

Agenda Item
7



Report Status

For information/note
For consultation & views
For decision

The Children and Young People's Service

Report to Haringey Schools Forum – 20th October 2016

Report Title: Dedicated Schools Budget 2016-17 and 2017-18

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Purpose:

1. To inform members of the final Dedicated Schools Grant allocation for 2015-16 and the latest Dedicated Schools Grant allocation for 2016-17.
2. To inform members of the latest projections for the 2016-17 Dedicated Schools Grant outturn and its implications for the Dedicated Schools Budget.
3. To update members on the national changes and local challenges affecting the 2017-18 Dedicated Schools Budget.
4. To consult with members on the proposed funding changes to Haringey's Schools Funding Formula for 2017-18.

Recommendations, that:

1. Forum note the final 2015-16 and the latest 2016-17 Dedicated Schools Grants as set out in Table 3.

2. **Members note the projected outturn for the 2016-17 Dedicated Schools Budget.**
3. **Members note the challenges for the 2017-18 Dedicated Schools Budget.**
4. **Members agree the recommended change to IDACI values for Haringey's 2017-18 Schools Funding Formula (Option 2).**

1 Key Points.

1.1 Dedicated Schools Grant (DSG) 2016-17:

- 1.1.1 There is a small net increase of £50k in the High Needs Block.
- 1.1.2 Overall there is no net change in the Early Years Block as an increase in two year old funding of £380k is offset by reductions in three and four year old funding and Early Years Pupil Premium.
- 1.1.3 In addition to the 2016-17 DSG there are non-school DSG reserves of £3.252m, the majority of which was previously earmarked for early years.
- 1.1.4 There is a projected overspend on high needs of £0.88m in 2016-17 and delays in implementing the savings plan previously presented to Forum. The overspend will need to be contained within overall DSG resources, including reserves. Further work on this needs to be presented to the High Needs Block Sub-Committee and detailed papers presented to Forum in December and January. Strategic decisions will be required to ensure spend remains within overall resources.
- 1.1.5 The overall position reported at the end of August 2016 is:

Table 1a. Budget Monitoring Position for the Dedicated Schools Budget as at August 2016.

Block	Net Budget	Projected Spend	Variance
	£m	£m	£m
Schools	141.30	141.31	0.01
Early Years	15.46	15.47	0.01
High Needs	32.63	33.51	0.88
Total DSG	189.39	190.29	0.90

Table 1b Impact of forecast position in 2016/17 on DSG reserves

	1 st April 2016	Movement from Table 1a	31 st March 2017
DSG Reserves	3.25	-0.90	2.35

1.2 DSG 2017-18.

- 1.2.1 There are technical changes to rebase the funding blocks, adjust high needs funding for post 16 students and remove post 16 funding from the Schools Block.
- 1.2.2 Pupil numbers are expected to increase from 33,059 in October 2015 to an estimated 33,671 in October 2016. This would give an estimated increase of £3.57m in the Schools Block. Of this about £2.54m relates to maintained schools.
- 1.2.3 Changes in Local Authority (LA) funding will remove the Education Services Grant (ESG) from September 2017. There will be a transfer of ESG into the Schools Block of £0.55m. The LA can seek the Forum's permission to de-delegate funding for the remainder from maintained schools; the estimated gap in funding is £1.355m in 2017-18 rising to £2.286m in 2018-19.
- 1.2.4 The Apprenticeship Levy will be imposed from April 2017. This is a levy on all employers whose payroll exceeds £3m and is charged at 0.5% of the pay bill. All maintained schools where the Council is the employer will count against Haringey's levy, which will be passed on to schools. The position of voluntary aided and foundation schools is being clarified.
- 1.2.5 We are not proposing any changes in the funding formula for 2017-18 other than for national data changes. This report proposes changes in respect of the rebased Income Deprivation Affecting Children (IDACI) factor.
- 1.2.6 As noted in 1.1.4 the High Needs Block (HNB) is projecting an overspend in 2016-17. Delays in implementing savings will also reduce the ability to make savings in future years. The High Needs Block Sub-Committee will need to look at revised strategies to contain expenditure and report to Forum in December/January.
- 1.2.7 There will be a national funding formula for early years from April 2017. Overall this should see additional resources available for the majority of early years providers. There will be a significant reduction in the funding that can be retained centrally and this will have implications for children centres providing childcare. There will also be an increase in the hourly rate received for two year olds and the latest DSG allocation has seen an increase in the number of two year olds funded. Strategic decisions will need to be made in the use of DSB resources in setting budgets for 2017-18.
- 1.2.8 The budgetary pressures in the High Needs Block, if not contained within the block will further reduce reserves, as shown in Table 2. This

assumes that the pressures within both the Schools and Early Years Blocks will be contained within the resources available.

Table 2a: Dedicated School Budget Projections 2017-18.

Block	Budget	Projected Spend	Variation
	£m	£m	£m
Schools	196.48	196.48	0.00
Early Years	18.43	18.43	0.00
High Needs	35.34	35.36	0.02
DSG	250.25	250.27	0.02

Budgets are the Indicative adjusted budgets from Table 5 and HNB projections from 6.4.

