

## 2016/17 School Budget Notes of Guidance

### Background

As part of the national changes to schools funding, the Department for Education (DfE) has made some slight changes to the model adopted three years ago at the beginning of the implementation of the School Funding Reform.

In the November 2015 Spending Review, the Government confirmed it would consult on a new national school funding formula early in 2016, with revised funding arrangements being implemented from 2017-18.

The Minimum Funding Guarantee (MFG) has continued at minus 1.5% per pupil. The Schools and Early Years Finance regulations set out the formula factors which are automatically excluded from the calculation.

### Formula Funding – Schools Block

There continues to be a closely limited set of factors that can be used in the school formula distribution.

The factors are described below:

#### **1) Basic Entitlement - Age Weighted Pupil Funding (AWPU)**

The funding regulations state that there should be a single unit value for primary aged pupils and a single unit value for each of Key Stage 3 and Key Stage 4. The value for primary pupils must be at least £2,000 and the value for both Key Stage 3 and Key stage 4 pupils must be at least £3,000. The AWPU rates are detailed below:

|                      | AWPU<br>2015/16 | AWPU<br>2016/17 |
|----------------------|-----------------|-----------------|
| Primary Pupils       | £2,553.02       | £2,655.14       |
| Secondary KS3 Pupils | £3,576.16       | £3,719.21       |
| Secondary KS4 Pupils | £4,003.83       | £4,163.98       |

Post 16 pupils are being funded separately through the sixth form programme funding from the Education Funding Agency (EFA).

The Number on roll has been adjusted to deduct the number of high needs places within Enhanced Resource Units and Nurture Groups as agreed with the EFA. Those pupils will be funded through the High Needs Block.

#### **Education Funding Agency Allocations for Sixth Form pupils**

The sixth form budget allocations are indicative only and will be updated once final allocations have been received by the EFA at the end of March.

## **Pupil Numbers**

All formula calculations are based on actual pupil numbers as at October 2015 school census.

## **Previous Growth Fund allocations**

In schools with additional permanent classes, the number on roll (NOR) has been amended to reflect the extra children. In these instances, the school will **not** receive growth funding as the NOR has been increased. Schools Forum has agreed the criteria for Growth Fund allocations and adjustments to numbers on role at their meeting of the 9<sup>th</sup> February, the report can be found at

<https://sip.derby.gov.uk/general-support/schools-forum/>

## **2) Deprivation**

This factor is to recognise the additional cost of deprivation. In order to target funding to deprived children we have used a combination of measures; Income Deprivation Affecting Children (IDACI) and Free School Meals Ever 6 which is a pupil premium indicator. A national refresh of the IDACI indicator has resulted in some significant data changes they may affect your deprivation allocation. This is protected by the MFG.

## **3) Looked After Children (LAC)**

This factor allocates additional funding to schools with looked after children. The eligibility criteria includes children who have been looked after for one day or more as recorded on the local authority SSDA903 return at 31 March 2015.

## **4) Low Cost/High Incidence SEN/Prior Attainment (Secondary Specific)**

The factor is what we previously called the prior attainment factor and includes pupils not achieving level 4 at KS2 in either English or Maths.

## **5) English as an Additional Language**

EAL pupils may attract funding for a maximum of 3 years after the pupil enters the statutory age school system.

## **6) Pupil Mobility**

This factor aims to provide additional funding to schools with a higher transient cohort. It counts pupils who entered a school during the last three academic years, but did not start in August or September. The funding through this factor is limited to those schools experiencing pupil mobility above a 10% threshold.

## **7) Lump Sum**

The primary lump sum remains at £100,000 and the secondary lump sum remains at £150,000.

## **8) Split Sites**

This factor allows funding to be directed to schools with split sites, to reflect the costs of operating on split sites.

### **9) Rates**

Rates for 2016/17 are based on the estimated charge for the year, based on the latest revaluation of premises. This budget will be retained and administered centrally as is the current process.

The EFA will reimburse academies based on actual rates paid in year.

### **10) PFI Contract Costs**

This factor allows funding to be directed to schools with PFI contract costs as they represent an additional and unavoidable cost to schools. The schools concerned will pay the PFI factor allocation back to the local authority and must not allocate this for any other purpose.

### **11) Infant Class Size (Primary Specific)**

This funding is based on the admission numbers of the school for infant class sizes to maintain the national required levels of a 30 pupil limit.

## **Formula Funding - Early Years Block**

There is additional funding in the DSG to fund early education for eligible two year olds. The funding for 2016/17 is based on estimated participation.

Three and Four year old budgets have been calculated on 15 hours provision.

