

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON THURSDAY, 18TH JANUARY, 2018, 3.00 pm

PRESENT:

Councillors: Elin Weston (Chair)

220. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

221. URGENT BUSINESS

None.

222. DECLARATIONS OF INTEREST

None.

223. CHANGES TO HARINGEY COUNCIL'S LOCAL SCHOOLS FUNDING FORMULA FOR THE 2018-19 FINANCIAL YEAR

The Cabinet Member for Children and Families considered the report, which sought approval for changes to the Council's local schools funding formula for the 2018-2019 financial year due to the introduction of the Schools National Funding Formula by the Department for Education (DfE).

The Joint Assistant Director for Schools and Learning advised that for 2018-19 (and 2019-20), the Council retained the power and responsibility for setting the local funding formula. However, consultation with schools had been at the heart of the Council's approach. The Council conducted a full consultation based on the information available in November and at December Schools Forum and agreed the principles on which the final funding allocation should be agreed.

Since then the Education and Skills Funding Agency had updated the finance data once, which supported the recommendations in the published report. They have since acknowledged an error and updated the allocations, so the schools and learning service had remodelled the options and had updated the recommendations and alternative options considered, section of the report.

These were put forward to the Cabinet Member in the form of a tabled addendum with legal and finance comments accompanying the updated recommendation.

It was noted that the updated recommendation followed on from a second (truncated) consultation with schools between the 15th and 17th of January on the final options. 16 votes were received from Heads and Chairs of Governors in favour of the recommended option [which was what the addendum recommendations proposed] and 1 against. It was noted that at the Schools Forum, held on the 17th of January, they overwhelmingly agreed the recommended option included in the addendum .

As such the updated recommendations for agreement was as follows

The Cabinet Member was asked to agree the following changes to the local schools funding formula for the 2018-19 financial year:

- (a) Minimum Funding Guarantee (MFG) to increase from -1.5% to +0.5% per pupil
- (b) Operate a cap of +0.5% per pupil increase at a scaling rate of 100% on schools gaining compared with the 2017-2018 local funding formula
- (c) Set 2018-2019 Growth Fund at £985,369.96
- (d) No transfer from Schools Block to High Needs Block in 2018-2019
- (e) Transfer £488,247.75 which is +0.25% of 2018-2019 Schools Block DSG from Schools Block DSG Reserves to High Needs Block

Due to the time restrictions imposed by the EFSA deadline of the 19th of January to return final figures, the Chair of Overview and Scrutiny had agreed for this decision to not be subject to call in.

RESOLVED

The Cabinet Member for Children & Families agreed the following changes to the local schools funding formula for the 2018-2019 financial year:

- (a) Minimum Funding Guarantee (MFG) to increase from -1.5% to +0.5% per pupil
- (b) Operate a cap of +0.5% per pupil increase at a scaling rate of 100% on schools gaining compared with the 2017-2018 local funding formula
- (c) Set 2018-2019 Growth Fund at £985,369.96
- (d) No transfer from Schools Block to High Needs Block in 2018-2019
- (e) Transfer £488,247.75 which is +0.25% of 2018-2019 Schools Block DSG from Schools Block DSG Reserves to High Needs Block

Reasons for decision

The Council will be legally required to set the local schools funding formula and must submit this to the ESFA by 19th January 2018.

The recommended changes to the local funding formula follow:

- (a) Consultation with schools on their preferred option (based on initial modelling from ESFA, which has since been revised) in November 2017
- (b) Discussion at Schools Forum in early December 2017, where the principles underpinning how the funding formula should operate were agreed and minuted in light of the response to the consultation

- (c) Once the final allocations have become clear, the modelling has been updated. This will have been sent out to all schools for comment and will be discussed at Schools Forum on 17th January 2018.

Once the final Schools Block allocation was confirmed by the ESFA in late December 2017, the following considerations have had to be taken into account:

- (a) The Council is not able to deliver the promise of an increase to all Haringey's school budgets unless the MFG is changed from -1.5% to +0.5% per pupil.
- (b) The change in MFG from -1.5% to +0.5% per pupil is not affordable under the available 2018-19 Schools Block Dedicated Schools Grant. A further change to the cap of 2.5% per pupil increase to 0.5% per pupil increase, at a scaling rate of 100% instead of 40%, is required in order to ensure all Haringey's schools will receive a minimum of 0.5% increase in their funding.
- (c) The Council's Schools Forum has had to revise its initial allocation to Growth Fund to £1M for 2018-19 to allow the Council to continue to deliver future years' local schools funding formula within the available funding envelope.

