

## NOTICE OF MEETING

# HARINGEY SCHOOLS FORUM

Thursday, 28th February, 2019, 4.00 pm - HARINGEY EDUCATION  
PARTNERSHIP TRAINING ROOM, HORNSEY SCHOOL FOR GIRLS,  
INDERWICK ROAD, LONDON N8 9JF

### 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 17 JANUARY 2019 (PAGES 1 - 6)**

**5. MATTERS ARISING**

**6. THE SCHOOLS INTERNAL AUDIT PROGRAMME (PAGES 7 - 12)**

**7. EARLY HELP AND PREVENTATIVE SERVICES UPDATE (PAGES 13 - 22)**

**8. UPDATE ON EARLY YEARS BUDGET PRESSURES 2019-20 (PAGES 23 - 38)**

**9. UPDATE ON HIGH NEEDS BLOCK BUDGET PRESSURES 2019-20 (PAGES 39 - 50)**

**10. UPDATE ON GROWTH FUND POSITION 2019-20 (PAGES 51 - 56)**

**11. WORK PLAN 2019-20 (PAGES 57 - 58)**

**12. UPDATE FROM WORKING PARTIES/ INFORMATION ITEMS/OTHER AREAS (IF ANY) (PAGES 59 - 70)**

- THE TUITION SERVICE AND THE GROVE (There will be a full report to the next meeting with future proposals)
- EARLY YEARS WORKING GROUP (if any)
- HIGH NEEDS SUB GROUP MINUTES (verbal update)
- CAPITAL PROGRAMME – CURRENT POSITION

**13. ANY OTHER URGENT BUSINESS**

**14. DATE OF FUTURE MEETINGS**

- 11 July 2019

Carolyn Banks X5030  
Fax – 020 8881 5218

Bernie Ryan  
Assistant Director – Corporate Governance and Monitoring Officer  
River Park House, 225 High Road, Wood Green, N22 8HQ

Tuesday, 26 February 2019

**MINUTES OF THE SCHOOLS FORUM MEETING  
THURSDAY 17 JANUARY 2019**

**Schools Members:****Headteachers:****Special (1)****Nursery Schools (1)****Primary (7)**

Martin Doyle (Riverside)  
Peter Catling (Woodlands Park)  
Mary Gardener (West Green)  
Steve McNicolas (St John De Vianney)  
Emma Murray (Seven Sisters)  
Will Wawn (Bounds Green)

Vacancy@1

Paul Murphy (Lancasterian)

Linda Sarr (Risley Avenue)

**Secondary (2)****Primary Academy (1)****Secondary Academies (2)****Alternative Provision**

(A) Andy Webster (Park View)  
Sharon Easton (St Paul's and All Hallows)  
(A) Gerry Robinson (Woodside)  
Patricia Davies

Tony Hartney (Gladesmore)

(A) Michael McKenzie (Alexandra Park)

**Governors:****Special (1)****Nursery Centres (1)****Primary (7)**

Jean Brown (The Vale)  
Melian Mansfield (Pembury)  
Vacancy@1  
Laura Butterfield (Coldfall)  
(A) John Keever (Seven Sisters)  
Lorna Walker (Rokesly Infants)

Zena Brabazon (Seven Sisters)

(A) Hannah D'Agui (Chestnuts Primary)

(A) Jenny Thomas (Lordship Lane)

**Secondary (3)**

Sylvia Dobie (Park View)  
(A) Johanna Hinshelwood (Hornsey Girls)

Terry Sullivan (Park View)

**Primary Academy (1)****Secondary Academies (2)**

Vacancy  
Noreen Graham (Woodside)

**Non School Members: -****Non-Executive Councilor****Trade Union Representative****Professional Association Representative****Faith Schools****14-19 Partnership****Early Years Providers**

Cllr Daniel Stone  
Pat Forward  
Ed Harlow  
(A) Geraldine Gallagher  
(A) Kurt Hintz  
Susan Tudor-Hart

**Observers: -****Cabinet Member for CYPS**

(A) Cllr Elin Weston

**Also attending:**

LBH Director of Children's Services  
Chief Executive of Haringey Education Partnership (HEP)  
LBH Assistant Director, Schools and Learning  
LBH Assistant Director, Quality Assurance, Early Help & Prevention  
LBH Head of SEN and Disability  
LBH Head of Early Help and Prevention  
LBH Head of Audit and Risk Management  
LBH Head of Finance and Business Partners  
LBH Finance Business Partner (Schools and Learning)  
LBH Children's Accountant and Schools  
LBH Service Improvement Manager  
LBH Principal Education Welfare Officer  
Head of Governor Services – HEP  
HEP Clerk (minutes)

Ann Graham  
James Page  
Eveleen Riordan  
(A) Gill Gibson  
Vikki Monk-Myer  
(A) Jennifer Sergeant  
(A) Minesh Jani  
Paul Durrant  
Muhammad Ali  
Shamila Ganeshalingam  
(A) Karen Oellermann  
Michael Welton  
Carolyn Banks  
Jonathan Adamides-Vellapah

(A) Apologies given

**MINUTES OF THE SCHOOLS FORUM MEETING  
THURSDAY 17 JANUARY 2019**

MINUTE No.	SUBJECT/DECISION	ACTION BY
<b>1.</b>	<b>CHAIR'S WELCOME</b>	
1.1	The Chair opened and welcomed everyone to the meeting.	
<b>2.</b>	<b>APOLOGIES AND SUBSTITUTE MEMBERS</b>	
2.1	Apologies: Received and accepted.	
2.2	Substitutions: None.	
2.3	Observers: Leslie Boodram: Heartlands CFO	
<b>3.</b>	<b>DECLARATIONS OF INTEREST</b>	
3.1	The were no new declarations of interest for items on the agenda.	
<b>3a.</b>	<b>VARIATION TO THE AGENDA</b>	
3a.1	The Members agreed to add to the agenda the Tuition Service update and this was recorded under item 8.4a.	
<b>4.</b>	<b>MINUTES OF THE MEETINGS 06 DECEMBER 2018</b>	
4.1	The minutes of the meeting on the 06 December 2018, subject to the agreed amendment to item 8, should read WORK PLAN 2018/19.	
<b>5.</b>	<b>MATTERS ARISING 06 DECEMBER 2018</b>	
5.1	There were no matters arising to note and updates were received under the agreed agenda items.	
<b>6.</b>	<b>UPDATE ON DEDICATED SCHOOLS GRANT (DSG)</b>	
6.1	The Head of Finance and Business Partners (Paul Durrant) presented the paper and noted that there are a number of items on the agenda and these will be taken separately. The Forum noted that the summary provided.	
6.2	<p>The Forum Chair opened the discussion and the following was noted:</p> <ul style="list-style-type: none"> <li>• A deficit recovery plan will have to be submitted to ESFA as there is a £2.2 million deficit carry forward in the DSG to the next financial year and this can be attributed to the High Needs Block (HNB) overspend.</li> <li>• VMM noted that recovery plan is three-years, however the Forum noted discussed that given the scale of the deficit it would be more realistic to look at a five-year plan.</li> <li>• The Forum considered the requirement to re-focus the services provided by the HNB in the longer term, however the increase in medical diagnosis and the support needed by the HNB to support agreed Education Health and Care Plans (EHCPs) is forecasted not to diminish in the short-term. The Forum agreed there is a moral and statutory duty to provide support where required.</li> <li>• Viki Monk Myer (VMM) noted that how services will be provided in the longer term will be reflected in the deficit recovery plan and the ESFA were satisfied with the actions being considered.</li> <li>• The Forum considered if neighboring boroughs could be contacted and a joint position agreed, including letters to the Secretary of State.</li> <li>• The Forum noted that there would be no central Council funds to assists with the DSG deficit.</li> <li>• The Forum questioned the funds received by the HNB, including Health and Social Care.</li> </ul>	

**MINUTES OF THE SCHOOLS FORUM MEETING  
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	<ul style="list-style-type: none"> <li>The Forum discussed that the £2.2 million overspend is actually £3.6 million as £1.4 million is the positive balances carried forward from the other blocks. The Forum noted the overall impact on the other blocks as there are no reserves and this affects for example the programmes planned by the Early Years Block, which will be difficult to implement and will now need to be revised.</li> </ul> <p><b>AGREED: The Forum agreed that a joint approach with neighboring boroughs should be considered to outline the critical situation of the High Needs Block, and the need for additional resources required in addressing these needs and to tackle the deficits.</b></p>	Paul Durrant
6.4	<p><b>DSG Forecast 2018/19 Outturn and Reserves Position</b></p> <p><b>RESOLVED: The School Forum noted the forecast in-year closing position and the overspend on the DSG of £3.6m million.</b></p> <p><b>RESOLVED: The School Forum noted the brought forward reserves position of £1.4m surplus, calculated in conjunction with the in-year deficit position, leaving the DSG with a forecasted deficit of £2.2m, which will be carried forward into the 2019/20 budget.</b></p> <p><b>AGREED: A report will come back to the Forum on the deficit recovery plan.</b></p>	Paul Durrant
6.5	<p><b>DEDICATED SCHOOLS GRANT ALLOCATION</b></p> <p>The overview was provided and following noted:</p> <ul style="list-style-type: none"> <li>There are challenges in meeting the requests received by the HNB for additional funding.</li> <li>An additional £625,000 has been agreed by the ESFA for 2019/20 and 2020/21.</li> <li>The agreed transfer of 0.25% from the Schools Block to the High Needs Block (circa £490,000) is earmarked to fund longer term service changes.</li> <li>The longer-term recovery plans for the HNB are being considered separately including the delivery of in-borough services that are needed to reduce the number of out of borough placements.</li> <li>An overall approach was required in early assessments and interventions being undertaken in the Early Years and this may enable support plans then EHCPs to be put in place, leading to less exclusions in the longer-term.</li> </ul> <p>The Forum acknowledge the difficult decisions and work that is undertaken by the High Needs Block in providing the support needed.</p> <p><b>RESOLVED: The Schools Forum noted the changes to the local schools funding formula for 2019/20 in line with previously agreed proposals at the 06 December 2018 Forum meeting to:</b></p> <ol style="list-style-type: none"> <li><b>Set the 2019/20 Growth Fund at £921,620.</b></li> <li><b>Transfer 0.25% in 2019/20 from the Schools Block to the High Needs Block.</b></li> </ol>	

