



NOTICE OF MEETING

Haringey Schools Forum

THURSDAY 25 JUNE 2020 AT 15:45 HRS FOR 16:00 HRS – VIRTUALLY BY ZOOM

AGENDA

1. CHAIR'S WELCOME

2. APOLOGIES AND SUBSTITUTE MEMBERS

Clerk to report.

3. DECLARATIONS OF INTEREST

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

4. MINUTES OF THE MEETING OF 27 FEBRUARY 2020

5. MATTERS ARISING

6. FORUM MEMBERSHIP

7. OUTCOME OF INTERNAL AUDIT PROGRAMME

To report on themes from the programme of internal audit work 2019-20

8. DEDICATED SCHOOLS BUDGET

Final DSG position 2019-20 overall and in Early Years Block, Schools Block, High Needs Block and Central School Services Block

DSG deficit recovery plan

DSG budget analytical review 2020-21 and 2021-22

9. UPDATE ON SCHOOLS IN FINANCIAL DIFFICULTY

10. BUSINESS RATES REBATE

To agree proposals for use of the business rates rebate

11. KS2 BULGE PROTECTION FOR TIVERTON PRIMARY SCHOOL

12. UPDATE FROM WORKING GROUPS

Early Years Block working group

High Needs Block working group

13. INFORMATION ITEMS

Alternative Provision finance report

14. ANY OTHER URGENT BUSINESS**15. DATE OF FUTURE MEETINGS:**

- 15 October 2020
- 3 December 2020
- 14 January 2021
- 25 February 2021
- 24 June 2021



**MINUTES OF THE SCHOOLS FORUM MEETING
THURSDAY 27 FEBRUARY 2020 AT 4pm**

School Members		
Headteachers		
Special (1)	*Martin Doyle (Riverside)	
Nursery Schools (1)	*Peter Catling (Woodlands Park)	
Primary (7)	Mary Gardiner (West Green)	(A) Michelle Randles
	Stephen McNicholas (St John Vianney)	*Paul Murphy (Lancasterian)
	Emma Murray (Seven Sisters)	(A) Linda Sarr (Risley Avenue)
	*Will Wawn (Bounds Green)	
Secondary (2)	*Andy Webster (Park View)	*Tony Hartney (Gladesmore)
Primary Academy (1)	Sharon Easton (St Pauls & All Hallows)	
Secondary Academies (2)	Gerry Robinson (Woodside)	*Michael McKenzie (Alexandra Park)
Alternative Provision (1)	Patricia Davies	
Governors		
Special (1)	*Jean Brown (The Vale)	
Nursery Centres (1)	*Melian Mansfield (Pembury)	
Primary (7)	*Laura Butterfield (Coldfall)	
	Hannah D'Aguiar (Chestnuts Primary)	*John Keever (Seven Sisters)
	Jenny Thomas (Lordship Lane)	Julie Davies (Tiverton)
	Vacancy	
Secondary (2)	Vacancy	Vacancy
	Sylvia Dobie (Park View)	
Primary Academy (1)	Vacancy	
Secondary Academies (3)	Noreen Graham (Woodside)	Vacancy
Non-School Members		
Non-Executive Councillor	Cllr Daniel Stone	
Trade Union Representative	Pat Forward, Sean Fox	
Professional Association Representative	(A) Ed Harlow	
Faith Schools	Geraldine Gallagher	
14-19 Partnership	Kurt Hintz	
Early Years Providers	*Susan Tudor-Hart	
Observers		
Cabinet Member for CYPS	*Cllr Zena Brabazon	
Also Attending		
LBH Director of Children's Services	Ann Graham	
Chief Executive of Haringey Education Partnership (HEP)	James Page	
LBH Assistant Director, Schools & Learning	Eveleen Riordan	
Interim LBH Head of SEN & Disability	Nathan Jones	
LBH Head of Strategic Commissioning, Early Help & Culture	Ngozi Anuforo	
LBH Assistant Director Commissioning	Charlotte Pomery	
LBH Head of Early Help & Prevention	Martin Clement	
LBH Head of Finance & Business Partners	Brian Smith	
LBH Finance Business Partner (Schools & Learning)	Muhammad Ali	
LBH Service Improvement & Children's Services	Karen Oellermann	
LBH Principal Accountant DSG	Kristian Bugnosen	
Lead for Governor Services (HEP)	Carolyn Banks	
HEP Clerk (Minutes)	Felicity Baird	

(A) = Apologies given

* = Asterisk denotes absence



ITEM NO.	SUBJECT / DECISION	ACTION ASSIGNED TO
1.	CHAIR'S WELCOME	
1.1	The Chair welcomed all to the meeting.	
2.	APOLOGIES AND SUBSTITUTE MEMBERS	
2.1	Apologies were received from: Michelle Randles, Ed Harlow, Linda Sarr, Martin Clement. It was noted that Paul Durrant had now left the LA and was replaced by Brian Smith. Karen Oellermann was from the Council's Children's Services.	
3.	DECLARATIONS OF INTEREST	
3.1	None were made.	
4.	MINUTES OF THE MEETING OF 16 JANUARY 2020	
4.1	The Minutes were approved as an accurate record.	
5.	MATTERS ARISING All covered within the agenda.	
6.	THE SCHOOLS INTERNAL AUDIT PROGRAMME	
6.1	Report from Head of Audit and Risk Management in Haringey Council. The recommendation to Schools Forum was that the Forum note the planned programme of audit work for 2020/21 and the initial feedback on outcomes following audit work completed in 2019/20.	
6.2	<p>Q: The LA has identified some schools that would benefit from additional support, what would this look like?</p> <p>A: This takes different forms; for some schools we would meet the auditors in advance to explain what an audit form looks like, for example.</p> <p>Q: Are any themes arising?</p> <p>A: Once we have finished the full year's work, we will produce an annual report that sets out a detailed account of issues raised as well as a thematic review. We will report back to the Forum after year end.</p> <p>The Chair noted that less financially secure schools (in terms of financial management) would be visited more often.</p>	
7.	DEDICATED SCHOOLS GRANT – CSSB	
7.1	<p>Report from Head of Finance and Business Partnering, Schools Finance Business Partner, Principal Accountant. Recommendation to Forum: Schools Forum is asked to note the planned expenditure through the DSG Central School Services Block 20-21.</p> <p>A report was tabled to the Forum. It noted that central government funding was being reduced annually by approximately £80k. The LA had allocated exactly same as last year, apart from the school standards line, which was reduced by the full amount the CSSB reduced.</p> <p>Q: What does school standards refer to? Why has this reduced?</p> <p>A: This refers to a contractual agreement with HEP, with a reduction of 80k annually. We want to honour this for next 3 years.</p>	



	<p>The Assistant Director for Schools and Learning noted that this was not a contractual obligation and that HEP and the LA were liaising on this matter.</p> <p>Q: Referring to the £378k in line 1, can you confirm this includes funding for SACRE, which is done by HEP, and that HEP will be reimbursed for this? A: Yes, this is part of negotiations between HEP/LA with a value of £25k annually.</p> <p>Q: 350k for Early Help has remained the same. Will a review of Early Help come to this Forum to scrutinise the efficiency and effectiveness of this funding? A: An ongoing review of Early Help is taking place which will be reported back to Schools Forum. Services are being transformed and it is hoped that schools will feel the outcome of this review soon.</p> <p>The Director for Children's Services noted that a previous report was given on this two meetings ago. Early help service plans will be shared with schools.</p> <p>Q: If further cuts take place next year, will all lines will be reviewed and considered where the reductions should be allocated? Will we look at all lines going forward? A: Yes. There are also ongoing discussions between HEP/LA taking place.</p> <p>Schools Forum noted the report.</p>	
8.	DEDICATED SCHOOLS BUDGET OUTTURN PROJECTION 2019-20	
8.1	<p>Report from Principal Accountant in Haringey Council. Recommendation to Schools Forum that it nominates a panel of Forum members to agree a mechanism to distribute the remaining funds to schools by way of formula taking into consideration the following:</p> <ol style="list-style-type: none"> 1. Current level of deficit 2. Current cash flow forecast 3. Key Performance Indications (contact ratio, school budget efficiency and benchmarking operation structure against similar schools) <p>An alternative proposal would be to allocate the refunded sum to all schools, using the gross revenue budget DSG budget allocation for 2019-20.</p> <p>£5.39M in-year deficit projected. £7.62M deficit projected overall for the financial year 19-20.</p> <p>Business rates refund re-allocation to schools: this has not yet been allocated for the year. It had been agreed in principle that some would be sent to schools in financial difficulty, and some to the High Needs Block. If we don't allocate it, it will just go into the deficit for the year.</p> <p>Q: Can you guarantee that the money won't go to DSG deficit? A: That's what we would like. This year, we will keep it in reserve until 20-21. That is assured.</p>	Report to June meeting on any actions taken by the Panel



	<p>The Chair noted that there was some flexibility around this, as it was a one-off fund.</p> <p>The Assistant Director for Schools and Learning stated that previous discussions had looked at sharing the amount equally - possibly averaging £10k per school, or whether the panel set up should look at how best to support the schools.</p> <p>It was agreed that the finance working group would look at this issue and report back to the Forum. Members included: Will Wawn, Andy Webster, Mike McKenzie, Tony Hartney, LA Finance Officers, Eveleen Riordan and James Page. Paul Murphy was invited to join the group as an additional Primary Head.</p> <p>The Chair thanked the Finance team for getting the indicative budgets out this week. It was noted that it was an enormous help to school to get them out so early.</p>	
9.	CONTINGENCY FOR SCHOOLS IN FINANCIAL DIFFICULTY	
9.1	<p>The previous meeting set an action for a report back on this issue. The LA had worked with schools in difficulty since September. The LA would like to use a budget to set up a support programme to help those schools in deficit or having a cash flow problem. The LA felt there was a skills gap among some SBMs with lots of schools using external advisors and a lack of strategic support to schools SLT, which hampered effective budget management in some schools.</p> <p>The LA intends to allocate an advisor to schools and to allocate apprentices from 6th forms to help SBMs.</p> <p>The Chair said the strategic management of this could prevent crashes in the future, to enable early changes.</p> <p>The Schools Forum unanimously AGREED the recommendation.</p>	
10.	<p>EARLY YEARS BLOCK Report from Head of Strategic Commissioning, Early Help & Culture.</p> <p>The LBH Head of Strategic Commissioning, Early Help & Culture’s report summarised funding arrangements. Previously she had spoken about funding allocation.</p> <p>Q: Regarding 2yr olds, the report states not all those children eligible are accessing places. How many are accessing places? A: Approximately 740.</p>	

Commented [R1]: Please specify what this recommendation is



	<p>Q: Some other boroughs pay £6ph+. There are providers in this borough finding it hard to manage at £5.66ph. Are any providers unable to provide due to the amount?</p> <p>A: None have stopped business. We realise it is a fragile system. We do support providers, and we work closely with sector and where possible offer support.</p> <p>Q: The gross number of children going down, but take up increasing? Are we using the welfare benefits database to identify possible children to take up places?</p> <p>A: In terms of declining number of 2yr olds, we get a list from DWP and this number is on a steady decline across UK and reflects the changes to welfare benefits. We have tried to work with colleagues in social care, welfare benefits team and we use our own local data. The increased number is a result of this work.</p> <p>Regarding SEN, we have seen an increase in the number of providers drawing down inclusion funding. Work on this has meant more children taking up places with the right support. We are working with SEN team on why take up of this resource is low.</p> <p>We continually review Early Support places. Some vacancies around 2 year olds are mainly around children centres. Strategies will be put in place for summer term to look at how we can better use these spaces.</p> <p>It was AGREED that:</p> <ol style="list-style-type: none"> 1. SF noted the indicative funding for the EY Block in 20-21 2. SF agreed the proposed allocation of the EY Block for 20-21 3. SF noted and agreed the proposed budget allocation for centrally retained funds for 20-21 as set out in 3.3 in the report 4. SF noted the predicted outturn position for 2019-20 financial year 	
<p>11. 11.1</p>	<p>HIGH NEEDS BLOCK</p> <p>Report from Head of SEN and Disability Service at LA.</p> <p>Recommendation to Schools Forum:</p> <ol style="list-style-type: none"> 1. To note the budget position for 2019-20, the pressures and agreed actions taken to mitigate the pressures 2. To agree the budget proposals for 20-21 <p>It was reported that there was a predicted overspend of £5.6M. There had been an increase of new funds, of £4.7M to £38.4M for 2020-21. However, this did not erode the overspend in 2019-20, and the year was starting with a £1M overspend.</p> <p>From February 2019 to February 2020, there has been a growth in need of EHCPs and it was anticipated that key pressures would remain the same. The LA was aware of the importance to consider how to support schools pre-EHCP.</p>	



	<p>Q: Who is the Autism Adviser? A: This role sits within Inclusion Team, a specialist teaching team.</p> <p>Q: What role is Further Education playing? Are they part of this group or not? Will they need some kind of representation? A: We should work in tandem. It is a concern if funding reduces.</p> <p>The Chair noted that there was a representative from CONEL, but only 1 place from that sector currently. This could be reconsidered by the Forum if it thought that appropriate.</p> <p>One Headteacher noted the impact of the growth of the Grove special school to supplement places meant that his school was left with many vacancies. The Assistant Director of Schools and Learning said that the LA did not intend to allocate places to an emerging free school at the expense of a local maintained school. Cllr Brabazon said that there needed to be a political response to this issue.</p> <p>The Schools Forum noted budget position and agreed the budget proposals.</p>	
12.	WORK PLAN 2020-21	
12.1	<p>Report from School Finance Business Partner. Recommendation to Schools Forum: That the updated work plan for 2020-21 academic year is noted. Schools Forum noted the updated work plan for 20-21.</p>	
13.	<p>UPDATE FROM WORKING PARTIES EARLY YEARS WORKING GROUP Early help development: Teams working with families were sharing information effectively. Audits had taken place on teams around families, the quality of which had been variable. Quarterly meetings were taking place with external agencies.</p> <p>Wood Green youth hub development: This would take place in autumn 2020. In the interim the LA was working with secondary schools to look at knife crime, staying safe online, etc.</p> <p>There had been a rise in referrals from Wood Green schools.</p>	
14.	<p>INFORMATION ITEMS UPDATE ON THE ALTERNATIVE PROVISION REVIEW Report from Assistant Director for Schools and Learning. Agreed:</p> <ol style="list-style-type: none"> 1. That Schools Forum notes the report and change model 2. That Schools Forum notes the implications of the proposed change model for the High Needs Block and the need to make decisions in the future regarding spend 	



	<p>The Forum endorsed the change plan and noted that Stamford Hill School site was likely to be used as the AP hub. Feasibility and project work was already under way.</p> <p>AP provision in the borough was currently taking place at the tuition centre and at the Octagon. The LA was no longer commissioning TBAP from end of August.</p> <p>Q: What is happening with the premises at the Octagon? A: Currently, it is remaining with TBAP Trust. 2 processes are underway: (1) TUPE, (2) discussions about what will happen to the site. It is hoped it will become a Haringey site. It is on a leasehold arrangement. There are certain conditions linked to this.</p> <p>It was noted that the LA was under significant time pressure.</p> <p>It was noted that part of the AP review was to increase capacity. The LA had put in additional capacity with an HT supporting the Head of School at the Tuition Service. The Assistant Director said that it was regrettable that the Tuition Service had to move for health and safety reasons.</p>	
15.	ANY OTHER URGENT BUSINESS	
16.	DATE OF FUTURE MEETINGS 25 JUNE 2020	

Meeting closed 6:10pm

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The Children and Young People's Service

Report to Haringey Schools Forum – 25 June 2020

Agenda Item

6

Report Status

For information/note
 For consultation & views
 For decision

Report Title: Schools Forum Membership and Constitution

Authors: Brenda Bruno, Clerk to the Forum

Telephone: 020 3967 5097

Email: Brenda .Bruno@haringeyeducationpartnership.co.uk

Purpose: To review the membership of the Forum.

Recommendations:

1. Retain the current membership of the Forum pending the implementation of National Funding Formula.
2. That the Haringey Governors Association be requested to take action to fill the outstanding vacancies particularly those for Secondary academy governor places.

