
Haringey Schools Forum

THURSDAY 23 FEBRUARY 2017 AT 15.45 FOR 16.00 HRS- PROFESSIONAL DEVELOPMENT CENTRE, DOWNHILLS PARK ROAD, TOTTENHAM N17 6AR

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 MEETINGS OF 16 JANUARY 2017 (PAGES 1 - 10)

5. MATTERS ARISING

6. THE 2017/18 INTERNAL AUDIT PROGRAMME FOR SCHOOLS (PAGES 11 - 16)

To advise the Schools Forum of the programme of internal audit work to be undertaken in 2017/18.

7. RESPONSE TO DFE CONSULTATION ON STAGE 2 NATIONAL FUNDING FORMULA (PAGES 17 - 38)

To seek Schools Forum agreement to the draft response to the DfE's consultation on the National Funding Formula, which have been considered by the High Needs and Formula Working Groups.

8. DEDICATED SCHOOLS BUDGET STRATEGY 2017/18 (PAGES 39 - 54)

To update Schools Forum of the Dedicated Schools Budget for 2017-18

9. CONTINGENCY FOR SCHOOLS IN FINANCIAL DIFFICULTY (PAGES 55 - 58)

To update the Schools Forum of the last Contingency Panel for Schools in Financial Difficulty meeting and the proposal made by the Panel.

10. PROPOSALS FOR BACK TO BUDGET PLAN FOR HNB (PLUS MINUTES OF HNB 3/2/17 (PAGES 59 - 66)

To describe the actions to be taken to ensure children with SEND have a service that is of high quality and value for money.

11. UPDATE FROM WORKING PARTIES (PAGES 67 - 78)

- **EARLY YEARS (INCLUDING MINUTES 6/1/17)**
- **TRADED SERVICES UPDATE**

12. WORK PLAN 2016/17 (PAGES 79 - 80)

To inform the Forum of the proposed work plan for 2016-17 and provide members with an opportunity to add additional items.

13. ANY OTHER URGENT BUSINESS

14. DATE OF FUTURE MEETINGS

- 18 May 2017
- 29 June 2017

**MINUTES OF THE SCHOOLS FORUM MEETING
MONDAY 16 JANUARY 2017**

Schools Members:**Headteachers:****Special (1)****Children's Centres (1)****Primary (7)**

*Martin Doyle (Riverside)

*Peter Catling (Woodlands Park)

*Angela McNicholas (OLM)

*Dawn Ferdinand, (The Willow)

*Linda Sarr for Cal Shaw (Chestnuts)

*Fran Hargrove (St Mary's CE)

(* Julie D'Abreu (Devonshire Hill)

* Emma Murray (Seven Sisters)

*Will Wawn (Bounds Green)

*Andy Webster (Park View)

*Tony Hartney (Gladesmore)

Secondary (2)

Primary Academy (1)

*Sharon Easton (St Paul's and All Hallows)

Secondary Academies (2)

Arthur Barzey (Woodside)

*Michael McKenzie (Alexandra Park)

Alternative Provision

Kaz Birk

Governors:**Special (1)****Children's Centres (1)****Primary (7)**

*Jean Brown (The Vale)

*Melian Mansfield (Pembury)

*Asher Jacobsberg (Welbourne)

*John Keever (Seven Sisters)

*Laura Butterfield (Coldfall)

*Zena Brabazon (Seven Sisters)

(A)Andreas Adamides (Stamford Hill)

(A)Michael Cunningham (Muswell Hill)

*Lorna Walker (Rokesly Infants)

Secondary (3)**Primary Academy (1)**

(A)Imogen Pennell (Highgate Wood)

*Johanna Hinshelwood

Secondary Academies (2)

(A)Natasha Lewis (St Ann's)

*Marianne McCarthy (Heartlands)

Non School Members:-**Non – Executive Councillor**

*Cllr Ann Waters

Professional Association Representative

(A)Ed Harlow

Trade Union Representative

*Pat Forward

14-19 Partnership

*Russ Lawrence

Early Years Providers

*Susan Tudor-Hart

Faith Schools

*Geraldine Gallagher

Pupil Referral Unit

*Angela Ryan

Observers: -**Cabinet Member for CYPs**

Cllr Elin Weston

Also attending:

LBH Director of Children's Services

*Jon Abbey

LBH Assistant Director, Schools and Learning

* Rory Kennedy

LBH Assistant Director, Quality Assurance, Early Help & Prevention

* Gill Gibson

LBH Head of Finance - Child, Adults and Schools

*David Tully

LBH Interim Finance Business Partner (Schools and

*Yoke O'Brien

Learning)

LBH Head of Early Help and Prevention

*Gareth Morgan

LBH Head of SEN and Disability

* Vikki Monk -Myer

*Evelyn Riordan

LBH Acting Head of Governor Services

*Carolyn Banks

Haringey Clerk (minutes)

*Jonathan Adamides-Vellapah

* Members present

A Apologies given

**MINUTES OF THE SCHOOLS FORUM MEETING
MONDAY 16 JANUARY 2017 – TONY HARTNEY IN THE CHAIR**

MINUTE No.	SUBJECT/DECISION	ACTION BY
1.	CHAIR'S WELCOME	
1.1	The Chair welcomed all members and attendees to the meeting	
2.	APOLOGIES AND SUBSTITUTE MEMBERS	
2.1	Apologies: Noted.	
2.2	Substitutions: Noted.	
3.	DECLARATION OF INTEREST	
3.1	None.	
4.	MINUTES OF THE MEETINGS 03 DECEMBER 2016	
4.1	The minutes of the 03 December 2016 were approved.	
5.	MATTERS ARISING 03 DECEMBER 2016	
5.1	8.4 – Vikki Monk Mayer to hold initial scoping discussion with Zena Brabazon and report back to the Forum. This action is outstanding and will be reviewed	VMM/ Brabazon
6.	UPDATE DEDICATED SCHOOLS GRANT (DSG), BUDGET 2017/18	
6.1	<p>David Tully: Head of Finance, Children, Schools and Adults, presented the paper and the members noted that:</p> <ul style="list-style-type: none"> • This updates the Forum on the 2017/18 Schools budget strategy following the publication of the indicative Dedicated Schools Grant (DSG) 2017/18 and the 2017/18 pupil data • This builds on the previous paper presented on the 20 October 2016 and officers had been asked to revisit the proposals following the 03 December 2016 meeting • The information presented builds on the preparation for the National Funding Formula (NSFF), which has resulted in a Department of Education (DfE) exercise that has rebased the existing three blocks of the DSG and created a fourth 'central' block • £550k is transferring from ESG to DSG and there are requests for delegation on these funds • The Forum agreed to take each recommendation separately. 	
6.2	FUNDING FOR 2017/18	
6.2.1	<p>David Tully: Head of Finance, Children, Schools and Adults, presented this section and the members noted that:</p> <ul style="list-style-type: none"> • The first change in April 2017 is the move to an Early Years funding formula • The 2017/18 Indicative DSG comprises: <ul style="list-style-type: none"> ❖ Schools Block (SB) – based on the schools' block units of funding (SBUF) ❖ Early Years Block (EYB) ❖ High Needs Block (HNB) <p>Each block has associated funding streams allocated:</p> <ul style="list-style-type: none"> • The regulatory element with element of the ESG has been transferred to the DSG and is included in the SBUF • The enclosed tables gave the breakdown of funding • Additional funding has been confirmed for special educational needs and disabilities (SEND) • The national copyright licenses fee will be deducted by the EFA from Haringey's DSG payment. 	

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6.2.2	<p>The following was asked: Q= The £550k is this a drop from the £2.9m previously last year? A= The £550k has always been received as part of ESG settlement. The remaining £2.2million is being phased out and will cease in September 2017.</p>	
6.2.3	<p>RESOLVED (1) The Forum noted the available funding in the Schools Funding Settlement announced by the DfE in December 2016.</p>	
6.3	<p>CARRIED FORWARD FUNDING FROM 2016/17 TO 2017/18</p>	
6.3.1	<p>David Tully: Head of Finance, Children, Schools and Adults, presented this section and the members noted that the brought forward for 2016/17 is £3.252m, the majority of which is Early years accrued funding.</p> <p>The Forum noted that the High Needs Block is overspent and this is being balanced by the overall DSG carry forward, which the Local Authority (LA) manages. The Forum noted that the LA must set an overall balanced budget in 2017/18.</p>	
6.3.2	<p>The following was asked: Q= Is the 2 year old monies not ring fenced? A= No, technically there is no ring fence, however going forward they may put in place more discreet funding streams.</p> <p>Q= The changes in the HNB, is there not an overall increase in 2017/18 that will mitigate the overspend? A = There is an overspend this year 2016/17 and a rebasing exercise will take place for 2017/18.</p> <p>Noted that members raised concerns on additional strains on the early year's block and the overall funding on all Early Years providers.</p>	
6.3.3	<p>RESOLVED (2) The Forum noted the likely available brought forward DSG for 2017/18 of £1.970m.</p>	
6.4	<p>SCHOOLS BLOCK 2017/2018</p>	
6.4.1	<p>David Tully: Head of Finance, Children, Schools and Adults, presented this section and the Forum noted that the LA is required to complete the Proforma Tool for 2017/18. This section was updated from 3.1.9 and the amended appendices were circulated and hard copies provided at the meeting.</p> <p>The Forum noted that two illustrated options were presented showing the distribution through the comparative formulas, considering the adjustments for deprivation. Noted that the calculations included the minimum funding guarantee (MFG).</p>	
6.4.2	<p>RESOLVED (3) The Forum noted the impact of the formula on the basis of the illustrated £191,044m through the Authority Proforma Tool.</p>	

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6.4.3	The Forum discussed both options provided and highlighted that whilst the formula sought to minimise the turbulence in funding, the chosen option should be sustainable and fairest outcome for the children.	
6.4.4	The Forum voted on options and Option B was confirmed (Vote 8 for option A 15 for option B)	
6.4.5	RESOLVED (4) The Forum decided that the APT formula for 2017/18 should use IDACI weightings based on option B.	
6.4.6	David Tully: Head of Finance, Children, Schools and Adults, presented this section and noted that this £550K is for the statutory and regulatory services, which were previously funded by the ESG and transferred to the DSG.	
6.4.7	The Forum asked the following: Q= If the requests were not approved what would the consequences be? A= Each School would have to fund these services separately as the money will go to each individual school. Q= Can we confirm that this is not new money? A= Yes, this is not new money but part of the original ESG.	
6.4.8	The Forum voted by a majority to approved the allocations.	
6.4.8	RESOLVED (5) The Forum agreed to allocate £550k for ESG transferred to DSG in 2017/18 of which £172k is to be allocated to the education welfare service £378k for discharging statutory and regulatory duties	
6.4.9	Rory Kennedy: Assistant Director, Schools and Learning Schools spoke on the request for £484 to be allocated to School Standards to support the evolving education services.	
6.4.10	The Forum noted that there is no increase in the amount requested and the allocation was agreed a unanimous vote.	
6.4.11	RESOLVED (6) The Forum agreed to allocate £484k for Schools Standards in 2017/18.	
6.4.12	Jon Abbey: Director of Children's Services spoke on the request for £800k for Looked After Children (LACs). The Forum noted that the aim has been to reduce the request for funding, however the presenting need for the service continues to rise and the LA must meet its statutory obligation and provide the best outcomes.	
6.4.13	The Forum voted unanimously to agree the allocation.	
6.4.14	RESOLVED (7) The Forum agreed to allocate £800k for Looked After Children (LAC)	

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	Residential Places in 2017/18.	
6.4.15	Gill Gibson: Assistant Director, Quality Assurance, Early Help & Prevention and Gareth Morgan: Head of Early Help and Prevention, presented the overview for the £350k Early Help request. The Forum noted that the appendix: 7 set out the rational including the supporting data.	
6.4.16	<p>The following was noted: Q= The Family support workers can appear remote or cross over with the setting staff. Can this be resolved? A= Yes it can be amended and the service is willing to adapt to the needs of the setting.</p> <p>The response was substantiated by a member who highlighted the positive work and engagement with families.</p> <p>Members discussed further the need for the Early Help to be self-sustaining and work with all settings to meet their needs. Members highlighted that several settings have yet to be contacted or visited and this must be addressed.</p> <p>Members agreed that the service after many years of support must demonstrate value for money and where possible remove duplication of service/offer by engaging openly with all settings.</p> <p>AGREED - Gill Gibson: Assistant Director, Quality Assurance, Early Help & Prevention and Gareth Morgan: Head of Early Help and Prevention to meet with Primary Heads at their next meeting.</p>	
6.4.17	The Forum voted by a majority to allocate the funding.	
6.4.18	RESOLVED (8) The Forum agreed to allocate £350k for Early Help (Family Support) in 2017/18.	
6.4.19	<p>The Forum discussed the proposal for a de-delegation of redundancy costs and noted that:</p> <ul style="list-style-type: none"> • This request is to support redundancy costs, which may arise • A member questioned the budget assumptions • The LA had a regulatory duty to cover redundancy costs • It was unclear if VA schools could access the fund. <p>The Forum discussed the options should de-delegation not be agreed and noted that the LA had the power to appeal to the Secretary of State to review the decision. The Forum noted that this may need to be undertaken as it was discussed if the DSG should be used to statutory costs.</p> <p>Members discussed that in some cases Haringey Schools HR would not communicate details with private HR providers. Members were advised that the maintained Primary and Secondary groups would vote as separate blocks.</p>	

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6.4.20	RESOLVED (9) – DECLINED DE-DELEGATION The maintained primary school representatives voted to declined (by a majority vote) to de-delegate funding for support for redundancy costs (total maintained de-delegated budget £177.6k for 2017/18)	
6.4.21	RESOLVED (10)- DECLINED DE-DELEGATION The maintained secondary school representatives declined (by an abstention vote) to de-delegate funding for support for redundancy costs (total maintained de-delegated budget £177.6k for 2017/18).	
6.4.22	Rory Kennedy: Assistant Director, Schools and Learning Schools spoke on the request for the continuation of funding for the Attendance and Welfare services.	
6.4.23	RESOLVED (11) The maintained primary school representatives agreed by majority to de-delegate funding for Attendance and Welfare services (total maintained de-delegated budget £122k for 2017/18).	
6.4.24	RESOLVED (12) The maintained secondary school representatives agreed by a majority vote to de-delegate funding for Attendance and Welfare services (total maintained de-delegated budget £122k for 2017/18).	
6.4.25	The Forum discussed the importance of sustaining the support for Underperforming Ethnic Minority Groups. Members discussed that there is a targeted plan to re-dress the achievement of specific cohorts as outlined in the Las strategy.	
6.4.26	RESOLVED (13) The maintained primary school representatives agreed by a majority vote to de-delegate funding for support for the Underperforming Ethnic Minority Group (total maintained de-delegated budget £612k for 2017/18).	
6.4.27	RESOLVED (14) The maintained secondary school representatives agreed by a majority vote to de-delegate funding for support for the Underperforming Ethnic Minority Group (total maintained de-delegated budget £612k for 2017/18).	
6.5	HIGH NEEDS BLOCK (HNB)	
6.5.1	The Forum reviewed the information presented on the HNB noted the aims to contain the overspends and for the HNB to repay overspends. The Forum noted that the HNB is reviewing the allocation of funding which may see an increase in places available at Heartlands. Members noted in appendix: 9 the HNB proposed budget for 2017/18.	
6.5.2	RESOLVED (15) The Schools Forum notes the position on the High Needs Block	

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6.6	EARLY YEARS BLOCK	
6.6.1	<p>Ngozi Anuforo: Head of Early Help Commissioning introduced the section which detailed the following:</p> <ul style="list-style-type: none"> • The changes all LAs have to make changes in the way free Early Years education is funded • The new elements include the high pass through measures, universal hourly base rate, new destinations of supplements a separate stream of finding for nursery schools for the next two years • In December 2016, the DfE confirmed funding for 2017/18 Early Years' block allocation of £18.450m • There are implications for all Early Years settings in the borough for funding • The Early Help commissioning team is working with all provision provides including the maintained sector to work through the challenges faced • There will be a cap on centrally retained funding for 3 and 4 year old's as pass through funding is 93% from April 2017 and 95% from April 2018 • There is recognition that the Council will no longer have enough funding to provide the childcare subsidy to the eight maintained childcare settings <p>The Forum noted the tables, which illustrated the centrally retained funding for 2016/17, 2017/18 and 2018/19.</p>	
6.6.2	<p>The Forum discussed the proposals and noted the following:</p> <ul style="list-style-type: none"> • Funding is not sustainable to meet statutory duties • Loss of provision will have an impact in the borough • Consideration should be given to working across agencies and commissioning groups, such as early help and the HNB. <p>There was a question raised on working with regeneration partners and applying for European funding. The Forum noted that discussions are taking place with partners and bidding for European funding.</p> <p>The Forum noted that the Early Years Working Party has met to review all proposals.</p>	
6.6.3	<p>RESOLVED (16) The Forum agreed by a majority vote the use of centrally retained funds for 2017/18 as follows:</p> <ol style="list-style-type: none"> i. Early Years Quality Team £441k ii. Early Years Commissioning Team £170k iii. Support Services – retain the Early Years component of central support overheads attributed to all blocks £16k iv. Trade Union Representation retain the Early Years component of maintained schools £18k v. Contingency £404k – recognition that with the expansion of 3 and 4-year-old provision there will also be more vulnerable children with additional needs and some provision is necessary until it is clear what needs these children will have. 	

