
Haringey Schools Forum

MONDAY, 2ND DECEMBER, 2013 at 16:00 HRS - PROFESSIONAL DEVELOPMENT CENTRE, DOWNHILLS PARK ROAD N17

AGENDA

1. CHAIR'S WELCOME

2. APOLOGIES AND SUBSTITUTE MEMBERS

Clerk to report.

3. DECLARATIONS 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 24 OCTOBER 2013 (PAGES 1 - 8)

5. MATTERS ARISING

6. ALTERNATIVE PROVISION (PAGES 9 - 42)

To update on previous reports with Schools Forum, regarding the future of PRUs in Haringey.

7. SCHOOLS BUDGET STRATEGY 2014-15 (PAGES 43 - 56)

To consider the issues affecting the determination of the Dedicated Schools Grant (DSG) in 2014-15 and its allocation within the context of the Dedicated Schools Budget (DSB).

To introduce the budgets that the Council will seek permission to retain in 2014-15 and those it will seek permission to de-delegate. A decision on these will be sought at the 16 January meeting.

8. UPDATE ON GROWTH FUND 2013/14 (PAGES 57 - 60)

To inform members of the allocations required from the Growth Fund.

9. EARLY YEARS BLOCK 2014/15 (PAGES 61 - 88)

To inform Schools Forum members of the funding of the Early Years Block in 2013-14, 2014-15 and projections for future years.

10. FEEDBACK FROM WORKING GROUPS/PROJECT (VERBAL)

- Schools Block Working group
- High Needs Block Working Group

11. WORK PLAN 2013/14 (PAGES 89 - 90)

12. ANY OTHER URGENT BUSINESS

13. DATE OF FUTURE MEETINGS

16 January 2014
26 February 2014
14 May 2014 (Note revised date)
3 July 2014

**MINUTES OF THE SCHOOLS FORUM MEETING
THURSDAY 24 OCTOBER 2013**

Schools Members:

Headteachers: **Special (1)** - *Martin Doyle A (Riverside),
Children's Centres (1) - Julie Vaggers (A) (Rowland Hill),
Primary (7) Dawn Ferdinand (A) (The Willow), *Fran Hargrove(St Mary's CE), *Will Wawn (Bounds Green) *Cal Shaw (Chestnuts), Julie D'Abreu (A) (Devonshire Hill), * Nic Hunt (Weston Park) James Lane (A) (St Francis de Sales)
Secondary (2) *Alex Atherton (Park View), *Tony Hartney (Gladesmore),
Primary Academy (1) *Linda Sarr (A) (St Ann's),
Secondary Academies (2) Simon Garrill (A) Heartlands, *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 (A) (Stamford Hill), Jan Smosarski (A) (Bruce Grove), Sandra Carr (A) (St John Vianney)
Secondary (3) *Liz Singleton (Northumberland Park),* Imogen Pennell (Highgate Wood), Keith Embleton (A) (Hornsey)
Primary Academy (1) Vacancy
Secondary Academy (1) *Marianne McCarthy (Heartlands),

Non School Members:- **Non – Executive Councillor** - Cllr Zena Brabazon (A)
Professional Association Representative - Vacancy
Trade Union Representative - *Pat Forward
14-19 Partnership - June Jarrett A
Early Years Providers - *Susan Tudor-Hart
Faith Schools - Mark Rowland (A)
Pupil Referral Unit - Vacancy

Observers:- **Cabinet Member for CYPS** (*Cllr Ann Waters)
Education Funding Agency

Also attending: Steve Worth, Finance Manager (Schools)
Wendy Sagar, Interim Head Finance (CYPS)
Carolyn Banks, Clerk to Forum
Jon Abbey, Assistant Director, CYPS
Paul Senior, Interim Consultant

* Members present
A Apologies given

TONY HARTNEY [CHAIR] IN THE CHAIR

MINUTE NO.	SUBJECT/DECISION	ACTION BY
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**MINUTES OF MEETING OF THE SCHOOLS FORUM
THURSDAY 24 OCTOBER 2013**

1.	CHAIR'S WELCOME The Chair welcomed everyone to the meeting.	
2.	APOLOGIES AND SUBSTITUTE MEMBERS	
2.1	Apologies for absence were received from Simon Garrill, Julie Vaggers, Mark Rowland, Jan Smosarski, Cllr Brabazon, Andreas Adamides and June Jarrett.	
	Robert Singh was substituting for Dawn Ferdinand, Melisha Trotman for Julie D'Abreu, Christian Maree for James Lane and Anthony Latchana for Simon Garrill.	
3.	DECLARATION OF INTEREST (Agenda Item 3)	
3.1	There were none.	
4.	MINUTES OF MEETING HELD ON 3 October (Agenda Item 5)	
4.1	AGREED: The minutes of the meeting were agreed as a true record subject to the following corrections: 9.7 SW had advised that under model 4 some schools in the west of the borough would see a reduction in funding as losses in deprivation and SEN funding were not offset by gains in the basic entitlement.	
5.	MATTERS ARISING 9.3 SW informed that he had updated Forum members by e-mail with the DfE advice. 12. This had been undertaken.	
6.	ALTERNATIVE PROVISION (Agenda Item 6)	
6.1	PS provided the Forum with background information on the historical arrangements that had been in place regarding the establishment of PRU's, (termed Pupil Support Centres or PSCs in Haringey) and of the Regulations that came into place to change funding arrangements from April 2013.	
6.2	The Forum were reminded that an Ofsted inspection in June 2013 of the Octagon (secondary) and Muswell Hill (primary) PSCs had resulted in the provision being placed into special measures. The Secretary of State expectation for PRUs that are placed into special measures was that they will become Alternative Provision (AP) academies. Meetings with DfE had confirmed that they were firmly committed to the academisation agenda and three potential sponsors had been identified, the preferred option being Tri - Borough Partnership who currently oversee leadership of PRUs and Education departments across the three West London authorities of Hammersmith and Fulham, Westminster, and Kensington and Chelsea. In response to a query as to their suitability and their location PS advised that they had proved themselves to be successful and that cutting across boroughs was not an issue. It was further noted that they were the most	

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	successful PRU model nationally with a very successful formula and good results.	
6.3	Whilst the DfE were very clear on their preferences for Haringey, PS advised that should a compelling alternative approach be presented the Secretary of State was duty bound to consider it. With this in mind PS outlined a possible reconfigured approach which would involve a commissioned Alternative Provision for primary aged pupils on the current site and a move to an outsourced commissioning approach for KS3 and 4 pupils, retaining only a short stay assessment function for KS3/4 pupils at the Octagon, prior to being placed into a suitable commissioned AP setting via the LA In – Year Fair Access Panel (IYFAP). It was noted that this approach would be operationally deliverable and ensure high quality provision, which was stable and sustainable. PS informed the Forum that a decision would be made when the Alternative Provision Management Committee met with the DfE on 18 November. Formal ratification would need to be requested to approve the reconfiguration of the Octagon and Primary PRUs with effect from 1 April or September 2014.	
6.4	The Forum noted that the LA was working on a robust Action Plan to move AP out of special measures. This included the appointment of an Acting Executive Headteacher, with support from two job - sharing deputies. The Forum also noted that there were considerable staffing implications of any decision to close and/ or reconfigure the KS3/4 AP staffing model. In response to questions PS advised the Forum of the number of staff that could be affected by the changes.	
6.5	Should the commissioning approach for KS3/4 AP be approved additional and new AP providers would be needed and a competitive tendering process would be initiated to allow potential providers to demonstrate ability to meet Council criteria for Alternative Provision. Details of a proposed timetable to implement this was noted.	
6.6	In response to a query from MMcC around the number of secondary pupils and their future, it was noted that there were currently 24 on roll, with a capacity of 30; the majority of which had statements. Under future proposals the LA would still retain the statutory duty for ensuring that provision was in place. MMcC expressed her concerns regarding insufficient testing of the alternatives. PS assured the Forum that it was only the model of delivery that was possibly being transferred to Haringey. He further advised that there was very little time for the LA to come up with any alternative models and any deviation from an Academy model would have to be very strong. The Forum noted that the building was likely to be handed over to the provider on a 125 year lease, which was government policy.	
6.7	It was noted that it would be important to extend the LA's commissioning base, and to start to work across boroughs by commissioning places outside of Haringey. The meeting noted that discussions were already underway with range of providers, both existing and new. JA advised if there had been a suitable alternative the LA would have	

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	explored it; however he also reminded the Forum that the LA has been failing these young people. It was vital that due diligence was applied and that the young people are offered suitable provision.	
6.8	In response to a query from LB around the representation from the PRU on the Forum, JA advised that the governance had been reconstituted and that this would be now addressed.	JA
6.9	In response to a query as to whether the Forum had a role to play in the decision making process and the reason for the report coming to the Forum it was noted that whilst the Management Committee would be making the decisions it had been previously agreed that the Forum would receive regular updates. PS also stated that, as it was important to engage stakeholders and providers, and the views of the Forum would be provided and assist the Management Committee in their deliberations.	PS
7.	CLOSURE OF JOHN LOUGHBOROUGH SCHOOL -UPDATE (Agenda Item 7)	
7.1	SW drew the Forums' attention to an error in Para 1.3 of the report which should read 54 not 56.	
7.2	Further to the update provided at the previous meeting SW advised that the budget share for the remainder of the year remained in the Schools Block and any residual costs would be charged to the School Specific Contingency. The remaining budget share and the estimated charges were noted.	
7.3	The Forum were also informed of additional costs over those previously agreed to support the cost of the two additional Year 10 bulge classes, which gave a total of £322,829. It was agreed that the remaining balance be added to the Growth Fund. A report on this fund will be presented to Forum on 2 December. Any balance remaining on this fund at year end would be added to the following year's Schools Block formula allocations. The Forum expressed their appreciation to Park View School.	SW
7.4	RESOLVED: 1. That the additional costs incurred by Park View School as set out in the report be agreed. 2. That the remaining balances be added to the Growth Fund.	
8.	CONSULTATION ON SCHOOLS FUNDING FORMULA (Agenda Item 8)	
8.1	Further to the previous meeting SW reported on the responses from 15 Schools received by the deadline and one received after the deadline in respect of the consultation on the 2014/15 formula funding. The Forum also received the recommendations from the Formula Funding Working Party. Having taken a number of factors into account and following detailed deliberations, the Working Party was recommending Model 2. This model brought Haringey into line with the comparator authorities and positioned schools in readiness for the national funding formula likely to be introduced in 2015/16. In terms of the proposal surrounding the ratio	

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	of primary to secondary per pupil funding, the Working Party was recommending that the differential could be further reduced from 1:1.377 in 2013-14 to 1:1.35 for 2104-15. WW advised that in coming to their recommendations the working party had looked at comparator Local Authorities. He also explained that it was difficult to compare 2012/13 deprivation funding with 2013/14 as different factors had been taken into account.	
8.2	Although a revised Model 2 from the LA had been sent out after the despatch of papers, following discussions at the meeting this was withdrawn.	
8.3	There was a discussion around the value of comparing data with other boroughs and sympathy was expressed with schools in the west of the borough, for which for many the only increase in funding last year was through increases in pupil premium. AA expressed his concern over how far all of the proposed models reduced the value of deprivation and AEN factors against the amount of funding allocated through basic entitlement and he was of the view that there should be no change. TH confirmed that schools in the east of the borough would prefer no change. This view was also supported by a tabled letter from David Lammy MP.	
8.4	The Forum was reminded that should a National Funding Formula be implemented in 2015/16, the funding ratio would then be determined nationally. It was also noted that the DfE had indicated that there would be transitional arrangements in place, but at present no further clarification on this was available.	
8.5	JA advised the Forum that the LA was trying to be fair to all schools and had tried to produce a model that was not contentious. This was confirmed by Cllr Waters who added that the proposed Model 2 was an attempt to give a fair distribution to all schools in the borough especially as there had been a feeling last year that the formula had gone too far with some schools having no increase in funding at all. These proposals were an attempt to balance that position. MMcK also added that under Model 2 there were only two schools that did not gain financially. SW added that the comparative data used the DfE methodology and so was consistent with that of all local authorities.	
8.6	<p>The Schools Block and PVI representatives of the Forum voted as follows:-</p> <ol style="list-style-type: none"> 1. Does the Forum agree we should equalise the values of the prior attainment factor due to the change in secondary eligibility? This was agreed by 16 Forum members with 2 abstaining. 2. Does the Forum agree that we should increase the proportion of funding distributed through the basic entitlement? This was agreed by 15 Forum members with 3 abstaining. 3. Does the Forum think we should delete any of the deprivation or 	

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	<p>AEN factors we use or change its relative weighting?</p> <p>This was not agreed by the Forum. It was agreed unanimously to maintain the status quo.</p> <p>4. Does the Forum have a preferred model if we are to increase the proportion of funding distributed through the basic entitlement?</p> <p>Model 1 – 3 votes Model 2 – 15 votes Model 3 – 0 votes</p> <p>5. If the Forum does not support the models presented, what percentage of funding should go through the Basic Entitlement and what percentage through the deprivation factors?</p> <p>This was no longer relevant.</p> <p>6. Does the Forum agree with the approach to further narrow the gap in per-pupil funding between the primary and secondary sectors by reducing the secondary lump sum and the difference in the basic entitlement?</p> <p>This was no longer relevant.</p> <p>7. Does the Forum support a single split site allocation?</p> <p>The Forum agreed to support this, and at the higher rate of £60,000.</p>	
	<p>RESOLVED:</p> <p>That the views of the Forum be provided to the Council for consideration by Cabinet.</p>	SW
9.	FEEDBACK FROM WORKING GROUPS (VERBAL)	
9.1	Early Years.	
	MM advised the Forum that the Working Group were having discussions around the Early Years Strategy and the use of the Early Years block. A further report would be presented to the next meeting.	
10.	WORK PLAN FOR ACADEMIC YEAR 2013/14	
	The workplan had been circulated with the papers and was duly noted.	
11.	ANY OTHER URGENT BUSINESS	
	There was none.	
12.	DATE OF FUTURE MEETINGS 2 December 2013 16 January 2014	

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	26 February 2014 22 May 2014 (this may be changed) 3 July 2014	
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The meeting closed at 6.00 pm

TONY HARTNEY

Chair

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Title:	The Future of Pupil Referral Units in Haringey – briefing paper
Meeting Date:	Schools Forum 2 December 2013
Author:	Paul Senior
Service / Dept:	Prevention and Early Intervention/ School Standards
Date Drafted:	25 November 2013
Report to be Presented By:	Paul Senior

1. Purpose of paper

1.1 This briefing paper provides stakeholders with an update in following - on from previous communications with Schools Forum, regarding the future of PRUs in Haringey. The DfE recently confirmed that the Tri – Borough Partnership is to be their nominated preferred provider for the development of an AP PRU in Haringey. **This paper is for information only.**

1.2 The PRU Management Committee at the group's meeting on the 18 November 2013, passed a motion to progress the process for converting the PRU (Primary and Secondary) to becoming an Alternative Provision academy from April 2014.