1. Report.

1.1 Membership

The Forum's membership was agreed until July 2020

- 1.2 There still remains the annual review of the number of pupils to ensure that school members from primary schools, secondary schools and academies are broadly proportionately represented on schools forum, based on the total number of pupils registered attending them.
- 1.3 The attached appendix A sets out the number and proportion of pupils in attendance across the school settings and phases. This indicates that in accordance with the January 2020 census data 8,449 pupils attend secondary academies compared with 6,512 attending maintained secondary schools. The primary phase shows that 3,114 pupils attend primary academies compared with 19,825 attending maintained primary maintained schools. In terms of the representatives from secondary schools headteacher places retaining the current split of two places to academies and two for maintained secondary schools is broadly in proportion with the number of pupils attending each category. Similarly, the number of primary headteacher places on the Forum should remain unchanged at seven places for primary maintained schools and one place for a primary academy representative. Also, the number of governor places on the forum from the secondary and primary sector remains the same at three for secondary academies, two for maintained secondary, seven for maintained primary and one from academy primary
- 1.4 Review at a later date of the EY membership, currently one headteacher and one governor.
- 1.5 Historically it has proven difficult to fill governor positions and at present there are two maintained primary, two maintained secondary, two secondary academy and one primary academy vacancies. It is suggested that Haringey Governor association continue to actively fill these vacancies

2. Future of the Forum

- 2.1 The operational guide from the ESFA issued in December 2018 confirmed that local authorities will continue to determine local formulas in 2020 to 2021. Therefore, there remains a continuing role for schools' forums. However, when the 'hard formula' does come in the Forum's role will change substantially. The DfE has indicated that in advance of introducing the 'hard formula', they will carry out a review from first principles of the role, functions and membership of schools' forums.

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Appendix A

January 2020 School Census - Primary and Secondary	
School	No of Pupils Registered
Alexandra Primary School	415
Belmont Infant School	213
Belmont Junior School	228
Bounds Green Infant School	331
Bounds Green Junior School	267
Bruce Grove Primary School	399
Campsbourne Infant School	205
Campsbourne Junior School	227
Chestnuts Primary School	453
Coldfall Primary	676
Coleridge Primary	878
Crowland Primary School	439
Earlham Primary School	330
Earlsmead Primary School	471
Ferry Lane Primary School	166
Highgate Primary School	452
Lancasterian Primary School	432
Lea Valley Primary School	453
Lordship Lane Primary School	633
Muswell Hill Primary School	420
North Harringay Primary School	461
Our Lady of Muswell Catholic Primary School	413
Rhodes Avenue Primary	703
Risley Avenue Primary School	639
Rokesly Infant School	319
Rokesly Junior	342
Seven Sisters Primary	369
South Harringay Junior School	210
South Harringay Infant School & Nursery	213
St Aidan's VC Primary School	228
St Francis de Sales Catholic Infant & Junior Scho	638
St Gildas' Catholic Junior School	194
St Ignatius RC Primary School	388
St James C of E Primary	248
St John Vianney Catholic Primary	233
St Martin of Porres RC Primary School	197
St Mary's CE Primary School	533
St Marys Priory Catholic Junior School	223
St Mary's RC Infant School	197
St Michael's Primary - N6	445
St Paul's Catholic Primary School	194
St Peter In Chains RC Infant School	89
Stamford Hill Primary School	94
Stroud Green Primary	313

Tetherdown Primary	421
The Devonshire Hill Nursery & Primary School	411
The Mulberry Primary School	652
The Willow Primary School	478
Tiverton Primary School	349
Trinity Primary Academy	478
Welbourne Primary	606
West Green Primary School	202
Weston Park Primary School	257
Total	19825
Brook House Primary School	418
Eden Primary	205
Harris Primary Academy Coleraine Park	447
Harris Primary Academy Philip Lane	449
Holy Trinity CE Primary School	193
Noel Park Primary School	555
St Ann's CE Primary School	196
St Paul's and All Hallows CE Junior School	173
Trinity Primary Academy	478
Total	3114
Alexandra Park School	1711
Duke's Aldridge Academy	1048
Greig City Academy	1131
Harris Academy Tottenham	1017
Heartlands High School	1142
St Thomas More Catholic School	1237
Woodside High School	1163
Total	8449
Fortismere School	1783
Gladesmore Community School	1280
Highgate Wood School	1513
Hornsey Girls School	802
Park View	1134
Total	6512
Total	37900



Agenda Item 7

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

The Children and Young People's Service

Report to Haringey Schools' Forum – 25 June 2020

Report Title: The schools internal audit programme 2019/20 outcomes
Author: Head of Audit and Risk Management
Purpose: To advise the Schools Forum of the outcomes of the 2019/20 audit programme and formal follow up audits relating to 2018/19 audits.
Recommendations: That the Schools' Forum note the feedback on the work completed in 2019/20, including the results of the follow up audits on 2018/19 audits.

1. Background

- 1.1 Internal Audit undertakes a programme of school audit reviews to ensure that schools are complying with the requirements of the Schools Finance Manual; and to confirm the risks associated with the key financial and non-financial processes are appropriately managed.
- 1.2 Currently all schools receive a full audit at least every three years and follow up work is completed the financial year after the visit.
- 1.3 The schools audit programme is delivered by the Council's outsourced audit partner, Mazars, under the supervision of the Head of Audit and Risk Management.
- 1.4 Internal audit is not required to audit the School Financial Value Standard (SFVS), but the audit programme does check that the SFVS has been completed and whether it aligns with the audit findings. The programme of routine audit work should assist schools in providing assurance to Governing Bodies to support the SFVS declarations.

2. Feedback on 2019/20 audit work

2.1 This report:

- Summarises the overall outcomes and assurance levels provided to individual schools from 2017/18 to 2019/20;
- Provides information on the results of the formal follow up programme;
- Provides a summary of assurance and recommendations made; and
- Highlights some of the common issues relating to non-compliance with the Schools Finance Manual and control weakness, where recommendations were made.

2.2 Table 1 below summarises the overall outcomes and assurance ratings for the previous four financial years of all internal audits completed.

2.3 Prior to 2019/20 the four levels assurance: Full, Substantial, Limited and Nil. The 'Full Assurance' assurance was rarely applied. As a result, in 2019/20 a new criteria for assurance was implemented to provide more distinction in the outcomes of audit work. The assurance is provided based on the number and priority of recommendations raised.

Table 1 – Summary of assurance ratings provided 2017/18 to 2019/20

	Number of audits planned	Substantial Assurance rating	Adequate Assurance rating	Limited Assurance rating	Nil Assurance rating
2017/18					
Primary Schools (incl. nursery/special)	19	10	N/A	7	2
Secondary Schools	1	1	N/A	0	0
Sub-total	20	11	0	7	2
2018/19					
Primary Schools (incl. nursery/special)	11	7	N/A	4	0
Secondary Schools	1	1	N/A	0	0
Sub-total	12	8	0	4	0
2019/20					
Primary Schools (incl. nursery/special)	17	1	10	4	2
Secondary Schools	1	1	0	0	0
Sub-total	18	2	10	4	2
Total	74	29	10	28	7

- 2.3 The table above shows 67% of schools audited in 2019/20 returned above 'adequate' assurance ratings. This is consistent performance to 2018/19 but a noted improvement on 2017/18.
- 2.4 Due to significant weaknesses from schools audits in 2016/17, as reported in previous years to the forum, Schools Governance and Finance has been included as an issue on the statutory Annual Governance Statement, which is approved by the Corporate Committee in July each year and is published as part of the Council's Annual Statement of Accounts. Due to the improvements in the last two years' this issue has been proposed for removal from the 2019/20 AGS. Results of school audits will continue to be monitored by the Corporate Committee as part of their annual reporting cycle.
- 2.5 The percentage of schools receiving limited and nil assurance is following a downward trend, two schools received 'Nil Assurance' in 2019/20, although this is obviously a concern. Our expectation is that when a follow up audit is carried out in 20/21, the schools will have put in place adequate measures to improve their rating to a satisfactory level.
- 2.6 For the school audits completed in 2019/20, **a total of 190 recommendations** were raised. Table 2 below summarises the recommendations made and groups them into the areas, which are contained within the individual audit reports issued to schools.

Table 2 – Summary of recommendations raised against audit areas

Area of Scope	Recommendations Raised		
	Priority 1	Priority 2	Priority 3
Management organisation	0	26	25
School improvement plan & OFSTED inspections	0	7	2
Budget setting, monitoring & control	1	15	3
Staffing	0	5	5
Expenditure & accounting records	4	24	6
Asset Management & Inventory Records	0	16	24
School unofficial fund	0	2	3
Income & Lettings	0	4	6
School meals	0	2	2
Data Protection	0	2	3
Total	6	105	79

- 2.6 The table shows six issues were felt to be fundamental weakness with the bulk of issues being significant (105 recommendations) and many minor issues being identified (79 recommendations) which relate to good practice or housekeeping actions.
- 2.7 Key areas of weakness include governance (mainly issues about proper constitution and recording of Governor decisions), income and budget management and procurement. A summary of the themes noted with regards recommendations is included at Appendix A.
- 2.8 As noted above the proportion of schools receiving 'limited' and 'nil' assurance has decreased over time, which is reflected in the fewer numbers of recommendations raised. The number of Priority 1 recommendations – those which we identify as fundamental control weaknesses, have also decreased. A summary of the outcomes and the details of Priority 1, 2 and 3 recommendations raised is shown in Appendix B.
- 2.9 Serious weaknesses identified in key financial processes and areas indicate that basic financial controls were weak or non-existent in some schools, which puts the school at a greater risk of fraud and poor long-term financial stability. Key findings in 2019/20 included the following:
- No or insufficient numbers of written quotations or tenders obtained or retained for high value expenditure;
 - high value expenditure not approved by Governing Body;
 - purchase orders not raised for high value/routine expenditure;
 - no valid invoice or receipts to support payments;
 - bank mandate out of date;
 - bank reconciliations not completed;
 - debt recovery processes not taking place;
 - budget monitoring not undertaken; and
 - VAT returns not submitted regularly.

3. Follow up programme for 2018/19 audits

- 3.1 Internal Audit completed formal follow up audits of all school audits, which were undertaken in 2019/20. No school received "Nil assurance" consequently, no schools required a revisit to undertake a full audit. Appendix C sets out the overall results of the follow up work completed. The follow up visits were all arranged in advance with the individual schools and took account of the deadlines confirmed by schools for the implementation of recommendations.
- 3.2 The Schools' Forum will note that of the 135 original recommendations, 87 (67%) had been fully implemented at the time of the follow up visits. This is a significant improvement on what we reported last year (55%). This does, however, include 30 significant issues which were raised as priority 2 recommendations which have not been fully addressed.

3.3 For 2020/21 we are reviewing our approach to follow up. The plan is to move from a point in time update to a more proactive on-going monitoring approach that tracks recommendations to closure. This will provide more relevant assurances to key stakeholders.

4. Training for Schools and Governors

4.1 In addition to circulating the school audit test programme, workshop sessions have been provided for school staff (finance staff, bursars, and head teachers) over the last four financial years to further assist schools in identifying key risk areas and control processes.

4.2 A workshop session was again offered to all schools with audits planned during 2020/21 as well as where key staff have changed in the last twelve months; the session was held on 17th March 2020 and some schools due to be audited in 2020/21 attended the session. In addition, four further training sessions were provided to bursars and school business managers, head teachers, governors, and other members of staff.

4.3 Training sessions on audit and risk management, covering governor roles and responsibilities in relation to audit and risk management, as well as providing advice and guidance on key risk/control areas were provided as part of the annual governor training package. These training sessions are offered every academic year.

5. Internal Audit schools audit and follow up programme 2020/21

5.1 Internal Audit has not been commenced for the 2020/21 programme of school audit visits due to the Covid-19 outbreak.

5.2 We are using this time to review the audit programme and approach to school audit and follow up with Mazars. Actions will be taken to ensure safe arrangements for audits to be carried out. The planned approach for 2020/21 will be communicated to all schools and schools scheduled for audit this year will be contacted and dates agreed for their audit visits will be agreed.

6. Recommendation

6.1 That the Schools' Forum notes the feedback on audit work completed in 2019/20.

Key Themes from 2019/20 Audits

AUDIT AREA	FINDING	RISK
Governance	<ul style="list-style-type: none"> • Register of Interests forms have not been completed by employees / Governors. • Committee terms of reference conflict with the Scheme of Delegation regarding the Head Teacher's delegated expenditure limit / have not been approved by the governing body. • School Development Plan not submitted to governors. • Policies / procedures / key documents are not in place / up to date or they had not been submitted to governors. • Minutes of governor meetings do not contain sufficient detail of action taken / are not produced promptly / are not approved as an accurate record at the next meeting. • Committee meetings are not held regularly or in accordance with their terms of reference. • Signed Statements of Acceptance not held on personnel files. • Employment records not regularly updated and reconciled to Single Central Record. • Instrument of Governance not approved by the Director of Children's Services. 	<ul style="list-style-type: none"> • Potential conflict of interest - work could be awarded to companies who Governors / staff have an interest in. • Expenditure requiring approval has not been submitted to governors. • Governors may not be aware of the strategic direction of the school and what target improvements need to be made. • Governors may not be aware of processes within the school. • Lack of evidence of Governor approval for action taken. • Delays to key decisions being taken. • Inability to legally enforce terms and conditions of contract. • Inaccurate information relating to staff safeguarding status may be held. • Non-compliance with Education Act 2002.
Financial Planning	<ul style="list-style-type: none"> • Pupil Premium Strategy had not been approved by the Governing Body / pupil premium evaluation not completed. 	<ul style="list-style-type: none"> • Funding may not be available to support the achievement of education strategy.
Budget Monitoring	<ul style="list-style-type: none"> • Monthly budget monitoring reports are not signed / are not checked / do not include payroll reports. • No evidence of approval for budget virements. 	<ul style="list-style-type: none"> • Lack of evidence / audit trail to demonstrate performance of a key checking control.
Financial Controls	<ul style="list-style-type: none"> • Documented financial procedures are not in place / not sufficiently detailed. 	<ul style="list-style-type: none"> • Procedures may not be performed properly in the absence of key staff.

AUDIT AREA	FINDING	RISK
Procurement	<ul style="list-style-type: none"> • Procurement processes are not aligned to the Council's Contract Procedure rules contract rules, where insufficient number of quotations had been obtained. • Invoices have not been authorised. • Orders have not been raised / do not include the order value / documents missing / goods not received. • Checks have not been made to determine if the roles of individuals are on a self-employed basis or they should be paid via the payroll. 	<ul style="list-style-type: none"> • Non-compliance with the Council's contract rules. • Inappropriate payments may be made. • Non-compliance with HM Revenues and Customs regulations.
Income	<ul style="list-style-type: none"> • Lettings agreements do not contain charges / are not signed by hirers to confirm acceptance of terms. • VAT not charged on lettings / VAT reconciliations not completed regularly. • School meal income records / summary of cash received each day/ summary of banking is not maintained / is not sufficiently detailed. • School meal debtors are not promptly followed up. • Cost / Benefit analysis of after school club not completed and reported to Governing Body. 	<ul style="list-style-type: none"> • Potential loss of income. • Non-compliance with HM Revenues and Customs regulations. • Income is not accounted for correctly. • Potential loss of income. • After school club fails to break even resulting in potential loss of income.
School Fund / Extended Activities	<ul style="list-style-type: none"> • Accounts are not audited / not reported to Governors. 	<ul style="list-style-type: none"> • Governors will not be aware of School Fund activity.
Bank Accounts	<ul style="list-style-type: none"> • Monthly bank reconciliations are not undertaken, not undertaken regularly or where undertaken are not signed / checked. 	<ul style="list-style-type: none"> • Errors / omissions / fraudulent activity may not be identified promptly / may not be undetected.
Inventory	<ul style="list-style-type: none"> • Inventory is not up to date/ not subject to annual review / evidence of review not documented / purchase date not included. • IT equipment is not security marked. • Equipment loaned to staff not authorised or recorded correctly. 	<ul style="list-style-type: none"> • Unable to demonstrate accountability for equipment.

AUDIT AREA	FINDING	RISK
Payroll	<ul style="list-style-type: none">• Performance management for finance staff is not undertaken.• Overtime had not been checked / signed / authorised / promptly submitted.• No evidence of review of payroll records.	<ul style="list-style-type: none">• Training issues may not be identified and addressed.• Unauthorised payroll transactions may occur.