**MINUTES OF THE SCHOOLS FORUM MEETING  
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6.6	<p><b>ATTENDANCE AND WELFARE SERVICE</b></p> <p>The Forum agreed at the last meeting agreed to receive a presentation on the service and agreed the de-delegation of the funding by the Primary and Secondary maintained schools.</p> <p>The Clerk advised that the votes would be cast by eligible members will be by ballot for the Primary and Secondary maintained schools, following a request being received and agreed.</p> <p>LBH Principal Education Welfare Officer (Michael Welton), was invited to present to the Forum. The Forum noted the following from the presentation and discussion:</p> <ul style="list-style-type: none"> <li>• The presentation outlined the work of the service, including the intervention and the multi-agency work.</li> <li>• The circulated paper detailed the work of Forum</li> <li>• The service is valued and is seen as a hub of excellence.</li> <li>• If the service was not to be funded a valuable contribution would be lost and the services provided will be harder to replace or replicate.</li> <li>• The service builds on the statutory provision.</li> <li>• Academies are charged for the additional service and maintained schools receive a reduced fee.</li> <li>• Home schooling was discussed and the support this service provides.</li> <li>• The expertise the service provides was discussed, and how schools would either need to employ additional expert staff and where required attend and present at court cases, if called upon.</li> </ul> <p>The Forum debated why an annual plan is not presented, when it could be more effective to present a longer-term strategy that addressed the needs of the service and the schools. The annual request for de-delegation could then be considered against the agreed milestones, which are measurable and the outcomes presented to the Forum.</p> <p>LBH Director of Children's Services (Ann Graham) thanked the Forum for reviewing the valuable work of the Service and agreed that a longer-term plan was required to provide an overview of how the funding was used to support the additional services provided. The Forum noted that the Service is valued and contributes to the wider intervention services.</p> <p><b>RESOLVED: Maintained Primary Schools. Schools Forum representatives agreed to de-delegate funding for Attendance and Welfare Service.</b></p> <p><b>RESOLVED: Maintained Secondary Schools. Schools Forum representatives agreed to de-delegate funding for Attendance and Welfare Service.</b></p> <p><b>AGREED: A three-year plan for the Attendance and Welfare Service should be presented to the Forum at the 11 July 2019.</b></p> <p><b>AGREED: LBH Assistant Director, Schools and Learning (Eveleen Riordan) will bring together representatives of the Forum in developing the three-year plan and volunteers should contact the Assistant Director.</b></p>	<p>Assistant Director</p> <p>Assistant Director</p>
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**MINUTES OF THE SCHOOLS FORUM MEETING  
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<b>7.</b>	<b>WORK PLAN 2018/19</b>	
7.1	<p>The Forum noted the Work Plan and members were asked to email Carolyn Banks and with amendments or any items for consideration.</p> <p><b>AGREED: To add the Attendance and Welfare service three-year plan to the 11 July 2019 agenda and to the Work Plan 2018/19.</b></p>	Clerk
<b>8.</b>	<b>UPDATE FROM WORKING PARTIES</b>	
<b>8.1</b>	<b>THE GROVE UPDATE</b>	
8.1a	<p>The Head of SEN and Disability (Vikki Monk-Myer) provided the verbal update and the following was noted:</p> <ul style="list-style-type: none"> <li>• The refurbishment of the building continues and is on track for the September 19 intake of pupils.</li> <li>• Updates will be provided from the High Needs Block on The Grove in the pre-opening phase.</li> <li>• A separate report will come to the Forum after The Grove has opened.</li> </ul>	
<b>8.2</b>	<b>EARLY YEARS WORKING GROUP</b>	
8.2a	<p>The Chair of the Working Group (Melian Mansfield) provided a verbal update and the Forum noted the group will be discussing the funding challenges and the readiness for school initiatives.</p> <p><b>AGREED: The Forum agreed for Mary Gardener to join the Working Group.</b></p>	
<b>8.3</b>	<b>HIGH NEEDS BLOCK MEETING</b>	
8.3a	The Forum had been provided verbal updates as part of item 6, there were no minutes to review.	
<b>8.4</b>	<b>TUITION SERVICE</b>	
8.4a	The Chair of the Management Committee (Laura Butterfield) invited Patricia Davies to provide a verbal update, and the Forum noted that the service continues to address the challenges of service delivery and searching for suitable premises.	
<b>9.</b>	<b>ANY OTHER URGENT BUSINESS</b>	
9.1	<p>Standing items. The Forum discussed the information received by the Forum and agreed an information only item section could be added.</p> <p><b>AGREED: Information only items agreed are:</b></p> <ul style="list-style-type: none"> <li>• <b>Schools Capital and expenditure.</b></li> <li>• <b>Educational Programme and Grant applications.</b></li> </ul> <p><b>The report will be provided by the LBH Director of Children's Services.</b></p> <p><b>ACTION: The Clerk will add an Information items to the agenda.</b></p>	Clerk
<b>10.</b>	<b>DATES OF FUTURE MEETINGS</b>	
	<ul style="list-style-type: none"> <li>• <b>28 February 2019</b></li> <li>• <b>11 July 2019</b></li> </ul>	
	As there was no further business the meeting closed.	

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<b>Agenda Item</b> <b>6</b>
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<b>Report Status</b>  For information/ note <input checked="" type="checkbox"/> For consultation & views <input type="checkbox"/> For decision <input type="checkbox"/>
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**Report to Haringey Schools Forum – 28 February 2019**

<b>Report Title:</b> The 2019/20 internal audit programme for schools
<b>Author:</b> Head of Audit and Risk Management
<b>Purpose:</b> To advise the Schools Forum of the programme of internal audit work to be undertaken in 2019/20.
<b>Recommendations</b> 1. That the Schools Forum note the planned programme of internal audit work for 2019/20 (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 2019/20**

2.1 Internal Audit will continue with a programme of audit work for schools in 2019/20 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 2019/20 are some schools which received a 'limited', or 'nil', assurance rating 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 at least 4 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 2015/16 to 2018/19. Table 1 below summarises the outcomes for the previous four financial years of all internal audits completed.

**Table 1**

	<b>Number of audits completed/ planned</b>	<b>Substantial Assurance Rating</b>	<b>Limited Assurance Rating</b>	<b>Nil Assurance Rating</b>
<b>2015/16</b>				
Primary Schools (incl. nursery/special)	12	8	4	0
Secondary Schools	1	1	0	0
<b>Sub-total</b>	<b>13</b>	<b>9</b>	<b>4</b>	<b>0</b>
<b>2016/17</b>				
Primary Schools (incl. nursery/special)	21	8	10	3
Secondary Schools	3	2	1	0
<b>Sub-total</b>	<b>24</b>	<b>10</b>	<b>11</b>	<b>3</b>
<b>2017/18</b>				
Primary Schools (incl. nursery/special)	18	8	8	2
Secondary Schools	1	1	0	0
<b>Sub-total</b>	<b>19</b>	<b>9</b>	<b>8</b>	<b>2</b>

<b>2018/19*</b>				
Primary Schools (incl. nursery/special)	<b>13</b>	<b>7</b>	<b>3</b>	<b>0</b>
Secondary Schools	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Sub-total</b>	<b>14</b>	<b>8</b>	<b>3</b>	
<b>Total</b>	<b>70</b>	<b>36</b>	<b>26</b>	<b>5</b>

\* audit programme of work still in progress – at the time of writing three schools programmed for 2018/19 had yet to be visited

3.2 The 2018/19 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 improved on recent years. This may just be that the cycle this year has covered schools receiving more positive outcome in previous years so there is no cause for schools to be complacent at this stage

#### **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. The Council's Corporate Committee also requested action be taken to address the situation. We have also seen a reduction in the level of outstanding recommendation during follow up visits.

#### **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 in March 2019 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 that Internal Audit are aware of. 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](mailto:jerry.barton@mazars.co.uk).

**6. Recommendations**

- 6.1 That the Schools Forum note the planned programme of audit work for 2019/20 (Appendix A) and the initial feedback on outcomes following audit work completed in 2018/19.

**Internal Audit – Schools Audit Programme 2019/20**

		<b>Last Audit Date</b>
	<b>Primary Schools</b>	
1	Coleridge Primary	June 15
2	Lee Valley Primary	Oct 15
3	Lordship Lane Primary	Oct 16
4	Muswell Hill Primary	Dec15
5	Seven Sisters Primary	July 16
6	St Aidan's Primary	June 16
7	St John Vianney Primary	Oct 16
8	St Mary's RC Primary	Oct 15
9	St Michaels CE Primary	May 16
10	Weston Park Primary	Oct 17
	<b>Junior Schools</b>	
11	St Gilda's Junior	Nov 15
	<b>Infant Schools</b>	
12	Belmont Infants	Jun 15
	<b>Secondary Schools</b>	
13	Gladesmore Secondary	Dec 15
14	Highgate Wood Secondary	Nov 16
	<b>Nursery Schools</b>	
15	Pembury	
	<b>Special Schools</b>	
16	The Vale Special	Sep 16
17	The Brook at Broadwater Special	May 17
18	Blanche Neville Special	Oct 16

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**Agenda Item  
7****Report Status**

For information/ note ☒  
For consultation & views ☐  
For decision ☐

**Report to Haringey Schools Forum – 28 February 2019**

**Report Title:** Early Help Update February 2019

**Author:** Jennifer Sergeant - Head of Targeted Response and Youth Justice

**Purpose:**  
To update Schools Forum on Early Help Preventative Services.





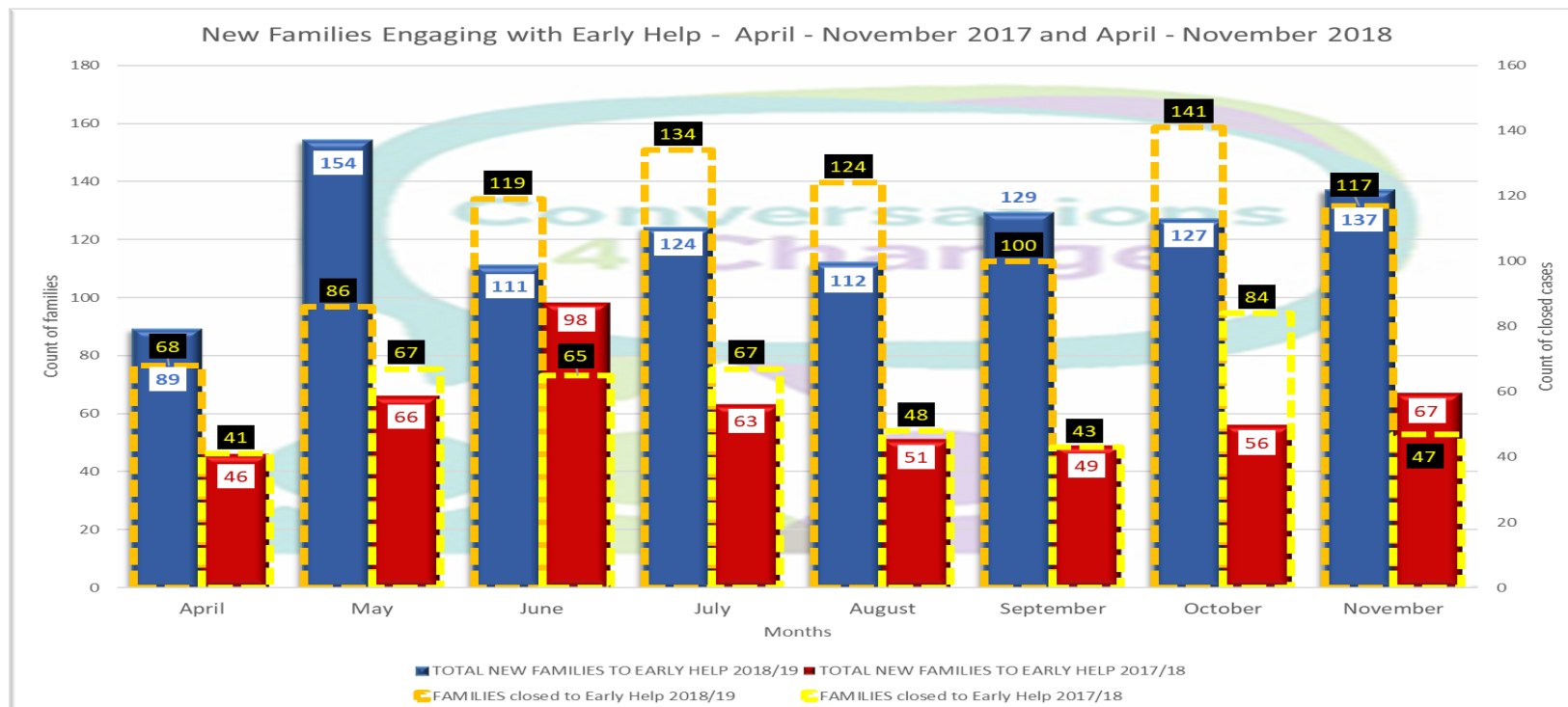
# Schools Forum

Early Help

Update

February 2019

# Early Help – November 2018 Update



## Monthly comparison 2017 - 2018

	April	May	June	July	August	September	October	November	Total Increase
Increases in no. of families requesting a service	93.48%	133.33%	13.27%	96.83%	119.61%	163.27%	126.79%	104.48%	98.00%

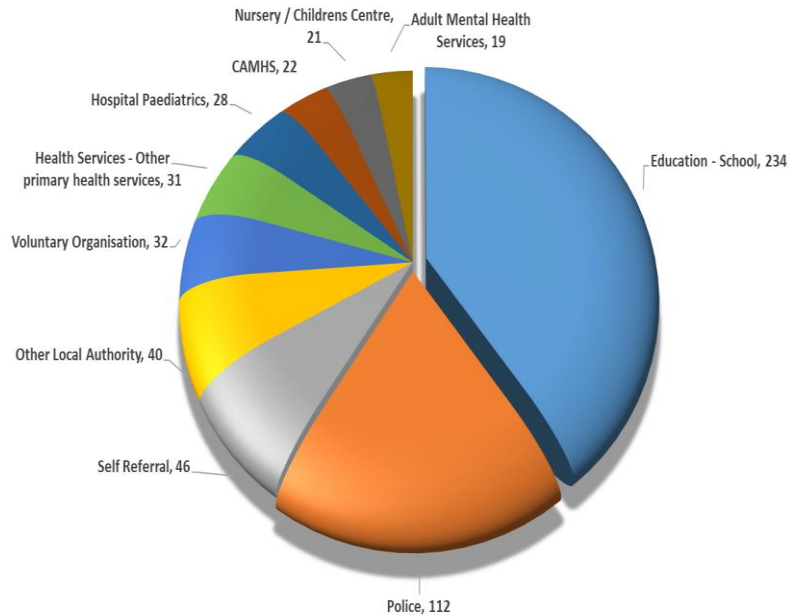
A total of 496 Families requested an Early Help service between April and Nov 2017, compared to 983 families between April and Nov 2018. This represents a rise of 98.18%.