1.3 In the intervening period the Council and PRU Management Committee will now liaise with relevant stakeholders locally, the DfE and TBAP to progress the PRU academy conversion process. The LA will continue to work to improve existing provision at the Octagon during the period of change and is seeking the engagement of local schools and partners to sustain this.

1.4 It is intended to put in place a competitive commissioning process in place for April onwards to extend the reach and breadth of AP commissioned provision to enhance the local AP market. The expectation would be that any proposed AP or Free School provider would enter a competition with other providers to develop a local AP preferred provider continuum of provision, where all approved providers would be subject to local commissioning and quality assurance criteria.

1.5 Developments are currently taking place with a view to the Primary PRU being fully operational from the Octagon building from the February half term period. Not only will this approach bring considerable improved efficiencies, but also improve access to

provision for the parents and carers of children and young people on the role of the provision. This approach may also provide capital benefit for local stakeholders. Proposed reconfiguration of the Octagon PRU as an additional benefit will release the building currently used by the Primary PRU in Muswell Hill. TUPE potential for staff that may no longer employed at the Octagon has not yet been confirmed.

2. Draft Timetable for transformation/ conversion

WC 18 November 2013

Acceptance by the Alternative Provision Management Committee of the DfE preferred academy sponsor (TBAP) for reconfiguration of The Octagon and Primary PRUs.

December 2013

- HR notification to staff affected and formal HR meetings with staff and Unions and start of consultations. Start TUPE process and staff consultation
- Project planning for Primary PRU move to Octagon building, to enable Primary PRU model to be fully operational from Octagon from 2014 February half term (progression of project is subject to PRU Management Committee formal ratification)
- Further LA due diligence of proposed provider and ongoing assessment of operational and strategic risk management
- Needs assessment undertaken with regards to interim PRU single site staffing model required for January 2014
- Academy order application by PRU Management Committee
- Provider due diligence of PRU and LBH

January 2014

- Formal 30 day consultation period begins for all PRU staff

February 2014

- Sign off at appropriate level
- Commissioning documentation for new Alternative Provision framework complete.
- Primary PRU operates from Octagon building in addition to Secondary PRU model (subject to PRU Management Committee formal approval)

31 March 2014

Reconfiguration of the local authority AP arrangements, Primary PRU based at Octagon, KS3/4 AP commissioned through local providers (schools, partner local authorities and local AP providers). Secondary PRU staff employment ceases.

1 April 2014

New Alternative Provision model commissioned and Academy PRU commences (subject to conclusion of formal procedures and approval)

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Questions & Answers

**Pupil Referral Units
conversion to Alternative
Provision Academies**

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PUPIL REFERRAL UNIT CONVERSION TO ACADEMY STATUS

Why are you allowing PRUs to convert to Academy status?

Children and young people being educated in alternative provision are some of the most vulnerable in society. They include excluded pupils, but around half of the pupils are there for other reasons: for example those who have been bullied and are too scared to attend school; children who are ill; and school-age mothers. Large numbers of pupils in PRUs do not go on to achieve meaningful qualifications, and some go on to cause serious problems for themselves and their communities.

International studies suggest a correlation between increased levels of school autonomy and high standards in education. Evidence both from exam results and independent reports shows that the autonomy enjoyed by mainstream Academies is leading to an improvement in standards. Independent status and the additional freedoms and flexibilities gained through converting to Academy status are crucial in enabling Academies to succeed. Strong, ambitious leadership, effective management, high aspirations for all pupils and good teaching are essential to innovate and raise standards. There is every reason to believe that greater autonomy, with decisions taken by the professionals on the ground, will lead to similar improvements for pupils in the alternative provision (AP) sector.

The *Importance of Teaching* White Paper set out our vision for improving AP – including allowing PRUs to access the enhanced autonomy that Academy status can offer - autonomy to help raise standards within the PRU and across the whole AP sector. Higher standards in AP will in turn provide a source of local expertise to help mainstream schools improve their practice and the outcomes for some of the most vulnerable children in our society.

Many PRUs have expressed an interest in operating independently from the local authority. As Academies, they would have greater freedom to develop wider services to provide for schools and children, both locally and further afield. AP Academies will have a key role to play in shaping the strategic direction of AP in their area, working closely with all commissioners (schools and local authorities) and other AP providers, playing a leading role in driving up quality and spreading best practice. Their arrival will increase diversity and allow schools and local authorities to choose the best provision for their pupils.

The ultimate goal of this work must be to help these young people achieve all that they are capable of in their studies, and prepare them to be effective members of society.

We already deliver high quality provision so what would be the benefits of becoming an AP Academy?

Academy status will give education professionals working in AP greater scope to innovate and raise standards for the pupils in their PRUs, although remaining clearly accountable for the outcomes they deliver. AP Academies will enjoy a number of benefits over maintained PRUs, which include:

- freedom from local authority control
- greater control of their budget
- the ability to set their own pay and conditions for staff
- the ability to change the lengths of terms and school days to benefit pupils
- decisions on how to deploy resources to gain maximum benefit for pupils
- freedom to develop new types of support to pupils

How would becoming an AP Academy benefit individual pupils?

The freedoms gained by becoming an AP Academy will allow converting PRUs to develop their own provision and increase and diversify the range of AP provision in the area. As with other Academies, AP Academy leaders will use their professional judgement to deploy resources to maximise the benefits that accrue to their pupils.

A PRU that chooses to convert to an Academy remains state funded but receives its full budget directly from central government (i.e. in addition to a budget that replicates what it currently receives, it receives a funding for services previously provided by the local authority) and is governed through an Academy Trust. It has to pay for any additional services it requires that are no longer provided by the local authority. Whilst local authority services are available as a buy back option for Academies, high quality cost effective provision can also be sourced elsewhere.

From a local authority's point of view, AP Academies will diversify the range of AP providers they may choose, enabling them to develop their role as a commissioner, effectively ensuring that pupils are directed to the best options available to suit their particular needs.

Do converting PRUs have to support other local schools? Can this be through outreach or will there be another type of support?

Working with other schools in the area will be a key role of AP Academies - without close collaboration, they will not be able to provide the services to pupils' schools that they are set up to provide. How AP Academies do this will depend on the professional judgement of their staff, and not on local or central diktat.

ELIGIBILITY

Can any PRU apply to convert?

All PRUs that can demonstrate that they are performing well (see criteria below) can apply to become AP Academies. We recognise that for PRUs, looking at exam results it is not always the most meaningful indicator of quality. We have therefore developed a set of criteria to take account of wider factors.

The performing well criteria are as follows:

- Evidence of strong and improving pupil attainment and progress and evidence of other achievements that support the learning of pupils in AP, such as strong behaviour management, high attendance (overall and persistent) and limited exclusions.
- Evidence of where the pupil goes after their time in AP and of systems being in place to enable reintegration into suitable mainstream education where appropriate.
- Evidence of capacity to improve outcomes and leadership and management capacity and preparedness to take on new financial management responsibilities.
- Any other evidence which the PRU may put forward in order to demonstrate that it is performing well, including evidence of demand for places.

PRUs may apply to convert to Academy status on their own or in a partnership arrangement with others.

How does a PRU demonstrate the “performing well” criteria?

Evidence of meeting these criteria can be demonstrated by a range of indicators including: Ofsted report; attainment and progression data; evidence of tailored approaches to individual pupils, strong leadership and capacity, systems for sharing information; and success in reintegrating pupils into mainstream education where appropriate.

Can a PRU with no full-time pupils convert?

Yes. An AP Academy may offer both full-time and / or part-time provision.

What role does the local authority have in the decision to convert a PRU?

A PRU may convert as long as the majority of the management committee have voted in favour of conversion to AP Academy status. However, as the local authority will be a major commissioner of the AP Academy in the future, we would encourage the management committee to discuss the decision with the local authority. In return we would also expect the local authority to support the PRU when converting, providing them with any information they request relating to budgets and staffing.

Does a management committee of a PRU need a unanimous decision in favour of converting?

No. As is the case with the governing body of a maintained school, a majority decision of the management committee will be needed for a PRU to convert to AP Academy status.

CONVERSION PROCESS

How do PRUs register their interest in becoming an Academy?

PRUs should visit the DfE website to complete the online registration form. The PRU will then be assigned with a named DfE project lead and will be contacted to discuss next steps. The DfE project lead will be the PRU's single point of contact through the process.

PRUs that register an interest with the view to apply will need to begin preparatory work to collate information that demonstrates how they meet the performing well criteria. Evidence of performing well can include: recent Ofsted report, attainment and progression data, evidence of tailored approaches to individual pupils, strong leadership and capacity, systems for sharing information and for reintegrating pupils into mainstream education where appropriate.

What is the earliest date that PRUs can convert?

The earliest date that PRUs may open as AP Academies is 1 September 2012. The Education (Pupil Referral Units) (Application of Enactments) (England) (Amendment) Regulations 2012 enable the management committee (MC) of a PRU to apply for an Academy Order to become an AP Academy. PRUs have been able to register an interest with the Department and start to work on their conversion since 27 February 2012.

How long will conversion take?

Depending on the individual circumstances of the PRU, the process will take around 6 months – some may be quicker, others may take longer.

What are the key steps involved in converting?

The steps are all explained in the guidance on the DfE website, but as a minimum, all PRUs must:

- have agreement to convert from their management committee;
- hold a consultation with parents, teachers, pupils and the community;
- establish an Academy Trust as a company by registering with Companies House;
- establish a new bank account to enable the Academy to receive its funding;
- sign a funding agreement with the Secretary of State;
- transfer staff to the new Academy;
- make arrangements for the continued use of land and premises;
- purchase insurance; and
- transfer, renew or procure new contracts, licences.

These steps are set out in the guidance document and in the process timeline available at the section of the DfE website (www.education.gov.uk) relating to becoming an Academy. Your DfE project lead will be happy to talk you through these when you submit a PRU Application Form.

What is the role of the local authority during conversion?

As with the conversion of mainstream schools, we would expect the PRU and the

local authority to work together during the conversion process. For example, as part of the conversion process, the local authority will conduct a TUPE consultation, confirm a PRU's budgets and transfer land and assets to the Academy Trust.

What will the role of the local authority be in relation to the AP Academy?

Local authorities will retain their "section 19" duties (the duty to arrange suitable full-time education, unless a child's health makes this inappropriate, for any child of school age who, for reasons of exclusion, illness or otherwise, would not receive suitable education without such provision). The relationship with the converted PRU will change in that the local authority role will move from being the direct provider of services to commissioning them. In the longer term, we are trialling a system under which schools rather than local authorities would take responsibility for arranging AP for permanently excluded pupils.

What support can PRUs expect from the DfE as they go through the process?

Each converting PRU will be assigned a DfE project lead to work with them through the conversion process. Financially, once the Academy Trust is set up, it will be able to apply for a £25k grant which will be available to use towards the costs (including legal costs) associated with conversion.

The Academy Trust and management committee will need to work together to secure its own expert advice in relation to finance, HR, and legal aspects. It is recommended that, as for mainstream converters, legal advice is obtained to help them resolve any conversion issues. The PRU Application Form should help identify areas of difficulties from the outset to ensure that conversion proceeds as smoothly as possible.

What is a funding agreement?

The funding agreement is a contract between the Academy Trust and DfE. As well as funding arrangements, it also governs the Academy Trust where legislation does not. The funding agreement specifies how the Academy is run, what duties it is under and what powers the Secretary of State has over the Academy. In many places the funding agreement makes specific reference to existing legislation to ensure that Academies operate in a similar fashion to other state-funded schools and that there is parity between Academies and the maintained sector.

Will the DfE project lead continue to provide support to a PRU after it converts?

Once a PRU converts, responsibility for the AP Academy will pass to the Education Funding Agency. A handbook is being prepared for all new Academies to assist them in the first year of operation.

FUNDING

How will AP Academies be funded?

A consultation on school funding was published in July 2011, and set out a range of proposals for reforming funding arrangements for high needs pupils, which includes pupils placed in AP settings. In March 2012, the Government's response to the consultation on school funding, '*School Funding Reform: Next steps towards a fairer system*' has now been published. For further information please see the DfE's consultation website at www.education.gov.uk/consultation. This document sets out new funding arrangements which will apply to all state-funded AP providers (PRUs and AP Academies).

How will PRUs that provide education for pupils in hospital be funded?

The '*School Funding Reform: Next steps towards a fairer system*' document explains that the Department is currently working with the hospital school sector in order to develop a sustainable, non-bureaucratic way of funding hospital education, with further details available in due course. PRUs that provide hospital school education, or who are educating pupils that have been referred to them through the health authority can still register an interest with the Department by going to the section of the DfE website (www.education.gov.uk) relating to becoming an Academy. Upon registration, a project lead will be assigned to them to talk them through their conversion and discuss any issues.

What are the principles of these new funding arrangements?

The new approach (place-plus) will introduce a more pupil-led set of funding arrangements, while balancing this by providing AP settings with a base level of funding to offer some stability of funding. We proposed that a base level of funding (£8,000) would be allocated to providers on the basis of an agreed number of planned places. Funding above this level would come from the commissioner (LA or mainstream school) on a per-pupil basis ('top up funding').

There is considerable flexibility about how these arrangements can work locally, and commissioners and AP Academies should work closely together to agree how places will be commissioned, how top-up funding will be provided by the commissioner and when – so that both commissioner and AP Academy are confident that they can continue to deliver high quality outcomes for local pupils.

Will PRUs be better off if they remain local authority maintained?

No. This new reformed funding approach for the AP sector will apply to all state-funded AP providers, including maintained PRUs and AP Academies. Whether a PRU decides to become an AP Academy or not, the new funding arrangements will apply to them. We want to ensure that the introduction of these funding arrangements does not create undue disruption, and the Department will continue to work with the sector to ensure that the transition to the new system is as smooth as possible.

AP Academies will receive funding equivalent to that which they would have received as a local authority maintained AP provider. Therefore, PRUs becoming

AP Academies will be no better or worse off. AP Academies will also receive LACSEG to take account of the services that they would have received from the local authority as a maintained PRU.

How will those PRUs which become AP Academies be funded if they convert before the introduction of this new funding reform?

The principle of Academy funding remains one of equivalence. Pending the introduction of the reformed approach to funding pupils in AP settings, PRUs that convert to Academy status will be funded through interim arrangements which will seek to replicate the funding arrangements and budgets already in place for those PRUs. These arrangements will remain until such time as when the new funding approach for pupils with high needs is implemented for all PRUs and AP Academies.

PRUs converting before the introduction of those new funding arrangements will therefore benefit from consistency of funding until that new funding system is in place - they will continue to be funded at the level they would have been funded as a local authority maintained PRU. When the new reformed approach to funding is introduced for the AP sector, it will apply to all AP providers, including maintained PRUs and AP Academies.