Outcomes and recommendations raised for 2019/20 school audits

School	Type	Assurance	Recommendations Raised			Total
			Priority 1	Priority 2	Priority 3	
Blanche Nevile	Special	Adequate	0	2	3	5
Weston Park	Primary	Adequate	0	2	7	9
Muswell Hill	Primary	Adequate	0	4	5	9
St. John Vianney	Primary	Adequate	0	6	4	10
St. Mary's Priory	Infant & Junior	Adequate	0	6	1	7
St. Michael's C of E	Primary	Substantial	0	1	5	6
The Vale	Special	Adequate	1	4	0	5
Belmont	Infant	Limited	0	6	9	15
Coleridge	Primary	Adequate	0	5	4	9
Lordship Lane	Primary	Limited	0	8	6	14
Pembury	Nursery	Limited	2	6	3	11
St. Gilda's Catholic	Junior	Adequate	0	4	7	11
Stroud Green	Primary	Nil	3	18	5	26
The Brook Special	Primary	Limited	0	7	5	12
St. Aidan	Primary	Adequate	0	5	3	8
Seven Sisters	Primary	Adequate	0	5	6	11
Lea Valley	Primary	Nil	0	14	6	20
Primary & Special Sub-total			6	103	79	188
Gladesmore	Secondary	Substantial	0	2	0	2
Secondary Sub-total			0	2	0	2
Total			6	105	79	190

Results of internal audit's follow-up work on the 2018/19 school audits

Follow up of 2018/19 audits	Type	Assurance	Recommendations raised				Recommendations Implemented				Partly Impl.	Not Impl.	N/A	Priority 1 O/S
			Priority 1	Priority 2	Priority 3	Total	Priority 1	Priority 2	Priority 3	Total				
School										Total	Total	Total	Total	
Chestnuts	Primary	Limited	0	9	6	15	0	5	4	9	4	2	0	0
Devonshire Hill	Primary	Substantial	0	1	2	3	0	1	2	3	0	0	0	0
Earlham	Primary	Substantial	0	3	0	3	0	3	0	3	0	0	0	0
Earlsmead	Primary	Substantial	0	3	2	5	0	3	2	5	0	0	0	0
Highgate	Primary	Substantial	0	4	8	12	0	0	6	6	2	4	0	0
Risley Avenue	Primary	Limited	1	15	5	21	1	8	0	9	12	0	0	0
Rowland Hill	Nursery	Substantial	0	1	5	6	0	1	3	4	1	1	0	0
South Harringay	Infant	Substantial	0	6	4	10	0	4	3	7	1	2	0	0
St. Francis de Sales	Infant & Junior	Substantial	0	3	5	8	0	2	5	7	1	0	0	0
St. Ignatius RC	Primary	Limited	3	9	3	15	1	4	2	7	4	3	1	2
St. James C of E	Primary	Limited	1	12	4	17	0	8	2	10	7	0	0	1
The Willow	Primary	Substantial	0	2	6	8	0	2	6	8	0	0	0	0
Primary/Special Total			5	68	50	123	2	41	35	78	32	12	1	3
Park View	Secondary	Substantial	0	5	7	12	0	5	4	9	3	0	0	0
Secondary Total			0	5	7	12	0	5	4	9	3	0	0	0
Overall Total			5	73	57	135	2	46	39	87	35	12	1	3

**Agenda Item
8 & 10**



Report Status

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum –25th June 2020

Report Title: Dedicated Schools Budget Strategy 2019-20

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Purpose:

1. To inform members of the final DSG position 2019-20 overall and in Early Years Block, Schools Block, High Needs Block and Central School Services Black.
2. To note the schools closing balance as at 31 March 2020.
3. To note the financial review of DSG for 2019-20 and 2020-21 forecast.
4. To update on the proposed use of the Business Rates refund allocation.
5. To inform members of the need for DSG recovery plan.

Recommendations:

1. Consider using the Business Rates refund reallocation balance to support a Covid-19 fund to support the School's in Haringey that have been adversely affected financially by Covid-19. (Appendix a – provides additional info).

1 Introduction.

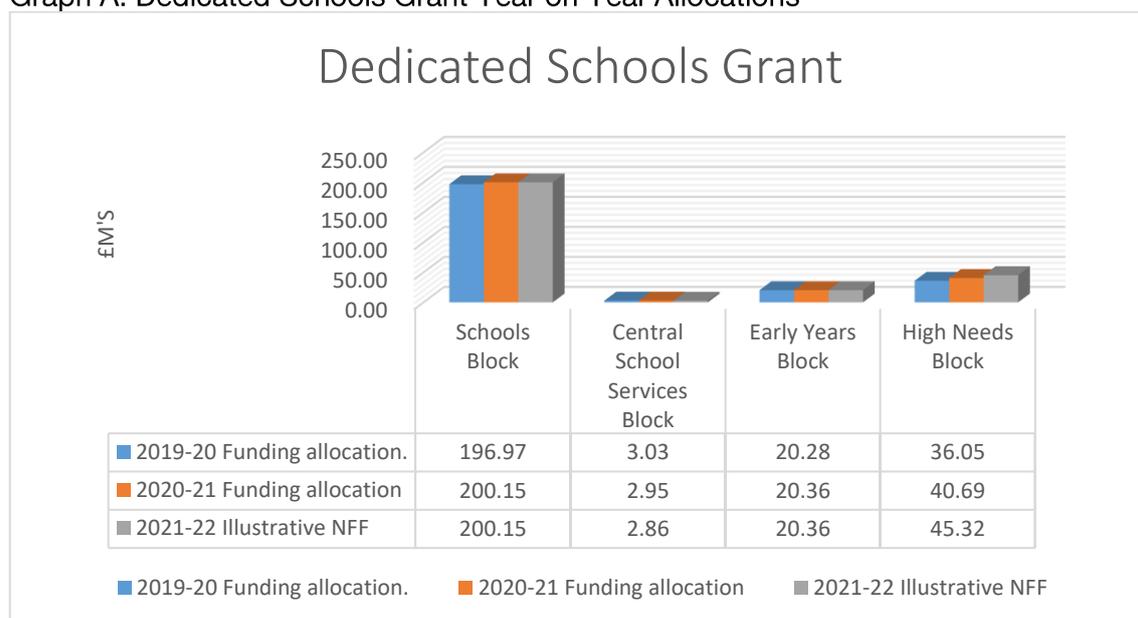
- 1.1 In July 2017, the DfE announced the introduction of the national funding formula (NFF) which was supported by additional investment in 2018-19 and 2019-20. The additional funding over the last two years has enabled the Council to maintain per-pupil spending for our schools and the high needs blocks.
- 1.2 This paper sets out a summary of the DSG (dedicated schools grant) analysis of the four blocks' financial position for the financial year 2019-20 and the strategy for the financial year 2020-21
- 1.3 The policy document which sets out the background and principles of the National Funding Formula for schools can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/838394/National_funding_formula_policy_document_-_2020_to_2021.pdf
- 1.4 The DSG is currently divided into four notional blocks: Schools, High Needs, Early Years and Central.

The 'soft' formula that was originally planned for 2018-19 was extended to 2019-20, with a 'hard' formula, without local input, to be implemented in 2020-21. However, we now know that the implementation of a 'hard' NFF will be introduced – i.e. without a local formula applied - from 2021-22, subject to DfE confirmation.

2 Analysis of Dedicated Schools Grant Allocations

- 2.1 Graph A below sets out Haringey's DSG allocations for 2019-20, the indicative DSG allocation for 2020-21, and the illustrative National Funding Formula for 2021-22. The illustrative 2021-22 NFF is simply the same level of growth/reduction from 2019-20 to 2020-21, applied to 2020-21 for Central and High Needs Block. With Schools and Early retained at 2020-21 Allocations.

Graph A: Dedicated Schools Grant Year on Year Allocations



3 Analysis of Schools balances as at 31 March 2020

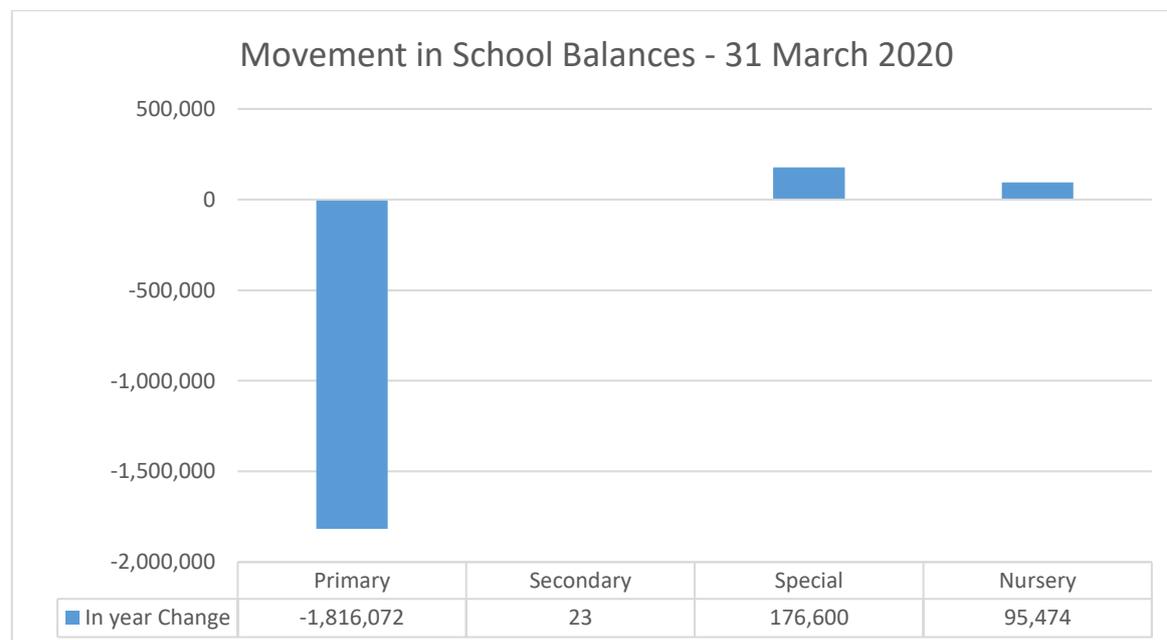
3.1 The analysis provides an update on the schools' year end balances as at 31 March 2020. Table A of Schools Reserve Balances is a financial year overview of movement in schools reserve balances from 2018-19 to 2019-20.

Table A: Schools Reserve Balances

Financial Year Overview	FY 18/19	In year Change	FY 19/20
Primary	7,836,837	-1,816,072	6,020,765
Secondary	1,311,834	23	1,311,857
Special	484,010	176,600	660,610
Nursery	41,653	95,474	137,127
Total	9,674,335	-1,543,976	8,130,359

3.2 The details of school's balances will be discussed further in the School's in Financial Difficulty update paper which is also on this agenda. But Graph B demonstrates the overall movement in School Balance reserves per setting type.

Graph B: Movements in School Balances



DSG closing position – 31 March 2020.

3.3 Summary

The overall DSG position as at 31 March 2020 is a £7.96m deficit. The HNB (High Needs Block) is the main pressure to the DSG grant and closed with a £7.84m deficit.

The following graph represents the under and overspends of the different blocks during the year. The overall overspend equates to 4.2% of the Haringey's overall grant allocation after recoupment.

Graph C: DSG Out-turn Variance 2019-20

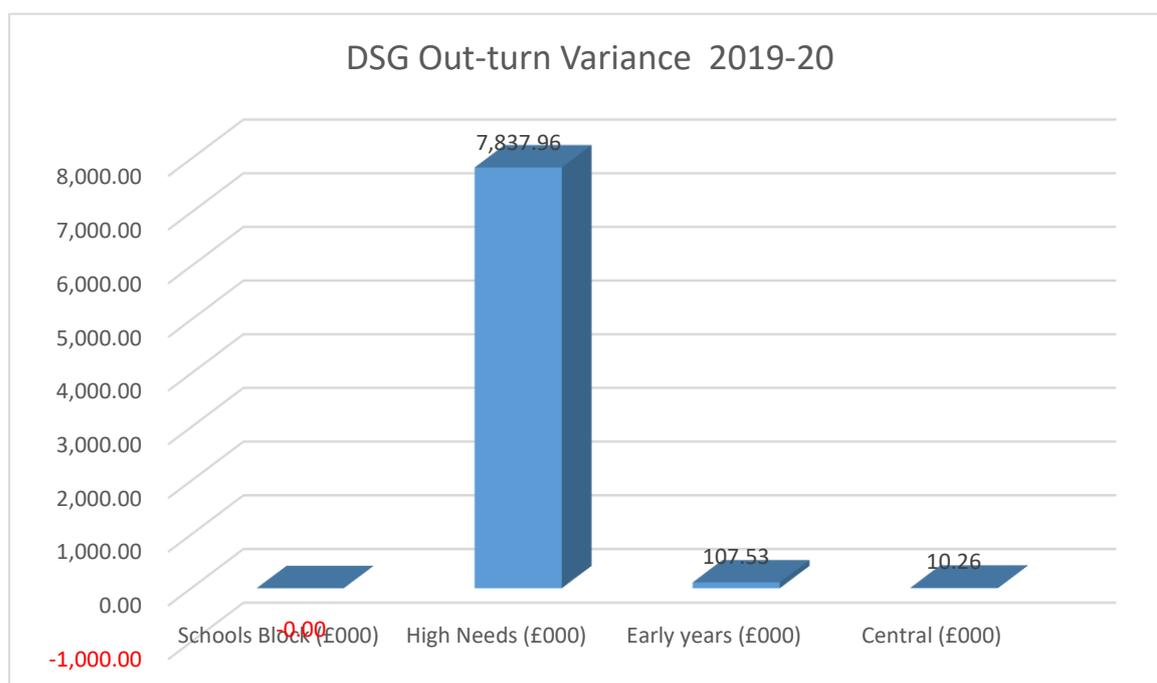


Table B below provides the gross allocation and expenditure of the DSG and details of the closing DSG reserve balances.

Table B: 2019-20 DSG Out-turn Table.

DSG Out-turn 2019-20	Schools Block (£000)	High Needs (£000)	Early years (£000)	Central (£000)	Total (£000)
Schools Block DSG Final funding settlement	130,242.51	33,773.56	20,089.39	3,026.04	187,131.50
Schools Block to High Needs Block (0.25%)	-0.49	0.49	0	0	0
Growth Fund	-0.92	0	0	0.92	0
Additional SEN funding	0	0.63	0	0	0.63
Total funding Allocation	130,241.10	33,774.68	20,089.39	3,026.96	187,132.13
2019-20 Out-turn	130,241.10	41,612.64	20,196.92	3,037.22	195,087.88
In year Position	0.00	-7,837.96	-107.53	-10.26	-7,955.75
B/fwd. Balances	0.00	-2,229.00	0.00	0.00	-2,229.00
Net Position	0.00	-10,066.96	-107.53	-10.26	-10,184.75

3.3 High Needs Block

The High Needs Block (HNB) overspend for the year is £7.84m – this is directly related to the increases in spend last year, including the way the DSG was funded by the ESFA and significant growth in pupil numbers within SEND. The main pressure areas continue within special schools and the children in post 16

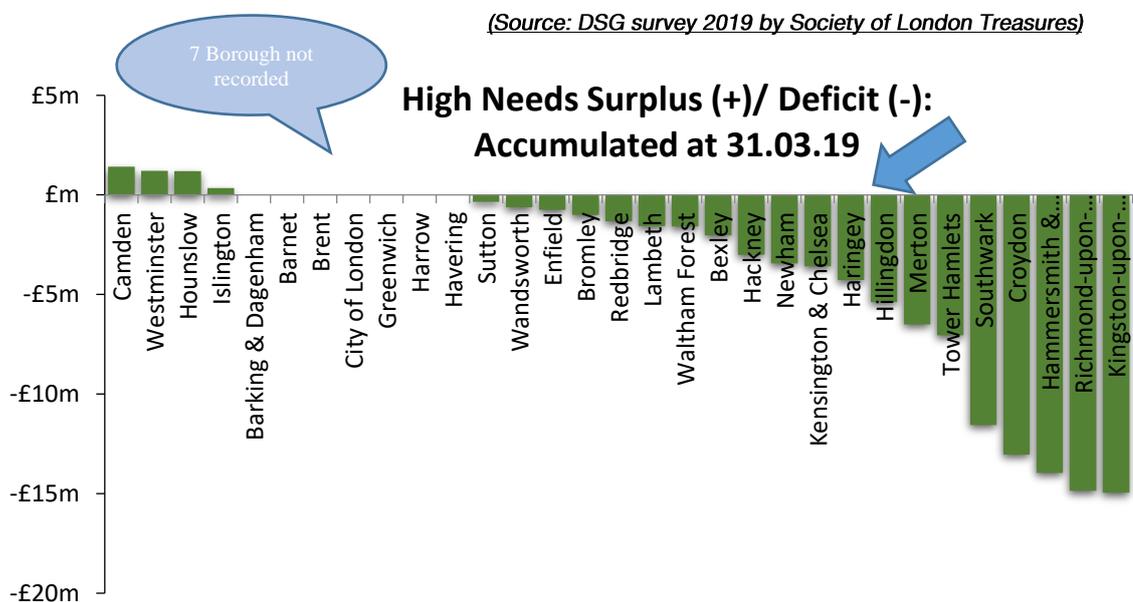
settings, where there was inadequate funding for the extended age range up to 25years.