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6.6.4	The Forum noted that there is a consultation taking place and this will inform the final decisions. The Forum were advised that: <ul style="list-style-type: none"> • There is a DfE cap of 52p per hour of childcare funding • Supplements are limited to three areas, deprivation, quality and flexibility • The calculations include weightings for IDACI, FSM and weighted bandings. 	
6.6.5	RESOLVED (17) The Forum noted the proposed formula for 3 and 4 year olds, which is the subject of consultation with settings, prior to final decision at Cabinet on 14 February 2017.	
6.6.6	The Forum noted the proposal to use monies from the carried forward DSG to supplement the DfE funding of £5.66 to the Haringey funding of £6.00.	
6.6.7	RESOLVED (18) The Forum agreed to the proposed continued use of brought forward monies to pay providers £6 per hour for 2 year old children	
6.6.8	The Forum were advised that in the interim funding is required to meet transitional needs, which will be assessed via business cases.	
6.6.9	RESOLVED (19) The Forum agreed to the use of up to £700k from the brought forward DSG to meet the transitional needs of individual settings as the manage the loss of childcare subsidy.	
7.	GROWTH FUND 2016-17	
7.1	David Tully: Head of Finance, Children, Schools and Adults, presented the paper which outlined the allocations required from the growth fund for 2016-17.	
7.2	Members noted that: <ul style="list-style-type: none"> • The funding was introduced in April 2013 and applies to in-year funding and is a contingency for growth within that year • Officers are required to report all payments and make allocations for the following financial year • The formula has been agreed by the forum and this is use to allocate the funding. 	
7.3	RESOLVED The Forum agreed by a majority vote to the allocation of funding for 2016-17 and noted the remaining unallocated balance as set-out in the table provided of £263,780.	
8.	APPRENTICESHIP LEVY GUIDANCE	
8.1	Daksha Desai: Head of Workforce Programme introduced the paper informing the Forum on the management of the apprenticeship levy from April 2017.	

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8.2	<p>Members noted that:</p> <ul style="list-style-type: none"> • Employers with an annual pay bill of £3million will be required to pay with a 2.3% of roles will be have to be designated as apprenticeships by public sector employers • There will be access to funding for apprenticeships • There was a detailed illustrative table showing the annual and monthly cost of the level • Funding cannot be top-sliced as part of the DSG. All schools will need to account for the levy in their payroll and budgets for 2017-18. 	
8.3	<p>The following was asked:</p> <p>Q= Is the levy calculated before on-costs? A= We are awaiting a confirmed response from HMRC.</p> <p>Q= Will the money be ring fenced for schools? A= There will be a general pot where funding can be accessed</p> <p>Q= How will the collection of the levy work? A= This detail has yet to be confirmed.</p> <p>Q= Will more accredited courses, especially for teaching be included? A= This has yet to be confirmed.</p>	
8.4	<p>RESOLVED The Forum noted the impact of the levy and potential training opportunities arising from the changes to the apprenticeships system</p> <p>The Forum noted that schools have to consider ways to maximise the levy changes to meet current skills gaps and plan future workforce needs.</p>	
9.	FEEDBACK FROM WORKING PARTIES	
9.1	Early Years Working Party. There was no further feedback provided.	
9.2	High Needs Block. There were no further updates presented,	
10.	WORK PLAN 2016/17	
10.1	The Work plans was noted.	
11.	ANY OTHER URGENT BUSINESS – NONE	
12.	<p>DATE OF FUTURE MEETINGS</p> <ul style="list-style-type: none"> • 23 February 2017 • 18 May 2017 • 29 June 2017. 	

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Agenda Item

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Report Status

For information/note	<input checked="" type="checkbox"/>
For consultation & views	<input type="checkbox"/>
For decision	<input type="checkbox"/>

The Children's Service

Report to Haringey Schools Forum – 23 February 2017

Report Title: The 2017/18 internal audit programme for schools
Author: Head of Audit and Risk Management
Purpose: To advise the Schools Forum of the programme of internal audit work to be undertaken in 2017/18.
Recommendations 1. That the Schools Forum note the planned programme of internal audit work for 2017/18 (Appendix A).

1. Background

- 1.1 The Council's Corporate Finance service issued the Schools Finance Manual to all schools in 2007. The Manual sets out the financial regulations and procedures that schools should follow and covers all key financial and non-financial processes. Whilst some of the content has been superseded, the principles of the financial and non-financial processes and procedures remain valid, including e.g. budgetary control, income and expenditure systems, recruitment and asset management.
- 1.2 In addition, Corporate Finance provides regular guidance and information to all schools in respect of the key financial and non-financial processes at schools.
- 1.3 Internal Audit undertakes a programme of school audit reviews to ensure that schools are complying with the requirements of the Schools Finance Manual and the risks associated with the key financial and non-financial processes are appropriately managed.
- 1.4 Internal audit are not required to audit the School Financial Value Standard (SFVS), where schools undertake a self-assessment of, or provide an opinion of schools' compliance with this standard. However, the programme of routine audit work should assist schools in providing appropriate assurance to Governing Bodies for the SFVS.

1.5 Internal Audit previously circulated the audit test programme to all schools, via the Schools Bulletin and following each annual pre-audit workshop session. This should not be seen as an exhaustive programme as Internal Audit may undertake additional work or testing if control weaknesses, or compliance issues, are identified during the audit visit. However, ensuring that key processes and controls are in place, should assist schools to prepare for an audit visit.

2. Internal Audit schools audit programme 2017/18

2.1 Internal Audit will continue with a programme of audit work for schools in 2017/18 and the planned programme of audit visits is attached at Appendix A.

2.2 The programme is based on an analysis of the risks, together with a cyclical element to ensure that all schools are visited within an agreed period (maximum every four years). Included in the list for 2017/18 are some schools which received a 'limited', or 'nil', assurance rating and had outstanding recommendations at the time of the follow up audit, so their audit cycle will be less than four years.

2.3 Internal Audit will liaise with the Head Teachers to arrange a mutually convenient time for the audit visit to take place. As is current practice, formal confirmation of the date, together with the areas to be reviewed, audit approach, and documents required for the audit will be provided to the school in advance via email.

2.4 The confirmation will usually be made via email approximately 8 weeks prior to the audit visit. One week prior to the agreed date, Internal Audit will re-confirm the audit visit with the school.

3. Assurance outcomes for previous years' audit programme

3.1 This report summarises the overall outcomes and assurance levels provided to individual schools from 2012/13 to 2015/16. Table 1 below summarises the outcomes for the previous four financial years of all internal audits completed.

Table 1

	Number of audits completed/ planned	Substantial Assurance Rating	Limited Assurance Rating	Nil Assurance Rating
2013/14				
Primary Schools (incl. nursery/special)	15	8	6	1
Secondary Schools	3	1	2	0
Sub-total	18	9	8	1
2014/15				
Primary Schools (incl. nursery/special)	10	5	5	0
Secondary Schools	1	1	0	0
Sub-total	11	6	5	0
2015/16				
Primary Schools (incl. nursery/special)	10	8	2	0
Secondary Schools	1	1	0	0

Sub-total	11	9	2	0
2016/17*				
Primary Schools (incl. nursery/special)	21	2	9	1
Secondary Schools	3	1	2	0
Sub-total	24	3	11	1
Total	64	27	26	2

* audit programme of work still in progress

3.2 The 2016/17 audit programme has yet to be completed and a further update on the final position will be provided to the Schools Forum later in the year. However, the Schools Forum will note the number and proportion of schools receiving a 'limited' level of assurance at this stage of the year has significantly increased from the ratings over the previous three years. In 2016, the Schools Forum were advised that the 2016/17 included a higher proportion of schools which were on a shorter audit cycle as a result of previous 'limited' or 'nil' assurance ratings and/or failing to implement recommendations by the date of the formal audit follow up visit.

4. Reporting and escalation processes (agreed 2015/16)

4.1 The Children's Service was concerned with the outcomes of the follow up programme following the outcome report to the Schools Forum meeting in July 2015 which advised that 28 out of 58 High Priority (Priority 1) recommendations remained outstanding at the time of the follow up visit. The Council's Corporate Committee also requested action be taken to address the situation.

4.2 As a result, the then Interim Assistant Director – Schools and Learning presented a report to the Corporate Committee in November 2015. The report confirmed that the Children's Service and Internal Audit would continue to support schools, but set out the steps that would be taken: firstly, to ensure that audit reports were provided as a matter of routine to each Chair of Governors; and secondly the escalation process that would be followed if schools did not provide an appropriate response to the audit recommendations. The escalation process was circulated to all schools following approval at Corporate Committee.

4.3 Since its implementation, the escalation process has not been used as agreement has been reached between schools and internal audit; however, the option to use the escalation process in the future will be retained.

5. Training for School staff and Governors

5.1 In addition to circulating the school audit test programme, a workshop session is provided for school staff (head teachers, school business managers, finance staff etc) to further assist schools in identifying key risk areas and control processes. All schools with audits planned during the year are invited to the workshop session.

5.2 An informal workshop session has been booked for **15 March 2017** and an invitation has been sent to all schools listed at Appendix A, together with any newly appointed Head, Deputy Head teachers and School Business Managers. If any other schools, apart from those listed at Appendix A wish to participate in the pre-audit workshop session, please contact Jerry Barton, the Audit Manager, via email at jerry.barton@mazars.co.uk.

5.3 A training session on audit and risk management is due to be provided on **23 March 2017** as part of the annual school governor training package. The training session is offered every academic year and covers governor roles and responsibilities in relation to audit and risk management, as well as providing advice and guidance on key risk/control areas. Governors of schools due to be audited in 2017/18 have all been invited to attend this session. Previous feedback for the session has been very positive and governors are encouraged to attend to enhance their knowledge of risk and control issues.

6. Recommendations

6.1 That the Schools Forum note the planned programme of audit work for 2017/18 (Appendix A) and the initial feedback on outcomes following audit work completed in 2015/16.

Internal Audit – Schools Audit Programme 2017/18

		Last Audit Date
	Primary Schools	
1	Alexandra	September 2013
2	Bounds Green	November 2013
3	Bruce Grove	June 2014
4	Chestnuts	September 2014
5	Coldfall	April 2013
6	Crowland	June 2014
7	Lancasterian	October 2013
8	Mulberry	June 2014
9	Rhodes Avenue	March 2014
10	St Martin of Porres RC	October 2014
11	St Mary CE	February 2013
12	St Paul's RC	June 2014
13	Stamford Hill	June 2016
14	Tiverton	June 2013
15	Welbourne	July 2013
	Infant Schools	
16	Rokesly Infants	July 2012
17	St Peter-in-Chains RC Infants	May 2012
	Secondary Schools	
18	Hornsey School for Girls	October 2013

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**Agenda Item
7**



Report Status

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum – Thursday 23rd February 2017

Report Title: Response to DfE Consultation on Stage 2 National Funding Formula

Authors:

David Tully – Head of Finance, Children, Schools and Adults
 Contact: 020 8489 3248 Email: David.Tully@Haringey.gov.uk

Yoke O'Brien – Finance Business Partner - Schools and Learning
 Contact: 0208 489 1263 Email: Yoke.OBrien@haringey.gov.uk

Purpose:

To seek Schools Forum agreement to the draft response to the DfE's consultation on the National Funding Formula, which have been considered by the High Needs and Formula Working Groups.

Recommendations:

1. That Schools Forum notes and discusses the implications for Haringey Schools of the introduction of the National Funding Formula arrangements set out in the DfE consultation paper.
2. That Schools Forum agrees to the proposed response to the Schools National Funding Formula Stage 2 consultation as per Appendix 3.
3. That Schools Forum agrees to the proposed response to the High Needs National Funding Formula Stage 2 consultation as per Appendix 4.

Schools Forum 23rd February 2017 – NFF Consultation Response

1. Background to the National Funding Formula

- 1.1 Schools Forum has considered the development of a national funding formula over many years. At the end of 2015/16 financial year, the DfE launched a Stage 1 consultation about the arrangements for moving to an NFF for Schools and High Needs from 2017/18. Schools Forum provided a response in the summer of 2016.
- 1.2 The Stage 1 proposals would separate the Schools Block into two. The first would be the sum of a formulaic allocation for every school. The second would be a discrete amount for the local authority to use for centrally retained activities. The High Needs Block would continue with the approach of having £10k per place at each specialist High Needs institution plus individual top-ups for pupils on the roll at those institutions, paid by the commissioning body. The main change for the High Needs Block was that the amount for the block would be determined using proxy indicators for high needs.
- 1.3 The proposals would introduce a national funding formula for all schools, based on the factors currently permitted for use locally, but using nationally determined values and weightings. Haringey, in common with much of London, was expected to lose up to 10% eventually, once the transitional arrangements (Minimum Funding Guarantee) arrangements worked themselves out over a number of years.
- 1.4 The Department for Education sought details of current spending within blocks so that they could ensure that the baselines were right for the new arrangements. This made permanent some transfers which Schools Forum had been agreeing between blocks (particularly from the Schools Block to the High Needs Block).
- 1.5 The Stage 2 consultation papers from the DFE require a response by 22nd March 2017 and can be found in the following locations:
 - All documents on Schools NFF Stage 2:
<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>
 - Schools NFF Stage 2 Consultation Paper:
https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/supporting_documents/NFF_Stage2_schools_consultationdoc.pdf

- All documents on High Needs NFF Stage 2:
<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>
- High Needs NFF Stage 2 Consultation Paper:
https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/supporting_documents/High%20needs%20funding%20reform%20%20government%20response%20and%20stage%202%20proposals.pdf

2 Proposals for Stage 2 Consultation on NFF (Schools)

- 2.1 The DfE confirmed that their proposals to introduce an NFF for schools would be deferred until 2018/19, rather than from April 2017. The DfE determined also, that the level of protection for individual schools had to increase. The standard Minimum Funding Guarantee that schools' budgets would be protected at 98.5% of the per pupil funding from the previous year remains (ie -1.5% reduction). As an added protection for schools, however, the DfE are now proposing that no school should see a reduction of no more than 3% per pupil against their 2017/18 budget for the remainder of the parliament. This is referred to as a -3% floor.
- 2.2 The formula allocations used by the DfE to illustrate the formula are set out in **Table 1**.

Table 1: DfE Formula Factors and Illustrative Values in Schools NFF (National position)

Factor		Proposed weighting for the national funding formula	Total we propose to spend through factor in the formula. NB These include area cost adjustment funding		Per-pupil/school funding under the proposed national funding formula. NB These exclude area cost adjustment funding.			
					Primary		Secondary	
Basic per-pupil funding (£ per pupil)		72.5%	£23,255m		KS1	£2,712	KS3	£3,797
					KS2		KS4	£4,312
Deprivation (£ per pupil)	Ever6 FSM	9.3%	£1,746m	£2,985m	£540		£785	
	Current FSM		£980		£1,225			
	IDACI A		£575		£810			
	IDACI B		£420		£600			
	IDACI C		£360		£515			
	IDACI D		£360		£515			
	IDACI E		£240		£390			
IDACI F	£1,239m	£200		£290				
Low prior attainment (£ per pupil)		7.5%	£2,394m		£1,050		£1,550	
English as an additional language (£ per pupil)		1.2%	£388m		£515		£1,385	
Mobility (allocated to LAs on basis of historic spend)		0.1%	£23m		N/A			
Lump sum (£ per school)		7.1%	£2,263m		£110,000		£110,000	
Sparsity (£ per school)		0.08%	£27m		£0 - £25,000		£0 - £85,000	
Premises (allocated to LAs on basis of historic spend)	Rates	1.8%	£569m	N/A				
	PFI							
	Split sites							
	Exceptional circumstances							
Area cost adjustment			£792m		<i>A multiplier that is applied to certain factors. Shown in italics because it is already included in the total spend through each factor.</i>			
Explicit spend on growth (allocated to LAs on basis of historic spend)		0.5%	£187m		N/A			
Total			£32,071m					

- 2.3 The DfE will allocate funding to local authorities in 2018/19 on the basis of the sum of the formula entitlements for each school, but local authorities may continue to use their local formulae to distribute that funding among schools. This is referred to as the Soft NFF. For 2019/20, the formula allocations per school (including any MFG and floor protections) will determine the actual budget each school will receive. This is referred to as the Hard NFF.

