



Haringey Council

Report for:	Cabinet	Item Number:	
Title:	Haringey Council Schools Funding Formula 2013-14		
Report Authorised by:	<i>Libby Blake</i> Libby Blake - Director of Children and Young People's Service		
Lead Officer:	Neville Murton / Wendy Sagar - Head of Finance Children & Young People Steve Worth – Finance Manager (Schools Budget)		
Ward(s) affected: All	Report for Key Decisions:		

1. Describe the issue under consideration

- 1.1. The Department for Education (DfE) has introduced major changes to the factors a Local Authority (LA) can use in determining its local schools funding formula. Only the formula factors listed in section 5.3 are now permitted and furthermore, for each factor only datasets provided by the DfE can be used. The changes are effective for the 2013-14 year and are being implemented following an extremely short lead-in time; it was only in July that the DfE published the definitive guidance on the factors leaving the summer to develop models.
- 1.2. It is a requirement that a LA consults with its Schools Forum on any proposed change to its funding formula. Haringey Schools Forum set up a working party to assist in developing the new funding formula and alongside this, a consultation on the factors to be used took place between July and September.
- 1.3. The working party met three times between July and October and a report on the proposed new formula and the outcome of consultation was presented to the Schools Forum on 11 October 2012. An appendix to the report exemplified the impact on



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each maintained school and academy (except Greig City Academy, which is funded under different regulations). The Schools Forum unanimously recommended the formula proposed as set out in Appendix 1.

- 1.4. In line with requirements, Haringey submitted a pro-forma to the EFA by 31 October 2012. Feedback on the pro-forma has now been received. The issues raised are set out below and our proposed responses are shown in Appendix 4:
 - Clarity on objective criteria for the Growth Fund (Appendix 4, Para 1.1)
 - Level of basic per-pupil entitlement 62.4% compared to median 76%(Appendix 4, Para 1.2 – 1.4);
 - Clarity on objective split site factor criteria (Appendix 4, Para 1.5);
 - Capping and scaling must be consistently applied to all schools (Appendix 4, Para 1.6); and
 - Further information on schools that would be impacted by the request for MFG exclusion in respect of growth factors (Appendix 4, Para 1.7).
- 1.5. Following agreement on these items by the School Forum at its meeting on December 6th, a further submission must be submitted to the EFA by the 18th January 2013; this submission will also have to reflect both revised datasets and the final resource allocation from the government which are expected on or about the 17th December 2012. As a result of these final notifications the formula allocation for every school will change to reflect this new data.

2. Introduction by Cabinet Member for Children

- 2.1. As an observer to Schools Forum, I have listened to the discussions around the recommended funding formula. The proposed formula has evolved over time following consultation with all schools and through a Working Group of the Forum. I am satisfied that, within the constraints of the available factors and datasets as well as the time available, the formula recommended unanimously by Schools Forum best meets the needs of all Haringey pupils.
- 2.2. Although under the formula there are some schools that would receive a reduced budget, this will be addressed in most cases by the transfer of funds from a contingency fund in the High Needs Block to support children with special educational needs and under other arrangements so that overall I would expect all schools, unless there are exceptional circumstances, to benefit from an increase in resources in 2013-14.

3. Recommendations

- 3.1. That the funding formula set out in Appendix 1, and unanimously recommended by the Haringey Schools Forum, be agreed. This agreement is subject to the Director of Children's Services being given the delegated authority to approve amendments to that formula where she is satisfied that they are necessary to address any equalities issues arising from the application of the revised DfE datasets (paragraph 1.5) and associated EQIA analysis.



4. Other options considered

- 4.1. Several models were considered by the Schools Forum Working Party prior to that proposed to Schools Forum on 11 October 2012.
- 4.2. The working group initially considered 16 models which offered permutations against the allowable formula factors e.g. variations against lump sums of £100k and £150k or no lump sum. This also included looking at deprivation factors (FSME and IDACI) both individually and in combination. Based on the guidance given by the working party and the Schools Forum meeting in July further work was undertaken to map the existing formula factors against the new, more limited, allowable factors.
- 4.3. Following this, modelling to limit turbulence within the constraints of ensuring schools serving the most deprived areas were protected and the convergence of the primary : secondary ratio was carried out prior to reporting the recommended model to Forum in October 2012.

5. Background information

- 5.1. The government has been consulting on changes to the way that schools are funded, with the stated intention of implementing a national funding formula from April 2015. As part of these forthcoming changes new regulations governing the way that Local Authorities can fund their schools have been developed which have meant significant changes are needed to ensure that the Haringey Formula for Financing schools remains compliant with these regulations.
- 5.2. In its current form the Haringey formula uses a combination of targeted allowances, supported by datasets, to reflect the characteristics of schools and pupils in Haringey. The Haringey Formula has evolved over many years and is the product of development and consultation with schools and the Schools Forum.

5.3. *Formula Factors*

- 5.3.1. The new regulations which will govern school funding from April 2013 restrict the formula factors that can be used by the Council to fund its schools in the future. In all cases the underlying datasets are also provided by the Department for Education (DfE) and there is no scope for authorities to vary these. Only the following formula factors are available for Haringey to use:
 - **Basic Per Pupil Allocation (Mandatory)** – all pupils will receive an allocation dependent only on the phase of school that they attend i.e. A primary value or a secondary value. This replaces the current arrangements where different value apply depending on the Key Stage each pupil is following i.e. reception, KS1, KS2, KS3, KS4.



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- **Deprivation (Mandatory)** - Authorities will in future only be able to target pupils with deprivation using Free School Meals Entitlement, the Income Deprivation Affecting Children Index (IDACI) or a combination of both.
- **Looked After Children (Optional)** – A single rate for all pupils, regardless of age, applicable if a child is 'Looked After'.
- **Low Cost High Incidence SEN (Optional)** – This factor must be based on a measure of prior attainment which is either the Early Years Foundation Stage Profile (EYFSP) (for primary aged pupils) or Key Stage 2 test results (for secondary aged pupils)
- **English as an Additional Language (Optional)** – Support for a period of up to 3 years, from the date of entering compulsory education, for those pupils for whom English is not their first language.
- **Lump Sum (Optional)** – The lump sum is restricted to a maximum of £200,000 which must (if used) apply to all schools at the same rate.
- **Split Site (Optional)** – Where schools are not based on the same site.
- **Rates (optional)** – A payment for National Non Domestic Rates (NNDR) which can reflect the actual costs paid by schools.
- **Post 16 (Optional)** - This factor allows the continuation of funding provided to post 16 pupils under the existing formula.
- **Mobility (Optional)** – To allow additional funding for pupils joining a school other than at the normal intake point.

5.3.2. Additionally, there are two factors permitted under the regulations that are not applicable to Haringey schools and have not, therefore been utilised – A PFI factor and a factor for 5 authorities (not Haringey) affected by London Fringe payments to teachers.

5.3.3. The Council has used all of the formula factors that are available to it and has carried out modelling, using the datasets provided by the DfE, with the intention of matching as far as possible the existing distribution of resources in order to minimise turbulence for schools.