As reported via the High Needs reporting there is still pressure due to multiple factors, the growing number of EHCP's requiring additional resources to be secured from an already pressured high needs budget, year on year growth in the use of independent educational provision and the ongoing budgetary demand within the FE sector.

The savings plans for 2019-20 were not achieved as reported in Schools Forum in by the SEND Head of Service in February 2020.

A comprehensive report from the Head of Service is to be presented to the School forum for HNB strategies over the next 3 years. This will be presented to schools forum in January 2021.

It should be acknowledged that HNB deficits are a national issue and shown below is a graphical representation of the size of the problem across London from last year. (Haringey will chase up an updated position.)



The DfE are currently consulting with schools and local authorities on the future funding arrangements for the HNB. LA responses are being co-ordinated into a single response through London Councils. The SEND review as promised by the DfE has been impacted by Covid and the anticipated paper has been delayed. We are awaiting the DfE's official release.

3.4 Schools Block

This represents the Central School Block allocation. School balances are reported under section 3.1 to 3.3 of this report.

The Schools block broke even with distribution of budget to schools in line with the Authority Performance Tool (APT). The School's in Financial Difficulty (SFID) allocation was not fully utilised with an underspend of £112k to be carried forward. The underspend was a result of requests did not meet the criteria for access. Part of this underspend is to be used to support School's Finance arrangements in supporting School's in Financial Difficulty.

3.5 Early Years Block

The Early Years block is fully spent but finished with a £100k overspend. However, this is inclusive of a provision for clawback estimated at £150k.

Haringey's DSG allocation for Early Years is based on the annual January census. The actual amounts of DSG funding allocated to Early Years provision in schools and PVI (Private, Voluntary and Independent) settings are based on participation numbers, captured via 3 termly headcounts per school year. Schools and PVIs record their early years pupil hours on the Synergy Provider portal maintained by the Council.

DSG closing position Forecast – 31 March 2021.

3.6 As it is June there is no Quarter 1 forecast report available and this will be provided at next Schools Forum. However, if the current trajectory remains the same as 2019-20 expenditure the predicted DSG forecast financial position for the financial year 2020-21 is estimated to be a £13m deficit.

Table C: 2020-21 Projected DSG Out-turn.

2020-21 DSG Budget Forecast	Schools Block (£000)	High Needs (£000)	Early years (£000)	Central (£000)	Total (£000)
2019-20 Opening Balances	0.00	-2,228.84	0.00	0.00	-2,228.84
C/Fwd 2019-20	0.50	-7,783.56	-107.52	-10.27	-7,900.85
Revised C/Fwd into 2020/21	0.50	-10,012.40	-107.52	-10.27	-10,129.69
Schools Block DSG funding settlement	130,166.44	38,653.58	20,263.17	2,945.87	192,029.06
Schools Block to High Needs Block (0.25%)	0.00	0.00	0.00	0.00	0.00
Other transfers	0.00	0.00	0.00	0.00	0.00
Total funding available	130,166.44	38,653.58	20,263.17	2,945.87	192,029.06
Available to Spend	130,166.94	28,641.18	20,155.65	2,935.60	202,158.75
Projected Expenditure	130,242.02	41,557.75	20,196.92	3,036.30	195,032.99
Net Position	-75.08	-12,916.58	-41.27	-100.70	-13,133.62
Medium Term Financial Strategy – HNB	0.00	0.00	0.00	0.00	0.00
Outturn 2020-21	-75.08	-12,916.58	-41.27	-100.70	-13,133.62

*After Recoupment and deductions.

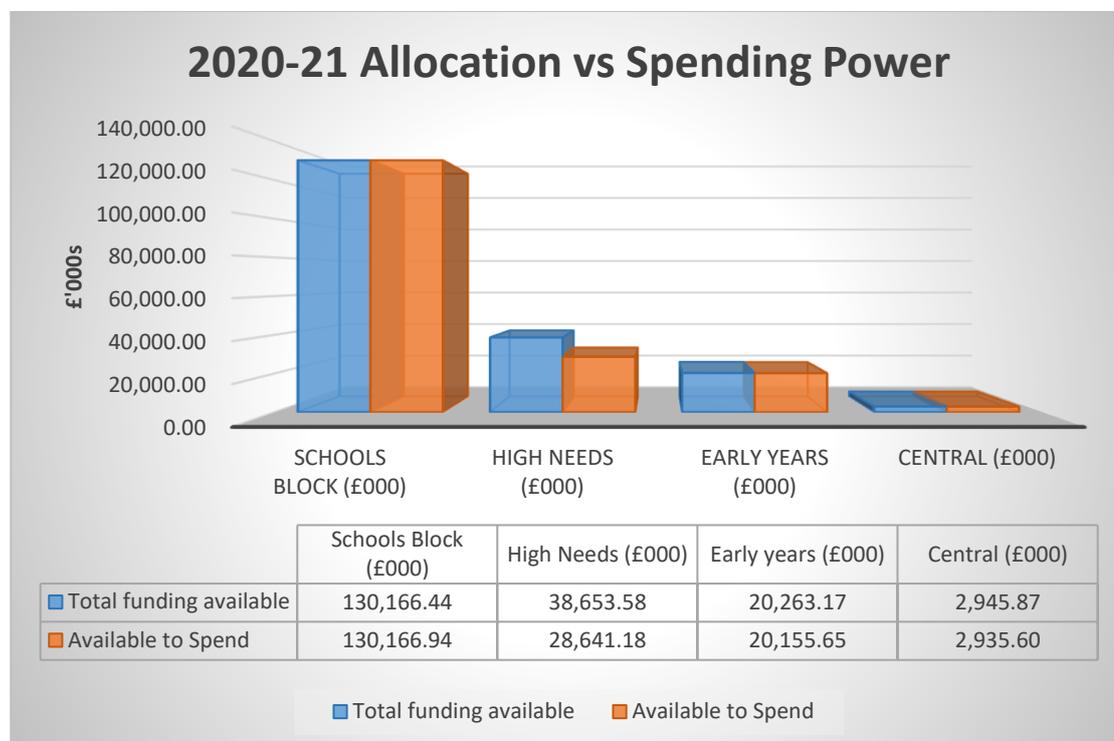
** This is Carry Forward surplus or deficit added to Initial Allocations

*** Based on 2019-20 Out-turn

**** SEND / LA to provide plan to "bring back to budget".

The chart below is a visual representation of the individual blocks spending power. It is based on deficit carry forwards being met with initial funding allocations.

Graph C: Haringey Spending Power 2020/21



The Schools Block has a marginal increase in spending due to carry forward surplus. As the Early Years and Central Blocks both have deficit carry forwards their spending power is impacted marginally. The High Needs Block is clearly impacted by their ongoing deficit. By the time HNB spends £28.6M it will already be in deficit. £28.6M represents 74% of their 2020/21 Allocation. In the last two financial years, HNB activity is the main material pressure to the DSG. The strategy to address this is being formulated by the Head of SEND to reduce expenditure during the next three years. This will be a key in informing the DSG Deficit Recovery Plan.

3.8 Business rates refund re-allocation to schools – Proposed Covid-19 Fund.

In the February Schools Forum, the agreement to utilise the School's Funding Working Group to look at how to distribute the remaining balance has been actioned. The group met in May 2020 and with the onset of Covid-19, a proposal to create a fund was tabled.

The fund is made up of the residual Business Rates Relief and the SiFD Allocation balances after adjusting for agreed commitments and spend from 2019-20 and 2020-21. It is calculated to total £784K.

The Covid Emergency Support Fund table details the total amount available:

Table D: Covid Emergency Support Fund.

Covid Emergency Support Fund 2020 -21	Rates Refund	Schools in Financial Difficulty (DSG) 2019-20	Schools in Financial Difficulty (DSG) 2020-21
	"£'000"	"£'000"	"£'000"
Opening Balance	914	179	179
Business Rates Contingency for Coleridge in 2019-20	-48	0	0
Financial Management Support 2019-20	0	-67	0
Financial Management Support 2019-20 Carried Forward	-100	-53	0
Financial Management Support 2020-21	-100		-120
Closing Balance to be used for CESF	666	59	59

Total Fund for 2020-21	£784K
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Appendix 1 provides a power point presentation that describes the timeline of creating this Covid fund as well as the sources of the decision-making process along the way.

There is a set of criteria to access this funding and will be based on the principles of eligibility and time:

Eligibility will be based on:

- The net effect Covid has had on finances, with evidencing of net losses and savings.
- Funding available to those schools pushed into deficit by Covid.
- Based on needs – with cap setting.
- As the Business Rates Refund was based on APT – it is only open to schools funded by the APT.

In terms of timeliness, the requests for the fund will be open after Quarter 3:

- To ensure the financial impact is real and not estimated:
- After school budgets are set to ensure parity across all schools and ensure no incentivising of loss.
- DfE reimbursements should be known by this time.

Schools Forum are asked to consider and agree the Working Group's proposal to create this Covid-19 fund.

Schools Forum are asked to agree which settings can access this fund. This includes LEA maintained, Primary and Secondary, Academies, Free Schools Nurseries and Special Schools.

Choosing the Covid-Fund option will mean sharing £784k amongst schools. If this option is not chosen, it will mean that the SFiD funds are retained for their original purpose and the Business Rates Refund pot is back to £666k with no agreed plan for how it will be distributed among schools.

Next Steps after any decision to proceed with the Covid model would be to model the distribution of this funding, based on the following scenarios:

- a) As a Covid Fund and/or:
- b) another School Funded Working Group reviewed sharing mechanism.

If the creation of a Covid Fund is chosen and there is any residual balance after disbursements for Covid, the method to apportion out the residual balance will still need to be agreed.

Whatever decisions are made Schools Finance will work with the working group to cost up models and set bidding processes and procedures and then present any workings at a future Schools Forum.

4 Dedicated schools grant (DSG) deficit recovery plans

- 4.1 The DfE has updated their guidance on Deficit Recovery Plans (DRP) and verbally committed to removing the 1% threshold and the need to produce a recovery plan for the 30th of June. This is understood to be for 2019-20 only.

SWGECs (Service Working Group on Education and Children Services) minutes of the 12th of February stated:

6.6 On the subject of deficits, there has been a change to the conditions of grant. The 1% threshold has now been removed, and the department will now only ask for a recovery plan if it is felt that one is needed.

- 4.2 The LA should still be working to produce a DRP not just in case the DfE request this, but also as a matter of good practice to ensure funds are being used effectively.
- 4.3 As stated previously, the DRP for Haringey is closely aligned to Haringey's SEND review and back to budget projects.
- 4.4 Recovery plans should be discussed at Schools Forums and be signed off by the local authority's chief financial officer (CFO) before the plans are submitted to the DfE. Therefore, we plan to provide Schools Forum with the recovery plan updates throughout the year.
- 4.5 Updates from the DfE regarding DRPs will be provided to School's Forum when they are received.

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**Agenda Item
9**



Report Status

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum – 25th June 2020

Report Title: School's Finance Support Offer- Update on Schools in Financial Difficulty

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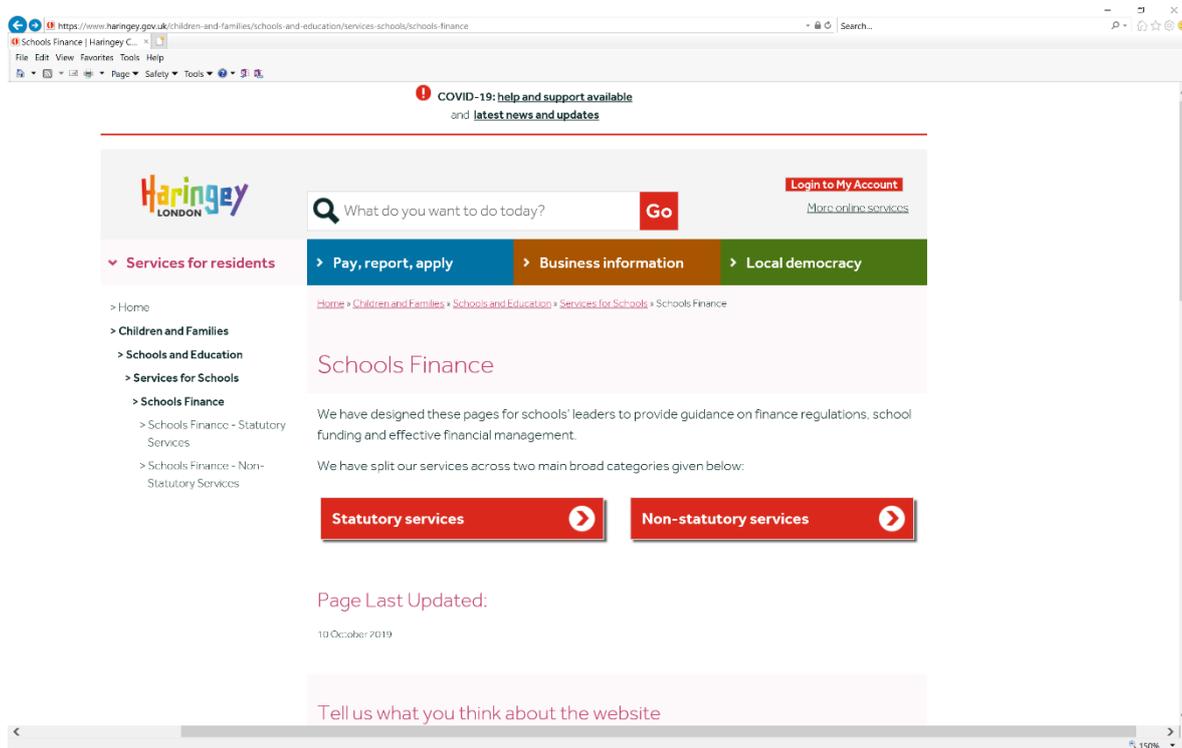
Purpose: To re-affirm to Schools Forum the LA's School's Finance Team roles for the year and the support available for schools in financial difficulty.

Updates:

1. Schools in financial difficulty programme.

1. Background and Introduction

- 1.1. This paper is setting out the how School's Finance are supporting Schools Finance Management across Haringey with the emphasis on the School's in Financial Difficulty programme aimed at supporting existing schools in difficulty and those at risk of entering into further financial hardship. The paper will detail current arrangements and the process followed to support better financial management.
- 1.2. The School Finance Team's statutory function is to provide funding information to schools and to work with Schools Forum to agree funding allocations for schools.
- 1.3. We publish all funding information on our webpage (see 1.6 below) to enable schools to find information they need easily. We are continually working improve functionality of this webpage and its resources.
- 1.4. We provide a finance monitoring role to ensure that all accounts are compliant with the Consistent Financial Reporting (CFR) format and are compliant with the Council's Statement of Accounts.
- 1.5. We deliver workshops to ensure that all schools have been provided with information on changes in the funding allocations and reporting requirements.
- 1.6. We also intend to publish newsletters on our webpage to keep schools' leaders informed of important updates.