Will AP Academies receive the Local Authority Central Spend Equivalent Grant (LACSEG) funding from the DfE?

Yes, like other Academies, PRUs will receive LACSEG after they convert to AP Academy status. The LACSEG is additional money for Academies to pay for services which local authorities provide free of charge to their maintained schools and PRUs. AP Academies are free to buy back these services from the local authority or find them elsewhere. In 2012/13 there is a separate LACSEG rate for each local authority. From 2013/14 DfE hopes to set a national per pupil rate for LACSEG for AP Academies.

Who will fund AP Academies?

Funding will be made by the Education Funding Agency (EFA) in monthly instalments, paid on the on the first working day of the month.

Will the funding levels be agreed for a given period of time, if so for how long?

Funding arrangements for PRUs converting to AP Academy will be set out in a funding letter from the EFA, typically a month before opening. Interim funding arrangements for PRUs converting to AP Academy will be in place until the introduction of the reformed approach to funding pupils in AP settings.

Will a PRU be better off financially if it decides to convert?

The principle is that an Academy (whether an AP Academy or mainstream Academy) should receive the equivalent funding that it would have received as a maintained institution, with the addition of a grant to fund services that were previously provided by the local authority (e.g. HR, payroll, health and safety).

Financial autonomy is an important freedom. The Academy Trust takes decisions on how to deploy resources rather than decisions being taken by the local authority.

Some PRUs do not know their budgets as their local authority controls their finances. Would there be support to enable PRUs to find out their running costs?

We would expect that local authorities will work constructively with their converting PRUs and provide them with the information required to enable conversion.

What would be the financial position of an AP Academy that was not full as a result of local Academy schools or their local authority not commissioning places?

While in the short term the funding of AP Academies will not be directly affected by unfilled places, this may not remain the case for AP Academies and PRUs under the new funding framework. It is up to mainstream maintained schools or local authorities to decide which AP provision is the most suitable for their pupils. The AP Academy will need to develop and maintain good working relationship with schools and Academies in their area working with them to ensure that the provision they provide meets the local needs.

Will PRUs that convert to AP Academy Status be exempt from Business Rates?

Currently, Business Rates are payable in respect of PRUs. However, when a PRU converts to become an AP Academy they will not pay Business Rates. Academies have charitable status and therefore receive mandatory 80% relief on business rates. The remaining 20% is reimbursed by the EFA who receive an annual invoice from Academies.

How does a PRU access capital funding as a converter?

The conversion process will not be a source of gaining additional capital funding to expand or acquire new land and/or buildings. This does not mean that there is no capital funding for Academies. Academies will continue to receive their Devolved Formula Capital (DFC) in 2012/13, which is allocated on the same basis as for maintained schools, and which is to be used for capital maintenance of their buildings and ICT. Academies established after 1 April 2012, with predecessor maintained schools, will receive their DFC for the year ending March 2013 from their local authority.

Academies will continue to have access to an Academies Capital Maintenance Fund for 2012/13. The fund has been calculated on the same basis as the local authority fund for maintained school and is intended to meet the maintenance and building condition needs of academies. Information on the application process can be found at <https://sharepoint.partnershipsforschools.org.uk/ACMF>.

AP Academies will be able to access the same capital funding in the same way as other Academies.

What happens if we've been promised capital funding by our local authority to build/repair our PRU, will we still get this funding if we convert?

Local authorities are expected to continue to support projects that have already been identified to receive capital funding from the local authority even though they may decide to convert to AP Academy status.

Will PRUs wishing to convert receive a support grant to help with the costs of conversion?

We recognise that costs may be incurred during the conversion process, such as obtaining legal advice on the documents necessary for setting up the AP Academy, advice on conducting a consultation on whether the PRU should convert, and signage and stationery. Mainstream schools receive a £25,000 conversion grant to help towards the costs of conversion. For PRUs, we will provide the same amount to facilitate the conversion of the PRU - a £25,000 conversion grant which will be provided either to the new Academy Trust/ Multi Academy Trust when it is set up, or to an existing Academy Trust if the PRU is joining one. The support grant is normally signed by the headteacher or the chair of the management committee or Chair of Governors for an existing MAT and the PRU should send the form to their DfE project lead to process.

GOVERNANCE

(inc. Memorandum of Association & Articles of Association)

What is an Academy Trust?

An Academy Trust is a charitable company limited by guarantee and there is no share capital for the people that run it. The Academy Trust is responsible for the strategic direction of the Academy, and it has control over the land and other assets. It is governed by its Articles of Association that must be agreed by the DfE.

What are the possible AP Academy conversion models?

There are many models of governance – single Academy Trusts; Multi Academy Trusts (MAT); Umbrella Trusts; and loose cooperative partnerships. Your DfE project lead will be able to discuss the best model to suit individual circumstances.

A management committee may wish to set up a single Academy Trust initially with a view to expanding at a later point as a MAT. It is also possible for a single PRU to set up a MAT with a view to others joining at a later stage. But there are also looser arrangements such as forming an Umbrella Trust or agreeing informal collaborative arrangements. For some PRUs, being sponsored (joining a MAT or other co-operative forms of governance) allows them to convert with the assistance of someone with more experience, helping them to address any conversion issues they are faced with and providing them with support once they have converted.

More information is available in the PRU converter guidance document.

How is an Academy Trust established?

Before the Academy Trust can be set up, the PRU's management committee will need to decide who the founding members are. Current policy is that there should be a minimum of three. If this causes your PRU difficulties, you should discuss this with your Academies project lead. The PRU's management committee (or its legal adviser on its behalf) will then need to submit a completed Memorandum (listing the founding members) and the AP Academy Articles of Association model document and submit these to the DfE project lead for clearance. When these documents have been approved by the DfE, the PRU's management committee (or its legal adviser on its behalf) will need to register the Academy Trust with Companies House. The small fee which will be incurred for this may be reimbursed from the £25k conversion grant provided to the Academy Trust once it has been set up and it has opened a bank account.

How are the members of the Academy Trust and of the AP Academy's Governing Body chosen?

The PRU's management committee will decide and agree who among them will be the members of the Academy Trust. The first members are also the founders of the Academy Trust whose names will need to be noted on the Memorandum of Association document. Forms can be submitted online at the Companies House website or by sending through signed hard copy paper forms:

(<http://www.companieshouse.gov.uk/infoAndGuide/companyRegistration.shtml>) An

Academy Trust should have at least three founding members but there can be more. The full constitution of the membership is set out in the Articles of Association.

It is the members of the Academy Trust that put in place the process and arrangements for electing and replacing members of the trust.

Once the Academy Trust has been set up, the members will then appoint the Governing Body for the AP Academy, as prescribed in the Articles of Association.

How much time will AT members need to commit as members of a Trust?

Time commitment of members will depend on the individual circumstances of the AP Academy. Their role is to provide strategic direction for the Academy. There is no set requirement for how frequently the Academy Trust should meet, this will depend on individual circumstances. Some meet two or three times a year, others five or six times. The Governing Body and Principal are responsible for the day-to-day running of the Academy.

Can the Principal/headteacher be a member of the Academy Trust or be a non-executive member of the Academy Trust?

As a general rule, the answer is “no”, as this would give rise to potential conflicts of interest. And because the Academy Trust is there to hold the Principal to account, appointing the Principal to the Trust would undermine that. There are a number of situations in which conflicts of interest commonly occur, including direct financial gain accruing to a trustee. The Charity Commission lists the most common types of direct financial gain to a trustee which include: “payment for a separate post within the charity, such as headteacher, to someone who is also a trustee”.

If trustees wish to pay one or more trustees, such payment will need to be authorised, either by a clause in the charity's governing document, or by an Order of the Court or the Charity Commission.

What will happen to a PRU's management committee if it decides to convert?

A PRU's management committee will simply cease to meet and exist from the conversion date - the date that control of the PRU is passed to the AP Academy Trust and the local authority stops maintaining the PRU. If a management committee has responsibility for more than one PRU but not all of them, then the management committee would continue in existence for the purpose of running those PRUs that are not converting. If the constitution of the management committee has been disrupted (e.g. one or more member has left), then the management committee will need to be reconstituted to ensure it continues to support the non-converting PRUs and complies with relevant legislation.

What are the rules for appointing the new Governing Body?

The Governing Body will be appointed by members of the Academy Trust. The process for appointing governors and the makeup of the Governing Body will be set out in the Articles of Association.

The governors will be responsible for the day-to-day management and governance of the AP Academy and decisions will need to take place early on in the conversion process to agree who will be appointed as governors of the AP Academy.

The minimum constitution of a Governing Body is:

- At least 2 parent governors (who may or may not be parents of current pupils);
- A maximum of 1 local authority appointed governor; and
- The Principal/headteacher.

We also recommend that headteachers of other schools in the area sit on Governing Bodies, but the Academy Trust must be careful to avoid local authority influenced status (see below) when appointing Governors. In addition, the Governing Body may have staff governors and community governors.

How will the role of the governing body differ from that of a management committee? Will it mean more work/accountability etc?

The principles of governance are the same in Academies as they are for maintained schools but the Governing Body has greater autonomy.

We recognise that there is no single model for PRU management committees. Some operate in a similar manner to maintained schools, others less so. The responsibilities of the AP Academy Governing Body will be similar to those in most maintained schools. The governing body can delegate functions to committees, the principal or any other holder of an executive office.

It is the governing body that manages the AP Academy on behalf of the members of the Academy trust. The key responsibilities are:

- ensuring the quality of educational provision;
- challenging and monitoring the performance of the AP Academy and its leadership;
- managing the Academy Trust's finances and property; and
- employment of staff.

There are many similarities between the governing bodies of maintained schools and Academies. We believe that volunteer school governors will still be able to fulfill their role in Academies and that this will not make it harder to find governors. We would also expect Academies, as with all schools, to provide the necessary training and support to governors to ensure they are able to fulfill their duties.

What is local authority 'influenced status'

Sections 68-71 of the Local Government and Housing Act 1989 and regulations made under these sections (the Local Authorities (Companies) Order 1995 SI 1995/849) state that a company is 'influenced' if:

- 20% or more of the **members** or 20% or more of the **directors** (often referred to as the governors) who sit on the Academy Trust are Associated Persons

'Associated Persons' are defined in s.69 (5) but include current members (councillors), current officers (employees of the local authority), or anyone who has been a member within the past four years.

What are the rules regarding the involvement of local authority associated personnel in Academy governance?

The DfE policy is that no Academies should have local authority influenced status. If an Academy were 'influenced' it would be:

- required to identify itself as being local authority influenced on all business letters, notices and other documents of the company;
- required to remove any director who became disqualified from holding membership of a local authority;
- barred from publishing any material which might affect public support for a political party;
- required to provide to the local authority's auditors with information about the Academy Trust which they might need to audit of the local authority's accounts.;
- required to provide the Audit Commission with such information as it required; and
- required to provide councillors with any information they needed to discharge their duties.

These are additional bureaucratic burdens which we do not wish to place on Academies. Therefore local authority membership of Academies at member and governor level should be less than 20%.

How does a PRU that wants to become an Academy set up an Academy Trust that is not LA influenced?

Parent or community governors or other local headteachers who are not employed by the local authority could be the founder members who set up the Academy Trust. Then, as per the Articles of Association of the Academy Trust, these founder members can appoint additional members at a later stage (while bearing in mind the DfE requirement that no more than 20% of the members or Governors should be local authority Associated Persons).

Can Principals/ headteachers of other schools sit on an Academy Trust or Governing Body?

Yes, again, DfE policy on Academy Trusts/ governing bodies of the Academies not being local authority influenced would need to be adhered to. So headteachers who are not considered as being employed by the local authority would not typically be included as part of the 20% of Associated Persons. These include headteachers of foundation schools, voluntary aided schools, Trust schools, non-maintained special schools and Academies.

How will AP Academies be accountable to their local community?

Academy Funding Agreements require them to be at the heart of their local community. They are also accountable through their results which are published in

the same way as they are for maintained schools. Just like other Academies, AP Academies will be inspected by Ofsted. Academies are also accountable through their Funding Agreements to the Secretary of State. We envisage that AP Academies will have a key role to play in shaping the strategic direction of AP in their area, working closely with all commissioners (including local authorities) and other providers, and playing a leading role in driving up quality and spreading best practice across the AP sector.

As PRUs play a role in allowing local authorities to fulfil their statutory duty regarding arranging AP for permanently excluded pupils and those without a place, how will the local authorities be able to meet this duty once the PRU converts?

The duties set out in s19 of the Education Act 1996 are placed on local authorities, not PRUs; PRUs are a means by which local authorities may discharge these duties, and some local authorities do so without having any PRUs. When a PRU becomes an AP Academy, the section 19 duty and power to open a new PRU will remain with the local authority. The local authority will continue to be responsible for commissioning the most appropriate provision for pupils they are responsible for. In terms of AP, they may choose the AP Academy or another AP provider, just as they do currently.

Will PRUs that convert to become AP Academies be able to commission other AP providers?

The AP Academy can commission other providers to complement the education provided within the AP Academy. However, the Funding Agreement requires that funding be used for the purposes of the Academy. Therefore, it cannot be used to fund full-time, permanent placements elsewhere.

STAFFING (inc. TUPE, and pension)

What is TUPE?

TUPE is the Transfer of Undertakings (Protection of Employment) Regulations. If a business, part of a business or service provider changes from one owner to another, an employee's contract and terms and conditions of service could be protected under, 'TUPE'.

If a PRU converts to become an AP Academy, which staff will transfer?

This would need to be determined on a case-by-case basis and discussions will need to start very early on in the conversion process.

Who is responsible for carrying out the TUPE Consultation?

It is the current employer of the staff (usually the local authority) which is responsible for conducting the TUPE information and consultation process. In some cases the local authority may ask the PRU's management committee (as part of the local authority) to conduct the consultation on its behalf.

Can staff opt out of transferring to the AP Academy?

Employees who do have the right to transfer to the AP Academy may opt out of the transfer. However, this is equivalent to resigning – they do not have the option of electing to remain in employment with the local authority unless the local authority is prepared to offer them a new position.

Will you make arrangements to offset the pension deficit that PRU's and Special Schools incur when becoming Academies?

We do not have any control over the payment of pension deficits. The deficit applying to a PRU when it converts to an AP Academy is determined by the local pension authority's actuary. Details of the Local Government Pension Scheme are available at:

<http://www.education.gov.uk/schools/leadership/typesofschools/academies/becominganacademy/a00202059/lgps>.

How would the AP Academy maintain staff levels and expertise if capacity could not be predicted year on year?