Table 2b Impact of forecast position in 2017/18 on DSG reserves

	1 st April 2016	Movement from Table 2a	31 st March 2017
DSG Reserves	2.35	-0.02	2.33

2 Introduction.

- 2.1 This report updates Forum on the latest Dedicated Schools Budget (DSB) position for 2016-17, sets out the proposed changes to the Schools Funding Formula for 2017-18 and highlights some of the other changes to funding that will affect the DSB in 2017-18 and future years.
- 2.2 Further reports on the DSB will be brought to the Forum in December and January. Prior to that Haringey Council will consult on proposals to change the local Schools Funding Formula and the Early Years Funding Formula.

3 Current Financial Year.

- 3.1 The indicative Dedicated Schools Grant (DSG) is issued in the December preceding the start of the financial year. Thereafter it is normally updated twice to take account of revised early years numbers and any other changes.
- 3.2 The first update for 2016-17 and the final update for 2015-16 were issued in July and Table 3 compares the latest position for 2016-17 with that previously reported to Forum.
- 3.3 For 2016-17 the early years block remains the same in total but sees an increase in funding for two year olds (£0.38m) offset by a reduction in

both three and four year old funding (£0.23m) and in the Early Years Pupil Premium (£0.15m). The final allocation for 2015-16 was £85k higher than previously reported due to increased numbers of children in early years.

- 3.4 There is a £50k reduction in the 2016-17 High Needs Block (HNB) in respect of a change in further education place numbers with a corresponding movement of funds from the DSG to the Education Funding Agency (EFA). This was offset by a reduction in recoupment of £100k in high needs.

Table 3. Final Dedicated Schools Grant for 2015-16 and Latest for 2016-17.

Blocks	Final DSG 2015-16	Indicative DSG 16-17	DSG July 2016
	£m	£m	£m
Schools Block	192.64	195.54	195.54
High Needs Block	31.80	31.69	31.64
Early Years Block	15.54	15.45	15.45
Total DSG	239.98	242.68	242.63

Figures rounded by EFA to two decimal points

- 3.5 The foregoing are the block totals allocated by the EFA. Schools Forum has over a number of years reallocated resources between blocks resulting in the allocations set out in Table 4. Also shown is the money 'recouped' by the EFA for direct payment to academies and other providers. The allocation of the net DSG to individual budget heads is shown in Appendix 1. Members are asked to note the latest allocations.

Table 4. Reallocation of DSG Blocks and Net DSG after Recoupment.

Blocks	Forum Allocation	Recoupment	Net DSG
	£m	£m	£m
Schools Block	193.21	-51.91	141.30
High Needs Block	33.96	-1.33	32.63
Early Years Block	15.46	0	15.46
Total DSG	242.63	-53.24	189.39

- 3.6 In addition to in-year resources there are non-school DSG reserves of £3.252m brought forward from previous years. These cover:

Early Years	£3.035m
Schools in Financial Difficulty	£0.153m
Growth Fund	£0.070m
Governor Support	£0.040m
High Needs Block	<u>(£0.046)m</u>
Total	£3.252m

- 3.7 As reported to Forum on 25th February, there are significant pressures within the HNB. At that time it was reported that estimated HNB commitments were £33.21m compared with the (revised) £32.63m available, an in-year (revised) overspend of £0.58m. At that time, savings proposals of £0.50m were identified leaving an in year (revised) deficit of £0.08m.
- 3.8 Budget monitoring at the end of August showed a projected in year deficit of £0.88m for the HNB, in addition there is a deficit roll forward of £0.05m giving a projected cumulative deficit at year end of £0.93m. This will need to be contained within overall DSG resources, including reserves.
- 3.9 For the Schools Block a very small variance, £13k, was reported at the end of August.
- 3.10 For the Early Years Block the main determinant of any variation from budget will be the number of two year olds actually in place compared with numbers recorded in the January counts. Paragraph 3.3 notes the increase in funding of £0.38m and any remaining shortfall will be the first call against the brought forward balance set out in 3.6. At the end of August early years budgets were projecting a very small overspend of £5k.

4 Proposed Future Year Funding Changes.

- 4.1 The Department for Education is planning substantial changes to the Dedicated Schools Budget, school organisation and Local Authority (LA) responsibilities. These were set out in its stage one consultations on a national schools funding formula, funding high needs and an early years national funding formula. Plans for changes in school organisation and LA responsibilities were set out in the White Paper 'Education Excellence Everywhere'.
- 4.2 In preparation for a National Schools Funding Formula (NSFF) the Education Funding Agency (EFA) carried out a 'rebasin' exercise to reset the three existing blocks of the Dedicated Schools Grant¹ (DSG) and to create a new fourth block, the Central Block that would separate out the centrally retained items currently in the Schools Block.

¹ Schools Block, High Needs Block and Early Years Block.

- 4.3 The original intention was to introduce a NSFF from April 2017 but the introduction has been postponed for a year until April 2018. Similarly the plan to begin moving to a formula led High Needs block has been postponed but the rebasing of the block will be reflected in the 2017-18 DSG.
- 4.4 The DfE are expected to provide further details of the NSFF and high needs funding in their second stage of consultations expected in the autumn term.
- 4.5 A change that will begin in April 2017 is the move to an early years national funding formula.
- 4.6 One of the main proposals of the White Paper, enforced academisation, has been modified but other proposals in the White Paper, such as the removal of local authority responsibility for school improvement, are likely to remain.
- 4.7 Table 5 sets out the latest position for the 2016-17 DSG, including the adjustments notified in July, and estimates for the 2017-18 DSG.