3 Impact on Haringey schools of NFF proposals

- 3.1 The DfE has provided information to allow each school to consider its own circumstances with respect to the impact of the NFF. The DfE COLLECT portal, which all schools have access to, provides details of the formula factors and how this would impact on the pupil driven and premises driven allocations for them. Given that Haringey schools were expecting an average loss of up to 10% in the previous proposals, it is welcome that the DfE has included a 3% floor. The illustrations on the DfE web-site suggest that all Haringey schools listed would have been funded at the level of the Minimum Funding Guarantee (-1.5%) if the NFF had been applied for 2017/18 and all Haringey schools, too, would have required protection from the -3% floor.
- 3.2 The Formula Working Group met twice since last Schools Forum to consider what the underlying position was for Haringey Schools. The DfE illustrations were based on a comparison with the 2016/17 formula budgets and the prevailing 2016/17 data and pupil numbers for each school. The Formula Working Group wanted to understand what the position looked like using the 2017/18 data and pupils numbers in the recently agreed formula and it wanted to understand what the pure NFF position would be, if there was no -3% floor. Without knowledge of the pure formula position, it would not be clear whether transitional arrangements would be in place for one year or many years.
- 3.3 **Appendix 1** sets out how the overall formula is expected to work for Haringey schools and **Appendix 2** gives an indication of each school's pure NFF allocation, compared to the 2017/18 budget (after MFG, but before de-delegation).
- 3.4 This indicates that Haringey schools on average can expect to lose 5.7% of their formula budget through the introduction of the NFF. The NFF would allocate £10.8m less to Haringey schools than the 2017/18 Authority Proforma Tool (after MFG and before de-delegation). The position is different between sectors (-7.8% for primary schools and -2.7% for secondary schools). Moreover, as can be seen from the list of schools in **Appendix 2**, 4 schools may gain from the new arrangements.
- 3.5 The figures for each school indicate the level of the floor, if their pupil numbers are identical to those in October 2016 in future years. The floor applies to the pupil led budgets in the 2017/18 APT, which is why the reduction is not a flat -3%. With the same pupil numbers, the protected amount is 97% of the 2017/18 budget, excluding the NFF premises-led budgets (lump sum, split site and rates), then adding the full amount of the NFF premises-led budgets back in. On average, the floor for Haringey schools is -2.8%

- 3.6 Each individual school will be in a different position. Pupil numbers may go up, down or stay the same. Levels of deprivation or prior attainment or other indicators may vary. The DfE may change the values in the formula for 2018/19, possibly to recognise some of the cost pressures which schools overall are facing. Schools identified as gainers in the new formula are not guaranteed to stay as gainers if their data changes.
- 3.7 It must be stressed that the illustrations, school-by-school, are based on an interpretation of the DfE's proposals, which appear to correspond to the information on the COLLECT system, as applied to the 2017/18 APT data. How the DfE uses the data in the final analysis will be down to them.
- 3.8 Nonetheless, the picture emerging for Haringey schools is that secondary schools can generally expect to be funded at the level of the Minimum Funding Guarantee for the next couple of years before the NFF itself starts to drive the resources they receive. Primary schools, too, can expect to be funded at the level of the MFG for the next couple of years, then they can expect a cash flat per pupil position for a further couple of years before the NFF starts to drive their resource.
- 3.9 This situation points to the need for Haringey schools to recognise the reducing funding which will be available to them in the coming years in the context of real cost pressures that schools will continue to face. For some schools, these future reductions are an extension of what has been happening in recent years (more than 1/3rd of schools in each of 2015/16 and 2016/17 financial years had budgets protected at the MFG (-1.5% per pupil) level.)
- 3.10 The DfE consultation document makes explicit this challenging financial context:

4.22 At the same time, like many organisations, schools are facing pressures – for example from pay increases and employers contributions to National Insurance and pensions. On a per pupil basis, these pressures are estimated at around 8% between 2016-17 and 2019-20, including around 1.6% in each of 2018-19 and 2019-20 – the first two years of the national funding formula. They sit alongside very significant scope for efficiency in the system – on non-pay and procurement, where we have set an ambition of a least £1 billion of savings by 2019-20, and through better deployment and use of the workforce. (Source: DfE - Schools NFF – Government Consultation Stage 2)

- 3.11 In effect, the document is flagging up pressures, but they are suggesting that this can be offset by savings in the system. Some Governing Bodies may well have pared back to an extent that now may be the time for a more fundamental strategic review of how they organise their budget.
- 3.12 The DSG Strategy Update paper elsewhere on this agenda refers to the timetable of when schools will be advised of budget information. Officers will endeavour to quantify cost pressures and provide some typical staffing models in the context of DfE policy and guidance in the next few weeks.
- 3.13 The Formula Working Group considered the consultation paper in the context of how the National Funding Formula would impact on Haringey. Appendix 3 questions 1-15 have been prepared for submission to the DfE as a Schools Forum response.

4 Proposals for Stage 2 Consultation on NFF (Central Block)

- 4.1 The DfE plan to bring together the retained central spend in the Schools Block in the DSG with the spending on former Education Services Grant activities. Local authorities will be funded for historic commitments for as long as they are valid and compliant with the regulations, but the DfE would expect these to unwind over time. Local Authorities will also be funded for on-going responsibilities such as admissions and asset management, but this will be on a formulaic basis.
- 4.2 There will be transitional protection in the funding arrangements, such that no local authority's budget will reduce by more than 2.5% per pupil in 2018-19 and 2019-20 until the end of the spending period. The level of funding allocated for historic commitments will reduce over time, as historic commitments themselves unwind.

Table 2. Arrangements for funding Central Block activities

Section 251 budget line		LBH 17/18 £'000	DfE view of these components of the DSG in the future
1.4.1	Contribution to combined budgets <ul style="list-style-type: none"> • School Standards £484k • LAC Placements £800k • Early Help £350k • Music & Performing Arts £168k • Governor Support £130k • Support Services £192k 	2,124	historic commitments
1.4.2	School admissions	300	ongoing responsibilities
1.4.3	Servicing of schools forums	10	ongoing responsibilities
1.4.4	Termination of employment costs	0	historic commitments
1.4.5	Falling Rolls Fund	0	neither; funding for falling rolls will be allocated to local authorities through the schools block
1.4.6	Capital expenditure from revenue (CERA)	0	historic commitments
1.4.7	Prudential borrowing costs	0	historic commitments
1.4.8	Fees to independent schools without SEN	0	ongoing responsibilities
1.4.9	Equal pay - back pay	0	historic commitments
1.4.10	Pupil growth / Infant class sizes	1,100	neither; funding for pupil growth will be allocated to local authorities through the schools block
1.4.11	SEN transport	0	neither; funding for special educational needs (SEN) transport will be allocated to local authorities through the High Needs Block.
1.4.12	Exceptions agreed by Secretary of State	0	historic commitments
1.4.13	Other Items (Licences)	160	ongoing responsibilities
1.5.1	Other Specific Grants	0	historic commitments
2.0.3	Education welfare service	172	ongoing responsibilities
2.0.5	Asset management – education	0	ongoing responsibilities
2.0.6	Statutory/Regulatory duties – education	378	ongoing responsibilities
TOTAL Haringey 2017/18		4,244	

5 Impact of Central Budget Proposals for Haringey

5.1 Table 3 sets out how the current centrally retained funding within the DSG.

- On-going funding will need to pay for £1.020m of funding commitments.

- The growth fund of £1.1m will be managed differently in the future, with funding being provided to schools in retrospect (ie in the financial year following an expansion). This will require supportive cash flow arrangements either from the Authority or from the Education Funding Agency (for Free Schools and Academies).
 - Historic funding accounts for £2.124m of items within the Combined budget. The nature of these items is that they are contributions to other activities which Schools Forum has supported for a number of years. They are not necessarily commitments that will wind down over time, although the funding attributed to each cannot increase year-on-year. The DfE may have a view about whether these amounts will be permitted in the longer term.
- 5.2 The DfE will fund historic commitments for as long as they remain valid and that on-going commitments will be funded by a formula. Transitional protection will limit any losses on on-going commitments year-on-year to -2.5%.
- 5.3 The Formula Working Group has included proposed responses to the consultation on the Central Block arrangements. **Appendix 3** questions 16-18 have been prepared for submission to the DfE as a Schools Forum response.

6 Proposals for Stage 2 Consultation on NFF (High Needs)

- 6.1 The High Needs Working Group met twice since the last Schools Forum meeting to consider the proposals included in the DfE consultation on the arrangements for the High Needs National Funding Formula in the future.
- 6.2 The proposals on the High Needs National Funding Formula are different in nature to those for the Schools National Funding Formula. The schools NFF will ultimately determine formula allocations for individual schools and the arrangements for central spend are being reshaped.
- 6.3 The High Needs NFF leaves much of the mechanics of how specialist High Needs institutions are funded untouched: the principle of a place factor of £10k and a top-up for the balance for individual pupils is retained.
- 6.4 There is one change to the way that specialist High Needs units in mainstream schools are funded. At present, these schools are funded for £10,000 per place and the number of places is deducted from their roll when calculating the Authority Proforma Tool (school budget formula) allocation. The DfE propose that from 2018/19,

pupils in the special unit who are on-roll will be counted in the APT and used to calculate the formula budget allocation for the school. Those filled special unit places will also attract an additional £6,000 place factor allocation. For unfilled places in the October census, the school will receive a place factor of £10,000, as currently. In principle, this appears to be a minor technical adjustment, but will favour schools where the sum of the pupil-led formula factors for marginally greater pupils in the APT is greater than £4,000 each.

- 6.5 The main change for High Needs is that the way that the High Needs Block is calculated will change.
- 6.6 Currently, the High Needs Block for Haringey and for other authorities is based on levels of funding from 2006, incrementally adjusted by changes to place numbers and periodic allocations of additional funding, changes of responsibilities within the system and periodic adjustments to reflect actual spending.
- 6.7 The proposals from the DfE are to move to a more formulaically driven allocation, based on proxy measures of High Needs funding requirements. Half of the allocation will be driven by historic spending levels and the other half through proxy indicators. **Table 3** sets out the components.

Table 3: Illustration of how High Needs NFF would be calculated for Haringey

Factor	Amount
(A) Basic entitlement factor (6%)	£1,945,689
(B) Historic spend factor (47%)	£16,144,358
(C) Population factor (20%)	£6,880,263
(D) FSM factor (5%)	£1,874,326
(E) IDACI factor (7%)	£2,542,523
(F) Bad health factor (5%)	£1,593,577
(G) Disability factor (3%)	£864,001
(H) KS2 low attainment factor (3%)	£1,134,441
(I) KS4 low attainment factor (3%)	£1,032,493
(J) Funding floor factor (1%)	£222,734
(K) Hospital education funding (1%)	£185,659
NFF allocation before import/export adjustment (100%)	£34,420,063
(L) Import/export adjustment (2%)	£612,000

Illustrative high needs NFF final allocation
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£35,032,063

- 6.8 The use of proxy factors could see some variability in funding allocations over time. Schools Forum is acutely aware of the impact that methodology changes to, say, IDACI data from year-to-year can have. An important consideration, however, is that the DfE have guaranteed that the cash amount of the High Needs Block in 2017/18 will be a floor for the future: High Needs budgets will be protected in cash terms at the 2017/18 rate. This is very helpful in planning and somewhat overshadows the technicalities of the formula itself.
- 6.9 The illustrations provided by the DfE are based on the 2016/17 High Needs Block and the total of £35.032m is after support of £0.223m from the funding floor. This means that the proxy based formula would give less than the previous allocation. The High Needs Block for 2017/18 is £35.8m, so it is this which will be protected on a cash basis.
- 6.10 The High Needs Working Group considered the nine questions in the consultation paper and offer these as the Schools Forum response. This is included in **Appendix 4**.

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MODELLING OF HARINGEY (Based on NFF £ values, 2017/18 data, ACA of 1.12727 and assumptions of how it might work in practice)

LA Name: Haringey
 LA Number: 309

Description		Amount per pupil	Pupil Units		Sub Total	Total Primary	Total Secondary	GRAND TOTAL	
Pupil Led Factors									
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		70.00				
	Description		Amount per pupil	Pupil Units		Sub Total	Total Primary	Total Secondary	GRAND TOTAL
	Primary (Years R-6)		£2,711.64	21,812.00		£59,146,292	£59,146,292	£47,175,371	£106,321,663
	Key Stage 3 (Years 7-9)		£3,797.29	7,373.00		£27,997,419			
Key Stage 4 (Years 10-11)		£4,311.59	4,448.00		£19,177,952				
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total Primary	Total Secondary	GRAND TOTAL
2) Deprivation	FSM6 % Primary	£540.00		6,992.89		£3,776,160	£10,956,075	£10,452,958	£21,409,033
	FSM6 % Secondary		£785.00		5,693.38	£4,469,303			
	FSM % Primary	£440.00		3,367.16		£1,481,550			
	FSM % Secondary		£440.00		2,897.76	£1,275,014			
	IDACI Band F	£200.00	£290.00	1,470.47	849.24	£540,373			
	IDACI Band E	£240.00	£390.00	1,973.05	1,065.27	£888,986			
	IDACI Band D	£360.00	£515.00	3,121.08	1,520.49	£1,906,639			
	IDACI Band C	£360.00	£515.00	4,481.97	2,553.39	£2,928,503			
	IDACI Band B	£420.00	£600.00	4,147.14	2,627.39	£3,318,234			
IDACI Band A	£575.00	£810.00	785.81	459.79	£824,270				
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total Primary	Total Secondary	GRAND TOTAL
3) Looked After Children (LAC)	LAC X March 16		£0.00		111.32	£0	£3,682,260	£1,477,481	£5,159,741
4) English as an Additional Language (EAL)	EAL 3 Primary	£515.00			7,150.02	£3,682,260			
	EAL 3 Secondary		£1,385.00		1,066.77	£1,477,481			
5) Mobility	Pupils starting school outside of normal entry dates	£0.00	£0.00	344.10	16.20	£0			
Description		Weighting	Amount per pupil	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total Primary	Total Secondary	GRAND TOTAL
6) Prior attainment	Low Attainment % new EFSP	53.64%	£1,050.00	19.41%	7,724.48	£8,110,699	£8,110,699	£8,974,475	£17,085,174
	Low Attainment % old FSP 73			18.42%					
	Secondary low attainment (year 7)	48.02%		22.49%	5,789.98	£8,974,475			
	Secondary low attainment (years 8 to 11)		£1,550.00	23.81%					

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total Primary	Total Secondary	GRAND TOTAL

Description	Amount per pupil	Pupil Units	Sub Total	Total Primary	Total Secondary	GRAND TOTAL
7) Lump Sum	£110,000.00	£110,000.00		£7,150,000	£1,320,000	£8,470,000
8) Sparsity factor				£0		£0
9) AREA COST ADJUSTMENT BASED ON HARINGEY HYBRID of 1.12727, applied to 1-6 above.				£10,422,818	£8,664,578	£19,087,396
10) Split Sites				£120,000	£0	£120,000
11) Rates				£1,471,199	£1,108,966	£2,580,165
12) PFI funding				£0	£0	£0

Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)	£101,059,342	£79,173,829	£180,233,172
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2017/18 APT before de-delegation (including MFG)	£109,659,051	£81,385,212	£191,044,263
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Difference £	-£8,599,709	-£2,211,383	-£10,811,091
Difference %	-7.8%	-2.7%	-5.7%

NB THIS IS ABOUT PURE FORMULA WITHOUT A -3% FLOOR.