For PRUs converting in 2012/13, funding which replicates the current arrangements and levels for PRUs will be agreed for the first academic year. When the new funding arrangements are introduced, funding for all state funded AP providers, including PRUs, will be subject to the wider changes - including being more responsive to actual pupil numbers while providing a degree of stability for providers. Therefore, in becoming AP Academies, PRUs will need to ensure that they have good working relationships with other schools in their area so they can meet local demand and plan accordingly. For some PRUs, converting as part of a MAT may be the best solution to ensure that this planning need is met and to allow economies of scale.

LAND & BUILDINGS

What do PRUs need to do in respect of land and buildings?

PRUs will need to make arrangements for the continued use of the land and premises **before** converting to become an Academy. They will need to instruct their own solicitors to deal with the legal arrangements for the land transfer. Steps should be taken early in the process to:

- identify all areas of land on which the PRU sits
- establish who currently holds the land; and
- agree leasing or transfer arrangements with the current landowners.

There is a land questionnaire for the converting PRU's solicitors to complete as part of the conversion process.

How are ownership and maintenance of existing buildings and land determined for PRUs?

The process in place for mainstream converters will apply to PRUs. So, in cases where the land/building is owned by the local authority, the Academy Trust will agree to lease it from the local authority to the Academy Trust at a peppercorn rent. If it is owned by a private land owner, agreement will need to be reached with them. The maintenance will be the Academy Trust's responsibility in most cases, unless the agreed lease specifies otherwise.

The Secretary of State also has scheming powers to direct the local authority to transfer its assets to the Academy Trust, if necessary.

What will happen if premises are currently being built for the use of a PRU?

The DfE would expect the local authority to honour their commitment to the funding of building work proposed.

Who is responsible for insuring a PRU after it becomes an AP Academy?

Academy Trusts are responsible for making arrangements to insure land and buildings. It is imperative that insurance is in place from midnight of the date of conversion so that there is continuity of cover. Normal public procurement rules must be followed to ensure that the insurance policy offers value for money. The cost of property/contents cover is normally reimbursed by the Education Funding Agency at actual costs upon receipt of the relevant invoices.

How can AP Academies arrange insurance?

They should first contact their local authority to see if any insurance policy or cover can be offered. Local authorities normally have a group policy tendered in compliance with EU rules. The local authority may be willing to have the AP Academy included in this, at least for premises insurance; and it will normally be financially advantageous for the converting PRU to take advantage of this, due to economies of scale.

What if an Academy cannot obtain insurance via the local authority?

In this instance, they should contact the Crescent Purchasing Consortium (CPC), which is an EU-compliant insurance framework. CPC arranges the various quotes of the selected insurance companies for the academy and helps them to select the most relevant and beneficial quote for their requirements. The CPC can be contacted via their website at: <http://www.cpc.salford.ac.uk>.

COMMERCIAL TRANSFER AGREEMENT (CTA)

What is the purpose of the CTA?

The CTA is intended to ensure that all information on the transferring staff is recorded and transferred to the academy trust so that the appropriate arrangements for payment of salaries, pension contributions, etc. can be made. The CTA includes details of any assets, liabilities and contracts that will transfer to the Academy Trust, and those that will remain with the local authority. Converting PRUs should send the CTA to their local authority and provide them with the opportunity to comment. Our expectation is that a CTA will be in place before conversion.

The Secretary of State also has scheming powers to direct the local authority to transfer its assets to the Academy Trust, if necessary.

CONSULTATION

Do PRUs wishing to become AP Academies need to hold a consultation (as is the case for mainstream Academies)?

Yes. There is a legal requirement for the management committee to consult with interested parties (e.g. students, parents and the local community/stakeholders) on whether the PRU should become an AP Academy. PRUs are free to choose how they wish to consult, with whom and for how long.

When does the statutory consultation need to take place and how long should it run for?

The consultation process can start at any time but it must be completed before the Funding Agreement is signed with the Secretary of State. It is useful to have early conversations with interested parties to ensure they understand the proposed changes.

Do PRUs need to provide DfE any evidence of their consultation?

No. But the PRU's management committee will need to confirm:

1. that it has consulted appropriate persons (see above);
2. the dates on which the consultation was carried out; and
3. that the views obtained were considered in the decision to convert to an Academy.

DfE is not being prescriptive about the documentary evidence a PRU's management committee needs to retain. However, as a general steer, it could include copies of any reports that were commissioned, consultation questionnaires along with responses, minutes of consultation or briefing meetings. Although PRUs don't need to provide this documentation as part of their application process, they will need to ensure that this information is available on request.

Do PRUs have to consult staff under TUPE?

The local authority will need to conduct a TUPE consultation with all staff (teaching and support teaching) and the unions as part of the staff transfer process. Generally, this first TUPE consultation with staff would take the form of an open general meeting before the more detailed bilateral discussions with staff begin.

Do converting PRUs need to undertake an 'equalities impact assessment'?

Under equalities legislation, public bodies are required to have "due regard" to the need to eliminate discrimination, promote equality of opportunity and foster good relations in the exercise of all their public functions. This will include making a decision about whether to convert to Academy status. The due regard duty previously applied only in relation to disability, gender and race, but from April 2011 it was extended to cover other protected characteristics under the Equality Act, such as age (to a limited extent in respect of schools / education), disability, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation.

Management committees of PRUs should consider whether they need to carry out an equalities impact assessment in relation to their conversion to Academy status. If they decide there is a potential impact, then they need to consider whether or not to carry out an equalities impact assessment. This is a matter for management committees to consider, and on which they should take advice from their solicitors.

ADMISSIONS

Which students will AP Academies provide education for?

The law sets out requirements for an educational institution to be an AP Academy, which are:

1. the institution is principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not otherwise receive suitable education for any period;
2. the institution provides education for children of different abilities, and
3. the institution provides education for children who are wholly or mainly drawn from the area in which it is situated.

Suitable education, in relation to a child, means efficient education suitable to the child's age, ability and aptitude and to any special educational needs the child may have.

Will AP Academies be required to abide by the Schools Admissions Code?

AP Academies are not covered by the Schools Admissions Code. Unlike mainstream Academies, AP Academies will admit pupils by way of referrals from commissioners, rather than through the normal admissions arrangements. The commissioners could be local authorities, schools or mainstream Academies.

In what circumstances will pupils be referred to AP Academies?

Pupils will be referred to AP Academies in the same way as they are for PRUs – local arrangements in place can remain post-conversion.

The law requires local authorities to arrange full-time education for permanently excluded pupils from the 6th day of their exclusion, and arrange suitable education for a range of other pupils who would otherwise be without such education. This education must be full-time unless a pupil's medical condition makes full-time education inappropriate for them.

The law also requires schools to arrange full-time education for pupils on a fixed-period exclusion of more than 5 days from the 6th day of the exclusion. This applies to maintained schools and Academies.

The law also allows maintained schools to direct pupils off-site for the purpose of receiving educational provision which is intended to improve the behaviour of the pupil. Under current regulations, these directions must be reviewed at least every 30 days, and must not extend beyond the end of the academic year in which it is made.

Other Academies, with the agreement of a child's parent, can arrange for a pupil to receive education elsewhere, for example, at an AP Academy or other AP provider, as part of early intervention measures to address behaviour. We would

expect most such placements to be temporary.

Can an AP Academy be a first choice school?

Admission to an AP Academy is through referral either from a school, an Academy or a local authority. Parental choice is not currently available.

How would schools refer pupils to AP Academies?

We expect that schools will refer pupils to AP Academies in the same way as they do for PRUs. AP Academies will accept pupils that have been referred by commissioners, including local authorities, schools and Academies. We would expect local authority inclusion coordinators to have the same regard for AP Academies as for other AP providers when determining where a pupil should receive Alternative Provision.

What will be the admission criteria for AP Academies?

The admission arrangements/criteria of an AP Academy will be defined in its Funding Agreement which will set out the process of possible referrals from a range of commissioners.

How will the capacity of the AP Academy be set?

The planned number of places will be agreed as part of the Funding Agreement. A business case for any significant expansion would have to be presented after the PRU converts. Whilst the DfE looks favourably at proposals to expand outstanding provision, no capital funds can be guaranteed.

Will AP Academies hold statutory responsibilities for identified groups of vulnerable learners? What is the role of the local authority in this?

AP Academies will have the same statutory duties as mainstream schools with regards to identified groups of vulnerable learners. Local authorities will retain their section 19 duty.

Is there an expectation that AP Academies be involved in provision post 16?

No, the duties on local authorities under s19 of the Education Act 1996 only refer to pupils of compulsory school age, though local authorities have powers to secure provision for other pupils in they wish to do so. If PRUs are already delivering this provision it will be included in the Funding Agreement. PRUs would need to seek the agreement of the DfE if they wanted to change the age range they cater for.

If a PRU is currently providing Post-16 education will they be able to continue to deliver this offer after converting?

Yes.

CURRICULUM & EXAMINATIONS

Will AP Academies have to follow the national curriculum?

AP Academies must deliver a broad and balanced curriculum but will not need to follow the national curriculum. They will need to provide efficient education suitable to the child's age, ability and aptitude and to any special educational needs the child may have.

Will children in an AP Academy have to sit exams?

The position for AP Academies will be the same as for mainstream maintained schools with respect to public examinations and national curriculum assessments.

OFSTED / INSPECTIONS

Will PRUs continue to be inspected by Ofsted after converting to AP Academy status?

Yes. They will be subject to the same inspection framework as PRUs. AP Academies that are rated “good” or “outstanding will be inspected again within 5 years of the end of the school year in which the predecessor school (i.e. the PRU) was last inspected; those rated “satisfactory” will be inspected every three years. However, various factors could lead to Ofsted deciding to inspect earlier, for example, where there is a high staff turnover, change in leadership, parental complaints, etc.

Will PRUs that are applying to convert be inspected before opening as an AP Academy?

No. PRUs will not undergo a pre-opening Ofsted inspection unless this is requested by the Department.

SPECIAL EDUCATION NEEDS

Can an AP Academy admit pupils with a statement of special educational needs?

Yes, statemented pupils can be admitted to AP Academies, but the pupil's stay should be short term rather than an extended period.

In the case of a statemented pupil that has been excluded from the school at which they are registered, the AP Academy can provide education for a short stay while the statement is amended and resolved.

Can AP Academies be named on a Statement?

Yes, an AP Academy may be named in a statement if it will provide the best education to the statemented pupil. As indicated in the answer to the question above, such placements should generally be short term.

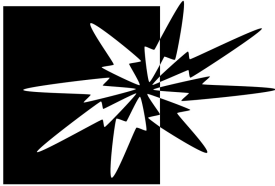
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Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum – 2nd December 2013

**Agenda Item
7**

Report Status

For information/note
 For consultation & views
 For decision

Report Title: 2014-15 Schools Budget Strategy.

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Purpose:

To consider the issues affecting the determination of the Dedicated Schools Grant (DSG) in 2014-15 and its allocation within the context of the Dedicated Schools Budget (DSB).

To introduce the budgets that the Council will seek permission to retain in 2014-15 and those it will seek permission to de-delegate. A decision on these will be sought at the 16 January meeting.

Recommendations:

1. That members note the projected DSG.
2. That members note the current position with regards to centrally retained budgets and de-delegated budgets set out in Sections 4 and 5.
3. That the Forum sets up a working party to review the budgets set out in Sections 4 and 5.

1. Dedicated Schools Budget (DSB).

- 1.1. The DSB encompasses the Dedicated Schools Grant, post 16 funding provided by the Education Funding Agency (EFA) and the Pupil Premium.
- 1.2. EFA funding in the DSB is now limited to funding sixth form provision at maintained secondary schools in the west of Haringey (2013-14 allocation £4.45m). The funding is calculated by the EFA and pass-ported through Haringey Council to the schools.
- 1.3. The Pupil Premium will increase in 2014-15 to £1,300 per eligible pupil (confirmed for primary schools but not yet for secondary schools) and £1,900 for Looked After Children. The estimated sum for maintained school pupils and Looked After Children for 2014-15 is £14.7m.
- 1.4. The Dedicated Schools Grant is the most significant element of the DSB and is considered below.

2. Dedicated Schools Grant

- 2.1. The Dedicated Schools Grant is a ring-fenced government grant that can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance Regulations. The Schools Budget consists of delegated budgets allocated to individual schools, Pupil Referral Units (PRUs) and Early Years Provision in Private, Voluntary and Independent (PVIs) providers. It also covers provision for pupils which local authorities fund centrally, which now includes the bulk of high needs provision, including post-school provision up to age 25.
- 2.2. The DSG covers all pupils in Haringey maintained schools and recoupment academies, funding for the latter being 'recouped' from the Council's allocation.
- 2.3. There were significant changes to the DSG in 2013-14, most notably:
 - The splitting of the grant into three notional blocks, the Schools Block (SB), Early Years Block (EYB) and High Needs Block (HNB).
 - The simplification of the schools funding formula in preparation for a national formula planned for April 2015.
 - Changes in the way special schools, special units and alternative providers are funded, replacing comprehensive planned place

funding with a 'Place Plus' approach. This provides a fixed amount of delegated funding per place plus a 'top-up' paid by a commissioner when placing pupils.

- Delegation of some central services to schools with the possibility of de-delegation from maintained schools only. This replaces the former Schools Budget element of the Local Authority Central Spend Equivalent Grant (LACSEG).
- Increased power for the Schools Forum over what budgets a Local Authority (LA) can retain from the School and Early Years Blocks (the LA has a right of appeal to the Secretary of State).

2.4. The indicative DSG settlement will be announced on 18 December. An estimate of the settlement is set out in Table 1 and a break-down of the proposed Schools Block in Appendix 1.

Table 1 Estimated 2014-15 DSG settlement and Comparison with 2013-14.

Element	Estimated Number	Rate	2014-15	2013-14	Change
		£	£m	£m	£m
Schools Block	30,697	5,878.44	180.450	179.863	0.587
Early Years 3 & 4 YO	2,489	£5,345.46	13.304	13.505	(0.201)
Early Years 2 YO	1,700	£5.28 per hour	5.119	3.699	1.420
High Needs	Cash		29.943	29.943	0
Estimated DSG			228.816	227.010	1.806
Estimated Academy Recoupment			35.294	34.936	0.358
DSG After Recoupment			193.522	192.074	1.448

3. Schools Block

3.1. Schools Forum on 24 October endorsed the Council's proposal for the 2014-15 Schools Funding Formula. This proposes a re-balancing of budgets between the Basic Entitlement (the per-pupil allocation received regardless of the individual characteristics of the pupil) and funding for deprivation and Additional Educational Needs (AEN). The final approval of the formula will be made by Cabinet on 17 December 2013.