- 1.7. Website: <https://www.haringey.gov.uk/children-and-families/schools-and-education/services-schools/schools-finance/schools-finance-statutory-services>

2. Schools Finance Structure:

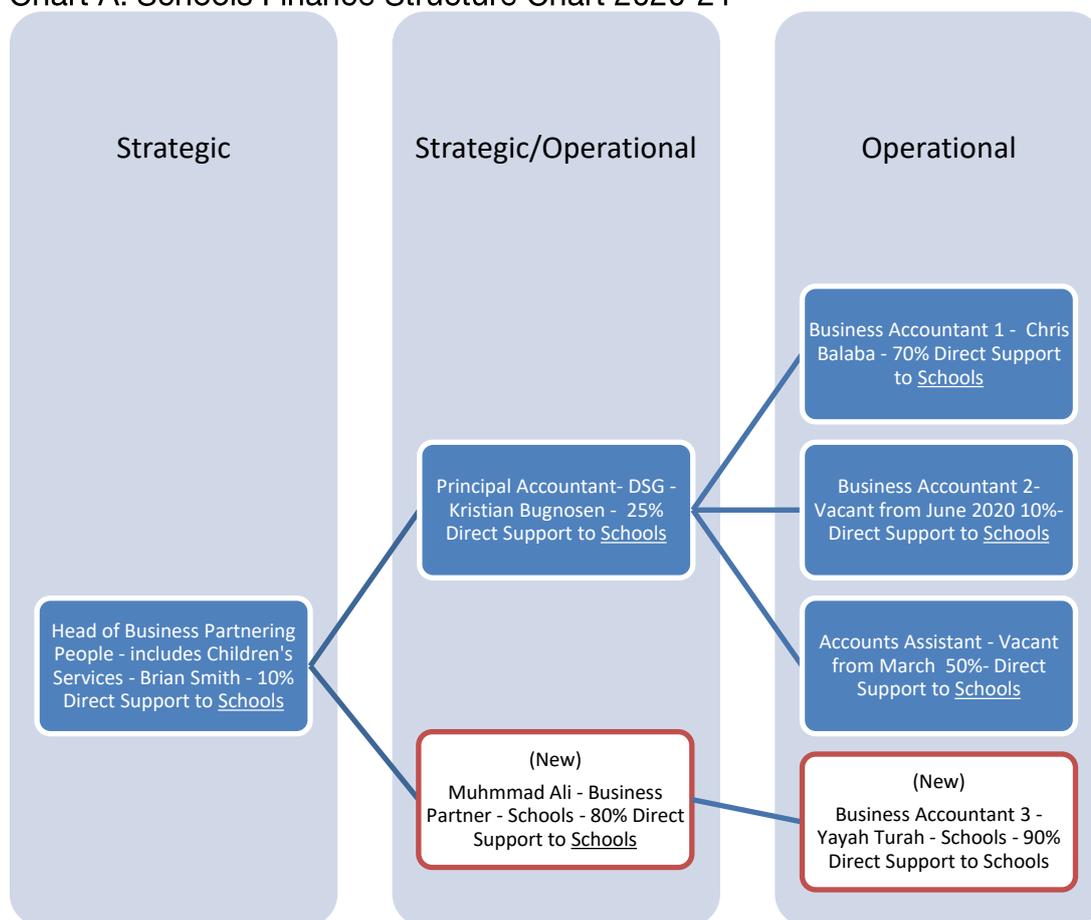
The direct support to Haringey Schools from the LA via the School's Finance Team has undergone massive changes in the last 3 years. Only 1 member of staff in the current structure has been in Haringey for a period of over 18 months. This structure is looking to building a qualified and stable support to Haringey Schools. The main roles and responsibilities are demonstrated in Table A:

Table A: Schools Finance Roles and Responsibilities

Role	Statutory	Non-Statutory (Value Added)
Budget Planning	School Budget (APT) Authority Performance Tool	Enhancing Schools Finance management.
	Schools Financial Procedure Manuals	
Cash Flow Management	Licensed Deficits	
	Schools Cashflow	
Budget Monitoring	Quarterly processing of Schools Return (CFR Returns)	Enhanced Analytical reviews of returns - for KPI building and benchmarking.
Year End/Accounts Closure	Collation of Income and Expenditure / Balance Sheet - Final Accounts.	
	Manage External Audit	
Risk Management	*Schools in Financial Difficulty - Identification.	*Schools in Financial Difficulty - Preventative Measures
	Maintain Risk Register / MTFS (Council)	SFiD: includes Business Plan, Cashflow Forecasting etc. See section 4 for further details.
Government Reporting	DfE Returns	
	Schools Returns – Section 251s	
Other		Specialised Training: including presentations to School Business Managers, Headteachers and Governors.
Other Business as Usual - Various Schools queries and investigations		

The Schools Finance Structure chart A below details the current structure and staffing levels that directly support Haringey Schools as at June 2020

Chart A: Schools Finance Structure Chart 2020-21



- 2.1. Schools Finance Team have operated with some vacancies throughout the 2019-20 financial year but have managed to fulfil their statutory duties and introduce a Schools in Financial Difficulty programme.
- 2.2. One of the Business Accountant posts has been filled by the former Accounts Assistant who earned a successful promotion. The other Business Accountant post was filled by a Graduate Trainee on rotation and has now rotated out. This post has been recruited to with the successful candidate poised to join in August.
- 2.3. The Schools Finance Team consists of 7 Full Time Equivalent posts. In terms of direct support to Haringey Schools. The actual support is the equivalent of 3.35 FTE, with the rest of the time supporting the other DSG Blocks or Council Services. *The percentage direct support to schools is the planned support of an individual post's time and capacity.

- 2.4. Table B below demonstrates the funding source and share of these individual posts:

Table B. Schools Finance Post Funding Splits.

Post Funding Sources	Funding Source LA	Funding Source External
Post	LA's GF	Schools Traded Services -including chargeable to SFID fund and any bought in services.
Head of Business Partnering People (Including Children's Services & Schools)	100%	
Business Partner Schools	20%	80%
Principal Accountant (DSG)	100%	
Business Accountant (DSG)	100%	
Business Accountant (DSG)	100%	
Business Accountant (Schools)	10%	90%
Accountants Assistant	100%	

- 2.5. Funding for the five posts – the Head of Business Partnering, Principal Accountant DSG, 2 Business Accountants and the Accounts Assistant - are predominantly sourced from the General Fund, with a small contribution from the CSSB. These are permanent posts in the LA structure and predominantly handle the Statutory Services of Schools Finance.
- 2.6. The Schools Traded Services offer support to schools with the non-statutory aspects of Schools Finance and provides 2 key functions:
- bought in support to Schools based on a Service Level Agreements as detailed in ¹Schools Traded Service offer:
 - supporting Schools in Financial Difficulty.
- 2.7. The Traded Service arm of School's Finance is currently represented by the Business Partner and Business Accountant for Schools - and are funded from bought in business from Schools and the DSG through the Schools in Financial Difficulty allocation – as “start up”. These posts are Fixed Term and are considered “value added” as they provide outputs outside of the LA's statutory functions.
- 2.8. With a brief to provide preventative measures to stop schools slipping into financial difficulties and improve financial standard to customers, ²the posts were created in response to improvements in Budget Monitoring and Setting as identified and first raised at the School's Forum meeting on 11th July 2019 via the report “Dedicated Schools Budget Strategy 2019-20”.

¹ <https://www.minutes.haringey.gov.uk/documents/s115110/Appendix%20B%20-%20Presentation%20Support%20Pacakges.pdf>

² As highlighted in Item 4.10 of Dedicated Schools Budget Strategy Schools Forum 11-07-19 – The quality of reporting and information provided to School's Senior Leadership in some Schools was not adequate to aid in effective decision making.
<https://www.minutes.haringey.gov.uk/documents/s110355/item%208%20DSB.pdf>

- 2.9. The Business Partner for Schools post is currently held by Muhammad Ali – who was initially brought in as interim Principal Accountant DSG (a post now filled permanently by Kristian Bugnosen as of May 2019). The Business Partner post has been labelled Schools Finance Advisor in Schools Forum Minutes and ³£100k from “Rates Relief Fund” per year over two years supports the funding of this post through the SFiD programme. This was clarified in February 2019 Schools Forum.
- 2.10. Each individual post has a particular focus, with strategic roles focussing on addressing policy, strategy and implementation and the operational roles supporting Schools with matters “on the ground”.
- 2.11. The size of the team does mean that there are risks in capacity and quality of outputs if vacant posts remain unfilled for any significant period of time (the ability to operate efficiently during pressure periods) or significant outward movements in personal (talent drain). There is also a limitation to the number of schools that can be supported that: a) want to buy in LA Services and b) show signs of falling into financial difficulty.
- 2.12. To address these risks, we want to ensure that staff members are retained and settled for a long-term period. There is a need to produce a systemised way of working, including effective automation (the use of the web portal for example) and so thus allowing effective processes and procedures that have not existed before to be put in place. The team ethos at the core of staff operations is to promote sustainability and effective transition arrangements.⁴ This will allow greater transparency for all stakeholders to provide assurances of the LA’s ability to support Schools and build positive relationships.
- 2.13. Growth in the team will be based on sustainability of high standards and the demand from Haringey schools for buying LA non-statutory services, as well as the increase in risk of schools numbers heading towards financial difficulty and declaring licensed deficits, including falling rolls.
- 2.14. A proposed enhancement of this structure is referenced in the report Schools in Financial Difficulty Support Programme presented at Schools Forum on the 28th of February 2020.⁵ It recommended to utilise unspent funding on a School Finance Management activities covered by the “Value Added” (non-statutory) operations that Schools Finance provide to Schools.

³ As highlighted in 8.10 of Minutes of Schools Forum 17-10-2019

<https://www.minutes.haringey.gov.uk/documents/s113153/item%204%20mins%2017.10.19.pdf>

⁴ As highlighted in Item 8.8 of Inquorate Minutes School Forum 11-07-19 – “From Local Government Association peer review the need for LA’s to rebuild infrastructure to regain confidence and trust from Schools”. <https://www.minutes.haringey.gov.uk/documents/s111970/item%204%20Minutes11.07.19.pdf>

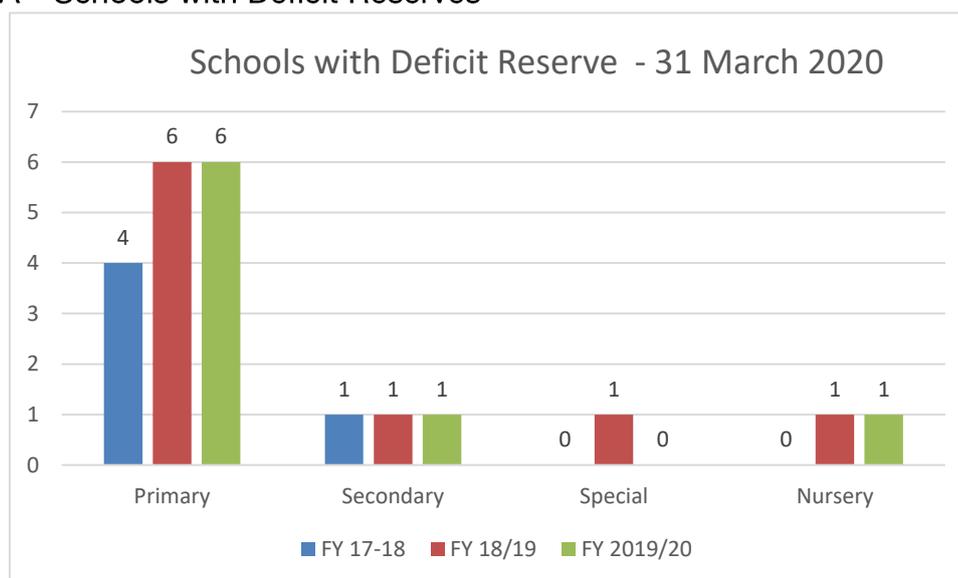
⁵ As highlighted in Item 9 of Schools in Financial Difficulty Support Programme 28-02-2020. Options were listed to utilise carry forward unspent School’s in Financial Difficulty funding.

<https://www.minutes.haringey.gov.uk/documents/s115109/Contingency%20for%20Schools%20in%20Financial%20Difficulty%202020-21-%20v6.pdf>

3. Schools Reserve Balances and Schools in Financial Difficulty Updates

- 3.1. Graph A below represents the current number of schools in deficit as at 31 March 2020 as compared to 2017-18 and 2018-09. The following analysis shows that 8 schools reported a commutative deficit as at year ended 31 March 2020. There is no longer any special School's in deficit, but the number of schools in primary, secondary and nursery remain at the 2018-19 levels.

Graph A – Schools with Deficit Reserves



- 3.2. Financial year overview represent movement in schools reserve balances from 2018-19 to 2019-20.

Table C – School Reserve Balances

Financial Year Overview	FY 18/19	In year Change	FY 19/20
Primary	7,836,837	-1,816,072	6,020,765
Secondary	1,311,834	23	1,311,857
Special	484,010	176,600	660,610
Nursery	41,653	95,474	137,127
Total	9,674,335	-1,543,976	8,130,359

- 3.3. Table C School Reserve Balances demonstrates that the 2019-20 deficits have reduced the overall Schools Balance Reserve.
- 3.4. The latest Greater London Authority (GLA) school roll projections project that demand for reception places will continue to reduce for the next ten years. The pattern of reducing primary demand in Haringey is consistent with many other London boroughs. The place planning projections show a reduction in the birth rate for each planning area for Haringey Council. The data in the graph helps schools and Haringey School Place Planners to project patterns of demand for school places up to 2028 and, in turn, the impact on schools' funding over the next 10 years. A more detailed analysis of demand for

school places can be found in our annual School Place Planning Report at www.haringey.gov.uk/schoolplaceplanning.

- 3.5. We worked with 5 school in the financial year 2019-20. We have identified 12-15 schools who showed an in-year deficit during the financial year 2019-20, meaning that these Schools had to utilise their reserves. We plan to engage with these schools for 2020-21 to support each school with managing their budgets. The process is described in Section 4 – Schools in Financial Difficulty Programme.
- 3.6. These schools are considered at risk because they meet the following factors:
 - Material changes - from a surplus balance to deficit balance from last year to this. e.g. 2018-19 declared 400k surplus. 2019-20 declared £158k deficit.
 - Utilising a significant percentage of the existing reserve. e.g. 40% was the largest identified.
 - Increased usage of Cash Flow Advances from LA.
 - Continued growth in deficit reserves.
- 3.7. To reaffirm, the School in Financial Difficulty (SiFD) Programme is open to all Schools; not just those already in financial difficulty or who require Finance's support. We aim to provide a financial health check to all our schools by way of using our data collection portal (Novus) – to promote production of timely KPI's for the headteacher and school governors. Novus will allow collation of information and produce reports for data analysis and benchmarking.
- 3.8. We will review Q2 returns and the financial history of schools in October of every year to monitor if any support is required for schools or if they require SiFD programme support from the Council.

4. Schools in Financial Difficulty Programme

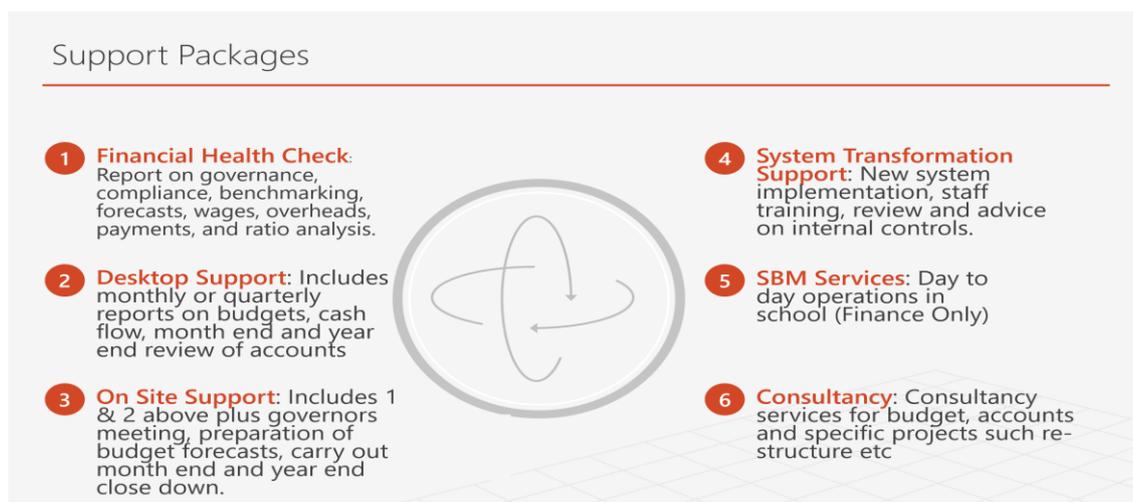
Whilst we hope that measures can be taken to avoid a School being deemed as being in “Financial Difficulty”, table D below details the criteria that confirm a schools status as a School in Financial Difficulty and the SLA outcomes Schools Finance will support the Schools with.
Table D Schools in Financial Difficulty SLA.

Schools in Financial Difficulty	
Risk Based Scoring Model (Oversight Role)	Service Level Agreement (Supportive Role)
<ol style="list-style-type: none"> 1. Cash flow advance 2. Deficit review over the last 3 years 3. Salaries cost above average threshold 4. No SBM 5. Quality of Accounts submission 6. Internal Audit report 	<ul style="list-style-type: none"> • Short term MTFS • Monthly budget monitoring • Integrated Curriculum led financial planning - 3 years • Cost of delivery model • Financial Benchmarking • Procurement and contracts review • Back office function (VFM)

5. Support Packages to schools with financial difficulty

Table E details the core functions that Schools Finance will implement to support a school deemed as in Financial Difficulty. Not all packages will apply so a bespoke offer is offered to provide the right support to a School’s specific needs.

