

Report for: Cabinet Member Signing – 19 January 2023

Title: Haringey Council’s Local Schools Funding Formula for 2023-24

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Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. This report seeks the Cabinet Members’ approval for changes to the Council’s local schools funding formula for the 2023-24 financial year in line with the Schools National Funding Formula set out by the Department for Education (DfE).
- 1.2. Following consultation by the Council with all maintained and academy schools in the borough, the Schools Forum asked the Council to adjust the existing local school funding formula. These are set out in the recommendations below.
- 1.3. The Schools Forum met to decide the 2023-24 funding formula on 12th January 2023. Cabinet Member approval is required following the Schools Forum and Council agreed grant allocations.
- 1.4. The funding allocation for the year 2023-24 must then be submitted to the Education and Skills Funding Agency (ESFA) via the Authority Proforma Tool (APT) by 20th January 2023.

2. Cabinet Member Introduction

- 2.1. On 16th December 2022, the Department for Education published school funding allocations going to every local authority in England.
- 2.2. The introduction of the National Funding Formula for schools has been a challenge up and down the country and Haringey supports equitable and local decisions that are responsive to local needs and benefits all schools in an equitable way.
- 2.3. The Schools Block of the Dedicated Schools Grant (DSG) funding allocation set out in this report includes local adjustments to the formula to ensure schools

receive an across-the-board funding uplift for pupils and targeted allocations to support special educational needs for children in schools.

- 2.4. In the response to the DfE National Formula (NFF) regulations, local authorities are required to bring their own formulae closer to the schools NFF for 2023 to 2024.
- 2.5. The Council has 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

- 3.1. Schools' form will meet on 12th January 2023 to decide on the options outlined below. The Cabinet Member is asked to agree the changes (to be confirmed) to the local schools funding formula for the 2023-24 financial year.
 - a) To adopt Model 2; and
 - b) To note the transfer of 0.50% from the Schools Block allocation to the High Needs Block as agreed in the October 2022 Schools Forum. At the October decision this was estimated at £1.051m and with the proposed DSG allocation since announced this equates to £1.098m;
 - c) To agree the Growth fund be set at £300k;
 - d) To agree the Minimum Funding Guarantee (MFG) is set between 0.2% and 0.34% dependent on the block transfers agreed and any necessary consent from the DfE;
 - e) To agree the Block transfer of £122k from the Schools Block to the Central Block for Education Welfare Services, dependent on any necessary consent from the DfE;
 - f) To agree the block transfer from the Schools block to the Early Years block of £60k to fund a Haringey Primary school with a Nursery School on a split site, dependent on any necessary consent from the DfE;
 - g) To agree the de-delegation of £165k for Trade Union Representation (for maintained schools only).

4. Reasons for decision

- 4.1 The Council is legally required to set the local schools funding formula and must submit this to the ESFA by 20th January 2023. 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.

5. Options Considered

- 5.1. All schools in Haringey were consulted on the proposed changes for 2023-24 to the Council's Schools Funding Formula via e-survey. The consultation started on 23rd November 2022, with a deadline of 9th December 2022 for responses from Head Teachers and Chairs of Governors.
- 5.2. Table A shows options available and total responses received for all options.

Table A Consultation Results:

Haringey Schools Consultation Authority Proforma Tool (APT) Survey Results	Total responses Received
Question 1: Select your single preferred funding model <ul style="list-style-type: none"> · Model 1: 0.5% HNB Block Transfer plus Funding factors 10% NFF movement with MFG set between +0.5% to +2% · Model 2: 0.5% HNB Block Transfer plus Funding factors 10% NFF movement with MFG set between +0% to +0.5% 	 41 1
Question 2: To set Growth Funding budget to £300K <ul style="list-style-type: none"> · Yes · No 	 41 1
Question 3: Block Transfer of £122,000 for Education Welfare <ul style="list-style-type: none"> · Yes · No 	 15 27
Question 4: Early Years Block Transfer for Nursery Split Site funding of £60K <ul style="list-style-type: none"> · Yes · No 	 31 11
Question 6: ONLY For Maintained Sector Schools: To increase the total amount de-delegated from maintained sector for Trade Union Facilities time from £132K to £165K <ul style="list-style-type: none"> · Yes · No 	 31 6

- 5.3 Following a decision by Schools Forum in October 2022, the model options for the 2023-24 DSG funding formula consultation with all schools was delegated to the Schools Block Working Group (SBWG). The allowable range for setting the MFG for 2023-24 is between 0% to 0.5%. At the time of review by the SBWG, it was requested that the council make a disapplication to set a higher MFG in the range from 0.5% to 2% should the available funding announced in the Autumn statement enable the council to set a higher MFG. The additional funding for schools was school was announced as a separate grant called Maintained Schools Additional Grant. Therefore, with the final DSG settlement figures the MFG can only be set between 0.2% and 0.34%.
- 5.4 Now the final settlement has been announced at £219.467m and the NFF funding requirements applied to the APT the adoption of model 2 is the only option available. A further indicative £7.124m Maintained Schools Additional Grant has

been announced in December 2022 and the DfE will announce school level allocations in the Spring 2023.

