

**Report for:** Cabinet Member Signing 15/01/2021

**Title:** Haringey Council's Local Schools Funding Formula for the 2021-22 Financial Year

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**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## 1. Describe the issue under consideration

This report seeks the Cabinet Members' approval for changes to the Council's local schools funding formula for the 2021-22 financial year in line with the Schools National Funding Formula set out by the Department for Education (DfE).

Following consultation by the Council with all maintained and academy schools in the borough, Schools Forum asked the Council to continue with the existing local school funding formula. However, given the nature of the funding settlement, a number of adjustments are required to the local funding formula for the 2021-22 financial year. These are set out in the recommendations below.

School Forum meet to decide on 14<sup>th</sup> January 2021 the funding formula for financial year 2021-22. This will be followed by Cabinet Member's approval on 15<sup>th</sup> January 2021. Final adjustments to the recommendations may need to be made in the light of forum discussions and feedback from the consultation with schools. These will be presented to the Member of Cabinet on the day of sign off.

The funding allocation for the year 2021-22 must then be submitted to the Education and Skills Funding Agency (ESFA) via the Authority proforma tool (APT) by 21<sup>st</sup> January 2021.

## 2. Cabinet Member Introduction

The introduction of the National Funding Formula for schools has been a challenge up and down the country and Haringey has been at the forefront of campaigning to ensure that no schools lose out. However, we need to highlight despite the increase in high needs block funding for schools in Haringey is below increases in demand and budgets available to schools to support children and young people with special educational needs and disabilities (SEND) are under increasing and serious pressure.

The Department for Education on 17<sup>th</sup> December published school funding allocations going to every local authority in England. The written statement reconfirmed a £14

Billion funding boost to be spread over 3 years. This is the second year of the cumulative funding.

Funding to cover increases in teacher pay and pensions grant worth £2 billion will also be included from 2021 and rolled into the main School DSG Funding.

Against this challenging background, the Council have worked collaboratively with schools across the borough to ensure that the funding available is distributed as fairly as possible so that all Haringey schools can continue to deliver excellent outcomes for our children and young people.

### 3. Recommendations

**The Cabinet Member is asked to agree to changes to the School’s funding formula for 2021/22. The agreement of changes is based on consultation with School’s Forum. See Appendix A for Individual Schools allocation for 2021-22 in comparison with 2020-21.**

Schools were consulted on local factors of the school funding formula for 2021-22 in December 2020, the results of the consultation are detailed in the table A, below. This details the most supported local factors:

**Table A Consultation Results.**

<b>Consultation Question</b>	<b>Results (Highest total votes)</b>	<b>Affect to 2021-22 APT (Schools)</b>
<b>Growth:</b> To set Growth Funding Budget at £1.100m (Indicative Budget is £1.199m) * as stated in December School Forum. £99k will be put back through the formula to protect Tiverton School uptake due to the closure of Stamford Hill	Growth Budget to be set at £1.100M.	Through the APT tool the Growth Budget is set at £1.100M with any difference being routed through the main APT. All primary and secondary schools have access to the growth fund. Any remaining balances at Year End – will be presented to School Forum to decide distribution.
<b>High Needs Block Transfer:</b> To set a %age of High Needs Block transfer from DSG Allocation.	There will be a 0% transfer of Schools Block Funding into the High Needs Block.	The Schools Block will not be contributing to the High Needs Block for 2021-22.
<b>Education Welfare:</b> Block transfer of	£122k will be top sliced from	The arrangement for top slicing a contribution from Schools Block to

