

APPENDIX 2.

The Children's Service Finance Team
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Head of Corporate Finance Kevin Bartle

Haringey Council

Headteachers and Chairs of
Governors.

Your ref:

Date: 18th January 2012

Our ref: Steve Worth

Direct dial: 020 8489 3708

Email: Stephen.worth@haringey.gov.uk

Dear Colleague,

Consultation on Changes to the Haringey Schools Funding Formula.

I have attached proposed changes to the Haringey Schools Funding Formula for the 2012-13 Financial Year. If you wish to comment on the proposals please ensure your response reaches us by Monday 13th February 2012, a response form is attached. Please send responses to:

anabela.valente@haringey.gov.uk

Anabela Valente,
Schools Budget Team,
Level 5 Alexandra House,
10 Station Road,
London,
N22 7TR.

020 8489 3808

I apologise for the short timescale.

Yours sincerely,

Steve Worth,
Schools Funding Manager

Consultation on Changes to Haringey's Schools Funding Formula for the Financial Year 2012-13.

Introduction.

1. Each Local Authority (LA) has a duty to keep its local schools funding formula under review. A LA must consult with its Schools Forum on any proposed changes and will usually also consult with all its maintained schools. Haringey Council has consulted with the Haringey Schools Forum on the proposed changes set out below and is now seeking the views of all schools.

National Changes.

2. The Department for Education (DfE) has consulted on changes to the way funds are allocated to LAs and to schools. The timescale for change has not yet been confirmed but April 2013 is the most likely date for implementation. These national changes may have significant implications both for Haringey Council and its individual schools; although transitional arrangements will moderate year on year changes. Although we expect the formula to change significantly in 2013-14 we are recommending the following changes for 2012-13 to ensure that the local formula is as good a base as possible for transitional arrangements.

Proposed Changes.

Protection for Bulge Classes.

3. The Council has approached several schools to expand by a 'bulge' class to accommodate the increase in reception age children. It cannot be guaranteed that the bulge class will remain full and the current arrangements in KS1 only provide for an average of 24 pupils in a year group, providing 'ghost' funding where numbers fall below the minimum. This could disadvantage schools that have agreed to a bulge class and require the school to divert existing resources to support the new class. We are therefore recommending that for bulge classes in KS1 'ghost' funding is applied to ensure that the new class is funded for a minimum of 24 pupils. The maximum additional call on funding for any school under this proposal will be six pupils per form of entry multiplied by the Age Weighted Pupil Unit, as set out in Annex 1.

Premises.

4. All mainstream schools are receiving funding through a general premises factor; this is based 50% on floor area, 25% on building suitability and 25% on building condition. The condition and suitability

factors were brought in on the recommendation of the Audit Commission at a time when condition and suitability were regularly reviewed. Such reviews are not now undertaken regularly and we are proposing that we revert to an earlier methodology based only on floor area. Although this issue affects all schools it is most pressing in respect of the secondary sector following BSF where it is clear that the historic surveys do not reflect the impact of BSF works on building condition or suitability. Secondary schools also receive a higher proportion of their funding through premises factors (reflecting PFI arrangements) than primary schools, the latter receiving some premises funding through the Age Weighted Pupil Unit (AWPU). Annex 2 sets out the impact of this proposal. The Minimum Funding Guarantee (MFG) will protect the overall per pupil funding of schools that receive less through this factor but, given the size of some changes, we are also consulting on whether we should have transitional arrangements that would moderate year on year movements in 2012-13.

Small Secondary School Protection.

5. The funding formula recognises the higher fixed costs per pupil faced by smaller schools by having a lump sum Minimum Basic Allocation (MBA), which varies inversely with the size of the school. There are also factors that provide additional funding to primary schools with a single form of entry, and for new schools where the MBA and pupil number funding is not yet sufficient to cover fixed costs.
6. We have recently seen evidence of a secondary school being unable to deal with falls in pupil numbers that are so significant they create a small school and, despite taking action to reduce costs, significant deficits are evident. It is clear that, if the authority wishes to retain such schools, it will need to make provision within the formula to support the financial inefficiencies that exist for small secondary schools. We therefore propose to create a small secondary school factor which operates both for a new school as well as a school which is small for other reasons.
7. The factor we propose uses the following premisses.
 - The main elements for general staffing costs in the funding formula are the AWPU and the MBA;
 - The MBA is inversely related to the size of the school and will therefore already be supporting smaller schools.
 - The national MFG assumes a percentage of per pupil funding will contribute to a school's fixed and semi-fixed costs. The percentage is 12.5% in a secondary school.

The factor will take this percentage of the average AWPU for the year groups at the school and deduct the MBA per pupil. The resulting per

pupil funding will be multiplied by a weighted figure representing the difference between current and planned numbers (as agreed with the Council for the purpose of this calculation) the weighting being banded to reflect the difference between these two figures. A worked example is shown in Annex 3.