May 2018 witnessed the greatest number of families requesting an Early Help Service (154).

# Source of Contact

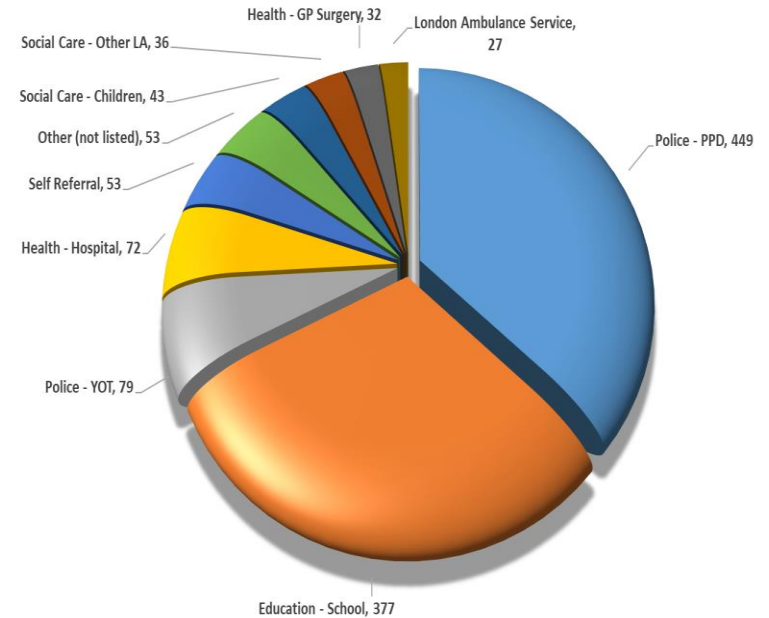
**April – Nov (2017)**

Top 10 'Sources' for requests for service from the Early Help Service - April - November 2018



**April – Nov (2018)**

Top 10 'Sources' for requests for service from the Early Help Service - April - November 2018



Outcome	April - Nov 2017	April - Nov 2018	Percentage Increase/decrease	Movement
Police	112	552	392.86%	↑
Schools	234	377	61.11%	↑

# Early Help

## Strategic Direction

### 2019/20

## Context

- OFSTED Inspection 2014, JTAI 2017, ILACS 2018
- Increasing demand for Locality Early Help Teams
- Recognising contributions of Stakeholder organisations delivering Early Help Partnership

# Early Help Strategy

- Development of a new EH Strategy/delivery plan
- Developed with and owned by partners (schools, Early Years, health, job centre plus, Police etc)
- Outcomes focused
- Whole system approach
- Identifies what works and what hasn't worked
- Aligned with the Borough Plan and Young People at Risk Strategy

# Next Steps

- Impact Assessment of 2015-18 Early Help delivery –
- Workforce Consultation and Feedback
- Feedback from Children and Families
- Communicating the case for change
- Stakeholders contribution and agreement to key shared priorities and outcomes

# Approach

- Schools Forum agree the approach that Secondary and Primary Heads, and Governors consider their representation for participation in strategy development during spring/Summer Terms in 2018/19





## Agenda Item 8

### Report Status

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

### Commissioning

### Report to Haringey Schools Forum – 28<sup>th</sup> February 2019

**Report Title:** Early Years Block Funding 2019-20

**Author:** Ngozi Anuforo, Head of Strategic Commissioning, Early Help & Culture

Contact: 0208 489 4681 Email: [Ngozi.anuforo@haringey.gov.uk](mailto:Ngozi.anuforo@haringey.gov.uk)

**Report**

**reviewed by:** Muhammad Ali – Principal Accountants Schools - DSG

**Purpose:** To provide Schools Forum members with an overview of the 2019-20 budget proposals for the Early Years Block

**Recommendations:**

1. That Schools Forum notes the indicative funding for the Early Years Block in 2019-20, set out at 2.2.
2. That Schools Forum agrees the proposed allocation of the Early Years Block for 2019-20 as set out in section 3.0 of this report.
3. That Schools Forum notes and agrees the proposed budget allocation for centrally retained funds for 2019-20 as set out in 3.4.2 and Appendices 3 and 4 of this report.
4. That Schools Forum notes the challenges and priority actions for 2019-20.

1. **Introduction**

- 1.1 This paper provides Schools Forum with an overview of proposals for the use of the Early Years Block (EYB), contained within Haringey's Dedicated Schools Grant (DSG) allocation for 2019-20.
- 1.2 This paper comes at a time where there is much to celebrate about early years in Haringey. The attainment of children at the end of the early years foundation stage is improving, early indications from the Universal Healthy Child Programme are that, through the mandated developmental checks being carried out universally at 2-2.5 years, we are beginning to identify and respond to children's needs earlier. In addition to this, we are seeing a positive impact on those children accessing the free early education places for two-year olds. Improving outcomes for children in the early years is integral to Haringey Council's Borough Plan and therefore we need to make sure that we are getting core elements, such as the early education offer for children in the borough right. This is the focus of this paper.
- 1.3 It is a requirement of the School and Early Years Finance Regulations that the Schools Forum agrees proposals for the use of Early Years DSG centrally retained budgets.
- 1.4 There is little change anticipated to the national picture for early education funding for 2019-20. **Appendix 1** sets out the main elements of the early years DSG block. The embedding of the early years national funding formula continues, alongside an expectation that local authorities work to ensure the provision of a diverse offer across the funded early education landscape.

2. **Early Years Block Funding: 2019-20**

- 2.1 The Department for Education (DfE) has notified Haringey Council of its early years block funding allocations for 2019-20. It should be noted that these were indicative allocations and final allocations for financial years will be confirmed by DfE in the August of the subsequent financial years.
- 2.2 The total amount of funding within this block is determined by two elements, set out below.

The elements in **2019-20** are:

- The Full Time Equivalent (FTE) number of *three- and four-year olds* recorded in the January censuses multiplied by £5,345.46. Haringey's hourly funded rate is **£5.66**.
- The Full Time Equivalent (FTE) number of *two years olds* recorded in the January censuses funded by DfE at **£5.66** per hour.
- Both the January census preceding the start of the financial year and the January census during the financial year are used to determine the DSG, with any resulting adjustments being made to the allocation.

**Table 2:** Haringey's Indicative DSG Early Years Block Allocation for 2019-20

Funding Stream	Initial 2019-20 Early Years Block Allocation (£m)	Change from 2018-19 (+/-)
3 & 4 YO Universal Free Entitlement (15hr)	12.558	—
3 & 4 YO Extended Free Entitlement (Additional 15hrs)	3.551	—
2YO Offer	2.745	—
Early Years Pupil Premium	0.131	—
Disability Access Fund	0.060	—
Maintained Nursery Schools	1.236	-1.2%
<b>TOTAL</b>	<b>20.282</b>	

**Appendix 2** sets out the budget breakdown for the initial allocations 2019-20.

## 2.3 The Two-Year-Old Offer

- 2.3.1 The allocation of funding within the Early Years Block of DSG for the 2-year-old offer is determined by the January headcount figures collected via the census and to that end, do not accurately reflect the

actual numbers of 2-year-old children accessing a 2-year-old place across each academic year.

- 2.3.2 Estimates provided by the DfE/DWP are a broad indication of the numbers of potentially eligible children in the borough and do not have a bearing on the allocation of funding provided to the Council to provide the offer. The table below shows the changing profile for potentially eligible numbers of children since the introduction of this statutory entitlement.

**Table1:** Haringey's changing eligibility profile since 2013.

Academic year	DfE/DWP Estimate for potentially eligible children
2013-14	891
2014-15	1790
2015-16	1710
2016-17	1620
2017-18	1500
2018-19	1432

- 2.3.3 The average number of children taking up a two-year-old place across each term of the 2018-19 academic year is **850**.

## 2.4 Maintained Nursery Schools

This funding is provided to redress the gap in funding created by the fact that MNS settings are funded solely through the EYSFF and do not receive a school budget share, covering many of their core costs, on the same basis as maintained primary or secondary schools. We are awaiting clarity on the Government's policy position on the future funding of Maintained Nursery Schools (MNS). The current provision of sustainability funding for MNS has been confirmed until 2019-20. It is not yet known whether further funding will be provided within the early years DSG block beyond next financial year.

## 2.5 Early Years DSG Reserves 2018-19

The January 2019 funding report to Schools Forum detailed brought forward DSG reserves balances, at the beginning of the 2018-19 financial year, for the early years and schools blocks. The paper also set out that the forecast DSG position at the end of the 2018-19 financial year was a significant deficit balance, which would need to be reduced using any remaining DSG reserves. For the purpose of this report, it is acknowledged that for 2019-20 onwards, DSG reserves

will no longer be available to supplement the early years block allocation. As we move into a new financial year, this will introduce some limitations to how flexibly challenges to the delivery of the early education offer can be tackled in the short term.

### 3. The Proposed Application of Early Years Block Funding: 2019-20.

3.1 For 2019-20, the funding allocations within DSG the early years block remain at the same level as 2018-19. It is therefore proposed that the current early years funding formula remains unchanged. Based on this, the elements of the formula to be maintained in 2019-20 are as follows:

#### 3.2 Universal hourly base funding rate for the 3- and 4-year Free Entitlement

The table below shows how the current minimum universal base rate for Haringey has been derived from the DfE's allocation to the Council:

**Table 3. Minimum Universal Base Rate for Haringey 2019-20**

	<u>£/hr</u>
LA hourly funding rate 2019-20 (£/h)	5.66
Less: LA centrally retained funding (5%)	(0.29)
	<hr/>
	5.37
	<hr/>
Less: Supplements	(0.38)
	<hr/>
Minimum universal base rate	<b><u>4.99</u></b>

3.3 The amount available for supplements is used to create a deprivation supplement funding pot and to create a Quality supplement pot (**£76k**) based on a System Leadership approach.

#### 3.4 Centrally Retained Early Years Block Funding: 2019-20

3.4.1 Local Authorities are required to pass through 95% of all funding for three – and four-year olds received in the Early Years Block of our Dedicated Schools Grant (DSG) directly to settings. This means that the amount of DSG the Council can retain centrally funding will be £0.823m in 2019/2020.

### 3.4.2 **Table 4:** Profile of centrally retained DSG funding 2019-20

Statutory and other functions	Centrally Held 2019-20
	(£)
EY Quality Statutory Moderation and Advisory Service	441,300
Early Education Sufficiency and Administration	228,364
<sup>1</sup> Corporate Overheads	16,800
<sup>2</sup> TU Representation	18,000
Contingency for Pupil Place Funding Pressure	118,384
	<b>822,848</b>

3.4.3 It is proposed that the contribution of centrally retained DSG funds towards the cost of the Haringey's Early Years Quality (EYQ) and Early Help Commissioning teams remain unchanged for 2019-20. Current levels of funding ensure that there are adequate resources in place to fulfil our statutory responsibilities around the administration and deployment of early education funding. In addition, they support our continued drive to improve the quality of settings offering the free entitlement. A modest contingency is maintained to enable some capacity within the overall budget envelop to manage fluctuations in funding.

This profiled centrally retained budget is in the context of the EYQ team trading with the *Haringey Education Partnership (HEP)* and potentially others to generate additional income to meet their costs. The team has ambitious income target to achieve and therefore it is anticipated that there will continue to be challenges in 2019-20 for how the income targets required to sustain the team are met.

Descriptions and details of the centrally retained elements relating to staff and resources are set out in detail at **Appendix 3 and 4**.