- 3.2. The SB is calculated using pupil numbers recorded in the Schools Census on 3 October 2013 following a data cleansing exercise by the Department for Education (DfE); the numbers to be used will be published on 10 December 2013. This number is multiplied by the Guaranteed Unit of Funding of £5,878.44, the same as in 2013-14.
- 3.3. The SB element of the DSG will provide the delegated school budgets for maintained schools and academies.
- 3.4. A Growth Contingency for in-year growth in numbers covering both maintained schools and academies can be top-sliced from the SB before applying the funding formula. The Forum agreed to a top-slice of £1.5m for this in 2013-14 and there is a specific report on this agenda reporting on its use and the proposed retention of the same amount for 2014-15.
- 3.5. The SB also covers centrally retained services approved by the Schools Forum. In 2013-14 central services of £3.7m (2% of DSG), was agreed (Regulations require that these budgets are cash limited at their 2012-13 level). Section 4 below looks at the services the LA currently retains centrally. We propose to meet with a working group of the Schools Forum to review these budgets in depth and report back to the Forum on 16 January in greater detail and with proposals for 2014-15.
- 3.6. The funding changes in April 2013 significantly extended the services for which budgets must be delegated to schools but which may be 'de-delegated' by maintained schools on a phase basis. In 2013-14 the Contingency for Schools in Financial Difficulty (pre-delegation value of £0.25m) was de-delegated and two further budgets, union duties and Support to Underperforming Ethnic Minority Groups, were de-delegated by maintained primary schools for 2013-14 only. We will be seeking to again de-delegate these budgets and this will form part of the discussion with the working group mentioned in paragraph 3.5. These budgets are set out in more detail in Section 5.
- 3.7. We are proposing that where de-delegation is approved by maintained schools, academies are also invited to buy into these services, at that time and on the same basis as the de-delegation i.e. all schools would be charged identically. Academies that decide to use the service at a later date would be charged a different rate reflecting both the actual costs of the service requested but also recognising that at times other than the point of de-delegation additional costs will have to be incurred to meet the additional demand.

4. Schools Block Centrally Retained Budgets.

- 4.1. Music and Performing Arts (£168k). Reductions in the Music Education Grant (MEG) led the Forum to agree 'That the service should be wholly or partly funded from headroom as appropriate.' In 2012-13 the contribution from DSG was £168k and all future contributions must be capped at this level. The Head of Music and Performing Arts presented a report to the Forum on 26th January 2012 setting out the service provided and how the DSG funding was used: £138k in supporting pupils eligible for free school meals and £30k for a primary music specialist.
- 4.2. Admissions (£421.4k). This is a statutory duty of the local authority on behalf of schools and the retained budget represents 75% of the Admissions and School Organisation Team.
- 4.3. Schools Forum (£10k). Maintaining a schools forum is a statutory duty and a small budget of £10k exists to cover the cost of officer input into preparing forum reports and attending meetings of the forum and its sub-groups, the cost of clerking, room hire, refreshments, stationary etc. The budget also covers any claims by members for childcare and has, in the past, been used to commission external support to the Forum.
- 4.4. Carbon Commitment (£220k). LAs can also centrally retain funding in respect of the Carbon Reduction Commitment (CRC) - (£220,253). CRC is currently a statutory requirement and is in effect a tax on carbon use payable by the LA on behalf of schools and Academies. As such, it cannot be delegated and therefore needs to be retained as a central budget. There is a possibility that state funded schools will be removed from the scheme in the future and, should this be the case, the Schools Block CRC budget would be delegated to schools and Academies through the formula. Under the new funding arrangements, this budget is not capped at the 2012-13 level.
- 4.5. Licences (£62k). The DfE had announced that there would be one license with the Copyright Licensing Agency (CLA) and the Music Publishers Association (MPA) to purchase a single national licence for all state-funded schools in England. This means that local authorities and schools would no longer need to negotiate individual licences. The charge for Haringey in 2013/14 was £62k and the DfE have confirmed that a deduction to cover this was an allowed exception to delegation from the Schools Block.
- 4.6. Integrated Working and Family Support (£350k). This service delivers family support work to children and families and supports effective assessment and planning work for a range of children with additional needs.

- 4.7. CPD Governor Support and Training (£135k). The budget represents expenditure on governor support and training which has historically not been recovered through charging.
- 4.8. School Standards (£390.8k). This budget has supported the evolving agenda for education services, including pump priming the development of school to school support. This work has been progressed following the appointment of the Assistant Director, School Improvement. Continuation of the budget (£390,800) for 2014-15 will support embedding school to school support across all schools and academies.
- 4.9. Supplementary Schools (£26.7k). This was omitted in error from the 2013-14 Strategy Report but was a long standing part of the Miscellaneous allocation of the DSB. Information on this service is set out in Appendix 2 and the Forum will be asked to support this in 2013-14 and 2014-15.
- 4.10. Residential Places (£1,000k). As agreed by Forum on 17 January 2013 and in January 2012, support of £1m in each year was provided in 2012-13 and 2013-14 from the DSB for the educational costs of residential placements for Looked After Children (LAC). The number of placements is now reducing. An update will be provided to the January meeting on the level of support sought for 2014-15.
- 4.11. Contribution to Capital (£489k). Capital spending has, in the past, been supplemented by contributions from the Dedicated Schools Grant (DSG); this is known as 'Capital Expenditure from the Revenue Account' (CERA). Previously this has related to a financing contribution agreed in support of the Secondary Schools BSF scheme. However, there are now a number of temporary primary school expansion projects required each year which, to be feasible, require support from revenue but which are managed as part of the overall Capital Programme.
- 4.12. Contribution to Corporate Overheads (£280.1k). All council services attract overheads that cover not only the cost of central services such as payroll, IT, HR and finance but also property costs such as rent, rates, porters and utilities.

5. Schools Block De-Delegated Budgets.

- 5.1. Union Duties. This will be discussed with the working party and brought back to the Forum on 16 January 2014.
- 5.2. Support to under-performing ethnic minority groups. Support to underperforming ethnic minority groups and bilingual learners. Historically, the LA also received EMAG which was used to provide centrally managed support to schools in respect of raising the attainment of pupils from ethnic minority groups. Following the

demise of EMAG, the Forum at its meeting on 17 January 2011 agreed to continue to support this work, approving funding through the DSG. We are seeking to continue with the de-delegation of this budget.

- 5.3. Contingency for schools in financial difficulty. Support for Schools in Financial Difficulty. Schools Forum has historically supported the retention of a contingency to support schools in financial difficulty. Although it is incumbent on all schools to manage their resources efficiently and effectively, there are particular circumstances in which schools find themselves in need of support from their colleagues. Two examples are new management teams with inherited deficits and exceptional circumstances. The local authority proposes to de-delegate this budget to continue to support those schools deemed by the panel to meet the agreed criteria for supporting schools in financial difficulty. This would only apply to maintained schools where the phase had agreed to de-delegation.

6. High Needs Block

- 6.1. The HNB is allocated as a cash sum and covers all funding for pupils with Special Educational Needs (SEN) other than that included in delegated mainstream school budgets. It includes funding for special schools, special units and alternative providers using the place-plus approach; funding for pupils placed in other local authority or private provision and centrally provided services. It also incorporates funding for the extended duty of providing for students in FE establishments with Special Educational Needs (SEN) up to the age of 25. A significant concern is the uncertainty around the costs of the new responsibilities for students up to the age of 25 with SEN which began in September 2013.
- 6.2. A working party of the Schools Forum have been reviewing the budgets in this area and will present a detailed report to the Forum on 16 January 2014.

7. Early Years Block.

- 7.1. There is a separate report on this agenda covering the EYB.

8. Timetable.

- 8.1. The expected or required dates leading up to the issue of school budget shares is set out in Table 2.

Table 2 Timetable Leading to Issue of Maintained Mainstream School Budget Shares.

05 December 2013	Autumn statement
10 December 2013	October 2013 pupil data sets published
17 December 2013	Haringey's Funding Formula considered by Cabinet
18 December 2013	Schools Block DSG published
16 January 2014	Schools Forum
21 January 2014	Final formula notification to DfE
26 February 2014	Schools Forum
28 February 2014	Deadline for notifying maintained mainstream governing bodies of budget shares.

9. Recommendations.

- 9.1. That members note the projected DSG.
- 9.2. That members note the current position with regard to centrally retained budgets and de-delegated budgets set out in Sections 4 and 5.
- 9.3. That the Forum sets up a working party to review the budgets set out in Sections 4 and 5.

Appendix 1 - Projected Schools Block 2014-15

	Schools Block £000
Delegated	
Delegated Budgets 2013-14	174,810.0
Pupil Number Growth	587.0
Delegated Budgets 2014-15	175,397.0
Growth Fund	1,500.0
Centrally Retained	
Music & Arts Mgt	168.0
Integrated Wkg & FS	350.0
Admissions	421.4
Schools Forum	10.0
CPD - Gov Supp & Tg	135.0
Head of Standards & PA	390.8
Supplementary Schools	26.7
Ch Residential Placements	1,000.0
Carbon	220.0
CERA	489.0
Licences	62.0
Corporate Overheads	280.1
Centally Retained 2014-15	3,553.0
Estimated Schools Block	180,450.0

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Appendix 2: Review into the effectiveness of Supplementary and Community Language Schools (SCLS) in Haringey

1. Background

1.1 Supplementary and Community Language Schools (SCLS) can be best described in the following way, *'supplementary schools come in a variety of shapes and forms. In general they offer out-of-school-hours educational opportunities for children and young people, many of whom come from minority ethnic communities.*

1.2 Over the past six years, Haringey Council in partnership with SCLS sector has implemented a process that has achieved the following outcomes:

- Ensuring that students attending SCLS are healthy and safe by complying with child protection and health and safety legislation. A streamlined application process for the council's SCLS contributory funding
- External accreditation of SCLS. Capacity building the SCLS sector to achieve 9 Bronze, 1 Silver and 3 Gold Quality Framework Awards.
- An annual programme of training for SCLS
- Web based resources for SCLS and for parents wishing to choose a SCLS
- Working with the SCLS sector to support the creation of the Haringey SCLS Forum

1.3 Prior to 2012-13 the allocation of funding was an open and independently assessed process which was supported by colleagues in both the local authority and third sector (HAVCO). As a result of the impending review into the effectiveness of SCLS in 2012-13, and the likelihood of significant change in support to SCLS, a decision to temporarily suspended process was agreed.

1.4. This resulted in CYPS providing contributory funding to 8 SCLS from the African Caribbean; Albanian; Bengali/Pakistani; Chinese; Kurdish; Orthodox Jewish; Somali and Turkish communities. ***The contributory funding provided by Haringey Council supported a total of 398 Haringey based students, who attended SCLS on a weekly basis.***

2. Defining the Need

2.2 Research commissioned by the DCSF, in 2010, identifies that SCLS make a unique contribution to children's mainstream education and in its conclusion states that *'a number of benefits were identified by case study schools (including parents, pupils and teachers) and LAs. Many parents reported an improvement in the skills, knowledge and exam results of their children since attending a supplementary school. Teachers, parents and pupils identified more concentrated teacher-pupil time due to smaller class sizes, in which teachers had time to explore a range of teaching approaches, and strategies for engaging pupils more freely than in the mainstream'.* **Impact of Supplementary Schools on Pupils' Attainment-Research Report DCSF-RR210 -2010**

2.3 With the reduction of funding available to the local authority to support non statutory activities demonstrating both the academic and pastoral value and value for money benefits of SCLS becomes more significant.

2.4 Therefore to determine whether SCLS operating within Haringey and currently in receipt of contributory funding provide similar standard of support to pupils as identified in the *DCSF Research Report* point 2 the Children and Young Peoples Service plans to commission research to identify the overall benefits to pupil attendance, attainment and pastoral standards.

3.0 Review

3.1 The review was carried out by the National Resource Centre for Supplementary Education (NRCSE). The purpose of the review was to examine existing arrangements for the support of community-led supplementary education in Haringey including;

- levels of funding
- quality of provision
- academic achievement
- partnerships with mainstream schools
- local authority officer support

The review compared academic performance of children attending supplementary schools in Haringey with academic performance of children in the borough as a whole. The aim was to assess the effectiveness of funded, quality-assured supplementary schools in raising pupil attainment.

4.0 Key findings

The review was concluded in May 2013 and the key findings are listed below (full copy of the report attached).

- The study shows that the majority of children attending supplementary schools within Haringey are on a par with, or exceed, the average attainment rates for their ethnic peer group within the Borough, in which they attend mainstream school at both KS1 & KS2
- Just over half of the children included in the study were eligible for free school meals. At KS1 children eligible for free school meals exceeded the borough average in all the subjects, and for KS2 they exceeded the borough average for Mathematics.
- The target group (**children studying at the supplementary schools**) also outperform the borough in relation to the percentages that make two levels of progress between KS1 & KS2.
- Fifteen supplementary schools were funded by LB Haringey between 2009-2013.
- Schools received funding for one to four years, determined by their response to annual monitoring requests and their progression through quality assurance of service provision with support, training and guidance provided by the CYPS and the NRCSE.

At Key stage 1

- Congolese children achieve 20% higher than their ethnic peer group in the borough as a whole in Mathematics, 18% in reading and nearly 8% higher in writing.

- Turkish Cypriots exceed their peer group by 13% in reading, 6.5% in writing and a remarkable 25.9% in maths.
- When eligibility for free school meals is factored in to ethnicity, the supplementary schools outperform the borough to an even greater margin, and in virtually every category.
- Within some ethnic groups children eligible for free school meals and attending supplementary school perform substantially better than the borough overall. For example Kurdish students achieve 20.5% higher in reading, 11.6% higher in writing and 6.6% higher in maths.
- Kurdish students attending supplementary school and eligible for free school meals outperform those not eligible by 37% in reading and writing.
- Children attending the KCA Supplementary School perform best followed by the Islamic Community School, Languages network and Lemuel Findlay. All of these Supplementary schools exceed the borough averages by a substantial margin.

At Key stage 2

- All ethnic groups (except Somali) attending supplementary school outperform their ethnic peer group as a whole in all subjects.
- Turkish Cypriots are most successful exceeding their ethnic peer group by 22.3% in English, 24.7% in maths and 29.5% in both English and Mathematics.
- Kurdish children also exceed their peer group by 13% in English, 15.7% in maths and 15.5% in both English and Mathematics.
- Bangladeshi children exceed their peer group by 21.3% in both math's and English and Turkish children exceed their peer group by 7.1% in English.
- The Islamic Community School performs best followed by KCA School, Nene Teresa and Lemuel Findlay. All of these supplementary schools exceed the borough averages by a substantial margin.

5.0 Summary of review findings

5.1 Comparing the target group with the borough, when broken down by ethnic cohort, the vast majority of cases in the target group outperforms the borough at both KS1 & KS2. When free school meal eligibility is factored in the differential in many cases is even greater. The target group's children also outperform the borough in relation to the percentages that make two levels of progress between KS1 & KS2.

