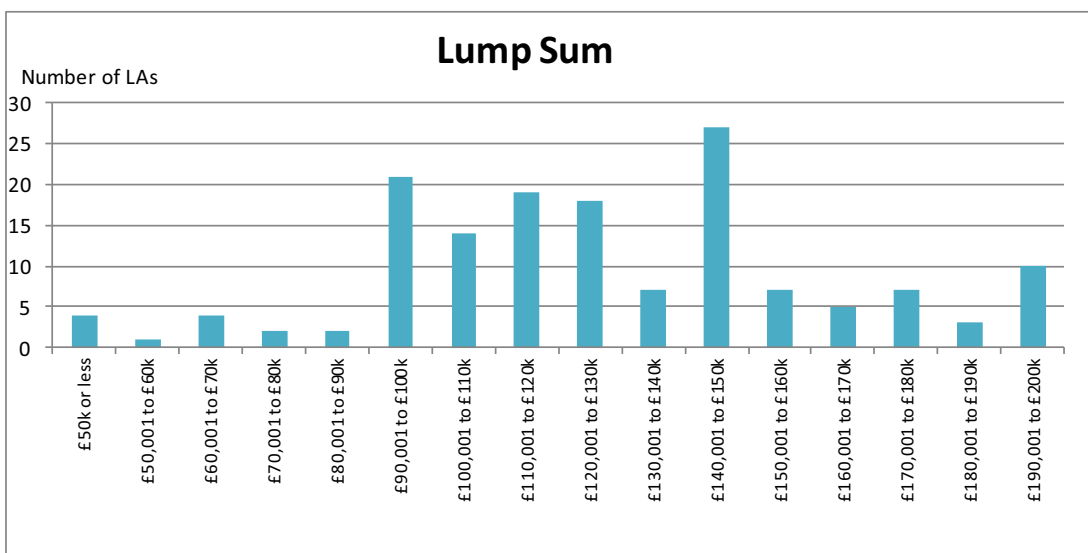
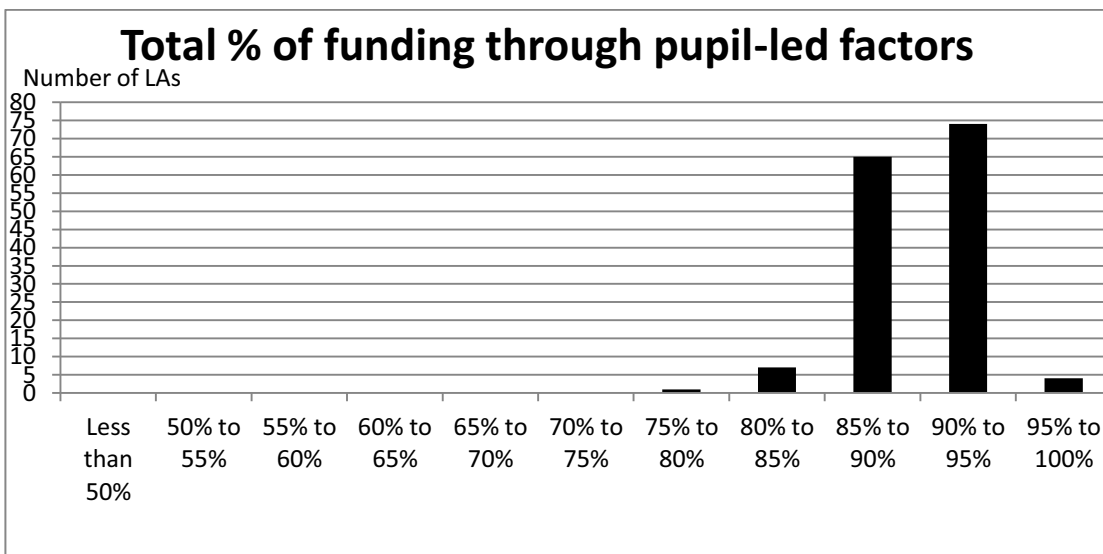
<sup>2</sup> Per FSM pupil unit amounts were derived by taking the sum total of the funding an LA had allocated through the deprivation factors and dividing it by the number of pupils with FSM in the LA. Data is taken from analysis of the October 2012 submissions. Because this is early data, some schools have had to be excluded from the analysis. Where a large number of schools in one LA have been excluded the whole LA is excluded from the chart