## 4. **Early Years Budget Challenges 2019-20**

### 4.1 **Funding a free school meal for eligible nursery class children.**

The statutory guidance for the delivery of funded early education sets out a requirement on local authorities to provide some 3 and 4-year-old children with a free school meal if they attend a school nursery class across the lunchtime and have parents who are in receipt of certain

<sup>1</sup> This is a contribution to corporate overheads costs for central functions such as Finance, IT, HR, Communications, Property Management and Procurement.

<sup>2</sup> Amount unchanged from 2018-19 levels.

benefits. The early years block contains no specific provision for the Council to meet this obligation and therefore there is a need to undertake some further work with schools in the borough to determine the scale of the demand and likely cost. We will then be in a better position to identify how this requirement might be met within the resources currently available to fund early education.

**Planned action:**

We will carry out a survey of schools in early 2019 to establish the picture of potential demand, understand how need is being met now and agree the scale of the issue. As part of this work, we will explore links to the draw down and utility of Early Years Pupil Premium.

**4.2 Developing an approach to sustaining two-year-old places at the £5.66 funded rate.**

The rate of funding received by the Council from DfE for 2-year-old places is £5.66 per hour. This has been supplemented in recent years to £6 per hour from DSG reserves, which are no longer available. In February 2017, therefore, a decision was made by the Council to restore the £5.66 per hour funding rate from April 2019, matching the rate of funding received by the Council from DfE. This will ensure that the continued delivery of the 2-year-old offer in the borough can be sustained within the funding envelope allocated by the DfE. Implementing this change presents a significant risk to the sufficiency of places across the borough due to the new funding rate being potentially lower than the levels that providers feel is necessary for them to continue delivering the offer.

**Planned action:** Reduce the current £6.00 per hour provider funding rate for 2019-20 to the LA funded rate of £5.66 and initiate project to work with the sector to re-design the service offer for some providers – March to October 2019. The emerging findings from the current Childcare Sufficiency Assessment exercise suggests that some providers will be unaffected by the change (25%). This allows us to focus our efforts at those most affected and support those who may require targeted business support in order to manage a transition to the new rate from April 2019. Two major priorities for the continued delivery of the statutory 2-year-old free entitlement will be to ensure that we are able to manage the transition from Haringey's current funding rate levels to the rate at which the Council is funded and to safeguard the sufficiency of 2-year-old places from April 2019.

**4.3 Re-provisioning the deprivation supplement.**

In 2019, we will explore the implementation of a new approach to allocating the deprivation supplement as part of the provider funding arrangements. The calculation of the appropriate levels of deprivation supplement could be automated and made via the upgraded provider portal. Funding would be automatically attributed to a child's postcode and processed via the data system. This would enable a more targeted deployment of resources and ensure funding is linked more directly to each child. In addition to this, the data information collated through this mechanism would allow the more detailed identification of where need is located across the borough.

**Planned action:**

We will carry out an exercise to model impact of the changes on provider allocations and consult with providers in February/March 2019.

**5. Other key activities for 2019-20**

**5.1 Understanding Impact and Sufficiency of the Early Education offer**

A review of the impact of the offer in Haringey has been carried out as, part of the Childcare Sufficiency Assessment (CSA) update. As part of this exercise we have sought to:

- Understand the impact of the new offer on the early years landscape in Haringey.
- Understand how the new early years funding formula is working and its effect on providers in the borough.
- Gain an initial a view of parents and carers as to the benefits and disadvantages of the offer, as well as learn more about any emerging barriers to access.

We are expecting the CSA findings to provide us with some rich feedback on the provision of free early education and childcare in Haringey and hope to draw on this information to develop a robust action plan for the period 2019 to 2022.

**5.2 Maximising EY DSG Grant Income**

A priority for 2019-20 will continue to be ensuring that the Council, early years providers and partner agencies are working together to ensure that children are able to access their entitlement wherever they live in Haringey and whatever their needs may be. Alongside this, we are under a clear obligation to maximise the financial resources coming into the borough for the benefit of children and families. Actions to ensure this happens include:



- Improving census process and rigour – data submission/targeted campaign and updated provider contracts
- Raising awareness and understanding across the sector about the importance of the census and its relationship to the Council's funding allocation for early years education.
- Maximising take up – targeted brokerage and outreach, sufficiency, business support

## **6. The Strategic Context for the Early Years in Haringey**

6.1 Whilst outcomes for our youngest children are improving, we are very aware that there are still children who are not progressing as well as they could or having the opportunities to flourish in their earliest years.

6.2 To this end, work is being undertaken to develop an integrated strategic approach for early years in Haringey, which will embed our early education offer alongside other key service offers such as health visiting, midwifery and parenting support. It is hoped that the strategy will provide a strong, partnership framework through which all those involved with children and families in the early years, can work much more collaboratively to achieve some key priorities for change. Our emerging integrated early years strategy takes a holistic view of the child and family, considering how strengthened partnerships and joint working across the early years system can contribute to delivering better outcomes for our most vulnerable and disadvantaged children.

6.3 Within the strategy, our proposed approach to delivering early education in Haringey will seek to address the following key strategic priorities from 2019-2023:

- Sustain the 2-year-old offer from 2019 onwards and developing options for strengthened pathways and support for disadvantaged 2-year-old children
- Improve the skills and knowledge of practitioners to identify and support children with SEND and behavioural support needs
- Improve access to a good speech and language offer
- Champion the importance of play in young children's development
- Improve <sup>3</sup>'school readiness' for all children and families

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<sup>3</sup> Work is being undertaken to define what "School Readiness" means in Haringey. Initial considerations have provided the following. *'Communities, families and schools will work together to ensure children have the best start in life. Children will thrive in nurturing and safe environments where they will become confident and effective communicators. They will be physically healthy, emotionally secure, socially competent and empowered to learn. Schools will adapt to the diverse needs of all children and families and will be child friendly, safe and caring. Families will be supported to provide a positive attitude to education, learning and the transition from home to school.'*

- Re-shape the brokerage offer to improve access to early education by targeted communities, vulnerable children and children with SEND
- Expand SEN early support places where needed, North Tottenham & Wood Green.
- Strengthen the availability, quality and sustainability of free early education – childcare sufficiency action plan and strong market management.
- Embed a setting-to-setting support model for quality improvement
- Facilitate increased partnership working and joined -up place planning across early years providers.

6.4 The deployment of the early years block within Haringey's overall DSG determines how effectively the Council is able to meet its statutory obligations for the provision of funded early education for 2, 3- and 4-year olds. It also serves as one of the central pillars within our broader strategic approach to improving the outcomes for all young children in the borough.

6.5 Whilst driving improvements in the outcomes for all children, particularly the most disadvantaged in our community, remains a key ambition for Haringey Council and its partners, it also remains the case that pressures on financial resources across the entire public sector landscape, including the education funding sphere, continue unabated. The proposals in this paper are very much about how we make the best of the resources available and reflect, to some degree, limitations in what we are able to achieve. The grant allocations that make up the early years block will remain largely unchanged from 2018-19 levels for the new financial year. Whilst this enables us to make some predictions about what we are likely to spend, it is very clear, when we try to match allocations to some of our wider ambitions, that the current funding arrangements do not allow us to deploy resources as flexibly as we might wish in some areas.

6.6 Despite this context, we remain ambitious and place emphasis on the provision of high-quality education and childcare in the early years as a key mechanism for change. During 2019-20, we will continue to focus our efforts on driving improvements in the quality of the early education provision, as well as children's attainment at the end of the foundation stage. We will be working with the sector, as a whole, to develop an environment where good quality, flexible and accessible early education provision can be sustained and thrive.

## Appendix 1

### Early Years DSG – the statutory elements.

1.1 Following a number of revisions, the latest statutory guidance makes clear the key obligations on the local authority regarding the use of DSG funding for the provision of free early education. These include:

- The implementation of an early years funding formula
- Universal base rate for all – set by the LA
- Deprivation supplement (3 and 4-year-old free entitlement)
- The establishment of a SEND Inclusion fund to support 3- and 4-year olds accessing the free entitlement
- The maintenance of a 95% pass through rate for LAs
- The provision of a free school meals for children registered as pupils in maintained school nurseries, who are there before, and after lunch, and whose parents are in receipt of specific benefits.

1.2 The Early Years Block is provided by the Education Funding Agency, in order for the Council to meet its statutory obligations under the Childcare Act 2006 ,and subsequent legislation, in the provision of the following:

- A 15 hour per week free early education entitlement for all three and four-year-old children
- A 30 hour per week free early education entitlement for eligible three and four-year olds
- A 15 hour per week free early education entitlement for eligible two-year olds
- The Early Years Pupil Premium
- An Early Years Inclusion Fund for three and four-year-old children
- A Disability Access Fund
- Financial support for Maintained Nursery Schools

### 1.3 The 30-hour offer for three- and four-year olds

The impact of the 30-hour free early education offer is of interest to central government and has recently been considered by the Education Select Committee as part of a review of how disadvantage could be tackled in the early years.

<https://publications.parliament.uk/pa/cm201719/cmselect/cmeduc/1006/1006.pdf>

It remains to be seen if any changes to the current arrangements will be made but eligibility for the current 30 hour offer remains as follows:

Eligible families can access up to a maximum of 15 hours per week/570 hours per year, in addition to the existing universal 15 hours of free early education.

Eligibility will include households where:

- Both parents are working
- One parent is working in lone parent family
- Parental earning is equivalent to 16 hours a week on National Minimum Wage (currently £107 per week, including those receiving tax credits or Universal Credit) up to a maximum earning limit of £100K for per parent
- One/both parent/s is away from work on leave (parental, maternal etc.)
- One/both parent/s receiving Statutory Sick Pay
- Working – employed or self employed
- Zero-hour contracts – calculated on average earnings

#### 1.4 The Two-Year-Old Offer

Local authorities have a statutory duty to provide 15 hours per week of free early education for all eligible two-year olds. Eligibility is limited to those children who meet the following criteria:

- Children whose parents would be eligible to claim for Free School Meals (FSM)
- Looked After Children (LAC)
- Families receiving Working Tax Credits and have annual gross earnings of no more than £16,190 a year
- Children receiving a current statement of Special Educational Needs or an education, health and care plan
- Children attracting Disability Living Allowance
- Children leaving care through special guardianship or through an adoption or residence order

#### 1.5 SEND in the Early Years

All local authorities are required to maintain an *Early Years Inclusion Fund* to support 3 and 4-year old children, with special educational needs below the threshold for Education, Health and Care Plans (EHCPs), to access their free entitlement. In Haringey, the Early Years Inclusion Fund is provided via an allocation from the High Needs block. The statutory guidance allows this fund to be provided from either the high needs block or the early years block.

## Appendix 2

**2019-20 Early Years DSG Budget Breakdown**

<b>BUDGET AREA</b>	<b>£</b>
EYSFF (3 and 4 YO)	11,470,349
Children's Centres 3-4 yr olds places	540,000
EYSFF (3 and 4 YO Extended Offer)	3,551,370
Disabled Access Fund	60,000
MNS sustainability fund	1,249,000
EYSFF (2 YO)	2,430,000
EY Pupil Premium	158,000
Quality & Improvement	441,300
EYSFF Administration	228,364
Other Schools Block	16,800
TU Representation	18,000
Contingency	118,384
<b>Total Allocation for the year 19-20</b>	<b>20,281,567</b>

**EY Quality Improvement Element of Centrally Held Funding****Cost Element**

Advisory Teachers x 4.8 &amp; Moderation

**£**

73,730

267,643

**Total**

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441,373

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This allocation of funding supports the delivery of the 3 and 4 free entitlements and enables support and intervention for targeted schools and settings to ensure the sufficiency of good and outstanding provision and enabling greater provider participation. The funding will enable support and intervention for targeted schools, private, voluntary, independent (PVI) and childminder settings. The team also moderate the Early Years Foundation Stage Profile (EYSFP) to secure standards across the early years sector. We currently have 239 childminders, 80 PVI providers, 3 nursery schools and over 60 schools offering early education. Through targeted support, challenge and a comprehensive training programme the Early Years Team work with all childcare providers to support raising standards, narrowing gaps and ensuring the highest quality practice for our children and families. The rapid improvement of Ofsted results and the Good Level of Development show the proven record of success of the team.