5.2 Haringey Supplementary schools clearly have a positive effect on the attainment results of the ethnic groups which they engage, particularly those who are performing below the borough average. This has raised the results for these groups over a number of years. For students eligible for free school meals there has been a narrowing of the differential between those eligible and those not, and again this has narrowed particularly over the last four years.

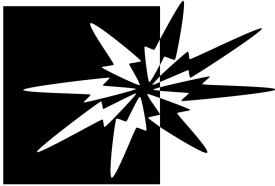
6.0 Future proposal and recommendations

6.1 The CYPS welcomes the benefits identified in the research report and the additionality provided by SCLS in particular to those students in receipt of Free Schools Meals and in underperforming of the ethnic minority groups.

6.2 Therefore the CYPS recommends that the Schools Forum continues the funding of SCLS at the current level of £26k.

6.3 That the Schools Forum notes that the function of management and monitoring of SCLS falls under the responsibility of the Assistant Director for Schools and Learning who will together with SCLS and mainstream schools develop a series of local SCLS priorities.

6.4 That the Schools Forum notes that the CYPS exploring a commissioning approach for future funding, targeting, selection, capacity building and training of SCLS which will ensure both VFM and a transparent funding process.



Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum – 2nd December 2013

**Agenda Item
8**

Report Status

For information/note
 For consultation & views
 For decision

Report Title: Growth Fund.

Authors:

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Purpose:

To inform members of the allocations required from the Growth Fund.

Recommendations:

1. That members agree to the allocations set out in Table 1.
2. That members note that the Balance Remaining set out in Table 1, less any further allocations agreed by Forum, will be rolled forward and added to the formula allocations in 2014-15.
3. That members agree to retain a Growth Fund at £1.5m for 2014-15.

1. Introduction.

- 1.1. The funding changes introduced in April 2013 allow a local authority, with the approval of its Schools Forum, to top-slice a contingency for in year increases in pupil numbers. The Fund applies equally to maintained schools and academies and is designed to cover required in-year growth in forms of entry and not general variations in numbers experienced during the year.
- 1.2. Schools Forum, at their meeting on 6 December, agreed to allocate £1.5m to a Growth Fund for the benefit of all schools and Academies. On 17th January 2013 the Forum agreed the criteria for allocating the Fund.
- 1.3. Forum on 24th October agreed to add the residual budget from the closed John Loughborough School (JLS) to the Growth Fund and to meet the additional costs associated with the bulge classes at Park View for former Year 10 JLS pupils.
- 1.4. Officers are required to report all payments made against the Growth Fund to Schools Forum at least once a year. Any unspent Growth Fund would be carried forward and added to the formula allocations for the following financial year.

2. Criteria.

- 2.1. The criteria agreed by Forum allow funding are:
 - Planned new form of entry approved by the Local Authority:
 - Classroom funding based on 7/12 months * appropriate basic per pupil entitlement * expected number in class; plus
 - A set-up allocation of £500 for each pupil in a standard class size for the relevant setting.
 - In-year bulge class:
 - Start up and classroom costs as above;
 - Ghost funding guarantee KS1:
 - Minimum basic per-pupil funding for 24 pupils in a bulge class established in a previous year: and
 - KS1 classes forced to exceed 30 pupils as a result of appeals:
 - A lump sum equivalent to the funding of a main-scale 1 teacher £32.8k pro-rata to the part of the year.

3. Proposed Allocations.

- 3.1. Table 1 sets out the resources now available in the Growth Fund and the proposed calls against it.

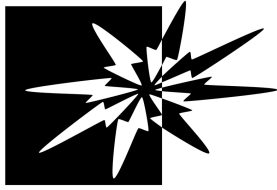
Table 1. Summary of Resources and Proposed Allocations to Date.

Resources Available			
Original Growth Fund		£1,500,000	
Residual Budget John Loughborough School		£632,131	
Total Available		£2,132,131	
Application			
School	Number	Type	£
Alexandra Primary	30 Places	Expansion	68,895
Coleridge	60 Places	Expansion	137,791
Muswell Hill		Over size KS1 Summer Term	13,667
Rhodes Avenue	30 Places	Expansion	68,895
Rhodes Avenue		Over size KS1	32,800
St Aidans		Over size KS1	32,800
St John Vianney		Over size KS1 Autumn and Spring	19,133
St Mary CE	30 Places	Bulge	68,895
St Mary CE		Split site addition	11,000
St Mary CE		Over size KS1 Summer term	13,667
Stamford Hill School	30 Places	Bulge	68,895
Tetherdown		Over size KS1	32,800
Welbourne	30 Places	Expansion	68,895
West Green		Over size KS1	32,800
Weston Park School	30 Places	Bulge	68,895
Weston Park		Over size KS1	32,800
Heartlands	216 Places	Expansion	698,310
Park View		Bulge classes and additional support.	322,829
Total			1,793,767
Balance Remaining			338,364

4. Recommendations.

- 4.1. That members agree to the allocations set out in Table 1.
- 4.2. That members note that the Balance Remaining set out in Table 1, less any further allocations agreed by Forum, will be rolled forward and added to the formula allocations in 2014-15.
- 4.3. That members agree to retain a Growth Fund at £1.5m for 2014-15.

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Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum – 2nd December 2013

Agenda Item

9

Report Status

For information/note
 For consultation & views
 For decision

Report Title: The Early Years Funding Block.

Authors:

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Purpose: To inform Schools Forum members of the funding of the Early Years Block in 2013-14, 2014-15 and projections for future years.

Recommendations:

1. That Schools Forum notes the indicative funding for the Early Years Block in 2014-15;
2. That Schools Forum endorses the proposed allocation of the Early Years Block for 2014/15;
3. That Schools Forum agrees that the additional resources required for sustaining a £6.00 per hour funding rate from April 2016 will be identified within the Early Years Block by March 2015;
4. That Schools Forum recommends to Cabinet, a change in the funding formula for the two year old programme that will introduce an increase in the funding rate for providers of the two year old programme from £5.18 to £6.00 per hour from April 2014;
5. That Schools Forum notes the conclusion of the early years work for 2013-14.

1. Introduction

- 1.1 The purpose of this paper is to provide an overview for Schools Forum of current funding and projections for the Early Years Block contained within Haringey's Dedicated Schools Grant Allocation, outlining in detail how the proposals for use of the Early Years Block to support improvements in outcomes for children at the end of the early years foundation stage.

2. Background

- 2.1 The Dedicated Schools Grant (DSG) is now split into three notional blocks: the Schools Block for years Reception to 11; the High Needs Block for Special Educational Needs (SEN), outside of delegated budgets, and Alternative Provision (AP); and the Early Years Block (EYB), which is the subject of this paper.
- 2.2 The use of these blocks is underpinned by Haringey's overarching strategic aims. DSG funding supports the achievement of outcomes set out within the Corporate Plan 2013-2015 and ensure the following priorities will be met;
- Work with schools, early years and post 16 providers to deliver high quality education for all children and young people
 - Enable every child and young person to thrive and achieve their potential
- 2.3 It is a requirement of the School and Early Years Finance Regulations that the Schools Forum agrees proposals for the use of DSG funding, including centrally retained budgets.

3. The Vision for Early Years in Haringey

- 3.1 An Early Years Strategic Framework and Delivery Plan are being developed by the Council for Haringey; adopting the vision and principles of the Children and Young People's Plan 2013 -2016:
- Haringey is a place where children and young people thrive and achieve*
- 3.2 The Early Years Framework will outline the vision and approach to improving early years education in Haringey and set out how the Council intend to work in partnership, from conception to aged five, with colleagues in Health, Children's Social Care and other key services and agencies to improve outcomes for our young children.
- 3.3 An Early Years Partnership Board has been established to ensure that the partnership priorities for early years set out in the Children and Young Peoples' Plan 2013-2016 and the Health and Well Being Strategy

2012-2015 can be achieved. The Early Years Partnership Board will provide a steer for the development of early years strategy in Haringey over the next three years and be accountable for the implementation of the Early Years Framework and Delivery Plan.

- 3.4 Ensuring that all of our young children are able to access the opportunities and support they need to develop well and become confident learners by the time they reach statutory school ages is a fundamental part of the emerging early years strategy in Haringey. A key priority for Haringey, in line with the Childcare Act 2006, is to narrow the gap between our most disadvantaged children and all other children. From an early education perspective, we recognise that achieving this requires strong partnership working between the local authority, schools, children’s centres, private, voluntary and independent sector early education and childcare providers and childminders.

4. Use of the Early Years Block Funding to meet statutory requirements

- 4.1 In Haringey, the Early Years Block supports the Council to meet its statutory duties under the Childcare Act 2006 which includes funding the free early education entitlement for all three and four year olds from the term after their third birthday and from September 2013, the free entitlement for eligible two year olds. Free entitlement places offer each eligible child 15 hours per week of early education, up to a maximum of 570 hours per year.
- 4.2 Free entitlement places are funded in maintained schools, academies, children’s centres, Private, Voluntary and Independent (PVI) providers and Childminders.
- 4.3 The estimated populations of 2, 3 and 4 year olds in Haringey are shown in the table below.

Table 1: Haringey’s population numbers for 2, 3 and 4 year olds*

	Total Population of Children aged 0-4	2 year olds	3 year olds	4 year olds
Haringey	18,229	3,603	3,573	3,383

*Source: 2011 Census

- 4.4 The expectation from the government’s Department for Education (DfE) is that levels of take up of the free entitlement will be as follows;

Table 2: Expected take up rates for all free entitlements

Age Group	Estimated eligible population	Estimated eligible population 2014-15	Minimum take up rate (DfE)	Minimum number of children expected to participate(B

	2013-14			ased on expected take up rate)
*2 year olds	882	1,700	80%	1,360
3 year olds	3,573	3,573	94%	3,359
4 year olds	3,383	3,383	No target	No target
3 & 4 year olds	6,956	6,956	96%	6,678

*not all two year old children are eligible for the free entitlement

5. Delivery of the three and four year old free entitlement

- 5.1 The current profile of take up for Haringey's three and four year olds can be broken down as follows;

Table 3: Comparative summary of take up rates for 3 & 4 year olds

Benefitting from funded early education places	2009	2010	2011	2012	2013
Haringey 3 year olds	78%	76%	80%	82%	84%
Haringey 4 year olds	91%	92%	89%	95%	95%
Haringey 3 & 4 year olds	84%	83%	84%	88%	90%
England for 3 & 4 years olds	95%	94%	94%	95%	96%
London for 3 & 4 years olds	89%	88%	88%	90%	91%

- 5.2 The profile of the indicative Early Years Single Funding Formula allocation for 2013-14 and the projected actual allocation is shown at **Appendix 1**. It should be noted that the actual numbers projected in this appendix have been used as the starting point for **Appendix 5** and in Tables 6 and 7.

In Haringey, there is a need for participation rates for 3 year olds to be improved in order to meet DfE's expectations of 94% take up. This represents a 10 % increase on current levels of participation in the borough and will mean ensuring that a further 358 children are taking up a place.

The impact of achieving a 94% take up rate amongst Haringey's 3 year olds will mean an additional £1.148m in DSG funding. The implications for DSG funding of a projected increase in participation in the 3 and 4 year old free entitlement is shown at **Appendix 5**.

6. Development and delivery of the Two Year Old Free Entitlement programme in Haringey

6.1 From September 2013, all local authorities have a statutory duty to provide 15 hours per week of free early education for all eligible two year olds. Eligibility is limited to those children whose parents would be eligible to claim for Free School Meals (FSM) and to 'Looked After Children'.

6.2 The DfE estimated that in Haringey, 882 two year olds will become eligible for a place within the academic year September 2013 to July 2014. In the following academic year, (September 2014 to July 2015) the entitlement will be extended to a further 800 children (taking the total to 42% of Haringey's two year olds) from September 2014.

6.3 In September 2013, the government announced additional eligibility criteria to be applied from September 2014. These are:

- Families receiving WTC and have annual gross earnings of no more than £16,190 a year
- Children receiving a current statement of SEN or an education, health and care plan
- Children attracting Disability Living Allowance
- Children leaving care through special guardianship or through an adoption or residence order

Once the education settlement 2014-15 is announced on 18 December 2013, the funding available for the extension of the two year old free entitlement will be clearer.

6.4 From April 2015, DfE will be funding the two year old programme through the Dedicated Schools Grant (DSG) on a participation-led basis, in line with the current funding arrangements for the universal three and four year old 15 hours per week free entitlement. Take up levels by January 2015 will need to be high in order to mitigate against potential reductions in future levels of DSG Early Years Block funding.

6.5 The DSG Early Years Block funding for the Two Year Old Free Entitlement in 2013-14 comprises:

- £2.656 million revenue funding for statutory place provision; and
- £1.043 million one-off trajectory funding to support the expansion of the programme.

Appendix 2 provides a full breakdown of the place and trajectory funding for 2013-14 and projections for 2014-15 and 2015-16 based on the approved hourly rate, £5.18.

- 6.6 Haringey's place funding for 2013-14 has been allocated for a full financial year, although the statutory programme began mid-year. Since September 2013, take up of the entitlement has been steadily increasing but are not yet reached DfE estimated levels. By January 2014, the number of 2 year old programme places available will be 666 against an estimated number, by September 2013, of 882. This position has contributed to a projected under spend within the 2013-14 financial year of £1.127m, details of which are set out in **Appendix 4**.
- 6.7 Current delivery of the two year old programme has highlighted some key challenges for Haringey in meeting DfE's expectations including;
- Ensuring there are sufficient good quality places to meet our statutory responsibilities;
 - Ensuring high levels of participation in the programme over the next two years. Early indications are that we need to strengthen our brokerage role and professional pathways into the programme to ensure that children, particularly those facing the most disadvantage, are enabled to take up the place they are eligible for and parents are supported to place their children in an appropriate setting.
 - Maintaining a funding formula that is able to encourage provider participation, secure and increasing number of places and be sustainable within the agreed financial settlement in order to maximise the number of children able to take up their free entitlement.
- 6.8 Cabinet supported the Schools Forum's decision to ring-fence the two year old funding within Haringey's DSG allocation.

7. Discretionary use of DSG Early Years Block Funding

- 7.1 In addition to meeting the funding requirements of the free entitlements, Early Years Block funding in Haringey is allocated to the following in 2013-14;

7.1.1 Indicative Early Years Single Funding Formula (EYSFF)

Supplements

Total allocated: £1,501,013

In introducing a single funding formula, Cabinet previously approved the Schools Form recommendation to have a number of supplements (deprivation, flexibility and quality) to be added to the basic part-time hourly funding rate. The only statutory requirement is a supplement for deprivation that accounts for £1.061m of this figure.

7.1.2 Indicative full time places provision for three and four year olds

Total allocated: £749,368

In February 2012, Cabinet agreed the reduction in the number of full time places provided across Haringey's Schools and their re-distribution to ensure sufficient places are available in areas of greatest need. This was part of an overall strategy which would see an increase in the number of part time places available by 2014/15.