School-by-School Illustration of NFF assumptions

Appendix 2

URN	LAESTAB	School Name	Column A Formula Pupil Numbers (October 2016)	Column B Pupil-led Factors NFF	Column C Premises-led Factors NFF	Column D Modelled Pure NFF Total (no protection)	Column E 17-18 Post MFG Budget	Column F Difference	Column G % Difference
Total			33,633.00	169,062,846	11,170,165	180,233,011	191,044,263	-10,811,252	-5.7%
102078	3092002	Belmont Junior School	215.00	906,419	132,460	1,038,879	1,125,853	-86,974	-7.7%
102079	3092003	Belmont Infant School	169.00	725,280	123,922	849,202	948,634	-99,432	-10.5%
102080	3092004	Bounds Green Junior School	270.00	1,144,536	131,383	1,275,920	1,356,650	-80,731	-6.0%
102081	3092005	Bounds Green Infant School	209.00	851,492	126,478	977,970	1,098,664	-120,694	-11.0%
102084	3092008	Campsbourne Junior School	215.00	911,418	123,396	1,034,815	1,158,112	-123,297	-10.6%
102085	3092009	Campsbourne Infant School	175.00	703,644	117,293	820,937	920,540	-99,603	-10.8%
102087	3092015	The Devonshire Hill Nursery & Primary School	406.00	1,807,225	160,332	1,967,557	2,116,247	-148,690	-7.0%
102091	3092020	Earlsmead Primary School	438.00	1,880,583	137,739	2,018,321	2,180,635	-162,314	-7.4%
102092	3092022	Highgate Primary School	390.00	1,467,839	144,638	1,612,477	1,784,554	-172,077	-9.6%
102094	3092025	Lancasterian Primary School	422.00	1,975,145	151,349	2,126,494	2,223,229	-96,734	-4.4%
102097	3092029	Coldfall Primary	632.00	2,231,297	160,818	2,392,115	2,691,095	-298,979	-11.1%
102098	3092031	Tetherdown Primary	417.00	1,431,006	160,296	1,591,302	1,802,074	-210,772	-11.7%
102106	3092041	Rokesly Junior	351.00	1,364,240	146,477	1,510,717	1,641,658	-130,941	-8.0%
102107	3092042	Rokesly Infant School	262.00	974,061	134,602	1,108,664	1,254,305	-145,642	-11.6%
102110	3092045	South Harringay Junior School	242.00	1,010,533	131,364	1,141,897	1,240,469	-98,572	-7.9%
102111	3092046	South Harringay Infant School & Nursery	174.00	739,831	130,729	870,559	1,004,042	-133,483	-13.3%
102112	3092047	Stamford Hill Primary School	191.00	857,153	130,925	988,078	1,099,926	-111,848	-10.2%
102115	3092051	West Green Primary School	192.00	919,166	131,404	1,050,571	1,123,777	-73,207	-6.5%
102120	3092057	Tiverton Primary School	369.00	1,693,641	144,140	1,837,782	1,931,442	-93,661	-4.8%
102121	3092058	Coleridge Primary	837.00	3,080,447	154,933	3,235,380	3,556,688	-321,308	-9.0%
102124	3092062	Welbourne Primary	538.00	2,420,764	180,710	2,601,474	2,851,899	-250,426	-8.8%
102125	3092063	Lea Valley Primary School	424.00	2,079,494	130,091	2,209,585	2,242,228	-32,643	-1.5%
102127	3092065	Ferry Lane Primary School	186.00	872,135	138,707	1,010,842	1,076,784	-65,942	-6.1%
102128	3092072	Rhodes Avenue Primary	603.00	2,080,669	160,782	2,241,451	2,536,044	-294,593	-11.6%
102129	3092075	Crowland Primary School	406.00	1,714,305	143,137	1,857,442	2,063,198	-205,756	-10.0%
102130	3092076	Weston Park Primary School	266.00	963,915	150,277	1,114,193	1,261,260	-147,067	-11.7%
102131	3092077	The Willow Primary School	405.00	1,869,893	132,122	2,002,014	2,087,990	-85,975	-4.1%
130358	3092078	Alexandra Primary School	369.00	1,686,591	141,204	1,827,796	1,926,777	-98,981	-5.1%
131096	3092079	Stroud Green Primary	328.00	1,442,619	139,894	1,582,513	1,705,964	-123,451	-7.2%
131478	3092080	Earlham Primary School	379.00	1,703,055	146,132	1,849,187	2,023,156	-173,969	-8.6%
131595	3092082	Lordship Lane Primary School	608.00	2,745,013	157,312	2,902,324	3,042,629	-140,304	-4.6%
131731	3092083	Bruce Grove Primary School	394.00	1,779,174	145,365	1,924,539	2,051,849	-127,310	-6.2%
131879	3092084	Risley Avenue Primary School	614.00	2,826,273	162,302	2,988,575	3,094,287	-105,711	-3.4%
131871	3092085	Muswell Hill Primary School	422.00	1,484,396	143,890	1,628,286	1,836,149	-207,863	-11.3%
132253	3092088	Seven Sisters Primary	365.00	1,904,816	148,102	2,052,918	2,145,407	-92,488	-4.3%
102132	3093000	St Aidan's VC Primary School	206.00	751,077	128,178	879,256	1,016,801	-137,546	-13.5%
133707	3093001	The Mulberry Primary School	612.00	2,930,169	176,098	3,106,268	3,205,004	-98,736	-3.1%
102135	3093302	St Michael's Primary - N6	405.00	1,433,157	110,000	1,543,157	1,752,159	-209,002	-11.9%
102136	3093303	St James C of E Primary	255.00	868,366	110,000	978,366	1,146,051	-167,685	-14.6%
102139	3093306	St Mary's CE Primary School	498.00	2,118,408	170,000	2,288,408	2,462,707	-174,299	-7.1%
102142	3093500	Our Lady of Muswell Catholic Primary School	411.00	1,554,688	110,000	1,664,688	1,843,362	-178,674	-9.7%
102143	3093501	St Francis de Sales Catholic Infant & Junior School	357.00	1,587,889	110,000	1,697,889	1,799,850	-101,961	-5.7%
102144	3093502	St Ignatius RC Primary School	372.00	1,668,529	110,000	1,778,529	1,876,917	-98,387	-5.2%
102145	3093503	St Mary's RC Junior School	235.00	988,066	110,000	1,098,066	1,206,232	-108,166	-9.0%
102146	3093504	St Paul's Catholic Primary School	212.00	910,915	110,000	1,020,915	1,106,907	-85,993	-7.8%
102147	3093505	St Mary's RC Infant School	179.00	807,855	110,000	917,855	1,012,942	-95,087	-9.4%
102148	3093506	St Peter In Chains RC Infant School	167.00	646,621	110,000	756,621	861,842	-105,221	-12.2%
102149	3093507	St Francis de Sales Catholic Infant & Junior School	265.00	1,209,819	110,000	1,319,819	1,411,996	-92,178	-6.5%
102150	3093508	St Martin of Porres RC Primary School	197.00	765,110	110,000	875,110	977,980	-102,871	-10.5%
102151	3093509	St Gildas' Catholic Junior School	227.00	873,637	110,000	983,637	1,116,145	-132,507	-11.9%

Column H National Funding Formula Allocation with - 3% Funding Floor	Column I Impact of Floor, compared to 2017/18 Post MFG Budget	Column J Impact of Floor, compared to 2017/18 Post MFG Budget
£185,648,040	-£5,396,223	-2.8%
£1,096,051	-£29,802	-2.6%
£923,893	-£24,741	-2.6%
£1,319,892	-£36,758	-2.7%
£1,069,499	-£29,166	-2.7%
£1,127,071	-£31,041	-2.7%
£896,443	-£24,097	-2.6%
£2,057,569	-£58,677	-2.8%
£2,119,348	-£61,287	-2.8%
£1,735,356	-£49,197	-2.8%
£2,161,072	-£62,156	-2.8%
£2,615,187	-£75,908	-2.8%
£1,752,820	-£49,253	-2.7%
£1,596,802	-£44,855	-2.7%
£1,220,714	-£33,591	-2.7%
£1,207,196	-£33,273	-2.7%
£977,843	-£26,199	-2.6%
£1,070,856	-£29,070	-2.6%
£1,094,006	-£29,771	-2.6%
£1,877,823	-£53,619	-2.8%
£3,454,635	-£102,053	-2.9%
£2,771,764	-£80,136	-2.8%
£2,178,864	-£63,364	-2.8%
£1,048,642	-£28,142	-2.6%
£2,464,786	-£71,258	-2.8%
£2,005,596	-£57,602	-2.8%
£1,227,931	-£33,329	-2.6%
£2,029,313	-£58,676	-2.8%
£1,873,210	-£53,567	-2.8%
£1,658,982	-£46,982	-2.8%
£1,966,845	-£56,311	-2.8%
£2,956,069	-£86,560	-2.8%
£1,994,655	-£57,195	-2.8%
£3,006,327	-£87,960	-2.8%
£1,785,381	-£50,768	-2.8%
£2,085,487	-£59,919	-2.8%
£990,143	-£26,659	-2.6%
£3,114,137	-£90,867	-2.8%
£1,702,894	-£49,265	-2.8%
£1,114,969	-£31,082	-2.7%
£2,393,925	-£68,781	-2.8%
£1,791,361	-£52,001	-2.8%
£1,749,154	-£50,695	-2.8%
£1,823,909	-£53,007	-2.8%
£1,173,345	-£32,887	-2.7%
£1,077,000	-£29,907	-2.7%
£985,854	-£27,088	-2.7%
£839,287	-£22,555	-2.6%
£1,372,936	-£39,600	-2.8%
£951,941	-£26,039	-2.7%
£1,085,961	-£30,184	-2.7%

School-by-School Illustration of NFF assumptions

Appendix 2

URN	LAESTAB	School Name	Column A Formula Pupil Numbers (October 2016)	Column B Pupil-led Factors NFF	Column C Premises-led Factors NFF	Column D Modelled Pure NFF Total (no protection)	Column E 17-18 Post MFG Budget	Column F Difference	Column G % Difference
102152	3093510	St John Vianney Catholic Primary	207.00	937,879	110,000	1,047,879	1,110,168	-62,289	-5.6%
134680	3093511	Chestnuts Primary School	406.00	1,745,977	142,390	1,888,367	2,042,083	-153,716	-7.5%
134681	3093512	North Harringay Primary School	407.00	1,739,919	146,110	1,886,028	2,011,363	-125,334	-6.2%
102153	3094029	Hornsey Girls School	706.00	4,529,972	251,952	4,781,924	4,809,051	-27,127	-0.6%
102154	3094030	Highgate Wood School	1,199.00	7,058,168	245,681	7,303,848	7,480,500	-176,651	-2.4%
102155	3094031	Northumberland Park Community School	1,030.00	7,570,753	254,453	7,825,206	7,656,916	168,290	2.2%
102156	3094032	Fortismere School	1,281.00	6,651,276	291,725	6,943,001	7,528,869	-585,868	-7.8%
102157	3094033	Gladesmore Community School	1,241.00	8,548,311	297,921	8,846,231	9,155,669	-309,438	-3.4%
131757	3094037	Park View	1,075.00	7,616,016	228,061	7,844,077	7,552,402	291,675	3.9%
136808	3092011	Eden Primary	194.50	661,771	114,920	776,691	918,380	-141,689	-15.4%
141209	3092012	Brook House Primary School	358.00	1,668,786	142,909	1,811,694	1,979,249	-167,555	-8.5%
138446	3092016	Harris Primary Academy Coleraine Park	393.00	1,818,511	118,524	1,937,035	2,121,320	-184,285	-8.7%
138447	3092021	Harris Primary Academy Philip Lane	390.00	1,737,877	117,125	1,855,003	1,987,147	-132,145	-6.6%
138588	3092028	Noel Park Primary School	538.00	2,363,945	118,670	2,482,615	2,705,033	-222,418	-8.2%
138589	3092030	Trinity Primary Academy	403.00	1,799,171	117,077	1,916,248	2,107,022	-190,775	-9.1%
139240	3092037	Holy Trinity CE Primary School	198.00	863,130	110,000	973,130	1,076,941	-103,811	-9.6%
139176	3093300	St Paul's & All Hallows Infant School	148.00	670,898	110,000	780,898	850,978	-70,080	-8.2%
139169	3093304	St Ann's CE Primary School	195.00	818,141	110,000	928,141	1,029,970	-101,829	-9.9%
139175	3093307	St Michael's CE Primary School	189.00	795,187	110,000	905,187	998,806	-93,619	-9.4%
139177	3093308	St Paul's and All Hallows CE Junior Scho	219.00	980,604	110,000	1,090,604	1,186,439	-95,835	-8.1%
140968	3094001	Tottenham UTC	21.00	152,059	196,817	348,876	219,723	129,152	58.8%
137745	3094034	Woodside High School	922.00	6,269,086	133,890	6,402,977	6,797,049	-394,072	-5.8%
137531	3094036	Alexandra Park School	1,105.00	6,128,563	133,799	6,262,362	6,628,305	-365,943	-5.5%
139362	3094703	St Thomas More Catholic School	869.00	5,705,579	110,000	5,815,579	6,487,992	-672,413	-10.4%
139616	3094705	Heartlands High School	1,046.00	7,102,307	174,667	7,276,974	7,624,004	-347,030	-4.6%
133386	3096905	Greig City Academy	873.00	6,412,370	110,000	6,522,370	6,341,877	180,493	2.8%
140935	3094000	Harris Academy Tottenham	538.50	3,354,215	274,494	3,628,709	3,635,897	-7,188	-0.2%

Column H National Funding Formula Allocation with - 3% Funding Floor	Column I Impact of Floor, compared to 2017/18 Post MFG Budget	Column J Impact of Floor, compared to 2017/18 Post MFG Budget
£1,080,163	-£30,005	-2.7%
£1,985,092	-£56,991	-2.8%
£1,955,405	-£55,958	-2.8%
£4,672,338	-£136,713	-2.8%
£7,263,455	-£217,045	-2.9%
£7,434,842	-£222,074	-2.9%
£7,311,755	-£217,114	-2.9%
£8,889,937	-£265,732	-2.9%
£7,332,672	-£219,730	-2.9%
£894,276	-£24,104	-2.6%
£1,924,159	-£55,090	-2.8%
£2,061,236	-£60,084	-2.8%
£1,931,047	-£56,101	-2.8%
£2,627,442	-£77,591	-2.9%
£2,047,324	-£59,698	-2.8%
£1,047,933	-£29,008	-2.7%
£828,749	-£22,229	-2.6%
£1,002,371	-£27,599	-2.7%
£972,142	-£26,664	-2.7%
£1,154,145	-£32,293	-2.7%
£219,036	-£687	-0.3%
£6,597,154	-£199,895	-2.9%
£6,433,470	-£194,835	-2.9%
£6,296,652	-£191,340	-2.9%
£7,400,524	-£223,480	-2.9%
£6,154,920	-£186,956	-2.9%
£3,535,055	-£100,842	-2.8%

Explanation of columns and calculations

- Column A These are the pupil numbers on roll in the October 2016 census that are used in the APT formula.
- Column B This is the pure NFF allocation in Column D, less the premises factors in Column C
- Column C These are the premises factors in the NFF (lump sum, split site and rates)
- Column D This is the pure NFF allocation, using exactly the same pupil numbers and data for 2017/18.
- Column E This is the actual APT budget share after Minimum Funding Guarantee for 2017/18 but before de-delegation
- Column F This is the Column D less Column E.
- Column G This is Column F divided by Column E.
- Column H This is the Funding Floor guarantee (ie 97% of the 2017/18 budget without premises factors, plus 100% of the premises factors)
- Column I This is Column H less Column E and represents the maximum loss (but only if pupil numbers are exactly the same).
- Column J This is Column I divided by Column E.