The Council is legally required to set the local schools funding formula and must submit this to the ESFA by 19th January 2018. However, the local authority is required to consult with maintained schools and academies in the borough, and with Schools Forum, in order to determine the local funding formula. Consultation with all schools and Schools Forum has been at the heart of our approach, though this has been made significantly more difficult by the timeframe imposed by the ESFA and the constantly changing picture in relation to the Dedicated Schools Grant allocations and school's dataset. ESFA provided a minimum DSG baseline allocation on 4th August 2017; provisional National Funding Formula funding on 14th September 2017 and a final funding allocation on 19th December 2017. Indeed, ESFA have written out to local authorities with an error in the school's dataset used to determine 2018-19 schools funding allocations on 11th January 2018, after the main report was published on 10th January 2018. The final funding allocation was increased, leading to the modelling being updated and the recommended changes to the local schools funding formula being changed, as compared with those in the main report.

Alternative options considered

Five options have been modelled. These are summarised below.

Option A (i)

Current formula with the following changes:	
- +0.5% MFG	
- +0.5% CAP 100% Scaling	
- 2018-19 Growth Fund set at £497,122.21	
- +0.25% transferred to High Needs Block	
2018-19 Schools Block Dedicated Schools Grant allocation	£195,299,098.60

Transfer 0.25% from Schools Block to High Needs Block	-£488,247.75
Growth Fund for 2018-19	-£497,122.21
Funding available for Schools Block Formula	£194,313,728.64

Option A (ii) (Recommended option)

Current formula with the following changes: +0.5% MFG +0.5% CAP 100% Scaling 2018-19 Growth Fund set at £985,369.96 Do not transfer from Schools Block to High Needs Block in 2018-19 Transfer equivalent of 0.25% of 2018-19 Schools Block DSG from Schools Block DSG Reserve to High Needs Block	
2018-19 Schools Block Dedicated Schools Grant allocation	£195,299,098.60
Do not transfer from Schools Block to High Needs Block in 2018-19	£0
Growth Fund for 2018-19	-£985,369.96
Funding available for Schools Block Formula	£194,313,728.64
Transfer equivalent of 0.25% of 2018-19 Schools Block DSG from Schools Block DSG Reserve to High Needs Block	-£488,247.75

Option B (i)

Current formula with the following changes: - +0.25% MFG - +0.25% CAP 100% Scaling - 2018-19 Growth Fund set at £1,103,708.99 - +0.25% transferred to High Needs Block	
2018-19 Schools Block Dedicated Schools Grant allocation	£195,299,098.60
Transfer 0.25% from Schools Block to High Needs Block	-£488,247.75
Growth Fund for 2018-19	-£1,103,708.99
Funding available for Schools Block Formula	£193,707,141.87

Option B (ii)

Current formula with the following changes: <ul style="list-style-type: none">- +0.25% MFG- +0.25% CAP 100% Scaling- 2018-19 Growth Fund set at £1,103,708.99- +0.25% transferred to High Needs Block- +0.25% MFG difference to be released as cash from 2017-18 Schools Block DSG Reserves	
2018-19 Schools Block Dedicated Schools Grant allocation	£195,299,098.60
Transfer 0.25% from Schools Block to High Needs Block	-£488,247.75
Growth Fund for 2018-19	-£1,103,708.99
Funding available for Schools Block Formula	£193,707,141.87
Release cash equivalent of 0.25% difference from Option A (i) and Option B (i) from Schools Block DSG Reserves to all Schools in 2017-18	£606,586.77

Option C

Current formula without changes: <ul style="list-style-type: none">- -1.5% MFG- +2.5% CAP 40% Scaling- 2018-19 Growth Fund set at £1,426,910.25- +0.25% transferred to High Needs Block	
2018-19 Schools Block Dedicated Schools Grant allocation	£195,299,098.60
Transfer 0.25% from Schools Block to High Needs Block	-£488,247.75
Growth Fund for 2018-19	-£1,426,910.25
Funding available for Schools Block Formula	£193,383,940.70

Options A and B stick closest to the principles agreed at Schools Forum on 7th December 2017 by providing schools with a +0.5% MFG and transferring 0.25% to the High Needs Block.

Option A (ii) is recommended over Option A (i), Option B (i) and Option B (ii) because the application of +0.5% MFG preserves future years increases for individual schools whilst allowing Haringey to maintain the Growth Fund at a significant level to address growth and bulge classes in future years.

Option C is not recommended. Whilst some schools would receive higher budgets in this model because the cap is higher and scaling is lower, this does not allow all schools to benefit from a +0.5% increase and the MFG turns negative with a floor of -1.5%. This runs counter to the principles agreed at Schools Forum.

The Chair of Overview and Scrutiny has agreed that the call-in procedure shall not apply to this decision as the action being taken is urgent and time critical and any delay in implementation caused by the call-in procedure would seriously prejudice the Council's or the public's interests. This is in accordance with Part 4, Section H, Paragraph 18 (a) and (b) of the Council Constitution

224. NEW ITEMS OF URGENT BUSINESS

None.

CHAIR: Councillor Elin Weston

Signed by Chair

Date