



Haringey Council

Agenda item:

[No.]

CABINET

On 18th December 2007

Report Title: **Review of Haringey Council's School Funding Formula and Scheme for Financing Schools.**

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Director of Children & Young People's Service**

Wards(s) affected: **All**

Report for: **Key**

1. Purpose

- 1.1 To report on the outcome of the autumn term consultation with schools and the Schools Forum on proposed changes to Haringey Council's Schools Funding Formula and the Scheme for Financing Schools.
- 1.2 To recommend acceptance of the proposed changes to Haringey Council's Schools Funding Formula and Scheme for Financing Schools.

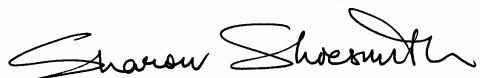
2. Introduction by Cabinet Member (if necessary)

2.1 The proposed changes to AEN/SEN funding and distribution, which is the major element within the consultation, will support the educational attainment of pupils from the most deprived backgrounds and increase support for children with the most severe special needs.

3. Recommendations

3.1. That Haringey Councils Schools Funding Formula and Scheme for Financing Schools is amended, having regard to the Chief Finance Officers comments, in accordance with the recommendations agreed by the Schools Forum on 15th November 2007, as set out in paragraphs 7.2.1 to 7.2.5.

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4. Director of Finance Comments

4.1 This report covers changes to the method of distributing the Individual Schools Budget (ISB), which is the major part of the ring fenced Dedicated Schools Grant (DSG). The Schools Forum at its meeting on 13th December 2007 will consider the distribution of the DSG between the ISB and centrally retained budgets. The changes will be implemented as quickly as the financial settlement allows. The continuation of funding for statements between the current and new thresholds may delay the move to funding support for statemented pupils at scale 4.

5. Head of Legal Services Comments

5.1 The Head of Legal Services has been consulted on the content of this report. Paragraph 2A of Schedule 14 to the School Standards and Framework Act 1998 (as amended) requires the authority to consult the governing body and head teacher of every school maintained regarding variation to the scheme of school funding and then to submit its proposals to the schools forum for approval. The changes to the scheme set out in the recommendations in paragraphs 8.2.1 to 8.2.5 are within the terms of the School Finance (England) Regulations 2006 (as amended) and have been approved by the schools forum.

Local Government (Access to Information) Act 1985

6. Background

- 6.1 The School Finance (England) Regulations 2006 require local authorities to consult with their Schools Forums on any proposed changes to their Scheme for Financing Schools or Schools Funding Formula.
- 6.2 This report sets out the outcome of the autumn term consultation with schools and the Haringey Schools Forum on proposed changes to Haringey's Schools Funding Formula and Scheme for Financing Schools to take effect from 1st April 2008.
- 6.3 The consultation covered proposals to:
- a) Change the level of funding and the factors used for Additional and Special Educational Needs (AEN/SEN) allocations.
 - b) Change the methodology for allocating funding for teachers on the upper pay scale.
 - c) Insert a new section in Haringey's Scheme for Financing Schools on Community Facilities.
 - d) Increase the proportion of funding for pupils taking free school meals in the primary schools meal factor.
- 6.4 The most significant of these is the proposal on AEN/SEN funding. The narrowing of the gap between the achievement of pupils from deprived and non-deprived backgrounds is a major element of Government policy, as set out in the 2004 Child Poverty Review and the joint Treasury/DCSF report 'Child Poverty: Fair Funding for Schools'. An outcome of this was the requirement for all Schools Forums to review the way they target AEN and deprivation in their local Funding Formula. The DCSF have an expectation that funding received through the Dedicated Schools Grant for deprivation and additional needs should be targeted at improving the achievement of those pupils with the greatest need.
- 6.4.1 The AEN/SEN Review Group set up by Haringey's Schools Forum agreed that the methodology for distributing resources for Additional Educational Needs should be based upon the fundamental principle that those children who face the most significant barriers to learning will require additional resources to support progress and achievement. Such children will include those who experience social deprivation, special educational needs, or who are drawn from other vulnerable groups including children from some minority ethnic backgrounds. It is expected that these additional funds will be targeted towards additional support for more disadvantaged children and young people.
- 6.4.2 There is a strong correlation between deprivation and AEN and moderate levels of SEN and it is usual for deprivation factors to be used as proxy measures in allocating funding to meet these needs. Funding for pupils with more complex SEN is usually associated with a statement of special educational needs.

