



Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum – 26 January 2012

**Agenda Item
9**

Report Status

For information/note
For consultation & views
For decision

Report Title: 2012-13 Budget Strategy

Authors:

Neville Murton – Head of Finance (Children and Young People's Service)
Contact: 0208 489 3176 Email: neville.murton@haringey.gov.uk

Steve Worth – Finance Manager (Schools Budget)
Contact: 0208 489 3708 Email: stephen.worth@haringey.gov.uk

Purpose:

To update members on the proposed 2012-13 Budget Strategy.

Recommendations:

- 1. That members note the report.**
- 2. That members recommend the increase in funding of £0.45m for the Inclusive Learning Campuses and Heartlands (paragraph 3.4).**
- 3. That members recommend the proposal for the Looked After Children Placement Budget (paragraph 3.5).**

1. Background and Introduction.

- 1.1. The Schools Forum at its meeting on 8th December 2011 received an initial paper on the strategy for the Dedicated Schools Budget (DSB). This report updates members on developments since that meeting.

2. National Funding Changes.

- 2.1. The Department for Education (DfE) has not yet announced the outcome of its consultation on national formula changes but we still anticipate that these will begin in April 2013.
- 2.2. We have responded to the DfE's consultation on interim funding arrangements. The current arrangements for recovering the Formula Grant element of academy funding, which covers services provided to schools and academies but not funded from the Dedicated Schools Grant (DSG), are a particular problem for Haringey. The funding removed is disproportionately high compared to the number of academies in the area. The changes proposed in the consultation improve the position but are still unfair and our response to the consultation proposals asks for further concessions.
- 2.3. The DfE have released further information on the Pupil Premium for 2012-13. Eligibility will be extended to cover all pupils who have been eligible for Free School Meals (FSM) in the previous six years and the allocation for eligible pupils will be £600. In 2011-12 the allocation was £488 but only for those currently eligible for FSMs. The DfE has provided INDICATIVE allocations to schools that are attached as Appendix 1, but we emphasise these do not include the January 2012 data and will therefore change. The DfE has said it will send data to school on prior year FSM eligibility during February.

3. DSB Budget Strategy – Updates on Strategy Reported to Forum on 8th December 2011.

- 3.1. The Forum agreed to support the Music Service but asked for reassurances that DSG funding would be used to support all pupils and not skewed towards those from more affluent backgrounds. A report from the Head of Music and Performing Arts is also on the agenda explains how the DSG funding will be used.
- 3.2. The Forum noted that the £522k provided for extended services in 2011-12 will be added to headroom but asked for a further report. A survey of current provision is still under way and will be presented to the Forum in February.
- 3.3. The Forum was informed of several proposed changes to Haringey's Schools Funding Formula and agreed that we should consult with schools on the following:

- Bulge Classes.
- General Premises Formula.
- Small Secondary Schools Factor.

The consultation documents sent to schools are attached as Appendix 2. The outcome of the consultation will be reported to the next meeting of the Forum.

- 3.4. The two Inclusive Learning Campuses (ILCs) and the Resource Unit at Heartlands school opened in September 2011. The Schools Budget for 2011-12 incorporated the part-year effect of the increase in special needs places at these schools. The 2012-13 budget needs to reflect the full-year funding of these places plus the part-year implications of places to be filled from September 2012, totalling £0.45m. The increased in-borough provision reduces the need to place children in more expensive external placements and will help relieve pressure on the centrally retained elements of the Schools Budget, which the Forum has recommended increases to over several recent years.
- 3.5. We reported to the last meeting that it has been the practice to retain a contingency to cover in year transfers of pupils with special educational needs and new statements issued in year. At the time of writing we are still awaiting revised figures with which to assess the adequacy of the existing contingency. If possible, we will give a verbal update at the meeting.
- 3.6. Looked After Children Placements Budget.
 - 3.6.1. As we reported to the last meeting of the Forum, the number of Looked After Children (LAC) has risen steadily over the last few years and as part of that increase the number of children placed in residential accommodation outside of the borough, in which there is an educational component has also risen. Complex placements which contain elements of care relating to either health or the Special Educational Needs (SEN) of those children are generally the subject of joint funding agreements.
 - 3.6.2. The SEN component is charged against the DSB (and the NHS contribute to the Health component) however, it is now apparent that the educational component, which is provided as part of the placement as opposed to being met through a maintained school, has grown to such an extent that it cannot continue to be met from the Council's placement budget. This is classed as 'Education other than at School' and the Council is seeking to charge it to the centrally retained element of the DSB.
 - 3.6.3. There are currently 42 children in residential placements with costs ranging from £1,000 to £4,500 per week. Clearly the actual children whom this proposal relates to will change over the course of the year

but we estimate that the educational component of these placements will amount to up to £1m which equates to around £450 per week

- 3.6.4. As these costs will be met from the centrally retained element of the DSB achieving this will be dependent upon making savings or from the centrally retained proportion of the estimated increase in pupil numbers (para 2.3); it is also dependent on not breaching the CEL.
- 3.7. The Forum asked for further information on the financial implications for centrally retained DSG budgets of schools becoming academies. Based on the 2011-12 budget allocations and incorporating likely changes for 2012-13 the estimated full year loss to the LA for each pupil in a school that becomes an academy in 2012-13 is:

- Primary pupil (excluding Early Years) £82
- Secondary pupil (excluding post 16) £121

4. Recommendation.

- 4. That members note the report.**
- 5. That members recommend the increase in funding of £0.45m for the Inclusive Learning Campuses and Heartlands (paragraph 3.4).**
- 6. That members recommend the proposal for the Looked After Children Placement Budget (paragraph 3.5).**