## Appendix 4

## Centrally Retained Funding 2019-20

## Breakdown of Key Budget Elements

### EH Commissioning Element of Centrally Held Funding

<u>Cost Element</u>	<u>£</u>
Funding Manager	47,815
Brokerage Officer	21,628
Free Entitlement Administrator	32,869
Sufficiency Officer	36,052
Business Development (Commissioned support)	25,000
Database (Systems support, licenses, upgrades, maintenance)	50,000
Marketing & Outreach	15,000
<b>Total</b>	<b><u>228,364</u></b>

The functions required for the delivery of the universal and extended 3 & 4-year-old free entitlement offers include regular data collection, collation and financial reconciliation through the management of the census process, monitoring and reporting on take-up, the routine processing and allocation of funding; including the setup of new providers in the borough. Additional functions include statutory requirements such regular audits, acting to remove funding where providers become inadequate and supporting children and families to access alternative provision in light of a withdrawal of funding. Work has been undertaken to streamline and automate our processes, moving much of the information submission, application and eligibility checking to on-line systems.

The processing of separately funded streams such as the 2-year-old programme, Early Years Pupil Premium, Disability Access Fund and SEN Inclusion funding means that there is a significant amount of administration undertaken by the Council. This allocation of DSG funding ensures the staffing resources required are in place to ensure our statutory processing and payment obligations can be met. In addition to this, there is a contribution towards the costs of the capacity we need in order for the council is able to continue meet its duties, under the Childcare Act 2006; with the provision of business development support across all types of provision offering or wishing to offer the free entitlement and the brokerage function in order to maximise access and take-up of all types of free entitlement because of the positive benefit for children, particularly our most vulnerable and disadvantaged and also because of the impact this will have on levels of resources coming into the borough.

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## Agenda Item 9

### Report Status

For information/note x  
For consultation & views  
For decision

### Report to Haringey Schools Forum – 28<sup>nd</sup> February 2019

**Report Title: High Needs Block Budget Allocation 2019/20 and outturn 2018/19**

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

The purpose of this paper is to:

Set out the proposed budget for the High Needs Block 2019/20

Report on the forecast outturn position for the High Needs Block across Mainstream Schools Special Schools, Alternative Provision and Hospital Provision 0-25 years 2018/19

#### **Recommendations:**

1. To note the budget position for 2018/19, the pressures and agreed actions taken to mitigate the pressures.
2. To agree the budget proposals for 2019/20

## 1.0 Introduction

1.1 The purpose of this paper is to report on the outturn of the High Needs Block (HNB) budget for 2018/19, highlighting the significant pressures and proposed mitigating actions.

1.2 The HNB has been under pressure since its inception in 2013. The purpose of the budget is to provide financial support for children with Special Education Needs and Disabilities (SEND).

1.3 The budget for 2018/2019 and 2019/20 is as follows:

	DSG Budget 2019/2020	DSG Budget 2018/2019	Difference in year budget
	£	£	£
Budget pre top slice	36.049	35.446	0.603
Budget post top slice	33.553	33.490	0.063
SEND recoupment for academies	2.496	1.956	

Overall, the budget is marginally higher for 2019/20 despite a larger top slice for school places. The available difference is only £63k however, which makes the impact of any invest to save work more crucial to the success of avoiding further increasing costs.

1.4 Despite additional funding of £625k in 2019/20, the significant pressures continue on the special schools places, particularly in Out Borough and Independent Schools, and in the growing demand for education support post 16 due to the increased age range.

1.5 The proposed budget for 2019/20 allocates sufficient resources within special schools and specialist provision to meet needs, allocates adequate resources to cover mainstream school needs, including increasing numbers of children with Education Health and Care Plans (EHCP). This means that remaining funding is spread over the out borough and independent school lines. This result in a significantly reduced budget on each of these two lines, however, these budget lines are where the activity around cost saving or cost avoidance measures will be seen.

- 1.6 The proposed budget holds back the money received from the 0.25% (£490k) transfer from the schools block, to create an exceptional needs fund which can be accessed by schools for children with an EHCP. Further work needs to be done between the schools and LA to establish a mechanism to support the implementation of this fund.
- 1.7 To date, the overall strategy is to use local school and college places to the maximum and start to encourage children to remain locally for their education at key transition points e.g. reception, secondary and post 11 transfer. To do this the borough has worked closely with local special schools to re-designate or design school offers which meet needs and are attractive to families

## **2.0 Actions Completed in 2018/19 to reduce pressure on budgets**

- 2.1 Riverside School has changed its age range to extend to 19 years to include a 'Learning Centre' for those young people who are hard to place or with complex needs.  
Haringey 6<sup>th</sup> form has increased its high needs place funding to 70 places from 55 with an increased number of courses at level 1 to offer progression and meet needs.  
The Grove School for children with Autism has opened with 10 places in addition to the 42 places at Heartlands Unit (total 52), overall this will increase to 65 places for Sept 2019  
The Harrington's Scheme (post 19) has increased its places to 42 from 28 in 2017/18.
- 2.2 We are aiming to bring 8 students locally at year 6 transfer and year 11 transfer into the new post 16 settings in 2019. This is a budget impact of £250k which is the difference between the school place costs in an independent setting and a local cost. We know that there is always need emerging throughout the year for new school places so we have assumed that the only new places will be high cost learners e.g. residential. We know that there are students likely to choose to go to out of borough where the college top ups can be higher or a 4-day week is offered. By offering a 5-day week in-borough and extending the age range of the settings we can avoid increased costs.
- 2.3 The current school leaving cohort are all in independent settings at 25 years at an average top up of £36k for 13 young people and one at £104k with a total cost £572k. This is the largest leavers' cohort who have remained in education. Two are attending an internship due to finish this year.
- 2.4 It is therefore reasonable to expect the out of borough and independent settings budget spend to start to decrease significantly over the next 3 to 5 years, as approximately £822k (£250k plus £572k) can be achieved this year due to natural impact of strategies.

2.5 Haringey has previously had a contract with the Royal National Institute for the Blind to provide in borough services to support children in schools who are blind or have visual impairment. This contract has ceased and the service is being insourced. This has resulted in a cost saving of £20k to the high needs block

### 3.0 Budget Allocation 2018/19

3.1 The High Needs Block is predicted to close year end 2019 with an overspend of £3.9 million

3.2 Contributing factor to the overspend have been covered in previous reports but included:

- A lower than expected budget allocation of £1.5 million due to import and export differences following the change in management of a setting to another borough
- Continuing rising demand on post 16 resources
- Increasing numbers of children with EHCP's of whom some require special school places

3.3 There was also increased demand on the budget, as a result of factors which long term we anticipate will reduce spend:

- Early opening of The Grove Special School, which offered much needed special school places
- Increased overall special school places to meet complex needs
- Uplift of the mainstream top up by 2% as the low top up rate appeared to be contributing to rising special school places needed

### 4.0 Budget Allocation 2019/20

4.1 The high needs block allocation budget set for 19/20 is £33.53 million **however £38.32 is actually required to meet the current statutory duties delivered to in the high needs block, and therefore an anticipated overspend of £4.7 million could be expected**, should the current spending patterns continue. It is therefore essential that the budget recovery strategy for high needs block begins to deliver on results.

4.2 It is anticipated that the key pressures will remain the same:

- a) Significant yearly increases in the children who require and Educational Health and Care Plan as a result of the increased age range (0-25 years)
- b) Increased use of special school places with more costly packages for children with increasingly complex needs.
- c) Increased school top ups for children in mainstream schools.
- d) Increased costs for children to whom we have a new duty (hospital admission).

- e) A rise in need for residential therapeutic places linked to those with mental health needs associated with Social Emotional Mental Health/Autism.
- f) Increasing use of independent school places with increased transport costs due to lack of local capacity.
- g) High cost residential places for young people over 18 years

## 5.0 Proposed Budget 2019/20

5.1 As a result of the above budget changes, base budget levels have had to be changed to manage the reduction. The budget changes are out lined below:

As can be seen from the table in the appendix there are a number of key changes in the following areas:

E41260 Independent & Voluntary School line has been reduced to reflect the fact that there is increasing sufficiency in the local area.

E41283 Special Schools Top Up has been increased due to increased places.

E41284 Mainstream Schools Top Up has been increased due to the increased teaching assistant rates

E41285 Special Units Top Up has been reduced due to the closure of the Heartlands unit and opening of The Grove, which has moved the Heartlands places to the special schools line.

E41286 Higher Education Top Up has been reduced due to local provision offering better value for money.

5.2 In borough Provision – Increased local capacity.

Special Schools places have increased to meet current need. Increased capacity across the borough ensures that we can meet needs locally

Setting	Places 2015	Places 2019
The Vale	99	106
Blanche Nevile	70	68
The Brook	100	108
Riverside (Including Learning Centre)	120	140
The Grove	42 (was Heartlands)	65
Haringey 6 <sup>th</sup> form	55	70 (Entry and Foundation)
Mulberry	18	18
West Green	8	8
Total	512	583

- Special School top ups including Haringey 6<sup>th</sup> form have been increased to keep pace with the Teaching Assistant uplift given to mainstream schools

5.3 There were small increases in budgets for the following settings:

- Tuition Centre to support a more viable structure
- Mainstream schools support was uplifted by 2% (£490k) and is included in next year's budget.

5.4 Budgets were reduced in:

- Out borough and independent
- Out Borough Post 16 top up support

This is because with increased capacity we should be able to meet the majority of children's needs locally and prevent the growth in the use of independent and out borough places. E.g. In 2017-2018 we had 111 independent and out borough commissioned places, in 2018-2019 we had 130 independent and out borough school places.

## **6.0 Budget Recovery Actions 2019/20**

1) Two contracts are under review: Enhance EHCP support writer and Speech and language therapy.

2) Independent and Voluntary maintained schools:

The independent school places are used when there is no capacity in local or neighbouring special school places. This increased from 89 to 111 places needed in 2017-2018 and to 130 in 2018-2019.

The SEN Commissioning detailed place planning review, has assisted in more detailed work on year groups and types of school places needed. Work will continue in 2019-2020 in value for money of these places.

3) Higher education top up

There is an increasing number of young people staying on in education post 16. This is the areas of greatest growth due to increased numbers. SEND are working with young people who may be repeating education experiences to move out of education into supported employment (new services commissioned from Harrington's Scheme, My AFK and Mencap)

4) Pre-Educational Health and Care Plan funding

Establish pre EHCP funding as a prevention of escalation or resolution of short term SEND and reduce the need for high cost placements due to behaviour needs e.g. low level SEND with highly challenging behaviour

5) Exploration of commissioned behavioural approaches to reduce the need for high cost placements due to behaviour needs e.g. Complex Learning, Disabilities and Autism and highly challenging behaviour.

6) Alternative Provisions

Alternative Provisions review to outline the best use of high needs funding for young people with Social Emotional and Mental Health (SEMH) and as part of this review and define the Tuition Centre and The Octagon's core offer as part of the Alternative Provisions review.

7) SEND capital grant

There has also been an announcement of an increased capital funding to meet the needs of children with SEND, which can be used for both school places and provision to enhance accessibility for children/young people with SEND. Haringey is consulting with schools and parents, and reviewing our local premises with the view to:

- Developing the offer for children who are more able academically with Autism or SEMH
- Ensuring nurseries can meet children's complex needs
- Ensuring respite provision is properly accessible
- Ensuring that Haringey's 'Universal Offer' has the necessary accessibility to meet needs e.g. local leisure opportunities

## **Conclusion**

The High Needs Block continues to be under significant pressure in 2019/20, however the forecast overspend is expected to be reduced this year as a result of proposed mitigating actions, which are currently work in progress where detailed mitigating actions are being developed.