5.4. **Equalities Issues.**

5.4.1. Any change to a funding formula will affect the distribution of resources. The changes to the mainstream funding formula for schools do not cover children at special schools or in specialist units. The changes being proposed are against a background of increased resources for Haringey following an improvement to the Area Cost Adjustment (ACA) of the Dedicated Schools Grant (DSG); this has meant that an additional amount of £5.5m has been included within the changes affecting the schools block.

5.4.2. Within the new funding arrangements the government has retained, for at least 2013-14 and 2014-15, a Minimum Funding Guarantee (MFG) which protects all schools from a loss in resources greater than 1.5% per pupil. The inclusion of a MFG provides a degree of protection for all schools and all pupils in schools



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against adverse impacts arising from the formula changes and is an important mitigation measure within the new arrangements.

- 5.4.3. In terms of those groups having protected characteristics, the main elements affected by the proposed school formula changes relate to age, race and disability; these aspects are considered further below.
- 5.4.4. The change requiring a single basic entitlement rate for primary phase pupils from having separate funding units for Reception age, KS1 and KS2 pupils introduces a variation from funding units ranging from £3,521 per pupil (Reception) to £2,649 per pupil (KS2) to a single primary age funding unit of £3,018. This change would tend to benefit Junior schools and Primary schools, since the funding rate for these aged pupils is higher than currently.
- 5.4.5. In the secondary sector the proposed unit rate (£4,579) is higher in all cases than the existing funding units which range from £3,484 to £3,770. With the exception of Heartlands school, which as a new school only currently has KS3 pupils, all Haringey Secondary Schools cater for both KS3 and KS4 pupils and any effects will only be as a result of minor imbalances between pupils in respective year groups. A contingency sum, allowable under the new regulations, will be used to address this and other issues relating to new and growing schools such as Heartlands.
- 5.4.6. Additionally, the government has given a strong indication that it expects to narrow the differential between primary age and secondary age funding. The national range is from 1:1.10 to 1:1.50 with Haringey currently at the higher end at 1:1.42. In considering a new funding formula convergence between the two sectors was seen as desirable but at a pace that would not place unmanageable pressure on secondary schools. In the proposed formula the differential is reduced to 1:1.37. The subsequent movement of resources will be to the advantage of primary age pupils and give primary schools more scope for early intervention.
- 5.4.7. The change, required through the new regulations, that moves the 'pupil count date' for the purpose of calculating the schools formula from January to October may also have an effect in some schools; the government has however, allowed for an adjustment in schools where there is a significant variation in reception aged pupils between these dates which mitigates this issue.
- 5.4.8. Among the changes introduced in the new funding formula is a requirement for schools to meet the first £6,000 of the additional cost of providing for statements of Special Educational Need (SEN). The proposed funding formula has provided for this new cost through both deprivation and Additional Educational Needs (AEN) formula factors. We have recognised that for a small group of schools the amount of resources generated through the proxy deprivation and AEN factors might not be sufficient to meet the costs of the first £6,000 for all statements and, in accordance with the regulations and the agreement of the Schools Forum, a



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contingency has been retained and allocated on a basis which provides some protection for those schools.

- 5.4.9. The maximum loss for any school is Heartlands at £97k due in part to the loss of former Standards Grants, this is a growing school and will receive additional support from a contingency set aside for growth. The largest loss for any primary school is £52k for Crowland. This is due in significant part to a change in the pupil count date and a significant change in pupil numbers between October 2011, used in the exemplifications and January 2012 used in the 2012-13 budget share. With the exception of Stroud Green the remaining primary schools facing a reduction are in the west of the borough and have pupil populations generally from less deprived backgrounds.
- 5.4.10. As mentioned above, the exemplifications are based on October 2011 data and once the latest information including updated pupil numbers, new delegation and allocations from contingencies are taken into account we would expect only schools in very exceptional circumstances not to receive an increase in resources.
- 5.4.11. The proposed changes to School Funding are a national policy and the DfE's own EQIA concludes that "... an adverse impact is unlikely. On the contrary there is potential to reduce barriers and inequalities that currently exist. There is insufficient evidence however for this analysis to be made with full confidence. There is sufficient flexibility in the proposed arrangements for 2013-14, by which authorities fund their schools to ensure that they, in consultation with local schools forums, are able to reflect the needs of all of their pupils in their local funding formula, including those covered by the equalities legislation."

5.5. Consultation

- 5.5.1. Consultation documents were sent to all schools, chairs of governing bodies and members of the Schools Forum on 18th July 2012 and the responses received were presented to the Schools Forum at their meeting on 11th October 2012. Seventeen responses were received from 15 schools, of which three were submitted after the due date. Four of the schools were secondary and eleven primary. The consultation questions are included within the report set out in Appendix 1.
- 5.5.2. All the responses were positive with the exception of the issues set out below. Most returns made strong representations on the primary : secondary funding ratio as referred to above and on the use of the additional ACA funding.

5.6. Negative or qualified responses.

Question 1. Minimising changes.

All returns agreed that turbulence should be minimised but many also commented on the ratio between phases.

Officers response



Modelling was undertaken on a best fit basis to minimise turbulence.

Question 3. Lump sum and its value.

All agreed that there should be a lump sum. Two returns suggested £100k, one £150k, one £175k and seven recommended a lump sum at the higher end of the allowed range.

Officers response

Lump sums tend to protect small schools over larger schools however, the requirement for a single lump sum regardless of phase has made modelling against a best fit difficult. The lump sum has also been used to try to ensure that all schools receive sufficient resources to meet the first £6,000 of any statement, regardless of size, it has been necessary to use a relatively larger sum to assist with that aspect.

Question 4. Split site factor.

Four returns from four schools rejected this, the remainder were in favour. Several commented on the need to have clear criteria on what would qualify as a split site and the use of differential rates including a suggested percentage of the lump sum.

Officers response

There are two schools which would qualify for a split-site allocation and we have developed criteria which reflect the different circumstances in those schools; most were in favour and the amounts allocated through this factor are relatively small.

Question 5. EAL

One school rejected this, the remainder were in favour.

Officers response

There is no doubt that pupils where English is not their first language face greater barriers to learning and it is therefore appropriate to differentiate in favour of those pupils, particularly in Haringey where the number of such pupils are significant.

Question 6. Mobility Factor.

All agreed there should be a mobility factor but one return suggested it should be low.

Officers response

Again, because pupil mobility is such a significant issue in many schools it is felt appropriate to include this formula factor. In total only around 2% of the overall resources are allocated through this factor

Question 7. Prior attainment factor.

One school rejected this the remainder were in favour.

Officers response

This, and the deprivation factor, are the only way by which schools will receive resources to contribute to the cost of pupils with statements and so it is considered imperative that this is used in the formula.

Question 8. Single value for secondary basic allocation.

Ten responses from 9 primary schools were in favour of a single value. One primary school opposed this. Three responses from two secondary schools were also in



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favour of a single value and three responses favoured two values, but one stated the preference as marginal.

Officers response

On balance we have concluded that a single rate for KS3 and KS4 pupils should be used; a different rate would not significantly change the distribution of resources between secondary schools provided that the overall balance between primary and secondary schools was maintained.