Table 5 Comparison of 2016-17 DSG and Estimated 2017-18 Allocations.

Block	2016-17	EFA indicative 17-18	Indicative adjusted for estimated SB pupil numbers
	£m	£m	£m
Schools Block	195.54	192.36	195.92
ESG Transfer to SB		0.55	0.56
High Needs Block	31.64	34.48	34.48
Transfer of Post 16		0.86	0.86
Early Years Block	15.45	16.37	16.37
Extension to 30 hrs		2.06	2.06
Total	242.63	246.68	250.25

EFA estimates 21/7/16 updated to include DfE Illustrative early years estimates.

- 4.8 The following sections look at each funding block in more detail.

5 Schools Block 2017-18.

- 5.1 The 2017-18 Schools Block Funding allocation will be published in mid-December once the October census data has been validated. The allocation will be determined by pupil numbers and the Schools Block Unit of Funding (SBUF). The Block will also include the transfer of the Retained Funding element of the Education Services Grant, see 5.5.

5.2 Estimated pupil numbers for October 2016 are 33,671 compared with 33,059 on which the 2016-17 DSG was calculated. The 2017-18 indicative SBUF is £5,835.24 giving an estimated increase of £3.57m in funding. Of this about £2.54m relates to maintained schools.

5.3 Schools Funding Formula.

5.3.1 Although the NSFF has been postponed local authorities are still responsible for keeping the local funding formula under review. In preparing for 2016-17 the Forum set up a Formula Review Group to look in detail at the funding formula. Forum on 22nd October 2015 were informed that:

‘ The group’s view after considering the foregoing (comparative analyses) was that there should not be any general changes to the funding formula for 2016-17.’

The only exception was the removal of the secondary lump sum to create a secondary SEN contingency.

5.3.2 Subsequent changes to the national data underlying the Income Deprivation Affecting Children Index (IDACI) led to some changes with the aim of minimising turbulence; overall there was a net increase in deprivation funding.

5.3.3 The Group was reformed in preparation for the 2017-18 budget round and the introduction of the NSFF. As the NSFF has been postponed the Group took the view that, following last year’s review and the introduction of the NSFF in 2018-19, Haringey Council should not make changes to its funding formula for 2017-18 except where national changes are required.

5.3.4 There are two national data changes for 2017-18. The first is a rebasing of the IDACI bands following last year’s data changes; the second, a national weighting for secondary low attainment figures (2016 KS2 assessment), will not be available until December.

5.3.5 The IDACI alterations have been modelled with the aim of minimising year on year changes. Two options have been considered; the first is to apply values for all bands at 84.58% of the 2016-17 level (the overall percentage difference between the annual totals using the 16-17 values). The second option was to vary this percentage to achieve the closest total value to the 2016-17 allocation. Table 6 sets out the current and proposed rates for IDACI using this second approach.

Table 6. IDACI Bands and Funding Rates 2016-17 and Bands and Proposed Funding Rates 2017-18.

2016-17			Proposed 2017-18			% Change	
	Primary	Secondary		Primary	Secondary	Primary	Secondary
IDACI Band 1	251.75	437.64	IDACI Band F	213.99	376.37	0.85	0.86
IDACI Band 2	307.70	538.65	IDACI Band E	261.55	452.47	0.85	0.84
IDACI Band 3	391.60	685.54	IDACI Band D	332.86	589.56	0.85	0.86
IDACI Band 4	503.47	881.39	IDACI Band C	427.95	749.18	0.85	0.85
IDACI Band 5	615.35	1,077.28	IDACI Band B	523.05	915.69	0.85	0.85
IDACI Band 6	895.05	1,566.91	IDACI Band A	716.04	1,159.51	0.80	0.74

5.3.6 The impact of the proposed values is set out in Appendix 3, which shows the 2016-17 allocations, 2017-18 allocations if the current values are retained and allocations using the two options set out in 5.3.5. Appendix 4 sets out the background to the changes. Schools will need to be consulted on the proposed values. **Forum is asked to endorse the recommendation that the proposed 2017-18 values (option 2) be adopted so as to minimise year on year changes in deprivation funding.**

5.3.7 A further change for 2017-18 is the removal of the power to provide post 16 funding from the DSG. Historically Haringey has provided £381k, for Haringey Sixth Form Centre to reflect that the Centre was funded under school regulations and therefore eligible for grant funding that was subsumed into the DSG.

5.4 Centrally retained Schools Block funding.

5.4.1 Before allocating school funding through the funding formula some School Block funding is 'top-sliced' to be retained centrally. This can only be done with the Forum's permission. As part of the proposed changes the DfE plan to create a formula funded central block, moderated initially by historical commitments. Alongside the NSFF the creation of the new block has been postponed for a year.

