

## Agenda Item

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## Report Status

- For information/note
- For consultation & views
- For decision



### Report to Haringey Schools Forum – 25 February 2016.

#### Haringey DSG: analysis against statistical neighbour and London's 'Plowden' LAs

##### Author:

Chris Kiernan - interim assistant director, schools and learning

Contact: 020 8489 5075 Email: [chris.kiernan@haringey.gov.uk](mailto:chris.kiernan@haringey.gov.uk)

##### Purpose:

This report sets out budget allocations for primary, secondary and special schools, compared with those for our 'statistical neighbour' (SN) LAs, and 'Plowden' LAs. The LA's central budget, and the budget and allocations of the high needs block are also set out, against the same comparators.

The report uses funding allocation data from local authorities (LAs), which are required by section 251 of the Apprenticeships, Skills, Children and Learning (ASCL) Act, 2009 to submit statements to the government about their planned and actual expenditure on education in a standardised format.

All (English) LAs submit their statements annually to the secretary of state for education. The Department for Education (DfE) uses these data for publishing statistics, constructing benchmarking tables, answering parliamentary questions and responding to other requests for data.

The government notes that 'comparing information supplied through Section 251 is important for schools forums and others in their discussions about budget levels and use of funds (in the area)'.

This report should be seen in the context of the proposed national formula, about which the government has started its consultation process

##### Recommendations

That members:

- 1 note the report;
- 2 agree that schools forum finance sub-group convenes, with a remit to:
  - Receive and comment upon proposals from LA officers for reductions in retained expenditure over the 2017/18, 2018/19 and 2019/20 financial years;
  - Make recommendations to schools forum about the relative funding levels of the primary and secondary sectors in the context of the proposed increase in the secondary pupil / teacher ratio (PTR).

## 1 Background

1.1 There are four annexes to this report, each containing specific data concerning the overall dedicated schools grant (DSG) and its allocation centrally, to the high needs block and to school 'sectors' – that is, primary, secondary, special and AWPU. The annexes contain the following data:

- annex 1 (DSG) shows the overall schools budget for all statistical neighbour (SN) and Plowden local authorities (PLAs), the budget per 0-19 and 3-19 population (ranked), the central expenditure held by each authority, with the percentage of the overall DSG and ranking by its level;
- annex 2 (HNB detail) shows the overall high needs block (HNB), ranked against SNs and Plowden LAs, and the allocation amount and percentage that is retained, and allocated to mainstream, special, alternative provision, post-16 and independent schools;
- annex 3 shows special school, primary and secondary funding per 0-19 population and per pupil, ranked against Haringey's SNs;
- annex 4 shows special school, primary and secondary funding per 0-19 population and per pupil, ranked against Plowden LAs.

## 2 Report

### OVERALL SCHOOLS BUDGET (ANNEX 1)

2.1 Table 1 of the annex shows that, against the 3-19 population, Haringey is the fifth best funded of 11 SN LAs, and about 1.5 per cent above the median funding level. However, Haringey is third highest in relation to the percentage of the total budget held as central expenditure (8<sup>th</sup>), 8 per cent above the median.

2.2 The PLA table shows that Haringey is slightly above the mean and median funding level – 3<sup>th</sup> out of 6 – almost 0.7 per cent above the median funding level. This is 2<sup>nd</sup> out of 6, although only 0.5 per cent above the median in terms of central expenditure.

2.3 In summary, this should mean that Haringey, all other things being equal, all Haringey's schools – primary, secondary and special – should have per pupil funding just above the median when compared with both SNs and Plowden LAs.

### HIGH NEEDS BLOCK (ANNEX 2)

2.4 Table one shows that Haringey allocates much less than the average SN LAs to the high needs block – it is 10<sup>th</sup> out of 11, and allocates almost 6.5 per cent less than the median (and 9 per cent more than the mean). Table two shows that Haringey is 4<sup>th</sup> out of 6 Plowden LAs, although only one per cent below the median percentage expenditure.