Department  
for Education

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Local Authority Funding Reform Proforma

LA Name

LA Identifier

Completion date  
Completed by

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception Uplift	Yes	Amount (£) per pupil		Number of Pupils		Total (£)	Proportion of funding(%)
			Primary amount per pupil (£)	Secondary amount per pupil (£)	Pupil Units	Number of eligible secondary pupils		
	Primary (including Reception Uplift)		3079.7		20705.0		63,765,799.93	36.477%
	Key Stage 3		4685.0		5850.0		27,407,245.61	15.678%
	Key Stage 4		4685.0		4080.0		19,114,797.63	10.935%
	Description				Number of eligible primary pupils		Sub Total (£)	Proportion of funding(%)
	Primary FSM		1,638.34		5810.9		9,520,256.45	
	Secondary FSM			2,049.81		3401.6	6,972,564.04	
	IDACI Score 0.2 - 0.25		203.54	356.31	484.3	301.6	206,044.94	
	IDACI Score 0.25-0.3		248.77	435.49	953.3	436.1	427,065.71	
	IDACI Score 0.3-0.4		316.61	554.26	2248.9	1107.6	1,325,922.23	18.781%
	IDACI Score 0.4-0.5		407.07	712.62	3184.5	1516.1	2,376,655.07	
	IDACI Score 0.5-0.6		497.53	870.98	5369.3	2446.7	4,802,372.60	
	IDACI Score 0.6-1		723.67	1,266.87	5331.2	2637.5	7,199,403.39	
			Amount (£) per pupil		Number of Pupils		Sub Total (£)	Proportion of funding(%)
	LAC_X_Mar11			£1,000	153.3		153,281.64	0.088%
	LowAtt_%_PRI_73			1,124.10	4604.6		5,175,982.36	4.863%
	Secondary pupils not achieving (KS2 level 4 English and Maths)			2,124.10	1565.5		3,325,229.01	
	EAL_3_PRI			500.00	6707.3		3,353,661.73	2.422%
	EAL_3_SEC			1,000.00	880.1		880,139.64	
	Primary pupils starting school outside of normal entry dates			1,200.00	1982.5		2,378,957.89	2.181%
	Secondary pupils starting school outside of normal entry dates			1,800.00	796.9		1,434,367.06	

Other Factors

Factor	Description	Total (£)	Proportion of funding(%)
7) Lump Sum		12,410,000.00	7.099%