5.4.2 Haringey Council's proposals for budgets to be centrally retained and de-delegated will be presented to Forum in December/January but will include additional elements for de-delegation because of the changes to the Education Services Grant, see 5.5.

5.5 Education Services Grant (ESG).

- 5.5.1 The ESG provides funding for central education services not covered by the DSG. The ESG is made up of two funding rates, the larger is the general funding rate through which LAs are financed to provide services for maintained schools, the smaller, £15 per pupil, is the retained duties rate for services provided to all state funded schools.
- 5.5.2 In 2016-17 Haringey received £2.235m for the general element and £0.549m for the retained duties element, a total of £2.784m. In Haringey the ESG has been treated as an addition to the general fund and the services it funds treated as core budgets.
- 5.5.3 It was announced in the 2015 Spending Review that savings of £600m from the general rate of the ESG would be made by 2019-20. The Schools Revenue Funding 2017-18 Operational Guide, published in July 2016, set out the ESG position for 2017-18 and future years. It announced that the general duties element will be removed from September 2017, with transitional arrangements for April 2017 to August 2017 to be announced later this year. The retained duties element will transfer into the DSG from April 2017.
- 5.5.4 The Education Funding Agency (EFA) recognises that LAs will need to use other sources of funding to pay for education services once the general rate element is removed and intend to allow LAs to retain (de-delegate) funding from the Schools Block of the DSG to cover statutory duties for maintained schools. Elements can also be retained from the HNB in respect of special schools and pupil referral units. The amount to be retained will need to be agreed with relevant members of the schools forum. If a consensus between an LA and its forum cannot be reached the matter can be referred to the Secretary of State.
- 5.5.5 The transitional arrangements for 2017-18 have not yet been published but it is assumed that this will be 5/12th of the annual allocation (£0.931m) leaving a shortfall of £1.355m² in 2017-18. In a full year the shortfall will be £2.286m.
- 5.5.6 Paragraph 5.2 sets out the estimated increase in pupil numbers and funding. The estimated increase of £2.54m in maintained school funding will provide an additional resource against which requests for additional de-delegation will need to be assessed.
- 5.5.7 The retained duties element will transfer into the Dedicated Schools Grant (DSG) from April 2017. In the first year it will form part of the Schools Block moving into the new Central Block in 2018-19. Although further guidance is due it is believed that this funding is to

² Net ESG (Table) £2.835m less retained duties £0.549 less estimated transitional funding £0.931m.

cover the three roles LAs will retain in respect of all state funded schools, namely:

- a. Ensuring every child has a school place.
- b. Ensuring the needs of vulnerable pupils are met.
- c. Acting as champions for all parents and families.

5.5.8 Alongside the reduction in the ESG are the proposed changes in LA duties set out in the White Paper, 'Education Excellence Everywhere'. These assumed the conversion of all maintained schools to academies, this has since been modified but the expectation remains that that the majority of schools will become academies.

5.5.9 The services covered by the ESG and their cost are shown in Table 7, for Asset Management the figure is based on the median figure for London authorities. Both this and the figure for Statutory Duties need to be reviewed. The following paragraphs give a brief description of the services.

Table 7. Services Funded from the Education Services Grant.

Service	ESG Expenditure	Other Income	Net ESG	Transfer to DSG**
	£000	£000	£000	£000
School Improvement and Curriculum Monitoring.	754.1	134.5	619.6	
Education Welfare	581.8	108.0	473.8	473.8
Music Service	1,608.7	1,605.8	2.9	
Statutory and Regulatory Duties*			1,326.0	75.2
Asset Management*			235.0	
Redundancy Costs	177.6	0	177.6	
Total			2,834.9	549.0

* To be reviewed

** To be confirmed.

5.5.10 The assumption that all schools would become academies effectively meant that responsibility for school improvement would cease to be a LA responsibility. The removal of the compulsory requirement to convert leaves this less clear cut.

5.5.11 Redundancy costs are a LA responsibility unless there are good reasons to expect a school to bear them. The LA is not responsible for such costs in academies so if more schools become academies the

need for this budget will reduce. In the current situation the demands on this budget are increasing as school budgets are cut in real terms.

5.5.12 Asset management covers the LAs landlord function and only relates to maintained schools; again the demand for this funding depends on the future pattern of academisation in Haringey.

5.5.13 Attendance and Welfare. The three future roles for LAs envisaged in the White Paper and set out in Paragraph 5.5.7 includes the welfare of vulnerable pupils. This can therefore be funded from ESG resources moving into the DSG.

5.5.14 Statutory Duties. This covers a variety of duties including the duty to appoint a Director of Children's Services, prepare and monitor budgets and financial regulations, provide internal audit, provide elements of human resource support, certain health and safety responsibilities and maintain the Standing Advisory Council on Religious Education. Some of these duties would diminish as schools convert to academies but others, such as the appointment of a Director of Children Services will remain. Whilst the LA continues to have maintained schools responsibilities will remain, as will the duty to appoint a Director of Children's Services.

5.6 Apprenticeship Levy.

5.6.1 This is being introduced in April 2017. The apprenticeship levy is payable by an employer, in any sector, with a pay bill of more than £3 million each year. For the purposes of the levy, an 'employer' is someone who is a secondary contributor; that is with liability to pay employers' National Insurance contributions (NICs) for their employees.