Appendix 3

Proposed Responses to Consultation on NFF for Schools and Central Services

Dfe Consultation questions	Proposed Response for Haringey Schools Forum
1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?	Yes with the exception of Lump Sum as it affects small schools significantly
2. Do support our proposal to set the primary to secondary ratio in line with the current national average of 1:1.29, which means that pupils in the secondary phase are funded overall 29% higher than pupils in the primary phase?	Yes
3. Do you support our proposal to maximise pupil-led funding, so that more funding is allocated to factors that relate directly to pupils and their characteristics?	Yes
4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language)?	Yes.
5. Do you agree with the proposed weightings for each of the additional needs factors?	We have some concerns about the balance between using Free School Meals and IDACI. For a metropolitan borough like Haringey, the threshold for free school meals eligibility at around £16k per annum will fail to pick up tranches of families above the threshold who may be just about managing. In other parts of the country, that same FSM threshold may be a better determinant of deprivation, as the value of £16k in Inner London will not be so much, compared to less expensive parts of the country. This is

Dfe Consultation questions	Proposed Response for Haringey Schools Forum
	<p>why Haringey has put more weight on IDACI, than on FSM (around 60:40), whereas the proposed NFF would produce a more equal contribution (50:50). We would prefer the balance to be weighted to IDACI.</p> <p>Moreover, we are puzzled why the value of IDACI bands C and D are identical. Given that these are different levels of deprivation, we would expect there to be more funding for the higher level of deprivation.</p>
<p>6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?</p>	<p>Mobility is about turnover of pupils. The October census identifies pupil-level information. It should be possible to identify levels of turnover (excluding natural joiner and leaver yeargroups), year-on-year, to produce a %age turnover. Schools with high levels of turnover (ie above a certain percentage) would attract additional funding.</p>
<p>7. Do you agree with the proposed lump sum amount of £110,000 for all schools?</p>	<p>A reduction of the lump sum is prejudicial to smaller schools because small schools means £110,000 is a higher proportion of their budget, compared to other schools.</p>
<p>8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools?</p>	<p>Haringey is not affected and does not wish to comment.</p>
<p>9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?</p>	<p>This proposal is clearly for administrative convenience to avoid collecting pupil planning assumptions (which may happen or may not) and adjusting a national formula at a local level. Lags in providing growth funding is a problem e.g. sixth form funding lags by one year, so if you expand you are a year behind in the funding to pay for it. It is therefore prejudicial to growing schools in the short term in terms of cash flow. This might lead to short-term deficits which local authorities or the EFA may have to support through supplementary cash advances or</p>

Dfe Consultation questions	Proposed Response for Haringey Schools Forum
	licenced deficits.
10. Do you agree with the principle of a funding floor that would protect schools from large overall reductions as a result of this formula? This would be in addition to the minimum funding guarantee.	Yes.
11. Do you support our proposal to set the floor at minus 3%, which will mean that no school will lose more than 3% of their current per-pupil funding level as a result of this formula?	Yes, and we would urge Ministers to make this permanent.
12. Do you agree that for new or growing schools the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?	Yes.
13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5% per pupil? This will mean that schools are protected against reductions of more than 1.5% per pupil per year.	We would urge Ministers to quantify the rising cost pressures on schools as a result of external factors: pension costs, pay awards, national insurance contributions, apprenticeship levy. In practice 1.5% loss for a school with a stable roll may amount to much more than that in reality. The MFG should not just be the headline rate from previously, but the rate that Ministers are comfortable that schools can sustainably bear.
14. Are there further considerations we should be taking into account about the proposed schools national funding formula?	We welcome the inclusion of an Area Cost Adjustment factor, which should be a feature of all funding allocations to schools. Again, as per our answer in question 13, we would urge Ministers to quantify the rising cost pressures on schools as a result of external factors: pension costs, pay awards, national insurance contributions, apprenticeship levy. In practice 1.5% loss for a school with a stable roll may amount to much more than that in reality. The MFG should not just be the headline rate from

Dfe Consultation questions	Proposed Response for Haringey Schools Forum
	previously, but the rate that Ministers are comfortable that schools can sustainably bear.
15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?	Again, as per our answer in question 13, we would urge Ministers to quantify the rising cost pressures on schools as a result of external factors: pension costs, pay awards, national insurance contributions, apprenticeship levy. In practice 1.5% loss for a school with a stable roll may amount to much more than that in reality. The MFG should not just be the headline rate from previously, but the rate that Ministers are comfortable that schools can sustainably bear.
16. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?	Yes. It is important to acknowledge deprivation levels in funding schools and local authorities.
17. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?	Yes, but the practicalities of this will be different in different authorities. Where historic commitments are unwinding this may be straightforward to absorb, but where Schools Forum has agreed to support educational elements of services that have relied on DSG funding, the reductions will merely create financial difficulties elsewhere in the system.
18. Are there further considerations we should be taking into account about the proposed central school services block formula?	Some relaxation of the rule that the centrally retained funding is no more than the year before should be considered for the Admissions service and, indeed, other on-going commitments. The Local Authority will undertake this function on behalf of all schools and there may be fluctuations in costs associated with appeals or growing pupil numbers. To cap the funding in cash terms for this service does not recognise the practicalities of managing this service.

Proposed Responses to Consultation on NFF for High Needs

DfE Consultation questions	Proposed Response for Haringey Schools Forum
1 In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?	Yes, in so far as proxy indicators for High Needs can produce a reliable estimate of need.
2 We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals? <ul style="list-style-type: none"> • Historic spend factor – to allocate to each local authority a sum equal to 50% of its planned spending baseline • Basic entitlement – to allocate to each local authority £4,000 per pupil 	Yes.
3 We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree? <ul style="list-style-type: none"> • Population – 50% • Free school meals eligibility – 10% • IDACI – 10% • Key stage 2 low attainment – 7.5% • Key stage 4 low attainment – 7.5% • Children in bad health – 7.5% • Disability living allowance – 7.5% 	Yes, in so far as proxy indicators for High Needs can produce a reliable estimate of need.
4 Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in this document.	Yes
5 Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?	Yes.
6 Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?	Yes
7 Do you have any suggestions about the	It is difficult to reconcile the hard

DfE Consultation questions	Proposed Response for Haringey Schools Forum
level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?	National Funding Formula principle with local flexibility. Clearly, there will continue to be links between schools block and high needs block funding where local initiatives are, for instance, trying to promote integration. It would be preferable to leave some flexibility for LAs to pursue such plans if there is local agreement to do so. This might be achieved through a form of de-delegation that applies to all schools (academies included).
8 Are there further considerations we should be taking into account about the proposed high needs national funding formula?	The same cost pressures affecting mainstream schools will impact on special schools and unit and it is those costs which the High Needs Block has to provide for in the combination of place and top-up for pupils. It is welcome that there is a protection of the HNB on a cash basis, but overall there needs to be enough resource in the system to meet need.
9 Is there any evidence relating to the eight protected characteristics as identified in the Equality Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take into account?	No.

Agenda Item

8

**Report Status**

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum – Thursday 23rd February 2017

Report Title: 2017-18 Dedicated Schools Budget

Authors:

David Tully – Head of Finance, Children, Schools and Adults
 Contact: 020 8489 3248 Email: David.Tully@haringey.gov.uk

Yoke O'Brien – Finance Business Partner - Schools and Learning
 Contact: 0208 489 1263 Email: Yoke.OBrien@haringey.gov.uk

Purpose:

To update Schools Forum of the Dedicated Schools Budget for 2017-18

Recommendation:

Schools Forum is recommended:

1. To note that Cabinet agreed the figures agreed or presented to Schools Forum in January 2017
2. To note that the base funding rate for Early Years provision for 3 and 4 Year Olds will be £4.88 for 2017/8 with a deprivation factor based on the child's eligibility
3. To agree that the £60k provided through the DSG Early Years Block for the Disability Fund may be included in the centrally retained budget, as set out in Appendix 1.
4. To note the status and timetable for the release of budget information for schools by the local authority.

Schools Forum 23rd February 2017 – 2017-18 Dedicated Schools Budget

1. Dedicated Schools Grant (DSG)

- 1.1. The Department for Education announced the schools funding settlement for 2017/18 in December 2016 and Schools Forum considered the position at its meeting on 16th January 2017. The Dedicated Schools Budget is substantially funded from the Dedicated Schools Grant, a ring-fenced grant which must be spent only in accordance with the prevailing Schools and Early Years Funding Regulations.
- 1.2. Further information on the details of the strategic financial position for the Dedicated Schools Budget can be found in the papers to the December 2016 and January 2017 Schools Forum, which are publicly available.
- 1.3. Cabinet agreed the use of the DSG on 14th February 2017 as set out in sections 1-6 of this report, which generally conveys the information which was provided to Cabinet, with some updates on particular items.

2. Schools Funding for 2017/18 (Dedicated Schools Budget)

- 2.1. The settlement was a headline increase in the overall DSG of £7m from £242.6m to £249.6m. This increase is accounted for through additional pupil numbers, provision for the extension of early years provision to 30 hours for 3 and 4 year olds, some transfers of responsibilities from other funding streams and some additional funding for 2 year olds, high needs budgets and maintained nursery schools (who would otherwise have acute difficulties in managing the required changes to the early years funding formula). Table 1 below, sets out the details of those movements.

Table 1 Explanation of change in overall DSG from 2016/17

DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by EFA	2016/17 DSG	Rebasing (October 2016)	Pupil numbers and High Needs 2017/18	Early Years Block changes	2017/18 DSG
	£m	£m	£m	£m	£m
Schools Block	195.492	-2.585	2.381		195.288
Provisional Early Years Block	15.453			2.993	18.446
High Needs Block allocation	31.638	3.702	0.514		35.854
Total additions for non block funding	0.048	-0.048			0
Total DSG allocation	242.631	1.069	2.895	2.993	249.588

- 2.2. Schools Forum at the January 2017 meeting were asked to note the unspent DSG from previous years brought forward. There was £3.252m brought forward at the start of 2016/17. During 2016/17 the Early Years service has been funding 2 year old providers at £6 per hour, rather than the £5.28 being received through the DSG; this draws on £0.367m of the brought forward. In the High Needs budget, Schools Forum were advised in December 2016 that there was a £0.915m forecast overspend here. Overall, the expected carry forward at the end of the financial year is currently £1.970m. As set out in Table 2, Schools Forum operates on the basis that each block is responsible for its own surpluses and deficits. This approach can only work while there is sufficient funding overall and the deficit in the High Needs Block would need to be recovered before the full amount of underspends in other blocks was applied.

Table 2 Amount of unspent DSG brought forward and expected to be carried forward in 2016/17

Block (all figures in £'000)	Brought forward 2016/17	In-year budget 2016/17	Forecast spend 2016/17	Forecast carry-forward 2016/17
	£M	£M	£M	£M
Schools Block	255	141,300	141,300	-255
High Needs Block	-46	32,623	33,538	961
Early Years Block	3,043	15,454	15,821	-2,676
Total Schools Budget	3,252	189,377	190,659	-1,970

3. Schools Block

- 3.1. The Schools Block allocation for 2017/18 is £195.288m. Schools Forum agreed the centrally retained budgets and those elements of funding which could be de-delegated from maintained schools' budgets. **Appendix 1** sets out the figures arising from their decisions for all the blocks.
- 3.2. The formula for primary and secondary schools had to be submitted to the Education Funding Agency by 20th January 2017, using an Authority Proforma Tool (i.e. a spreadsheet). There was one change to the formula considered and made by Schools Forum regarding the weighting to be attached to the deprivation factor. So, officers have distributed the available funding in **Appendix 1** on the basis of the agreed formula, a summarised version of which is in **Table 3**. The submission was subject to agreement of Cabinet to this approach.
- 3.3. The formula allocates £190.014m to schools, after all agreed deductions. This represents a tight funding settlement for schools. While the DSG

settlement recognised growth in pupil numbers and individual schools will be funded for changes in pupil numbers, 28 out of 77 schools (one-third) will receive budgets that rely on the Minimum Funding Guarantee of their 206/17 budget per pupil less 1.5%.

Table 3 Comparative distribution of funding 2016/17 and 2017/18

	Actual APT 2016/17 £'000	Proposed 17/18 APT £'000	2017/18 v 2016/17 £'000
Age-Weighted pupil units	140,404	143,579	3,176
Deprivation factors	21,828	21,403	-425
Other formula funding	23,258	22,925	-332
Total before MFG	185,489	187,908	2,419
Prior Year Adjustments	-165		165
MFG capping	-2	-16	-14
MFG support	3,958	3,152	-805
Total after MFG	189,280	191,044	1,765
Less De-delegation	-908	-908	0
Less Central Services	0	-122	-122
Total distributed to schools	188,372	190,014	1,643
Number of schools needing MFG support	35	28	-7

- 3.4. Schools Forum did not agree to two proposals for centrally retained budgets.
- i. Supplementary Schools (£26k) where this activity may not now be charged to the DSG and will need to either find alternative funding sources or cease.
 - ii. Redundancy costs in maintained schools (£177k). This leaves the Authority with a potential pressure, which will be a call on the General Fund budget. In law, it is normally the local authority's central budget which pays for school redundancy costs, unless there is an exceptional reason why that should not happen. The withdrawal of the Education Services Grant from September 2017 means that the current funding source will be removed. With school budgets being tight and expenditure pressures increasing, more school redundancies are likely and this is a risk to the General Fund.

- 3.5. Schools will be issued with their submitted APT Schools Block budget allocation by end of February 2017.

4. Early Years Block

- 4.1. There are significant changes in the Early Years Block with the introduction of a higher degree of prescription in how the funding may be used. There is a separate report on this agenda which deals with final decisions on the funding formula for early years settings and the overall strategy for early years provision.
- 4.2. At Schools Forum, the funding arrangements, set out in **Appendix 1** were agreed (Disability Fund of £60k was omitted and a revision to the agreed retained Early Years funding schedule is proposed in this report to regularise the position). This allocates all of the £18.442m from the 2017/18 Early Years Block element of the DSG and commits £0.888m from brought forward DSG; £0.188m to allow a continuation of the policy of funding settings for 2 year olds at a rate of £6 per hour and £0.700m to manage the phased withdrawal of Childcare Subsidy by September 2017.
- 4.3. All Early Years settings will be notified of their universal base rate of £4.88 per hour per child plus a deprivation rate based on the child's eligibility of the deprivation factor.
- 4.4. **Nursery Schools and Nursery Classes in Primary Schools will be issued with their Indicative 3 & 4 year old funding by the middle of March 2017.** This indicative allocation will be based on the data of Haringey's pupils collected in May 2016, October 2016 and January 2017 census. Please note that the March 2017 one is an indicative allocation and will be adjusted termly following the collection of the termly Early Years census at the school. Schools' termly adjustments for 3 & 4 year old funding will be brought in line with termly payments to PVI providers.

5. High Needs Block

- 5.1. It is for the Authority to set the High Needs budget and to manage it. The High Needs Block of £35.854m has included past transfers of funding from other blocks. So, there are no proposals to transfer further funding from other blocks. Schools Forum noted the proposed budget for 2017/18, set out in **Appendix 1**. More detail is included in the Schools Forum paper from 16th January 2017. While this allocated the in-year funding, it did not address the overspending of £0.915m reported for High Needs in 2016/17.

- 5.2. Schools Forum was advised that further consideration of the measures necessary to contain expenditure, including spending to save, is needed to reduce commitments in the medium-long term. Although a comprehensive plan of action has been drawn up to address this forecast overspend implementation has been slow and budget pressures continue to escalate on the High Needs Block.
- 5.3. **Special Schools and Resource Units in Mainstream Schools will be issued with their agreed Place Funding allocation by the end of February 2017.** This is the £10,000 per agreed place approved by the Education Funding Agency.
- 5.4. **Special Schools, Resource Units in Mainstream Schools and statements in Mainstream Schools will be issued with their Indicative Top up Funding allocation by the middle of March 2017.** This will be based on the indicative data of Haringey's pupils collected at the end of Autumn 2016 and October 2016 census. Please note that this is an indicative allocation and will be adjusted during 2017-18 based on number of Haringey's statements at the school.
6. **Overall DSG position**
- 6.1. The proposals in this paper would result in the following budgets for 2017/18.

Table 4 Forecast unspent DSG by the end of 2017/18

Block	Estimated brought forward DSG 2017/18	DSG funding 2017/18	Proposed budgets 2017/18	Estimated carry forward DSG 2017/18
Schools Block	255	195,288	195,288	-255
High Needs	-961	35,854	35,854	961
Early Years	2,676	18,446	19,278	-1,844
Total	1,970	249,588	250,420	-1,138

7. **Pupil Premium Grant**
- 7.1 The rates per eligible pupil for pupil premium in 2017 to 2018 will be maintained at their current rates. EFA will calculate the allocation using:
- the number of pupils recorded on the January 2017 school census who are Ever 6 FSM (not eligible for the LAC and post-LAC premium)
 - post-LAC pupils
 - Ever 6 service child FTE pupils aged 4 and over in year groups reception to year 11

7.2 The PPG per pupil for 2017 to 2018 is as follows:

Disadvantaged pupils	Pupil premium per pupil
Pupils in year groups reception to year 6 as recorded as Ever 6 FSM	£1,320
Pupils in years 7 to 11 recorded as Ever 6 FSM	£935
Looked after children (LAC) defined in Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority	£1,900
Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order	£1,900
Service children	Pupil premium per pupil
Pupils in year groups reception to year 11 recorded as Ever 6 service child or in receipt of child pension from the Ministry of Defence	£300

7.3 The grant may be spent in the following ways:

- for the purposes of the school, that is for the educational benefit of pupils registered at that school
- for the benefit of pupils registered at other maintained schools or academies
- on community facilities eg services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated

7.4 The grant does not have to be completely spent by schools in the financial year, some or all of it may be carried forward to future financial years.