New ISB Values for comparison

£63,765,799.93

£27,407,246.61

£19,114,797.63

£9,520,256.45

£6,972,564.04

£206,044.94

£427,065.71

£1,325,922.23

£2,376,655.07

£4,802,372.60

£7,199,403.39

£153,281.64

£5,175,982.36

£3,325,229.01

£3,353,661.73

£880,139.64

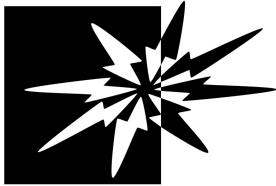
£2,378,957.89

£1,434,367.06

12,410,000.00

1) Basic Entitlement <small>As a Member of the Local Authority</small>	Amount (£) per pupil	Pupil Units	Sub Total (£)	Total (£)	Proportion of funding(%)
8) Fringe Payments				0.00	0.000%
9) Split Sites				90,000.00	0.051%
10) Rates				2,109,568.01	1.207%
11) PFI funding				0.00	0.000%
12) Sixth Form				380,703.00	0.218%
13 ) Exceptional circumstances (can only be used with prior agreement of EFA)					
<b>Circumstance</b>			<b>Total (£)</b>		<b>Proportion of funding(%)</b>
Exceptional Circumstance 1				0.00	0.000%
Exceptional Circumstance 2				0.00	0.000%
Exceptional Circumstance 3				0.00	0.000%
Exceptional Circumstance 4				0.00	0.000%
Exceptional Circumstance 5				0.00	0.000%
Exceptional Circumstance 6				0.00	0.000%
				<b>£174,810,018.95</b>	
14) Minimum Funding Guarantee MFG is set at -1.5%, gains may be capped above a specific ceiling and/or scaled					
MFG Funding Total (before capping or scaling) (£)					£393,886.35
Capping Factor (%)	6.700%		Scaling Factor (%)	18.930%	
Explanation as to how capping and/or scaling has been applied: A cap of 6.7% has been applied to gaining schools. To gains above this a scaling factor of 18.93% has been applied. If capped and/or scaling applied: Total deduction (£)					
					-£393,889.88
<b>TOTAL FUNDING FOR SCHOOLS BLOCK FORMULA (£)</b>					174,810,017.42
% DISTRIBUTED THROUGH BASIC ENTITLEMENT					63.09%
% Pupil Led Funding					91.42%
<b>RETAINED FOR GROWTH (£)</b>					£1,500,000
<b>PRIMARY/SECONDARY RATIO</b>					1: 1.377%

Aggregated MFG  
Check (=J58+J62)  
-£1.53



**Haringey** Council

**The Children and Young People's Service**

**Agenda Item  
10**

**Report Status**

For information/note   
 For consultation & views   
 For decision

**Report to Haringey Schools Forum – Thursday 28<sup>th</sup> February 2013**

**Report Title: Schools Forum Work Plan 2012-13.**

**Authors:**

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**Purpose: To inform the Forum of the proposed work plan for 2012-13 and provide members with an opportunity to add additional items.**

**Recommendations:**

**That the proposed work plan for 2012-13 is approved.**

## 1. Schools Forum

- 1.1. It is good practice for Schools Forum to approve a work plan so that members ensure that key issues are considered in a robust and timely way.
- 1.2. The current work has been driven by the requirement to implement school funding reform within challenging timescales, and the 2013-14 budget setting process.
- 1.3. Schools Forum has already established working groups for specific items:
  - Funding Reform; and
  - Early Years Single Funding Formula (EYSFF).

At this meeting, the Forum is considering expanding the remit of the EYSFF working group and establishing a High Needs Working Group. These groups will provide members of the Forum with the opportunity to review in more detail these key areas and provide assurance that funding is supporting key responsibilities and strategies.
- 1.4. The work plan attached at Appendix A takes into account the working groups, and an expectation that they will report back to each meeting of the Forum on progress to date and next steps. Agenda items which officers believe Schools Forum must or should consider for the rest of the current Academic Year have been included.
- 1.5. Members of the Forum are asked to consider whether there are any additional issues that should be added to the work plan for this Academic Year.
- 1.6. This work plan will be included on the agenda for each future meeting so that members are able to review progress and make appropriate updates.
- 1.7. A draft work plan for the Academic Year 2013-14 will be reported for approval to the Forum at it's meeting on 11 July.



**Haringey Schools Forum - Draft Work Plan Academic Year 2012-13**

23 May 2013

Indicative Outturn 2012-13  
The Schools Internal Audit Programme  
Two Year Old Funding Formula  
Alternative Provision  
Feedback from Working Groups:

- Funding Reform
- High Needs
- Early Years

Workplan 2012-13

11 July 2013

Schools Outturn 2012-13  
Update on 2013-14 Dedicated Schools Grant  
Update on Centrally Managed Budgets  
School Budget Plans 2013-14  
Review of membership  
Two Year Old Funding Formula  
Alternative Provision  
Feedback from Working Groups:

- Funding Reform
- High Needs
- Early Years
- Work plan 2013-14

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