



Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum 17 February 2011.

Agenda Item

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Report Status

For information/note
For consultation & views
For decision

Report Title: Schools Budget 2011-12

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Purpose:

This report updates members on the DSG Budget Strategy and seeks the Forum's view on proposed changes to the Schools Funding Formula.

Recommendations:

1. That the Forum notes the decision of Haringey's Cabinet on the 2011-12 Schools Budget.
2. That the Forum notes the increase in pupil numbers and DSG funding.
3. That the Forum agrees a lump sum element for new schools to compensate for the lag in Pupil Premium Funding.
4. That the Forum express a view to Cabinet on the proposal to set aside funds for the Wisdom School to enter the maintained sector in September 2011.
5. That the Forum expresses a view on its preferred option for the CRC levy.

1. Background and Introduction.

- 1.1. A report to the Schools Forum on 17th January 2011 set out the proposed DSG Budget Strategy for 2011-12. The recommendations of the Forum were reported to Haringey Council's Cabinet on 8th February 2011.
- 1.2. The Forum were informed that there was uncertainty about whether grant funding for the Music Service would continue. In the event that it did not, the Forum agreed to use headroom to underwrite the service. The Government have since announced that funding will continue; consequently, headroom will not be required for this purpose.

2. Cabinet Decisions.

- 2.1. The Cabinet on 8th February approved the Financial Strategy for the Council including the School Budget and the recommendations of the Schools Forum on 17th January 2011, as set out in the minutes.

3. Pupil Numbers.

- 3.1. The Budget Strategy took as its starting point a continuation of the January 2010 pupil numbers. An initial review of the January PLASC indicates an increase in pupil numbers, which will generate additional funding of £1.4m. These figures are still subject to data checking by the Authority and by the Department for Education (DfE) and will change marginally before the Department confirms the final DSG in June. We will distribute the headroom remaining after allowing for pupil led funding factors through the Additional Educational Need factors and the Deprivation Supplement.

4. Pupil Premium Lump Sum for New Schools.

- 4.1. The Pupil Premium will be based on numbers eligible for free school meals as at the January PLASC count. The DfE have confirmed that the Pupil Premium Regulations will make no provision for new schools. This will leave schools such as Heartlands with a significant disparity between eligible pupils and the premium paid in the first few years of its existence.
- 4.2. An argument could be made that this disparity applies to all growing schools; however, in most cases this will apply to only one form in one year group whereas for Heartlands the school roll will double in September 2011.
- 4.3. There is scope within the current school funding regulations to include a formula factor that could be used to address this anomaly. We therefore propose to introduce an additional lump sum factor to reflect the loss of the Pupil Premium for new schools that have not yet admitted to all

relevant year groups. The lump sum will be 7/12th of the Pupil Premium multiplied by the average number per year group eligible for free school meals. For 2011-12 the only school that would qualify would be the new heartlands high School and for that school the factor would apply for the financial years 2011-12 to 2014-15 by which time the school will have admitted to all year groups. The value of this lump sum in 2011-12 will be £17,057.

5. Wisdom School.

- 5.1. Wisdom Independent School is part of Axis Educational Trust located in West Green. The school has been consulting on changing the status of its primary department from independent to state-maintained. It is a local authority responsibility to determine this proposal. However, this is a school led process and as such, the school are leading on the consultation. The school also submitted an application to the DfE in early September for free school status, and the two processes have been running simultaneously. The preferred option for the school has been entry into the maintained sector as a Free School and as such has deferred publishing statutory notices. When Wisdom's free school application did not make it to the business case stage announced on 14th January 2011, they published statutory notices on 21st January 2011. The notice details Wisdom's intent to enter the maintained sector as a Foundation School from September 2011. Cabinet will determine this proposal on 26th April 2011.
- 5.2. It is proposed that £240,000 is set aside from the DSG to fund the school for the part-year from September pending the Cabinet's decision. If this funding is not required, it will be distributed to schools as headroom. The Council must consult with the Forum on this proposed use of the DSG and the Forum is invited to express its view, particularly on the timing of the school's entry into the maintained sector.

6. Carbon Reduction Commitment.

- 6.1. The Carbon Reduction Commitment (CRC) is a compulsory scheme introduced as part of the previous Government's commitment to a greener environment. It initially included both a penalty based on the existing carbon footprint and a bonus scheme to reward reduced carbon usage.
- 6.2. Changes by the current Government abolished the bonus repayment, leaving effectively a levy on carbon usage. The first levy is due in respect of our Carbon footprint for 2011-12, although it is not yet clear whether the levy will be chargeable to the 2011-12 or 2012-13 financial years.
- 6.3. Schools can typically account for half an LA's emissions, so there needs to be a mechanism for meeting the schools' share of the levy. The DfE propose to change the School Finance Regulations to allow for that part

of the levy that relates to the school estate to be charged to the Schools Budget. This could be done either at the level of the overall Schools Budget or at individual school level. The draft Regulations require that, in deciding what approach to take, the LA should ' - as usual consult their schools forums - '.

- 6.4. We estimate that the school estate's share of the levy will be in the region of £0.25M. Provision for this will need to be made in 2011-12, either from individual school budgets or from the available headroom.
- 6.5. We are therefore seeking the Forum's view as to which of these options is preferable.

7. Recommendations.

- 1. That the Forum notes the decision of Haringey's Cabinet on the 2011-12 Schools Budget.**
- 2. That the Forum notes the increase in pupil numbers and DSG funding.**
- 3. That the Forum agrees a lump sum element for New schools to compensate for the lag in Pupil Premium Funding.**
- 4. That the Forum express a view to Cabinet on the proposal to set aside funds for the Wisdom School to enter the maintained sector in September 2011.**
- 5. That the Forum expresses a view on its preferred option for the CRC levy.**