7.5 PPG allocations will be confirmed in June 2017 once pupil number data from the January 2017 census has been validated and agreed. PPG will be paid to LAs in quarterly instalments by:

- 30 June 2017
- 29 September 2017
- 29 December 2017
- 30 March 2018

Schools cashflow will be paid quarterly once the PPG is received.

8. **Universal Infant Free School Meals (UIFSM)**

8.1 **The grant for universal infant free school meals (UIFSM) continues at a meal rate of £2.30 for the 2017 to 2018 academic year.** Each meal taken by an eligible pupil attracts £2.30. An allocation assumes that pupils will take 190 school meals over an academic year, providing £437 per eligible pupil. The EFA will confirm the arrangements later in the year.

8.2 For the academic year 2016 to 2017, EFA will base a provisional allocation to schools on the final allocation for academic year 2015 to 2016. EFA will count dual registered pupils at the setting at which they took the meal on the census day, even if it is their subsidiary setting. EFA will calculate a **final allocation for academic year 2016 to 2017 in June 2017** using the number of pupils recorded as taking a meal in year 1 and year 2 in the October 2016 and January 2017 school censuses. EFA will then subtract those pupils known to be eligible for FSM in the same censuses who are taking a meal. This figure is then divided by 2 to give the average number of eligible UIFSM pupils in years 1 and 2.

The number of reception pupils used will be the greater of either :

- the number of pupils recorded as taking a meal in the October 2016 and January 2017 school censuses, minus those pupils taking a meal known to be eligible for FSM in the same censuses, divided by 2. This gives the average number of eligible UIFSM pupils in reception for academic year 2016 to 2017; or
- the number of pupils recorded as taking a meal in January 2017 school censuses, minus those pupils taking a meal known to be eligible for FSM in the same census

EFA will count dual registered pupils where they took their meal on the census days, even if it is their subsidiary setting.

8.3 Where a school does not record pupils in year groups, EFA will use those aged 4, 5 or 6 on the relevant school censuses to calculate the allocations. EFA will include pupils on the alternative provision census placed in independent schools in the provisional and final allocations to local authorities.

Terms on which UIFSM grant is allocated to schools

8.4 The grant supports schools in delivering the legal requirement to offer free school meals, meeting the school food standards, to all their reception, year 1 and year 2 pupils. Subject to meeting this legal duty, schools may spend the grant for the purposes of the school; that is to say for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools. They may also spend it on community facilities, for example services whose provision furthers any charitable

purpose for the benefit of pupils at the school or their families, or people who live or work in the school's locality.

8.5 Schools do not have to spend the entire grant in the financial year beginning 1 April 2018; they may carry forward some or all the grant.

8.6 The grant will be paid to schools and LAs as follows:

Month	Proportion of grant
July 2016	7/12ths of each school's provisional main allocation. Schools that were academies on 1 April 2016 will receive their UIFSM grant direct from EFA in July 2016.
July 2017	The final main allocation for each maintained school as at 1 April 2017 minus the amount of the main allocation paid in July 2016. Any school that converts to academy status after 1 April 2016, and by 1 April 2017, will receive the rest of its main allocation direct from EFA in July 2017.

8.7 The Secretary of State and the Comptroller and Auditor General may inspect the books, records and other documents that relate the recipient's accounts. Under Section 6 of the National Audit Act 1983, the Comptroller and Auditor General may examine whether the authority or school spent the premium in an efficient and cost-effective way. The recipient should provide any information the Secretary of State requires in order determine whether the authority or school has complied with the conditions in this document. The Secretary of State may require the repayment of the whole or any part of the grant if the authority or school fails to follow the conditions in this document.

9. Year 7 Catch-up Premium

9.1 The year 7 catch-up premium continues in 2017 to 2018. The EFA will confirm the arrangements in early 2017.

9.2 The literacy and numeracy catch-up premium gives schools additional funding to support year 7 pupils who did not achieve [the expected standard](#) in reading or maths at the end of key stage 2 (KS2).

All state-funded schools with year 7 pupils receive this funding, including:

- schools maintained by the local authority
- [academies](#)
- [free schools](#)

- special schools (schools for children with special educational needs or disabilities), including:
 - special schools maintained by the local authority
 - special [academies](#)
 - special [free schools](#)
- alternative provision settings (places that provide education for children who can't go to a mainstream school), including:
 - pupil referral units (PRUs)
 - AP [academies](#)
 - AP [free schools](#)

How schools should use the year 7 literacy and numeracy catch-up premium

9.3 Schools should identify pupils who need extra support from the year 7 catch-up premium, so it can decide the best way to use the funding. Schools should only select programmes and approaches that are effective. For example, schools could use the funding to pay for:

- individual tuition
- intensive small-group tuition
- external services and materials
- summer schools that help students catch up over a short period of time

9.4 Schools can find examples of effective approaches and programmes in our summary of [research into literacy and numeracy catch-up strategies](#).

Accountability

9.5 Schools must publish details of how it spends the year 7 catch-up premium funding on their website. Guidance on what [specific information you need to publish on their website](#) is available.

9.6 Ofsted inspectors will also consider how your school is using the premium.

10. Primary PE and Sport Premium

10.1 The primary PE and sport premium continues in 2017 to 2018. The EFA will confirm the arrangements later in the year.

10.2 The premium for the 2016 to 2017 academic year is paid in 2 instalments from the Secretary of State to the authority as follows:

Financial year	2016 to 2017 academic year	Payment date
2016 to 2017	September 2016 to March 2017	29 October 2016
2017 to 2018	April to August 2017	27 April 2017

- 10.3 The premium must be used to fund additional and sustainable improvements to the provision of PE and sport, for the benefit of primary-aged pupils, in the 2016 to 2017 academic year, to encourage the development of healthy, active lifestyles. Information on [how much PE and sport premium funding primary schools receive and advice on how to spend it](#) has been published.
- 10.4 Allocations for the academic year 2016 to 2017 are calculated using the number of pupils in years 1 to 6, as recorded in the January 2016 census, as follows:
- schools with 17 or more pupils receive £8,000 plus £5 per pupil
 - schools with 16 or fewer pupils receive £500 per pupil
- Where a schools' pupils are not recorded by year group, pupils aged 5 to 10 are deemed eligible.
- Terms on which the premium is allocated to schools**
- 10.5 Local authorities must pass the premium to maintained schools within one month of receipt, and must require that maintained schools comply with the conditions set out below.
- 10.6 The premium must be spent by schools on making additional and sustainable improvements to the provision of PE and sport for the benefit of all pupils to encourage the development of healthy, active lifestyles.
- 10.7 The Secretary of State **does not** consider the following expenditure as falling within the scope of additional or sustainable improvement:
- employing coaches or specialist teachers to cover [planning preparation and assessment \(PPA\) arrangements](#) - these should come out of schools' core staffing budgets
 - teaching the minimum requirements of the national curriculum PE programmes of study - including those specified for swimming
- 10.8 Maintained schools, including those that convert to academies, must publish information about their use of the premium on their website by 4 April 2017. Schools should publish the amount of premium received; a full breakdown of how it has been spent (or will be spent); what impact the school has seen on pupils' PE and sport participation and attainment and how the improvements will be sustainable in the future. Schools should also consider how their use of the premium is giving pupils the opportunity to develop a healthy, active lifestyle.
- 11. Summary of budget information to be released for schools**
- 11.1. This report confirms decisions of Cabinet about schools budgets for 2017/18. Some elements of budgets are fixed and others are provided on a provisional basis and are adjusted during the year, once actual data becomes available. On the basis of the information in this report, schools

should set their 2017-18 draft and final budget plans using the following information.

- a. Agreed allocated budget share from:
 - Schools Block APT Proforma (based on October 2016 census)
 - High Needs Block Place Funding (approved by EFA in January 2017)
- b. Indicative budget share from:
 - Early Years Block for 3 & 4 Year Funding (based on May 2016, October 2016 and January 2017 census)
 - Early Years Block Maintained Nursery School Funding (notified by EFA)
 - High Needs Block Top up Funding from Haringey (base on October 2016 data)
 - High Needs Block Top up Funding from other local authorities
- c. Pupil Premium Grant (Financial Year based on eligible pupils on the January 2017 census)
- d. Universal Infant Free School Meals Grant (Academic Year based on eligible pupils on October 2016 and January 2017 census for Academic Year 2016-17 and Academic Year based on eligible pupils on October 2017 and January 2018 census for Academic Year 2017-18)
- e. 2017-18 Year 7 Catch-up Premium Grant (Financial Year based on October 2017 census)
- f. Primary PE and Sport Premium (Academic Year 2016-17 based on January 2016 census and Academic Year 2017-18 based on January 2017 census)

12. School Redundancy

- 12.1 At Schools Forum in January 2017 representatives from maintained primary and secondary schools decided against creating a de-delegated pool for redundancy costs in schools, with the ceasing of funding in the Education Services Grant. Officers have contacted the DfE to seek guidance on options for managing a situation where the ESG funding for school redundancies has been removed and there is no scope within the DSG to meet such costs. We await the DfE response on this matter.
- 12.2 Colleagues from Voluntary Aided schools, who are nonetheless maintained by the London Borough of Haringey, sought clarification on whether they would be eligible to be considered for support for school redundancies. All schools maintained by the local authority, including voluntary aided schools, would be eligible to be considered for support on an equal basis.

- 12.3 Once a response has been received from the DfE on the Authority's options for funding and managing school redundancies in the future, officers will contact all maintained schools about the process that will operate for schools who wish to seek support and how the Authority will make decisions.

Appendix 1

Allocation agreed by Schools Forum

	Proposed Budget 2017-18 (£'000)	Proposed Budget 2017-18 (£'000)
Amount distributed to Primary and Secondary Schools after de-delegation and central education services (former ESG)		190,014
Support for Underperforming Ethnic Minority Group	612	
Contingency for Schools in Financial Difficulty	179	
Trade Union Facilities Time - Primary	117	
Total De-delegation		908
Attendance and Welfare Service	122	
Total central Education Services (formerly funded from ESG)		122
ESG transferred to DSG - Other Statutory and Regulatory Duties	378	
ESG transferred to DSG - Statutory Education Welfare Service	172	
Growth Fund	1,100	
School Standards	484	
LAC Placements	800	
Early Help	350	
Servicing of Schools Forum	10	
Admissions	300	
Governor Support	130	
Music & Performing Arts	168	
Support Costs	192	
CLA & MPA Licences	160	
Total Centrally Retained Elements		4,244
Total budget allocation for Schools Block		195,288
Funding for settings		
3 & 4 Year olds base rates	12,545	
3 & 4Year olds supplements	1,394	
2 Year Olds Programme	2,787	
Early Years Pupil Premium	175	
Supplementary funding for Maintained Nursery Schools (MNS)	628	
Provision for transitional withdrawal of Childcare Subsidy	700	18,229
Centrally Retained budgets		
Early Years Quality Team	441	
EH Commissioning	170	
Overheads	16	
TU Representation	18	
Contingency	400	1,045
Other		
Disability Fund	60	60
Total budget allocation for Early Years Block		19,334
Recoupment for places from EFA	2,156	
High Needs Placement Funding (Maintained)	5,210	
Local Authority Services	6,057	
Independent & Voluntary Special Schools	5,879	
High Needs Top-up Funding	14,327	
SEN Contingency	1,415	
Early Years SEN	810	
Total budget allocation for High Needs Block		35,854
Total Dedicated Schools Budget Allocation 2017/18		250,476
Funded from		Total £'000
Schools Block DSG 2017/18		195,288
EY Block DSG 2017/18		18,446
High Needs Block DSG 2017/18		35,854
Brought forward DSG		888
Total		250,476

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**Agenda Item
9**



Report Status

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum – 16th February 2017

Report Title: Contingency for Schools in Financial Difficulty

Author:

Yoke O'Brien – Finance Business Partner - Schools and Learning
 Contact: 0208 489 1263 Email: Yoke.OBrien@haringey.gov.uk

Purpose: To update the Schools Forum of the last Contingency Panel for Schools in Financial Difficulty meeting and the proposal made by the Panel.

Recommendations:

1. Schools Forum to note that at the most recent meeting of the panel, no allocations were made because of insufficient evidence provided by schools
2. Schools Forum to agree that the panel may decide to use up to £80k of the available resources for specialist school finance support (ie budget management training and short-term support in setting realistic recovery plans) rather than provide the funding to the school directly. (NB this only affects maintained primary and secondary schools)

1. Contingency for Schools in Financial Difficulty

1.1. A Contingency Fund for Schools in Financial Difficulty have been de-delegated by maintained Primary and Secondary schools from their school budget share every year for helping schools in financial difficulty when faced with exceptional circumstances.

1.2. A Contingency Panel consisting of School Forum members meet to discuss and review all the applications received and make the allocation decisions on behalf of the Schools Forum based on the criteria below.

2. Criteria for assistance from the Contingency for Schools in Financial Difficulties; consideration will be given to the specific circumstances of each school applying in determining whether or not assistance will be given.

2.1 Admission of Primary and Secondary Pupils in excess of Funded Numbers

Schools are funded for the number of pupils recorded in the Pupil Level Annual School Census in the October prior to the start of the financial year. Haringey will provide funding for *agreed* bulge classes and new forms of entry from the 'Growth Fund', but in other cases, where schools experience a general and significant rise in pupil numbers at the beginning of the academic year, they may apply for contingency funding to cover the period September to March. The school will need to demonstrate the necessity for additional staffing costs that cannot be met from balances.

2.2 Fluctuating Rolls

Schools that experience a substantial and unexpected year on year drop in pupil numbers and funding may seek assistance. The school will need to demonstrate that the fall in rolls and funding creates financial difficulties that cannot be met from balances.

2.3 Falling Rolls

Schools experiencing a long-term reduction in pupil numbers may seek assistance to manage the contraction of the school. The school will need to demonstrate that the contraction cannot be managed through the use of balances and without causing undue turbulence within the school.

2.4 Emergencies and Exceptional Circumstances

Schools may submit claims for additional funding to cover costs resulting directly from emergencies and exceptional circumstances. Exceptional circumstances may include the cost of suspended staff or compromise agreements. In such cases, a school's financial position, including the level of any unspent balances held, will be taken into account when claims are considered.

2.5 Financial Difficulties

A school with severe long-term financial difficulties may apply to have part of its historically accumulated deficit written off. The school will need to demonstrate that effective action is being taken to bring its budget back into balance. The presence of a new management team that has inherited a difficult financial position will be viewed positively.

3. Assistance will NOT generally be given for the following.

3.1 Expenditure of a type faced by all schools or classes of school; this will include:

- a) costs for incremental drift,
- b) the additional costs of the teachers' upper pay scales,
- c) costs associated with Planning, Preparation and Assessment time in primary schools,
- d) the cost of meeting the requirements of statements of special educational needs,
- e) Costs that could have reasonably been covered by insurance arrangements.
- f) Capital costs. These are generally met from Devolved Formula Capital and arrangements exist to draw forward future allocation where appropriate.

4. Guidance on Applications. In previous years, some applications have been rejected because of poorly presented cases. To avoid this, applications should clearly set out:

- a) The reasons for the application, taking account of the guidance given in sections A and B, and the associated additional costs, if necessary broken down into component parts.
- b) What action has been taken to contain the costs and why this is not sufficient to balance the budget. It may be necessary to differentiate between action in the shorter and longer term if costs are continuing.
- c) How much is being applied for and how this will improve the school's position.

4.1. At the last Contingency Panel for Schools in Financial Difficulty meeting no allocations were made. The main reason for that was that the applications received were not adequately substantive to justify an allocation from the Contingency Fund according to the criteria set out above.

5. Observations

- 5.1. The Contingency Panel was of the view that school business managers need to be trained to submit substantive contingency applications with relevant evidence to support their business case as well to be more alert to their school's financial situation and take steps early enough to warn the Headteacher and the Governing Body of all issues arising so that effective action can be taken to address all emerging issues.
- 5.2. There is a significant percentage of schools in financial difficulty with the approach of the end of financial year.
- 5.3. In view of the emerging financial modelling figures of the proposed National Funding Formula, Schools Forum are also advised to ask schools to robustly review their respective school's budgets and organisation structure with their Governing Bodies on a termly basis to ensure that it is able to continue as a financial viable entity.

6. Recommendation

- 6.1. The Contingency Panel therefore recommends that Schools Forum note the contents of this report and agree to setting aside a budget of at £80,000 for the LA to recruit schools finance specialists to train, advise and assist schools in financial difficulty set robust sustainable budgets for the future.