Vikki Monk-Meyer  
HoS February 2019

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P10			2019/20		
Cost Centre Description	Revised budget 18/19	Budget Outturn	Budget set	Budget Required	comments
<b>Highneeds Block</b>					
E41234 Alternative Prov Commissioning	1,197,000	1,200,900	1,200,700	1,200,700	
E41235 In Year Fair Access Panel	338,000	338,900	338,900	338,900	
E41252 Parent Partnership (Markfield)	98,900	98,900	96,000	96,000	
E41239 Visual Impairment	177,000	199,000	177,000	177,000	Reviewed contract and insourced
E41240 SEN Strategy Manager	110,000	110,000	110,000	110,000	
E41241 Language Support Team	0	0	closed	closed	
E41243 SEN - Admin Team	182,500	186,200	182,500	182,500	
E41246 SEN Portage Service	160,000	208,429	206,000	206,000	Staff team needed to meet demand
E41247 Hearing Impairment Team	162,700	158,400	162,700	162,700	Equipment purchase lower than anticipated this year
E43901 SEN - Transport traded	225,000	225,000	225,000	225,000	
E41250 LOVAAS	30,000	5,500		(24,500)	no further requirement
E41251 Speech & Language Therapy	442,000	522,000	522,000	522,000	1.6 OT posts added
E41254 Autism Support Team	410,000	435,041	426,000	426,000	staff oncosts higher than anticipated
E41260 Indepndt&VoluntarySc	5,717,653	6,207,561	3,500,000	6,210,000	budget reducing due to increased borough capacity
E41282 Special schools-place funding	4,360,000	4,340,000	4,220,000	4,220,000	top slice of The Grove and Haringey 6th form now direct
E41283 Special Schools Top Up	7,392,185	8,728,134	10,200,000	10,406,894	Increased places, opening of The Grove, move to local places
E41284 Mainstrea. Schools Top Up	4,668,135	5,254,500	5,254,000	5,254,000	2% TA uplift
E41285 Special Units Top Up	835,000	899,965	388,000	388,000	Heartlands closed - now The Grove - adjustment as provided directly AWPU
E41286 Higher Education Top Up	2,415,000	3,774,136	2,100,000	3,774,000	Includes haringey 6th - value for money review of top ups and improved transition planning, 6th form places riverside and The Grove
E41287 SEN contingency	1,300,000	1,300,000	1,300,000	1,300,000	
E41288 Hiigh Needs in Early Years	366,282	366,282	366,232	460,000	Early Support Places - also inclusion fund miscoding
E41217 Tuition Service	550,000	550,000	600,000	600,000	Increased funding to support management costs
E41215 Simmons House	220,000	220,000	225,000	225,000	Increased funding to support running costs
E42012 Locality Team - Central	291,500	291,500	291,500	291,500	

1,059,000

**School places:**

140 riverside  
65 The Grove

108 The Brook  
106 The Vale

68 Blanche Nevile

487

The Grove top  
-65 sliced

422 E41282

Haringey 6th  
70 form top sliced

492

**Units**

west green 64  
mulberry 324

E41285 388

Special Schools  
Riverside 2,691,000

The Brook 2,262,000

Blanche Nevile 507,000

The Vale 1,926,894

The Grove 1,740,000

E42013	Locality Team - East	281,500	281,500	281,500	281,500	
E42014	Locality Team - West	307,000	307,000	307,000	307,000	
E42127	Early Years Inclusion Fund	232,000	232,000	232,000	232,000	Inclusion Top Up 3-4 years
E42186	Pathways for Early Intervention	42,000	42,000	42,000	42,000	Inclusion Top Up 2-3 years
Subtotal		32,511,355	36,482,848	32,954,032	37,614,194	
HN contribution to overheads (E30006)		800,000	800,000	525,000	575,000	reduce oncosts due to less staff
HN contribution to attendance & welfare svcs(E41211)		177,000	177,000	177,000	177,000	
The Octagon EHCP top up		0	0	50,000	50,000	
HN contribution to TU representation (E43311)		2,000	2,000	2,000	2,000	
		33,490,355	37,461,848	33,708,032	38,418,194	

EFA allocation33.49m£33.53m

490K 0.25% uplift179,000 against overspend311,000 invest to save490,000

places the grove pre-opened	80,000
E41283	9,206,894
OOB maintained	1,200,000 (will reduce)

490

5,206,115 o/s

	65 places 19/20	85 places 20/21	104 places 22/23
The Grove Costs			
Increased burden	1,700,000	2,240,000	2,808,000
Leavers (25 year olds)	250,000	350,000	450,000
move to local school places	527,000	800,000	400,000
Improved transition to employment	500,000	600,000	800,000
Invest to save	300,000	400,000	500,000
? Early years	0	100,000	300,000
Closing down of unneeded school places	0	0	400,000

Comments

costly but worth it?

over 22 years, co dependent adults residential

haselmere road

16-21 year challenge of top up costs

avoidance of SEMH and increased EHCP

reduction in special school places again



## Agenda Item 10

### 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 – 28<sup>nd</sup> February 2019

**Report Title: Growth Fund 2019-20 Update**

**Authors:**

Muhammad Ali – Principal Accountant Schools - DSG  
 Contact: 020 8489 4491 Email: [Muhammad.Ali@haringey.gov.uk](mailto:Muhammad.Ali@haringey.gov.uk)

**Report  
authorised by:**

Eveleen Riordan – Assistant Director, Schools and Learning

**Purpose:**

**To inform members of the Growth Fund liabilities for 2019-20**

**Recommendations:**

1. For Members information, regarding total cost of 2019/20 Growth Fund set out in Table 1.
2. For Members views for the council seeking further guidance from the ESAF, on funding academies on a 7 months allocation basis.

**1. Introduction.**

- 1.1. This document outlines the purpose of the centrally retained Dedicated Schools Grant (DSG) Schools Growth Fund and the basis in which it will be distributed to eligible schools by the Authority.
- 1.2. Under the Schools Finance (England) Regulations of 2012, local authorities, with the agreement of the Schools Forum, are permitted to retain DSG to form a specific schools' contingency to support those schools that, with the prior agreement of the Authority, are permanently expanding and those schools experiencing significant in-year pupil roll increases. This specific schools' contingency is known as the Schools Growth Fund.
- 1.3. The funding changes introduced in April 2013 allow a local authority, with the approval of its Schools Forum, to top-slice a contingency for in year increases in pupil numbers. The Fund applies equally to maintained schools and recoupment academies and is designed to cover required in-year growth in forms of entry and not general variations in numbers experienced during the year.
- 1.4. Schools Forum agreed to allocate **£921,620** to a Growth Fund for the 2019-20 financial year
- 1.5. Officers are required to report all payments made against the Growth Fund to Schools Forum at least once a year. Any unspent Growth Fund will be carried forward and added to the formula allocations for the following financial year.
- 1.6. This funding is equivalent to pro-rata financial-year equivalent to 7 months, from September to March, funding for the number of additional pupils expected to join the school in the Autumn as a result of the temporary expansion within a particular year group. Academies are currently funded for the whole 12 months and council to recoup funding for the 5 months from the ESFA.
2. This funding is intended to support the additional revenue costs associated with the expansion; teaching and support staffing costs, resourcing classroom equipment and share of senior management salaries cost.
3. Payments from the Schools Growth Fund will be profiled over the period for which they cover and will be paid with the monthly budget share payments to schools.

#### 4. Growth Funding Formula (Basis of allocations)

The criteria agreed by the School Forum for allocations from the Growth Fund to support growth in pre-16 pupil numbers to meet the basic need are:

- Planned new form of entry approved by the Local Authority:

Age Weighted Pupil Unit (AWPU) x Expected Pupil Numbers x 7/12 months;	+	A set-up allocation of £500 for each pupil in a standard class size for the relevant setting.	=	Allocation for the year
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- In-year bulge class:
  - Start up and classroom costs as above;
- support additional classes needed to meet the infant class size regulation
- Ghost funding guarantee KS1:
  - Minimum basic per-pupil funding for 24 pupils in a bulge class established in a previous year: and
- KS1 classes forced to exceed 30 pupils as a result of appeals (further details of this criteria are set out in the Annex):
  - A lump sum equivalent to the funding of a main-scale 1-teacher £32.8k pro-rata to the part of the year.

## 5. Proposed Allocations 2019-20.

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

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

Indictive Growth Funding Allocation Financial Year 2019-20							
	(a)	(b)	c = (a x b)	(d)	(e = c + d)	(f)	(e x f)
<b>School Names</b>	<b>No of pupil</b>	<b>AWPU</b>	<b>Total</b>	<b>Setup - Cost (£500/pupil)</b>	<b>Total allocation (12 months)</b>	<b>No. of months</b>	<b>Total pro-rate allocation 19-20</b>
Welbourne Primary	30	3,643	109,286	15,000	124,286	7.00	72,500
Park View Academy	27	5,423	146,424	13,500	159,924	7.00	93,289
Harris Academy Tottenham (Academy)	30	5,423	162,694	15,000	177,694	12.00	177,694
Greig City Academy (Academy)	24	5,423	130,155	12,000	142,155	12.00	142,155
St Thomas More Catholic School (Academy)	27	5,423	146,424	13,500	159,924	12.00	159,924
Gladesmore Community School	27	5,423	146,424	13,500	159,924	7.00	93,289
Highgate Wood Secondary	27	5,423	146,424	13,500	159,924	7.00	93,289
Hornsey School for Girls	27	5,423	146,424	13,500	159,924	7.00	93,289
* Additional bulge class 1 - Secondary (TBC)	30	5,423	162,694	15,000	177,694	7.00	103,655
<b>Total Allocation</b>							<b>1,029,084</b>
Academies Growth fund recoupment ( April 20 - August 20)							(199,905)
Funding Allocation for the year 2019-20							(921,620)
<b>Balance carried forward</b>							<b>(92,441)</b>
* Additional 1 class in Secondary cohort has not been finalised but has been budgeted for in 2019-20 allocation.							

## 6. Recommendations.

1. For Members information, regarding total cost of 2019/20 Growth Fund set out in Table 1
2. For members view on seeking further guidance from the ESFA to fund academies on the same principal as council fund its schools to avoid funding recoupment every year.



**Annex.**

**Circumstances in which KS1 oversize class funding will be provided.**

The legal position is:

**Infant class size** – *Infant classes (those where most children will reach the age of 5, 6 or 7 during the school year) **must not** contain more than 30 pupils with a single school teacher. Additional children may be admitted under limited exceptional circumstances. These children will remain an 'excepted pupil' for the time they are in an infant class or until the class numbers fall back to the current infant class size limit. The excepted children are:*

- a) children admitted outside the normal admissions round with statements of special educational needs specifying a school;*
- b) looked after children and previously looked after children admitted outside the normal admissions round;*
- c) children admitted, after initial allocation of places, because of a procedural error made by the admission authority or local authority in the original application process;*
- d) children admitted after an independent appeals panel upholds an appeal;*
- e) children who move into the area outside the normal admissions round for whom there is no other available school within reasonable distance;*
- f) children of UK service personnel admitted outside the normal admissions round;*

In these circumstances, therefore, it is not necessary to take on an additional teacher; however, it has been the practice in Haringey, and other councils, to continue to provide funding for KS1 classes forced to exceed 30 pupils. The DfE in its allowable criteria recognises this practice and we recommend that it continue as an incentive to schools to willingly accommodate these pupils at the start of their school career. Our recommendations are:

- That class size funding continues in the circumstances shown above.
- That KS1 class size funding recognises the local arrangement that requires a school to take a twin even when this puts the school over number.
- That only one enhancement is made per school even if more than one KS1 class is over-size.

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## Agenda Item 11

### Report Status

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

### Report to Haringey Schools Forum – 16 January 2019

**Report Title: Schools Forum Work Plan 2019-20 Academic Year.**

**Author:**

Muhammad Ali, Dedicated Schools Budget Accountant  
 Telephone: 020 8489 4491      Email: [muhammad.ali@haringey.gov.uk](mailto:muhammad.ali@haringey.gov.uk)

**Purpose: To inform the Forum of the updated work plan for the 2019-20 academic year and provide members with an opportunity to add additional items.**

**Recommendations:**

**That the updated work plan for the 2019-20 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.

**Haringey Schools Forum - Work Plan Academic Year 2019-20**

February 2019.

- The Schools Internal Audit Programme (Schools & Learning)
- Update from working parties (Schools & Learning)
- Arrangements for the use of pupil referral units and the education of children otherwise than at school (School & Learning)
- Update on Early Years budget pressures 2019-20 (Early Years)
- Update on High needs block budget pressures 2019-20 (High needs )
- Update on Growth fund position 2019-20 (Schools & Learning)

July 2019.