The annual budget for early year's providers and mainstream settings for 3 and 4 year olds has been calculated using hours estimated for each provider adjusted for reasonableness and past hour trends. Hourly Rates for Schools with Nursery Classes have increased by 3% and PVI Nurseries by 6%. Budgets are adjusted in year for all providers.

|                              | Hourly Rates<br>2015/16 | Hourly Rates<br>2016/17 |
|------------------------------|-------------------------|-------------------------|
| Stand Alone Nursery          | £5.60                   | £5.60                   |
| Schools with Nursery Classes | £3.64                   | £3.75                   |
| PVI Nurseries                | £3.68                   | £3.90                   |

Maintained providers should be aware that where hours are over/under estimated their budgets will be adjusted for this at the end of the financial year.

## **Formula Funding - High Needs Block**

Specialist providers including special schools and enhanced resource provision in mainstream schools, continue to be funded based on actual pupil numbers with a base level of funding to offer some stability.

Please see the detailed guidance notes for High Needs Funding

<https://sip.derby.gov.uk/media/derbycitycouncil/contentassets/documents/schools/De-rbyCityCouncil-high-needs-funding-guidance-feb-2016.pdf>

The pupil-led element of funding is to be met by the commissioning local authority and will be based on the individual needs of each pupil.

The authority will continue to recover top up funding for places commissioned from other local authorities.

### **Special Schools & Alternative Provision**

#### *Place Led Funding*

The numbers of planned places attract a place funding of £10,000 per place.

#### *Pupil Led funding*

Top up funding will be provided for each individual pupil dependant on their level of need.

Special Schools and Alternative Provisions should be aware that pupil led funding follows the child. When a pupil's banding changes or they join/leave your school your **budgets will be adjusted** to reflect these changes. These adjustments will be processed on a half termly basis in line with the funding regulations.

### **ERS Places**

#### *Place Led Funding*

Each place has been funded based on the number of places agreed in a school as stated in the service level agreement. The number of places agreed attract a place funding of £10,000 per place.

#### *Pupil Led Funding*

Top up funding will be provided for each individual pupil dependant on their level of need. Surplus places do not attract top up funding within the new system and have not been built into your budget

ERS Units should be aware that pupil led funding follows the child. When a pupil's banding changes or they join/leave your school your **budgets will be adjusted** to reflect these changes. These adjustments will be processed on a half termly basis, in line with regulations

## **ERS**

The Top up banding levels now include AWPU for each phase of pupil as high needs pupils are deducted from the Number on roll used in the Schools Block. They have also been adjusted to account for the place led element received.

Funding for all places including all pre and post 16 pupils is shown for completeness however, for post 16 places funding will be provided through the sixth form programme.

## **De-Delegation**

Where maintained schools have collectively agreed that they can be provided centrally, budgets have been de-delegated and returned to the local authority.

De-delegation is not an option for academies, special schools, nurseries or PRUs however academies can access central services on a buy back basis.

## **Notional SEN**

There is notional SEN funding included within schools delegated budgets, the amount of which can be identified on the budget proforma.

This funding should be targeted to those pupils with Special Educational Needs (SEN) and schools should be able to clearly demonstrate how this funding is being invested to support these pupils. It is recommended that schools communicate this information to governors and report on a regular basis throughout the year.

The notional SEN budget provides funding for schools to meet support costs of up to £6,000 per individual child and in Derby this is currently used to support the first 10 hours of teaching assistant or equivalent support. Currently, where the support required is more than 10 hours additional funding is given to schools in the form of TA hours top-up.

**NEW process for 2016-17** - The Local Authority intends to introduce a new resource allocation system for allocating low level top up for SEN, with a view to reduce bureaucracy and the need for Education and Health Care Plan's (EHCP). A Locality Cluster Funding pilot scheme is beginning in March 2016 and following the outcome of the pilot scheme, rolled out to all schools in the 2016/17 Academic year.

Schools Forum have agreed to the pilot model, details can be found at:

<https://sip.derby.gov.uk/media/derbycitycouncil/contentassets/documents/schools/DerbyCityCouncil-SEN-funding-model.pdf>

In the same way that mainstream schools have a notional SEN budget, for early years settings notional SEN funding is deemed to be included as a percentage figure within the funding from the Early Years Block. All early years settings will be expected to contribute towards the costs of any child with high needs. The amount of this contribution, over a full financial year, has been defined as £300 per high needs child in a maintained nursery and £200 in a school nursery or PVI setting.

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### **Schools Forum**

All formula changes have been approved at Schools Forum and Council Cabinet. For further information please see website <http://www.derby.gov.uk/education-and-learning/schools-and-colleges/schools-forum/>

### **Next Steps**

For school specific queries please email [SchoolFinanceTeam@derby.gov.uk](mailto:SchoolFinanceTeam@derby.gov.uk) and ensure that the title of your email is 'School Funding Query and *School Name*', to ensure that emails are clearly identified.

For general queries please contact:

Kelly Goodacre on 01332 642681

Sarah Smith on 01332 624693

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