<p>£122,000 for Education Welfare Service budget to Central Block to ensure all schools and academies have contributed a fair amount to fund the services for the financial year 2021-22</p>	<p>the Schools Block to support the Education Welfare Service.</p>	<p>support the Education Welfare Service will continue for 2021-22.</p>
<p><b>Nursery Split Sites:</b> Nursery Split Site funding of £60k for one Nursery School to be continued for 2021-22</p>	<p>£60k has been agreed to support the split site Nursery.</p>	<p>This will be top sliced from Schools Block to support the Nursery in question to ensure parity across the Borough.</p>
<p><b>De-Delegated Factors:</b> De-delegated factors within the APT remain the same as 2020-21 APT: <b>including A: Schools in Financial Difficulty £179,000:</b> LA Maintained Primary and Secondary Schools contributing £7.70 per AWPU and <b>B:Trade Union Representation £135,739:</b> LA Maintained Primary and Secondary Schools contributing £5.80 per AWPU.</p>	<p>No to A (Schools in Financial Difficulty), Yes to B (Trade Union Representation).</p>	<p>There is no Schools in Financial Difficulty Fund for 2021-22. The de-delegation pot has reduced when compared to 2020-21. There is a larger share to be distributed directly to Schools through the main formula funding route. The Trade Union funding has been agreed for 2021-22. The rates will continue at the same amount as previous years.</p>

The LA have recommended to Schools Forum that that the results of the survey are applied to the 2021-22 Schools APT formula funding. Schools Forum make the decision and the LA requires sign off from Councillors to conclude the budget setting process.

The conclusion of the consultation has meant the capping and MFG factors are as follows:

1. +1.98% MFG\*
2. +2.00% cap with 100% scaling

*\*The minimum funding guarantee is a protection for schools against significant year-on-year changes in pupil-led funding. It is a mechanism directed by government to ensure that no school loses a significant amount of funding due to pupil led changes which are beyond its control*

The Cabinet Member is asked to agree the changes to the local schools funding formula for the 2021-22 financial year following Schools Forum approval on 14<sup>th</sup> January 2021.

Please note: an updated paper will be presented following the meeting with Schools Forum on 14th January 2021. It is possible that School's Forum may decide to adopt a different approach, although this is not anticipated if this does occur this paper will be updated paper as necessary.

These changes require approval by the Council in line with its local scheme of delegation to complete the Authority Proforma Tool, as required by the ESFA. Such approval can be given on behalf of the Council by the Lead Member.

The Schools Forum will also consider a block transfer of Education Welfare Services funding to Central Block to ensure that cost has been shared across schools and academies on a fair contribution rate.

#### **4. Reasons for decision**

The Council is legally required to set the local schools funding formula and must submit this to the ESFA by 21<sup>st</sup> January 2021.

The recommended changes to the local funding formula follow:

- (a) Consultation with schools on their preferred option (based on initial modelling from ESFA, which has since been revised) in December 2020.
- (b) Discussion at Schools Forum on 14<sup>th</sup> January 2021, where the principles underpinning how the funding formula should operate were agreed and minuted in light of the response to the consultation.
- (c) The final school budget allocations are presented to the Schools Forum on 14<sup>th</sup> January 2021 for their approval.

#### **5. Options Considered**

Following consultation with the Schools Forum on 7<sup>th</sup> December 2020, all schools in Haringey were consulted on the proposed changes for 2021-22 to the Council's Schools Funding Formula via e-survey. The consultation started on 7<sup>th</sup> December, with a deadline of 17<sup>th</sup> December 2020 for responses from Head teachers and Chairs of Governors.

The following table B shows options available and total responses received for all options:

TABLE B

Haringey Schools APT 2021-22 Survey Results		Maintained Responses		Academies Responses	
Survey Questions	Answers	Head teacher Votes	Chair of Governors Votes	Head teacher Votes	Chair of Governors Votes
<b>Growth:</b> To set Growth Funding Budget budget at £1,100m (Indicative Budget is £1,199m)* as stated in December School Forum. £99k will be put back through the formula to protect Tiverton School uptake due to the closure of Stamford Hill	Yes	24	16	1	1
	No	4	1	1	0
	Skipped	0	0	0	0
<b>High Needs Block Transfer:</b> To set a %age of High Needs Block transfer from DSG Allocation.	0%	26	15	1	1
	0.25%	1	2	1	0
	Skipped	1	0	0	0
<b>Education Welfare:</b> Block transfer of £122,000 for Education Welfare Service budget to Central Block to ensure all schools and academies have contributed a fair amount to fund the services for the financial year 2021-22	Yes	20	13	1	1
	No	8	4	1	0
	Skipped	0	0	0	0
<b>Nursery Split Sites:</b> Nursery Split Site funding of £60k for one Nursery School to be continued for 2021-22	Yes	18	11	2	1
	No	10	6	0	0
	Skipped	0	0	0	0
<b>De-Delegated Factors:</b> De-delegated factors within the APT remain the same as 2020-21 APT: including A: Schools in Financial Difficulty £179,000: LA Maintained Primary and Secondary Schools contributing £7.70 per AWPU and B:Trade Union Representation £135,739: LA Maintained Primary and Secondary Schools contributing £5.80 per AWPU.	Yes to A & B	6	7	0	0
	Yes to A, No to B	1	0	0	0
	No to A, yes to B	20	10	0	0
	Skipped	1	0	2	1
	<b>Total Voters</b>	<b>28</b>	<b>17</b>	<b>2</b>	<b>1</b>
	<b>Grand Total</b>		<b>48</b>		

## 6. Background information

In July 2017, DfE announced the introduction of the National Funding Formula (NFF) which was supported by additional investment in 2019-20, 2020-21, & 2021-22.

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/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

The DSG is currently divided into four notional blocks:

- Schools,
- High Needs,
- Early Years, and
- Central School Services Block.

There has been a significant commitment for 2021-22. The per pupil funding a school received has gone up with the rise in inflation rate.

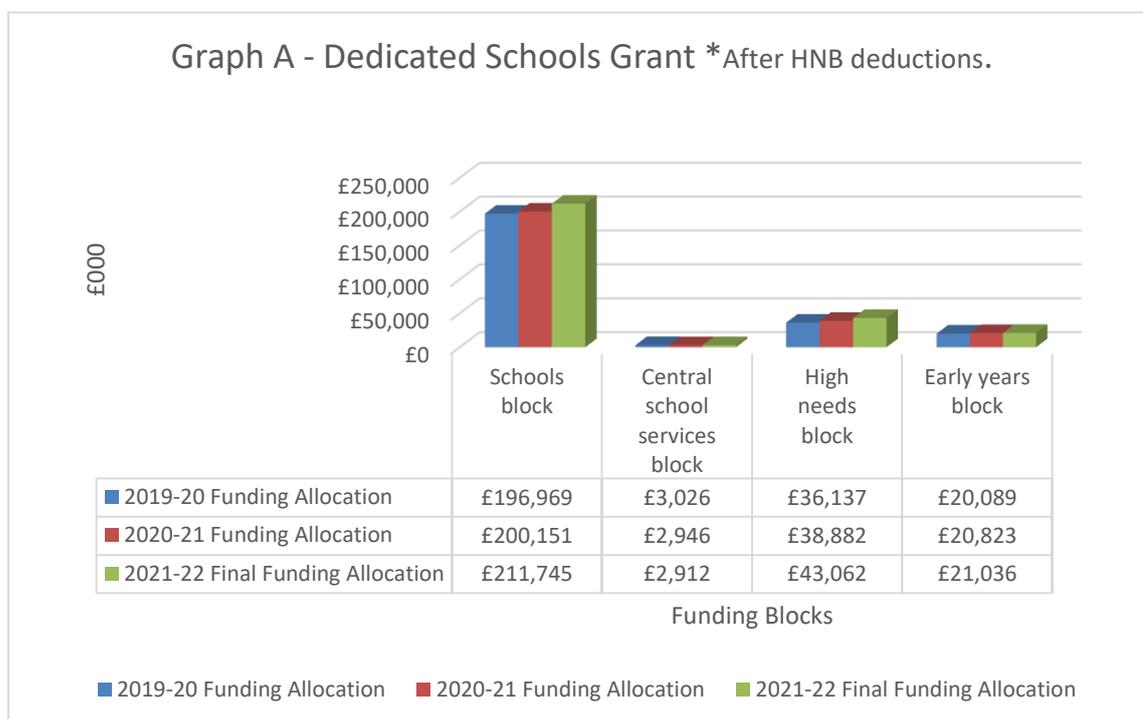
School funding through the National Funding Formula is increasing by 4% overall in 2021-22. The NFF will distribute this funding based on schools' and pupils' needs and characteristics. The main features in 2021-22 are:

- The key factors in the NFF will increase by 3%, providing a significant increase to those schools already attracting their NFF allocations.
- The minimum per pupil funding levels will ensure that every primary school receives at least £4,000 per pupil, and every secondary school at least £5,150 per pupil, delivering on the government's pledge to level up the lowest funded schools – on top of that, these schools will receive an additional £180 and £265 per pupil respectively to cover additional

teachers' pay and pension costs previously funded through the separate grants.

- c. Every school will be allocated at least 2% more pupil-led funding per pupil compared to its 2020-21 NFF baseline.

Graph A sets out Haringey's Dedicated Schools Grant allocations for the financial year 2019-20, 2020-21 & 2021-22.



Dedicated schools grant (DSG) allocation for financial year 2021 to 2022, prior to academy recoupment and after high needs deductions. Is presented in Table C below. \*It is inclusive of rolled in Teacher's Pay Grant and Teachers Pension Employers Contribution Grant (TPECG) in the Schools Block.

<b>Table C: DSG Funding Breakdown</b>	<b>2021-22 Final Funding Allocation</b>
<b>Schools block</b>	£211,745
<b>Central school services block</b>	£2,912
<b>High needs block</b>	£43,062
<b>Early years block</b>	£21,036
<b>DSG Total Allocation</b>	<b>£278,755</b>

### Recommendation

- 1.1 Growth fund to be maintained at £1,100,000 for the financial year 2021-22
- 1.2 The returns showed a preference in favour of 0% block transfer to High Needs Block.

- 1.3 Recommend the block transfer of £122,000 Education Welfare Services budget to Central block, because it provides a maximum increase in school budget.
- 1.4 Nursery Split Site funding of £60k for one Nursery School to be continued for 2021-22
- 1.5 De-Delegated Factors: De-delegated factors within the APT has changed as compared to last year APT: Only Option B: Trade Union Representation £135,739: LA Maintained Primary and Secondary Schools contributing £5.80 per AWPU will continue in 2021-22.

The Council has followed the guidance note issued by the Education & Skills Funding Agency in August 2020 in calculating schools' budget for the financial year 2021-22. The link to the guidance is given below:

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2021-to-2022>

Haringey Council will ensure that all procedures are in place to meet the requirement to publish maintained school budgets by 28th February 2021 in line with guidance set by the School and Early Years Finance (England) Regulations 2018.

## 7. Contribution to strategic outcomes

The local school funding formula is an important element in delivering the best possible outcomes for Haringey's children and young people under the People Priority.

The People Priority underpins the council's approach to ensuring young people in Haringey get the best start in life, through early help, excellent education, and support.

## 8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

### Finance

The recommended changes to the Council's local schools funding formula as given table A. Depending upon the option selected by the School Forum on 14<sup>th</sup> January 2021, all options are affordable, or contained within the total funding allocation published by the ESFA in December 2020.

The recommended changes to the Council's local schools funding formula are for a Minimum Funding Guarantee (MFG) of +1.98% per pupil, together with a cap of +2.00% per pupil increase and a scaling rate of 100% compared with the funding formula for 2020-2021. These changes are required to deliver the Government's promise to all Haringey schools within the Council's 2021-22 Schools Block Dedicated Schools Grant (DSG) funding envelope.