The projected rate of reduction was as follows;

Academic Year	Full time places
September 2012	476
September 2013	296
September 2014	118

In the original proposals some protection through the Minimum Funding Guarantee for schools losing places was assumed. Subsequent changes to national regulations mean that this is no longer the case and a school will need to manage the change in numbers through an increase in part-time places, charging for non-statutory provision or reducing its offer.

7.1.3 Support to Nursery Schools

Total allocated: £712,050

This allocation provides additional sustainability support to Haringey's three nursery schools to deliver the free entitlement for three and four year olds and sits alongside their individual Early Years Single Funding Formula (EYSFF) funding allocations.

7.2 The EYB also funds any early years specific centrally retained budgets held by the Local Authority (LA). **Appendix 3** provides a profile of the centrally retained budget for 2013-14 and projections for 2014-15 and 2015-16. Two significant elements of the centrally retained budget are as follows:

7.2.1 Central Early Years Team

Total allocated: £260,000

This allocation of funding supports the delivery of the 3 and 4 free entitlements and enables support and intervention for targeted schools and settings and the moderation of the Early Years Foundation Stage Profile (EYSFP).

The contribution is towards roles that support the achievement of the following outcomes for children:

- The continued improvement in the attainment levels for children at the end of the Early Years Foundation Stage.
- Increasing the numbers of children in early education and childcare provision that is good or outstanding
- Increasing the participation of 2, 3 and 4 year olds; particularly the most disadvantaged children in their free entitlement offer.

2013- 2014	£ (*inc on costs)
Advisory Teacher	74,876
Advisory Teacher	74,076
Advisory Teacher (0.8)	49,090
Business Support Officer	37,101.04
Information and Data Mgmt (20%)	9,510.37
Head of Early Years (10%)	8,363.70
Total	260,109.25

2014- 2015	£ (*inc on costs)
Advisory Teacher	74,876
Advisory Teacher	74,076
Advisory Teacher (0.8)	49,090
Business Support Officer (0.33)	14,608
Brokerage Officer (0.5)	19,307
Free Entitlement Funding Administrator (0.5)	21,913
Moderation (EYFS) (0.5)	6,250
Total	253,870

2015- 2016	£ (*inc on costs)
Advisory Teacher	74,876
Advisory Teacher	74,076
Advisory Teacher (0.8)	49,090
Business Support Officer (0.33)	14,608
Brokerage Officer (0.5)	19,307
Free Entitlement Funding Administrator (0.5)	21,913
Moderation (EYFS) (0.5)	6,250
Total	253,870

7.2.2 Childcare Subsidy

Total allocated: £1,557,000

This allocation enables the delivery of childcare; targeting some of our most vulnerable children, providing them with access to good quality early education and ensuring they are school ready. We are faced with the continuing challenge to deliver affordable, sustainable childcare and this continues to be area under considerable financial pressure as the gap between the cost of providing childcare and the income generated from fees remains significant.

8. Early Years Block Funding 2013-14.

8.1 The total amount of funding within this block is determined by four elements, which generate the funding set out in **Table 4**.

The four elements in 2013-14 are:

- (i) The Full Time Equivalent (FTE) number of three and four year olds recorded in the January censuses multiplied by £5,345.46. The number funded in 2013-14 was 2,358 FTE this represents 3,930 children at an equivalent hourly rate of £5.6268
Both the January census preceding the start of the financial year and the January census during the financial year (October) are used to determine the DSG, with any resulting adjustments being made to the allocation.
- (ii) The target number of two years olds funded by DfE at £5.28 per hour
- (iii) A fixed, one-off, allocation of £1,042m Trajectory funding. This amount is given for the development of provision to meet future expansion in two year old numbers; and
- (iv) Transitional funding, in 2013-14 only, following the removal of the guaranteed funding for 90% of three year olds.

Table 4: Early Years Block Funding 2013-14

Element	Number of Children	Funding Rate per Hour £	£000
3 and 4* Year Olds (90%)	3,930	5.6268	12,604.6
2 Year Olds	882	5.2831	2,656.0
Trajectory Funding			1,042.7
Transitional Funding			900
Total			17,203.3

*Only refers to 4 year olds in PVI settings and not those in reception classes in schools. Does not include in-year adjustments expected for January 2014 census numbers

9. Application of Early Years Block Funding 2013-14.

- 9.1 The Schools Forum in February 2013 agreed to maintain the 2013-14 centrally retained budgets at the same level as 2012-13. The application of the funding is set out in **Table 5**.

Table 5: Breakdown of Early Years Block Funding 2013-14

Budget Area	Budget
3 and 4 Year Old Formula Funding	£000
Children Centres(Formula Allocation)	483.1
Nursery Schools (Formula Allocation)	1,639.0
Nursery Classes (Formula Allocation)	5,872.4
PVIs (Formula Allocation)	3,199.3
2012-13 Claw back (Schools Only)	(544.7)
Sub-total	10,649.1
2 Year Olds	
Place and child led funding	2,656.0
Trajectory Funding	1,042.7
Sub-total	3,698.7
Centrally Retained Budgets	
Childcare Subsidy	1,557.0
Early Years Team	260.0
De-delegated services	91.4
Carbon Commitments	26.5
Contingency	360.0
Claw back to Contingency	544.7
Overheads	15.9
Sub-total	2,855.5
Total	17,203.3

10 Early Years Block Funding 2014-15 and 2015-16.

- 10.1 It is anticipated that future year DSG settlements will be based on the following two elements.

Table 6 Projected Early Years Block Funding 2014-15

Element	Number of Children	Funding Rate per Hour £	£000
3 and 4 Year Olds	4,201	5.6268	13,473

2 Year Olds	1,700	5.2831	5,119
Total			18,592

Table 7 Projected Early Years Block Funding 2015-16

Element	Number of Children	Funding Rate per Hour £	£000
3 and 4 Year Olds	4,290	5.6268	13,760
2 Year Olds	1,700	5.2831	5,119
Total			18,879

- 10.2 The DfE has revised the eligibility criteria for the two year old programme and as a consequence of this, it is anticipated that the estimated number of eligible children will change for September 2014.
- 10.3 We would expect recommendations for the use of Early Years Block Funding from 2014-15 onwards to be informed by how early years strategy evolves in Haringey, spearheaded by the implementation of an Early Years Framework and Delivery Plan and shaped by the strategic work of the Early Years Partnership Board in the context of an emerging early help approach across Haringey.
11. **Issues likely to affect the proposed future use of the Early Years Block funding**

11.1 Funding the Two Year Olds Free Entitlement.

The DfE's plans to move to participation-led funding from April 2015 have significant implications for future levels of DSG funding. Mitigation against any potential reduction in funding levels will be through maximising the take up of two year old places by eligible children. This is a strategic priority within the Council's Corporate Plan 2013-2015 which set outs a target take up rate of 80%.

The Early Years Framework and Delivery Plan identified this as a priority area of work and our approach to ensuring the sufficiency of good quality places with high levels of participation is central to achieving these targets.

In July 2013, Cabinet agreed a funding formula rate of £5.18 per hours to be applied as a flat rate. It was acknowledged that this was a challenging rate due to the diverse range of childcare providers in the borough, with differing hourly charges for 2 year old places.

Funding rate issues

A review of funding rates in other London local authorities undertaken in September 2013 suggests a typical flat rate of £6.00 per hour. Feedback from the consultation undertaken with providers in Haringey in the summer 2013 would suggest that a similar rate would encourage higher levels of participation in the programme by local providers. The risk of increasing the provider funding rate in Haringey from £5.18 to £6.00 per hour is that it will need to be sustained over the long term and will require additional funding.

A profile of the funding that would be required to meet the delivery of the two year old programme at an increased rate from 2014-15 onwards is at **Appendix 4**.

It should be noted that levels of additional funding required may increase subject to the implementation of DfE's additional eligibility criteria.

Sustainability

Increasing the hourly funding rate for providers from £5.18 to £6.00 will mean introducing a rate that exceeds the £5.28 per hour rate DfE pay to Haringey. To this end, implementation of a higher rate will need to include planning for the longer term sustainability of an increased rate within the anticipated DSG Early Years Block funding envelope. Current levels of projected under spend for 2013-14, in allocated funding for statutory places, mean that there are the financial resources available to support an increase in the provider funding rate from April 2014 to March 2016. It should be noted that from April 2015, funding allocated to the Council will be based on participation and therefore it is not possible to confirm at this point, the overall funding allocation that will be available to fund statutory places from April 2016.

The current estimation is that the cost of increasing the hourly funding rate from £5.18 to £6.00 from April 2014 could be met fully for the financial years 2014/15 and 2015/16 by the existing ring-fenced funding allocation for the two year old programme within the DSG's Early Years Block.

For 2016/17, if the estimated take up levels of 1700 children are achieved by January 2015, maintaining a funding rate of £6.00 per hour would require an additional £195,000. From April 2017, this would increase to an additional £826,000 per financial year. Should participation levels be below this target figure, the need for additional resources to meet the £6.00 per hour rate may be reduced or delayed, **Appendix 4b** provides an exemplar of the financial implications for lower than expected participation rates.

In order to meet this additional funding requirement, there will be a need to examine the discretionary element of the early years funding block in order to identify the financial resources to meet the costs of delivering the programme from April 2016.

Planning

Over the next two financial years, there will need to be some robust financial planning and preparation for 2016/17. This may involve rationalising the early years single funding formula across the 2, 3 and 4 year old free entitlement.

As part of this work, consideration would need to be given to:

- The targeted nature and higher cost basis of 2 year old programme places; particularly for children with disabilities and special educational needs; and
- The requirement that the Council must have a deprivation supplement in any single funding formula for 3 and 4 year olds

In addition to this, there may need to be a reconfiguration of the childcare subsidy element. Our future strategy for childcare will need to consider how best to target the subsidy to maximise the benefits for children and ensure the most vulnerable and disadvantaged children are supported to access good quality provision. As part of this work, consideration will need to be given to the profile of childcare across our children's centres; including rationalising the age range.

11.2 Increase in numbers of three and four year old places towards DfE targets and the provision of full time places

The indicative budgets for 2013-14 included 311 fulltime places being funded in Haringey schools. Unverified numbers for the summer term indicate that this number has since fallen. In February 2012, Cabinet agreed Schools Forum recommendations to reduce full time places to 118 by September 2014. A central budget of £67,000 would be retained to support the provision of targeted places for our most vulnerable children.

The removal of the transitional protection for 3 year old take up rates and the impact of Haringey's participation rates at January 2013 census will mean a reduction of £900,000 in DSG funding levels for 2014-15 compared to 2013-14.

Mitigation against further reductions in the future will require action to be taken to increase participation rates for three year olds from current levels of 84% to 94% (as set by DfE in 2013) and overall

participation by three and four year olds from current levels of 90% to 96% (as set by DfE in 2013). This is a strategic priority within the Council's Corporate Plan 2013-2015 and is reflected as a priority action within the Early Years Framework.

Increases in part-time numbers and a reduction in full-time numbers will help mitigate the loss of £900,000. Based on the projected numbers in **Appendix 5**, in year adjustments and the use of the one-off claw-back contingency (in respect of lower than anticipated numbers in 2012-13) together with the reduction of full-time places will be sufficient to balance the budget. If the projected increase in three and four year olds does not materialise this will be need to be reviewed.

11.3 The Childcare Subsidy

The provision of childcare as part of the children's centre service offer in Haringey continues to face significant financial pressure as parents experience the effects of the current economic climate, finding it increasingly difficult to afford good quality childcare.

It is not anticipated that the need for a subsidy will reduce for 2014-15 and 2015-16. Rather, we are faced with increasing pressure on this element of the centrally retained funding as the gap between the costs of childcare and the levels of income generated through fees remains significant.

In June 2013, the outcome of an external review of Haringey's Children's Centres and associated childcare provision by Cordis Bright was published. The report made a number of recommendations to the Council to consider and a project, steered by the Early Years Partnership Board, will be undertaken to consider the recommendations and develop options for the future delivery of the Council's childcare.

This work will take some time to complete and therefore, current levels of childcare subsidy funding will be required for 2014-15 and 2015-16. In the short term, work will be undertaken to consider how the subsidy can more effectively support the provision of childcare services in our most disadvantaged areas.

12. Recommendations

- 12.1 That Schools Forum notes the indicative funding for the Early Years Block in 2014-15.
- 12.2 That Schools Forum endorses the proposed use of the Early Years Block for 2014/15.

- 12.3 That Schools Forum agrees that the additional resources required to sustain the £6.00 per hour funding rate from April 2016 will be identified within the early Years Block by March 2015.
- 12.4 That Schools Forum recommends to Cabinet, a change in the funding formula for the two year old programme that will introduce an increase in the funding rate for providers of the two year old programme from £5.18 to £6.00 per hour from April 2014.

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Appendix 1

Numbers and Hourly Rates for Three and Four Year Old Funding

	Indicative Numbers			Indicative budgets based on average numbers						Total	Formula Allocation
	FT Places	PT Places	Total Places	PT		Total Full					
				PT Hourly Rate	Deprivation Supplement	PT Flexibility Supplement	PT Quality Supplement	Time Supplement	Lump Sums		
				£	£	£	£	£	£		
Nursery Schools	75	188	263	592,145	53,749	74,955	0	206,183	712,050	1,639,081	
Nursery Classes	236	2,144	2,380	4,571,742	665,509	92,055	0	543,185	0	5,872,491	
PVI		1,151	1,151	2,673,800	281,291	209,085	35,125	0	0	3,199,300	
Children Centres		202	202	393,889	60,745	28,500				483,134	
	311	3,685	3,996	8,231,575	1,061,293	404,595	35,125	749,368	712,050	11,194,007	
FTE			2,398								
Average per hour											4.56
											Lump Sum
											Sustainability Fund
Average Hourly Rates				£	£	£	£	£ PT Hourly Rate	£ FT Hourly Rate		£ per place
Nursery Schools				3.95	0.36	0.50	-	4.81	4.82		2,707.41
Nursery Classes				3.37	0.49	0.07	-	3.93	4.04		-
PVI				4.08	0.43	0.32	0.05	4.88			-
Children Centres				3.42	0.53	0.25	-	4.20			-
				3.61	0.47	0.18	0.02	4.27	4.23		

Projected Numbers.

