

Agenda

SCHOOLS FORUM

Date: Tuesday 31 October 2017
Time: 1.30 pm
Venue: Stafford Room, Green Park, Aston Clinton

Reminder - If you are unable to attend a meeting, please send a substitute from the sector you represent.

Agenda Item	Time	Page No
1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP	13:30	
2 DECLARATIONS OF INTEREST To disclose any Personal or Disclosable Pecuniary Interests	13:35	
3 ACTION NOTES To confirm the minutes of the meeting held on 26 September 2017.	13:40	5 - 18
4 DE-DELEGATION SUB-COMMITTEE PROPOSAL Reports and verbal update from Mr D Hood, from the meeting held 20 October 2017 and the proposals set out for 2018/19.	13:50	19 - 40
5 GROWTH FUND POLICY Report and verbal update to be provided by Jonathan Carter and Stephen Chainani, setting out the policy for growth funding in 2018/19 and the associated funding requirement. For agreement by the Schools Forum	14:00	41 - 56
6 SCHOOLS FORUM FUNDING GROUP UPDATE Update from Mr A Rosen, Chairman of the Schools Forum Funding Group (SFFG) on the meeting held on Friday 13 October 2017.	14:10	

7	SCHOOL FUNDING CONSULTATION Reports and verbal update from Mr J Huskinson, Finance Director for Education, on the proposals for the consultation with schools on funding arrangements from 2018/19. For agreement by the Schools Forum.	14:20	57 - 78
8	EARLY YEARS FUNDING PROPOSALS Report and verbal update on the funding arrangements for early years for 2018/19 by Ms J Nichols, Head of Early Years commissioning.	14:40	79 - 84
9	HIGH NEEDS FUNDING PROPOSALS Report and verbal update from Mr J Huskinson on budget proposals for High Needs Block Funding.	14:50	85 - 90
10	CENTRALS SCHOOLS SERVICES BLOCK PROPOSALS Report and verbal updat on budget proposals for Central Schools Services Block by Mr J Huskinson. For agreement by the Schools Forum	15:00	91 - 166
11	UPDATE FROM DIRECTOR FOR EDUCATION AOBAUpdate on the Education and SEND strategies by Mr S Callaghan, Director for Education.	15:10	
12	AOB/ ITEMS FOR FUTURE MEETINGS	15:25	
13	DATE OF NEXT AND FUTURE MEETINGS Tuesday 28 November 2017, 1:30pm Green Park	15:30	

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Christina Beevers on 01296 382938, email: cbeevers@buckscc.gov.uk

MEMBERSHIP:

Headteachers

Pete Rowe, Princes Risborough School (Chairman)
Roger Burman, The Aylesbury Vale Academy
Olwyn Davison-Oakley, Seer Green Church of England School
Gareth Drawmer, Juniper Hill School
Karen Duckworth, Padbury CE School
Janice Freeman, King's Wood School & Nursery
Andy Gillespie, Burnham Grammar School
David Hood, Cressex Community School
Owen Lloyd, Iver Heath Junior School
Kevin Patrick, Chiltern Hills Academy
Rebecca Richardson, Haddenham St Marys School
Alan Rosen, Aylesbury High School
Debra Rutley, Wycombe Grange PRU
Sue Skinner, Bowerdean School
Steven Sneesby, Kite Ridge House PRU
Kathryn Tamlyn, Cheddington Combined School
Aaron Wanford, Green Ridge Academy

Governors

John Bajina, Parent Governor, Secondary Sector
Gaynor Bull, Haddenham St Mary's Church of England School
Angela Coneron, The Vale Federation of Special Schools
Simon Kearey, Great Kingshill Church of England School
Andrew Nobbs, Ashmead School
Katy Simmons, Cressex Community School
Peter Ward, Chilternway Academy

Representatives

Fiona Brooks, St Mary's Pre-School
Sarah Fahey, Brindley House School
Claudia Glasgow, NASUWT
Lindsey Grexhammer, Bucks NUT
Michael Moore, Catholic Diocese of Northampton
Wendy Terry, Manor Farm Pre-School

Observer

Minutes

SCHOOLS FORUM

MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON TUESDAY 26 SEPTEMBER 2017 IN KNIGHT HALL, GREEN PARK, ASTON CLINTON, COMMENCING AT 1.30 PM AND CONCLUDING AT 4.30 PM

PRESENT

Headteachers	Mr P Rowe (Chairman)	Princes Risborough School
	Mr G Drawmer	Juniper Hill School
	Mrs D Rutley	Wycombe Grange PRU
	Mr A Rosen	Aylesbury High School
	Ms S Skinner	Bowerdean School
	Mr K Patrick	Chiltern Hills Academy
	Mr O Lloyd	Iver Heath Junior School
	Ms K Tamlyn	Cheddington Combined School
	Mr R Burman	The Aylesbury Vale Academy
	Mrs K Duckworth	Padbury CE School
Governors	Dr K Simmons	Cressex Community School
	Mrs G Bull	Haddenham St Mary's Church of England School
Representative	Ms C Glasgow	NASUWT
	Mr M Moore	Catholic Diocese of Northampton
	Ms W Terry	Manor Farm Pre-School
In Attendance		
Officers	Mr J Huskinson, Ms A Sayani, Ms J Try and Miss S Callaghan	

1 ELECTION OF CHAIRMAN/ VICE CHAIRMAN

RESOLVED

That Mr P Rowe (Headteacher at Princes Risborough School) be elected Chairman of the Schools Forum for the current academic year.

That Mr A Rosen (Headteacher at Aylesbury High School) be appointed Vice Chairman of Schools Forum for the current academic year



2 ELECTION OF SCHOOLS FORUM FUNDING GROUP MEMBERS

The following membership of the Schools Forum Funding Group was agreed:

Mr P Rowe – Chairman, Schools Forum
Mr A Rosen – Vice Chairman, Schools Forum
Mr S Sneesby – Special School representative
Mrs W Terry - Early Years representative (substitute Mrs F Brooks)
Mrs K Tamlyn – Combined School representative
Mrs A Coneron – Special School representative
Mr K Patrick – Academy Upper representative
Mr M Moore – Catholic Diocese of Northampton
Mr S Keary- Combined School representative.

3 APOLOGIES FOR ABSENCE

Apologies were received from:

- Mr A Wanford
- Mr D Hood
- Mr S Sneesby
- Mr S Kearey
- Ms J Freeman

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 MINUTES OF THE MEETING/ MATTERS ARISING

The minutes from the meeting held on 08 June 2017 were agreed as an accurate record and signed by the Chairman.

There were no further matters arising.

6 CONSTITUTION APPROVAL

- There were some amendments to be made that were highlighted by the forum.
ACTION: Ms C Beevers
- The forum voted for the adoption of the revised constitution- **AGREED** unanimously.

7 PAY AWARD UPDATE

Ms S Ayton gave an overview of the paper provided.
Further points were raised as follows:

- The deletion of ISN 6 meant there would be fewer points in the range so the level of increase would be higher. This would not be an issue within the Bucks Pay scheme.
- Staff on range 1A tended to be midday supervisors or cleaners – class room assistants were range 1B.

- Range 1A was still needed.
- The alternative to removing points within the pay ranges would be to keep the same number of points but have lower increases each time.
- There would be a 1% pay cap overall.

RESOLVED: The forum AGREED the proposal but pending further scrutiny regarding the minimum wage and national minimum living wage.

The Forum requested that Ms Ayton come back to the November meeting with a further update.

ACTION: Ms C Beevers

The Chairman thanked Ms Ayton for the update.

8 SCHOOLS FORUM FUNDING GROUP UPDATE

Mr A Rosen gave a short overview of the discussions held at the SFFG.

9 CONTINGENCY GROUP UPDATE

Ms J Try gave a brief update on the Contingency group in Mr D Hood's absence.

10 UPDATE ON EDUCATION STRATEGIES

Ms S Callaghan gave an overview on the education strategies:

The following points were raised in discussion:

- There would be a loss of the £650k in the Special Educational Needs and Disabilities (SEND) reform grant.
- Decisions needed to be made as to what services should be recommissioned.
- The Local Authority needed to consider future service provision recognising there would be changes to historic funding.
- Budgets and service provision needed to be configured to meet current demands and trends. The majority of Education and Health Care Plans (EHCP) were done just prior to the child going to the school.
- The right support needed to be given to children at an early stage before starting school if appropriate. There needed to be more efficient sharing of information between services.
- The current Early Help Review was aimed at engaging with vulnerable families and their children at an early stage. There needed to be earlier identification of problems and a targeting of those families currently not accessing services.
- The Early Help budget was £7million.
- As well as identifying the issues it was important to deliver the outcomes.
- Partnership working, including with Social Care, was an important part of the strategy.
- There had to be a review of existing service provision based on current funding as well as development of new opportunities to work together with health and social care.
- There had to be a needs led response, rather than a financially driven response.

The Chairman thanked Ms Callaghan for the update.

11 NATIONAL FUNDING FORMULA PROPOSALS

Mr J Huskinson gave an overview of the report provided.

The following points were raised in discussion:

- The NFF consultation document would come back to the end of October meeting.
ACTION: Mr J Huskinson
- In the past there had been some concerns over the quality of the consultation and whether the right questions were being asked. This would be scrutinised at the Funding Group meeting.
- The consultation document needed to start with the strategic aims so that it was clear how Buckinghamshire were looking to achieve the end goal.
- It would be useful to have models against different levels of schools so that people responding to the consultation could get a general feel for what it would mean for them.
- It would be useful to hold a series of roadshows prior to the consultation to help people through the difficult concepts. There should be an open question section at the end.

ACTIONS: Mr J Huskinson/Mr M Appleyard

The Chairman thanked Mr Huskinson for the update.

12 2018 MEETING DATES

Dates to be confirmed.

13 AOB/ ITEMS FOR FUTURE MEETINGS

- Teacher recruitment- it was a pressing issue in schools.
- De-delegation- work with contingency group first.

14 DATE OF NEXT AND FUTURE MEETINGS

31 October 2017, 1.30pm, Stafford Room, Green Park.

CHAIRMAN

BUCKINGHAMSHIRE SCHOOLS FORUM

CONSTITUTION

1 Name

1.1 The Buckinghamshire Schools' Forum ("the Forum").

2 Terms of reference

2.1 The Forum is established in accordance with Section 47A of the School Standards and Framework Act 1998, and the Schools Forums (England) Regulations 2012.

3 Status

3.1 The Forum exists to advise Buckinghamshire County Council ("BCC") on various matters prescribed by law. It also exists to take certain decisions in its own right.

3.2 The "Schools Revenue Funding 2018 to 2019 Operational guide" sets out the relevant roles, responsibilities and powers of the Local Authority and the Schools Forum.

4 Membership

4.1 The Forum shall consist of the following three types of members:

- (a) "Schools members," defined as members elected to represent governing bodies and head teachers of schools maintained by BCC;
- (b) "Academies members," defined as members who represent the proprietors of academies situated in BCC's area;
- (c) "Other members", defined as members other than schools members or academies members who represent the interests of wider stakeholders.

4.2 There shall be thirty members of the Forum comprising the following:

- (a) Fifteen elected schools members,
- (b) Eight elected academies members,
- (c) Seven other members.

- 4.3 The schools members referred to in 4.1(a) shall consist of the following sub-groups:
- (a) One nursery school member (either head teacher or governor);
 - (b) Two special school members (preferably one head teacher and one governor);
 - (c) Two secondary school members (preferably one head teacher and one governor);
 - (d) One pupil referral unit (PRU) member (either head teacher or governor);
 - (e) Nine primary school members
 - Two infant school members; (preferably one head teacher and one governor)
 - One junior school member; (either head teacher or governor)
 - Six combined school members; (preferably three head teachers and three governors)
- 4.4 The maintained schools members must include at least one head teacher and one governor.
- 4.5 The academies members referred to in 4.1(b) above:
- (a) May include but will not necessarily be restricted to academy principals and governors;
 - (b) Will preferably include at least one representative of primary academy proprietors;
 - (c) Must include at least one representative of a special academy proprietor, in the event that there is such an academy within Buckinghamshire;
 - (d) Must include at least one representative of an alternative provision academy, in the event that there is such an academy within Buckinghamshire.
- 4.6 The other members referred to in 4.1 (c) above shall consist of:
- (a) Two representatives nominated by recognised teachers' trade unions;
 - (b) Two representatives nominated by the diocesan authorities;

- (c) Two representatives nominated by the Early Years Forum at least one of whom who will be there explicitly to represent early years providers from the private, voluntary and independent (PVI) sector;
- (d) Such other members as may be appointed by BCC save that other members shall never number more than a third of the total membership.

4.7 The following categories of people are barred from being other members:

- (a) Elected Members of BCC who are appointed to the executive of i.e. a Lead Member or portfolio holder; ('Executive Members');
- (b) The Director of Children's Services or any officer employed or engaged to work under the management of the Director of Children's Services, and who does not directly provide education to children; (or manage those who do)
- (c) Other officers with a specific role in management of and/or who advise on funding for schools;
- (d) Additionally, the Forum may from time to time consist of observers including an observer appointed by the Secretary of State for Education. Observers shall be entitled to attend meetings but shall not be members and shall not have any voting rights.