Table E Schools Finance Support Package



The levels of support to these packages are as follows:

1. Financial Health Check - 2 days per school
2. Desktop Support - 5 days or 12 days per year
3. On Site Support - 4 days or 6 days per year per schools
4. System Transformation – 5 days per school

6. Scope of work

The scope of the work includes:

1. Annual budget forecast preparation for:
 - a. School
 - b. Governors
 - c. Local Authority submission
2. Automation of schools accounting system with the spreadsheet for budget forecast and LA reporting
3. Development of budget forecast excel template for your school
4. Preparation of monthly and quarterly financial forecast in line with any changes in funding or staffing structure
5. Budget monitoring report including variance analysis along with action plan for any adjustment
6. Financial Health check to ensure your school is compliant with Internal Audit program
7. Preparation of 12-month Cash flow forecast to identify your school's cash flow requirement over the next 12 months
8. Review of Consistent Financial reporting and reconciliation of your grant income to ensure your school is compliant with the LA reporting

9. Review of control accounts such as payroll reconciliation and VAT reconciliation
10. Advice and support with VAT, accounting for capital projects, financial systems, financial reports
11. Assistance with month end and year end submission of accounts to the LA
12. Assistance with the preparation of SFVS
13. Helpdesk support providing prompt response to all financial queries
14. Training
 - a. Headteacher
 - b. Finance
 - c. Governor

7. Our Planned Staffing profile

We propose the following staff members:

1. Professional Qualification or working toward qualification (CCAB)
2. Member from DSG working group with headship experience for complex staffing structure review
3. Apprentices (AAT, Accounting & Math)

As part of our succession planning, we will prioritise recruiting local apprentices to our new team. We will work with our sixth form colleges in Haringey to offer an apprentice programme to young people to join our team from September 2020. We will also use the Apprentice levy fund for qualification and training purposes for all new apprentices.

Schools Finance have met with Haringey Human Resources to start the process of advertising and contacting local 6th form Colleges. But Covid-19 has meant an overall recruitment freeze in the borough and presented other logistical problems. It is still hoped recruiting by September 2020 can progress.

8. Annual Budget Plan

As detailed in the paper, Schools in Financial Difficulty dating from February 2020 Schools Forum, a total of two years for this programme is detailed in the table below.

Funding Sources	2019-20	2020-21
Business Rates Refund	£100,00	£100,000
Schools In financial Difficulty	£120,00	£120,000
Total funding required	£220,000	£220,000

The table below demonstrates the proposed utilisation of funding:

Description	No. of schools	Cost	Total 2020-21
Standards SLA 8-10 days per year	20	£7,500 per year	150,000
Schools systems	64	Annual	£24,000
Consultancy fees to Headship	20	£750/day	£18,000
Apprenticeship*			£24,000
Total Expected Budget			216,000

* average cost of apprenticeship with AAT qualification

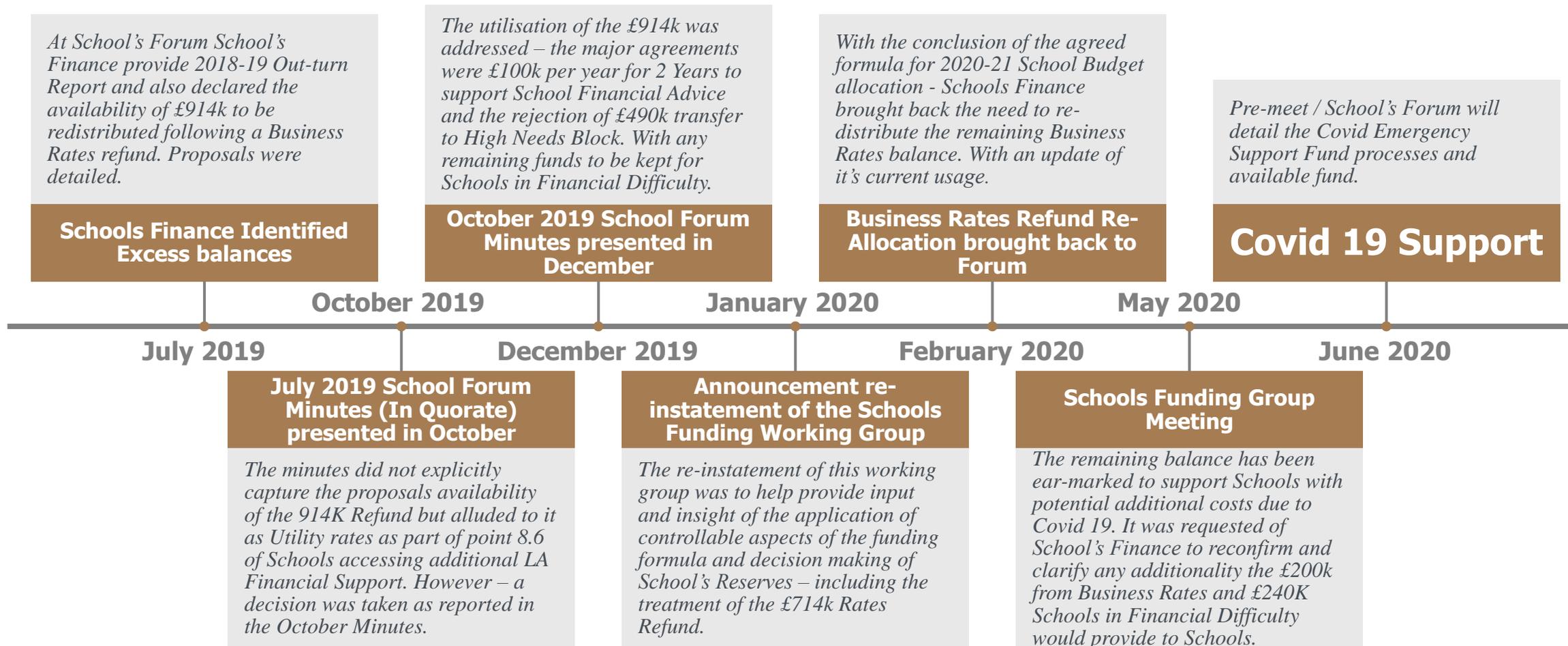
* utilise apprenticeship levy funds to support trainees for AAT or CCAB.

9. Closing Statement

This paper is presented to highlight the School's Finance support to Schools. Detailing out statutory obligations as well as the value-added arrangements in place to support School's Financial Management – whether they are at risk of entering into a Licensed Deficit or are already in financial difficulty. The paper highlighted the progress that has been made in supporting schools since the move to greater pro-active arrangements to support schools before their financial positions worsen. This reinforces the work that School's Finance have made to deliver a Schools in Financial Difficulty programme as detailed in the February Schools Forum.

2019-20 Timeline

Business Rates Funding to Covid - 19 Fund



July 2019 - Schools Finance Identified Excess balances

Instead of using the entire £914k Business Rates refund to offset deficits in the wider DSG blocks, Schools Forum were to consider how to use this funding to make impact meaningful impact in Haringey Schools.

The table below shows suggested options for distribution of the additional funding.

2019-20	Rates Refund	High Needs	Schools	Central	Total (£)
Rates Refund	914.00	0.00	0.00	0.00	914.00
Schools Block to High Needs Block (0.25%)	(490.00)	490.00	0.00	0.00	0.00
Business Rates Contingency	(250.00)	0.00	0.00	250.00	0.00
Financial Management Support	(100.00)	0.00	100.00	0.00	0.00
Un-allocated funds	(74.00)	0.00	74.00	0.00	0.00
Total funding available	Nil	490.00	174.00	250.00	914.00

July 2019 School Forum Minutes (In Quorate) presented in October 2019

The recommendations of the £914k were not officially recorded in the minutes of July – but were alluded to if Schools needed to seek Budget Setting support from the LA.

	correct information.	
8.6	Members were concerned about where schools would find funding to pay for budget setting support from the LA, and that it appeared as though there was not the capacity within the LA to provide such a service. PD suggested that funding could be utilised from the utility rates relief.	
8.7	Assistant Director for Schools & Learning, Evelyn Borden (EB) reported that the	

October 2019 School Forum Minutes presented in December

After identifying the £914k Balance in July for decision – October School’s Forum agreed £200K to be used to fund School Finance Adviser across 2 years.

8.10	It was noted that the Forum had requested the LA brought a proposal for a redistribution of the £914k surplus generated from the rates refund, and how this could be distributed in 2019-20. Members discussed whether a significant proportion of the HNB deficit should be plugged. The Chair suggested the Forum adhere to the LA’s proposal for the distribution of the £914k, but noted that a decision was not required now. The forum agree to use £100k to fund post for School Finance Adviser for the two years. It also agreed HNB transfer is not permitted rather funding is kept in schools budget for schools in financial difficulty
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December 2019 - Announced re-instatement of the Schools Funding Working Group

The working group was re-established to allow partnership and decision making between Schools and LA.

6.	DEDICATED SCHOOLS BUDGET MODELLING FOR 2020-21 AND CENTRAL SCHOOLS SERVICES BLOCK ALLOCATION FOR 2020-21
6.1	The Forum was given an update: that the LA had reinstated the Schools Funding Working Group with some Headteachers, and was looking to build a number of models. Options could be found in Apx A1. Following the general election, a consultation would open and a link would clarify what individual schools would receive. The new figures from the SFA would be added.

Source: Item 6.1 - Minutes School Forum 05-12-19 – Finalised at January Schools Forum–
https://www.minutes.haringey.gov.uk/documents/s113648/Item%204%20Schools%20Forum_DRAFT%20MINUTES_05.12.19.pdf

February 2020 - Business Rates Refund Re-Allocation brought back to Forum

The table below demonstrates the use of the £914K and **unallocated funds of £666k**. It should be noted that even though £200K is set for Financial Management Support it is so schools can access Non-Statutory Schools Finance Services. With initial recommendations in the paper: “Schools in Financial Difficulty 2020-21” also presented at February Schools Forum.

6.2 The table below shows suggested options for distribution of the additional funding.

2019-20	Rates Refund	High Needs	Schools	Central	Total (£)
Rates Refund	914.00	0.00	0.00	0.00	914.00
Schools Block to High Needs Block (0.25%)	0.00	0.00	0.00	0.00	0.00
Business Rates Contingency*	(48.00)	0.00	48.00	0.00	0.00
Financial Management Support	(200.00)	0.00	200.00	0.00	0.00
Un-allocated funds	(666.00)	0.00	666.00	0.00	0.00
Total funding available	Nil	0.00	914.00	0.00	914.00

* Under payment of business rates correction to Coleridge School has been applied in 2019/20 from the above funds.

May 2020 - Schools Funding Group Meeting Pt 1

The extract from the paper: “Schools in Financial Difficulty 2020-21” – details the funding sources of the work to support Schools in Financial Difficulty or at risk of entering into a licensed deficit. Proposals to bolster Finance Management Support to is in a direct response to feedback from Schools requesting support.

7.3. The table below shows the sources of funding from the current financial year 2019-20 and 2020-21.

Funding Sources	2019-20	2020-21
Business Rates Refund	£100,00	£100,000
Schools In financial Difficulty	£120,00	£120,000
Total funding required	£220,000	£220,000

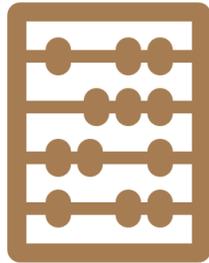
7.4. Table below shows planned expenditures for 2019-20, 2020-21 & 2021-22.

Description	2019-20 Projection	2020-21 Budget	2021-22 Budget
Staffing	35,000	£196,000	£196,000
Schools Financial Systems	-	£24,000	£24,000
Total expected expenditure	£35,000	£220,000	£220,000

Source: “Schools in Financial Difficulty 2020-21” Schools Forum 27-02-2020

<https://www.minutes.haringey.gov.uk/documents/s115109/Contingency%20for%20Schools%20in%20Financial%20Difficulty%202020-21-%20v6.pdf>

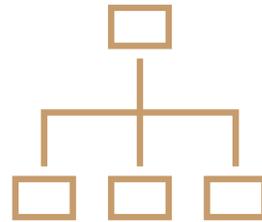
Schools Funding Group Meeting May 2020 Pt 2



SCHOOLS FINANCE STRUCTURE

Please refer to the Schools In Financial Difficulty June 2020 Update – that details current structure of Schools Finance.

Details of the LA's School's Finance Statutory and Non Statutory Functions can be found on School's Finance Page on Haringey's website.

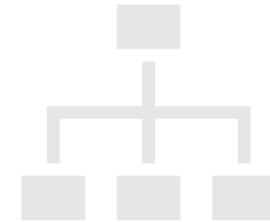


STATUTORY ROLES

Schools Finance Team has a statutory obligation to support Haringey Schools.

This is covered by existing permanent posts. A Total of 4 post and includes the Head of Business Partnering.

Any direct support to Schools is estimated to be the equivalent of 1.34 full time post.



NON-STATUTORY ROLES

To meet the demand of Schools at risk. School's Finance have bolstered the team to provide direct assistance to these Schools.

The funding for the current 2 staff members and any future growth in the team - is from bought in SLA's and any agreed funding allocations from Business Rates Refund and Schools in Financial Difficulty Funding.

Covid 19 Support

- In light of Covid -19 it was suggested that this fund should be set up.
- A criteria of access to this fund is being produced.
- It is expected that any remaining balance will be put back to the group to decide a mechanism to distribute as per the original ask.

Covid Emergency Support Fund.

The fund is made up of the residual Business Rates Relief and the SFID Allocation balances after adjusting for agreed commitments and spend.	Rates Refund	Schools in Financial Difficulty (DSG) 2019-20	Schools in Financial Difficulty (DSG) 2020-21
	"£'000"	"£'000"	"£'000"
Opening Balance	914	179	179
Business Rates Contingency for Coleridge	(48)		
Financial Management Support 2019-20		(67)	
Financial Management Support 2019-20 Carried Forward	(100)	(53)	
Financial Management Support 2020-21	(100)		(120)
Closing Balance for CESF	666	59	59

Total Fund for 2020-21

£784K

Covid Fund Criteria / Considerations

- Timing – schools can bid in from Q3 onwards for 3 reasons:
 - § The financial impact in schools will be real rather than estimates
 - § It will be after school budgets are set so there isn't an incentive to make the losses look bigger
 - § We will know what DfE will reimburse to schools (which will be minimal)
- Conditionality for schools bidding into the pot:
 - § Schools will need to bid on the basis of a net effect of Covid-19 (ie clearly documented savings and losses netted off)
 - § Funding only available for schools who will be pushed into deficit by this
 - § Setting a cap – this needs some modelling but might be say up to a maximum of £50k per school (or whatever works)
- (Separately from this, cash advances and licensed deficits will be needed to manage cash flow and balance some budgets before this kicks in)



**Agenda Item
11**

**Report to Haringey Schools Forum –
25 June 2020**

Report Status

For information/note
For consultation & views
For decision

Report Title: KS2 bulge protection for Tiverton Primary School

Authors:

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Contact: 020 8489 1823 Email: Carlo.Kodsi@haringey.gov.uk

Muhammad Ali – Schools Finance Business Partner
Contact: 020 8489 4491 Email: Muhammad.Ali@haringey.gov.uk

Report authorised by:

Eveleen Riordan – Assistant Director, Schools and Learning

Purpose: To request special consideration for KS2 bulge protection for Tiverton Primary School at the point when the school ceases to be subsidised as a consequence of amalgamation.

Recommendations: Schools Forum are asked to agree to bulge protection funding for Tiverton Primary School at KS2 in the event that the total numbers on roll in the affected bulge classes fall below 24. This funding would be available from the Growth Fund element of the DSG at the point when the school ceases to be subsidised as a consequence of amalgamation (from September 2022 and beyond).

1. Introduction

Background information

- 1.1. On 11 February 2020, Council's Cabinet made their final determination on the proposal to amalgamate Stamford Hill Primary and Tiverton Primary School. This will mean that Stamford Hill Primary school will close from 31 August 2020 and all pupils registered at Stamford Hill will be moving to Tiverton Primary School from September 2020.

- 1.2. Before an amalgamation was proposed, the published admission number (PAN) for Tiverton Primary School had been permanently reduced from 60 to 30 based on the low level of demand for school places locally and the expected future declining demand. The decrease in PAN by 30 for entry to Reception in September 2020 had been determined by Cabinet in February 2019 following a period of public consultation in November 2018 and before the idea of amalgamation began to form.
- 1.3. Prior to this, a decrease in PAN by 30 had also been approved by the Schools Adjudicator for the current Reception and Year 1 cohorts to enable the school to operate more efficiently and cost effectively.
- 1.4. As a consequence of amalgamation, Tiverton will now resume operating as a 2 form-entry school across all these year groups – incoming Reception, Reception and Year 1. The purpose of this paper is to request special consideration for KS2 bulge protection for these affected cohorts as they pass through the school from the point when the school ceases to be subsidised as a consequence of amalgamation. If approved, this funding would be valid from the third year of operation from September 2022 and beyond; further detail on this is provided in section 2 below.
- 1.5. Currently there is only provision made for bulge protection for KS1 within the Growth Fund criterion of the DSG agreed by Schools Forum; this provides per-pupil funding for a minimum of 24 pupils in a bulge class.
- 1.6. The financial sustainability of schools is impacted by having a sufficient number of pupils per class to the extent that a minimum of 24 pupils (for a regular class of 30) is generally seen as the minimum desired for a school to cover fixed costs.