5.6.2 The levy will be charged at a rate of 0.5% of the annual pay bill. The detail of how this works in schools is still being investigated. It is expected that all maintained schools, excluding voluntary aided and foundation schools will count against the Council's levy and this will be passed on to those schools. Voluntary aided and foundation schools may be treated separately and only come into the scope of the levy where its payroll exceeds £3m.

5.6.3 The levy will be used to provide enhanced rates for apprentice training.

6 High Needs Block 2017-18.

6.1 The indicative HNB is set out in Table 5. This is the 'rebased' total. The EFA's guidance allowed some leeway in block totals and as it was expected that the Schools, Central and Early Blocks were to be allocated mainly through formula whereas the HNB would be largely

historical the block was maximised in the exercise. The effect of this on School and High Need Block budgets allocations, based on the Forum's decisions for 2016-17, are set out in Appendix 2.

- 6.2 The EFA have stated that there will be, as in previous years, an uplift nationally to be notified in December but warn that not all LAs will benefit. Last year Haringey's uplift was £0.4m but no uplift is assumed in the following.
- 6.3 Table 5 shows an increase in the HNB of £0.86m for a movement of post 16 funding. This is a transfer of place funding for high needs places in FE colleges and post-16 charitable and commercial providers. These institutions currently receive £6,000 per place from the EFA as part of their post-16 allocation. From 2017 to 2018 all of these places will be funded from the initial high needs block allocations to local authorities. Deductions will then be made to fund institutions directly, as a result of information collected from local authorities, before the high needs block allocations are finalised in March 2017. The EFA will continue to pay this place funding direct to institutions. This is assumed not to have an impact on the net HNB DSG.
- 6.4 Forum in February received a report on the pressures on the HND with an action plan to bring the block back in to balance. Paragraph 3.8 updates the projected HNB overspend for 2016-17. A major element in the recovery plan was the expectation that the new Grove free special school would help relieve the pressure on expensive placements. The opening of The Grove has been delayed; reducing anticipated savings by £0.228m in both 2017-18 and 2018-19. Other elements of the action plan are being reviewed and will be reported on in December and January. The impact of 2016-17 projections and the delays at The Grove give revised projections of:

Overspend brought forward	£0.05m
Projected 2016-17 overspend	£0.88m
Reported underspend 2017-18	(£0.342m)
Unrealised Grove Savings	£0.361m
Reported underspend 2018-19	(£0.474m)
Unrealised Grove savings	<u>£0.288m)</u>
Projected overspend end 2018-19	£0.763m

- 6.5 This assumes other savings are realised and no additional overspends arise in future years. This overspend needs to be contained within the overall DSB resources available and members should note this includes the non-schools DSG reserve set out in Paragraph 3.6.

7 Early Years Block 2017-18.

- 7.1 Forum on 15th September considered its response to the consultation on an early years national funding formula and will receive further

reports on the proposed funding arrangements for 2017-18. The following paragraphs set out the probable implications for Haringey in 2017-18

- 7.2 For the majority of LAs there will be a funding increase in the basic funding rate for two, three and four year olds plus additional funding for the extension of the free entitlement to 30 hours for working parents. The change in rates for Haringey will be:

Table 8. Early Years Hourly Funding Rates Received 2016-17 and Indicative Rates 2017-18 to 2018-19.

Item	2016-17	2017-18	2018-19
3 & 4 year olds	£5.63	£5.66	£5.66
2 year olds	£5.28	£5.66	£5.66

- 7.3 In cash terms this will generate the following for Haringey based on current numbers of children.

Table 9. Early Years Block Indicative Allocations 2016-17 to 2018-19.

Item	2016-17	2017-18	2018-19
	£m	£m	£m
3&4 year old 15hr entitlement	12.860	12.931	12.931
2 year old entitlement	2.420	2.599	2.599
Early years pupil premium	0.175	0.175	0.175
Nursery school supplement (1)		0.663	0.663
Total for existing activities	15.455	16.368	16.368
New activities			
3&4 year old 30hr entitlement	0	2.057	3.526
Total	15.455	18.425	19.894

(1) Currently funded from 3&4 year old 15hr entitlement.

- 7.4 In addition there will be targeted Disability Access Funding for children in receipt of the Disability Living Allowance that will be passported to the setting providing the place.
- 7.5 Currently there is no limit to the amount that can be retained centrally by the Council but centrally retained budgets must be approved by the Schools Forum. The DfE's proposal is that centrally retained budgets

will be capped at 7% of three and four year old funding in 2016-17 and 5% in 2017-18. Current centrally retained budgets are:

Table 10. Centrally Retained Early Years Block 2016-17.

Budget	£000
Childcare subsidy	1,427
Early Years Team	390
School Improvement	73
Other support costs	34
Total	1,924

7.6 The limit proposed for centrally retained budget will be:

2017-18	£1,049k
2018-19	£823k

7.7 This will require decisions on what will be funded centrally in future. The childcare subsidy provides support to Haringey's eight children's centres enabling lower fees to be charged to parents in the more deprived areas of the borough. Decisions here will necessarily impact on fees charged to parents.

