



Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum 13th May 2010.

**Agenda Item
9**

Report Status

For information/note
For consultation & views
For decision

Report Title: Review of The Haringey Schools Funding Formula.

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Purpose:

To consider if any aspects of the schools funding formula need to be revised for 2011-12.

To consider a review of the relative distribution of funds for the period beginning April 2014.

Recommendations

1. That the Forum agrees to consider changes to the Minimum Basic Allocation for the Haringey Sixth Form Centre and that officers agree a recommended position with the Sixth Form Centre for consideration at the next meeting of the Forum.

2. Forum members consider the current funding formula and raise with officers any factors that should be reviewed prior to April 2011.

3. That the Forum agrees to a review of the relative distribution of funding during the next three-year CSR period with any changes implemented in April 2014.

1. Background and Introduction.

- 1.1. The School Finance Regulations set the framework for multi-year budget allocations to Local Authorities (LAs) and schools, the latter through a locally agreed funding formula. The framework follows that of the Comprehensive Spending Review (CSR), which works on a fixed three year planning cycle, as shown in Table 1.

Table 1. Multi-Year Budgets in CFR Framework.

	Year 1 Allocation	Year 2 Allocation	Year 3 Allocation
Year 1 of CSR	x	x	x
Year 2 of CSR		x	x
Year3 of CSR			x

- 1.2. To help governing bodies set multi-year financial plans, LAs are encouraged not to change the local formula within a three-year CSR envelope, unless there are clear and urgent reasons for doing so.
- 1.3. The next three-year funding period begins in April 2011 and Haringey Council is considering what changes may be required for then.

2. Proposed Formula Changes for April 2011.

- 2.1. There is one known statutory change for that date, the introduction of the Early Years Single Funding Formula and progress on this is set out in Agenda Item 10.
- 2.2. In addition, officers have received a request to review one element of the funding formula as it applies to the Haringey Sixth Form Centre.
- 2.3. The case put forward by the Vice Principal of the Haringey Sixth Form Centre is set out in Appendix 1 and 1a. Some background to this funding factor and LSC funding generally is set out below:
 - The review and consultation on the special schools funding formula in 2003/04 established a Minimum Basic Allocation (MBA) that contributed to the costs of the staff set out in the table in Appendix 1. The special school MBA is significantly higher than that found in other schools because of the high overhead costs relative to pupil numbers.
 - Funding for pupils aged 16+ comes from the Young Person's Learning Agency (YPLA), formerly the Learning and Skills Council (LSC). For Special Educational Needs (SEN) this comes as a lump sum contribution to a LA's SEN factors and since the creation of the LSC in 2001 has been insufficient to meet the costs of SEN for pupils aged 16+.

- The main funding for the Sixth Form Centre comes from the YPLA and, as for all institutions funded in this way, is intended to cover the relevant management costs of the institution.
- In setting the budget share for the Sixth Form Centre, the assumption was made that, whereas the full allocation for a special needs co-ordinator and administrative officer was justifiable, the size of the Centre and the other funding streams did not justify the full head teacher and deputy head teacher allocations and these were funded pro-rata to SEN/Mainstream pupil numbers.
- Members need to be aware that any increase in this allocation to the Sixth Form Centre will divert funds allocated to the Council for 3 to 15 year old pupils to pupils aged 16 and over.

2.4. Officers accept that this needs to be reviewed and that an increase may be recommended, but do not accept that the full head teacher allocation is justified given the other sources of funding available.

Recommendation: that the Forum agrees to consider changes to the Minimum Basic Allocation for the Haringey Sixth Form Centre and that officers agree a recommended position with the Vice Principal of the Sixth Form Centre for consideration at the next meeting of the Forum.

3. Formula Review for April 2011.

3.1. A brief guide to the current factors is attached as Appendix 2.

Recommendation: Forum members consider the current funding formula and raise with officers any factors that should be reviewed prior to April 2011.