5 Election & Appointment of Members

5.1 Schools members and academies members will each be responsible for their own election processes save that the following rules and restrictions shall apply:

- (a) A single person may not represent more than one group concurrently;
- (b) Election of members from different parts of the County shall be encouraged to ensure the Forum is representative of education provided across the geographic areas, having regard to pupil numbers and school numbers, and that no one geographic area can be seen to have an unfair bias on the Forum;
- (c) Members shall be elected or appointed for the period of three years from the date of their election or appointment;
- (d) Members shall be eligible for re-election or reappointment at the end of their period of membership;

- (e) Members will cease to be a member if he or she resigns from the Schools Forum or no longer occupies the office by which he or she became eligible for election, selection or appointment to the Schools Forum;
 - (f) In the case of any other member the member shall cease to be a member if he or she is replaced by BCC, or at the request of the body which the member represents, or by another person nominated by that body;
 - (g) BCC may end the appointment of any member before the expiry of his or her term if the member concerned ceases to hold the office by virtue of which he or she became eligible for appointment or election to the Forum;
 - (h) Elections should be organised so that each of the sub-groups listed at 4.3, 4.5(c) and 4.5(d) is able to choose a representative of its own;
 - (i) In the event that an election results in a tie between two or more candidates, BCC may choose which candidate shall become a member.
- 5.2 BCC will offer appropriate support to each of the groups referred to in 3.2 above in managing its election process and if so requested will devise a model scheme in consultation with the Forum which it will then invite the Forum to adopt.
- 5.3 Other members will be appointed by BCC in consultation with the bodies listed in 4.6 above and, where BCC deems appropriate, with wider stakeholders.

6 Meetings

- 6.1 There shall be at least four meetings per year of the Forum but more meetings may be held if the Forum deems it necessary (up to a maximum of 8). All meeting times will be agreed by the Forum for the coming year and will vary to accommodate the needs of members and to meet any specific deadlines imposed by the Department for Education.
- 6.2 All meetings shall be quorate if at least two fifths of the total current members (excluding vacancies) are present. Inquorate meetings may still proceed but cannot legally make decisions, however inquorate meetings can still be consulted with and provide an “unofficial” view or response to BCC.
- 6.3 All meetings of the Forum will be convened by the clerk, but he or she will comply with any direction in the matter given by the Forum in a previous meeting or given by the Chairman (or in his or her absence the Vice Chairman).

- 6.4 Written notice of a meeting, along with a copy of the agenda and papers for the meeting will be given at least five working days before the date of the meeting itself.
- 6.5 All meetings of the Forum will be open to members of public. Furthermore, papers, agendas and minutes must and will be made publicly available in a timely manner on the BCC website.
- 6.6 All members have the right to speak at meetings of the Forum and the following persons may also speak, even though they are not members:
- (a) The Director of Education for BCC, or a designated representative;
 - (b) The Chief Finance officer for BCC, or a designated representative;
 - (c) Any elected member of BCC with primary responsibility for Children's Services or Education;
 - (d) Any Elected Member of BCC with primary responsibility for BCC's resources;
 - (e) Any person who is invited by the Forum to attend in order to provide financial or technical advice to the forum;
 - (f) An observer appointed by the Secretary of State; ~~and~~
 - (g) Any person presenting a paper or other item to the Forum that is on the meeting's agenda, but that person's right to speak shall be limited to matters related to the item that the person is presenting.
 - (h) Any other person with the permission of the Chairman, at the Chairman's discretion, (or the Vice Chairman in the Chairman's absence).
- 6.7 The minutes of proceedings of the Forum will be drawn up by the clerk and will be signed at the same or next subsequent meeting by the Chairman. Proceedings of the Forum shall not be invalidated by any defects in the election or appointment of any member, or the appointment of the Chairman or Vice Chairman. Nor does the existence of any vacancy on the Forum invalidate proceedings.

7 Alternates / Substitutes

- 7.1 Any member of the Forum may nominate an alternate member ('the alternate member') to attend meetings of the Forum in his or her absence. The alternate member must come from the same sector as that of the member they are covering.
- 7.2 Where a member has nominated an alternate member, the alternative member may attend and vote in place of the member. A member may only nominate an alternate member who would himself or herself be eligible to be appointed or elected to the Forum under the same category as the member.
- 7.3 The name of the alternate member must be notified to the clerk of the Forum at least 24 hours in advance of the meeting in question where possible.

8 Chairman and Vice Chairman

- 8.1 The members must elect a person as Chairman (and preferably a Vice Chairman) from among their number and determine the term of office, as one calendar year.
- 8.2 The members of the Forum may not elect as Chairman any member of the Forum who is an Elected Member or officer of BCC, even if they are members of the Forum by virtue of representing a school, academy or other group or sector.
- 8.3 The Chairman and Vice Chairman will hold office until the next meeting which falls after the date which is a year after the meeting at which they were originally elected.
- 8.4 On ceasing to hold office, the Chairman and Vice Chairman shall be eligible for re-election.
- 8.5 In the event of a casual vacancy in the office of Chairman or Vice Chairman, the Forum shall, at their next meeting, elect one of their membership to fill that vacancy and the member so elected shall hold office until the date of the meeting to which the previous Chairman or Vice Chairman would have held office had the vacancy not occurred.
- 8.6 A Chairman or Vice Chairman shall cease to hold office if:
- (a) He or she resigns his or her office by written notice given to the clerk; or
 - (b) He or she ceases to be a member of the Forum.

9 Clerk

- 9.1 The Forum shall be assisted by a clerk ('the clerk').
- 9.2 The clerk may either be an employee of BCC or independent.
- 9.3 A member may not also act as the clerk, nor will the clerk be treated as a member.
- 9.4 None of the people listed in 4 above may be the clerk.
- 9.5 The clerk shall attend all meetings, assisting and taking instructions from the Chairman.
- 9.6 The clerk's role may include but will not necessarily be limited to the following:
- (a) Providing a link between the Forum and BCC;
 - (b) Managing meeting logistics including dispatching papers;
 - (c) Taking a note of proceedings.
 - (d) Maintaining an action log of points agreed at a meeting.
 - (e) Providing technical advice to the Forum on the constitution and the law.
 - (f) Providing the route by which members can access further information and co-ordinate communication to schools forum members outside of the formal meeting cycle, responding to any queries about the business of the Forum from head teachers, governors and others who are not on it themselves;
 - (g) Being responsible for ensuring contact details of all members are up to date; maintaining the list of members on the schools forum and advising on membership issues in general;
 - (h) Assisting with the co-ordination of nomination/election processes run by the constituent groups;
 - (i) If appropriate, providing technical advice in relation to the Schools Forum Regulations and in relation to the operation of this Constitution; and organising, operating and recording any voting activity of the Forum in line with the provisions of this Constitution.

10 Sub-Committees

- 10.1 The Forum may set up sub-committees, either standing or ad-hoc, to carry out tasks as specified by the Forum.
- 10.2 The Forum shall decide the terms of reference and membership of any standing sub-committees and membership may include those who are not members of the Forum. The Forum should review standing sub-committee membership and terms of reference annually.
- 10.3 Each standing sub-committee will have a minimum of five members with a quorum of three Forum members.
- 10.4 Membership and terms of reference of any ad-hoc sub-committee's shall be decided when establishing the sub-committee, and may include those who are not members of the Forum. The duration of any ad-hoc sub-committee shall be established and entered in the terms of reference when the group is established.
- 10.5 The members of each sub-committee will choose a Chairman and if required a Vice Chairman. The Chairman or Vice Chairman of the Forum may also be appointed as Chairman or Vice Chairman of any sub-committee.
- 10.6 All sub-committees will be closed meetings but the sub-committee Chairman must report back to the Forum at the next available meeting and the report will be included in the Forum minutes.
- 10.7 Sub-committees shall provide advice and make recommendations to the Forum but are unable to take decisions or provide views to consultation without reference to the Forum unless specifically agreed in the terms of reference for that sub-committee. Where a decision making power is conveyed by the Schools Forum Regulations to the Forum, the Forum cannot delegate this power to a sub-committee. Any recommendations from a sub-committee are to come back to the forum for a recorded vote.
- 10.8 The standing sub-committees of the Forum are:
 - (a) The Schools Forum Funding Group (SFFG);
 - (b) The Early Years and Schools Specific Contingency Group.

11 Voting

- 11.1 Every question to be decided at a meeting of the Forum will be determined by a majority of the votes of members present, and in the case of an equality of votes the Chairman will have a second or casting vote, save that:
- (a) Voting on the funding formula shall be limited to schools members, academies members and the early years others members;
 - (b) Voting on de-delegation will be limited to the specific primary and secondary schools members i.e. only primary school members may vote on primary school de-delegation and only secondary school members may vote on secondary school de-delegation.
- 11.2 Any formal recommendations made to BCC shall be determined by a majority of the votes of members present at a meeting of the Forum and not by sub-groups.
- 11.3 There will be clarity in the procedures for recording the outcome of a vote, and any resolutions the Forum makes in relation to any vote taken.
- 11.4 When voting, members have a responsibility to represent the interests of their peer group as a whole rather than the interests of their own school/institution.

12 Provision of Account to Schools

- 12.1 The Forum shall as soon as reasonably practicable inform the governing bodies of schools maintained by the Council of all consultations carried out under clause 11 above.

13 Expenses

- 13.1 BCC shall meet the expenses of the Forum. Expenses shall be charged to the Schools Budget. The Forum budget cannot increase above the previous years' level without approval of the Secretary of State for Education.
- 13.2 There is an entitlement for members of the Forum to claim expenses. BCC shall reimburse all reasonable expenses of members in connection with attendance at meetings of the Forum. This shall include:

- (a) Travelling expenses;
- (b) Childcare or other care costs; (up to a prescribed maximum from time to time in force)
- (c) Financial loss of earnings may be claimed (up to a prescribed maximum from time to time in force) but is only available to those not employed at a school maintained by Buckinghamshire County Council and where a financial loss has been suffered.

14 Review of the Constitution

- 14.1 The Forum will review its constitution annually to ensure that it continues to meet statutory requirements and continues to proportionately represent the education community of Buckinghamshire having regards to pupil numbers.

Report to Schools Forum

Title: De-delegation issues

Date: 31st October 2017

Author: Janaki Try, Senior Accountant

Contact officer: Janaki Try
jtry@buckscc.gov.uk
01296 383063

Schools affected: All maintained schools

1. Purpose of this report

1.1. This report sets out the proposals for de-delegations 2018-19 following a meeting of the Maintained Schools Sub-committee held 20th October 2017 at Cressex School.

2. Background

2.1. A paper setting out the services and the rates for 'Existing' delegation and services previously funded from the general funding rate of the ESG (for maintained schools only) was discussed at the meeting..

2.2. The subcommittee agreed the recommendations for 'Existing' de-delegation and de-delegation for former ESG services as set out in the attached papers.

2.3. The Schools Forum constitution requires any final decision to be made at a formal Schools Forum meeting. Only maintained school representatives may vote on dedelegation proposals affecting their schools.

3. Recommendations

3.1. That maintained primary and secondary representatives of Schools Forum agree to a total de-delegation charge for Existing delegation of £15 per pupil in Primary and £17.50 per pupil in Secondary.

3.2. That maintained primary and secondary representatives of Schools Forum agree to a total de-delegation charge for former ESG services of £3.50 per pupil.

3.3. That special school and PRU representatives on Forum agree to a total de-delegation charge for former ESG services of £14 per place.

Title: De-delegation	
Date: 20 th October 2017	
Author: Janaki Try, Senior Accountant - Education	
Contact officer: Janaki Try (jtry@buckscc.gov.uk) (tel: 01296 383063)	
Schools affected:	All maintained schools

1. Purpose of this report

- 1.1. This report sets out the proposals for existing de-delegations and former ESG funded services de-delegations for 2018-19 for consideration by the Maintained Schools Sub-committee.

2. Existing De-delegated services

- 2.1. Existing de-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval. De-delegation does not apply to special schools, nursery schools, or PRUs.
- 2.2. Any decisions made to de-delegate in 2017 -18 related to that year only; new decisions will be required for any service to be de-delegated in 2018 -2019.
- 2.3. Schools forum members for primary maintained schools, and secondary maintained schools, must decide separately for each phase whether the service should be provided centrally. They must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued. There may be different decisions for each phase.
- 2.4. The Schools Forum constitution requires any final decision to be made at a formal Schools Forum meeting. Only maintained school representatives may vote on de-delegation proposals affecting their schools.
- 2.5. De-delegation has historically been agreed for:
- Contingencies (including schools in financial difficulties and deficits of closing schools)
 - Staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties).

3. Pupil Numbers

- 3.1. To calculate the rates the following data has been used (with assumptions for schools converting to Academies):
- Total 40,000 with Primary Pupils: 35,000 and Secondary Pupils: 5,000

4. Proposals

- 4.1. The table below sets out the proposals for Existing Dedelegation. Overall the amount requested is £612,500. This is significantly less than the £819,100 required in 2017/18 due to underspends on deficit contingency (B below) from 2017/18 being utilised.

