

**Agenda Item
12**



Report Status

For information/note
For consultation & views
For decision

Corporate Finance

Report to Haringey Schools Forum – 30 June 2016

Report Title: Administrative arrangements for the allocation of central government grants paid to schools via the authority.

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Purpose: To comply with the Schools Forum (England) Finance Regulations in informing members of the arrangements for administering grants paid to schools.

Recommendations:

That members note the report.

1. Introduction.

1.1. The Schools Forum (England) Finance Regulations require that:

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.

1.2. This report sets out the administrative arrangements for (d), the allocation of central government grants paid to schools via the local authority.

2. School Grants.

2.1. The grants are administered by the LA's Corporate Finance Team, and the Shared Service Centre. The major grants are set out below.

Dedicated Schools Grant (DSG).

2.2. Forum members will be familiar with the arrangements for the allocation of the DSG. It is split into three blocks, for high needs, early years and schools. In the latter two areas the LA is allowed to retain budgets centrally with the approval of the Forum. Budgets so retained cannot be higher than in 2012-13. Although the LA is entitled to retain funding for high needs the practice in Haringey is to consult with the Forum on all proposed retentions, in most cases following earlier consultation with working parties.

2.3. The Forum receives reports on the proposed use of the DSG between December and, normally, February. Following decisions on centrally retained budgets, de-delegation and on the Growth Fund the remaining budgets are delegated through the three funding formulae in use:

- 2.3..1. The Schools Funding Formula, agreed in consultation with the Forum, working parties and schools. The individual school allocations are now calculated using a pro-forma provided by the Education Funding Agency (EFA). Once the EFA have validated and approved the pro-forma the amount to be 'recouped' from the DSG and paid directly to academies is calculated. The balance is paid to the LA in 25 instalments and passed on to maintained schools through 12 equal monthly cash advances. Payments to maintained schools are paid net of de-delegated sums.
- 2.3..2. The Early Years Single Funding Formula, agreed in consultation with the Early Years Working Party, the Forum and early years providers. The LA is responsible for paying the free entitlement to all providers, including academies and free schools and Private, Voluntary and Independent (PVI) settings. Schools, including academies and free schools receive payment through the monthly cash advance, and PVI's are paid by the Early Years Team on an agreed periodic pattern. PVI funding is adjusted throughout the year to reflect actual numbers in the setting. For maintained provision the allocations are indicative but are not changed during the year; any adjustments being made in the next financial year.
- 2.3..3. The special school and alternative provision providers are funded at £10k per agreed place. The EFA will 'recoup' funding for academies and the remainder is paid through the monthly cash advance.
- 2.4. Two year old funding is also paid through the DSG and payments administered by the Early Years Team.
- 2.5. Payments will also be made to schools from centrally retained budgets, including special educational needs funding, Growth Fund payments etc. and are generally made through the monthly cash advance.
- 2.6. Any DSG unspent at the end of the year must be carried forward for the purposes of the Schools Budget. The outcome for the previous year is reported to the summer term Forum meeting.
- 2.7. The Chief Finance Officer (CFO) must certify that the DSG is being used as required by the School and Early Years Finance Regulations and must produce a note to the LA's accounts showing DSG received and allocated.

Pupil Premium.

- 2.8. For pupils in KS1 to KS4, including reception classes, this is calculated by the EFA using data they hold. It includes funding for those deemed to be from a deprived background, identified as having been eligible for free school meals at any time in the last six years, children of service

families, and children adopted from care. The money for maintained schools is passed to the LA and paid in its entirety to schools through the monthly cash advance. The actual allocation is not confirmed until the June after the start of the financial year.

- 2.9. Pupil Premium is also paid in respect of eligible three and four year olds in early years settings and is administered by the Early Years Team.
- 2.10. The LA also receives funding for current Looked After Children (LAC). This funding is controlled by the Head of the Virtual School. In Haringey a small sum is retained for the overall benefit of LAC with the bulk of the funding passed to the school in which the pupil is placed. If that is a Haringey school it is paid through the monthly advance.
- 2.11. The CFO must certify that the Pupil Premium and following grants have been allocated as required by the grant conditions attached to them.

Education Funding Agency (EFA) Post 16 Students.

- 2.12. The funding is calculated by the EFA using its formula and contracts with the LA on the payments to be received in respect of maintained schools. The LA has to certify at the year end that all payments have been passed to the appropriate school. This is done through the monthly cash advance. Payments from the EFA will also be received in respect of bursaries that are also passed to schools.

Universal Infants Free School Meals.

- 2.13. This is paid on an academic year basis using data from the October and January censuses. Allocations are annual and finalised in June. The grant covers primary age pupils not otherwise eligible for free school meals. It is paid to maintained schools through the monthly cash advance and directly by the EFA to academies.

Devolved Formula Capital

- 2.14. This is calculated using a lump sum plus an amount per pupil. The grant is received by the LA for maintained, non voluntary aided schools and passed on in its entirety through the cash advance in equal instalments. Academies and voluntary aided schools receive funding from the EFA.

Summer Schools.

- 2.15. The DfE makes a provisional allocation for each local authority's summer schools funding. A schedule of schools taking part in the programme in each local authority is issued by the DfE based on an amount per eligible pupil per week identified by each participating secondary school that will run a summer school. The DfE make an allocation of 50% of projected funding in June and this is paid to

maintained schools as a lump sum through cash advances as soon as possible thereafter.

- 2.16. Summer schools funding allocations are adjusted in October when schools submit confirmation that the summer schools took place and the number of eligible pupils who confirmed they would attend.

Year 7 Catch-Up.

- 2.17. The grant is paid for Year 7 pupils not achieving specified levels in numeracy and literacy. It is paid as a lump sum per pupil and normally comes to LAs for maintained schools in February and is paid as a lump sum through cash advances as soon as possible thereafter.

PE and Sports.

- 2.18. This funding has been used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils. It is paid in two tranches, in October and April and is passed on to schools as lump sums through the nearest possible cash advance.

School Direct (NCTL).

- 2.19. Paid to lead schools participating in the programme. The funding is paid to LAs for maintained schools and passed on through cash advances.

Miscellaneous Grants.

- 2.20. The main grants are set out above. In addition some smaller or more limited grants may become available during the course of the year that will be administered in accordance with their accompanying Conditions of Grant.