4. Formula Review for April 2014.

We expect that the allocation of the DSG will return to a formula led distribution from April 2011. The DCSF bases its proposed formula on blocks for early years, primary, secondary and high cost pupils; this will give Haringey an opportunity to review the relative distribution of funds to these different groups through the local funding formula.

Recommendation: That the Forum agrees to a review of the relative distribution of funding during the next three-year CSR period with any changes implemented in April 2014.

Appendix 1

Title: Special School Minimum Basic Allocation (MBA) at Haringey Sixth Form Centre.

Purpose of Paper: To advise members of Schools' Forum of the current methodology for determining the MBA and to propose revision to the methodology.

The SFC receives only part (55/1200) funding for the Head Teacher and Deputy Head Teacher. This paper proposes that the level of funding for these posts should be increased. The SFC has 55 planned places for students progressing from Special Schools and as such is smaller in size than the LA's special schools.

	MBA	SFC	Difference
Headteacher	£83,002	3,804	79,000
Deputy Headteacher	£68,181	3,125	65,000
Inclusion Manager	£59,287	59,287	
Admin Officer	£26,680	26,680	

The SFC recognises that:

The SFC, and other school post 16 providers, benefit from a subsidy from the LA to maintain parity of resourcing from pre to post 16 funding for students with SEN

This principle has been recognised by Schools' Forum for some time and was maintained in establishing the SFC.

This principle has, in the main, been observed – for example the “planned place” funding rates are the same.

A deviation from the principle is being made in the calculation of the MBA.

The rationale for the multiplier is incorrect. In a special school the Head and Deputy are both fully funded – their time being allocated to curriculum, staff, student, parental and back office issues.

The SFC believes the reduced MBA allocation disadvantages the SEN students at the Centre. The multiplier used in the calculation is an estimation of the percentage of SEN students in the overall student population. For example 50 planned place and 1,000 mainstream, say 5%.

The multiplier should be the inverse proportion: for example, if the Principal (Head) can only spend 5% of her time attending to the needs of the SEN students, then the SFC should be funded at 95% of the salary in order for there to be parity with a Special School. The same principle applies to the Vice Principal (Deputy Head).

The SFC presents the case for additional funding on the grounds of the Principal's time required to deal with curriculum, student and parental issues, and the Vice Principal's time with staffing, human resource and other back office matters.

The SFC proposes that the MBA should be re-based to provide for the full salary of the Principal (Headteacher). The SFC is not proposing the full restoration of both salaries.

Appendix 1a.

Principal's Duties:

- The Principal is responsible for the successful delivery of the ECM and Safeguarding agendas for the planned place students at the SFC. This task is no less onerous at the SFC than in a special school.
- The Principal also has these responsibilities for the “mainstream” students – 95% of the student population.
- The SFC is structurally disadvantaged in comparison with a special school in having no dedicated staff at this level assigned to these particular duties.

Vice Principal's Responsibilities.

Staffing at Haringey Sixth Form Centre:

	Teachers	Support	SMSA
HSFC Total	80	54	10
Entry/Foundation (incl above)	10	29	10

The high number of employees working with the SEN students incur a range of costs for the Centre:

Human Resource Management Costs:

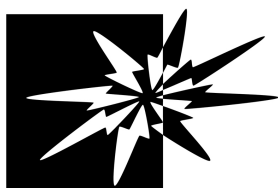
- Performance Management
- Cover – teaching, LSA and SMSA costs
- Agency costs
- Absence management and absence returns
- Recruitment

Increased cost of SLAs:

- Payroll
- Personnel (inc CRB disclosures)
- Occupational Health
- Maternity
- Employer Liability

Other costs

- Contracted Catering labour costs in preparation of meals for SEN students
- Staff duty meals (SMSAs and LSAs)
- CPD direct (special CPD sessions on professional development days)
- CPD indirect (provision of refreshments at CPD days)
- H & S Vaccination



Haringey Council
The Children and Young People's Service

School Funding Formula - 2010/11

1. Introduction.

The Financing of Maintained Schools Regulations 1998 requires a Local Authority (LA) to prepare, consult on and publish its formula for distributing budget shares to maintained schools. The formula is used to allocate to each individual school its share of the LA's Individual Schools Budget (ISB), which itself forms the major part of the LA's overall Schools Budget.