2.5 The percentage of the HNB allocated to mainstream schools is very high – against Haringey's SNs, it is second highest, at 32 per cent, which is 67 per cent more than the median. Two Plowden LAs – Brent and Newham – allocate more, but Haringey is still 34 per cent higher than the median. This indicates that the proportion of high-needs pupils included in mainstream schools is significantly higher than is the case in other SN and Plowden LAs.

2.6 Haringey allocates a much lower percentage of its overall HNB budget to special schools – 17.7 per cent against a median of 39 per cent and 27 per cent in SN and Plowden LAs. The main reason for this is the high proportion of pupils educated in mainstream schools. While it is the case that Haringey spends more than the median for both SN and PLA in post-16, independent schools and retained funding, the variance is not large in any case.

2.7 Spending on independent schools is higher than SN LAs, but slightly lower against Plowden LAs (due principally to very high spending in two LAs). Haringey spends 17.7 per cent of its HNB on independent schools, against the median of 12.6 per cent – that is, 40 per cent more, or £1.8m more than would be required if its expenditure was on the median.

2.8 Retained funding is marginally higher than the median of SN LAs, two points or 13 per cent higher, meaning Haringey spends about £750,000 above the median. As Plowden LAs retain a

median of only 11 per cent of the HNB, Haringey spends almost 60 per cent more than the median – meaning it spends about £2.3m more than would be the case if it was a median spender compared with these LAs.

2.9 To summarise HNB budget allocations, Haringey spends much more on early years – although still under 2 per cent of the HNB; much more on post-16 – almost four times more than the SN median and over twice the PLA median; almost a third in mainstream schools; more on independent schools and on retained funding, but well under 20 per cent in special schools. Statistical returns are subject to different approaches and it is notable that four authorities report no spend on Post 16 students. This is unlikely and spend in this area may have been allocated under another category.

#### SCHOOL BUDGETS COMPARED WITH STATISTICAL NEIGHBOURS (ANNEX 3)

2.10 **Special schools** are allocated £10,529 – 6<sup>th</sup> and therefore on the median but slightly above the mean. The funding is, however, much lower than the average of the SN LAs that are assessed as being ‘close’ – in fact, second lowest (close is indicated by a ‘c’ in the LA name column).

2.11 **Primary schools** are funded at a slightly lower level than the SN average – 7<sup>th</sup> out of 11, 2 per cent under the median.

2.12 **Secondary schools** are allocated £6,553 - 16 per cent more than the SN median and mean.

2.13 However, the S251 statement, on which the above per-pupil allocations are made, will show all funding including the minimum funding guarantee, special units and post 16 in secondary schools; whereas the primary / secondary ratio calculated in the DfE’s funding allocation summary compares the formula funded element, which is the best comparator to use. .

#### SCHOOL BUDGETS COMPARED WITH PLOWDEN LAs (ANNEX 4)

2.14 **Special schools** are allocated £10,529 – 3<sup>rd</sup> and therefore slightly over the median (which is between 3rd and 4th out of 6) but well below the mean (£11,045, which is 5 per cent more). This might be a little misleading in that this is the delegated budget to special schools and is £10,000 per planned place. We would expect some variation around £10,000 as the budget is divided by actual rather than planned numbers in special schools.

2.15 **Primary schools** are allocated 3 per cent above the median, 5.4 per cent above the mean.

2.16 **Secondary schools** are funded at 12 per cent above the median and 13 per cent above the mean - a smaller differential than is the case with SNs, but still higher than the primary differential.

#### PRIMARY AND SECONDARY SCHOOL FUNDING DIFFERENTIALS USING LA FUNDING SUMMARIES (ANNEX 5)

2.17 The table in annex 5 contains the primary / secondary ratio for all SN and London Plowden LAs, and the mean for all London and (top tier) English LAs. For ease of reference, the mean and median of SN and London Plowden LAs is set out in the summary table below.