Description	Amount
Schools Block Dedicated Schools Grant funding settlement	£211,745,094.00

Contribution to Attendance and Welfare	-£122,000.00
Split Site - Early Years	-£60,000.00
Growth Fund	-£1,100,000.00
Funding available for Schools Block Formula	£210,463,094.00
APT Proforma applying +1.98% MFG +2.00% Cap at 100% Scaling	£210,463,094.00
Remainder	£0.00

There are no direct implications from this decision in relation to the Council's General Fund. This does not relate to any savings set out in the Medium-Term Financial Strategy.

Haringey is currently reporting an overall cumulative deficit of £15m (including £10m carried forward from 2019-20) under the DSG block. There is an expectation for LAs to provide deficit recovery plan if they report a deficit posting at year end. The majority of the current DSG deficit is due to High Need block overspending – a high profile national issue shared by many Councils. Any future strategies may include school block contribution to high needs block to reduce this deficit. Current Government Guidance is that overspends relating to the DSG may not be met from General Fund resources without seeking the permission of the Secretary of State – so this is in effect a ringfenced deficit.

### **Strategic Procurement**

Strategic Procurement note the contents of the report and that there are no procurement issues associated with this decision.

### **Head of Legal and Governance comments**

The School and Early Years Finance (England) (No 2) Regulations 2018 provides for local authorities' financial arrangements in relation to the funding of maintained schools and providers of funded early years provision in England, for the financial year 2019-2020. These Regulations require the Council to determine budget shares for schools maintained by them and amounts to be allocated in respect of early years provision in their areas, in accordance with the appropriate formulae which the Council must determine. The Council must consult its schools forum and schools maintained by it about any proposed changes to the funding formulae, in relation to the factors and criteria taken into account, and the methods, principles and rules adopted. The same consultation obligation applies to proposed changes that will affect early years provider.

The Education & Skills Funding Agency operational guidance 'Schools revenue funding 2021 to 2022' (Updated December 2020) provides that

24. The department appreciates that there will be limitations in the way local authorities are currently able to work due to the coronavirus (COVID-19) situation.

25. However, local authorities must do their best, within the circumstances, to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed

changes to the local funding formula, including the principles adopted and any movement of funds between blocks.

27. Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.

29. Local authorities should communicate proposed formula changes to all bodies affected by the changes.

30. The local authority is responsible for making the final decisions on the formula; however, each local authority's process should have ensured that there was sufficient time to gain political approval before the APT deadline in January 2021.

31. Political approval means approval in line with the local authority's local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council. The schools forum does not decide on the formula.

The following legal principles apply when undertaking consultation:

- (a) The consultation must take place while the proposals are still at a formative stage (i.e. when the results of the consultation may still make a difference)
- (b) The consultee must be given sufficient information about, and reasons for, the proposal to be able to respond in a meaningful and intelligent way and given sufficient time to be able to respond.
- (c) Depending on the circumstances of the particular case, it may also be necessary to consult about other options that have been rejected.
- (d) There must then be sufficient time for the responses to be considered properly, and the responses must be considered conscientiously, in the course of taking the ultimate decision."

### **Equalities comments**

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
- Foster good relations between people who share a relevant characteristic and people who do not share it.

The three parts of the duty applies to the following protected characteristics: is age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

The report proposes to revise the Dedicated Schools Grant Funding formula. This is in line with the Department for Education's National Funding guidance and technical notes. No options are available to provide differential funding to schools in relation to the proportion of pupils with protected characteristics. The 0.25% transfer from the Schools Block to the High Needs Block, if approved by the school forum, will support provision for pupils with special educational needs and disabilities. Setting the higher MFG level at will help ensure continued high-quality educational provision for all pupils

in Haringey. These changes demonstrate due regard for the protected characteristics of age and disability.

## **9. Use of Appendices**

Appendix A: Schools Funding Formula Analysis

## **10. Local Government (Access to Information) Act 1985**

The following information was used in compiling this report:

- Department for Education, The national funding formula for schools and high needs (September 2019):

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2021-to-2022>