2. The Individual Schools Budget.

The Individual Schools Budget for is determined as follows:

- The previous years ISB;
- An uplift equivalent to the year on year increase in the Dedicated Schools Grant/Young People's Learning Agency allocations, including any government priorities.
- Any variations agreed by the Council following consultation with the Schools Forum.
- Any 'headroom' remaining after meeting the necessary increases in the funding factors described below will be distributed through the Additional Educational Needs factors.

3. Primary, Secondary and Nursery School Budget Shares.

3.1 Pupil Led Funding.

3.1.1 Age Weighted Pupil Funding.

The major element of school funding is the Age Weighted Pupil Unit (AWPU). The AWPU differs for each Key Stage (KS) to reflect the costs associated with that age group and in 2009/10 the values and ratios are:

Key Stage

Ratio

£

Nursery Part-time	1.38	3,672.22
Nursery Full-time	1.45	3,857.16
Reception	1.33	3,540.13
KS1	1.03	2,742.34
KS2	1.00	2,663.08
KS3	1.32	3,502.79
KS4	1.42	3,790.07

The annual increase in AWPU will be the Minimum Funding Guarantee (MFG) percentage, plus new allocations for personalised learning in KS1-4.

A primary or secondary school's AWPU allocation is the product of the APWU for that KS and the number of pupils in that age group on the school's roll in the January preceding the start of the financial year (from the Pupil Level Annual Census of Schools, (PLASC)).

A nursery school's allocation is the product of planned places, rather than actual numbers, and the relevant AWPU.

The Young People's Learning Agency (YPLA), formerly the Learning and Skills Council (LSC), will determine funding for sixth form pupils. Sixteen plus pupils retaking year 11 examinations will be funded by the LA at the KS4 AWPU value. YPLA funding includes non-AWPU factors already provided for in the factors mentioned below. To prevent double funding the non-AWPU factors for schools receiving YPLA funds will be reduced pro-rata to the ratio of students funded by the YPLA to the total pupil numbers, this reduction does not apply to funding for stage 5 statements of special educational needs. The funding reclaimed in this way will be shown as the YPLA Funding Rebate.

3.1.2 Other Pupil Led Factors.

Pupils with Statements - Pupils with statements of Special Educational Needs (SEN) may receive specific funding through the formula. This is triggered when the support required by the statement exceeds a threshold of 15 hours special needs assistant (or equivalent) a week. This funding will follow the child and is based on annual allocations of:

Special needs teacher	£1,132.06 per hour of support a week
Special needs assistant	£554.19 per hour of support a week
Special needs lunch cover	£307.64 per hour of support a week

General funding for pupils whose statement cost less than the threshold are provided for in the additional educational funding allocation (see below).

Funding for pupils in their final (transition) year at a school (including Year 11 at secondary schools with sixth forms) is for the summer term only. A contingency is held for the autumn/spring term allocations for these pupils and for new statements. School budget shares are adjusted in the spring-term for these changes.

School Meals Paid. – Except in secondary schools, a subsidy is provided for pupils taking paid meals. The subsidy is 22p per meal and the allocation is based on data provided by the Catering Service/school on the average numbers of paid meals provided. The annual amount per paying pupil is £41.80 (190 x £0.22)

School Meals Free - An allocation is made to cover the cost of providing eligible pupils with free school meals. The allocation is based on the numbers taking free meals at the Plasc date and the estimated Catering Services charges in the forthcoming year. The annual amount per eligible pupil is £434.00 (190 x £2.2842)

3.1.3 Place-Led SEN Funding. A small number of schools have special units attached to them. Funding for the unit is provided through the funding formula based on an agreed number of special needs places (for the value of special needs places see 4.1).

