

Agenda Item



Report Status

For information/note
For consultation & views
For decision

Report to Haringey Schools Forum – Thursday 3rd December 2020

Report Title: Dedicated Schools Budget Modelling for 2021-22

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Purpose:

1. To propose the process to all Haringey schools on the 2021/22 schools funding formula.

Recommendations:

1. For Schools Forum to agree the different factors in the local funding model as detailed in Section 3.5.
2. For Schools Forum to note the consultation arrangements the proposed modelling detailed in Section 3.7

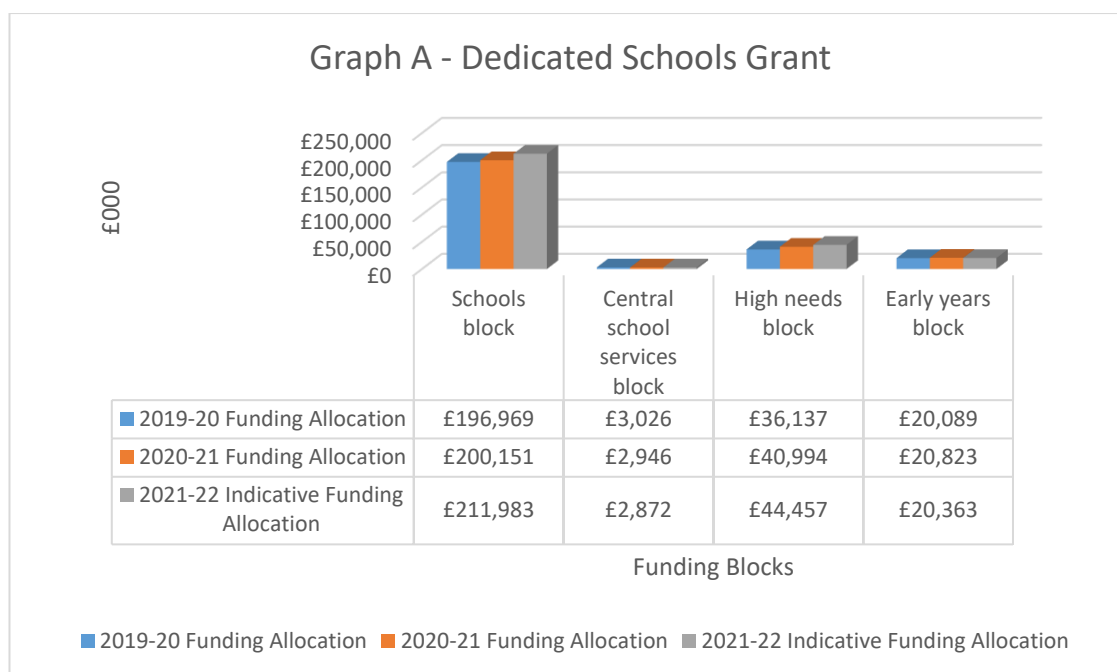
1 Introduction.

- 1.1 In July 2017, 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 on the schools and high needs blocks.
- 1.2 The paper sets out the strategy for DSG formula for Schools Budget Share allocations for the financial year 2021-22.
- 1.3 The policy document which sets out the background and principles of the new National Funding Formula for schools can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648532/national_funding_formula_for_schools_and_high_needs-Policy_document.pdf
- 1.4 The DSG is currently divided into four notional blocks: Schools, High Needs, Early Years, and Central School Services Block.
- 1.5 The shift to a 'hard' formula, without local input has not yet been implemented by the DfE and have announced that there will be no changes for 2021-22.
- 1.6 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 2022-23. (although "soft" formula may continue for another year, subject to DfE confirmation).

2 Changes in funding level for 2021-22.

- 2.1 Changes to the formula funding were presented in the October Schools Forum. With the major change affecting Haringey include the rolling in off the teacher pay grant (TPG) and Teachers Pension Employers Contribution Grant (TPECG), changes to the Income Deprivation Affecting Children Index (IDACI).
- 2.2 As discussed at last forum a review of the IDACI changes was to be provided. The attached workbook Appendix 1 – “Deprivation IDACI Comparison” provides forum with a like for like comparison of the Deprivation Factors of the formula funding element between 2020-21 APT and the Indicative 2021-22 APT. The report shows that there is a reduction in the IDACI elements for all Schools under the new methodology on a like for like basis. But the MFG protection ensures that the overall budget increases compared to last year.
- 2.3 The graph below demonstrates the indicative DSG budget for 2021-22. The Roll Up TPG and TPECG has been included in the indicative allocation.



2.4 The table below separates the rolled in grants out to demonstrate the year on year differences for the School's Block on a like for like basis:

School's DSG Funding Allocation in '000s					
				Increase on Previous Year	
Financial Year	Amount	less Rolled in grants	Total	£	%
2019-20	196,969.0	-	196,969.0		
2020-21	200,151.0	-	200,151.0	3,182.0	1.6%
2021-22	211,983.0	8,690.0	203,293.0	3,142.0	1.6%

3 Schools DSG formula 2021-22

3.1 With the announcement of a hard National Funding Formula (NFF) Schools Forum agreed on a strategy to limit the local factors as a measure to prepare Schools for any changes in funding that the hard formula may entail. The consultation in December 2019 with all maintained and academy schools, Schools Forum agreed the following principles for the local funding formula in 2020-2021

- (a) Growth Fund budget to be set different to the indicative budget allocation.
- (b) The transfer 0.0% out of the Schools Block into the High Needs Block
- (c) Set the Minimum Funding Guarantee (MFG) between +0.5% and +2.0% per pupil
- (d) Education Welfare top slice.
- (e) Split Sites for Nursery Schools.