A Name	primary pupil nos	amount per pupil	total primary pupil funding	secondary pupil numbers	amount per pupil	total secondary funding	primary / secondary ratio	% diff
Haringey	21,468	£5,007	£107,484,947	11,142	£6,779	£75,531,808	<b>1.35</b>	n/a
statistical neighbour mean							1.34	1.4%
statistical neighbour median							1.33	1.8%
London Plowden mean							1.32	2.7%
London Plowden median							1.32	2.6%
London LAs - mean							1.31	3.4%
English LAs - mean							1.30	4.2%

2.18 The table shows the amount per pupil for Haringey primary and secondary schools - £5,007 and £6,779 respectively – and the ‘funding ratio: that is, secondary schools are funded 35 per cent more per pupil. The difference between these allocations and those derived from the LA’s section 251 statement are striking – the s 251 primary allocation is £4,595 (8 per cent less) and the secondary allocation £6,553 (3 per cent less). To summarise with some context:

- the percentage differential between Haringey’s ratio and that of its statistical neighbours is low, with a mean of 2.3 per cent and a median of 2.6 per cent – however, the low differential is due to three out of the seven other LAs (Lambeth, Southwark and Waltham Forest) having very high primary / secondary differentials;
- the differential between London Plowden LA’s and Haringey’s is higher, but is affected by one LA – Ealing – having a very high (1:1.41) ratio; and
- in London – where the outliers are fewer – the differential between the average and Haringey’s is greater, at 3.4 per cent; and
- finally, the differential with English LAs is highest of all the comparator groups, as the influence of the few LAs with very high ratios diminishes, and the differential is just over 4 per cent.

2.19 The above is particularly relevant in a context in which national funding will be implemented, coinciding with the review of the secondary pupil teaching ratio (PTR).

#### **HARINGEY RETAINED FUNDING IN THE HIGH NEEDS, SCHOOLS AND EARLY YEARS BLOCKS**

2.20 **The Haringey ‘retained’ high needs block** is £18.8m (69 per cent of the retained funding)..

2.21 **The retained schools block holds** funding of £4.66m – 17 per cent of retained funding, and includes budgets for pupil growth (allocations to schools with budget problems due to low numbers but where places are required in future) and contingency funding.

2.22 **The early years block** holds about £4m, about 14 per cent of retained funding, and is used to fund central support for settings.

### **3 Summary**

3.1 To summarise the characteristic features of DSG allocations in Haringey:

- it is slightly better funded compared to the median level of comparator LAs, while it is average in terms of the percentage of the budget held for ‘central’ expenditure (7.2 per cent);
- its high needs budget is relatively low against SN LAs (8<sup>th</sup> out of 11) and average (6<sup>th</sup>) but below the median for Plowden LAs;
- it expends a low percentage of its HNB on special schools (10 out of 11 and 9 out of 11 against SN and Plowden LAs respectively, but much more on alternative provision (top and second highest respectively) and on independent school places – 3<sup>rd</sup> highest in both comparator groups;
- the total budget is exactly the same if special school, alternative provision and independent budgets are added together compared with SN LAs (two thirds of the total) and exactly the same as these groupings plus mainstream when compared with Plowden LAs (as HNB budgets are higher in these LAs region than in Haringey or SNs);
- its special schools are funded at a lower per-pupil level than mainstream primary and secondary schools compared with SNs, but not when compared with Plowden LAs;
- its special school allocation per pupil is relatively low – 14<sup>th</sup> out of 21 SN and Plowden LAs – and taken together with independent school expenditure, this might indicate that higher levels of need are being met by special schools in other areas;
- the percentage difference between per pupil funding in primary and secondary schools is higher than average, especially compared to all London and English LAs; and
- the implementation of a national formula is likely to cause a redistribution of funding away from secondary schools to primary schools, with the potential for significant challenge in secondary schools as structural expenditure will almost certainly be more than the budget available.