3.1.4 Looked After Children. – An allocation of £570 is provided for each child recorded on the Plasc return.

3.1.5 New Forms of Entry. – Schools required by the LA to open a new form of entry in September, part way through the financial year, will receive funding equivalent to 7/12th of the AWPU times the expected intake (see also 3.3.4.

3.1.6 Class-Size Funding Key Stage 1 Only. – To ensure that Haringey schools remain within the statutory class size limit of 30 pupils in KS1 classes, the following applies.

Where a school is required to admit a pupil above the class size limit through an appeal process, an allocation will be made to the school of the average cost of an M3 teacher for the academic year in question.

Where a school is unable to meet planned admission numbers and this has the potential for causing a class size of over 30 in the KS1 age-range then that school will receive additional funding. The addition will be calculated by multiplying the number of 'ghost' pupils necessary to bring each KS1 class to 24 by the appropriate AWPU; for example, a school with 42 pupils in year 1 will be funded for 6 'ghost' pupils to bring the total funded to 48. A class size of 24 is the minimum that can fund the basic needs of a class.

3.1.7 Additional Educational Needs. - The AEN allocation provides support for pupils who require some additional education provision; it includes provision for pupils with statements the cost of which falls below the threshold mentioned above.

The factors used in distributing AEN/SEN funding are:

a) Eligibility for Free School Meals. As determined at the time of the January PLASC. Funding is allocated pro-rata to the number of eligible pupils. For nursery children only IMD is to be used instead of free school meal eligibility.

b) A prior attainment factor to be calculated from the end of Key Stage attainment data in Maths, English and Science. Key Stage 1 data would be used to calculate a prior attainment factor for Key Stage 2, and Key Stage 2 for secondary prior attainment. This factor will not apply to the infant and early years phases;

c) A factor for unplanned admissions calculated on the basis of any children who start at a school 3 months after the majority of their peers;

d) A factor to increase the rate of progress of specific underachieving groups that will be identified annually, and which for 2009/10 have been identified as African, African-Caribbean, Turkish, Kurdish and Gypsy, Roma and Irish Traveller background. Funding will be allocated pro-rata to the numbers of pupils in these groups.

e) The percentages to be applied to these factors are shown in Table 1.

Table 1: Factors and Percentages Used in Allocating AEN Funding.

Phase	FSM	IMD	Prior Attainment	Mobility	Targeted Ethnic Minority Groups
	%	%	%	%	%
Nursery		50	0	20	30
Infant	50		0	20	30
Junior	40		20	20	20
Secondary	30		30	20	20

3.2 Site Specific Factors.

3.2.1 Special Plant Maintenance. – This factor provides an allowance for the maintenance cost of swimming pools and other specialist plant. The allowance is updated annually by the MFG.

3.2.2 National Non-Domestic Rates (NNDR) – Schools required to pay NNDR receive a specific allocation for the actual rates bill.

3.2.3 General Premises. - The Haringey Resource Allocation Formula for Schools allocates the general premises budget on the following basis:

- 50% pro-rata to floor area.
- 25% determined by relative weightings of school suitability as recorded in the Asset Management Plan.
- 25% determined by relative weightings of school condition as recorded in the Asset Management Plan.

3.3 School Specific Factors.

3.3.1 Minimum Basic Allocation (MBA). - The Haringey Resource Allocation Formula for Schools allocates a lump sum basic allocation to each school as a contribution towards essential management and administration costs. The value of the MBA is determined by size and sector as set out below:

		£
Primary	Fewer than 210 pupils	57,176
	210 to 250 pupils	51,050
	More than 250 pupils	39,905
Secondary	Fewer than 601 pupils	165,320
	601 to 1200 pupils	136,816
	More than 1200 pupils	114,014
Nursery	Fewer than 60 Planned Places	141,471
	More than 60 Planned Places	199,255

In addition, single forms of entry primary schools receive a £15,315 enhancement to the MBA.