Table 4. 2018/19 dedelegation proposals

De-delegation Area	Notes	2017-18 Budget	2017-18 rates	2018-19 estimated budget	Proposals 2018-19
A. Contingency – Schools in Financial Difficulties	The fund is administered by the Contingency Panel Group using Terms of Reference agreed by Schools Forum	£452,200	Primary : £10 per pupil Secondary: £12.50 per pupil	£412,500 (A reduction of £39,700 on 2017-18)	Rates maintained at Primary : £10 per pupil Secondary: £12.50 per pupil to give a fund of £412,500 (£350,000 from Primary and £62,500 Secondary).
B. Contingency-deficits of closing schools	<ul style="list-style-type: none"> This is used to offset the cost of writing off deficits budgets at the point of maintained schools becoming sponsored academies and the old school 'closing'. The LA calculates the amount at the point of closure. Deficits from sponsored schools must be written off (e.g. Converting deficits to a loan is not permitted). 	£324,900	£3.50 per pupil plus £1,000 per school.	£325,000 (of which £165,000 to be carried forward to 2018-19 from underspend in 2017-18)	<p>The request from schools in 2018/19 is £4 per pupil and no lump sum. This provided £160,000 of funding in year. (£140,000 from Primary and £20,000 from Secondary)</p> <p>There is no lump sum proposal due to the significant drop in lump sum in the National Funding Formula proposals and the reduction in budget requirement.</p>
C. Union Facilities	This contributes to the cost of supporting Union activity for maintained schools	£52,000 (of which £23,000 was carried forward from 2016/17)	70p per pupil	£51,000 (of which £23,000 to be carried forward to 2018-19 from underspend in 2017-18)	The rate is maintained at 70p per pupil providing £28,000. (£24,500 from Primary and £3,500 from Secondary).
D. Cover For Small Schools	This contributes to the cost of supporting small schools in covering jury service and attendance at key meetings	£13,000	30 per pupil	£12,000	Maintaining the rate at 30p (£10,500 from Primary and £1,500 from Secondary)
Total		£842,100 (of which £23,000 was carried forward from 2016/17) and £819,100 was from in year contributions. (£1000 per school +£14.50 primary / £17.00 secondary		£800,500 (of which £188,000 from 2017/18 expected underspends carried forward)	£15 per pupil in Primary and £17.50 per pupil in secondary. (£525,000 from Primary and £87,500 from secondary, giving a total in year contribution of £612,500.

5. Former ESG funded Services

- 5.1. Local authorities can fund services previously funded from the general funding rate of the ESG (for maintained schools only) from maintained school budget shares, with the agreement of maintained school members of the schools forum.
- 5.2. The relevant maintained schools members of the schools forum (primary, secondary, special and pupil referral units (PRUs), should agree the amount the local authority will retain.
- 5.3. A single rate should be set (per 5 to 16 year old pupil) for all mainstream maintained schools. Local authorities can choose to establish differential rates for special schools and PRUs expressed per-place rather than per-pupil and this will 4 x pupil funding.

6. Pupil Numbers

- 6.1. To calculate the rates the following data has been used (with assumptions for schools converting to Academies):

Total pupil numbers 40,000 (Primary Pupils: 35,000 and Secondary Pupils: 5,000)
plus
Special schools / PRUs places 1000 (contribution is 4 x primary and secondary)

7. Proposals

- 7.1. The table below sets out the proposals for 2018-19.
- 7.2. The proposals in 2017/18 were prorated as Education Services Grant was received by BCC until 31st August 2017. For comparison purposes the full year equivalent has also been shown.
- 7.3. The amount per school requested is reduced in 2018.19 due to efficiencies in joint working between BCC and BLT and underspends from 2017/18 being used to offset the 2018/19 request.
- 7.4. The effectiveness of the finance support should result in a reduced requirement for deficit contingency in future years (in Table 4.1)

Table 7. 2018/19 former ESG dedelegation proposals

De-delegation Area (former ESG)	Notes	2017-18 Budget (annual)	2017-18 rates	2018-19 estimated budget	Proposals 2018-19
<p>Finance Support Specialist Finance support for schools with deficit budgets through BLT mainly.</p> <p>BCC Finance Support</p>	<p>The service helps identify financial risk and provides targeted support to schools in managing budgets to avoid deficits. Schools needing a service cannot self-refer. BLT will support schools as commissioned by BCC. The FD for Education will report back termly to Schools Forum on the service provided and outcomes from support provided.</p> <p>Schools needing support outside of the scope of this commission will need to purchase the relevant support package from BCC.</p>	<p>£110,000</p> <p>£30,000</p>	<p>£2.49 per pupil / £9.96 per place. (part year £1.45/£5.80 per place)</p> <p>68p per pupil/ £2.72 per place. (part year 40p/ £1.60 per place)</p>	<p>£127,000 (of which £17,000 is underspend from 2017/18).</p>	<p>A single rate of £2.50 per pupil/ £10 per place to provide a contribution of £110,000 in 2018/19. (£87,500 from primary, £12,500 from secondary and £10,000 from Special schools and PRUs)</p> <p>This is achieved through more effective management of the BLT services and targeting of support, possible through better working between BCC and BLT.</p>
<p>Educational Visits (Evolve) service provided by BCC</p>	<p>The cost of Evolve directly from the IT provider Edufocus with advice from the preferred Evolve provider would be £1098 / Primary £1898 /Secondary. BCC therefore offers a very good value for money service)</p> <p>The traded offer proposed to academies from September 2018 will be £50 per school plus £1 per pupil. This will include training. The difference between traded services to academies and maintained schools through dedelegation is the £50 per school fee which covers administration costs of supporting academies.</p>	<p>£44,000</p>	<p>£1.03 per pupil/ £4.12 per place (part year 60p per pupil/£2.40 per place)</p>	<p>£44,000</p>	<p>£1.00 per pupil/ £4 per place to provide a total budget of £44,000.</p> <p>This will also cover training currently charged separately to both maintained schools and academies.</p>
<p>Total</p>		<p>£184,000</p>	<p>£4.20 per pupil/ £16.80 per place (part year £2.45/£9.80 per place)</p>	<p>£171,000 of which £17,000 is from underspends in 2017/18.</p>	<p>Contribution £154, 000</p> <p>£3.50 per pupil/ £14 per place.</p>

24

8. Recommendations

- 8.1. *That maintained primary and secondary representatives of Schools Forum agree to the de-delegation rates of £15 per pupil in Primary and £17.50 per pupil in secondary for existing de-delegation as set out in Table at 4.***
- 8.2. *That maintained primary and secondary representatives of Schools Forum agree to a charge for de-delegation of £3.50 per pupil for former ESG funded service set out in Table at 7.***
- 8.3. *That special school and PRU representatives on Forum agree to a charge for de-delegation for former ESG funded service of £14 per place to cover the activities set out in Table at 7.***

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 1 SCHOOL SPECIFIC CONTINGENCY FUND TERMS OF REFERENCE

Approved by Schools Forum: 21st March 2017
Effective 1st April 2017

Background

The Schools Budget consists of the delegated budgets allocated to individual schools and a budget for other provision for pupils which local authorities fund centrally. The allocation to each school is made according to formulae, either set nationally or agreed on a local basis.

In Buckinghamshire, a contingency fund has been established, in accordance with current regulations¹, to assist maintained schools where, for a range of potential reasons they are experiencing financial difficulty to a degree likely to impact adversely on the education of pupils. This fund is known as the Schools Specific Contingency Fund (SSCF). The SSCF is a de-delegated service. Funding for de-delegated services must be allocated through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with Schools Forum approval. De-delegation is not an option for Special schools, Nursery schools and PRUs. Primary and Secondary maintained school members of the Schools Forum can vote to approve a local authority proposal to pool funding from maintained school budgets.

Any unspent balance at the year-end should be reported to Schools Forum. Funding may be carried forward to the following year and can be used specifically for de-delegated service if the authority wishes. If a local authority carries forward an overspend, then the Schools Forum must specifically agree for it to be funded from the following year's budget.

The SSCF is central expenditure deducted for the purpose of ensuring that monies are available to enable increases in a school's budget share after it has been allocated where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share which may include expenditure in relation to -

- (i) schools in financial difficulty,
- (ii) the writing-off of deficits of schools which are discontinued, excluding any additional costs and overheads,
- (iii) new, amalgamating or closing schools, or
- (iv) other expenditure where such circumstances were unforeseen when initially determining the school's budget share

Regulations¹ give the Schools Forum members for Primary maintained schools and Secondary maintained schools the power to agree the level of the Schools Specific Contingency.

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 1 SCHOOL SPECIFIC CONTINGENCY FUND TERMS OF REFERENCE

The Schools Specific Contingency Group (SSCG)

The Schools Specific Contingency Group has delegated authority from the Managing Director of Children's Social Care and Learning and the Schools Forum to make allocations of funding to schools from the Schools Specific Contingency Fund.

Membership of the group shall include:

Finance Director or representative

School Improvement Manager relevant to the schools making applications

Head of SEN or representative

Schools Financial Management Adviser

and

At least two Members of the Schools Forum (preferably one Headteacher and one governor)

The group has the authority to determine appropriate criteria for the allocation of contingency funding to schools; such criteria may need to change from time to time to reflect available funding and the number and nature of applications from schools.

The SSCG will meet once a year, in March, when all cases submitted by schools will be considered. Meetings will be chaired by a Schools Forum member.

In order to avoid any conflict of interest that might exist for a member of the Group in the consideration of a specific application with which he/she may have a connection as a Governor, IEB member, Headteacher or Business Manager, then such a conflict will be eliminated by such a member withdrawing from the discussions and decision making surrounding the case.

Principles and criteria

Schools are expected to take all reasonable issues into account when setting their financial plans and to ensure that they have capacity within their plans to deal with unforeseen eventualities. The Schools Specific Contingency Fund is necessarily very limited and is therefore allocated only in exceptional circumstances.

In considering applications for support except those relating to errors in budget shares, in all cases the school is required to demonstrate that "financial difficulty"* would result. The SSCG will require evidence of the size and nature of the expenditure together with an explanation of steps taken to mitigate the impact on the school's budget. The group will take account of such steps and in cases where the expenditure could have been avoided or substantially reduced (e.g. through the purchase of appropriate insurance) applications will be discounted accordingly.

* Financial difficulties shall be recognised when either

a) The latest forecast of the year end results show a deficit or

b) As a result of the additional costs (being the subject of the Contingency application), the in-year deficit of the school exceeds 2% of the school's Budget share

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 1 SCHOOL SPECIFIC CONTINGENCY FUND TERMS OF REFERENCE

Applications will be considered for the issues arising in the academic years covered by the current financial year. However, funding is only available on a financial year basis and therefore schools should ensure that applications are made within the correct financial year. **Consideration of applications will be limited by the level of the budget set aside for the SSCF.**

Where allocations are agreed, the following criteria will generally be applied;

- (i) For errors in school budget shares arising from incorrect data or incorrect application of the funding formula – the full amount of the error for the current financial year.
- (ii) Support for significant unforeseen costs – no more than 50% of the cost accepted by the SSCG

The following are examples of applications falling under point (ii).above – unforeseen costs – which the SSCG may consider:-

- a) Long term absence of teachers through sickness/maternity leave etc. where it has proved necessary to engage agency staff (N.B. the SSCG will require valid reasons if no insurance has been arranged)
 - b) Net redundancy costs² for staff declared redundant in the first 9 months of the financial year. Redundancies arising in the last 3 months of the financial year will only be considered in exceptional circumstances.
 - c) Child Protection issues resulting in staff suspensions and/or legal costs.
- (iii) Support for additional pupil numbers
In cases where schools experience or need to plan for, a known (not forecasted) significant rise in pupil numbers since the date of the previous funding census (October) until the start of the financial year when those pupils begin to be funded through the funding model, they may apply for additional funding to cover costs incurred in providing education to those pupils. Each case will be considered on an individual spend or need to spend basis.

Schools need to demonstrate:

- a) That necessary additional staffing costs have been incurred or need to be incurred,
- b) That financial difficulty will arise without additional funding i.e. that insufficient free reserve and balances are available to cover those costs. "Free reserves refer to such reserves held by a school which are not specifically held for some future defined expenditure."
- c) Marginal non-staffing costs will be expected to be met by the schools themselves, but significant non-staffing costs will be considered provided that there is clear evidence to prove the cost would not have been incurred if the pupil numbers had not risen.

Contingency panel will grant the actual amount that the school can justify it has incurred due to the increase in pupils up to a maximum of 7/12 AWPU

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 1 SCHOOL SPECIFIC CONTINGENCY FUND TERMS OF REFERENCE

iv) Traveller Children

For Traveller children who do not receive pupil premium an amount equal to Pupil Premium shall be paid for the period at which the child is registered at that school. Claims should be made in arrears.

Applications which fall outside the scope of the Contingency Fund which will not be accepted and for clarity include those:-

- (i) for funding appertaining to prior financial years
- (ii) for capital expenditure
- (iii) from academies
- (iv) for circumstances which fall under the criteria of the growth fund, i.e. pupil growth beyond PAN to meet basic need

Application Process

Schools that believe their budget share is incorrect should contact the Finance Service Desk to verify the calculations. Any errors established will be corrected as a matter of course and will be reported to the SSCG.

Applications for funding for other reasons should be made on the standard form available on the SchoolsWeb.

https://schoolsweb.buckscc.gov.uk/schools/leadership_and_management/finance/guidance.asp

Additional information or evidence may be included in covering letters etc. to support the school's application.

The application must be supported by an up-to-date forecast of the school's projected year end income & expenditure and resulting surplus/deficit (such forecasts to be provided by utilising the standard financial reporting process), Updated for 4 weeks before the panel meeting. The date of the meeting will be announced on the SchoolsWeb.