An agreement from School's forum is sought to keep this methodology –. Some further explanation of each in 3.5.

- 3.2 Each local authority should receive an email which provided details of how to access their Authority Proforma Tool (APT). The appendix attached provides the modelling of Haringey Maintained School Budget using the September APT (Indicative) it uses some of the factors mentioned below in section 3.5.
- 3.3 The December APT will be populated with schools block data for 2021 to 2022, primarily drawn from the October 2020 schools census. (The modelling is based on October 2019 census as updated figures were not available at the time.
- 3.4 Authority Proforma tool is the mechanism by which ESFA provide the schools block dataset to local authorities but local authorities will submit APT in January 2021 following schools forum approval.
- 3.5 The aim is for a maximum devolvement to Schools via the formula. The following adjustment to the Schools Block are suggested and confirmation from Schools Forum is required – agreement of these factors will allow for :

Growth: The indicative budget for Growth is £1.199M it is recommended to set the growth budget to £1.1M. This allows £99k to be put back through the formula to be used to protect Tiverton Primary School uptake with Stamford Hill's closure. Any underspends by 2021-22 year end to be brought back to January 2022 School Forum for decision which may include: Posting back to overall DSG deficit or redistribution to schools.

Decision: Schools Forum agree to revise the growth fund down to £1.100m .

High Needs Block Transfer: The modelling includes an option for a percentage transfer into the High Needs Block. But there was no transfer agreed in 2020-21. It is well documented that the overall DSG overspend relates to High Needs Block. Transfer of Schools Block can be used to support Schools that have higher EHCP plans through increasing the SEN Contingency pot. SEND will need to provide an argument for this.

11 schools across the mainstream sector now have more than 3% of their school population with an EHCP, with one school having 6%. Currently £1.3 million is provided from the high needs block to support schools with a disproportionately high number of children with an EHCP, through the allocation of SEND Contingency funding. However, this is not sufficient to mitigate the impact on schools' budgets and does not have any growth to reflect the year on year increase in the number of plans within Haringey. Between November 2019 and November 2020, the number of plans grew from 2256 to 2457, an 8.91% growth.

Decision: To confirm if a transfer to High Needs Block will be considered pending SEND requests.

Minimum Funding Guarantee: MFG ensures protection from excessive year on year changes. The percentage determines the limits of protection. If the protection is higher than DfE limits an application to the DfE is required. The LA's approach is to not exceed agreed limits and will post a percentage increase that balances that leads to a balanced School's DSG. As per modelling it is could range between 0.5% and 2.0%.

Decision: Schools Forum to confirm the treatment of MFG in the APT.

Education Welfare: As in previous years a top slice has been proposed to ensure all School's including Academies share the cost of the Education Welfare Service. Currently Academies do not pay for this. A bid of £122k per annum has been applied for in previous years.

Decision: Schools Forum to agree or not to the top slice for Education Welfare for £122k

Nursery Split Sites: As agreed in Schools Forum December 2019 a revisit of this proposal: Where schools have split sites and are eligible for split site funding of £60k in the DSG formula. Nurseries with split sites do not receive this funding. It is proposed to ensure fairness across all mainstream settings a similar split site funding is provided to nurseries. (In Haringey there is only a single Nursery with a split site).

Decision: Schools Forum to agree or not to the top slice for Nursery split sites for £60K

3.6 Since October's School's Forum School's Finance took the following actions:

- Met with the NFF Working Group membership includes Will Wawn (Bounds Green), Mike McKenzie (Heartlands Academy) and Tony Hartney (Gladesmore Community School) and Eveleen Riordan (AD School's and Learning) to present on workings. The working group is open to other Heads from Schools forum.
- School's Finance costed different funding scenarios.
- Presented out-comes of models to the Working group.

These models are for illustrative purposes to aid in decision making of agreeing the 2021-22 formula. The actual funding may differ from these allocations once we have received the final APT from the ESFA. Which is expected in the first week of December.

For each "model" the following have been entered into the ESFA APT tool:

- October 2019 Census figures.
- MFG rate.
- Capping factor.

MFG and Capping have to be fixed for both Primary and Secondary at the same level. The modelling will change these factors based on School's Forum Proposals.

The only local factors used in the formula is the adjustable factors are Business Rates. The 2020-21 rates have been used, the most up to date rates will be entered for 2021-22 Formula once this information has been received by the Rates Team.

3.7 The consultation of the funding formula will start on 7th of December after School Forum and conclude on the 17th of December. All Head Teachers and Governors will be sent a link via e-mail to register their intentions.

The consultation will consist of the modelling of the items addressed in section 3.

3.8 Haringey is as close to the hard formula as possible with Business rates the only local factor used in since 2018-19 (subsequently used thereafter as part of the request to maintain last year's base formula). Schools should then be able to plan accordingly any future issues.

- 3.9 The results of the consultation will be sent out on 21/12/2020, prior to sending out the final APT to Schools. Dates to send will be confirmed with the consultation results. The final Haringey APT will then be ratified at the 14th January 2021 Schools Forum