3.3.2 Integration. – Primary and secondary schools that provide integrated places for pupils from special schools receive an allocation to reflect the management time required in facilitate integration.

3.3.3 Teachers Pay Grants. – The additional cost of teachers on the Upper Pay Scale (UPS) was formerly met by specific grant. The grant has now been discontinued and funding channelled through the DSG. This factor recognised the additional cost faced by schools by taking a snapshot of teachers in January, as recorded on the annual 618g staffing return, and distributing the allocation for this factor pro-rata to UPS numbers.

3.3.4 YPLA Funding Rebate. - To prevent double funding the non-AWPU factors for schools receiving YPLA funds will be reduced pro-rata to the ratio of students funded by the YPLA to the total pupil numbers (for free school meal costs, the reduction is pro rata to 16+ pupils taking FSM to total taking FSM); this reduction does not apply to specific funding for statements of special educational needs.

3.3.4 Set-up Costs for New Forms of Entry. – When 3.1.5 applies, the school in question will also receive a set-up allowance calculated a 3/12th of the relevant AWPU multiplied by the expected intake.

3.4 Minimum Funding Guarantee (MFG). - The MFG is an national requirement to guarantee every school receives a minimum annual uplift per pupil. The calculation takes the previous years budget share deducts:

- Specific funding for pupils with statements,
- Class size funding,
- NNDR funding,

And divides the result by the number of pupils funding. The per pupil funding is then uplifted by the MFG, currently 2.1%. To this is applied the effect of pupil number changes. This multiplies the change in roll by a percentage of the uplifted per pupil amount. The percentage is to reflect the marginal cost or saving to the school of changes in pupil numbers.

The resulting minimum budget calculation is compared with the new year budget share generated by the funding formula and if the former is greater the difference is added bring the schools funding up to the minimum requirement. A worked example of this is provided below.

Example of MFG Calculation Primary and Secondary Schools

2009/10 budget share, including MFG	1,440,659	
less		
Stated funding	3,474	
NNDR	18,134	
Class size funding	31,416	
Budget Share for MFG	<u>1,387,635</u>	
2.1% uplift	29,140	
Uplifted budget	<u>1,416,775</u>	
 Pupil Number Changes		
2009/10	386	
2010/11	<u>394</u>	
Change	8	
 Uplifted Budget per 9/10 pupil	3,670.40	
 Marginal cost/saving factor	80%	87.5% in secondary schools
change per pupil	2,936.32	
MFG 2010/11	<u>23,491</u>	
	1,440,266	
 2010/11 Budget Share (excluding MFG)	1,469,070	
less		
Stated funding	26,477	
NNDR	19,036	
Class size funding	<u>0</u>	

Budget Share for MFG	1,423,557
MFG 2010/11	1,440,266
Budget Share for MFG	<u>1,423,557</u>
MFG	16,709

4. Special Schools.

4.1 Planned Place. - The planned place replaces actual pupil numbers as the main determinant of special school funding. Each planned place falls into one of three bands determined by the needs of the pupil. The bands are:

Higher	£23,772.87
Middle	£14,635.87
Lower	£10,649.58.

The factors underlying the planned place were agreed in 2003/4 and the allocations have been increased in line with the MFG.

4.2 Other Factors.- Special schools do not receive funding for statements or additional educational needs as these are catered for under the planned places. Site specific and school are the same as in mainstream schools except that the MBA is larger at £237,148 per school to reflect a relatively large management and administrative overhead for the size of school. Haringey Sixth Form Centre has a special resource for 16+ students with SEN and receives a pro-rata MBA. A special school in an integration partnership with a mainstream school receives an Inclusion factor that allows the special school to compensate the mainstream school for the integration places. The MFG calculation for special schools is much simpler than for mainstream schools, the requirement is that each planned place funding unit increases by 2.1%, and that the total of non place funding also increases by 2.1%