Question 9. Combined FSM and IDACI deprivation factor.

One school preferred the sole use of FSM to a combination of FSM and IDACI, the remainder favoured a combination.

Officers response

We are acutely aware that there are drawbacks with using FSM as the sole measure of deprivation, through the outcomes of its use for distributing the Pupil Premium. We are strongly in favour of using our best endeavours to recognise deprivation through the widest possible use of the available factors.

Question 10. Post 16 factor.

One secondary response rejected this whereas five returns from four secondary schools were in favour. Four responses from three primary schools were in favour and two opposed. Five primary responses were either left blank or stated they were unable to comment.

Officers response

This factor only applies to a single school and on balance we believe that it is right to continue to allow that school to benefit from decisions previously taken to allow it to retain a share of grants it received previously under different arrangements.

5.6.1. Many of the returns expressed strong views or concerns. These were:

Primary : Secondary funding differential.

The views were clearly differentiated between sectors. The secondary sector returns taking the view that the differential reflects higher costs arising from historical decisions and that any change will impact on Planned Admission numbers (PANs). The primary responders expressed serious concern that the ratio in Haringey is at the high end of the national range and that this disadvantages primary age pupils. The primary responders also commented on the likely imposition of a cap on the differential and that progress towards convergence should begin in 2013 to reduce the possibility of future sharp reductions in secondary school budgets.

Officers response

Both views have merit but on balance we would advise that convergence ought to take place in advance of the expected implementation of a national differential range.



The use of the Area Cost Adjustment windfall.

Again views differed between sectors. The secondary sector returns usually stressed that the campaign for fair funding was fought across all sectors and that it should be distributed to reflect London weighting costs and for no other purpose. Primary sector returns usually stressed that the windfall could be used to smooth the transition to a more equitable distribution of resources whilst, together with MFG, protecting all schools cash budgets.

Officers response

A fair outcome would have been for all schools to benefit rather than being used to mask the inevitable turbulence caused by the formula changes; however, following representations at the highest level the government will not permit these resources to be used other than as general funding.

6. Comments of the Chief Finance Officer and financial implications

- 6.1. The Chief Finance Officer has been involved on the drafting of this report and the financial implications are as set out in the report and accompanying appendices.

7. Head of Legal Services and legal implications

- 7.1. The Head of Legal Services has been consulted on the content of this report.
- 7.2. By regulation 10 of The Schools Forums (England) Regulations 2012 which came into force on 01 October 2012 the authority must consult the schools forum annually in respect of the authority's functions relating to the schools budget, in connection with the following - (a) arrangements for the education of pupils with special educational needs; (b) arrangements for the use of pupil referral units and the education of children otherwise than at school; (c) arrangements for early years provision; (d) administrative arrangements for the allocation of central government grants paid to schools via the authority. The authority may consult the forum on such other matters concerning the funding of schools as they see fit. The previous 2010 Regulations contained similar provision. Members will note the recommendation in the report which states that the Schools Forum unanimously recommend the funding formula.
- 7.3. Regulation 5 of The School and Early Years Finance (England) Regulations 2012, which were laid before Parliament on 07 December 2012 and which come into force on 01 January 2013, states that a local authority must not later than 15 March 2013 - (a) make an initial determination of their schools budget; and (b) give notice of that determination to the governing bodies of the schools they maintain. There is similar provision in The School Finance (England) Regulations 2012 but in respect of which the date by which the determination was to be made was 31 March 2012.
- 7.4. By regulation 9(2) of The School and Early Years Finance (England) Regulations 2012 in determining the formulae under regulation 10 a local authority may make changes to the formulae they determined the previous year. The relevant formula factors are set out at paragraph 5.3.1 of the report and the formula considered and



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recommended by the Schools Forum is set out at paragraphs 5.7, 6 and 7 of Appendix 1 to this report.

- 7.5. In making the changes to the formula a local authority must consult their schools forum and schools maintained by them about any proposed changes in relation to the factors and criteria taken into account and the methods, principles and rules adopted. Members attention is drawn in particular to paragraphs 1.2 and 1.3 and section 5.5 of the report in relation to the consultation. Members will be aware that consultation must be undertaken when proposals are still at a formative stage. It must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response, adequate time must be given for this purpose and the product of the consultation must be conscientiously taken into account when the ultimate decision is taken.
- 7.6. By regulation 10 a local authority must, before the beginning of the funding period and after carrying out any consultation required by regulation 9(2), decide upon the formula which they will use to determine the budget shares for schools maintained by them and by regulation 11(1) not later than 15 March 2013 a local authority must determine the budget share for each of the schools maintained by them.
- 7.7. Members must have due regard to the public sector equality duty in accordance with the Equality Act 2010 and Members attention is drawn to section 5.4 and section 8 of the report. A summary of the public sector equality duty is set out at Appendix 5.

8. Equalities and Community Cohesion Comments

- 8.1 The implementation of the proposed changes to the school funding formula require us to assess the impact on primary and secondary Schools, based on the protected characteristics of the pupils. We need to understand which schools have financially benefited from the new funding formula, and which schools will receive less funding.
- 8.2 An Equality Impact Assessment (EqIA) is in progress which will provide a detailed analysis of any potential impact. Resources will be to the advantage of primary age pupils and give primary schools more scope for early intervention. Changes introduced in the new funding formula will impact on the cost of providing for pupils with statements of Special Educational Need (SEN), and we are yet to assess the impact on race.
- 8.3 The EqIA will be completed by 18th January 2013 to reflect both revised datasets and the final resource allocation from the government which are expected on or about the 17th December 2012. As a result of these final notifications the formula allocation for every school will change to reflect this new data.
- 8.4 The EqIA will evidence the impact of the implementation of the new funding formula based on, the profile of the protected characteristics of the pupils' in the schools.



In summary the EqIA will show;

- the educational attainment of pupils in Haringey across the protected characteristics and how it will affect the distribution of resources to Primary & Secondary Schools in Haringey
- which schools have received more funding and the protected characteristics of the pupils
- which schools have received less funding and the protected characteristics of the schools
- the positive and negative impact of the implementation of the new funding formula
- issues raised during consultation and the Councils response
- actions that need to be taken to address any imbalances

9. Head of Procurement Comments

Not applicable.

10. Policy Implication

The funding formula distributes funding to schools to support children and education policy objectives.

11. Use of Appendices

11.1. Appendix 1 – Report to the Schools Forum 11 October 2012.

11.2. Appendix 2 - Indicative Allocations - Proposed Factors and Values October 2011
Pupil Numbers.

11.3. Appendix 3 – Changes to School Funding from April 2013.

11.4. Appendix 4 – Response to DfE feedback set out in Paragraph 1.4.

11.5. Appendix 5 – Public Sector Equality Duty

12. Local Government (Access to Information) Act 1985



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Appendix 1 Report to Schools Forum 11 October 2012.