- 5.5 The maximum local block transfer is set at 0.5%. The October 2022 school's forum agreed a block transfer of 0.5% to HNB. The adoption of the £122K Education Welfare Services and £60K split site will be contingent on DfE approval for block transfers above 0.5%.
- 5.6 Following the consultation results and confirmations of the published allocations of the APT on 16th December 2022, see Appendix 1 of the report for individual school allocations for 2023-24 to be considered by the Schools' forum on 12th January 2023.

6. Background information

- 6.1 The DSG is currently divided into four blocks:
- Schools Block
 - High Needs Block
 - Early Years Block
 - Central School Services Block.
- 6.2 The policy document which sets out the background and principles of the new National Funding Formula for schools can be found at: [The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/111111)
- 6.3 The basic structure of the schools National Funding Formula (NFF) is not changing in 2023-24. There are a small number of changes in existing factors of the formula in 2023-24.
- 6.4 The business rates payment system for schools will be centralised and ESFA will pay billing authorities directly on behalf of state funded schools from 2023-24 onwards. This reduces the administration for schools and schools will see no difference in funding in this respect.
- 6.5 Haringey Council will ensure that all procedures are in place to meet the requirement to publish maintained school budgets by 28th February 2023 in line with guidance set by the School and Early Years Finance (England) Regulations 2022.

7. Contribution to strategic outcomes

- 7.1. 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.
- 7.2. 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), Head of Legal and Governance (Monitoring Officer), Equalities)

8.1. Finance

The recommended changes to the Council's local schools funding formula as applied to each school is detailed in Appendix 1. This is affordable and contained within the total 2023-24 DSG funding allocation published by the ESFA in December 2022.

There are no direct implications from this decision in relation to the Council's General Fund.

8.2. Strategic Procurement

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

8.3. Head of Legal and Governance (Monitoring Officer)

The School and Early Years Finance (England) Regulations 2022 provide for local authorities' financial arrangements in relation to the funding of maintained schools and providers of funded early years provision in England. 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 school's forum and schools maintained by it about any proposed changes to the funding formulae, in relation to the factors and criteria considered, 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 2023 to 2024' (Updated December 2022) provides that: [Schools operational guide: 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/schools-operational-guide-2023-to-2024)

8. Reviewing and consulting on the pre-16 formula

Local authorities must 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 their local funding formulae, including the principles adopted and any movement of funds between blocks.

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

Local authorities also need to set out how their proposals meet the requirements to move the local formulae towards the NFF.

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

The local authority is responsible for making the final decisions on their formula; each local authority's process should ensure that there is sufficient time to gain political approval before the APT deadline in January 2023.

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.

Local authorities should, as much as is possible, ensure that they allow sufficient time for wider consultation with schools, agreement by their schools forum, and political approval if they wish to transfer funding out of the schools block, or submit a disapplication request.

Further information is included in the 'movement between blocks' section of this guidance.

Schools forums can meet remotely. This includes, but is not limited to, telephone conferencing, video conferencing, live webcast, and live interactive streaming.

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 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."

8.4. 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 0.50% transfer from the Schools Block to the High Needs Block will support DfE safety Valve programme to reduce HNB deficit. These changes demonstrate due regard for the protected characteristics of age and disability.

9. Use of Appendices

Appendix 1: DSG Schools Funding Analysis 2023-24

Appendix 2: Schools Block Funding Formula Consultation 2023-24

10. Local Government (Access to Information) Act 1985

The following information was used in compiling this report:

Guidance on Dedicated schools grant (DSG): 2023 to 2024: [Dedicated schools grant \(DSG\): 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/dedicated-schools-grant-dsg-2023-to-2024)

The national funding formulae for schools and high needs: [The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance/the-national-funding-formulae-for-schools-and-high-needs)

The School and Early Years Finance (England) Regulation 2022: [The School and Early Years Finance \(England\) Regulations 2022 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2022/1200/contents/made)