- Dedicated Schools Budget Outturn 2018-19 (finance)
- DSG reserve position 2018-19 (finance)
- Scheme for Financing Schools (finance)
- Update on schools closing 2018-19 (finance)
- Update on Dedicated Schools Budget Strategy 2019-20 (finance)
- Outcome of Internal Audit Programme 2018-19 (School & Learning)
- Forum Membership (Schools & Learning)
- Update from working parties (Schools & Learning)

**Report for:** Cabinet Meeting 12th February 2019

**Item number:**

**Title:** 2019/20 Budget/Medium Term Financial Strategy (MTFS) 2019/20-2023/24

**Report**

**authorised by:** Jon Warlow, Director of Finance and Section 151 Officer

**Lead Officer:** Oladapo Shonola, Lead Officer – Budget & MTFS Programmes  
Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

**Ward(s) affected:** All

**Report for Key/**

**Non/Key Decision: Key decision**

## **1 Describe the issue under consideration**

- 1.1 Cabinet received a report on the Draft Budget on 11<sup>th</sup> December 2018 which set out the need for further work to be undertaken in order to arrive at this report and members agreed that consultation be undertaken on the proposals in that report. The 2019/20 budget and 2019/24 MTFS proposed here have due regard to the subsequent corporate Equalities Impact Assessment and the consultation feedback.
- 1.2 The Council has a statutory requirement to set a balanced budget for 2019/20 and this report forms a key part of the budget setting process by setting out the likely funding and expenditure for that year. Additionally, in order to ensure the Council's finances over the medium term are built on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years (2020/24) in the form of a Medium Term Financial Strategy (MTFS). Cabinet's role in this is to recommend the budget and key policy proposals to Full Council for agreement and this report satisfies this duty.
- 1.3 In accordance with the Local Government Finance Act (LGFA) 1992, Full Council must approve the budget for the forthcoming year and agree the Council tax for that year, by the statutory deadline of 11<sup>th</sup> March.
- 1.4 Both the 2019/20 budget and 2019/24 MTFS have been developed with strong reference to the new Borough Plan 2019-2023, (being presented separately to Cabinet on this agenda) in order that the Council's resources are directed at supporting delivery of the new proposed priorities:
  - **Housing** - a safe, secure and affordable home for everyone, whatever their circumstances
  - **People** - Strong families, strong networks and strong communities nurture all residents to live well and achieve their potential
  - **Place** - Stronger connected communities where together we improve our environment by making it safer, cleaner and greener
  - **Economy** - A growing economy which provides opportunities for all our residents and supports our businesses to thrive
  - **Your Council** - The way the council works

- 1.5 Note the budget information including tables in this report are presented according to the current Corporate Plan priority structure pending approval of the new Borough Plan priority structure. Subsequently, the Budget will be structured so that from 1<sup>st</sup> April 2019 all financial information will be presented in the new Borough Plan priority structure.
- 1.6 The 2018/19 budget position provides the starting point for next year's financial planning. Members will be aware that the Quarter 2 forecast for the 2018/19 budget was an overspend of £9.3m after the application of £6.4m of the budget resilience reserve. An update will be provided to Cabinet in March. The corporate financial forecast is that while not all services will fully address their overspends before year end, other largely corporate financial developments will prevent the need for utilisation of the General Fund balance. This provides a positive a opening position for the new budget/MTFS.
- 1.7 The Draft MTFS for 2019/24 comes after 8 years of reductions in funding and against a background of a rising demand for services, particularly for Adults and Children's Services. Demographic change continues to drive demand in Adults services, and to a degree in Children's services. The Council has also seen significant and ongoing pressures on budgets for temporary accommodation. Increasing housing costs combined with changes in the benefits and welfare system have placed more pressure on households. This leads to overcrowding, evictions and homelessness and makes it more difficult for families to cope. All these pressures further increase the support that families need from the Council, particularly in Children's and Housing services.
- 1.8 The planning work for the 2019/20 Budget and MTFS (2019/24) started early in recognition of the existing structural funding gap in the previous MTFS. This work has produced £7.1m of new budget reduction proposals for 2019/20 rising to £13m in 2024. Following the publication of the Draft Budget in December, officers and members continued to work to identify further budget reductions measures to mitigate the budget gap at that time. This exercise identified further service budget reductions/changes of £0.6m. Taking the above and pre agreed savings of £6m into account, the total budget reduction programme for 2019/20 is £13.7m.
- 1.9 Alongside this work, there was also a robust challenge of 2018/19 savings plans which led to Cabinet approving the write off of £9.8m of these. While this has meant that the ongoing structural gap has not significantly changed, there is greater confidence in the overall deliverability of the proposals now being taken forward. This coupled with the injection of close to £14m growth into the two people focussed directorates, should provide a sound basis for the Council to operate within the proposed 2019/20 budget envelope.
- 1.10 It should be noted that the £6.5m gap reported in December is now bridged in this report. The late solutions identified are a mixture of improvements in grant assumptions, technical changes and further service budget changes (one-off and on-going). There is an improvement to the cumulative ongoing budget gap over the 2020/24 period which is now £13.2m in 2020/21 (December – £18.4m) to £20.5m in 2023/24 (December - £26.4m).
- 1.11 Service pressures have meant that in the current year, both Adults and Children's budgets continue to overspend. Both services, and particularly children, have found it difficult to deliver some of the savings committed to in the previous MTFS as years of budget reductions have meant savings are increasingly difficult to identify and deliver, particularly alongside responding to increasing demand. Across the country, local authorities have seen a similar pattern.
- 1.12 The 2019/20 budget process has acknowledged these factors and, when including new grants, additional council funding and write off of some previous savings proposals, builds in additional funding to these two key service areas with £7m for Adults and £7.6m for Children's before application of the newly proposed budget reduction proposals.

- 1.13 The budget also supports delivery of some key components of the administration's manifesto commitments. Investment is going into the youth services programme and a schools meals pilot. The financial impact of the commitment to becoming a London Living Wage employer has been recognised and the 2019/20 budget assumes an increase of 2.99% in the Haringey element of the council tax which will generate circa £3m additional resource part of which will be used to underpin the extension to the Council Tax Reduction Scheme (CTRS) to a maximum of 100% for least well-off families with children. The Housing Revenue Account (HRA) capital programme included within this report proposes expenditure of £965.8m over the next 5 years to fulfil its responsibilities in respect of its housing stock but also importantly assumes delivery of a number of new council homes, again a key manifesto commitment.
- 1.14 The final 2019/20 Finance Settlement has confirmed the draft figures used in the December report. As highlighted in the December report, however, uncertainty from 2020/21 is significant as a result of national and international economic volatility created by Brexit, the impact of Spending Review 2019 (SR19) due in the Autumn, the outcomes of the Fair Funding review and reformation of the business rates retention system from 2020. Due to the absence of concrete information, the attached MTFS currently makes no assumptions around these but officers will provide updates in budget monitoring reports as more certainty emerges.
- 1.15 Planning work to address this future budget gap has already started and builds on some of the options and potential solutions outlined in the December report. This must now be augmented and further developed as a matter of urgency if the Council is going to be in a position to have a balanced budget for 2020/21 onwards. The proposed 2019/20 budget and MTFS assumes that the current General Fund reserve is maintained at a minimum level of £15m but does assume a contribution of £5.5m from the release of some earmarked reserves now assumed as not required. The continued reliance on reserves to balance budgets is not sustainable.
- 1.16 The MTFS proposes a significant increase in the Council's capital programme as this is seen as an increasingly important strand of the overall Council financial strategy. Capital budgets offer opportunities for the Council to really affect the lives of its residents and visitors for example by shaping the local environment (through the provision of new housing, traffic schemes, or regeneration schemes); positively impact people's lives (through creating appropriate housing for adults with learning difficulties or investment in parks); transform the way in which the Council interacts with local residents (through the libraries investment programme or proposals for a new customer service centre); and deliver fit for purpose schools. They are also integral in underpinning the delivery of the more transformational budget reduction proposals assumed in the MTFS.
- 1.17 The report considers all relevant components of the Council's revenue budget including the Housing Revenue Account (HRA) which is a ringfenced account for the delivery of the Council's social housing activities. Since December more detailed work has been undertaken by officers on the opportunities and wider financial implications that the lifting of the cap on HRA borrowing has had and these are now included within this report.
- 1.18 The Dedicated Schools Budget (DSB) which is ring fenced for the delivery of education services is also discussed and now reflects the final schools settlement announced in December.
- 1.19 In summary, this report finalises the Council's General Fund and HRA 2019/20 Budgets and the Medium Term Financial Strategy (MTFS) for the period 2019/24, and proposes approval of the following constituent elements of the strategy to Full Council on 25th February 2019, together with the Council's capital budgets for 2019/20:

- Appendix 1 – General Fund Revenue MTFS 2019/20-2023/24
- Appendix 2 – HRA Revenue Budget 2019/20
- Appendix 2A – Detailed Summary of 2019/20 Service Charges
- Appendix 3 – General Fund MTFS Capital Programme 2019/20-2023/24
- Appendix 4 – HRA Capital Programme 2019/20
- Appendix 5 – Dedicated Schools Budget 2019/20
- Appendix 6 – General Revenue Budget 2019/20
- Appendix 7 – Overview and Scrutiny Committee Recommendations and Proposed Response (**To Follow**)
- Appendix 8 – Summary of Consultation Responses
  - Annexe 8A – Haringey Business Alliance Response
  - Annexe 8B – Haringey Defend Council Housing Response
- Appendix 9 – Detailed Summary of MTFS Budget Reductions
- Appendix 10 – Calculation of 2019/20 Council Tax Base
- Appendix 11 – Flexible Use of Capital Receipts Policy
- Appendix 12 – Equalities Impact Assessment (EqIA) Report
  - Annexe 12A – Detailed Summary of Budget Reduction EqIAs
  - Annexe 12B – Completed Full EqIAs Proformas

## **PART 14**

### **2 Council's Capital Strategy and Capital Programme 2019/20-2023/24**

#### **Introduction to Capital Strategy**

- 2.1 This capital strategy report is a new report for 2019/20 as required by CIPFA. It gives a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of public services. It also provides an overview of how the associated risk is managed and the implications for future financial sustainability.

#### **Background**

- 2.2 Capital expenditure in local government is defined in statute and accounting practices/codes and as such must operate with them. Within those rules capital budgets offer opportunities for Council's to affect the lives of its residents and visitors. Capital programmes can shape the local environment (e.g. through the provision of new housing, traffic schemes, or regeneration schemes); positively impact people's lives (e.g. through creating appropriate housing for adults with learning difficulties or investment in parks); transform the way in which the Council interacts with local residents (e.g. through the libraries investment programme or proposals for a new customer service centre); and deliver fit for purpose schools.
- 2.3 The key objectives of the Council's capital programme are to deliver the borough plan and to assist the Council in meeting the financial challenges that it faces.

#### **Capital Expenditure & Financing**

- 2.4 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government, this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. For 2019/20 the Council is planning to spend £255.1m as summarised in the table below.



**Table 14.1: Capital Expenditure Plans Overview 2019/20-2023/24**

	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total £'000
General Fund	200,904	129,562	106,236	89,286	107,481	633,469
Council Housing (HRA)	54,183	119,257	365,215	236,314	190,840	965,809
<b>Total</b>	<b>255,087</b>	<b>248,819</b>	<b>471,451</b>	<b>325,600</b>	<b>298,321</b>	<b>1,599,278</b>

- 2.5 The capital programme is composed of individual priority programmes (most of which have been previously agreed by Cabinet and Council as part of the 2018/19 budget setting process or earlier). Within those priority totals there are schemes and within schemes there are individual projects. For instance, Scheme 302 Borough Roads, will contain individual projects on individual roads.
- 2.6 The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of a satisfactory business case that validates the high-level estimates contained within the programme. An integral part of a satisfactory business case will be an assessment of the risks that a project faces and once a project is agreed the review of the risk register is a standing item on the agenda for the project's governance.
- 2.7 There are a range of schemes within the general fund capital programme that will only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment, known as self-financing schemes.
- 2.8 The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that Council housing does not subsidise or is itself subsidised by other local services. HRA capital expenditure is recorded separately.
- 2.9 Service managers bid annually as part of the Council's budget setting process. The Capital Board assesses the bids against their "fit" in relation to the borough plan and meeting the objectives of the medium-term financial strategy.
- 2.10 The main previously agreed General Fund schemes are the: ongoing work to the education estate; development of supported living accommodation to allow clients to live in appropriate homes; creation of a depot on the Marsh Lane site; continued investment in regeneration in Tottenham Hale; funding for the community benefit society (CBS) to provide high quality temporary accommodation; and a range of transformation projects to enable the Council to change the way it delivers services.