Report to Haringey Schools Forum 11th October 2012

Report Title: School Funding 2013-14

Authors:

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Purpose:

- 1. To update members on school funding reform from April 2013.**
- 2. To inform members of the responses to the consultation with schools.**
- 3. To recommend the factors and provisional funding rates to be included in Haringey’s Schools Funding Pro-Forma for submission to the Education Funding Agency by the end of October.**

Recommendations:

- 1. That members recommend the formula factors and values set out in this report.**



1. Background and Introduction.

- 1.1. Our reports to the last three meetings of the Forum set out the Department of Education's (DfE's) proposed changes to the School Funding system from April 2013. A summary of the changes is set out in Appendix A.
- 1.2. To consider the changes to the funding formula in more detail the Forum set up the Funding Formula Review Group that has been consulted in considering the changes to the funding formula.

2. Primary : Secondary Ratio.

- 2.1. In earlier consultation the DfE considered introducing a maximum differential between primary and secondary funding. The DfE have decided not to impose a limit for 2013-14 but comment that, 'We cannot say at this stage what constraints might be set in future ...'.
- 2.2. Nationally, the range is between 1:1.10 and 1.1.50 with Haringey towards the higher end of the range at 1:1.42 in 2012-13. The issue of convergence and the use of the Area Cost Adjustment uplift in achieving this was a central theme of the consultation responses and will be key to achieving agreement on a new funding formula.

3. Determining the School Block.

- 3.1. As well as considering what factors to use and how much to allocate through each we need to consider how the Schools Block will be determined. Our approach is set out in the following sections and in Appendices D and E.
- 3.2. The starting point is the amount delegated to schools in 2012-13 that fall within the definition of the new block. Essentially, this is all funding currently delegated to mainstream schools with the exception of the following and is shown in Appendix D:
 - Stated funding,
 - Funding for special units,
 - Education Funding Agency payments for post 16 pupils,
 - Funding through the Early Years Single Funding Formula.
 - Funding for growth in school size.
- 3.3. To this must be added any adjustment to or from either of the other blocks. We have identified only one area where we think an adjustment is necessary.
 - 3.3.1. In the current formula we fully fund any statements with 15 or more hours of support. This is the great majority of statements and the whole of this funding will be in the High Needs Block (HNB). In the new methodology the HNB will only fund a top-up; the remainder of the stated funding being met from a school's own



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resources¹. In particular schools will be expected to contribute £6,000 from its delegated budget to support a child with a statement. To align funding with responsibility it will be necessary to transfer resources from the High Needs Block to the Schools Block. The contribution to be found based on current statements is £4.1m.

- 3.4. Finding the £6,000 may lead to difficulties for some schools that receive relatively little funding through deprivation and Additional Educational Needs factors. Such schools with good levels of prior attainment and low levels of deprivation may attract relatively high numbers of pupils with statements leading to difficulties in finding the required £6,000 for each statement. We therefore recommend that some of the resources identified in 3.3.1 are retained within the High Needs Block to provide a contingency in such situations. We will do further work on the sum involved and have currently assumed £0.5m in Appendix B.
- 3.5. Also to be added to the Schools Block is the delegation of resources that are currently centrally retained and form part of the Schools Budget Local Authority Central Spend Equivalent Grant (LACSEG). The Council will in due course ask the Forum to consider 'de-delegating' some of these. The amounts to be delegated are shown in Appendix E: From this we have excluded the contingency for bulge classes. The Appendix also shows the factor we propose to use in delegating the new resource.
- 3.6. Members should also be aware that the removal of the 90% safety net in the funding of three year olds may also lead to a request for movement between blocks. We will have a better understanding of the position when autumn term numbers can be estimated.
- 3.7. The final element will be the additional funding from the expected Area Cost Adjustment revaluation. We are expecting an overall increase of about £7.3 M across the three blocks. We sought permission to exclude this from the main formula and from the calculation of the MFG to enable better targeting of this resource. This permission was not given and we are therefore required to delegate the new funding via the formula and prior to the calculation of the MFG.
- 3.8. The ACA is to reflect the additional costs of inner London teachers pay and it is therefore appropriate to delegate this to reflect the proportion of teaching staff. The main driver of this will be pupil numbers but a more intensive input will be associated with the levels of deprivation faced by a school. We therefore recommend that the additional funding is delegated 75% through the Basic Allocation with a further 25% through the FSM and IDACI factors.

4. Responses to Consultation.

¹ The DfE's strong recommendation is that the top-up is the cost of educating a child with a statement less the basic allocation less a £6,000 contribution from other factors.



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- 4.1. We consulted with schools and governing bodies on 17th July 2012 with a return date of 24th September 2012. Seventeen responses have been received from 15 schools, of which three submitted its return after the due date. Four of the schools were secondary and eleven primary.
- 4.2. The questions asked are set out in Appendix C. All the responses were positive with the exception of those set out in section 4.3. Most returns also made strong representations on the primary : secondary ratio, additional ACA funding and other concerns; these are summarised in section 4.4.
- 4.3. Negative or qualified responses.

Question 1. Minimising changes.

All returns agreed that turbulence should be minimised but many also commented on the ratio between phases, see comments below.

Question 3. Lump sum and its value.

All agreed with a lump sum. Two returns suggested £100k, one £150k, one £175k and seven recommended a lump sum at the higher end of the allowed range.

Question 4. Split site factor.

Four returns from four schools rejected this, the remainder were in favour. Several commented on the need to have clear criteria on what would qualify as a split site and the use of differential rates including a suggested percentage of the lump sum.

Question 5. EAL

One school rejected this, the remainder were in favour.

Question 6. Mobility Factor.

All agreed there should be a mobility factor but one return suggested it should be low.

Question 7. Prior attainment factor.

One school rejected this the remainder were in favour.

Question 8. Single value for secondary basic allocation.

Ten responses from 9 primary schools were in favour of a single value. One primary school opposed this. Three responses from two secondary schools were also in favour of a single value and three responses favoured two values, but one stated the preference as marginal.

Question 9. Combined FSM and IDACI deprivation factor.

One school preferred the sole use of FSM to a combination of FSM and IDACI, the remainder favoured a combination.

Question 10. Post 16 factor.



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One secondary response rejected this whereas five returns from four secondary schools were in favour. Four responses from three primary schools were in favour and two opposed. Five primary responses were either left blank or stated they were unable to comment.

4.4. Many of the returns expressed strong views or concerns. These were:

Primary : Secondary funding differential.

The views were clearly differentiated between sectors. The secondary sector returns taking the view that the differential reflects higher costs arising from historical decisions and that any change will impact on PANs. The primary responders expressed serious concern that the ratio in Haringey is at the high end of the national range and that this disadvantages primary age pupils. The primary responders also commented on the likely imposition of a cap on the differential and that progress towards convergence should begin in 2013 to reduce the possibility of future sharp reductions in secondary school budgets.

The use of the Area Cost Adjustment windfall.

Again views differed between sectors. The secondary sector returns usually stressed that the campaign for fair funding was fought across all sectors and that it should be distributed to reflect London weighting costs and for no other purpose. Primary sector returns usually stressed that the windfall could be used to smooth the transition to a more equitable distribution of resources whilst, together with MFG, protecting all schools cash budgets.

5. The Schools Funding Formula.

5.1. Schools Forum on 12th July 2012 recommended modelling the new factors to achieve a best fit with allocations received through our existing formula.