Notification of Decisions

The BCC Finance team will notify Schools of the decision on their contingency applications within 15 working days of the SSCG meeting.

Appeals

Schools wishing to appeal against the decision made on their application should put the details of their appeal in writing enclosing all additional and supporting information within 5 working days of the decision and submit using the Schools Contingency Fund Request Form on the Service Desk Portal. Any appeals will be heard and considered by the SSCG at a special meeting.

(Amended by Schools Forum 26th September 2017)

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 1 SCHOOL SPECIFIC CONTINGENCY FUND TERMS OF REFERENCE

Note ¹: THE SCHOOL AND EARLY YEARS FINANCE (ENGLAND) REGULATIONS 2017

Note ²: Net redundancy costs to be calculated as the costs of the redundancy less the amount 'saved' in salaries, including on-costs, for the balance of the financial year. (Schools should be aware however that the SSCF would only cover up to 50% of the net redundancy costs)

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 2 Facilities funding for teacher unions

Report for Action

Title: Facilities funding for teacher unions 2018/19

Date: September 2017

Author: Bev Black

Role of the Schools forum

To decide a level of funding from DSG for financial year 18/19 to support the Council's facilities agreement with the five recognised teacher unions in Bucks - ASCL, ATL, NASUWT, NUT, NAHT (note: with effect from 1.9.17 the NUT and ATL formally amalgamate to become the National Education Union).

Background information

Facilities funding is provided to support release of union officials from their "day jobs" to provide support to their members. The funding supports release to undertake work in maintained schools only; completely separate arrangements apply to union work in academies.

Union officers undertake a variety of roles in collective bargaining and in working with management, communicating with union members, liaising with their regional trade union offices and in handling individual disciplinary and grievance matters on behalf of County employees.

There are positive benefits for employers, employees and for union members in encouraging the efficient performance of local union officers' work, for example in aiding the resolution of problems and conflicts at work.

The Conditions of service for school teachers in England and Wales (the Burgundy book) sets out principles that local authorities need to apply in managing industrial relations with their recognised unions. This includes advice that ... "Each local education authority is advised to agree jointly with each of its recognised teacher organisations the detailed arrangements for the granting of facilities in accordance with the provisions of this agreement."

Outcomes sought

Schools Forum is asked to agree to continue to provide funding from the DSG grant to allow the existing arrangements to continue. Recommended budget allocation is set out below.

Options

The budget for 17/18 was agreed as £31k with an agreed brought forward if required of up to £21k to provide a total fund of £52k.

Funding covers a fixed element to allow release for agreed meetings with officers and relevant committees. The casework element is unpredictable and is based on Employment relations cases arising during the year where union representation is required. Claims are paid termly to re-imburse schools.

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 2 Facilities funding for teacher unions

Financial implications

Current budget (17/18) = £31K, plus an agreed brought forward £21k from 2016/17 budget to make total **£52k**

Current projected expenditure for 2017/18 = **£28,800**

Based on this year's situation approximately **£23k** of the allocated £52k is likely to remain unclaimed, mainly because a significant proportion of the eligible union officials are currently either retired members or work on a supply basis and thus are not entitled to claim. If officials are replaced by School employees levels of claims will increase. (Note: officials are nominated or elected by the relevant unions so the authority has no control over this).

Proposal

The current budget is based on rates of 70p per pupil.

If allocations are based on the assumed basis of 40,000 pupils across maintained schools in Bucks, this would provide a budget for 2018/19 of £28,000.

The budget above together with current brought forward surplus (16/17) plus potential surplus from this year (17/18) would provide the following:

Budget (based on 40,000 pupils @70p per pupil	£28000
Current brought forward surplus from 16/17 to 17/18	£21,000
Potential underspend 17/18 (£31,000-£28,800)	£2000 (approx)
Total funds available for 18/19	£51,000

Recommendation

– to agree a budget of £28K for financial year 18/19 with provision for a further ring fenced surplus of £23K contingency if required.

- The recommendation above will cover projected expenditure for 18/19.
- The contingency provision will provide a safety net in case elected local officials cease to be retired members and are replaced by employed staff.
- Agreeing the total allocated budget at this stage of the year will allow plenty of time for unions to agree allocations between them taking into account the amalgamation of the NUT and ATL.

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 3 Specialist Finance support for schools with deficit budget risks

SFMA

- The Schools Finance Management Advisory (SFMA) team within the Buckinghamshire Learning Trust (BLT) are commissioned by the Council to provide specialist finance support for schools with deficit budget risks and help them set recovery plans.
- SFMA are also commissioned to monitor progress against agreed plans and raise concerns with the Council, who may intervene by issuing Notice of Concerns or in extreme cases remove delegation for schools or impose an Interim Executive Board.
- SFMA also support training for heads, governors and school finance staff.
- SFMA also investigate potentially excess surpluses where these have been identified by the Council.
- The SFMA comprises two staff.

BCC Finance team

BCC Finance resource directly managed by the Finance Director for Education support the analysis of financial risk. This includes:

- Reviewing maintained budgets, both set at start of the year and throughout the year
- Review of the Schools Financial Values Standards submissions.
- Support to internal audit investigations.

The team also directly supports special schools and PRUs in financial difficulty, leaving BLT to focus on mainstream (mostly primary) schools. The Finance Director for Education leads on high risk schools such as Mandeville.

The support is a part of a number of people.

Efficiencies for 2018/19

Since September 2017 the funding for BLT's SFMA team fell under de-delegation (instead of Council Grant). This has significantly helped strengthen the commissioning arrangement with a "dotted line" to the Finance Director for Education. Future arrangements may strengthen this further.

The more effective working between the teams has also allowed the services needed to be delivered despite one of the BLT staff reducing their hours.

In 2017/18 (part year) the amount of de-delegation funding received (for the 7 months part year) has therefore not been fully utilised resulting in a £17k underspend to offset 2018/19 de-delegation requests.

Developments in 2018/19

The scheme for financing schools will be strengthened and maintained schools will be required to submit draft budgets to the Council by the end of February 2018.

With the move towards the national funding formula, estimated funding for schools will also be clearer and a funding planning tool is being developed for schools to better predict funding through the dedicated schools grant.

Schools will also migrate to a single point for SFVS submissions.

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 3 Specialist Finance support for schools with deficit budget risks

The combined resource of BCCC Finance team staff and BLT SFMA staff will therefore have earlier and better quality information to help identify risk and subsequently target the support needed.

Apart from helping schools more strategically plan their resources, another benefit of providing more effective support and challenge is the risk of a school having a deficit which needs to be “written off” upon forced conversion reduces. This allows the de-delegation request for that contingency to be reduced.

De-delegation – Maintained Schools Sub Committee 20th October 2017

Appendix 4 – BCC Educational Visits Service previously covered by ESG.

Dedelegation request

The £44k is based on the full cost of the service team supporting maintained schools.

Budget 2018-19	Rates per pupil / place	Notes
£44,000	£1.00 (primary and secondary) or £4 per place in specials and PRUs.	<p>Comprises the Outdoor Education Adviser and one administrative support. (Costs: salaries of the two staff, Evolve licence fee and overheads such as phone / laptop / hot desk space.)</p> <p>Duties: The Health and Safety at Work Act (1974) places general duties of care on employers to conduct their undertakings without risk to the health and safety of others (staff and students) (The duty of care owed by the employer for school curriculum activity is non-delegable.) Employers must ensure that employees are provided with appropriate Guidance, Training and Access to competent expert advice.</p> <p>Legal: In a worst case scenario, Rachael Shimmin as the CEO could be prosecuted under criminal law for not fulfilling the duties of the employer. (Directors found guilty of not fulfilling their legal obligations resulting in the death of young people have been jailed).</p> <p>Background: In 1986 four boys from Stoke Poges middle school in Buckinghamshire died during a school visit to Lands' End as consequence of poor planning. Nationally this resulted in the appointment of LEA Outdoor Education Advisers to ensure that LAs (as the employer of LA schools) fulfilled their H&S duties (see below). Buckinghamshire has had an Outdoor Education Adviser since that time.</p> <p>The current position: The Outdoor Education Adviser represents the LA in fulfilling its legal duties to LA schools. LA schools do not pay for support, guidance or advice. Academies are charged which helps to offset the cost to the LA for its work with LA schools. All Buckinghamshire LA schools and academies (less seven) use the service. Schools are expected to have access to competent expert advice about Educational Visits.</p> <p>Processes in place: LA schools and academies use an IT system called Evolve for the registration of their visits. This provides an approval chain to ensure as far as possible good planning. The Outdoor Education Adviser approves residential, overseas and adventurous activity for LA schools and all but one academy asks that their visits are similarly authorised. Each school has an Educational Visits Coordinator (EVC) that has been trained by the Outdoor Education Adviser and they are the link with the Outdoor Education Adviser and advice. The Outdoor Education Adviser also provides INSET, training for governors, for NQTs and for admin staff who support teachers with their Educational Visits arrangements. The information held on the LA Evolve site is available to help support in an emergency.</p>

De-delegation – Maintained Schools Sub Committee 20th October 2017

Budget 2018-19	Rates per pupil / place	Notes
		<p>Evolve direct from company with <u>advice from the preferred Evolve provider:</u> Primary £1098 / Secondary £1898</p> <p><u>Considerations for future provision if the service was deleted:</u></p> <p>Evolve: The LA would no longer hold an LA licence for the Evolve IT system and so schools would either <u>return to a paper system or buy direct from the Evolve IT company.</u></p> <p>Advice and support: The Evolve IT company does <u>not</u> provide Advice for Educational Visits but it does have a preferred provider who will give advice. The scrutiny of Educational Visits by the County Outdoor Education Adviser would cease as would approval of LA school residential, overseas and adventurous activity along with the checking process provided to academies. The LA would no longer know what Educational Visits were taking place in the County and would not be able to identify poorly planned visits. The list of Educational Visits out during holidays would stop and it would not be possible to directly access information about the visit in an emergency. There would be no one to provide and update the County Guidance for Educational Visits. The LA would not fulfil its duties of care as an employer.</p>

De-delegation 2018-19 - Maintained Schools Subcommittee 20th October 2017 – Notes of meeting held at Cressex School .

In attendance

School Forum Members:

David Hood, Cressex School (Chair)
Owen Lloyd, Iver Heath Junior School,
Gaynor Bull, Chair of Governors, Haddenham St Mary's CE School
(Meeting quorate)

Officers:

Robert Williams, Education Visits Advisor, BCC
Cheryl Kent, SFMA, BLT
John Huskinson, Finance Director - Education, BCC
Janaki Try, Senior Accountant, BCC

Apologies:

Gareth Drawmer, Juniper Hill School
Kathryn Tamlyn, Cheddington Combined School
Karen Duckworth, Padbury CE School

De-delegations – existing:

Contingency for schools in financial difficulties

- David Hood declared an interest as Chair of the Contingency Panel
- Insurance pot for risk is supported
- Proposed £10 per pupil Primary/ £12.50 per pupil Secondary – The fund to be managed as a whole and funds allocated on a case by case basis.
- Proposals agreed

Contingency – deficits of closing schools

- Proposals of £4 per pupil agreed
- The meeting supported flexibility between the 2 contingency funds which will be discussed later in the year when clearer about the level deficits write offs.

Union facilities

- Agreed proposals of 70p per pupil

Small schools

- Agreed proposals of 30p per pupil

Total – proposals agreed (£15 per primary and £17.50 per secondary pupil, no lump sum)

De-delegations – Former ESG funded Services:

Financial support

- John Huskinson set out the arrangements for financial support including the commissioned work by BLT
- proposals agreed (£2.50 per pupil/ £10 per place)

Educational visits

- After discussion re nature of service
 - 13000+ visits in schools
 - Robert and part time colleague work with education visit coordinators in schools and train them in helping keeping children safe on visits. The Service uses Evolve planning tool, which is also an information sharing tool and approval system.
 - Robert approves all residential visits, adventurous or overseas.
 - Support schools where need help on planning, and also new joiners get training courses.
 - Over course of year up to 10 emergency calls in.
 - E-Act are the only Academy group not buying into the traded model for Academies.
 - **ACTION: BCC to follow up on EAct risk being managed**
- Agreed proposal (£1 per pupil/ £4 per place)

Totals agreed £3.50 per pupil / £14 per place

Report to Schools Forum

Title:	Growth Fund and Growing Schools
Date:	October 2017
Author:	Finance Director CSCL
Contact officer:	Jonathan Carter 01296 383932 jacarter@Buckscc.gov.uk
Schools affected:	All new and growing schools

Introduction

Schools that are new, growing, being reorganised or have temporary falling numbers may have financial difficulty due to the way that the formula allocates funding on a lagged basis.

This paper sets out the additional funding available for new schools, schools growing, being reorganised or with falling rolls and in doing so highlights a gap where schools growing may be financially disadvantaged for a period of time.

Where situations cannot be addressed within the rules and no other options are available, disapplication (approval of the EFA to waive the rules) may be requested.

Special funding sources

Formula (lagged data based on previous October census)

All schools will be eligible for formula funding based on lagged pupil census data apart from new schools in their first year of operation (as October census would be not available)

Table 1 below summarises the special funding sources for schools and the situations when these would be applicable.



