

LATE BUSINESS SHEET

Report Title: Addendum

Committee/Sub etc.: Cabinet Member Signing

Date: 17th January 2020

Reason for lateness and reason for consideration

The Council is legally required to set the local schools funding formula and must submit this to the ESFA by 21st January 2020. However, the local authority is required to consult with maintained schools and academies in the borough, and with Schools Forum, in order to determine the local funding formula. Consultation with all schools and Schools Forum has been at the heart of our approach, and from the conclusion of the January School's Forum, a decision on the local funding model element to use for Haringey's School's Budget Formula has been decided and agreed.

At time of completing Cabinet Decision Report for draft deadlines the models still had to be decided by School's Forum. This addendum provides the confirmation of model chosen and other changes to formula as agreed at School's Forum. *Minutes from School's Forum still to be circulated.

The forum also agreed to continue with the de-delegation of funds for supporting school in financial difficulty and Trade Union contribution.

Update from the consultation with maintained schools and academies in Haringey, completed on 16th January 2020

The below extract is taken from the report: "Dedicated Schools Budget Modelling for 2020-21" as presented to January School's Forum by School's Finance Team. It details the result of the consultation and the proposed recommendations for School's Forum Consideration.

1 Consultation Response

- 1.1 *Following consultation with the Schools Forum on 5th December 2019, all schools in Haringey were consulted on the proposed changes for 2020-21 to the Council's Schools Funding Formula.*

- 1.2 The consultation started on 13th December, with a deadline of 5pm on 20th December 2019 for responses from Head teachers and Chairs of Governors.
- 1.3 An example of consultation survey is supplied Appendix A
- 1.4 The following two tables' shows options available and total responses received for all options – based on modelling of the Schools Block with the latest available information – were consulted upon:

| TABLE A Options: Which is your preferred option? | [Model 1]Option A MFG: Set at 0.74% and capping at 1.84% & HNB Transfer: 0% | [Model 2] Option B MFG: Set at 0.54% and capping at 0.70% & HNB Transfer: 0.25% | Total Responses Received |
|--|---|---|---------------------------------|
| Head teacher Votes | 26 | 2 | 28 |
| Chair of Governors Votes | 1 | 0 | 1 |
| Schools responded with no option selected | 0 | 0 | 3 |
| Total Votes | 27 | 2 | 32 |

| TABLE B Question: Which is your preferred option? | Move Education Welfare budget to Central Block before the individual schools' budget allocation to ensure all schools and academies have contributed on a fair amount to fund the services for the year 2020-21. |
|---|---|
| Yes | 24 |
| No | 3 |
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Recommendation 1

- 1.4 *The returns showed a preference in favour of Option A [Model 1], which recommends 2020-21 Schools Funding Formula with 0% block transfer to High Needs Block.*
- 1.5 *Recommend the block transfer of £122,000 Education Welfare Services budget to Central block, because it provides a maximum increase in school budget.*
- 1.6 *Growth fund to be maintained at £932,000 for the financial year 2020-21*
- 1.7 *The Schools Forum Schools funding review group has also recommendation of selecting Option A [Model 1] and block transfer for Education Welfare Services.*

Recommendation 2

- 1.8 *Schools Forum members were asked to consider and approve the de-delegation of:*
 - a) *Contingency for Schools in Financial Difficulty (£179,000)*
 - b) *Trade Union Facilities Time (£117,000)*

2. Update from the Schools Forum Meeting held on the 16th of January 2020

The Schools Forum were provided with the response to the consultation and voted in favor of both the above recommendations.

3. Changes to the recommendations:

Therefore the recommendations contained in the main published report have been updated and are now being put forward for approval by the Cabinet Member for Children and Families : -

1. To agree the following construction (Model 1 – Option A) to the local schools funding formula for the 2020-21 financial year, as agreed at Haringey's School's Forum.
2. To agree that the Minimum Funding Guarantee (MFG)*: Set at 1.35% and capping at 1.84% per pupil.
3. To agree that the Growth fund to be maintained at £932,000 for the financial year 2020-21.
4. To agree No transfer from Schools Block to High Needs Block in 2020-2021.

5. To agree Transfer of £122,000 to Central Block from Schools Block DSG as a top slice mechanism for statutory service relating to the Education Welfare Services.
6. To approve de-delegation of £179,000 for a support fund for School's in Financial Difficulty.
7. To approve de-delegation of trade Union Facilities Time of £117,000.

Reason for recommendations

As set out in the published report, in addition de-delegation of funding is charged to maintained schools only to provide services to these schools. It is part of the local funding formula that the School's Forum agrees but this was not included in the published Cabinet Signing report but has been agreed by Schools Forum.

Alternative Options Considered.

As set out in the published report, the alternative option to use Model 2[Option B] This option / model was not agreed with by the Schools Forum on the 16th of January 2020. The consultation results showed a strong preference for Model 1[Option A].

Model 2 contained: Minimum Funding Guarantee: Set at 0.54% and capping at 0.70%. High Needs Block Transfer: 0.25%

Additionally, the choice to disagree top-slicing the Education Welfare Service contribution of £122k from the Schools Block and transferring to the Central Services Block. This was not approved by the School's Forum and not supported in the consultation exercise.

Legal comments

The legal implications are contained in the main Cabinet Decision Report. There are no additional legal implications arising in relation to the updated recommendation of the main report.

Finance Comments

The 'soft' formula was originally planned for 2018-19 and 2019-20 only, with a 'hard' formula, without local input, to be implemented in 2020-21. However, the DfE has announced that there will be no changes for 2020-21.

The DfE has not committed to the future arrangements, but the expectation is that a 'hard' NFF will be introduced – i.e. without a local formula applied - from 2021-22. (Although "soft" formula may continue for another year, subject to DfE confirmation).

Haringey council proposed two models to devolve Dedicated Schools Grant to school forum.

Model 1[Option A]: Minimum Funding Guarantee (MFG)*: Set at 1.35% and capping at 1.84% and High Needs Block Transfer: 0%

Model 2[Option B]: Minimum Funding Guarantee: Set at 1.05% and capping at 1.84% and High Needs Block Transfer: 0.25%

Following school funding consultation in December 2019 and the Schools Forum meeting on 16th January 2020, the forum approved Recommendation 1 and 2 as above on 16th January 2020.

The proposed model is in line with the ESFA guidance and affordable for the Council to devolve maximum funding to protect Haringey Schools individual budget for the financial year 2020-21 based on the central government funding allocation announced on the 19th December 2019.

The Secretary of State announced that the funding for schools and high needs, compared to 2019-20, will rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23. This is in addition to £1.5 billion provided to fund pension costs for teachers.

In order to devolve maximum funding to schools, the MFG percentage is likely to increase in the financial year 2021-22 and 2220-23.

Concurrence of the Democratic and Scrutiny Services Manager to the submission of this late information and change to recommendations in accordance with Part 5 Section D – Protocol for Decision-Making - Paragraph 1.4.