5.2. We modelled a best fit that was presented to the working party on 25th September. Even with a best fit model the major change in the factors available will create winners and losers. This is particularly true of the removal of the former premises and standards grant allocations. The group were concerned that the values generated by the best fit model were not grounded in the previous formula and asked for further work mapping the old factors into the new.

5.3. The mapping was presented to the next meeting of the group on 2nd October. The Group asked for the mapping to be amended to reflect the deprivation element of the former standards grants and to look at the distribution of resources between schools serving more and less deprived areas and to reconsider the methodology used in calculating transitional arrangements. The Group also discussed the primary secondary ratio, with officers recommending that the gap should be narrowed.

5.4. The subsequent modelling presented in Appendix B therefore sought to minimise turbulence, target resources at pupils with the greatest level of deprivation and to narrow the gap between sectors. It is not possible to fully satisfy all of these criteria



without winners and losers. The availability of additional funding through the ACA adjustments will enable us to cushion the changes.

- 5.5. The resources modelled are higher than existing School Block budgets delegated to schools in 2012-13 by the amount schools will need to contribute to element two (£6,000) of the additional cost of pupils with statements.
- 5.6. In previous exercises of this kind a substantial lead-in time has been available. The extremely tight time-scales imposed by the DfE mean that we do not have the time to do the in-depth work that a change of this magnitude requires. It is expected that we will be able to further review the formula for 2014-15, possibly with further restrictions imposed by the DfE. The DfE expects to move to a national funding formula from April 2014.
- 5.7. The proposed factors and values, prior to new delegation, are set out in Table 1 and a brief explanation is set out in the following paragraphs.

Table 1 Indicative Formula Values

Factor	Primary	Secondary
	£	£
Basic Allocation	3,018.00	4,579.00
Free School Meals	1,751.00	2,195.00
English as an Additional Language (EAL)	500.00	1,000.00
IDACI	889.00	1,568.00
Looked After Children	1,000.00	1,000.00
Low Attainment	1,000.00	2,000.00
Mobility	1,200.00	1,800.00
Lump Sum	170,000.00	170,000.00

- 5.8. It will be noted that in almost all cases the secondary values are higher than the primary ones. This reflects both the current difference in funding levels, although the proposed formula begins to close the gap between sectors, and the higher proportion of primary funding provided through the lump sum. The DfE require a single value lump sum for both sectors.
- 5.9. The Basic Allocation replaces the Age Weighted Pupil Unit (AWPU) and is the main repository of the former premises led funding and a significant element of the former standards grants.
- 5.10. The main source of deprivation funding is delivered through current eligibility for Free School Meals (FSM) and the Income Deprivation Affecting Children Index (IDACI). The funding has been split evenly between these two factors. These factors will be part of the element two contributions (£6,000) towards the additional cost of pupils



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with statements. The remainder of the former standards grants is distributed through these factors.

- 5.11. We do not currently have an EAL factor in our funding formula, the higher rate for secondary schools reflects the issues noted in 5.7 and the payment of this factor for only the first three years of a child's education, which will tend to benefit primary schools.
- 5.12. The Looked After Children funding compares with the £561 in the current formula and with the £900 to be received for LAC Pupil Premium next year.
- 5.13. The low attainment factor is to target funding at high incidence low cost SEN. This factor is also part of the element two contributions to the additional cost of statemented pupils.
- 5.14. The lump sum is at the higher end of the allowed range, reflecting the outcome of consultation. A high lump sum was also the result of best fit modelling for both the main Schools Block and the transfer of resources from the High Needs Block so as to provide element two funding for schools.

6. Post 16 Factor.

- 6.1. The Haringey Sixth Form Centre was in receipt of standards grants that were mainstreamed into the DSG in 2011-12 and continued to be paid to the centre through the Universal Grants Allocation. Under the new arrangements the Sixth Form Centre will not be funded through any of the other factors in this formula and will therefore lose this funding unless this factor is agreed. The sum received in 2012-13 was £386.5k and we recommend that the MFG rate of 98.5% be applied to this for 2013-14.

7. Split Site Factor.

- 7.1. The majority of consultation responses were in favour of this and we therefore propose a two tier allocation; one for situations where schools are separated by a road and one where the separation is greater. In the first instance we recommend a lump sum of £30,000 and in the second a lump sum of £60,000.



8. Minimum Funding Guarantee (MFG) and Transitional Arrangements.

8.1. In 2013-14 and 2014-15 the MFG will continue to provide transitional support. In both years it will be set at a negative 1.5%. In simple terms this will guarantee that schools receive funding of at least 98.5% per pupil of their 2012-13 level. To fund the MFG we are proposing to impose a tapering cap on the percentage increase of those schools gaining in cash allocations. The taper will be set to recover a proportion of a qualifying school's increase once it passes a given percent of its former budget share. In the case of primary schools the cap will be 8% and for secondary schools 5%.

9. Pupil Premium.

9.1. As expected, next year's Pupil Premium allocation will be £900, a 50% increase over this year. There will also be an uplift in this year's rate.

10. Conclusion.

10.1. The move to a completely new funding formula will inevitably lead to winners and losers. We have tried to minimise this turbulence and to continue to direct resources to those schools serving the most deprived pupils. The exercise has necessarily been undertaken without the time and resources that would normally be devoted to such a change. As noted above, the removal of significant factors such as premises and former grant funding will inevitably lead to gains and losses in funding for individual schools. We have attempted to reduce this as far as possible through the factors used.

10.2. After applying the factors and rates set out in Table 1 the ratio of primary to secondary funding is 1 to 1.37.

11. Recommendations.

- 2. That members recommend the formula factors and values set out in this report.**



Appendix 2

Indicative Allocations - Proposed Factors and Values October 2011 Pupil Numbers

School	Roll	2012-13 Adjusted Funding £	Proposed Including ACA £	MFG £	Transitional Arrangements £	Indicative Budget excluding New Delegation £	Change £	ACA Included £
Alexandra Primary	217.00	1,174,776	1,294,547	-	-9,411	1,285,135	110,359	39,740
Belmont Infant	172.00	786,198	938,734	-	-32,713	906,021	119,823	25,837
Belmont Junior	204.00	933,341	1,055,257	-	-17,243	1,038,014	104,673	31,321
Bounds Green Infant	176.00	859,969	989,888	-	-22,305	967,582	107,613	28,759
Bounds Green Junior	226.00	1,038,439	1,162,991	-	-15,136	1,147,855	109,415	37,018
Broadwater Farm Primary	398.00	2,012,683	2,106,371	-	0	2,106,371	93,688	67,571
Bruce Grove Primary	400.00	2,085,600	2,126,841	-	0	2,126,841	41,241	66,980
Campsbourne Infant	159.00	773,785	853,000	-	-6,318	846,682	72,897	24,180
Campsbourne Junior	215.00	1,237,743	1,092,782	92,582	0	1,185,364	-52,379	33,749
Chestnuts	397.00	1,884,296	2,012,913	-	0	2,012,913	128,618	63,982
Coldfall Primary	617.00	2,340,048	2,352,337	-	0	2,352,337	12,289	81,558
Coleraine Park Primary	380.00	1,961,780	2,073,428	-	0	2,073,428	111,648	62,787
Coleridge Primary	711.00	2,660,278	2,746,779	-	0	2,746,779	86,500	95,495
Crowland Primary	352.00	1,778,322	1,687,625	39,012	0	1,726,637	-51,685	51,997
Devonshire Hill Primary	399.00	2,098,911	2,160,816	-	0	2,160,816	61,905	70,081
Downhills Primary	406.00	2,033,218	2,182,794	-	0	2,182,794	149,576	67,955
Earlham Primary	382.00	2,067,935	2,133,403	-	0	2,133,403	65,469	64,449
Earlsmead Primary	394.00	1,948,589	2,052,839	-	0	2,052,839	104,250	66,088
Ferry Lane Primary	176.00	975,024	1,023,989	-	0	1,023,989	48,965	28,111
The Green CE Primary	191.00	980,370	1,045,003	-	0	1,045,003	64,633	31,107