INVESTOR IN PEOPLE

Table 1 -Special funding sources for schools

Situation and special funding sources	Start-up funding	Diseconomies funding	Growth Fund	Variation to pupils	Falling rolls fund
New school before opening	Yes	No	No	No	No
First few years of new school	No	Possible	No	Yes	No
Subsequent years of new school until all years populated	No	Exceptional	No	Yes	No
Existing school growing with LA support	No	No	Yes	No	No
Existing school expanding onto a new site with LA support	Possible	Possible	Yes	No	No
Existing school with falling rolls, where capacity will be needed in future	No	No	No	No	Yes (if meet criteria)
Schools affected by reorganisation or change in year, supported by LA	No	No	No	Yes	Possible
All other schools	No	No	No	No	No

A brief description of the special fund available is set out below with references to the relevant EFA regulations in **Appendix 1**.

Start-up funding - ([Para. 155](#))

Start-up funding comes out of growth fund also and covers costs for new schools before they open. This is currently agreed on a case by case basis to date by a sub committee of the Schools Forum.



INVESTOR IN PEOPLE

Diseconomies funding - ([Para. 155](#))

Diseconomies funding is additional funding for new schools on top of growing schools funding, to reflect the diseconomies of scale in the first few (3 to 5) years of a new school until pupil funding gives them sufficient economies of scale. This funding is part of the growth fund. This is currently agreed on a case by case basis by a sub committee of the Schools Forum.

Variations to pupils (in the formula) – ([Para. 54 & 55](#))

Growing schools applies only to new schools and variations are made to the formula data in line with the regulations. If this was not applied, then new schools would receive no funding in their first year and growing schools would be financially disadvantaged as they grow.

The rules allow changes in pupil numbers also for schools affected by reorganisation or changes in years, with support of the Local Authority.

Growth Fund – ([Para. 158 to 160](#))

Growth fund only applies to existing schools and may be for as little as one year. Growth fund is a top sliced DSG budget held centrally and managed year to year by the Schools Place Planning team initially based on anticipated demand and then adjusted in year if take-up does not warrant extra capacity. We currently fund schools based on the following factors:

AWPU	Number of additional places required multiplied by the appropriate AWPU rate.
Deprivation	Number of additional places required multiplied by the average level of deprivation multiplied by the appropriate rate.
Prior Attainment	Number of appropriate places multiplied by the average level of attainment multiplied by the appropriate rate.

This additional funding is paid to maintained schools for 7/12ths of the financial year and 12/12ths for academies due to the different funding periods, the additional 5/12ths are refunded to the authority via the recoupment process.

Falling rolls funding – ([Para. 167 to 171](#))

Falling rolls funding is only applicable if schools meet certain criteria. The funding is included within the growth fund managed by the Schools Place Planning team.

Recommendation

- 1. That the growth fund and falling rolls fund top-sliced from the Dedicated Schools grant (DSG) Schools Block in 2018/19 remains at £1.7m, with contributions from DSG reserves covering the difference.***



INVESTOR IN PEOPLE

- 2. To continue to support growth fund using the same methodology as before.**
- 3. Specifically to agree that the St Michaels's Catholic School new satellite site be treated the same as a new school, i.e. being eligible for start-up and diseconomies funding. The increase in numbers will be dealt with by growth funding the same as any other LA supported expanding school.**
- 4. To agree the carry forward of underspends to offset future growth fund requirements.**
- 5. To agree the use of DSG balances for any further shortfall until the DfE "repay" this in 2019/20**

Financial implications

The estimate of the growth fund and falling rolls budgets required for 2018/19 are set out in **Appendix 2.**

Allowing for the impact of the National Funding Formula the expected amount of funding required in total is £2.2m.

The underspend of c £140k from 2017/18 will be carried forward to the DSG reserve and will be used to offset part of this 2018/19 increase.

The remainder will be met through the Dedicated Schools Grant Reserve until the DfE fund the amount difference retrospectively (i.e. the use of reserve should be repaid in 2019/20).



INVESTOR IN PEOPLE

Appendix 1 –relevant Guidance from DfE

The key guidance is as follows:

1. [Schools revenue funding 2016 to 2017 Criteria for allocating growth fund falling rolls fund and targeted high needs funding](#)

Growth Fund

18. Local authorities may top slice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening, diseconomy and reorganisation costs. The growth fund may not be used to support schools in financial difficulty (any such support for maintained schools would be provided from a de-delegated contingency) or general growth due to popularity. Criteria for allocating growth funds should contain clear objective trigger points for qualification and a clear formula for calculating allocations.

Compliant criteria would generally contain some of the features set out below:

- Support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- Additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- Support where a school has temporarily increased its PAN by X or more pupils in agreement with the authority
- Support for KS1 classes where overall pupil numbers exceed a multiple of 30 by X or fewer pupils
- Pre-opening costs / initial equipping allowance / diseconomy of scale allowance for new maintained schools and recoument academies, including new academies where the school is opening in response to basic need

19. Local authorities should request a variation to pupil numbers where there is a more permanent and significant change to numbers and where it is appropriate for the change to be reflected in all relevant formula factors and not just a marginal cost or AWPU only allocation.

Falling Roles Fund

52. Local Authorities may top slice the DSG in order to create a small fund to support good schools with falling rolls where local planning data show that the surplus places will be needed in the near future. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:

- Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (note that this is a mandatory requirement)
- Surplus capacity exceeds x pupils or x% of the published admission number



INVESTOR IN PEOPLE

- Local planning data shows a requirement for at least x% of the surplus places within the next x years
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- The school will need to make redundancies in order to contain spending within its formula budget

2. [Schools revenue funding 2018 to 2019 Operational Guidance](#)

Variations to pupil numbers

52. Local authorities will no longer be expected to request approval to increase the pupil numbers used for calculating funding for specific schools where:

- there has been, or is going to be, a reorganisation
- a school has changed, or is going to change, its admission limit

52.1. However, we expect local authorities to present any pupil variations to their schools forum, to illustrate the impact to overall funding and specific schools' budgets.

53. In general terms, we would wish to continue to provide protection for all schools, including those with downward trends in pupil numbers, so any request for a negative adjustment would still require a disapplication, and need to include compelling evidence as to why this should be approved. Other increases not falling within the categories above would still require a disapplication.

54. Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, again explaining the rationale underpinning the estimates.

55. Under these regulations, local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years, and are still adding year groups.

55.1. Local authorities can adjust estimates each year, to take account of the actual pupil numbers in the previous funding period.

55.2. We've included [more information in the treatment in the APT of new and growing schools section of this guidance](#).



INVESTOR IN PEOPLE

56. From 2017 to 2018, all mainstream free schools have been recoupable from the first year of opening. This means ESFA will provide funding directly to the free schools opening, and recoup the funding from local authorities from the estimated pupil numbers in the APT.

57. Whilst the [growth fund](#) is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.

58. If pupil numbers are not adjusted upwards to reflect actual intake, we'll adjust amounts recouped to enable us to properly fund academies and free schools affected by this.

58.1. We've included [more information in the flowchart at Annex 1 about when to request a variation, and when to use the growth fund](#).

Growth fund

152. Growth funding is within local authorities' schools block national funding formula allocation, and has been calculated based on historic spend.

152.1. As it's within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.

152.2. The size of the schools block would not be affected.

153. The growth fund can only be used only to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

154. Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies.

154.1. Local authorities should fund all schools on the same criteria, discussed below.

154.2. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.



INVESTOR IN PEOPLE

155. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils.

155.1. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

155.2. ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in [section 6A of the Education and Inspections Act 2006](#).

156. The growth fund may not be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
- general growth due to popularity; which is managed through lagged funding

157. The growth fund may not be the most appropriate source of funding for growing schools, and local authorities should consider varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula.

157.1. Local authorities will not need to submit a disapplication request for an increase to numbers, where this is due to a change to the admission limit, or a local reorganisation.

158. Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

158.1. The schools forum must also be consulted on the total size of the growth fund from each phase, and should receive regular updates on the use of the funding.

158.2. ESFA will check the criteria for compliance with the regulations.

159. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase.

159.1. Criteria for allocating growth funds should contain clear objective trigger points for qualification and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.

159.2. Compliant criteria would generally contain some of the features set out below:



INVESTOR IN PEOPLE

- support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its PAN, by a minimum number of pupils, in agreement with the authority
- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

160. Methodologies for distributing funding could include:

- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)
- a per-pupil rate (usually based on AWPU, and reflecting the proportion of the year which is not funded within the school's budget share)
- a per-pupil rate, with a maximum ceiling

161. We've provided examples of some local authorities' criteria for allocating growth funds to school and academies. These can be found in the published [Schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) guidance.

162. Where growth funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

162.1. Local authorities should enter the cost of growth funding for the April to August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

163. ESFA will not make growth fund recoupment adjustments for diseconomy of scale, or start-up funding; local authorities should not enter these on the recoupment tab of the APT.

163.1. This funding will continue to be met from the local authority's growth fund.



INVESTOR IN PEOPLE

164. Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase, and are content that the expansion is deliverable within the funding available.

165. Local authorities should report any unspent growth funding remaining at the year-end to the schools forum.

165.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth.

166. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

Falling rolls fund

167. Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

167.1. The schools forum should agree both the value of the fund, and the criteria for allocation, and the local authority should regularly update the schools forum on the use of the funding.

167.2. As with the growth fund, the falling rolls fund is also within the NFF schools block.

168. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

168.1. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort



INVESTOR IN PEOPLE

- the school will need to make redundancies in order to contain spending within its formula budget

168.2. Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

169. We've included examples of how local authorities have allocated their falling rolls fund in the [schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) publication.

170. Where falling rolls funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

171. Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum.

Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.

Variations to pupil numbers

172. Local authorities will no longer be expected to request approval to increase the pupil numbers used for calculating funding for specific schools where:

- there has been, or is going to be, a reorganisation
- a school has changed, or is going to change, its admission limit

172.1. However, we expect local authorities to present any pupil variations to their schools forum, to illustrate the impact to overall funding and specific schools' budgets.

173. In general terms, we would wish to continue to provide protection for all schools, including those with downward trends in pupil numbers, so any request for a negative adjustment would still require a disapplication, and need to include compelling evidence as to why this should be approved. Other increases not falling within the categories above would still require a disapplication.



INVESTOR IN PEOPLE

174. Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, again explaining the rationale underpinning the estimates.

175. Under these regulations, local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years, and are still adding year groups.

175.1. Local authorities can adjust estimates each year, to take account of the actual pupil numbers in the previous funding period.

175.2. We've included [more information in the treatment in the APT of new and growing schools section of this guidance](#).

176. From 2017 to 2018, all mainstream free schools have been recoupable from the first year of opening. This means ESFA will provide funding directly to the free schools opening, and recoup the funding from local authorities from the estimated pupil numbers in the APT.

177. Whilst the [growth fund](#) is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.

178. If pupil numbers are not adjusted upwards to reflect actual intake, we'll adjust amounts recouped to enable us to properly fund academies and free schools affected by this.

178.1. We've included [more information in the flowchart at Annex 1 about when to request a variation, and when to use the growth fund](#).

Treatment in the APT of new and growing schools

120. Regulations require local authorities to provide estimated numbers on the APT for new schools and schools which have opened in the last seven years and do not have pupils in every year group. This means that it is not necessary for local authorities to apply for a pupil number variation in these situations.

121. As the APT covers the financial year and year groups join at the start of an academic year, we would generally expect the estimated numbers to reflect 7/12ths of the financial year. We need to understand details of the academic year numbers as well, so that relevant academies can be funded on that basis (this also applies to variations in pupil numbers where there are changes in age range). Local authorities should work with the schools concerned to



INVESTOR IN PEOPLE

provide the most accurate and realistic estimate based on the latest admissions and demographic data.

122. The Regulations are not prescriptive about how future numbers on roll should be calculated, however methodologies could include:

- $[\text{October 2016 NOR (from APT)} \times 5/12\text{ths}] + [\text{October 2017 estimated NOR} \times 7/12\text{ths}]$
- $\text{October 2016 NOR (from APT)} + 7/12\text{ths October 2017 estimated intake in new year group}$

123. Where a school is filling up a large number of empty places in existing year groups, it may be more appropriate to consider the estimated number on roll of the whole school, rather than simply considering the size of the new cohort.

124. The 2017 to 2018 APT will automatically convert the financial year estimated pupil numbers to pupil numbers expected in the academic year and local authorities should assure themselves that these are correct.

125. For a school to be classed as a growing school it has to have opened in the last seven years and not have all year groups present yet. If a school has opened in the last seven years and is already taking in pupils in all year groups, then there is no requirement to estimate numbers. As such existing schools which are extending their age range or becoming all through are unlikely to count.

126. We are consulting on changes to recoupment arrangements for free schools for 2017 to 2018 onward. Under the proposals all mainstream free schools would be recoupable from the first year of opening from 2017 to 2018. This means local authorities would need to estimate pupil numbers and characteristics for all these schools as is the case already for those opened under the presumption arrangements.

127. The regulations allow retrospective adjustments in the following financial year, so that schools are appropriately funded if actual numbers are different from the estimates. This is a matter for local decision, but we would generally expect such a mechanism. It is up to the authority whether or not to use a threshold.