7.8 The consultation is proposing a universal hourly base rate plus supplements capped at 10% of the delegated hourly rate. The 2017-18 delegated rate in Haringey will be £5.26 (93% of £5.66), of this up to just over £0.52 (10%) can be distributed through supplements. If the maximum supplement is applied £4.74 will be the universal base rate in 2017-18. The corresponding figures for 2018-19 are a base rate of £4.84 and a supplement of £0.54.

7.9 Current base rates vary between £3.37 and £4.27 so all settings will gain; however, current supplements account for 16.75% of funding so the impact on individual settings will depend on the impact of higher base rates and lower supplements.

7.10 Nursery schools are expensive settings and are difficult to fund through the medium of hourly rates and supplements. To maintain sustainability in Haringey a lump sum allocation of £237k is provided to each of the three nursery schools. The DfE proposes a new funding allocation for at least two years to maintain nursery sustainability. For Haringey this will be £663k. This is £49k less than the current allocation although the schools will also benefit from the higher base rate, although offset against this will be a probable loss of supplementary funding.

7.11 The DfE have indicated that there will be a separate consultation on the future of nursery school funding.

7.12 Two year old funding rates are currently £6 per hour, £0.72 higher than the funding received through the DSG. The DSG reserves contains £3.035m to enable the higher rate to be paid, although it is acknowledged that this could only be for a limited time and that other savings would need to be found if this was to continue. An additional call on the reserve has been the shortfall in the number of two year olds actually funded compared with the census counts on which the DSG is based. This situation appears to have improved in 2016-17 with an increase in two year old funding of £0.38m.

7.13 The increase in the EFA's funding rate for Haringey two year old to £5.66 and restrictions on centrally retained early years funds will require the review of the hourly rate paid by Haringey for two year olds.

Appendix 1 Allocation of Dedicated Schools Grant July 2016.

	Schools Block £m	High Needs Block £m	Early Years Block £m	Total £m
DSG	195.54	31.64	15.45	242.63
Recoupment	-51.91	-1.33	0.00	-53.24
DSG Budgets	143.63	30.31	15.45	189.39
Inter Block Transfers	-2.33	2.32	0.01	0.00
Revised Blocks	141.30	32.63	15.46	189.39
Delegated Budgets Schools	136.57	4.28	6.07	146.92
Growth Fund	1.18			1.18
Private Voluntary and Independent Early Years Children Centres EYSFF			4.33	4.33
Tuition Service		0.55	0.54	0.54
Total Delegated	137.75	4.83	10.94	153.52
Chld Resid'tial Placements	0.80			0.80
School Improvement	1.10	0.01	0.07	1.18
Schools Forum	0.01			0.01
Gov Supp & Training	0.13			0.13
Attendance and Welfare - Alternative Provision.		0.18		0.18
Simmons House		0.18		0.18
Alternative Prov Commissioning		1.14		1.14
Visual Impairment Provision		0.18		0.18
SEN Strategy Manager		0.14		0.14
Language Support Team (DSG)		0.46		0.46
SEN - Admin Team		0.18		0.18
Hearing Impairment Team		0.16		0.16
SEN - Transport - (DSG)		0.50		0.50
LOVAAS		0.03		0.03
Speech & Language Therapy		0.46		0.46
Parent Partnerp Mark		0.10		0.10
Autism Support Team		0.19		0.19
Private, Voluntary and Independent Special Schools		5.59		5.59
Special Schools Top Up		6.24		6.24
Mainstream Schools Top Up		4.49		4.49
Special Units Top Up		0.68		0.68
Higher Education Top Up		2.14		2.14
SEN contingency		1.46		1.46
High Needs in Early Years		0.26		0.26
Integ. Work.&Fam.Supp	0.35	1.00		1.35
Supplementary & Community Schools	0.03			0.03

Child Care Commissioning			1.43	1.43
2 Year Old Funding			2.42	2.42
Early Years Team			0.39	0.39
Music Service	0.17			0.17
Overheads (DSG)	0.19	0.80	0.02	1.01
Admissions	0.30			0.30
IYFAP		0.34		0.34
TU Representation	0.12		0.02	0.14
Contingency for Schools in Financial Difficulty	0.18	0.01		0.19
Licences	0.18			0.18
Portage		0.20		0.20
Pathways to Early Intervention		0.40		0.40
Early Years Pupil Premium			0.17	0.17
Brining in Fund		0.30		0.30
	<u>141.30</u>	<u>32.63</u>	<u>15.46</u>	<u>189.39</u>

Appendix 2.

School & High Needs Block Indicative Allocation 2017-18.