Summer 2013											
Nursery Schools	75	250	325								
Nursery Classes	165	2,234	2,399								
PVI		1,467	1,467								
Children Centres		261	261								
	240	4,212	4,452								
Autumn 2013											
Nursery Schools	75	250	325								
Nursery Classes	165	2,234	2,399								
PVI		978	978								
Children Centres		127	127								
	240	3,589	3,829								
Spring 2014											
Nursery Schools	75	250	325								
Nursery Classes	165	2,234	2,399								
PVI		1,249	1,249								
Children Centres		196	196								
Annual											
Nursery Schools	75	250	325	731,737	66,419	92,625	-	206,183	712,050	1,809,014	
Nursery Classes	165	2,234	2,399	4,608,239	670,822	92,789	-	379,769		5,751,619	
PVI		1,230	1,230	2,857,318	300,597	223,435	37,535			3,418,885	
Children Centres		194	194	378,289	58,339	27,371	-			463,999	
	240	3,908	4,148	8,575,583	1,096,177	436,220	37,535	585,952	712,050	11,443,517	
FTE			2,489								
Call on Contingency											249,511

Notes.

Summer term.

Nursery schools and classes data from termly census and subject to verification.

Autumn term

Numbers, other than CCs not yet available. Nursery school and classes use summer term data as autumn 2012 numbers were low following changes to FT nursery places.

For PVIs autumn term 2012 numbers have been used updated for the increase in summer term numbers between 2012 and 2013.

Spring Term

Nursery schools and classes use summer term data. CCs change for summer and autumn applied to spring 2012. PVIs Summer term change applied to spring 2012 numbers

General

Figures are estimated and will be updated as data becomes available or verified.

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Appendix 2 Delivery of the Statutory Free Entitlement for Eligible Two Year Olds: Place and Trajectory Funding

Place Funding	2013-14			2014-15			2015-16*		
	Number	£hr	£	Number	£hr	£	Number	£hr	£
Place Funding Available									
Number of Two Year Old Places Funded	882	5.28	2,656,026	1700	5.28	5,119,324	1700	5.28	5,119,324
									*Participation-based Funding (based on Jan 2015 Census)
Estimated Use of Place Funding.									
Places funded summer term (Apr - Aug)	266	5.74	297,734	882	5.18	890,908	1700	5.18	1,717,170
Filled Places Autumn Term (Sept - Dec)	266	5.74	297,734	1530	5.18	1,545,453	1700	5.18	1,717,170
Filled Places Autumn Term	91	5.18	91,919	0	5.18	-	0	5.18	-
Retained Places Autumn Term	216	5.18	218,182	0	5.18	-	0	5.18	-
Filled Places Spring Term (Jan - Mar)	266	5.74	274,831	1700	5.18	1,585,080	1700	5.18	1,585,080
Filled Places Spring Term	91	5.18	84,848	0	5.18	-	0	5.18	-
Retained Places Spring Term	283	5.18	263,869	0	5.18	-	0	5.18	-
Estimated Costs			1,529,117			4,021,441			5,019,420
Balance			1,126,909			1,188,703			99,904
Fixed Costs									
Programme Manager (1FTE)									
Administrator (1FTE)						27,992			27,992
FE Funding Administrator (0.5)						21,913			21,913
Brokerage Officer (0.5)						19,307			19,307
Business Support (0.33)						14,608			14,608
Annual IT maintenance (approx)						7,000			7,000
Estimated costs			0			90,820			90,820
Balance Remaining			1,126,909			1,097,883			9,084
Trajectory Funding			1,042,700			839,750			
Funding Applied									
Project Coordination			114,700			38,961			
Finance Support			12,000			0			
Start up funding			0			330,000			
Quality improvement			65,000			65,000			
IT System upgrade			7,000			10,000			
Promotion and communication			4,250						
Total Applied			202,950			443,961			
Trajectory Balance Remaining			839,750			395,789			

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Appendix 3 Centrally Retained Budget			
2013- 2014			Description
Funded Element	Budget Total	Projected Spend	
	£	£	
Contingency	360,000	249,511	Contingency retained for in year changes, applied to the variance shown in Appendix 1.
Clawback Contingency	544,651	0	Results from lower than budgeted pupil numbers in 2012-13.
Childcare subsidy	1,557,000	1,557,000	
Support to underperforming EM	72,600	72,600	Contribution to School Improvement Service, pro-rata allocation to Early Years.
Union Duties	18,800	18,800	Contribution to Union support, pro-rata allocation to Early Years.
Early Years Team	260,000	260,000	
Carbon commitment/ licences	26,482	26,482	Contribution to Carbon Reduction levy, pro-rata allocation to Early Years.
overheads	15,856	15,856	Contribution to corporate overheads.
TOTAL	2,855,389	2,200,249	
2014- 2015			
Funded Element	Budget Projection		
	£		
Contingency	360,000		
Childcare subsidy	1,557,000		
Support to underperforming EM	72,600		
Union Duties	18,800		
Early Years Team	260,000		
Carbon commitment/ licences	26,482		
overheads	15,856		
TOTAL	2,310,738		
2015- 2016			
Funded Element	Budget Projection		
	£		
Contingency	360,000		
Childcare subsidy	1,557,000		
Support to underperforming EM	72,600		
Union Duties	18,800		
Early Years Team	260,000		
Carbon commitment/ licences	26,482		
overheads	15,856		
TOTAL	2,310,738		

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Appendix 4 Rate Exemplar: Delivery of the Statutory Free Entitlement for Eligible Two Year Olds: Place and Trajectory Funding															
Place Funding	2013-14			2014-15			2015-16*			2016-17*			2017-18*		
	Number	£hr	£	Number	£hr	£	Number	£hr	£	Number	£hr	£	Number	£hr	£
Place Funding Available															
Balance Brought Forward			0			1,126,909			1,457,184			631,500			0
Number of Two Year Old Places Funded	882	5.28	2,656,026	1700	5.28	5,119,324	1700	5.28	5,119,324	1700	5.28	5,119,324	1700	5.28	5,119,324
Total Resources		5.28	2,656,026		5.28	6,246,232		5.28	6,576,508		5.28	5,750,824		5.28	5,119,324
Estimated Use of Place Funding.															
Places funded summer term (Apr - Aug)	266	5.74	297,734	882	6.00	1,031,940	1700	6.00	1,989,000	1700	6.00	1,989,000	1700	6.00	1,989,000
Filled Places Autumn Term (Sept - Dec)	266	5.74	297,734	1530	6.00	1,790,100	1700	6.00	1,989,000	1700	6.00	1,989,000	1700	6.00	1,989,000
Filled Places Autumn Term	91	5.18	91,919	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Retained Places Autumn Term	216	5.18	218,182	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Filled Places Spring Term (Jan - Mar)	266	5.74	274,831	1700	6.00	1,836,000	1700	6.00	1,836,000	1700	6.00	1,836,000	1700	6.00	1,836,000
Filled Places Spring Term	91	5.18	84,848	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Retained Places Spring Term	283	5.18	263,869	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Estimated Costs			1,529,117			4,658,040			5,814,000			5,814,000			5,814,000
Balance			1,126,909			1,588,192			762,508			- 63,176			- 694,676
Fixed Costs															
Programme Coordination (1FTE)						40,188			40,188			40,188			40,188
Administrator (1FTE)						27,992			27,992			27,992			27,992
FE Funding Administrator (0.5)						21,913			21,913			21,913			21,913
Brokerage Officer (0.5)						19,307			19,307			19,307			19,307
Business Support (0.33)						14,608			14,608			14,608			14,608
Annual IT maintenance (approx)						7,000			7,000			7,000			7,000
Estimated costs			0			131,008			131,008			131,008			131,008
Balance Remaining			1,126,909			1,457,184			631,500			- 194,184			- 825,684
Additional funding required												194,184			
Trajectory Funding			1,042,700												
Balance Brought Forward			0			839,750			-			-			-
Total			1,042,700			839,750			-			-			-
Funding Applied															
Project Coordination			114,700			38,961									
Finance Support			12,000			0									
Start up funding			0			330,000									
Quality improvement			65,000			65,000									
IT System upgrade			7,000			10,000									
Promotion and communication			4,250												
Contingency for further expansion						395,789									
Total Applied			202,950			839,750			0			0			0
Trajectory Balance Remaining			839,750			-			-			-			-

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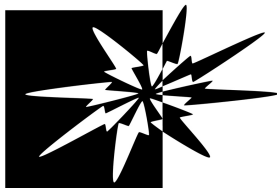
Appendix 4b Rate Exemplar: Under Delivery of the Statutory Free Entitlement for Eligible Two Year Olds: Place and Trajectory Funding															
Place Funding	2013-14			2014-15			2015-16*			2016-17*			2017-18*		
	Number	£hr	£	Number	£hr	£	Number	£hr	£	Number	£hr	£	Number	£hr	£
Place Funding Available															
Balance Brought Forward			0			1,126,909			2,023,284			571,536			
Number of Two Year Old Places Funded	882	5.28	2,656,026	1700	5.28	5,119,324	1360	5.28	4,095,459	1700	5.28	5,119,324	1700	5.28	5,119,324
Total Resources		5.28	2,656,026		5.28	6,246,232		5.28	6,118,744		5.28	5,690,860		5.28	5,119,324
Estimated Use of Place Funding.															
Places funded summer term (Apr - Aug)	266	5.74	297,734	882	6.00	1,031,940	1360	6.00	1,591,200	1700	6.00	1,989,000	1700	6.00	1,989,000
Filled Places Autumn Term (Sept - Dec)	266	5.74	297,734	1360	6.00	1,591,200	1700	6.00	1,989,000	1700	6.00	1,989,000	1700	6.00	1,989,000
Filled Places Autumn Term	91	5.18	91,919	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Retained Places Autumn Term	216	5.18	218,182	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Filled Places Spring Term (Jan - Mar)	266	5.74	274,831	1360	6.00	1,468,800	1700	6.00	1,836,000	1700	6.00	1,836,000	1700	6.00	1,836,000
Filled Places Spring Term	91	5.18	84,848	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Retained Places Spring Term	283	5.18	263,869	0	6.00	-	0	6.00	-	0	6.00	-	0	6.00	-
Estimated Costs			1,529,117			4,091,940			5,416,200			5,814,000			5,814,000
Balance			1,126,909			2,154,292			702,544			- 123,140			- 694,676
Fixed Costs															
Programme Coordination (1FTE)						40,188			40,188			40,188			40,188
Administrator (1FTE)						27,992			27,992			27,992			27,992
FE Funding Administrator (0.5)						21,913			21,913			21,913			21,913
Brokerage Officer (0.5)						19,307			19,307			19,307			19,307
Business Support (0.33)						14,608			14,608			14,608			14,608
Annual IT maintenance (approx)						7,000			7,000			7,000			7,000
Estimated costs			0			131,008			131,008			131,008			131,008
Balance Remaining			1,126,909			2,023,284			571,536			- 254,148			- 825,684
Additional funding required															
Trajectory Funding			1,042,700												
Balance Brought Forward			0			839,750			-			-			-
Total			1,042,700			839,750			-			-			-
Funding Applied															
Project Coordination			114,700			38,961									
Finance Support			12,000			0									
Start up funding			0			330,000									
Quality improvement			65,000			65,000									
IT System upgrade			7,000			10,000									
Promotion and communication			4,250												
Contingency for further expansion						395,789									
Total Applied			202,950			839,750			0			0			0
Trajectory Balance Remaining			839,750			-			-			-			-

2013-14

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Appendix 5 - Projected Income and Expenditure - Early Years Block 2013-14 to 2017-18										
	2013-14		2014-15		2015-16		2016-17		2017-18	
	Number	£000	Number	£000	Number	£000	Number	£000	Number	£000
Brought Forward				2,670		1,854		892	-	1
3 & 4 Year Old Funding	2,358	12,605	2,489	13,305	2,543	13,592	2,597	13,881	2,651	14,170
Estimated In-Year Adjustment	76	408	31	168	32	168	32	168	32	168
2 Year Old Funding	882	2,656	1,700	5,119	1,700	5,119	1,700	5,119	1,700	5,119
2 Year Old Trajectory		1,043								
Transitional Funding		900								
Total Funding		17,611		21,262		20,734		20,061		19,456
3 & 4 Year Old PT Hourly Expenditure	4,148	10,146	4,238	10,366	4,328	10,586	4,418	10,806	4,508	11,026
3 & 4 Year Old FT Hourly Expenditure	240	586	160	391	118	288	118	288	118	288
3 & 4 Year Old Lump Sum		712		712		712		712		712
3 & 4 Year Old Clawback	-	545	-	-	-	-	-	-	-	-
2 Year Old Child Led		1,529	1,362	4,789	1,700	5,945	1,700	5,945	1,700	5,945
2 Year Old Trajectory		203		840		-		-		-
Centrally Retained		2,311		2,311		2,311		2,311		2,311
Total Projected Expenditure		14,941		19,408		19,842		20,062		20,282
Balance		2,670		1,854		892		- 1		- 826
Balance Breakdown										
2 Year Old Funding		1,127		1,457		632		- 194		- 1,020
2 Year Old Trajectory		840		- 0		- 0		- 0		- 0
Contingency		703		397		261		193		194
		-		-		0		0		0
Funding Rate		£		£		£		£		£
3 & 4 Year Olds FTE		5,345		5,345		5,345		5,345		5,345
2 Year Olds 0.6 FTE		3,011		3,011		3,011		3,011		3,011
Average PT Per Hour		2,446		2,446		2,446		2,446		2,446
Lump Sums		712,050		712,050		712,050		712,050		712,050
Average FT per Hour		2,441		2,441		2,441		2,441		2,441
3 Year Old percentage take-up	84%		86.5%		89%		91.5%		94%	
3 Year Old take-up	3,001		3,091		3,180		3,269		3,359	
Notes:										
Two year old projections taken from Appendix 4										
Three and four year old in 2013-14 based on summer term numbers (see Appendix 1).										
Three and four year old numbers 2014-15 to 2017-18 assumed to grow at 90 per year to reach target of 94%.										
Full-time places reduced to 118 in September 2014										

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Haringey Council

**Agenda Item
11**

Haringey Schools Forum - Work Plan Academic Year 2013-14

16 January 2014

Schools Block, including update on 5-16 school funding formula and school budget shares

High Needs Block

Dedicated Schools Budget Strategy 2014-15, including proposals for centrally retained budgets (all blocks) 2014-15

Feedback from Working Groups / Project:

- Schools Block Working Group
- High Needs Block Working Group
- Early Years Block Working Group
- Alternative Provision Project

Updated Work Plan

26 February 2014

Early Years Update, including Full Time Places Strategy & Capacity

Feedback from Working Groups / Project:

- Schools Block Working Group
- High Needs Block Working Group
- Early Years Block Working Group
- Alternative Provision Project

Updated Work Plan

14 May 2014

The Schools Internal Audit Programme

Feedback from Working Groups / Project:

- Schools Block Working Group
- High Needs Block Working Group
- Early Years Block Working Group
- Alternative Provision Project

Updated Work Plan

3 July 2014

Dedicated Schools Budget Outturn 2013-14
School Budget Plans 2014-15

Feedback from Working Groups / Project:

- Schools Block Working Group
- High Needs Block Working Group
- Early Years Block Working Group
- Alternative Provision Project

Review of Membership

Work plan 2014-15