INVESTOR IN PEOPLE

2017/2018				Revised		
DfES No.	School Name	Type	Sector	Additional Reception Pupils	Additional Yr7 Pupils	Total Additional Funding
8252286	Ashmead Combined School	C	Primary	20	0	35,925
8255205	Brushwood Junior School	J	Primary	30	0	51,388
8252000	The Disraeli School	C	Primary	30	0	56,697
8253073	Haddenham St Marys C of E School	I	Primary	15	0	24,003
8252333	Halton Community Combined School	C	Primary	15	0	25,075
8252242	Hughenden Primary School	C	Primary	15	0	26,181
8252007	Mary Towerton School	I	Primary	15	0	24,425
8252006	Millbrook Combined School	C	Primary	30	0	53,919
8252001	Oak Green School	C	Primary	30	0	54,342
8253376	St Louis Catholic Primary School	C	Primary	30	0	53,795
8253029	Wendover C of E Junior School	J	Primary	30	0	49,062
8252288	William Harding Combined School	C	Primary	30	0	51,008
8255409	Great Marlow School	S(A)	Secondary	0	30	69,168
8254084	Sir William Ramsay School	S(A)	Secondary	0	30	70,484
8254701	Saint Michael's Catholic School	U	Secondary	0	30	70,374
8256905	The Aylesbury Vale Academy	S(A)	Secondary	60	60	256,347
	Primary Contingency		Primary	15	0	25,627
	Lace Hill Academy - Diseconomies		Primary			85,000
	Daws Hill Academy - Start-up		Primary			27,300
	Green Ridge Academy - Start-up		Primary			175,000
	St Michaels (Aylesbury) - Start-up - Est.		Secondary			200,000
	Buckingham Park - Historical Agreement		Primary			43,575
	Eddlesborough - Historical Agreement		Primary			31,752
	Grand Total			365	150	1,560,448

Budget 1,700,000
 Projected Underspend 139,552

2018/2019				Revised		
DfES No.	School Name	Type	Sector	Additional Reception Pupils	Additional Yr7 Pupils	Total Additional Funding
8252286	Ashmead Combined School	C	Primary	20	0	36,817
8253022	Bierton C of E Combined School	C	Primary	20	0	33,388
8252022	Dagnall School	C	Primary	15	0	25,727
8252000	The Disraeli School	C	Primary	30	0	56,578
8253039	Great Kimble C of E School	I	Primary	15	0	25,652
8253073	Haddenham St Marys C of E School	I	Primary	15	0	23,892
8252242	Hughenden Primary School	C	Primary	15	0	26,116
8252189	The John Hampden School	I	Primary	30	0	48,605
8252007	Mary Towerton School	I	Primary	15	0	25,038
8252006	Millbrook Combined School	C	Primary	30	0	54,115
8252001	Oak Green School	C	Primary	30	0	56,586
8253376	St Louis Catholic Primary School	C	Primary	30	0	55,920
8252288	William Harding Combined School	C	Primary	30	0	51,475
8255409	Great Marlow School	S(A)	Secondary	0	30	68,931
8254084	Sir William Ramsay School	S(A)	Secondary	0	30	70,501
8254701	Saint Michael's Catholic School	U	Secondary	0	30	70,020
8256905	The Aylesbury Vale Academy	S(A)	Secondary	30	60	202,650
	Primary Contingency		Primary	45	0	77,386
	Secondary (CSB) Contingency		Secondary	0	90	206,331
	Secondary (WYC) Contingency		Secondary	0	60	137,554
	Secondary (AYL) Contingency		Secondary	0	30	68,777
	St Michaels Aylesbury - Additional Places		Secondary	0	120	275,108
	NFF Rate Increase - Estimate					33,943
	Lace Hill Academy - Diseconomies		Primary			35,417
	Daws Hill Academy - Start-up		Primary			74,600
	Green Ridge Academy - Diseconomies		Primary			120,000
	St Michaels (Aylesbury) - Start-up/Diseconomy - Est.		Secondary			200,000
	Buckingham Park - Historical Agreement		Primary			43,575
	Eddlesborough - Historical Agreement - Est.		Primary			42,336
	Grand Total			370	450	2,247,040

Budget 1,700,000
 Underspend from Previous Year 139,552
 Projected Shortfall to be met from Reserves -407,487

Report to Schools Forum

Title:	Funding Formula Consultation
Date:	October 2017
Author:	John Huskinson, Finance Director for Education
Contact officer:	John Huskinson, jhuskinson@buckscc.gov.uk , 01296 382384
Schools affected:	All schools

1. Purpose of this report

- 1.1. This report sets out the proposals for the consultation on School Funding formula for 2018/19

2. Background

- 2.1. The Government has introduced a National Funding Formula (NFF) for schools. Buckinghamshire County Council needs to agree the local arrangements with the Schools Forum and Consult on these with schools.

3. Recommendations

- 3.1. That the consultation document attached to this report is endorsed by the Schools Forum and the consultation with schools commences on 6th November for two weeks.**

4. Detailed proposals

- 4.1. The proposed consultation document (see Appendix 1) sets out the proposals for the Schools Formula locally.
- 4.2. The proposal is to adopt the NFF principles but scale them to an affordable level.
- 4.3. It proposes the use of capping of gains to offset the cost of protecting schools from more than 1.5% reductions in funding per pupil.
- 4.4. It asks schools consider a transfer of funding from the Schools Block to support high needs pressures. (set out in a separate paper)

5. Impact

- 5.1. The NFF proposals are more generous in all regards with the exception of lump sum reductions. This may be an issue for the smallest primary schools where increases in other funding factors does not fully compensate for the reduction in lump sum.
- 5.2. There is no correlation between financial difficulty in schools (deficit budget risk) and size of school. If there was a link between deficit budgets and size, this issue would cause a greater concern for the Council. There are small schools facing financial difficulty but there are many larger schools also facing financial difficulty.
- 5.3. Generally the NFF proposals are positive for Buckinghamshire schools. There will be some schools where the combination of factors is not positive overall. Maintained schools can apply to the contingency for schools in financial difficulty.

Attached Document – Schools Funding Consultation November 2017

**Consultation on
Buckinghamshire's
school funding
proposals for
2018/19 onwards**

November 2017

Introduction

In Buckinghamshire we are committed to all children and young people reaching their full potential and we know that we have some fantastic performance within the County but persistently over time we also know that we have had some underperformance for certain groups.

Significant gaps in attainment exist between vulnerable groups and all other pupils at all educational stages. Within Buckinghamshire there are a significant and increasing number of vulnerable children and young people including:

- Pupils with Special Educational Needs and Disability and who have an Education, Health and Care Plan
- Children with English as an additional language (EAL)
- Looked after children and children with a Child Protection Plan
- Children who have been permanently excluded from school
- Children missing education
- Electively home educated
- Pupils in Buckinghamshire who are eligible for free school meals
- Certain black and ethnic minority Groups

We have gone out to consultation on a new Education and Skills Strategy that sets out our ambition for children and young people in Buckinghamshire and our priorities within it reflect the persistent areas of underperformance.

Draft Education and Skills Strategy (2017 - 2021) - Priorities

- Infrastructure - Developing sufficient high quality places, in the right locations, to meet the growing needs
- Early Year and Childcare - Providing the best start to enable all our young learners to flourish and develop a love of learning
- School Improvement and Engagement - Working collaboratively to deliver high standards and excellent results for all our pupils
- Inclusion & Supporting the Vulnerable - Delivering a positive and inclusive education for all children and young people
- Enabling excellent outcomes for all children and young people with Special Educational Needs and Disability
- Post 16 Provision and Skills - Equipping young people with the knowledge, skills and experience to thrive in a modern economy

It is critically important that we have a financial strategy that underpins our ambition for education and this consultation focuses on how we will shape our National Funding Formula allocation to meet our local priorities.

Overview

The Government is implementing a National Funding Formula (NFF) for schools from 2021/21.(Subject to political ratification)

The Department for Education (DfE) has provided Local Authorities (LAs) such as Buckinghamshire County Council (BCC) with indicative funding allocations for school funding, as part of the Dedicated Schools Grant (DSG). This is called the “Schools Block”.

The Department for Education has also provided indicative allocations for the other “Blocks” of the DSG, namely the High Needs Block (HNB), Early Years Block (EYB) and the Central Schools Services Block (CSSB).

The Department for Education has provided details of their National Funding Formula proposals but these proposals do not have to be fully implemented by Local Authorities. The Department for Education allocations to Local Authorities include “capping” in each year (3% gains in 2018/19 and 6% in 2019/20) as part of their transition to the full National Funding Formula in 2020/21.

The full National Funding Formula proposals by the Department for Education are not fully affordable in 2018/19 or 2019/20 because the indicative funding allocation to Buckinghamshire have been capped at 3% per school in 2018/19 rising to 6% per school by 2019/20 as part of the transition to full funding in 2020/21.

Consultation Scope

Local Authorities are expected to consult on local funding arrangements with the Schools Forum and with all schools. This is required for changes to the funding formula and any transfer from Schools Block.

This consultation considers whether the National Funding Formula principles should be adopted by Buckinghamshire County Council and if so, how the transition to 2020/21 is managed and afforded.

The High Needs Block (HNB) has significant pressures due to increased demand for support for children with Special Educational Needs and Disability (SEND). The Consultation includes a request for budget support from the Schools Block.

A decision to “ring-fence” Early Years Block (EYB) was made in 2016/17 and there are no significant changes in Early Years arrangements to consult on for 2018/19.

The Central Schools Services Block (CSSB) managed by Buckinghamshire County Council is reducing year on year. This will be ring-fenced and any pressures on this managed by Buckinghamshire County Council. There are currently no significant issues requiring consultation.

Consultation Timescales

The Consultation will start on Monday 6th November and run until the end of Sunday 19th November 2017.

To support this consultation a number of consultation “roadshow” events are being held at the start of November. These are bookable online.

- Monday 6th November, 7:30pm -9.00pm – St Mary’s & All Saints School, Beaconsfield
<https://www.eventbrite.co.uk/e/education-consultation-roadshow-tickets-39116800403>
- Tuesday 7th November, 3:30pm -5.00pm, Green Park, Aston Clinton (Darke Hall)
<https://www.eventbrite.co.uk/e/education-consultation-roadshow-tickets-39116913742>
- Tuesday 7th November, 7.00pm-8:30pm Wycombe High School.
<https://www.eventbrite.co.uk/e/education-consultation-roadshow-tickets-39117000000>
- Wednesday 8th November, 7.00pm-8:30pm, Royal Latin School, Buckingham
<https://www.eventbrite.co.uk/e/education-consultation-roadshow-tickets-39117075225>
- Thursday 9th November, 9:30-11.00am – Booker Park School, Aylesbury
<https://www.eventbrite.co.uk/e/education-consultation-roadshow-tickets-39117311933>

If you wish to attend any of these events, please book online where further details of the venues will be provided.

The results of this consultation will be presented to the Schools Forum meeting on Tuesday 28th November. A recommendation to the Cabinet Member for Education will be provided at this meeting and a decision made by early January 2018.

Consultation Questions

The questions in the consultation are as follows:

- Q1. Do you support the proposal for Buckinghamshire to adopt National Funding Formula principles from 2018/19?
- Q2. Do you support the proposal to phase in local funding formula rates over the next 2 years?
- Q3. Do you support the proposal that the cost of protecting schools from decreases in per pupil funding is met by capping gains per pupil in other schools?
- Q4. Which of the following amounts do you think should be transferred from ‘Schools Block’ funding to ‘High Needs Block’ funding for the next two years?

Further details behind each of these questions are set out later in this document.

Schools Block Allocations

The Schools Block includes the school funding allocation through the formula based on pupil data, plus funding for growth, premises and mobility based on historic levels.

Buckinghamshire gains more in percentage terms than most authorities but it started as one of the lowest funded in the country and the amount allocated to schools through the local formula was on average the third lowest in the country in part due to supporting the high needs block in past years.

The indicative allocation for the Schools Block for each of the next three years compared to 2017/18 level is shown in the table below.

Table 1 – Indicative Schools Block funding allocations for Buckinghamshire¹

Year	Allocation for the funding formula.	Allocation for growth, premises and mobility.	Provisional total allocation	Notes
2017-18	£290.011m	£5.495m	£295.505m	Average funding is 3rd lowest in the country.
2018-19	£300.743m	£5.495m	£306.238m	£10.7m (3.6%) increase =6th highest in the Country.
2019-20	£309.458m	£5.495m	£314.953m	£19.4m (£8.7m in year) (6.6%) increase = 6th highest in the Country.
2020-21	£311.249m	£5.495m	£316.744m	£21.2m (£1.8m in year) (7.2%) increase =10th highest in the Country.

The final allocation will be based on the pupil data from the October 2017 schools census available in December, so for the purposes of consultation the indicative allocations will be used and any modelling will use the current dataset. This comes with some caveats but is adequate for consultation.

¹ <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs>

National Funding Formula proposals –impact on Buckinghamshire

With the exception of the lump sum reduction, the National Funding Formula proposals increase the funding for schools compared to the formula used currently. The National Funding Formula is financially positive for most schools and it is proposed to adopt the principles, factors and rates within the National Funding Formula from 2018/19 and beyond. These need to be scaled to a level to match the Schools Block allocation available for the formula in 2018/19 and 2019/20.