**Table 14.2: Capital Expenditure Plans by Priority**

	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total £'000
Priority 1 - Children Services	11,752	20,713	17,686	8,566	13,011	71,729
Priority 2 - Adults Services	5,720	11,820	12,120	6,870	2,870	39,400
Priority 3 - Environment & Neighbourhoods	22,850	15,060	11,500	11,380	10,660	71,450
Priority 4 - Regeneration & Growth	118,110	66,480	52,140	51,870	70,990	359,590
Priority 5 - Housing Services	34,332	13,409	9,000	9,000	9,000	74,741
Priority X - Corporate Services	8,140	2,080	3,790	1,600	950	16,560
Total General Fund	200,905	129,562	106,236	89,286	107,481	633,470
Housing HRA	54,183	119,257	365,215	236,314	190,840	965,809
Total - Council	255,088	248,819	471,451	325,600	298,321	1,599,279

- 2.11 Appendix 3 contains a detailed list of the previously agreed and newly proposed schemes for the general fund capital programme. The following paragraphs highlight those new schemes that are being proposed for inclusion within the five-year capital programme.

## **PART 14.12**

### **Children's Services**

- 2.12 There are two new schemes proposed for Children's Services.

- i. Scheme 115, Fortismere Secondary School Development. This scheme is a proposed redevelopment of the Fortismere Secondary School site. The scheme involves the demolition and re-provision of sub-standard education accommodation. There would be residential development on the site which would pay for the re-provision of the education accommodation. The budgetary assumption is that this scheme will be self-financing with no call on the Council's general fund resources. A business case is being developed that would need approval before the scheme progressed.
- ii. 118, Education Estate. A strategic business case is being prepared for the whole of the education estate. As part of that business case preparation surveys have been undertaken and they have identified works that are required to be done now. The scheme will be combined with Scheme 102.

## **PART 19**

### **3 Overview and Scrutiny**

- 3.1 As part of the Council's governance arrangements for scrutiny of the Medium Term Financial Strategy, the Council's Overview and Scrutiny Committee and Panels have scrutinised all of the savings proposals presented to the 11<sup>th</sup> December 2018 Cabinet.
- 3.2 Following consideration by Cabinet, all four Scrutiny Panels met in December 2018 and January 2019 to scrutinise the draft budget proposals that fell within their portfolio areas:
- Children and Young People Scrutiny Panel (Priority 1)
  - Adults and Health Scrutiny Panel (Priority 2)
  - Environment and Community Safety Scrutiny Panel (Priority 3)

- Housing and Regeneration Scrutiny Panel (Priority 4 and Priority 5)

- 3.3 In addition, the Overview and Scrutiny Committee met on 14<sup>th</sup> January to consider proposals relating to Priority X (Enabling).
- 3.4 Cabinet Members, senior officers and finance leads were in attendance at each meeting to present proposals and to respond to questions from members. For some of the proposals, additional information was requested. These were considered by the Overview and Scrutiny Committee on 28<sup>th</sup> January, along with emerging recommendations from each Panel, ahead of final recommendations being agreed and referred to Cabinet.
- 3.5 The key recommendations from the Overview and Scrutiny Committee and Cabinet Member responses are attached at Appendix 8.
- 3.6 A further meeting of the Overview and Scrutiny Committee is planned for the 5<sup>th</sup> February 2019 to enable scrutiny of the additional proposals identified since the 11<sup>th</sup> December 2018 Cabinet report. The outcome of this meeting will be published as an addendum to this report.

#### 4 Use of Appendices

- Appendix 1 – General Fund Revenue MTFS 2019/20-2023/24
- Appendix 2 – HRA Revenue Budget 2019/20
- Appendix 2A – Detailed Summary of 2019/20 Service Charges
- Appendix 3 – General Fund MTFS Capital Programme 2019/20-2023/24
- Appendix 4 – HRA Capital Programme 2019/20
- Appendix 5 – Dedicated Schools Budget 2019/20
- Appendix 6 – General Revenue Budget 2019/20
- Appendix 7 – Overview and Scrutiny Committee Recommendations and Response (**To Follow**) Proposed
- Appendix 8 – Summary of Consultation Responses
  - Annexe 8A – Haringey Business Alliance Response
  - Annexe 8B – Haringey Defend Council Housing Response
- Appendix 9 – Detailed Summary of MTFS Budget Reductions
- Appendix 10 – Calculation of 2019/20 Council Tax Base
- Appendix 11 – Flexible Use of Capital Receipts Policy
- Appendix 12 – Equalities Impact Assessment (EqIA) Report
  - Annexe 12A – Detailed Summary of Budget Reduction EqIAs
  - Annexe 12B – Completed Full EqIAs Proformas

**5 Local Government (Access to Information) Act 1985**

5.1 Background papers are as follows:

- Budget reduction proformas -  
<http://www.minutes.haringey.gov.uk/mgAi.aspx?ID=59349>

5.2 For access to the background papers or any further information, please contact Oladapo Shonola, Lead Officer – Budget and MTFS; Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

**APPENDIX 3**

<b>Capital Programme 2019/20 - 2023/24</b>		<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Overall Total</b>
<b>SCHEME REF</b>	<b>SCHEME NAME</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
<b>Priority One (Childrens)</b>							
103	Primary Sch - new places	162	39	-	-	-	201
110	Devolved Sch Capital	531	531	531	531	531	2,655
114	Secondary Sch - mod & enhance (Inc SEN)	3,552	4,200	750	110	-	8,612
104	Early years	93	93	-	-	-	187
109	Youth Services	14	-	-	-	-	14
101	Primary Sch - repairs & maintenance	1,030	1,000	1,000	1,000	1,000	5,030
102	Primary Sch - mod & enhance (Inc SEN)	5,970	4,800	5,355	1,525	1,480	19,130
115	Secondary Estate Mixed Development	400	10,050	10,050	5,400	10,000	35,900
<b>Total - Priority One (Children's)</b>		<b>11,752</b>	<b>20,713</b>	<b>17,686</b>	<b>8,566</b>	<b>13,011</b>	<b>71,729</b>
<b>Priority Two - Adults</b>							
201	Aids, Adap's & Assistive Tech -Home Owners (DFG)	2,193	2,193	2,193	2,193	2,193	10,965
211	Community Alarm Service	177	177	177	177	177	885
216	Homelessness Hub	100	-	-	-	-	100
208	Supported Living Schemes	1,500	1,500	1,500	1,500	-	6,000
209	Assistive Technology	500	500	500	500	-	2,000
213	Canning Crescent Assisted Living	500	4,200	1,750	250	-	6,700
214	Osborne Grove Nursing Home	500	1,500	6,000	2,250	500	10,750
215	Hornsey Town Hall Supported Living	250	1,750	-	-	-	2,000
<b>Total - Priority Two (Adults)</b>		<b>5,720</b>	<b>11,820</b>	<b>12,120</b>	<b>6,870</b>	<b>2,870</b>	<b>39,400</b>
<b>Priority Three - Environment &amp; Neighbourhoods</b>							
309	Local Implementation Plan(LIP)	2,500	2,500	2,500	2,500	2,500	12,500
310	Developer S106 / S278	750	750	750	750	750	3,750
301	Street Lighting	1,300	1,300	1,300	1,300	1,300	6,500
302	Borough Roads	4,189	3,689	3,689	3,689	3,689	18,945
303	Structures (Highways)	394	0	0	0	0	394
304	Flood Water Management	590	620	650	680	710	3,250
305	Borough Parking Plan	322	0	0	0	0	322
311	Parks Asset Management:	300	300	300	300	300	1,500
313	Active Life in Parks:	230	230	230	230	230	1,150
314	Parkland Walk Bridges	1,000	1,000	0	0	0	2,000
316	Asset Management of Council Buildings	4,326	1,991	651	331	381	7,680
322	Finsbury Park	600	600	600	600	600	3,000
307	CCTV	2,109	0	830	1,000	200	4,139
319	Bull Lane MUGA	2,520	1,080	0	0	0	3,600
323	Parking Strategy	1,000	1,000				2,000
325	Parks Vehicles	720					720
<b>Total - Priority 3 (Environment &amp; Neighbourhoods)</b>		<b>22,850</b>	<b>15,060</b>	<b>11,500</b>	<b>11,380</b>	<b>10,660</b>	<b>71,450</b>

<b>Capital Programme 2019/20 - 2023/24</b>		<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Overall Total</b>
<b>Priority 4 - Growth &amp; Employment</b>							
421	HRW business acquisition	54,580	15,521	15,670	12,770	32,830	131,371
427	White Hart Lane Public Realm (LIP)	500	-	-	-	-	500
430	Wards Corner CPO	5,000	-	-	-	-	5,000
481	Strategic Investment Pot	1,750	1,400	2,650	-	-	5,800
434	Wood Green Regeneration	100	-	-	-	-	100
435	Wood Green Station Road	120	-	-	-	-	120
438	Vacant possession Civic Centre	72	-	-	-	-	72
444	Marsh Lane	821	9,323	4,700	266	-	15,110
447	Alexandra Palace - Maintenance	470	470	470	470	470	2,350
464	Bruce Castle	1,000	500	4,000	6,000	8,500	20,000
472	JLAC Match Fund	500	500	-	-	-	1,000
475	Tottenham Green Public Realm Scheme Phase 2	-	156	-	-	-	156
477	Strategic Regeneration & Community Assets	3,000	3,000	-	-	-	6,000
411	Tottenham High Rd & Bruce Grove Stn	150	-	-	-	-	150
474	Tottenham High Road Strategy	1,638	5,402	3,980	1,027	1,027	13,074
480	Wood Green Regen (2)	2,997	4,632	5,901	12,141	13,610	39,279
401	Tottenham Hale Green Space	4,990	5,946	900	2,680	600	15,116
402	Tottenham Hale Streets	9,017	7,683	5,097	1,363	450	23,609
429	Site Acq (Tott & Wood Green)	10,000	8,867	-	-	-	18,867
452	Low Carbon Zones	15	-	-	-	-	15
465	District Energy Network (DEN)	800	-	1,500	6,500	3,500	12,300
470	Wood Green HQ, Library & Customer Service Centre	950	2,400	6,000	8,400	10,000	27,750
482	Strategic Property	19,640	680	1,273	254	3	21,850
<b>Priority 4 - Growth &amp; Employment</b>		<b>118,110</b>	<b>66,480</b>	<b>52,140</b>	<b>51,870</b>	<b>70,990</b>	<b>359,590</b>
<b>Priority Five - Housing</b>							
514	Notting Hill Housing Group (4 Ashley Road)	2,970	-	-	-	-	2,970
509	CPO - Empty Homes	650	1,000	1,000	1,000	1,000	4,650
510	Temporary Accommodation Acquisition Programme	25,000	4,409	-	-	-	29,409
512	Wholly Owned Company	5,000	8,000	8,000	8,000	8,000	37,000
513	54 Muswell Hill Flats	712	-	-	-	-	712
<b>Total - Priority 5 (Housing)</b>		<b>34,332</b>	<b>13,409</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>74,741</b>
<b>Priority X - Enabling</b>							
604	Continuous Improvement	950	950	950	950	950	4,750
606	Hornsey Library Refurbishment	1,882	-	-	-	-	1,882
621	Libraries IT and Buildings upgrade	1,056	25	85	-	-	1,166
698	Responsiveness Fund	2,000	-	-	-	-	2,000
699	P6 - Approved Capital Programme Contingency	1,500	-	-	-	-	1,500
607	Financial Management System Replacement	-	350	2,000	650	-	3,000
622	FOBO Programme	500	500	500	-	-	1,500
639	Ways of Working	252	255	255	-	-	762
<b>Total - Priority 6 (Enabling)</b>		<b>8,140</b>	<b>2,080</b>	<b>3,790</b>	<b>1,600</b>	<b>950</b>	<b>16,560</b>
<b>Total General Fund Capital Programme</b>		<b>200,904</b>	<b>129,562</b>	<b>106,236</b>	<b>89,286</b>	<b>107,481</b>	<b>633,469</b>



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