Pupil numbers in bulge classes– incoming Reception, current Reception and Year 1

- 1.7. As at May 2020 (school census), there were 10 pupils each in the current Reception and Year 1 classes at Stamford Hill Primary and 30 pupils in each class at Tiverton Primary School. If all 10 displaced pupils from Stamford Hill move to Tiverton Primary School in September 2020 there will be 40 pupils in total in each year group at the amalgamated school. Based on a two-form entry model, this would result in a shortfall of 20 places within each of the bulge classes in current Reception and Year 1.
- 1.8. For entry to Reception in September 2020, Tiverton Primary School has only received a firm commitment from 44 families accepting their place. 47 families have been offered a place in total and the school is currently undersubscribed. Based on a 2-form entry model, there may be a shortfall of up to 16 places within the bulge class in this year group.

2. Lump sum funding protection for amalgamated schools – funding available for the first 2 years of operation

- 2.1. The Schools Revenue Funding 2020/21 Operational Guide (Feb 2020) sets out that for a school which amalgamated, authorities must allocate it additional lump sum funding.

First year of operation

- 2.2. Post-implementation, there will be a single combined budget from September 2020 for the rest of the financial year (September 2020 to March 2021). This means that Tiverton Primary School will be eligible to receive funding that would have been credited to Stamford Hill Primary had it remained open in the total amount of £354,023.34. This amount includes the funding for 85 pupils registered at the school as at October 2019 but also the **lump sum element of the DSG budget** in the amount of £99,166.67 (September 2020- March 2021, $7/12 = £170k/12 \times 7 = 99,166.67$).

Second year of operation

- 2.3. The operational guide (Feb 2020) sets out that authorities may also apply to the ESFA to provide a second year of protection. Applications must specify the level of protection sought, although in general the ESFA would not expect the additional protection to exceed 70% of the combined lump sums. This means that if approved by the ESFA the school would be entitled to a combined lump sum amount of £238,000 - $(£170K + £170K) * 70\% = £238k$ (12 months from April 2021-March 2022).

Third year of operation – lump sum funding protection discontinued

- 2.4. For the third year of operation, the school is expected to rely on income generated solely by pupil numbers. However, there is also a small provision made for bulge protection in KS1 within the Growth Fund criterion agreed by Schools Forum.
- 2.5. This means that Tiverton Primary School would be entitled to receive payments for the Year 2 bulge class in September 2022 if there were fewer than 24 pupils on roll. For clarification, the year 2 cohort in September 2022 is the incoming Reception cohort which was set at a PAN of 30 but is expected to admit up to 60 pupils in September 2020 as a consequence of amalgamation and the return to a 2-form entry model at the LA's behest.
- 2.6. The bulge protection for the Year 2 class in September 2022 would be calculated based on the October 2022 census, agreed at Schools' Forum, and paid monthly from April 2023. This additional funding would only be available if there were fewer than 24 pupils in the bulge class.

2.7. The current Reception and Year 1 classes which were also capped at an admission limit of 30 but will now be expected to admit up to 60 pupils as a result of amalgamation would not be eligible for bulge protection as these cohorts will have moved to KS2. As previously mentioned, there is currently no provision made for bulge protection for KS2 within the Growth Fund criterion agreed by Schools Forum.

3. Request for special consideration for KS2 bulge protection from the third year of operation and beyond

3.1. Tiverton Primary School should not be financially disadvantaged from agreeing to host additional classes at the LA's behest to help meet the need for places as a result of amalgamation. The governors of the school are concerned that demand may not quite reach the expected level and consequently some of the additional places created as a result of amalgamation may be vacant.

3.2. As the affected cohorts (incoming Reception, Reception and Year 1) pass through the school it is unlikely there will be a significant variation in the numbers on roll. This is based on the high proportion of pupils that leave the school historically. Tiverton Primary has a higher mobility rate compared with other schools in the planning area and across Haringey.

3.3. School's Forum are asked to consider whether it is appropriate to provide bulge protection at KS2 should the number of surplus places be significant. The funding would be paid where the total number on roll in the affected bulge classes fall below 24 at the point when the school ceases to be subsidised as a consequence of amalgamation (from September 2022 and beyond).



Schools Forum Early Years Working Group

2nd June 2020 at 10.00am. Virtual meeting

Name	Designation/ Representation
Melian Mansfield (MM)	CHAIR. Chair of Pembury House
Ngozi Anuforo (NA)	Head of Early Help Commissioning
Gladys Baah-Okyere (GBO)	PVI Settings Rep
Luisa Bellavita (LB)	PVI Settings Rep
+ Cllr Zena Brabazon (ZB)	Lead Member for the Children Service
+ Peter Catling (PC)	Woodlands Park Nursery School & Children Centre
Duwan Farquharson (DF)	Willow
Nick Hewlett (NH)	Principal Advisor for Early Years
+ Emma Murray (EM)	Primary Head Rep
Susan Tudor-Hart (STH)	School Forum PVI Settings Rep
Melanie Widnall (MW)	Principal Advisor for Early Years
+ Christine Yianni (CY)	Childcare Sufficiency Manager
Sarah Hargreaves (SH)	Clerk

+ denotes absence

1. **Welcome and Apologies**

- 1.1 The Chair welcomed everyone to the meeting.
- 1.2 Apologies had been received from Peter Catling and Emma Murray.

2. **Minutes of the meeting of 8th January 2020**

- 2.1 The minutes were **agreed**, they will be signed and returned to Ngozi for safe keeping when this is next possible.

Matters arising not on the agenda

- 2.2 Pt 2.2 Duwan will speak to the SBM Forum about SBM representation on the Working Party. **Action DF**
- 2.3 Pt 2,4 Nick will speak to Ellika McAuley again about the possibility of having an area SENDCo on the Panel when the Panels restart. **Action NH**
- 2.3.1 Pt 3.2.3 Ngozi will look at the figures in her report again and re-circulate the updated paper. **Action NA**
- 2.3.2 Pt 5.1 Ngozi will re-circulate the list of which and how many settings are housed in Haringey buildings. **Action NA**

3. **Covid-19**

- 3.1 The LA is trying to keep in contact with settings and to hear views throughout the lockdown.
- 3.2 The DfE has been clear with LAs as to their responsibilities. Under the Coronavirus Act 2020 the Secretary of State has the power (delegated to LAs) to transfer money from settings which have closed to

those who have remained open to provide vulnerable children's places. Although this power should be used as a last resort when all other early years budget areas and contingency have been used. If this avenue were to be used, the indicative funding allocation for all settings would need to be re-calculated.

- 3.2.1 The childcare sufficiency duties and the need to support providers still apply.
- 3.3 Some children have left the area during the lockdown and it is not known how many will be returning.
- 3.3.1 Some settings are concerned about how many children they will have in September.
- 3.4 Not all vulnerable children are in settings; only around 1% are. There is concern about where some of the rest currently are. Links have been made with Bev Hendricks and the Social Care Teams regarding LAC children and those with EHCP's.
- 3.4.1 There is also concern that some children are missing out on their health visiting visits as many HVs have been taken off general work and re-deployed into Covid-19 wards. The intention is to provide targeted health visiting support as required.
- 3.4.2 Children's emotional well-being needs to be guarded. 1:1 support is available. The aim is to keep settings as calm places for children. It can be hard for children to socially distance, but the staff need to make efforts to do so.
- 3.5 There is a need to know the number of settings open/closed. Figures are sent to the DfE twice a week covering this and the number of vulnerable and critical workers' children.
- 3.6 On June 1st, 59 settings reported that they were open including 22 PVI's and 25 childminders. They were catering for 160 children including 47 vulnerable children. Ngozi will circulate the details. **Action NA**
- 3.7 *Members asked if the quality provided by the places which had remained open was as good as usual.* NH said that it was and that even with the necessary changes made settings were still providing inspirational places for children.
- 3.8 The providers survey was sent to 250 settings and 87 have been returned.
- 3.9 Workshops for providers have been planned – to look at the likely loss of money, access to government funding, the furlough scheme etc. Concern was expressed that once a furlough claim has been put in it cannot be changed, eg if the funding received is subsequently reduced. Some settings will be facing huge losses, others less so. NH and MW have asked their teams to talk to individual settings to discuss their circumstances.
- 3.9.1 Settings are concerned about their funding if they must reduce the number of children they can take, to comply with social distancing rules. Guidance is needed for the short, medium, and longer term.
- 3.9.2 There will also be a shortfall in the number of places which can be offered if they all must be socially distanced.
- 3.10 DF said that there was an issue for Broadwaters with the Free for Two's and children centre funding which has not been received; this is causing cashflow issues. Ngozi to investigate this as it should not be an issue as the funding should continue as normal.
- 3.11 It was noted that schools can apply for extra funding to cover their extra costs, private providers can apply for business grants, but voluntary sector providers can't, and many parents can't pay higher fees. Some parents who were previously paying have now lost their jobs or had their hours reduced and so cannot afford to pay fees. There are now only 13 voluntary sector providers remaining in the borough.
- 3.12 It was noted that all sectors have been impacted; some issues affect all settings and others affect some settings more than others. Providers said that the PVI meetings had been useful. The area-based meetings meant that everyone heard about the issues faced by all providers. NH and MW were thanked for arranging these. A separate voluntary sector forum would also be useful. **NH agreed** to arrange a meeting. **Action NH**
- 3.13 NH said that individual meetings with individual providers can be arranged for anyone who wants to talk about their issues.
- 3.14 The possibility of targeted financial support was requested.
- 3.15 Ngozi said that she will be writing a paper for the Gold Group. Adequate and affordable childcare is seen as part of economic recovery. She will need to know what the issues are from settings and schools if there is any chance of making a case for resources. All to provide information asap.

Action all settings

- 3.16 Settings explained that having to provide information to the LA on the 1st morning of opening put extra pressure on them and did not necessarily help the service to children. Ngozi explained that she understood this, but it was needed then to enable her team to meet the DfE deadlines.
- 3.17 MM had circulated a letter she had been involved in drafting together with 30 childcare organisations in response to the DfE’s planning guidance for early years and childcare settings regarding returning to work. The need to provide reflective spaces for both children and adults to diffuse pressures was noted.

4. **AOB**

- 4.1 STH thanked NH and MW for all their work during the lockdown. NH said that it had been a collective effort and he was proud of what their teams and the settings had achieved.
- 4.2 There will be an extra meeting on **16th June at 11am** via Teams. The agenda will be finance, how this group can link into the SBM Forum, the paper for Schools Forum/Gold Group and childcare sufficiency. Members asked that the meeting be scheduled for 1.5 hours as an hour is insufficient.

The Chair thanked everyone for attending.
There being no further business the meeting closed at **11.30am**.

Signed:

Date:

Actions from the minutes: 2nd June 2020

Item	Action	By Whom
2.2	To speak at the SBM Forum about sharing a place on the working party	DF
2.3	To speak to Ellika McAuley about area SENDCOs on Panels when they re-start	NH
2.3.1	To check the figures in the report and to re-circulate it	NA
2.3.2	To re-circulate the list of which and how many settings are housed in Haringey buildings	NA
3.6	To circulate the list of which settings are open and which children they are catering for	NA
3.12	To arrange a voluntary sector providers meeting	NH
3.15	To provide information useful for the economic recovery report/funding bid to Ngozi	All settings

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Impact of COVID-19 on Childcare in Haringey

This paper is intended to provide a brief overview of the impact being seen on the childcare market in Haringey because of the COVID-19 pandemic and the national response to the outbreak.

1. Childcare in Haringey

- 1.1 The borough of Haringey is fortunate to have a very diverse childcare market, delivered across a landscape that encompasses primary schools, nursery schools, children's centres, childminders, and private, voluntary, and independent sector providers. When childcare is under consideration, it is important to note that what is being referred to is the wide range of provision for children aged 0-14 (up to 19 for those with SEND) that may focus on early education, before and after school services, and holiday schemes.
- 1.2 In Haringey, childcare continues to play a key role in meeting key council objectives, such as:
 - Improving outcomes for all children; narrowing gaps in attainment, access, and outcomes for the most disadvantaged groups of children.
 - The availability of affordable and accessible childcare to support resident employment and pathways into employment.
- 1.3 The largest number of childcare providers within this borough fall within the early years sector. These providers represent most of the settings that have continued to operate since late March, albeit in vastly reduced numbers.

2. National response to COVID-19 – Lockdown

- 2.1 Since 23rd March 2020, when the Government imposed a national lockdown, we saw the delivery of childcare and early education provision cease in the borough for all children apart from those identified as vulnerable or those who were the children of critical workers. At that time, the Government also restated the statutory role of Local Authorities under the Childcare Acts, 2006 and 2016; which is essentially to act as Commissioner and Market Manager, assessing and retaining oversight of the sufficiency of childcare places within the borough, understanding and tracking demand and providing appropriate support and guidance to the sector in order to ensure that there is sufficient childcare in the borough to meet the needs of working parents.



- 2.2 During this crisis period, the local response required from Haringey Council has been set out in regular policy briefings from Government and includes:
- coordinating local response to the new arrangements, maintaining support and provision for children meeting the government criteria
 - Monitoring **demand** (no. of vulnerable children and critical workers needing childcare) and **capacity** (ensuring the sufficiency childcare places)
 - Supporting childcare settings to assess the risks for vulnerable children and children and young people with EHCPs

3. Funding for the free Entitlement

- 3.1 An early action by the Government was to agree the continuation of education funding, confirming that Local Authority DSG funding levels for 2020-21 would continue to be paid, at the levels indicated prior to the pandemic. From a childcare perspective, this meant that all providers delivering free early education places for 2, 3- and 4-year olds could expect to receive funding as normal despite being closed. This was highlighted as a policy decision to support business continuity and an attempt to mitigate the impact on the childcare sector of losses from private fee income.
- 3.2 Further to this, the Secretary of State for Education decided to temporarily extend eligibility for the free early education entitlement to 2-year-olds from families in receipt of Section 17 support who have no recourse to public funds (NRPF), for the duration of the coronavirus (COVID-19) outbreak only. This is to support their safety and wellbeing whilst restrictions are in place. Eligible children are British-born child(ren) who are entitled to be in the country yet are not receiving support by virtue of their parents' immigration status, which triggers the NRPF. Local Authorities are expected to reclaim expenditure post COVID through a mechanism to be advised by Government at some point in the future.
- 3.3 On this basis, Haringey Council has continued to fund free entitlement places in early years provision in the normal way, with mechanisms in place to track, on a weekly basis, which settings are open or closed. Given that we are required to continue to fund places in settings that have closed due to COVID-19 or where children have been withdrawn because of COVID-19, there is the issue of vulnerable children or critical workers' children, on the register of a setting that is closed, taking up a place at an alternative setting that has remained open. The free entitlement is an entitlement attached to the child and to this end, funding normally follows the child from setting to setting. The government's stated commitment that Local Authorities continue to fund providers who are closed, means that in a small number of cases, a funding



payment for a child will need to be made to two different settings. We are capturing information on the take up of places across settings that have remained open to establish a profile of where funding duplication might have occurred.

- 3.4 We anticipate a further policy position from Government on the continued funding of settings that are closed, as well as an approach to auditing the use of funding sometime in the future.

4. Tracking the impact on Haringey's Childcare Market

- 4.1 Since the end of March 2020, work has been ongoing to fulfil the responsibilities placed on the Council and remain on close contact with the childcare sector. Through regular forums, briefing notes, 1 to 1 conversations and surveying, we have sought, and continue seek to:

- Understand the impact on each childcare provider
- Gather regular feedback from early years and childcare sector
- Develop an appropriate Business Support offer – focused on business sustainability.
- Work with our early years sector on post-lockdown sufficiency planning.

- 4.2 The full picture of the impact of COVID-19 on our Childcare Market is still emerging. However, through the activities above, we are aware that there continues to be significant challenges being faced by many across the childcare sector because of the pandemic. A negative financial impact of lockdown on the viability of business is being felt by many, as is the ability to plan a future provision that is financially sustainable moving out of lockdown.

- 4.3 Adapting to new delivery models, with social distancing and flexibility central to planning, is key to the reopening of childcare across the borough. These requirements, alongside fluctuating parental demand and confidence are impacting on anticipated childcare place capacity across the borough and the longer-term financial viability of some provision.