The Department for Education has not funded the cost of Minimum Funding Guarantee (MFG) Protection, which protects schools from significant decreases in per pupil funding. It is proposed to continue to use a minus 1.5% Minimum Funding Guarantee level (no change from the current model) and cap schools gaining (also in line with previous years) at a level which broadly pays for the cost of Minimum Funding Guarantee Protection.

Appendix 1 summarise the National Funding Formula proposals in more detail.

Appendix 2 summarises the indicative formula rates used in modelling and the financial impact. This shows that cost of implementing the full National Funding Formula is higher than the funding allocation available in 2018/19 but moderate scaling balances this in 2018/19 and 2019/20, prior to the full National Funding Formula implementation in 2020/21.

A significant benefit in adopting the National Funding Formula (with scaling) is the greater certainty of the funding rates for schools for the next three years to help schools more effectively budget over the uncertain longer term.

Five groupings of school have been chosen to illustrate the impact on school budgets over three years, in **Appendix 3**. This includes:

- Small primary schools (Under 100 pupils);
- Average primary schools;
- Large primary schools (over 400 pupils)
- Secondary schools with low proportions of prior attainment funding;
- Secondary schools with higher proportions of prior attainment funding.

Q1 – Do you support the proposal for Buckinghamshire to adopt National Funding Formula principles from 2018/19? The responses available are Yes; No –please specify reasons. A free text box will capture any comments to support answers.

Q2 – Do you support the proposal to phase in local funding formula rates over the next two years?

The responses available are Yes; No –please specify reasons. A free text box will capture any comments to support answers.

Q3 – Do you support the proposal that the cost of protecting schools from decreases in per pupil funding above 1.5% is met by capping gains per pupil in other schools?

The responses available are Yes; No –please specify reasons. A free text box will capture any comments to support answers.

Transfer to High Needs Block (HNB)

The schools block will be ring-fenced from 2018 to 2019, but local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.

To make such a transfer, local authorities must consult with local schools. The Schools Forum should take into account the views of the schools responding before giving their approval.

The indicative funding allocation for High Needs Block (£79.9m) is insufficient to fully fund the expected pressures on high needs activity in 2018/19. This is due to ongoing demand for Education, Health and Care Plans (EHCP) and pressure on costs of delivery.

The Buckinghamshire County Council Special Educational Needs and Disability (SEND) strategy agreed in 2017 includes addressing this financial challenge. On average, it takes 10 years for pupils supported under the High Needs Block to move through the education system. Buckinghamshire County Council's Special Educational Needs and Disability (SEND) strategy will make significant savings in the medium term.

The changes require a different way of working and "investment" to support these aims. An analysis of the proposed budgets for 2018/19 and a description of the activities were provided to the Schools Forum in October 2017².

This paper highlighted a potential £2m pressure in funding High Needs Block activities in 2018/19 despite efficiencies in a number of areas. Buckinghamshire County Council holds £1m in reserve (one off funding) which can cover part of the expected pressures. The greatest pressure is for special schools, who are meeting the needs of the most complex pupils with Special Educational Needs and Disability (SEND). A significant investment is also required in funding mainstream schools supporting pupils with SEND, whether they have an Education, Health and care plan (EHCP) or not.

The support of schools is therefore sought. Recognising the pressure on Schools Budgets as well, schools are asked in this consultation:

Q4. Which of the following amounts do you think should be transferred from 'Schools Block' funding to 'High Needs Block' funding for the next two years?

The responses available are £0; £0.5m (0.17%); £1.0m (0.33%) or £1.5m (0.5%).

A free text box for other comments will also be provided.

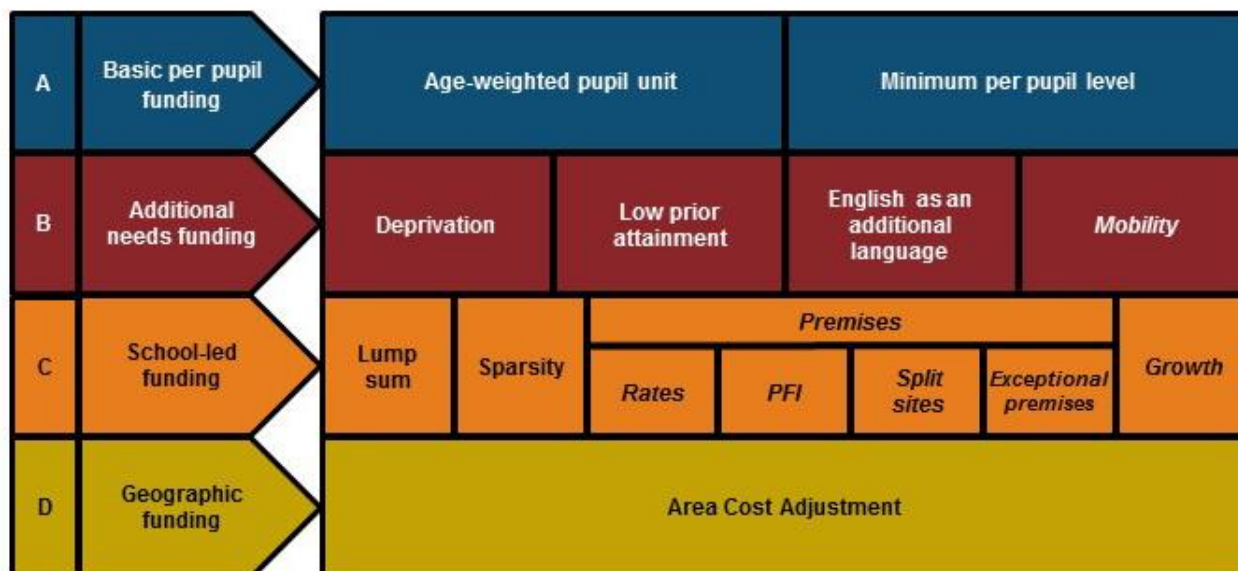
The Schools Forum will make a final recommendation to Buckinghamshire County Council taking into account the consultation responses received. This will be discussed at the Schools Forum meeting on 28th November 2017³.

² <https://democracy.buckscc.gov.uk/ieListDocuments.aspx?CId=461&MId=9362&Ver=4>

³ <https://democracy.buckscc.gov.uk/ieListDocuments.aspx?CId=461&MId=9363&Ver=4>

Appendix 1 - Department for Education National Funding Formula funding proposals summarised

The proposal in this consultation is to adopt the National Funding Formula principles with scaling of the rates for affordability. The National Funding Formula proposals are set out below.



Five Models have been developed to illustrate the local formula under different scenarios.

Model 1 - The current formula used by Buckinghamshire County Council in 2017/18. The “headroom” shown in **Appendix 2b** is due to Minimum Funding Guarantee reductions being applied for a further year in the current dataset.

Model 2 – This uses the published National Funding Formula rates before adding area cost adjustment for Buckinghamshire. It also assumes the Minimum Funding Levels are scaled down. This leaves £1.8m funding available, above the amount needed if £1.5m high needs block transfer is agreed.

Model 3 – Model 2 scaled up so that the funding available is fully allocated. This is the indicative model for 2018/19 funding if no high needs block funding transfer is agreed.

Model 4 – Scaled down version of Model 5 so that the cost of implementing is within the allocation expected in 2019/20. This is the model for 2019/20 if no high needs block transfer is agreed. If high needs block transfer is agreed this would be scaled down accordingly.

Model 5 – Fully implemented national Funding Formula with minimum funding levels of £3,500 and £4,800 and fully area cost adjustment on all published factors. This is the model for 2020/21.

The results of these models are set out in Appendix 2a, which shows the rates used and Appendix 2b which shows the total cost of the proposals.

More details of the Factors in the national funding formula are set out below.

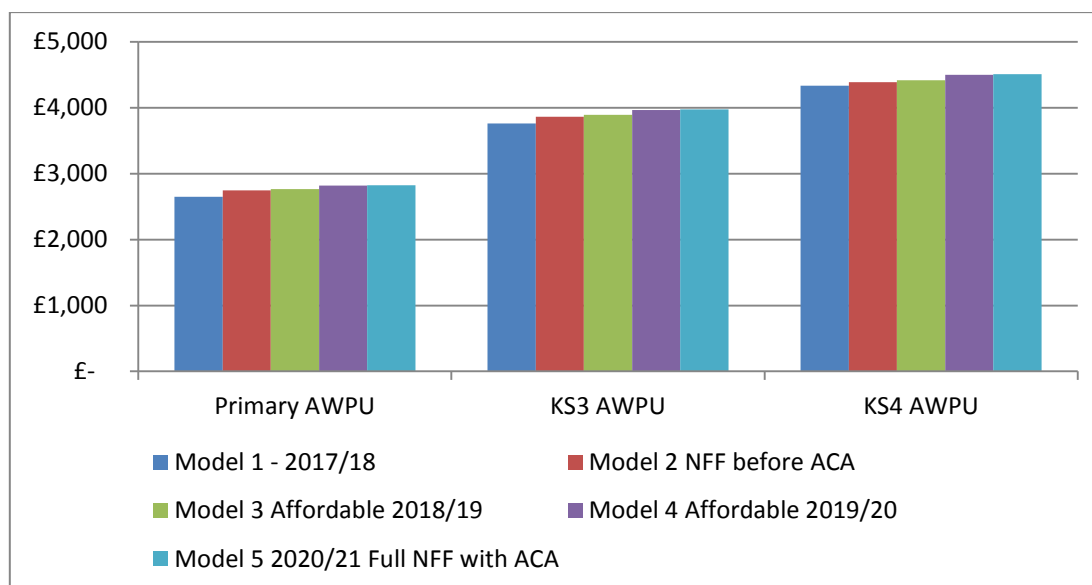
Age Weighted Pupil Units (AWPU)

The Age Weighted Pupil Units (AWPU) is the amount that every pupil is allocated based on the October census data. Higher amounts are set for secondary phases relating to smaller average class sizes and higher curriculum costs.

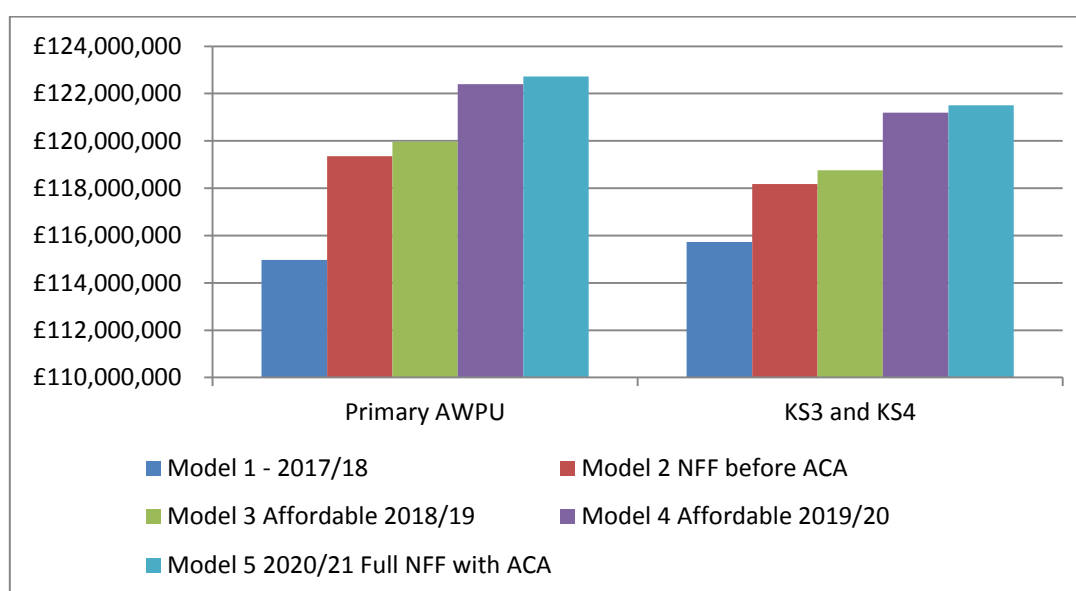
The National Funding Formula proposes increasing the Age Weighted Pupil Units (AWPU) by £101 to £2,747 for primary; by £105 to £3,863 for Key Stage 3; and by £51 to £4,386 for key stage 4.

The increase is relatively higher in Primary (3.8%) than Secondary (2.1%). Under all of the models the AWPU rates are higher than the current levels.

Indicate rates if proposals adopted



Indicate cost if proposals adopted (KS3 and KS4 aggregated)



The impact on schools = All Positive

Minimum Funding Levels (MFL)

The National Funding Formula proposes a Minimum Funding Level per pupil (MFL) of £3,500 for primary and £4,800 for secondary. As a transition towards the full National Funding Formula proposals, a rate of £3,300 and £4,600 respectively is included in 2018/19.

Minimum Funding Level is set after capping and Minimum Funding Guarantee (MFG) Protection has been calculated.

This is a brand new factor. The schools that will benefit most are those with the lowest average funding level. The lump sum is included in this calculation, so larger schools (large primary and secondary) are more likely to be recipients as the lump sum funding is spread over more pupils, thus reducing their average funding per pupil compared to smaller schools.