	Schools Block	HNB
	£m	£m
Indicative DSG Blocks	192.36	34.48
Delegated Budgets Schools	188.10	5.61
Growth Fund	1.18	
Tuition Service		0.55
Total Delegated	189.28	6.16
Chld Resid'tial Placements	0.80	
School Improvement	1.10	0.01
Schools Forum	0.01	
Gov Supp & Training	0.13	
Attendance and Welfare - Alternative Provision.		0.18
Simmons House		0.18
Alternative Prov Commissioning		1.14
Visual Impairment Provision		0.18
SEN Strategy Manager		0.14
Language Support Team (DSG)		0.46
SEN - Admin Team		0.18
Hearing Impairment Team		0.16
SEN - Transport - (DSG)		0.50
LOVAAS		0.03
Speech & Language Therapy		0.46
Parent Partnerp Mark		0.10
Autism Support Team		0.19
Private, Voluntary and Independent Special Schools		5.59
Special Schools Top Up		6.24
Mainstream Schools Top Up		4.49
Special Units Top Up		0.68
Higher Education Top Up		2.14
SEN contingency		1.46
High Needs in Early Years		0.26
Integ. Work.&Fam.Supp	0.35	1.00
Supplementary & Community Schools	0.03	
Music Service	0.17	
Overheads (DSG)	0.19	0.80
Admissions	0.30	

IYFAP		0.34
TU Representation	0.12	
Contingency for Schools in Financial Difficulty	0.18	0.01
Licences	0.18	
Portage		0.20
Pathways to Early Intervention		0.40
Bringing in Fund	-0.47	0.82
	<u>192.36</u>	<u>34.48</u>

Appendix 3 IDACI Allocations 2016, 2017 Allocations Using 2016 Values and Options for 2017 Value.

School Name	a	b	c	d	e	f
	2016-17	2017-18	2017-18	2017-18	Difference	Difference
	Total IDACI	with 16-17	Uniform	Minimising	c-a	d-a
	£	Values	85% of 16-17 values	Differences	Total IDACI	Total IDACI
	£	£	£	£	£	£
Total	12,908,149	15,261,145	12,948,956	12,911,563	40,807	3,414
Alexandra Park	313,142	355,544	300,719	302,251	-12,422	-10,890
Alexandra Primary	121,231	134,624	113,865	114,249	-7,366	-6,982
Belmont Inf	57,960	64,299	54,384	54,654	-3,576	-3,306
Belmont Jnr	74,821	84,871	71,784	72,050	-3,037	-2,771
Bounds Grn Inf	58,881	67,271	56,898	57,091	-1,983	-1,790
Bounds Grn Jnr	33,502	39,183	33,141	33,260	-361	-241
Brook House	104,258	113,236	107,510	107,625	3,252	3,366
Bruce Grove	176,201	211,102	178,550	178,983	2,349	2,782
Campsbourne Inf	46,458	52,694	44,568	44,744	-1,890	-1,714
Campsbourne Jnr	54,338	61,374	51,910	52,168	-2,428	-2,170
Chestnuts	141,734	160,641	135,870	135,318	-5,864	-6,415
Coldfall	66,518	67,972	57,491	57,776	-9,027	-8,742
Coleridge	107,949	123,481	104,440	104,914	-3,509	-3,035
Crowland	122,078	140,343	118,702	118,882	-3,377	-3,196
Devonshire Hill	181,608	222,689	188,350	188,964	6,743	7,356
Earlham	135,929	153,860	130,134	130,781	-5,795	-5,149
Earlmead	194,558	230,826	195,232	195,211	674	653
Eden Primary	6,653	6,408	6,056	6,086	-597	-567
Ferry Lane	83,662	110,941	93,834	91,947	10,172	8,285
Fortismere	151,599	167,529	141,696	142,550	-9,903	-9,049
Gladesmore	853,070	1,029,284	870,568	862,606	17,498	9,536
Greig City	601,736	723,522	611,955	605,683	10,219	3,947
Harris Coleraine	164,450	206,044	174,272	173,854	9,823	9,405
Harris Philip Lane	161,416	190,720	161,311	161,932	-105	516
Harris Tottenham	203,330	180,713	209,064	206,882	5,735	3,553
Heartlands High	641,230	764,748	631,048	631,461	-10,182	-9,769
Highgate Primary	21,229	23,535	19,906	19,959	-1,324	-1,270
Highgate Wood	359,713	409,308	346,193	345,618	-13,520	-14,095
Holy Trinity	83,072	100,628	85,111	85,125	2,039	2,053
Hornsey	490,245	581,420	491,765	489,859	1,520	-385
Lancasterian	189,674	228,435	193,210	193,214	3,536	3,540
Lea Valley	206,711	265,670	224,704	221,392	17,994	14,682
Lordship Lane	256,298	294,870	249,401	249,737	-6,897	-6,561
Muswell Hill	12,676	14,194	12,005	12,020	-671	-656
Noel Park	207,133	242,941	205,480	206,229	-1,654	-905
North Harringay	133,371	153,300	129,661	129,990	-3,710	-3,381
North'land Park	817,281	1,009,006	853,417	842,778	36,136	25,497
Our Lady of						
Muswell	61,388	67,852	57,389	57,539	-3,999	-3,849
Park View	755,188	898,297	759,780	758,366	4,592	3,178
Rhodes Avenue	13,562	14,010	11,850	11,909	-1,712	-1,653
Risley Avenue	276,941	339,880	287,471	285,237	10,529	8,296