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Highgate Primary	385.00	1,628,737	1,697,681	-	0	1,697,681	68,944	54,047
Lancasterian Primary	400.00	2,051,804	2,095,677	-	0	2,095,677	43,873	67,952
Lea Valley Primary	419.00	2,140,785	2,229,261	-	0	2,229,261	88,476	73,058
Lordship Lane Primary	597.00	3,008,458	3,199,684	-	0	3,199,684	191,226	106,875
Mulberry Primary	608.00	3,106,516	3,330,659	-	0	3,330,659	224,142	104,234
Muswell Hill Primary	412.00	1,594,728	1,577,249	-	0	1,577,249	-17,480	52,150
Nightingale Primary	349.00	1,767,042	1,910,547	-	-781	1,909,766	142,723	57,902
Noel Park Primary	497.00	2,540,168	2,756,059	-	-4,627	2,751,433	211,265	88,483
North Haringay Primary	389.00	1,925,929	1,956,123	-	0	1,956,123	30,193	63,216
Our Lady of Muswell RC Primary	397.00	1,538,113	1,613,536	-	0	1,613,536	75,423	52,639
Rhodes Avenue Primary	451.00	1,727,605	1,679,854	-	0	1,679,854	-47,750	56,875
Risley Avenue Primary	587.00	2,999,554	3,082,089	-	0	3,082,089	82,535	104,192
Rokesly Infant	260.00	1,172,190	1,188,932	-	0	1,188,932	16,743	36,790
Rokesly Junior	335.00	1,376,251	1,455,458	-	0	1,455,458	79,207	49,087
St.Aidan's Primary	202.00	889,595	923,777	-	0	923,777	34,183	28,037
St.Ann's CE Primary	196.00	1,007,073	1,007,908	-	0	1,007,908	835	31,587
St.Francis de Sales RC Infant	267.00	1,264,113	1,411,743	-	-16,970	1,394,773	130,660	43,313
St.Francis de Sales RC Junior	355.00	1,481,854	1,758,715	-	-57,774	1,700,941	219,087	57,432
St Gildas' RC Junior	223.00	960,140	987,710	-	0	987,710	27,570	31,422
St.Ignatius RC Primary	362.00	1,709,383	1,842,392	-	0	1,842,392	133,010	56,766
St.James' CE Primary	204.00	823,116	831,444	-	0	831,444	8,328	24,925
St.John Vianney RC Primary	205.00	902,078	1,109,620	-	-49,404	1,060,216	158,138	32,125
St.Martin of Porres RC Primary	203.00	818,097	891,223	-	-2,802	888,421	70,324	26,789
St.Mary's CE Infant	176.00	918,525	958,351	-	0	958,351	39,826	28,471
St.Mary's CE Junior	214.00	946,457	1,078,962	-	-20,724	1,058,238	111,781	33,421
St.Mary's RC Infant	180.00	892,922	964,023	-	0	964,023	71,101	28,200
St.Mary's RC Junior	227.00	1,016,442	1,181,849	-	-30,688	1,151,161	134,719	36,797
St.Michael's CE Primary N6	413.00	1,556,084	1,552,656	-	0	1,552,656	-3,428	52,125
St.Michael's CE Primary N22	187.00	956,909	967,679	-	0	967,679	10,770	28,334
St.Paul's & All Hallows CE Infant	179.00	918,580	991,882	-	0	991,882	73,302	28,067



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St.Paul's & All Hallows CE									
Junior	232.00	1,037,728	1,233,805	-	-41,259	1,192,546	154,818	39,022	
St Paul's RC Primary	202.00	967,472	1,042,074	-	0	1,042,074	74,601	32,063	
St.Peter in Chains RC Infant	178.00	737,432	864,513	-	-24,847	839,666	102,233	24,788	
Seven Sisters Primary	406.00	2,103,813	2,168,321	-	0	2,168,321	64,508	65,466	
South Haringay Infant	170.00	991,500	942,695	49,850	0	992,545	1,045	26,324	
South Haringay Junior	219.00	1,069,459	1,130,873	-	0	1,130,873	61,413	35,822	
Stamford Hill Primary	187.00	1,100,749	1,118,698	-	0	1,118,698	17,949	33,777	
Stroud Green Primary	310.00	1,554,387	1,529,482	8,242	0	1,537,724	-16,663	45,654	
Tetherdown Primary	390.00	1,403,473	1,393,328	-	0	1,393,328	-10,145	46,728	
Tiverton Primary	363.00	1,787,739	1,898,678	-	0	1,898,678	110,939	59,925	
Welbourne Primary	395.00	2,010,843	2,086,935	-	0	2,086,935	76,092	67,290	
West Green Primary	206.00	1,139,559	1,157,221	-	0	1,157,221	17,662	33,445	
Weston Park Primary	208.00	903,227	865,743	13,304	0	879,047	-24,180	26,781	
Fortismere	1,211.00	6,430,747	6,345,984	-	0	6,345,984	-84,763	237,930	
Gladesmore	1,238.00	8,980,473	9,183,101	-	0	9,183,101	202,627	337,590	
Heartlands	325.00	2,599,980	2,278,173	224,793	0	2,502,966	-97,014	79,564	
Highgate Wood	1,180.00	7,021,169	6,982,382	-	0	6,982,382	-38,786	256,315	
Hornsey	1,073.00	6,575,288	7,301,314	-	-144,976	7,156,339	581,051	271,477	
John Loughborough	273.00	2,120,400	2,119,925	27,287	0	2,147,212	26,812	64,048	
Northumberland Park	1,026.00	7,520,607	7,840,543	-	0	7,840,543	319,936	277,523	
Park View	1,117.00	7,966,245	7,937,879	-	0	7,937,879	-28,366	277,891	
St Thomas More	511.00	4,028,246	3,948,039	42,909	0	3,990,948	-37,297	132,064	
Alexandra Park	1,070.00	6,512,924	6,431,117	-	0	6,431,117	-81,807	235,860	
Woodside High	812.00	6,222,967	6,344,499	-	0	6,344,499	121,531	218,576	
Primary	19,917.00	94,077,936	98,757,449	202,990	-353,003	98,607,436	4,529,499	3,111,162	
Secondary	9,836.00	65,979,046	66,712,956	294,989	-144,976	66,862,969	883,923	2,388,838	



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Total	160,056,982	165,470,405	497,979	-497,979	165,470,405	5,413,423	5,500,000
ACA Addition		5,413,423					
Ratio	1.42	1.37			1.37		



Appendix 3.

