

Report for: Cabinet Member Signing – 22nd January 2024
Title: Haringey Council's Local Schools Funding Formula for 2024-25

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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 2024-25 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 School's Forum asked the Council to adjust the existing local school funding formula. These are set out in the recommendations below.
- 1.3. The School's Forum met to decide the 2024-25 funding formula on 11th January 2024. Cabinet Member approval is required following the Schools Forum and Council agreed grant allocations.
- 1.4. The funding allocation for the year 2024-25 must then be submitted to the Education and Skills Funding Agency (ESFA) via the Authority Proforma Tool (APT) by 22nd January 2024.

2. Cabinet Member Introduction

- 2.1. On 19th December 2023, 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 fair 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 2024 to 2025.
- 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. Following approval by the School's Forum on 11^h January 2024, the Cabinet Member is asked to agree the changes to the local schools funding formula for the 2024-25 financial year.
 - a) To adopt Model 1 as outlined in the consultation with schools to set 0.46% the Minimum Funding Guarantee to all schools; and
 - b) To note the transfer of 0.50% from the Schools Block allocation to the High Needs Block as agreed by the School's Forum under the safety valve agreement with the DfE in October 2023. At the October 2023 decision, this was estimated at £1.140m and with the proposed DSG allocation since published this equates to £1.129m;
 - c) To agree the Growth fund be set at £300k;
 - d) 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;
 - e) To agree the block transfer from the school's block to the Early Years block of £60k to fund a Nursery School on a split site, dependent on any necessary consent from the DfE.
 - f) To agree the de-delegation of £210k 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 22nd January 2024. These changes require approval by the Council 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 2024-25 to the Council's Schools Funding Formula via e-survey. The consultation started on 25th November 2023, with a deadline of 8th December 2023 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: Please indicate your preferred option for Haringey's funding model 2024-25 Model 1: Replicating NFF model. | 10 |
| Model 2: Replicating NFF model with AWPU variations. | 22 |
| Question 2: To support Growth Funding budget of £300k . Yes | 29 |
| . No | 3 |
| Question 3: To support Block Transfer of £122k for Education Welfare . Yes | 17 |
| . No | 15 |
| Question 4: To support Early Years Block Transfer for Nursery Split Site funding of £60K . Yes | 22 |
| . No | 10 |
| Question 5: To support de-delegated budget from maintained schools for Trade Union Facilities time of £210K . Yes | 25 |
| . No | 5 |
| Question 6: To support High Needs Block Transfer of £1.140m (as part of Safety Valve Program - year 2) . Yes | 29 |
| . No | 3 |
| Question 7: Any further comments you would like to make with regards to the consultation. | 20 |

5.3 Question one of the consultation exercises asked schools' which model they preferred, either model 1 or model 2. 10 respondents preferred model 1 and 22 respondents preferred model 2.

5.4 While it remained the Government's intention that a school's budget should be set on the basis of a single national formula, or NFF in 2024-25, local authorities are still allowed to use either the NFF formula values or locally agreed values within the allowable NFF range to determine funding allocations for schools.

5.5 The update of NFF for schools and high needs for 2024/25 is published by the DfE in July 2023 and republication in October 2023 on the following link and the move to a 'hard' formula without local input has not been implemented by the DfE with minimal changes for 2024/25.

School Funding Formula 2024/25

- 5.6 Following a decision by Schools Forum in October 2023, the model options for the 2024/25 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%. With the final settlement figures the MFG can only be set between 0.46% and -3.8% (a minus MFG would require a disapplication request).
- 5.7 Now the final settlement has been announced at £225.783m and the NFF funding requirements applied to the APT the adoption of model 1 (NFF) is the only option available based upon affordability.
- The maximum local block transfer is set at 0.5%. The October 2023 schools' forum agreed a block transfer of 0.5% to HNB. The adoption of the £0.122m Education Welfare Services and £0.060m split site will be contingent on DfE approval for block transfers above 0.5% and a disapplication request has been submitted 17th November 2023.
 - Two MFG models were selected for consultation and appendix 1 details reported questions and responses, table F below summarises models with model 2 being unaffordable with formula factors costing additional £3.5m, plus MFG requirement being set to -3.8% which would require a disapplication request to SoS.