Annex 1 Protection for Bulge Classes.

Maximum Additional Funding.

Forms of Entry Excluding Bulge Class	Reception	Year 1	Year 2
	£	£	£
1 Form of Entry	20,922	16,207	16,207
2 Forms of Entry	41,844	32,414	32,414
3 Forms of Entry	62,766	48,622	48,622

Annex 2 Premises Allocation

	Floor Area (To be confirmed)	Existing Funding - 50% Floor Area, 25% Suitability 25% Condition	Proposed Funding (before transitional relief)	Difference (without transitional Relief)	2012-13 Transitional Relief (Phasing over 3 years)	2012-13 Change After Transitional Relief
	M ²	£	£	£	£	£
Alexandra Primary	2154	49,817	43,429	-6,387	4,258	-2,129
Belmont Infant	1231	19,826	24,820	4,993	-3,329	1,664
Belmont Junior	1986	29,564	40,042	10,478	-6,985	3,493
Bounds Green Infant	1693	27,310	34,135	6,824	-4,549	2,275
Bounds Green Junior	2197	61,467	44,296	-17,171	11,447	-5,724
Broadwater Farm Primary	2859	71,191	57,644	-13,547	9,031	-4,516
Bruce Grove Primary	3056	47,082	61,616	14,533	-9,689	4,844
Campsbourne Infant	1088	25,026	21,937	-3,090	2,060	-1,030
Campsbourne Junior	2784	75,514	56,132	-19,383	12,922	-6,461
Chestnuts	3625	76,801	73,088	-3,713	2,475	-1,238
Coldfall Primary	2910	49,452	58,672	9,220	-6,147	3,073
Coleraine Park Primary	2693	37,558	54,297	16,739	-11,159	5,580
Coleridge Primary	4111	73,162	82,887	9,725	-6,483	3,242
Crowland Primary	3088	53,992	62,261	8,269	-5,513	2,756
Devonshire Hill Primary	3574	71,128	72,060	932	-621	311
Downhills Primary	3299	41,945	66,515	24,571	-16,380	8,191

Earlham Primary	3107	48,609	62,644	14,035	-9,357	4,678
Earlsmead Primary	2608	59,329	52,583	-6,746	4,497	-2,249
Ferry Lane Primary	1409	33,614	28,409	-5,206	3,470	-1,736
The Green CE Primary	1440	23,932	29,034	5,102	-3,401	1,701
Highgate Primary	3340	63,947	67,342	3,395	-2,263	1,132
Lancasterian Primary	4316	81,130	87,020	5,890	-3,927	1,963
Lea Valley Primary	2138	29,550	43,107	13,557	-9,038	4,519
Lordship Lane Primary	2847	46,691	57,402	10,711	-7,141	3,570
Mulberry Primary	3525	83,183	71,072	-12,111	8,074	-4,037
Muswell Hill Primary	2177	36,355	43,893	7,539	-5,026	2,513
Nightingale Primary	3090	57,905	62,301	4,396	-2,931	1,465
Noel Park Primary	3149	92,512	63,491	-29,021	19,347	-9,674
North Harringay Primary	4207	102,263	84,823	-17,440	11,627	-5,813
Our Lady of Muswell RC Primary	2236	42,324	45,083	2,759	-1,839	920
Rhodes Avenue Primary	3439	73,653	69,338	-4,315	2,877	-1,438
Risley Avenue Primary	3960	90,467	79,842	-10,625	7,083	-3,542
Rokesly Infant	1848	40,791	37,260	-3,531	2,354	-1,177
Rokesly Junior	2740	59,842	55,245	-4,597	3,065	-1,532
St.Aidan's Primary	1062	29,096	21,412	-7,684	5,123	-2,561
St.Ann's CE Primary	1309	22,325	26,392	4,067	-2,711	1,356
St.Francis de Sales RC Infant	1353	20,930	27,280	6,349	-4,233	2,116
St.Francis de Sales RC Junior	1729	24,625	34,861	10,236	-6,824	3,412
St Gildas' RC Junior	1749	62,046	35,264	-26,782	17,855	-8,927
St.Ignatius RC Primary	2546	63,818	51,333	-12,485	8,324	-4,161
St.James' CE Primary	1209	18,216	24,376	6,160	-4,107	2,053
St.John Vianney RC Primary	1272	21,826	25,650	3,825	-2,550	1,275
St.Martin of Porres RC Primary	1182	24,255	23,832	-424	282	-142