Changes to School Funding from April 2013.

Background and Introduction.

12. The previous government began consultation on changes to the national system for funding schools. The present Government has continued down this path and has issued two consultations on the introduction of a national funding formula. The proposed changes had significant implication both to the way resources were distributed between Local Authorities (LAs) and how resources were delegated to schools or retained centrally.
13. A further consultation was issued at the end of March 2012. This set out scaled down proposals for change from April 2013 with further changes to follow in the next Comprehensive Spending Review (CSR) period starting in April 2015. The new proposals are, in the main, limited to how existing resources are distributed between schools and centrally retained services. However, the DfE have recognised the case for a higher Area Cost Adjustment (ACA) for Haringey, Newham and Barking and Dagenham. An outline of the current proposals is set out in the next section.
14. The outcomes of the most recent consultation were announced on 29th June and have been reflected in this note. In general terms most of the changes following consultation have been positive.

Changes from April 2013.

General.

15. The Dedicated Schools Grant (DSG) is a ring-fenced education grant currently allocated as a single sum. From April 2013 it will be allocated in three blocks, although LAs in consultation with their Schools Forum can move resources between them. The three blocks are:
 - a. A Schools Block, including resources for centrally retained education services;
 - b. A High Needs Block, including budgets for special schools and the former Young Peoples Learning Agency (YPLA) funding for Further Education Special Education Needs (SEN).
 - c. An Early Years Block.
16. We expect that Haringey's DSG will be increased by a higher Area Cost Adjustment which we have estimated to amount to £7.3m in total across all three blocks.



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Schools Block.

17. The pupil count for the Schools Block will, for 2013-14, be brought forward from January 2013 to October 2012. This will have implications for Local Authorities and individual schools as school rolls are generally greater in January than October. However, the DfE have indicated that the overall sums distributed through the DSG will be maintained through a 'grossing up' of the base unit of funding to counteract lower numbers of pupils.
18. The DfE will also allow for uplift in reception age pupil numbers, reflecting the difference in the numbers for that age group between October and January. It expects this uplift to be passed on to the schools affected.
19. The value of the Schools Block will be confirmed in December allowing schools' budget share to be set much earlier than is currently possible.
20. The regulations will require as much as possible from the former centrally retained elements of the Schools Block to be delegated to schools, this will include the funding for:
 - a. Most contingency items;
 - b. Assessment of FSM eligibility;
 - c. Retained staffing costs such as union representation;
 - d. Support for minority ethnic or under achieving pupils;
 - e. Behaviour Support Services; and
 - f. 14-16 Practical Learning Options.
21. The representatives of each phase of maintained schools on the Schools Forum can vote to 'centrally retain' the funding (i.e. by giving it back – a process known as de-delegation) so as to continue central services for that phase. Academies would receive this funding through their formula allocations removing the need for a separate Local Authority Central Services Equivalent Grant (LACSEG) deduction from the Schools Budget (but with different arrangements continuing for the Formula Grant element). Central services not funded through de-delegation can continue to be offered through a traded service.
22. The DfE will allow Local Authorities to retain funding for historic commitments including:
 - a. Contribution to combined services,
 - b. Certain costs not normally charged to the Dedicated Schools Budget (DSB) but allowed when savings in the DSB give rise to additional costs outside it, including SEN transport.
 - c. Prudential borrowing costs.
23. Local Authorities will also retain funding for statutory duties such as:
 - a. Admissions,
 - b. Servicing the Schools Forum,
 - c. Carbon Reduction Commitments (CRC),



d. Revenue contributions to capital.

- 24.** Funding, including that set out in paragraph 9, will be delegated to schools through a greatly simplified formula. For Haringey this will only allow a maximum of ten factors:
- a. Basic per pupil funding. This will only allow for two or three age related values: one for all primary ages and one or two for secondary ages.
 - b. Deprivation factors; these will be restricted to Free School Meals Eligibility (FSME), Income Deprivation Affecting Children Index (IDACI) or a combination of the two.
 - c. English as an Additional Language (EAL), limited to three years but with a different value allowable for each phase.
 - d. High incidence, low cost SEN. This would be allocated through prior attainment as a proxy factor; achievement in the Early Years Foundation Stage Profile for primary schools and at KS2 for secondary schools.
 - e. Looked After Children.
 - f. Split sites.
 - g. Rates.
 - h. A single lump sum for each school regardless of size or phase and further limited in value to between £100k and £200k.
 - i. Mobility. An additional allowable factor added after the most recent consultation and allowing the costs associated with pupils joining or leaving a school outside of the normal admission times to be reflected.
 - j. Post 16. A factor that did not originally appear in the proposals but has been added following consultation and which recognises that, although Post 16 funding is now provided by the Education Funding Agency (EFA), many LA's have supplemented from DSG resources. This includes Haringey where additional support for Post 16 SEN has been provided.
- 25.** In addition, the proposals now allow for in year growth in forms of entry to be recognised for expanding schools.
- 26.** Initially there will be no nationally imposed ratio between primary and secondary funding but LAs should be mindful that this may be imposed in the future. The national range is between 1:1.10 to 1:1.50 with an average ratio of 1:1.27. Haringey is towards the higher end of this range at 1:1.42 and the Forum will be asked to consider whether, and if so, at what pace convergence of the ratio should take place.
- 27.** Schools in 2013-14 and 2014-15 will continue to receive protection through a simplified Minimum Funding Guarantee (MFG) set at minus1.5%. To fund this Local Authorities will be able to impose 'ceilings' on gaining schools.

High Needs Block.

- 28.** Generally the Local Authority will act as commissioner in securing high needs provision for pupils and students up to the age of 25. The block, based on 2012-13 budget allocations, will cover the following:



- a. Support for statemented pupils above a threshold,
 - b. Special schools and specially resourced provision,
 - c. Support services for SEN and Inclusion,
 - d. Payments for SEN to other Local Authorities and independent schools,
 - e. Education out of school
 - f. Pupil Referral Units and Support Centres (PRU/PSC) (Alternative Provision)
 - g. Post 16 SEN including 16-25 year olds in Further Education and Independent Specialist Providers (ISPs).
- 29.** High Cost Pupils in mainstream settings. The present arrangement provides for the delegation of the full value of a statement once a threshold, currently £8,300 is passed. Below the threshold a school is expected to provide support from delegated Additional Education Needs (AEN) funding. The proposal for 2013-14 is that the assessed cost, probably banded, of educating a high needs child will be met from three levels of resource:
- a. Element 1 - Core education funding – the Age Weighted Pupil Unit (AWPU), from the Schools Block, or from mainstream per pupil funding from the Education Funding Agency (EFA) for students aged 16+.
 - b. Element 2 -Additional support funding – about £6,000 from the schools delegated budget, including but not necessarily limited to the High Incidence Low Cost SEN factor (above) which uses prior attainment as a proxy factor. This also comes from the schools block. For 16+ pupils this will come as part of Additional Learning Support (ALS) from the EFA.
 - c. A top-up from the High Needs Block to meet any additional assessed needs of the child above the (assumed) level of £10k implied by elements 1 and 2 above.
- 30.** Special Schools and specially resourced provision. There will be a major change to the way these are funded. There will be only two allocations, a base allocation of around £10,000 for an agreed number of places plus top-up payments, probably banded, reflecting actual pupils and their needs. For 2013-14 LAs will be required to set the top-up such that if the school were full with home Local Authority pupils the total funding for the school/unit would be at least 98.5% of this year's allocation.
- 31.** Post 16 Specially Resourced Provision – Sixth Form Centre. The proposed arrangement is for the Centre to receive core educational funding from the EFA's national 16-19 funding system plus additional support of about £6,000 for each student. Top-up funding will be provided by the Local Authority from the High Needs Block.
- 32.** Pupil Support Centre. Funding for Alternative Provision will be similar to special schools with planned places funded at around £8,000 with any top-ups provided either by the Local Authority or schools acting as commissioners.