| TABLE F - Consultation exercise and models | |
|--|---|
| CONSULTATION | OUTCOME |
| Model 1 | Model 1 |
| DSG formula factors 100% to NFF values | DSG formula factors 100% to NFF values |
| HNB transfer of 0.5% | HNB transfer of 0.5% |
| MFG set to 0.38% | MFG set to 0.46% |
| Capping set at 50% | Capping set at 50% |
| | |
| Model 2 | Model 2 |
| DSG mixture of formula factors 100% to NFF values (as per Model 1) except for AWPU (age weighted pupil unit) for primary factor set to maximum rate permissible (due to falling rolls/primary: secondary funding ratio difference) and minimum rate for AWPU secondary factor permissible. | DSG mixture of formula factors <u>BUT unaffordable additional cost £3.5m</u> |
| HNB transfer of 0.5% | HNB transfer of 0.5% |
| MFG set to 0.29% | MFG set to -3.8% (disapplication requirement) |
| Capping set at 50% | Capping set at 50% |

- 5.8 Further to the consultation responses and the DSG allocations (see Appendix 1 for the financial implication of each decision for all schools) the following proposals are recommended for school's forum approval, subject to financial and data validation by the ESFA formula validation checks.

5.9 Following the consultation results and confirmations of the published allocations of the APT on 19th December 2023, see Appendix 1 of the report for individual school allocations for 2024-25 Model 1 were approved by the School's Forum on 11th 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: [National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-funding-formula-for-schools-and-high-needs)

6.3 The basic structure of the schools National Funding Formula (NFF) is not changing in 2024-25. There are a small number of changes in existing factors of the formula in 2024-25.

6.4 The mainstream schools additional grant (MSAG) for schools has been amalgamated with in DSG formula.

6.5 Haringey Council will ensure that all procedures are in place to meet the requirement to publish maintained school budgets by 29th February 2024 in line with guidance set by the School and Early Years Finance (England) Regulations 2023.

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), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

The recommended changes to the Council's local schools funding formula as applied to each school is detailed in Appendix 2. This is affordable and contained within the total 2024-25 DSG funding allocation published by the ESFA in December 2023.

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

8.2. **Strategic Procurement**

Strategic Procurement were consulted in the preparation of this report.

Strategic Procurement note the recommendations in section 3 of the report and that there are no procurement issues associated with this decision.

Strategic Procurement have no objections to the recommendations in section 3 of the report.

8.3. **Head of Legal and Governance (Monitoring Officer)**

The School and Early Years Finance (England) Regulations 2023 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 2024 to 2025' (Updated December 2023) provides at Section 6 of the guidance:

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 2024.

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.

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.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

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. It is not

anticipated that this decision will disproportionately impact those with protected characteristics.

The 0.50% transfer from the Schools Block to the High Needs Block will support DfE Safety Valve programme to reduce High Needs Block deficit. These changes demonstrate due regard for the protected characteristics of disability, promoting equality of opportunity for those with Special Educational Needs and Disabilities.

9. Use of Appendices

Appendix 1: Schools Block Funding Formula Consultation 2024-25

Appendix 2: DSG – Indicative allocations school level 2024-25

10. Local Government (Access to Information) Act 1985

The following information was used in compiling this report:

Guidance on Dedicated schools grant (DSG): 2024 to 2025: [Dedicated schools grant \(DSG\): 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/dedicated-schools-grant-dsg-2024-to-2025)

The national funding formulae for schools and high needs: [National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/national-funding-formula-for-schools-and-high-needs)

The School and Early Years Finance (England) Regulation 2023: [The School and Early Years Finance \(England\) Regulations 2023 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2023/1215)