**Agenda Item
10**

Commissioning Unit

Report to Schools Forum

Report Status

For information/note
For consultation & views **x**
For decision

Report Title: Proposals for Back to Budget Plan HNB January 2017

Author: Vikki Monk-Meyer Head of Service SEN and Disability

Purpose: To describe the actions to be taken to ensure children with SEND have a service that is of high quality and value for money

Recommendations:

1. That Schools Forum notes the contents of the report and agrees the approach

1. Introduction

The high needs block overspend needs to be contained and brought back to budget over time. A range of strategies need to be implemented to reduce the spend. The increased spend has been caused by:

- The increased age range of young people who are supported through the high needs block, which means that there is reduced through put of young people
- The limited local capacity of special school places in Haringey for children with SEMH and Autism.

The initial measures put in place to control the spend were heavily reliant on moving children back to local school provision, and maximising the use of local provision. Whilst this has in some ways minimised the spend through the high needs block, it has not been effective enough in reducing the overall rate of the over spend.

The purpose of this paper is to outline a wider range of methods to reduce spend, whilst also ensuring that children with special educational needs and disabilities have effective support for their learning.

2. Proposed measures to reduce spend

2.1 Hold Under spends in Services

Several services have under spend as a result of vacancies. These will be held and the budgets reduced.

Portage

There are now four Portage workers who are able to hold caseloads of up to 40 children at any one time in total. This is a service for children with highly complex special needs. Currently there is capacity in the Portage workers caseloads and the full budget has not been spent. The remaining budget has been held and returned to the high needs block.

Autism and Language Support Teams

There are vacancies in both the Autism Team and Language Support. It is proposed that this team is restructured to form a social communication service working across the age ranges. The proposal is to reduce this budget by 100K following the re-structure.

2.2 Changed usage of the SEN contingency.

It is proposed that the SEN contingency is distributed differently across a smaller number of schools. The High Needs Working party seeks agreement to improve the focus and level of resourcing to those who need it. The resources provided will be more substantial but to a fewer number of schools. It will continue to be used to target those where the ratio of high needs children and APT means the notional SEN funding is not enough to support the learning outcomes of the volume of children with EHC's.

Historically the contingency has been calculated using a formula across a wide range of schools, where often fairly small amounts were distributed. The new formula used would

targeting fewer specific schools with high levels of children with EHC's, distributing 300K across these schools, after the numbers of EHC's have been sampled from each school at a fixed point in the year.

The high needs working party are in discussion using a formula that compares the nominal SEN numbers with the actual numbers of 6000's to be allocated within the notional SEN budget.

The overall SEN contingency budget would then be reduced by 200K

2.3 Reduce the Early Years Top Up Funding

The Early Years Top Up funding was introduced in September 2016 for children's centres and nurseries to allow access to additional funding for children. This has taken some time to introduce but is gathering pace. In part the introduction of this funding has coincided with the increased age range for the requests for an Education health and care plan, and this may have reduce the demand on this budget.

This funding is in addition to the Early Support Places funded for Rowland Hill, Pembury and Woodlands Park, which is on a separate line on the high needs block totalling 255K. There are **also** Early Support Places in Broadwater Farm, Stonecroft, Woodside, Triangle and Park Lane, totalling approximately 110K.

These places are also be paid from the inclusion fund, but for transparency this funding will be moved to the Early Support line of 255K totalling now 365K.

The budget for inclusion top up is 395K per annual, with a range of financial support per child up to the value of £3,938.70 per year. To date there have been 20 requests for support, or which 5 were returned for more information, and 15 were agreed. The reviews are coming back to panel this term and are showing impact of children having the funding, and having their additional needs met.

The majority of the requests for support are for children who are attending private and voluntary settings, and there have been limited numbers of requests from in borough maintained nurseries or those over borough boundaries. The majority of the requests have been supported by the early years inclusion team (Area Senco's). Following feedback, the method to request the top up will be reviewed, as some settings have reported that the mechanism is too time complex and off putting as a result.

The requests to date have totalled approximately 60K of the 395K with only 4 months remaining from the financial year.

If all the Early Support places are to be funded from this line, this will reduce the fund to 285K. Given this fund has only just started and is gathering pace slowly, the fund will be temporarily reduced to 200K

It is proposed that the majority of this budget is maintained, but reduced by 85K for 17/18. This budget will be under spent at year end for 2017-2018 and reviewed again in 2018.

Summary of proposals:

Budget Area	Proposed Reduction
Language and Autism Team	100K
SEN Contingency	200K
Early Years Top Up	85K
Total Reduction	385K

3 Strategic Review of the High Needs Block Grant

Each local authority has been given a grant to assist with the strategic review of the high needs spend. The grant for Haringey is 111K. The high needs block contains a range of commissioned services which require review for cost effectiveness and value for money e.g. visual support services, speech and language therapy.

It is proposed that this grant is used to employ a commissioner on a short term contract to review the commissioned services within the high needs block and put contracts in place. This would also be an opportunity to progress the commissioning of school places for those with social emotional and mental health needs and review the needs and bands of those children in specialist provisions.

Vikki Monk-Meyer

Head of Service SEN and Disabilities

High Needs Block Sub-Committee

Minutes of the meeting held on
3rd February 2017 10.15am-12.45pm PDC

Members Present

Martin Doyle: Headteacher Riverside School – Chair
Jean Brown: Governor The Vale
* Tony Hartney: Chair, Schools Forum
* Melian Mansfield: Pembury House Chair of Governors
Marianne McCarthy: Governor Heartlands High School
* Mike McKenzie: Headteacher Alexandra Park School
Angela Ryan: Tuition Service
Margaret Sumner: Special Heads Rep
Will Wawn: Primary Heads Rep

Also Present

Vikki Monk-Meyer: Head of Service: Special Educational Needs & Disabilities
Deborah Tucker: Alternative Provision Commissioner
Yoke O'Brien: Schools Finance Manager
Sarah Hargreaves: Clerk

1. Welcome, apologies for absence and acceptance

- 1.1 The Chair welcomed everyone present to the meeting and confirmed that Peter Catling is a member.
- 1.2 Apologies for absence have been received from Tony Hartney, Mike McKenzie and Melian Mansfield.

2. Minutes of the 15th November 2016

- 2.1 Pt 4.2 For clarification this should read that pupils are funded in 3 bands, up to a maximum of £11,642. Costs are currently being re-negotiated.
- 2.2 With this change the minutes were **agreed** as a correct record of the meeting. Signed by the Chair and returned to Vikki for filing.

3. Matters arising from the minutes

- 3.1 Pt 4.3 Deborah informed the group that Cambridge, Hammersmith & Fulham, Westminster, Kensington & Chelsea all use TBAP and are broadly happy with their services, with only minor concerns expressed. TBAP are due to expand their services in the London/Cambridge corridor. Deborah will circulate the Alternative Provision map she has drawn up. **Action DT**
- 3.2 Pt 5.7 Angela has spoken to Lorraine Cody at Simmons House, who has spoken to other hospital schools regarding mental health services.
- 3.3 Pt 7. Marianne reported that there will be a briefing for HHS governors next week on The Grove. The DfE are still supportive but they won't fund temporary premises. They are happy with a 2019 opening as long as the LA confirms that it is happy. A temporary primary provision is not viable on the Heartlands site anyway.

10.30am Will and Yoke join the meeting.

- 3.4 After discussion it was **agreed** that there would be little benefit in additional lobbying of the DfE.
- 3.5 It is the provision for higher functioning young people which is still lacking. The numbers in current provisions can increase only slightly.

- 3.6 Pt 8.3 Angela confirmed that Simmons House is not charging other boroughs for places directly; they are aware that they should not be doing so. Deborah and Angela to look at individual invoices for more detail of what has been happening. **Action DT, AR**
- 3.7 For clarity, the 2 figures should be added together to show that £220,000 is received from the HNB by Simmons House.
- 3.8 It was clarified that secondary schools will still receive their lump sum contingency payments. Will and Yoke will be checking the details next week. £1.3m will be passported via the HNB; as said in the previous meeting, this has encouraged some schools to admit more pupils with EHCP's.

4. Post 16 Provision Update – Vikki Monk-Meyer

- 4.1 This has now evolved into a 16-19 years business case. Conversations are being held with special schools as to whether they can increase their PAN, including those with complex needs, as part of the plan to reduce the amount of external placements.
- 4.1.1 If these new places are attached to schools they are not subject to college regulations.
- 4.1.2 Although these places will only account for a small number of pupils they are all high cost placements. Each in-borough placement would save around £50,000pa.
- 4.1.3 Martin said that Riverside would anticipate being able to accommodate a minimum of 3 such students for 2017/18,, incrementally rising to 12 over future years.
- 4.2 It was noted that Haringey provides more post 16 (16-25) education than other boroughs, who tend to move people over into adult case.
- 4.3 It was agreed that local provision was the preferred option for all groups and that provision for the 19-25 cohort raised concerns around the country; even spending high levels of funding does not necessarily mean that people's needs are easily met. The Bridge, in LBI, was highlighted as a relatively local provision which provides a good level of service.

5. Survey Monkey – Vikki Monk-Meyer

- 5.1 Three members said that they had completed the draft.
- 5.2 Various questions were raised for clarification:
- do you need to use the services in order to comment on them?
 - an additional N/A box would be useful
 - it was clarified that the survey was aimed at Heads and SENDCOs, not governors
 - do services know that these questions are being asked about their services; there could be ethical issues about basing funding decisions on subjective assessments. Vikki clarified that they were aware of the survey
 - it is important to be able to distinguish between the quality and the capacity of a service
 - a comments box should be added
- 5.3 It was **agreed** that a survey can only ever provide a snapshot of a service but could be useful in providing a starting point to assess services if it is used in conjunction with focus groups which can consider the bigger picture.
- 5.4 **Members asked why Early Help was not included in the list of services being reviewed.** This is because they will be reviewed separately in June.
- 5.5 With one abstention the group **agreed** to proceed with the survey.

6. High Needs Block Spend Analysis on Out Borough Placements – Vikki Monk-Meyer

- 6.1 Members were asked to note the circulated spreadsheet.
- 6.2 It was noted that:
- although there are not many social emotional mental health placements they are expensive.
 - autism, as the main diagnosis, is usually from age 11

- members commented that pupils assessed as having moderate learning disabilities are frequently dyslexic; it is likely that their diagnosis is historic
- pupils assessed as having specific learning disabilities are also frequently dyslexic

- 6.3 Members felt that the spreadsheet was a useful summary and could be used to justify the emphasis on older pupils and those with autism.
- 6.3.1 It also showed that primary schools are generally more inclusive than secondary schools.
- 6.3.2 The number of actual pupils in each category would be a useful addition to the spreadsheet. They asked that it be updated and presented at each meeting. **Action VMM**
- 6.4 Members asked that the patterns for the diagnosis of autism, compared to other boroughs, come to the next meeting; particularly in light of the increasing demand for places at secondary level; where there is insufficient provision. **Action VMM**
- 6.5 Vikki suggested that SENDCOs in primary schools are asked who they believe will struggle at secondary school due to autism.

7-11. HNB Back to Budget Plans update, Use of SEN Contingency 2018/19, Re-structure Autism/Language Support and financial implications, Identification and use of under spends in other areas of budget, Early Years Top up – review of budget use to date – Vikki Monk-Meyer

It was agreed to take items 7-11 of the agenda together as they are all linked.

- 7.1 Vikki reported that the currently anticipated deficit is around £900,000,.
- 7.2 A table of potential cuts was circulated and the following reductions in funding **agreed**:

Budget Area	Proposed Reduction £	Agreed Reduction £	Comments
Portage	50,000		Already been taken out
Language & Autism Team	100,000	100,000	The 2 services to be combined to enable efficiency savings..
SEN ** Contingency	200,000	200,000	Funding to be distributed across schools, which meet the threshold, funding reduction proposed as 200K
Early Years Top-up	85,000	85,000	Out of the 17-18 budget due to slow take-up; can be re-introduced later
Total	435,000	385,000	

SEN Contingency: ** it was not agreed that this fund should still be used for those children who do not have EHCPs but who are receiving support. Currently schools do not bid in for funds and also receive short term funding. It was **agreed** to raise the threshold for support, but to keep the same formula and to remove the bidding in process.

- 7.3 **Early Years Top-Up:** the places in the maintained sector cost £365,000. There are issues with the referral system, rather than with any lack of children to fill the places. Members asked how the nurseries were being supported to apply for the funding. Vikki said that she would be making the application process simpler in order to encourage applications. **Action VMM**
- 7.3.1 It was **agreed** to reduce the fund by £85,000 in the short term, until the demand increases,
- 7.4 Members asked Yoke to re-model the spreadsheet for before half term, showing what funding each school would receive if the cut off for funding were set at £300,000 or £400,000 instead of £435,000. This will use the March 2016 data and will be agreed by email before Schools Forum.

12. HNB Consultation Implications – Yoke O'Brien

- 12.1 The current LBH HNB budget, before reductions, is £35,850,000. It is proposed that in 2017/18 this will be reduced to £35,032,000. The DfE says that the overall budget will be increasing, but this does not appear to be the case. Yoke to check. **Action YO'B**
- 12.2 Yoke will be preparing a draft response to the DfE Schools National Funding Formula for March 22nd. She would be happy to draw up some informed indicative comments for the committee on the separate High Needs Block consultation, although to date she has been concentrating on the main schools' DSG consultation. **Action YO'B**
- 12.3 Martin suggested that a working party be set up to meet separately regarding the HNB consultation. Will, Vikki, Martin and Yoke volunteered to form a working party to initially meet on Feb 8th. **Action WW, VMM, MD, YO'B**

13. AOB

- 13.1 No items.

14. Dates of future meetings: at 10am at the PDC.

It was **agreed** that meetings should be 2 weeks before School Forum meetings.

Dates are:

5th May

9th June

There being no further business the meeting ended at **12.40pm**.

Signed

Date



Schools Forum Early Years Working Group (SF-EYWG)

Date: 6th January 2017 at the PDC

Time: 9am

Name	Designation/ Representation
Melian Mansfield (MM)	CHAIR
Ngozi Anuforo (NA)	Early Years Commissioning Manager
Luisa Bellavita (LB)	PVI Settings Rep
Zena Brabazon (ZB)	Rowland Hill
Peter Catling (PC)	Woodlands Park Nursery School & Children Centre
Charles Cato (CC)	Early Years Finance
Lou Colley (LC)	PVI Settings Rep
Duwan Farquharson (DF)	Willow
Dawn Ferdinand (DaF)	Willow
Nick Hewlett (NH)	Interim Principal Advisor for Early Years
Emma Murray (EM)	Primary Head Rep
Yoke O'Brien (YO)	Finance Business Partner (Schools)
Karyn Parker (KP)	Childminders
Susan Tudor-Hart (STH)	PVI Settings Rep
Christine Yianni (CY)	Business Support Officer
Sarah Hargreaves (SH)	Clerk

Also present: Herbert Nally, (HN) Pembury House Finance Officer

1. **Welcome and Apologies**

- 1.1 The Chair welcomed everyone to the meeting and introduced Herbert Nally from Pembury House.
- 1.2 Apologies were noted from: Duwan Farquharson, Lou Colley, Ngozi Anuforo. Subsequently apologies were received from Karyn Parker.
- 1.3 Susan Tudor-Hart apologised for missing the December meeting, but she had been in hospital.

2. **Minutes of the meeting of 15th December 2016 and matters arising**

- 2.1 Pt 5.3 It was clarified that c3p referred to approx. 3 pence.
- 2.2 The minutes were **agreed** and will be returned to Ngozi for safe keeping at the next meeting.