St. Mary's CE Infant	1209	35,864	24,376	-11,487	7,658	-3,829
St. Mary's CE Junior	2519	50,591	50,789	198	-132	66
St. Mary's RC Infant	1124	32,397	22,662	-9,735	6,490	-3,245
St. Mary's RC Junior	1163	17,171	23,449	6,278	-4,185	2,093
St. Michael's CE Primary N6	2677	59,440	53,974	-5,465	3,644	-1,821
St. Michael's CE Primary N22	1184	32,382	23,872	-8,510	5,673	-2,837
St. Paul's & All Hallows CE Infant	1081	21,298	21,795	497	-331	166
St. Paul's & All Hallows CE Junior	1393	22,576	28,086	5,510	-3,674	1,836
St Paul's RC Primary	1044	37,300	21,049	-16,251	10,834	-5,417
St. Peter in Chains RC Infant	1088	24,523	21,937	-2,586	1,724	-862
Seven Sisters Primary	4204	75,713	84,762	9,049	-6,033	3,016
South Harringay Infant	2055	30,926	41,433	10,508	-7,005	3,503
South Harringay Junior	2118	38,932	42,704	3,772	-2,515	1,257
Stamford Hill Primary	2343	57,848	47,240	-10,608	7,072	-3,536
Stroud Green Primary	3411	68,243	68,773	530	-353	177
Tetherdown Primary	2646	38,637	53,351	14,714	-9,809	4,905
Tiverton Primary	2548	46,699	51,373	4,674	-3,116	1,558
Welbourne Primary	2427	44,288	48,934	4,646	-3,097	1,549
West Green Primary	2120	47,369	42,744	-4,625	3,084	-1,541
Weston Park Primary	1525	21,905	30,747	8,843	-5,895	2,948
PRIMARY SCHOOL TOTALS	147214	2,968,171	2,968,171	0	0	0
Alexandra Park	11532	357,130	346,705	-10,425	6,950	-3,475
Fortismere	18135	558,637	545,221	-13,416	8,944	-4,472
Gladesmore	11752	460,254	353,319	-106,935	71,290	-35,645
Heartlands	10270	142,786	308,763	165,977	-110,652	55,326

Highgate Wood	12167	316,551	365,796	49,245	-32,830	16,415
Hornsey	12000	251,489	360,775	109,286	-72,857	36,429
John Loughborough	3473	147,317	104,414	-42,902	28,602	-14,301
Northumberland Park	13076	440,862	393,125	-47,737	31,825	-15,912
Park View	9870	343,848	296,738	-47,111	31,407	-15,704
St Thomas More	10046	288,327	302,029	13,702	-9,135	4,567
Woodside High	11773	423,634	353,950	-69,683	46,455	-23,228
Total Secondary Schools	124094	3,730,836	3,730,836	0	0	0
			3,730,836			

Annex 3 Small Secondary School Factor - Example				
Scenario	A secondary school with planned roll of 945 and actual roll of 590. This puts the school in the 30-40% below bracket in the weighting range (see below). The school receives Minimum Basic Allocation of £134,764, the range for secondary schools with actual roll up to 1,199.			
			£	%
Average AWPU	a		3,563.44	
MFG Percentage for Fixed and Semi-fixed costs	b			12.5
MFG % applied to average AWPU	c	a*b	445.43	
Less MFG per Pupil (£134,764 / 1,199)	d		112.40	
Lost' per pupil contribution to fixed and semi-fixed costs.	e	c-d	333.03	
Planned Numbers yrs 7-11	f		945.00	
Actual Numbers	g		590.00	
Difference	h	f-g	355.00	
Weighted Difference (40% see below).	i	h*40%	142.00	
Funding	j	i*e	£47,290	
		Weighting		
Planned	945	0%		
0% to 10% below	851-945	0%		
10% to 20% below	756-850	10%		
20% to 30% below	662-755	20%		
30% to 40% below	568-661	40%		
40% to 50% below	473-567	60%		
50% to 60% below	378-472	80%		
More than 60% below	0-377	90%		

**Consultation on Changes to Haringey's Schools Funding Formula for the
Financial Year 2012-13.**

Response Form.

Name of Person Responding	
Organisation (if applicable)	
Capacity (eg Head Teacher if applicable)	

Protection for Bulge Classes		
	Yes	No
Do you agree with the proposed funding of a minimum of 24 pupils in Key Stage 1 Bulge Classes?		
Comments		

Premises			
	Yes for all mainstream schools	Yes but only for secondary schools	No
Do you agree with the proposal that the General Premises Allocation is made solely on the basis of floor area?			
	Yes	No	
Should we apply transitional relief in addition to the Minimum Funding Guarantee?			
Comments			

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Small Secondary School Protection		
	Yes	No
Do you agree with the proposed protection for small secondary schools?		
Comments		

Please ensure your response reaches us by **Monday 13th February 2012**.
Please send responses to:

e-mail: anabela.valente@haringey.gov.uk

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 Schools Budget Team,
 Level 5 Alexandra House,
 10 Station Road,
 London,
 N22 7TR.

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