Rokesly Inf	32,082	33,792	28,581	28,723	-3,501	-3,359
Rokesly Jnr	51,229	54,999	46,518	46,614	-4,711	-4,615
Seven Sisters	153,927	175,462	148,406	148,919	-5,521	-5,008
South Hgy Inf	37,637	40,450	34,212	34,292	-3,425	-3,345
South Hgy Jnr	65,356	74,221	62,776	62,816	-2,580	-2,540
St Aidan's	27,672	29,295	24,778	24,901	-2,895	-2,772
St Ann's CE	81,982	95,060	80,402	80,526	-1,580	-1,456
St Francis de Sales	154,204	187,550	158,630	158,873	4,426	4,668
St Francis de Sales	115,241	140,023	118,432	118,434	3,191	3,193
St Gildas'	47,631	52,719	44,590	44,625	-3,041	-3,006
St Ignatius	129,550	152,506	128,990	128,997	-561	-553
St James	15,291	16,655	14,086	14,156	-1,204	-1,134
St John Vianney	74,314	86,165	72,878	73,148	-1,435	-1,166
St Martin of Porres	28,047	30,571	25,857	25,985	-2,191	-2,062
St Mary's CE	147,595	169,197	143,107	143,367	-4,488	-4,229
St Mary's RC Inf	69,876	83,602	70,710	70,521	835	646
St Mary's RC Jnr	92,087	108,940	92,142	91,970	55	-117
St Michael's N22	74,965	86,769	73,389	73,525	-1,576	-1,440
St Michael's N6	15,046	15,947	13,488	13,555	-1,558	-1,491
St Paul's	73,850	83,182	70,356	70,525	-3,495	-3,325
St Paul's & AH Inf	69,252	85,777	72,550	72,263	3,297	3,011
St Paul's & AH Jnr	96,637	118,750	100,439	100,114	3,802	3,477
St Peter In Chains	32,340	36,097	30,531	30,592	-1,809	-1,748
St Thomas More	524,489	621,559	525,715	523,101	1,226	-1,388
Stamford Hill	76,550	92,381	78,135	78,156	1,585	1,606
Stroud Green	117,428	137,115	115,972	116,048	-1,456	-1,380
Tetherdown	1,618	1,844	1,560	1,568	-57	-50
The Mulberry	276,135	354,200	290,996	289,799	14,861	13,664
The Willow	187,129	228,679	193,417	193,704	6,288	6,575
Tiverton	159,824	199,234	168,512	167,951	8,688	8,127
Tottenham UTC	42,181	51,445	43,513	42,906	1,332	725
Trinity	128,774	146,438	123,857	124,427	-4,917	-4,348
Welbourne	243,876	305,111	258,063	255,511	14,186	11,635
West Green	75,852	92,967	75,486	75,596	-365	-256
Weston Park	26,868	29,395	24,862	24,851	-2,006	-2,017
Woodside High	618,821	735,785	622,327	619,612	3,506	791

Appendix 4.

New IDACI bands for 2017 to 2018

The Income Deprivation Affecting Children Index (IDACI) dataset is updated every five years by the Department for Communities and Local Government. The most recent update to the dataset, which took effect in local authorities' 2016 to 2017 schools block dataset in December 2015, showed a markedly different distribution to the previous 2010 dataset. The DfE recognise that the 2015 data update created unexpected and unhelpful turbulence in budgets, towards the latter stages of the local formula-setting process.

The DfE have considered the concerns raised by local authorities and views expressed through the first stage national funding formula consultation, and have decided to update the IDACI banding methodology to return the IDACI bands to a roughly similar size (in terms of the proportion of pupils in each band) as in 2015 to 2016. The revised bands are named "A" to "G"; with the most deprived neighbourhoods being captured by band "A" (previously bands 6 and 5). For future data updates, the DfE will set out plans for managing the change in data by adjusting the band boundaries more promptly.

The draft Authority Pro-forma Tool (APT) used to model the funding allocations uses the October 2015 data and the new IDACI band definitions. In the final 2017 to 2018 APT to be issued in December, local authorities will receive October 2016 census data matched to the new IDACI bands.

The following table shows the proportion of pupils in each IDACI band in the 2015 to 2016 schools block dataset and the 2016 to 2017 schools block dataset and the 2016 to 2017 dataset mapped onto the new IDACI bands. It also shows the proportion of Haringey pupils in each band.

The data in this table has been produced by the EFA by taking the postcodes of each pupil sourced from the schools census in October 2015, and matching them to an IDACI score, and hence IDACI band. The total number of pupils mapped onto each band is then calculated, and proportions calculated.

Table: Proportion of pupils in each IDACI band in the 2015 to 2016 and 2016 to 2017 schools block dataset mapped on to new bands

Former Bands	IDACI Score	% Pupils in each band 2015-16	% Pupils in each band 2016-17	New Bands 2017-18	IDACI Score	% Pupils in each new band (national)	% Pupils in each new band (Haringey)
6	0.60 – 1.00	3	1	A	0.50 – 1.00	3	
5	0.50 – 0.60	6	3	B	0.40 – 0.50	8	
4	0.40 – 0.50	10	8	C	0.35 – 0.40	7	
3	0.30 – 0.40	12	14	D	0.30 – 0.35	8	
2	0.25 – 0.30	7	9	E	0.25 – 0.30	9	
1	0.20 – 0.25	8	10	F	0.20 – 0.25	10	
0	Less than 0.20	53	56	G	Less than 0.20	56	