- 4.4 The imperative is to ensure that as part of Haringey's recovery from the effects of the pandemic on the local economy and residents, we are able to sustain and secure sufficient childcare places for children to enable parents and carers to return to work, as lockdown is steadily lifted. In addition, making sure that children and families are able to benefit from high quality childcare and early education will support mental health and wellbeing and is likely to go some way to reducing any potentially negative impact for some of our most vulnerable children in the coming months and years.



5. Childcare Place Sufficiency and Demand

5.1 The tables below have been included to provide some sense of the patterns of supply and demand we have seen in the borough in relation to childcare for young children over the past 12 weeks. We have maintained contact with providers of childcare for children over 5 years of age and all are currently closed. Some have adapted their offer to a range of online activities and support for children and families. As residents begin to return to workplaces and require access to childcare across a much broader age range, we will need to work closely with providers of before and after-school provision, as well as holiday provision, to consider how delivery of such childcare can return and adapt to demand in as safe and as flexible a way as possible.

5.1.2 At this stage, we can only speculate about the impact of furloughing, redundancies and changing work patterns amongst residents might have on demand for childcare. It may be that increased levels of worklessness feed through to a drop in demand for childcare. Work will be undertaken across key Council departments and partner agencies to understand how patterns and levels of employment have changed and continue to change over the coming months.

5.1.3 A trend of increasing worklessness in households and fragile employment could compound the vulnerability of the childcare market as parents and carers become less able to afford childcare.

5.2 Sufficiency

5.2.1 In Haringey, there are currently approximately 322 providers of childcare for under 5's. This comprises of:

177 Childminders.

85 Group-based providers (Ofsted registered nurseries, pre-schools, and playgroups).

60 School-run providers (nursery classes in schools, maintained nursery classes and school-run childcare).

5.2.2 Since early April, an average of **25 %** of all providers of under 5's childcare has remained open. School settings have remained open throughout the lockdown period for vulnerable pupils and those who are the children of critical workers.

5.2.3 *Recording the number of nursery classes that are open and have pupils attending had proved to be challenging and therefore figures shown for school-run provision are confirmed numbers of schools recorded as being open, rather than a reflection of the nursery classes open for children.



Table 1 below sets out the number of open settings based on twice weekly counts.

DATE	OPEN - ALL	OPEN – Childminders	OPEN -Private, Voluntary, independent and LA maintained	*OPEN – School-run
07/04/20	70	19	10	41
09/04/20	59	19	12	29
14/04/20	55	19	10	26
20/04/20	61	19	7	35
23/04/20	86	19	8	55
27/04/20	79	19	8	52
30/04/20	79	19	8	52
04/05/20	90	24	8	58
07/05/20	94	28	7	59
11/05/20	93	28	7	58
14/05/20	95	29	7	59
18/05/20	95	29	7	59
21/05/20	95	29	7	59

5.3 Reopening after Lockdown – the Emerging Sufficiency Picture

5.3.1 Since June 1st, the early years sector in Haringey has been responding to the government decision that all providers of early years childcare could reopen for all children. We have seen a steady increase in the number of settings open.

Table 2

DATE	OPEN - ALL	OPEN – Childminders	OPEN -Private, Voluntary, independent and LA maintained	**OPEN – School-run
04/06/20	83	34	33	16
08/06/20	99	37	40	22
11/06/20	109	41	45	23

5.4 Demand

Table 3 below has been provided to help illustrate the impact of the current pandemic on levels of children’s participation in childcare and early education since April.

Child Population	Haringey Population (*ONS,2018)
0-1-year olds	7,758
2-year olds	3,784



3- and 4-year olds	7,388
Total 0-4 years olds	18,930

- 5.4.1 In normal times, we would see approximately **80 %** (@ 5,900) of all our 3- and 4-year olds in an early education/childcare place at this time.
- 5.4.2 Of the **1000** 2-year olds estimated to be eligible for a free entitlement, we would expect to see approximately **60 %** accessing an early education/place at this time.
- 5.4.3 At the beginning of the lockdown period, it was anticipated that we would see most of our vulnerable children taking up the offer of continued childcare and early education. In Haringey, the pattern that has emerged has been a steady demand for places for the children of critical workers and a lower than expected take up of places by some of our most vulnerable children. This matches the picture that has been seen nationally with approximately 1% of vulnerable children accessing provision.
- 5.4.4 We are aware that for many eligible parents and carers, the ‘strong stay at home’ messaging and on-going anxieties about the spread of the Coronavirus has influenced decision-making in relation to taking up a childcare place.

Table 4 provides an overview of numbers of children accessing childcare since the beginning of the lockdown period.

DATE	ALL CHILDREN (aged 0-5)	CRITICAL WORKER CHILDREN	VULNERABLE CHILDREN
07/04/20	171	141	30
09/04/20	200	141	59
14/04/20	182	152	30
20/04/20	168	137	31
23/04/20	189	157	32
27/04/20	177	141	36
30/04/20	167	133	34
04/05/20	184	150	34
07/05/20	197	153	44
11/05/20	193	156	37
14/05/20	198	161	37
18/05/20	200	154	46
21/05/20	215	168	47



5.4.5 Reopening after Lockdown – the Emerging Demand Picture

Since June 1st, we have seen a significant increase in the number of children attending settings.

Table 5

DATE	ALL CHILDREN	CRITICAL WORKER CHILDREN	VULNERABLE CHILDREN
04/06/20	233	211	34
08/06/20	835	245	45
11/06/20	1106	330	53

6. Risks to Haringey's Childcare Market

6.1 Our assessment of impact to date has highlighted some key areas of risk to the sustainability of Haringey's childcare market, thus putting at risk the sufficiency of childcare as an aide to economic recovery.

6.2 A survey of the childcare sector was undertaken in May 2020 and sought feedback in several areas. 250 providers were contacted and asked to participate. The response rate was **35 %** and yielded some initial findings which we are keen to explore further as part of identifying areas of risk and any mitigating actions to reduce the negative impact COVID-19 on our childcare market. As a snapshot of the current climate for childcare providers, it was noted that around half of the respondents were concerned about their business' financial stability, with a quarter indicating that they were 'extremely concerned'.

6.3 Income Loss

6.3.1 It is becoming clear, that for many providers, their insurers will not cover their loss of income incurred as consequence of the COVID-19 outbreak. This is recognised by government and underpins some of the measures introduced to mitigate the impact on nurseries and childminders, such as the continuation of statutory funding for the free entitlement.

6.3.2 Loss of income from private sources is one of the main challenges that the many providers need to overcome. 22% of respondents indicated that their income was derived solely from private fees. Survey feedback also indicated



that losses might range from very small amounts to significant levels with the upper ranges falling between £ 20k and £75k for the month of May alone. The circumstances for individual providers vary and this was reflected in survey responses.

6.3.3 Childcare providers have been advised by government to take a 'reasonable' approach to charging parents and carers fees during the crisis. It has, however, relied on clauses in providers' contracts with parents and carers in relation to unforeseen closure, to determine whether there has been the continuation or cessation of fee payments. 78% of respondents had not continued to charge parents fees, with half of those who had, receiving voluntary contributions from parents, rather than full fees.

6.3.4 A significant proportion (two thirds) of respondents felt that their projected income for this year would be insufficient to meet their costs.

6.4 Business Continuity

6.4.1 The range of government support for childcare providers during this crisis has extended to the following:

- Small Business Rates Relief (SBRR)
- Small Business Grant Funding (SBGF)
- Coronavirus Job-Retention Scheme (CJRS) - staff furlough scheme
- Business Interruption Loan Scheme (BILS)
- Self-Employment Income Support Scheme (SEISS)
- Bounce Back Loan Scheme (BBLs)

About a quarter of survey respondents had successfully applied for the CJRS and almost the same number had successfully applied for the SEISS.

6.4.2 For providers who currently pay business rates to Haringey Council, the government has made provision for the introduction of a business rates holiday, for one year, commencing on the 1st April 2020. The Council will be compensated by the government for this loss of income. The numbers of providers eligible, and successfully applying for SBRR and the associated SBGF has been small (Amongst survey respondents there were 2 for the SBRR and 1 for the SBGF). Further work is being undertaken to look the potential of a Local Discretionary Grant Scheme to encompass more childcare businesses and potentially support those who may be contributing to business rates through their rent payments.



7. Ability to adapt service delivery models for re-opening

- 7.1 Many childcare providers in the borough have been able to implement changes to their service delivery model to reopen safely. We are aware that for some providers, doing so may require physical changes to site, depending on the type of site they occupy. There has already been an indication that, in some cases, financial and planning support may be needed to be facilitate reopening. The scale of this is unknown but work continues to be undertaken to assess need and determine an appropriate response.
- 7.2 An initial programme of support events has been developed and is being delivered throughout June 2020. With a focus on the practicalities of delivering childcare post lockdown and business and financial planning for sustainable delivery, the intention is to facilitate peer support and learning, gather feedback on risks and issues, and inform strategic planning in Haringey for the short, medium, and longer-term provision of childcare in the borough.
- 7.3 This is a hugely uncertain time and any scope to mitigate significant risks to the availability of childcare contribute to economic resilience and recovery within the borough.

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**Agenda Item
13**



Report Status

For information/note
 For consultation & views
 For decision

Report to Haringey Schools Forum: 25th June 2020

Report Title: Alternative Provision Financial Modelling 2020 and beyond

Author:

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Purpose:

1. To inform Schools' Forum members of the work underway to reshape the finances for Alternative Provision in light of the agreed Change Model
2. To set out the financial issues yet to be resolved to deliver the Change Model
3. To enable a discussion about the appropriate process to address the pressing issues in the High Needs Block

Recommendations: Schools' Forum is asked to:

1. Note the contents of the report
2. Establish a new, time limited working Group comprising members from across the schools' community and the Council to bring together discussions about the range of AP/HNB finance issues facing schools in Haringey

1 Introduction.

- 1.1 Haringey Council is responsible for arranging suitable full-time education for permanently excluded pupils, and for other pupils who, because of illness or other reasons, would not receive suitable education without such provision.
- 1.2 The Council, with partners, has been carrying out a review of Alternative Provision, which has now concluded, producing a comprehensive Change Model to improve outcomes for children and young people for implementation over the next two to three years. The focus has shifted fully to delivery of this Change Model, working to a comprehensive Programme Plan across 8 strands. To facilitate this, the former Alternative Provision Review Group has been remodelled as a Programme Delivery Board, reporting to the Start Well Partnership Board. The Programme Delivery Board has new and tighter membership, building on the relationships made during the Review phase and reflecting the focus on delivery and reporting against key milestones. The Board acts as the body for resolving any issues within the strands, which have been reshaped as projects. Taking forward these strands with Schools, the NHS, parents, young people and the voluntary sector as well as colleagues across the Council is necessary to ensure that a whole systems and preventative approach remains firmly in place, and as has always been anticipated will take approximately 2 years to become fully embedded, taking us up to 2022.
- 1.3 Finance is a key enabler of the Model for Change and there has been investment in additional finance expertise and capacity to support the Project Team to understand in more detail the issues and to agree a way forward, which will be sustainable and ensure our investment contributes to stronger outcomes and a system response.
- 1.4 This brief paper sets out the work to date and the issues yet to be resolved, in light of which it also puts forward a recommendation to establish a new DSG wide group, to ensure the financial issues facing schools are considered in the round.

2 Summary of work to date

- 2.1 The work to date has been carried out on the principle that spend on Alternative Provision is a fundamental driver for spend throughout the High Needs Block. The tendency in recent years to separate out spend on Alternative Provision from other lines of spend in the High Needs Block has not offered a helpful financial model and going forward the interdependency of spend on a range of areas such as educational psychology, alternative provision, mental health interventions, independent schools and wider welfare support needs to be accepted. This will

support an understanding of how funding follows the pupil as well as of how it can support individual settings.

- 2.2 The work to date is therefore being seen as part of the wider Sufficiency Planning for the High Needs Block which comprises a wide range of areas for consideration a number of which are strongly aligned to the findings of the Alternative Provision Review.
- 2.3 For Alternative Provision, the focus has been on the following areas:
 - 2.3.1 Tracking spend to deliver the current model of Alternative Provision – and understanding how spend here has a knock-on impact for other areas of spend on the High Needs Block
 - 2.3.2 Identifying areas of overspend against current budgets based on the above
 - 2.3.3 Building the cost base for all elements of Model for Change being implemented next academic year, from the bottom up
 - 2.3.4 Understanding which elements of the new ways of delivering AP can be funded elsewhere and for how long, based on Model for Change.
- 2.4 The Council has secured additional capacity to lead the forensic work and to follow the money across a range of settings. The aim is for the financial model to enable the whole systems changes which are needed – both in the immediate and in the longer term.

3 Key issues to be resolved

- 3.1 There are several pressing financial issues which the financial model will need to address and resolve. These issues are listed here, and officers are working through them at pace.
- 3.2 Funding the Alternative Provision Hub
 - 3.2.1 The Alternative Provision Hub, to be based on the former Stamford Hill School site, will meet the educational, social and therapeutic needs of children and young people under the governance of the Haringey Tuition Centre from 1st September 2020. This hub will be resourced to offer direct intervention, reintegration support and outreach into mainstream schools, combining teaching, pastoral and specialist input. Whilst there will be a focus on secondary age pupils, both at KS3 and KS4, the provision will meet the needs of primary age children where other interventions have not had the necessary impact. For all children, the focus will remain consistently on support, intervention, attainment, and reintegration where possible, setting aspirations and ambitions high for achievement both educationally and socially. The Hub comprises the current provisions of the two Pupil Referral Units in the borough: the Tuition Service and the Octagon. As part of the Model for

Change, the new provision being established will over time reshape our approach to alternative provision.

3.2.2 Using the emerging structure for the new provision, and mindful of the HR and TUPE processes currently underway, the budget is being built from the bottom up to ensure that the provision has a sustainable basis for future development. The funding currently available to the Octagon and to the Tuition Service will need to be reshaped to ensure all aspects of the new model can be implemented.

3.2.3 There are longstanding issues also about the funding model for the Tuition Service which will be picked up and incorporated into how we are establishing the new model. At this stage, it is important that decisions affecting either of the two PRUs in the borough are considered together as they will affect how the new Hub is established. For example, the extent to which referring schools fund all placements at the Tuition Service needs to be agreed and fed into the new operating model.

3.3 Investment in new models

3.3.1 With the High Needs Block, and indeed the rest of the DSG, under severe pressure (as is set out in other papers on this agenda, which show the DSG overall carrying a £7.96m deficit as of 31st March 2020), there feels little room to manoeuvre despite the evident scale and complexity of need in the borough. However, it is argued that this is indeed the moment to adopt a more dynamic approach to funding and investment – so that the principles of prevention and early intervention, of strengths based and relationship based practice, of a relentless focus on needs and not behaviour, of engagement and of joint working and collaboration can really shine through. As part of the financial modelling, we are building investment into the prevention and early intervention elements of our work – even on a short-term basis – to effect change throughout the system.

3.3.2 Examples of where we are taking this approach, are the piloting of nurture hubs in primary and secondary school settings. We need to tease out the pros and cons of the funding flows into these provisions – and whether embedding early intervention is better served by funding responsibility sitting with schools or with the Council. Schools have traditionally funded pupil placements in AP and there is no direct contract between the Council and the AP Provider for this particular provision. The development of new provision, such as the Nurture hubs raise some fresh questions as to whether schools fund this provision directly and how, or whether it should in effect fall into a new, more centrally coordinated funding model.

4 Process to address key issues

- 4.1 Officers are acutely aware that the financial modelling work for Alternative Provision is taking place at a time of extreme challenge. Not only are the medium to long term impacts of the Covid-19 pandemic yet to be understood, but there are long-standing and increasingly severe financial pressures for many local schools due to falling rolls, increasing demand for SEND and SEMH interventions and reducing support through the DSG.

- 4.2 Whilst Schools' Forum and the associated Working Groups offer an excellent opportunity both to tease out details within the four notional blocks of the DSG: Schools, High Needs, Early Years, and Central School Services Block and to bring consequent decisions to Forum for decision, it is suggested that there would be benefit in creating a Working Group which can look across the blocks, recognising the level of strain in the system, and consider how this might be resolved, in part through a better understanding of how the various financial issues affecting schools interplay with each other. This would be an opportunity to explore the wider financial landscape for schools, as well as to agree how decisions on the High Needs Plan sufficiency plan and say the Alternative Provision Review will have a fundamental influence for every school in the borough.

5 Conclusion

- 5.1 This brief paper sets out the proposed approach to funding the implementation of the Alternative Provision Review. The increasing concerns about the financial capacity of the system to respond to need, particularly given the emerging understanding of the impacts of the Covid-19 pandemic on children and young people's mental health and wellbeing, as well as on their learning outcomes, require a fresh approach which aims to reset our model genuinely on a fresh footing.

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