6.4.3 During the current (2007-8) financial year Haringey Council received 16% of its Dedicated Schools Grant (DSG) through additional deprivation factors; this equates to £21.86m within the Individual School Budget (ISB). This funding is passed to schools in full through Haringey's school funding formula but only £11m (8.2%) is allocated through the current deprivation factors. The Review Group concluded, therefore, that schools with high levels of deprivation are not receiving the full benefit of deprivation funding provided through the DSG. The proposed changes would, if agreed, address this by:

- ensuring that the additional deprivation funding received through the DSG is targeted in full by Haringey's funding formula at deprivation in schools;
- providing a better measure of relative social need by replacing the use of the Index of Multiple Deprivation and stages of English language acquisition as indicators with eligibility for Free School Meals and targeted ethnic minority groups;
- supporting inclusive learning;
- ensuring transparency in the process of allocating resources;
- ensuring that resources are distributed fairly and equitably between schools.

6.4.4 The impact of proposed changes would be to direct 'headroom', new funding, over and above the uplifts required by the Minimum Funding Guarantee, into AEN/SEN factors rather than into the Age Weighted Pupil Unit (AWPU) as at present. This would affect the distribution of resources, redirecting new funding from schools with lower levels of deprivation to those with greater levels. An indication on the relative change in resources for individual schools is shown in Appendix 3.

6.4.5 All schools are protected from a fall in cash budgets, unless there are changes in other factors, such as pupil numbers, by the Minimum Funding Guarantee (MFG). This ensures that all schools have a minimum per pupil increase from one year to the next. The national MFG for 2008/09 to 2010/11 is 2.1%, this has been deliberately set below the rate of inflation as the Government is expecting schools to realise efficiency savings.

6.5 The full consultation document was sent to headteachers and to chairs of governing bodies on 13th September 2007. Additionally, letters were sent to all governors informing them of the consultation and giving details of the web site where the detailed consultation could be found. Three 'road shows' were also arranged to discuss the AEN/SEN proposals to which all headteachers and governors were invited and meetings with parents' groups to explain the proposals are continuing.

6.6 The consultation ended on 7th November.

7. Outcome of the Consultation and Recommendations of the Schools Forum.

- 7.1 The Haringey Schools Forum at its meeting on 15th November 2007 received a report on the responses to the consultation. The report and its appendices are attached.
- 7.2 The Schools Forum agreed the following recommendations: -
- 7.2.1 That, in principle the proportion of deprivation funding that schools receive in the Individual schools Budget (ISB) should reflect the proportion of additional deprivation funding that Haringey receives in the DSG, which is currently 16%.
- 7.2.2 That the factors to be used in distributing AEN/SEN funding shall be:
- a) Eligibility for Free School Meals. As determined at the time of the January PLASC. Funding to be allocated pro-rata to the number of eligible pupils. For nursery children only IMD is to be used instead of free school meal eligibility.
- b) A prior attainment factor to be calculated from the end of Key Stage attainment data in Maths, English and Science. Key Stage 1 data would be used to calculate a prior attainment factor for Key Stage 2, and Key Stage 2 for secondary prior attainment. This factor will not apply to the infant and early years phases;
- c) a factor for unplanned admissions calculated on the basis of any children who start at a school 3 months after the majority of their peers;
- d) a factor to increase the rate of progress of specific underachieving groups that will be identified annually, and which for 2008/09 have been identified as African, African-Caribbean, Turkish, Kurdish and Gypsy, Roma and Irish Traveller background. Funding will be allocated pro-rata to the numbers of pupils in these groups.
- e) That the percentages in the consultation paper to be applied to these factors are:

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

- 7.2.3 That the threshold for receiving funding for specific statements should be set at 15 hours of special needs assistance support costed at Scale 4 (or a mixture of support of equivalent value). Funding for existing statements that fall between the current and new thresholds will continue for as long as the statement remains in place.
- 7.2.4 Section 14 – Community Facilities.
That the proposed new Section 14 of the Scheme for Financing Schools is agreed.
- 7.2.5 Funding for Teachers on the Upper Pay Scales.
That Option 1 is agreed; using the information provided by schools each January in the 618G return to identify the numbers of teachers on the upper pay scale. Funding will be provided for each teacher based on agreed levels of support averaged over numbers of teachers on the UPS. The Schools Forum will be consulted annually on the sum to be distributed through this factor
- 8. Recommendations.**
- 8.1 That Cabinet ratify the changes recommended by the Schools Forum to Haringey Council's Schools Funding Formula and Scheme for Financing Schools

Use of Appendices / Tables / Photographs

- Appendix 1. Report to Haringey Schools Forum - Response to the Fair Funding Consultation.
Fair Funding Consultation Responses Autumn 2007
- Appendix 1.1 AEN/SEN Proposals.
- Appendix 1.2 Section 14 – Community Facilities.
- Appendix 1.3 Funding for Teachers on the Upper Pay Scale.
- Appendix 1.4 School Meals Formula for Primary Schools.
- Appendix 2. Main Consultation Document.
- Appendix 3 Redistribution of New Resources between Individual Schools.