3. **Matters arising from the minutes of 15th December**

- 3.1 Pt 3.5 **Members would like to have an indication as to how long the LA will be able to continue funding settings at £6ph.** This is currently being reviewed but the £6.00 per hour will be retained in 2017/18. In the stage 1 consultation there is a proposal to taper the 2Y0 funding at £6.00 per hour in 2019/20. The Two Year Old programme funding is ring-fenced so there is little flexibility on what it can be spent on. There is a discussion being held about funding some of the high needs block pressure from the ringfenced 2Y0 funding. However no decision has been made. **Action CC**

- 3.2 Pt 3.8 It was noted that the LA will cease funding for the full-time places from September 2017.
- 3.3 Members asked for a figure for the **total funding** for Early Years programmes, across all funding streams, to be provided.. **Action CC**
- 3.4 Pt 5.2 It was clarified that there is no upper limit within the funding envelope on what can be paid to settings via the base rate, as long as the agreed minimum is paid.
4. **Proposed Early Years Funding Formula and Consultation**
- 4.1 Concern was expressed that the final consultation document would be going straight to Schools Forum on **Jan 16th** without having been seen by this group. Charles to check when would be the latest it could be sent for SF circulation. **Action CC**
- 4.1.1 Concern was expressed that there is no linkage between the 1st and 2nd consultation exercises and that responders may have consultation fatigue.
- 4.1.2 **Members asked what would happen to the results from the resident's survey, to which there had been a good response.** There will be a separate report produced.
- 4.2 It was **agreed** that additional narrative was needed for those not familiar with the proposals. This should state that it is acknowledged that deprivation affects children and the borough is aiming to provide the fairest allocation of a finite pot of money. It is important that it is clear that the supplement funding is not additional money, just a different way of distributing it. The amounts stated are averages; not every provider will receive the amounts listed. Pt 3.5.3 from the December minutes to be emphasised; namely that the base rate is expected to cover core costs and the supplements are to enable extra work with children. Charles agreed to finalise a sentence along the lines of:
"The Government has given the borough a fixed amount of money and set a maximum hourly rate of £5.66; of this X will be retained by the LA, X will be paid in a base rate and X will be paid via supplements." **Action CC**
- 4.2.1 Explanations are needed with each question to guide responders as to the key issues for them to consider.
- 4.2.2 It was clarified that the deprivation scores are based on the residential postcode of the children attending the setting; not the setting itself.
- 4.3 It is assumed that most comments which will be received will be on the Universal Base Rate.
- 4.4 Several members stated that they wished "Flexibility" to be considered more fully as a discretionary supplement and for the consultation document to allow responders the option of expressing their views on including it. It was felt that currently it looks as though the decision has been made not to include Flexibility as an option, rather than giving responders the opportunity to have a view. This is compounded by that fact that it is only "Quality" on which views are currently sought. **Action CC**
- 4.5 Concern was expressed that there is a lack of visibility in the figures provided, for those not familiar with the work so far. It was **agreed** that the text from Appendix One should go into pg 3 of the consultation document as background information. **Action CC**
- 4.6 Providers are concerned about the disruption to their businesses with very little notice. NH explained that although the base rate does not have to be allocated in April 2017, if the funds are not passed through to providers that LA will have a pot of money which it cannot spend as it is not allowed to hold onto more than 7% of the funds.
- 4.7 Members discussed at length the viability of introducing the new formula in April 2017, but with transitional protection for those settings likely to lose out the most.
- 4.8 It was **agreed** that funding for deprivation factors should not be set up to be in conflict with sustainability funding as both are important.
- 4.9 Members asked how other LAs are approaching the issues. HN said that Gloucestershire had put their details on their website, so all providers know what they will be receiving and why. Everyone was encouraged to look at their site. **Action All**
- 4.10 NH reminded members that Charles and Christine were providing business support sessions for providers on thinking through their business models from April.
- 4.11 A discussion was held as to whether it was viable to have different pots of money for different types of providers (childminders, PVIs, nurseries etc) for the Quality supplement, eg for staff release time, to provide training, as different groups have different needs.

- 4.12 It was **agreed** that the methodology used was as important as the amounts of money involved in the case of the allocation of the supplements. The LA should be clear as to the policy choices which are being made behind the proposed funding allocations.
- 4.13 It was noted that setting to setting support is already in place; the proposal is to enhance it, not to develop a new system.

11am Nick Hewlett left the meeting.

- 4.14 It was **agreed** that there should be an additional box at the end of the consultation form for people to add any additional comments they may have. **Action CC**
- 4.15 It was confirmed that the form would be available by email, on-line and as hard copy and would just be going to providers (not the community).
- 4.16 Concerns was expressed that the deadline for responses is January 20th so it will not be possible to report back the findings to the Schools Forum meeting on January 16th.

5. Implications of the proposed formula

- 5.1 It is estimated that 45% of PVI providers will lose out under the new formula. Once it has been to Cabinet they will have only one month (before implementation) to inform staff whether they will be made redundant and to draw up new business plans. It was noted that it will be very difficult to draw up business plans when the final figures will not be known until February.
- 5.2 There is a concern that settings will opt out of providing the 30 hour offer.
- 5.3 LBH is promoting the idea of employing higher qualified staff, but this may not be affordable for settings under the new formula. It is not possible to run a setting on mainly NVQ2 staff with a few NVQ3's.
- 5.4 The meeting felt that there could be a benefit of taking money out of the Deprivation pot to provide Flexibility funding. There is a need for a new definition of Flexibility as most settings are already meeting the old criteria. **Action NH, NA**
- 5.5 See 4.16 above; where will this consultation be actioned, as Schools Forum will already have made its recommendations by the time the consultation period ends?
- 5.6 Due to an understanding of the impact of the speed of the proposed changes there was a wish for SF to agree a statement along the lines of:
"For 6 months no setting will gain or lose more than X% so that re-distribution of funds can occur whilst business plans are adjusted."
- 5.6.1 After full discussion it was **agreed** that any mitigation of loses/gains should be for a maximum of one year.

11.50am Dawn Ferdinand left the meeting.

- 5.6.2 A question will be added to the consultation document asking providers if they agree to a proposal to set up a "mitigation fund" to allow providers to be able to plan more effectively for one year. **Action CC**
- 5.6.3 Members asked for a figure as to what the total financial loss for settings could be under the new formula. **Action CC**

6. **AOB:** No items.

7. Dates of future meetings:

- 7.1 There will be an **extra** meeting on: **26th January 2017: 3-5pm** at the PDC. The main agenda item will be the feedback on the consultation paper. **Action Clerk**
Clerk to inform those not at this meeting.

The Chair thanked everyone for attending.

There being no further business the meeting closed at **12.20pm**

Signed:

Date:

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Agenda Item
11

Report Status

For information/note	<input checked="" type="checkbox"/>
For consultation & views	<input type="checkbox"/>
For decision	<input type="checkbox"/>

Report to Haringey Schools Forum – 23/02/2017

Report Title: Traded Services – Trading Update
Author: Douglas Cook – Traded Services Manager
Contact: 0208 489 6904 Email: douglas.cook@haringey.gov.uk
Purpose: Update on schools traded services: progress and outlook
Recommendations: Note only.

SCHOOLS TRADED SERVICES – TRADING REPORT Spring 2017

1 Background

1.1 Traded services for schools commenced online trading operations with the schools on 10th April 2015. We are now well into year 2 trading for the council's corporate Priority 1 programme and we are able to report that we are on track to fulfil the financial budget commitments for the 2016/2017 trading year.

1.2 A steady state management plan has been approved, and recruitment has been put in place for a permanent Traded Services manager. Fortuitously, this role will be performed by Michael Welton who is already well known to schools and in department teams of the council. A commencement date of 1st April 2017 has been agreed.

1.3 In 2014/2015 the council's traded income stood at just under £1.8 million. The defined budget commitment required to add additional income of £618.5k in 2015/2016 and further growth of trading income of £766.5k is required in the council's plans for 2016/2017. Further income growth is planned again in 2017/2018. A key part of this approach was that planned income growth will increment year on year in order to grow the amount of income to slightly over £3.5m by 2018/19. The longer-term growth plan has always been seen as challenging and the council has adopted a trading plan which effectively requires schools collectively to move towards doubling their trading activity with the council in a space of three years. This of course would enable a robust and self-sustained trading model to be in place with no council funding support going forwards.

1.4 Since its adoption, government policy announcements for schools serve to add impetus to the quicker implementation of wider reaching trading and schools organisation initiatives. Schools trading currently forms part of a review now under way for the future working school improvement arrangements in Haringey.

1.5 The traded service currently deals with over 330 customers, of which 86 are maintained schools and academies based in Haringey. Many other schools are based in outlying London boroughs and a few further afield in areas including Essex, Leicestershire and Cambridgeshire. One customer is the University of Cumbria, with its Docklands centre in East India Dock.

1.6 A strong measure of our success has been the willingness of schools to engage with Haringey for the combined services we offer and the approach we take to mentor and challenge best school performance and improvement for school leaders, linked with our strong school governors service. Recent new school customers are from areas including Tower Hamlets and Westminster, with notable growth from Enfield schools. As we reported previously, many of the new schools seem to be contacting us following peer school commendations. That is a strong advert for the quality of work we are giving schools in Haringey.

1.7 Haringey hosts a comprehensive CPD training programme which continues to be well subscribed and well attended. This is a popular service offer and one which is working well in less than ideal premises. The PDC venue is a busy place during term time and we have strong interest to develop more localised training in some areas. The future of our CPD premises is still uncertain though and we will need to react quickly if alternative premises might be needed.

2 Progress stage report

2.1 Trading with schools online has continued to develop at satisfactory levels during the year 2016/2017. The online web booking service was successfully launched and it continues to function reasonably well with built in capacity for growth, being designed for easy expansion with a lean operational central team.

2.2 There are over 50 service team offers available online and a number of new services are due to be introduced from April 2017. We have further package initiatives planned for the start of the Spring Term 2017, and more expansion areas being developed to be ready for the next academic year.

2.3 We have tried to encourage schools to keep in close consultation with our plans for the enhanced scope and revised approach for online trading alongside the revision of school improvement services which are currently under review.

2.4 The use of one website with a standard menu of the diverse mix of service offers has enabled expanded trading being managed by a small central team with an efficient business delivery model. These are key elements of the aspired business to grow in the next 12 months to maximise a sustainable funding model. Last year our billed income exceeded the target of **£2.4 million**. We are on target to grow more new business (beyond £2.7 million this year) which we have managed to do without a general price increase for the Haringey schools during 2016/17.

2.5 Our total confirmed and billed income so far this year exceeds £2.6 million already and another £77.8k pipeline is in school shopping baskets as at the date of writing this report. Schools are now looking at budgets for plans to buy into the next trading year and we expect further growth to flow through the system through to the Summer Term. Trading growth of over 51% was achieved last year and we have a realistic expectation to at least meet the current year budget plan with current trading patterns.

2.6 The Cost of Sales effect on the council's budget has been taken into account. Traded Services operates with a zero net budget, all direct costs are absorbed as a 'top slice' of income deducted before reported net trading income. There is no (net) Traded Services cost to the council and we work without a Cost Centre or council budget. In practice, it means that for many services income growth has been achieved at no extra cost to the council other than managing the traded services business portfolio. Services such as Education Welfare are now on track to earn over £130k of income this year (plan, £108k) without additional resources and with no extra staff being engaged from last year. In fact, some budget efficiencies may be delivered whilst meeting new trading targets as a way of planning changed workloads to fit with emerging school priorities and trading requirements.

3 New Trading Activities under development

3.1 As might be expected, there are one or two services which are not yet meeting existing budget income targets. These continue to be on watch and substantive work is under way to develop services more suitable for schools with less financial pressure on council budgets. Budget pressures with pre-existing income targets tend to be with services beyond the direct remit of Schools and Learning but we will do what we can to re-shape our offer to schools to best fit the business plans of those council departments.

3.2 The council Schools Human Resources team, including our schools Payroll and Pensions support, has again failed to attract new customers this year and the indications are that one or two more key Haringey Schools may be reviewing their commitments again for next year. We have already indicated to schools that the shape of the HR offer may be subject to future change.

3.3 Our Education Psychology support service has struggled to deliver the additional orders it achieved last year (it is a particularly popular service when resources are available) but the service has been unable to deliver against school demand with resource issues. Happily, the signs still exist to show that more new orders from schools can be won with more targeted support, subject to resource and workload planning.

3.4 Mitigation plans may need to be put in place for these services going forwards, but as things stand these areas of the council's income plan need to be kept on watch to assess how relevant future income targets might be for planning purposes.

3.5 A number of new service offers are in place to make up for these shortfalls. Additional income growth has been found and delivered this year by the Schools and Learning team covering a number of new areas notably including the Pupil Premium search service. The introduction of an Early Years Gold training package has also proved popular and additional support packages for PVI settings and child-minders have increased the customer base, albeit at low individual payment levels.

3.6 We are on target to deliver net income growth in full against the budget commitment and we aspire to generate a small element of surplus in addition, after deduction of all direct Cost of Sales. Traded Services should again come at no net cost to the council's budget this year.

4 Management Costs

4.1 After deduction of the cost of sales, net income growth of £462k is now projected this year. Out of this, however, some £195k must be deducted for the management charges for the service. Although these were not initially included in the council's initial budget projections, the reality is that traded services have had to devise a method to factor its costs into the trading plan as a top-slice on schools income to pay for the operation of the service. Traded services operate on a self-funding basis and no additional costs accrue to the council. We thank the schools for their custom and revenue support.

6 Future Trading Risks

Following recent Government policy announcements, there are emerging trading risks which will impact on the council in future years.

6.1 Risk of school budget pressures

Schools are now acutely aware of the impact of funding allocations to re-align against the national funding formula and the withdrawal of the Education Support Grant. There is evidence that schools are already starting to look at how they plan to allocate future budget spending and we need to be ready to realign our income against reduced school budget capacity. Our services need to look again at the cost of service provision to make sure the costs we need to recover remain more competitive and justified for the work and value undertaken with the schools. Schools cannot expect to pay high prices for services which represent poor value for money. Budgets are expected to be particularly difficult for schools with small annual pupil intakes. Traded Services will need to address these budget issues against the scope of services which are traded if we are to remain competitive.

6.2 The Speed of change and challenge to transform

Traded services in Haringey have rallied to the challenge to speed changes needed as we strive to catch up with future trading targets and stay close to our school customers. Our customers face an accelerated timetable for change particularly affecting how schools and school improvement teams are structured and governed nationally. This urgency to change is likely to call on additional transformation

pressures and the business will be challenged to retain commercially viable operations with restricted budgets. More work still needs to be done with the schools for a suitable model going forwards.

6.3 The Retention of schools which become MATs

We expect more schools to convert to academies and further groups of MATs are likely to form over the next year or so. Changes to procurement groups and altered buying patterns can be expected as a direct result.

There is a trading risk if a number of MATs choose to divest trading to alternative trading providers and/or take some activities in-house. This may impact on future trading prospects and the school customer base, to a smaller or larger extent. On the other hand we are taking steps of our own to foster and develop more cross-border trading links and develop early preferred trading partner status with schools who may move into future MATs.

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Traded Services for Schools

Users of our Traded Services



	In Haringey	Out of Haringey	Total Customers
Primary and Nursery Schools	54	40	
Primary and Nursery Academies	14	8	
Secondary Schools	6	7	
Secondary Academies	7	4	
Special Schools	4	2	
FE Colleges	2	-	
Sixth Form College	1	1	
Subtotal: Government Funded	88	62	
Independant Sector	12	10	
Subtotal: All Schools	100	72	
PVI & Children Centres	86	-	
Child-Minders	74	-	
All Sites	260	72	332

Traded Service Customers By Local Authority	
100	HARINGEY SCHOOLS
	OUT OF BOROUGH SCHOOLS
8	Barnet
2	Brent
1	Bromley
1	Cambridgeshire
6	Camden
16	Enfield
1	Essex
10	Hackney
1	Harrow
1	Hertfordshire
8	Islington
1	Leicestershire
2	Redbridge
1	Tower Hamlets
9	Waltham Forest
4	Westminster
172	
86	HARINGEY PVI & Children Centres
74	HARINGEY Child-Minders
332	

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**Agenda Item
12**



Report Status

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum – 23rd February 2017

Report Title: Schools Forum Work Plan 2016-17 Academic Year.

Author:

Yoke O'Brien – Finance Business Partner - Schools and Learning
 Contact: 0208 489 1263 Email: Yoke.OBrien@haringey.gov.uk

Purpose: To inform the Forum of the updated work plan for the 2016-17 academic year and provide members with an opportunity to add additional items.

Recommendations:

That the updated work plan for the 2016-17 academic year is noted.

1. Schools Forum

- 1.1. It is good practice for Schools Forum to maintain a work plan so that members ensure that key issues are considered in a robust and timely way.
- 1.2. Members of the Forum are asked to consider whether there are any additional issues that should be added to the work plan for the next Academic Year.
- 1.3. This work plan will be included on the agenda for each future meeting so that members are able to review progress and make appropriate updates.

Schools Forum 23rd February 2017 – Schools Forum Work Plan for 2016-17
 Academic Year

Haringey Schools Forum - Work Plan Academic Year 2016-17

18 May 2017

- Dedicated Schools Budget Strategy Update
- Scheme for Financing Schools, including arrangements for funding school redundancy and severance payments.
- Early Help and Preventative services update.
- Update from working parties.

29 June 2017.

- Dedicated Schools Budget Outturn 2016-17.
- Outcome of Internal Audit Programme 2016-17.
- Forum Membership.
- Work plan 2017-18.
- Update from working parties.