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33. Recoupment and provision at independent settings. The methodology for this sector is still developing but it is expected that there will be a more direct link between commissioners and individual settings. Independent providers may receive core funding from the EFA with top-ups from Local Authorities or the full cost from Local Authorities.
34. The Local Authority will also be expected to top-up provision for students up to the age of 25 in Further Education and Independent Specialist Providers (ISPs).

Early Years Block.

35. This will include centrally retained services for under 5's plus funding through the Early Years Single Funding Formula (EYSFF). There will not be major changes but where formula factors overlap with schools they will be restricted in the same way as set out above. The allocation will continue to be based on 2012-13 numbers updated in summer 2013 for the January 2013 data and adjusted again for the January 2014 count.
36. The current arrangements provide funding for a minimum of 90% of the Local Authority's three year old population (higher where provision is above the 90% level). This will be phased out by 2014-15 when funding will be wholly based on provision levels; 2013-14 will be a transitional year with funding for 85% of the three year olds population. Haringey currently provides for around 77% of the 3 year old population and so there are potentially significant implications of this change.

Pupil Premium.

37. This is unaffected by the proposed changes.

Central Education Services Funded Through Formula Grant.

38. These services are outside the Dedicated Schools Budget but are covered by LACSEG arrangements for academies. There are proposals to move funding for these services from Formula Grant to a specific DfE grant to facilitate the calculation of LACSEG. Further details on the operation of Formula Grant LACSEG are still awaited.

Next Steps.

39. The timescale for implementation is extremely tight. A pro-forma setting out our proposed funding formula must be submitted to the Education Funding Agency (EFA) by the end of October 2012. A Schools Forum working party has been constituted and has met to give initial views on modelled options.



Appendix 4 – Response to DfE feedback set out in Paragraph 1.4.

Growth Fund

- 1.1. The proposed criteria, approved by Schools Forum at their meeting on 6 December, will replace the growth factors in the current funding formula:
- Planned new form of entry:
 - Classroom funding based on 7/12 months * appropriate basic per pupil entitlement * expected number in class; plus
 - A set-up allocation of £500 for each pupil in a standard class size for the relevant setting.
 - In-year bulge class:
 - Start up and classroom costs as above;
 - Ghost funding guarantee KS1:
 - Minimum basic per-pupil funding for 24 pupils in a bulge class established in a previous year: and
 - KS1 classes forced to exceed 30 pupils as a result of appeals:
 - A lump sum equivalent to the funding of a main-scale 1 teacher £32.8k pro-rata to the part of the year.

Per-Pupil Ratio

- 1.2. In 2012-13 Haringey distributed 60 % of Primary and 54% of Secondary phase resources through the Age Weighted Pupil Unit (AWPU). The March 2012 announcement on School Funding Reform included a table showing the % of funding distributed through the former AWPU. Based on that table, 84 authorities (56%) distributed between 60 and 70% of formula funding through AWPU. A further 14 authorities (9%) distributed between 70 and 80% of formula funding through AWPU. It is likely that, given the smaller number of allowable factors, that a number of authorities have chosen to distribute significant elements of new delegation through the basic per-pupil entitlement, impacting on the median.
- 1.3. However, a careful analysis of the datasets demonstrates that the characteristics in Haringey support the application of other formula factors to distribute funding to facilitate schools to meet local needs. Over 27% of Haringey pupils are currently eligible for free school meals, 53% of Haringey pupils are in the 2 highest IDACI bands, 32% of Haringey pupils have English as an Additional language, 24% of Haringey primary pupils did not achieve 73 points at the Early Years Foundation Stage Profile and 17% of secondary pupils did not reach level 4 in both English and maths at Key Stage 2.
- 1.4. If the distribution of these additional needs were consistent across all Haringey schools, it would be appropriate to distribute a greater proportion of funding through the basic per-pupil entitlement. In reality, we have schools at both extremes i.e. schools where only 2 pupils are currently eligible for Free School Meals and another where 96% of pupils are in the least disadvantaged IDACI band. As a result, Haringey Schools Forum on 6 December noted the comment from the EFA and



Haringey Council

recommended that the relative proportions for each formula factor are retained as recommended by Schools Forum at their meeting on 11 October.

Split Site Factor

- 1.5. The Haringey formula includes a split site factor. As identified in paragraph 4.13, the EFA has requested clear, objective criteria for each of the lump sums. The proposed criteria, recommended by Schools Forum, are:
- A school will be eligible for the lower amount of £30,000 if the two sites are separated by a major road but the main entrances are within 200 metres of each other; and
 - Schools on more widely separated sites will be eligible for the higher amount of £60,000.

Consistent Cap

- 1.6. A minimum funding guarantee (MFG), set at negative 1.5% for each of 2013-14 and 2014-15, will continue to apply. In order to fund the MFG, at their meeting on 11 October the Forum approved caps on gains under the new formula (primary 5%; secondary 8%). The EFA require that the cap is consistent across phases. Schools Forum on 6 December recommended a consistent cap be set at 6.7%.

Minimum Funding Guarantee

- 1.7. Haringey has previously submitted a request to the EFA to exclude growth factor funding for 2012-13 from the MFG. If approved by the Secretary of State, this would take the factors for planned new form of entry, start-up for planned new form of entry and ghost / oversize class funding at KS1 out of the MFG calculation. Following submission of further detail, a final response was received from the Minister of State advising that the request was not approved.



EQUALITY ACT 2010 – THE PUBLIC SECTOR EQUALITY DUTY

Section 149 of the Equality Act 2010 Public Sector Equality Duty states

- (1) A public authority must, in the exercise of its functions, have due regard to the need to –
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- (2) – A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).
- (3) – Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to –
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- (4) – The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- (5) – Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to –
- (a) tackle prejudice, and
 - (b) promote understanding.
- (6) – Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.
- (7) – The relevant protected characteristics are – age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.
- (8) – A reference to conduct that is prohibited by or under this Act includes a reference to –
- (a) a breach of an equality clause or rule;
 - (b) a breach of a non-discrimination rule.