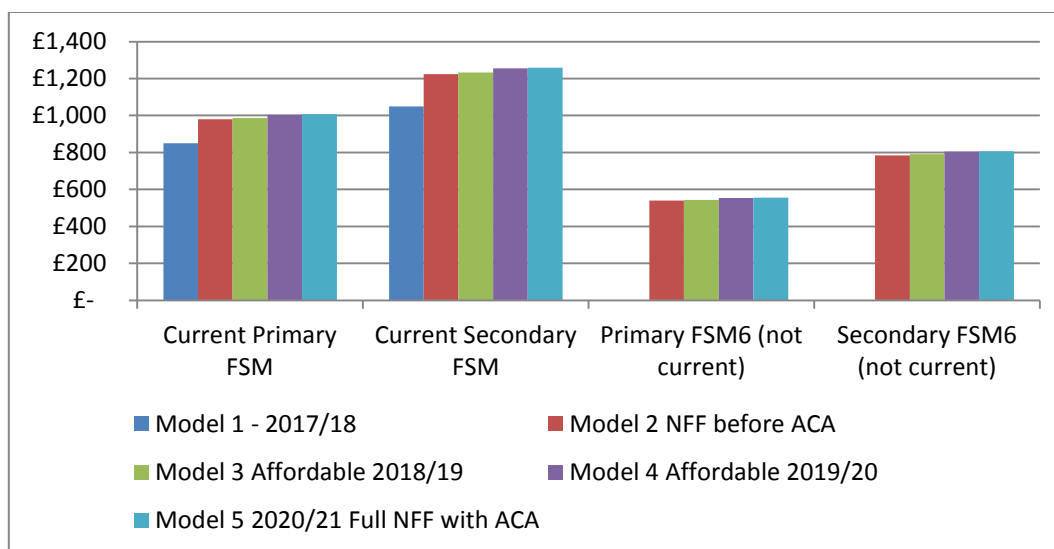
The impact on schools = All Positive

Free School Meals

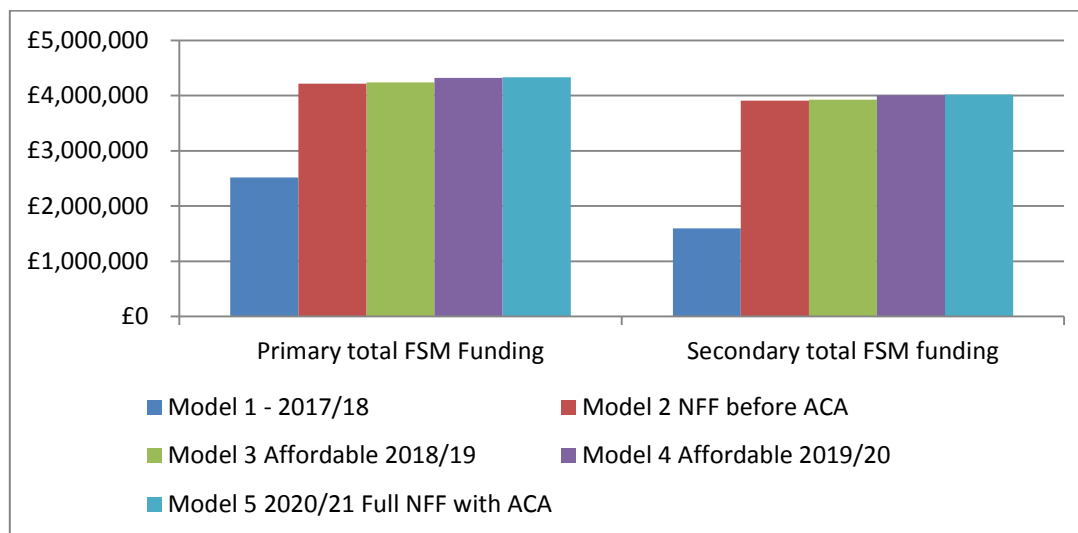
The National Funding Formula proposes a new Free School Meals (FSM6) Factor on top of the current Free School Meals (FSM) factor. The new one is to fund deprivation and the old one to fund meal costs. The FSM6 factor is applicable to any child who has been eligible for Free School Meals in the last 6 years, not just currently.

The indicative rates for pupils who are currently eligible or have been eligible before but are not currently eligible are more generous under the National Funding Formula proposals.

Indicate rates if proposals adopted



Indicate cost if proposals adopted

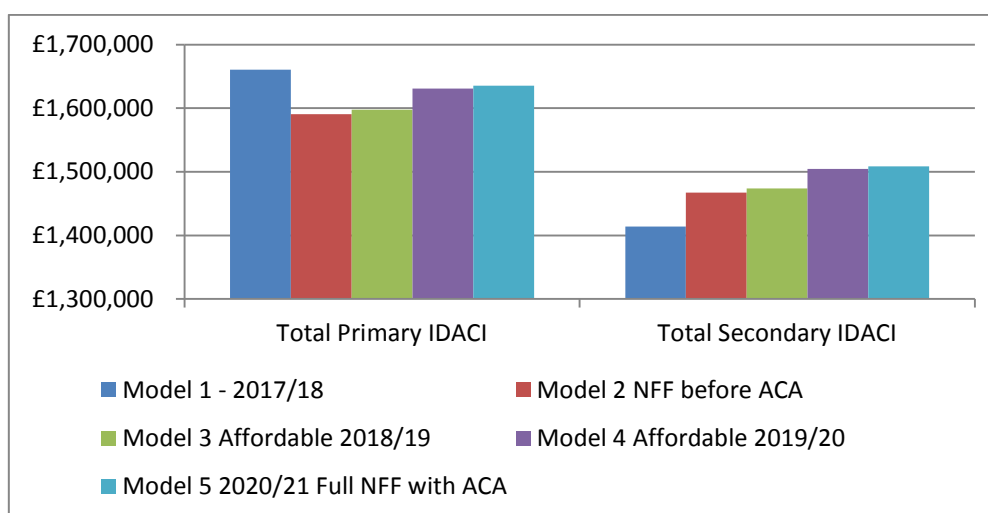


The impact on schools = All Positive

Income Deprivation Affecting Children Index (IDACI)

IDACI is based on pupil's postcodes as a proxy for deprivation. Buckinghamshire moved its formula towards the National Funding Formula proposals in 2017/18 so apart from some changes there is very little difference in rates or total allocations.

Indicate cost if proposals adopted

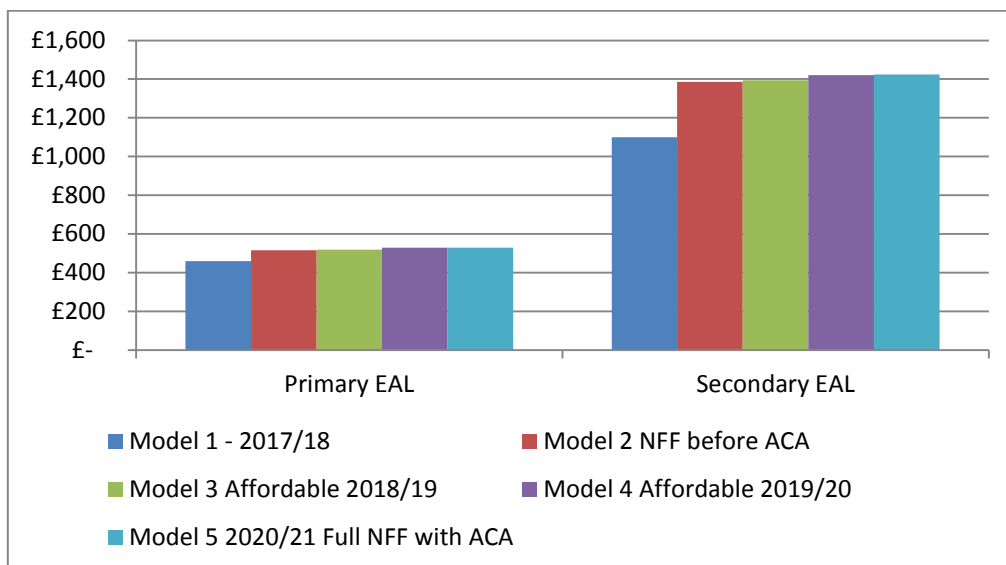


The impact on schools = Broadly Neutral

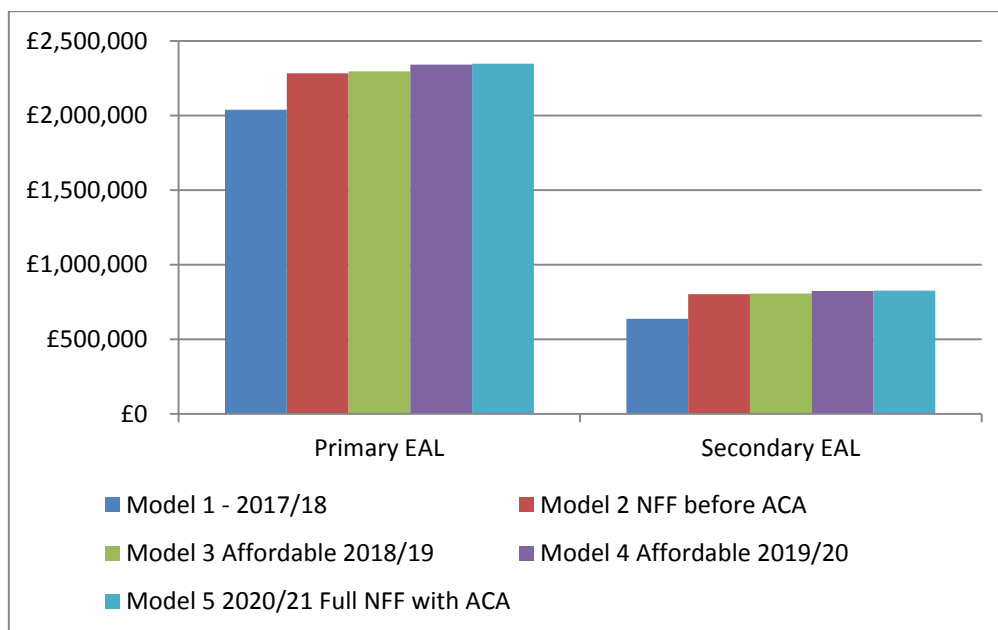
English as an Additional language (EAL)

A primary school pupil will attract an additional £515 and a secondary school pupil will attract an additional £1,385 if English is an Additional Language for them. The funding lasts for 3 years. These are increases on the current rates of £460 and £1,100 respectively.

Indicate rates if proposals adopted



Indicate cost if proposals adopted



The impact on schools = All Positive

Low (Prior) Attainment

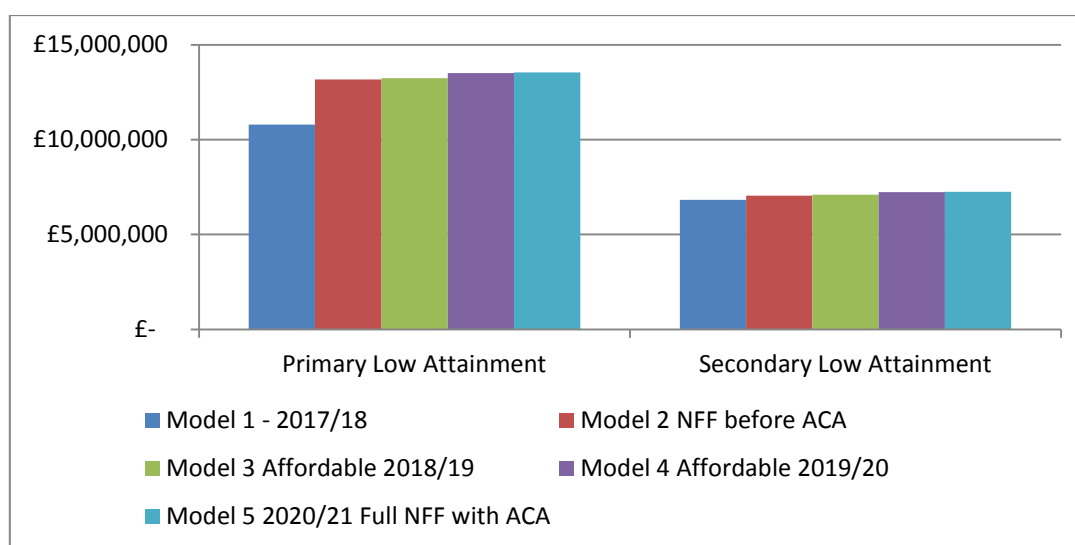
A pupil who does not achieve the expected level in the Early Years Foundation Stage Profile on entry to primary school will attract additional funding throughout their time in primary school. A pupil who does not achieve the expected level at key stage 2 will attract additional throughout secondary education to age 16.

Low attainment is also the largest proxy for “notional” Special Educational Needs and Disability (SEND) support which provides schools with the first £6,000 for pupils with SEND support.

The current formula uses £1,500 as the additional funding for both primary and secondary pupils. The number of primary pupils triggering funding is “weighted down” in the local formula due to changes in the assessments in 2013 which resulted in significantly more pupils triggering this factor than the older assessment. The National Funding Formula has left the funding unweighted, i.e. every pupil triggering this will receive additional funding. Secondary pupils weighting is set by the Department for Education. This is due to changes in assessments in key stage 2 in recent years. The proposals do not alter this weighting for secondary.

The Department for Education impact assessment made specific reference to wanting to invest more in low attainment, which this model achieves. Overall low attainment changes cost £2.8m more than the £17.5m current allocation.

Indicate cost if proposals adopted



The impact on schools = All Positive

Looked After Children (LAC)

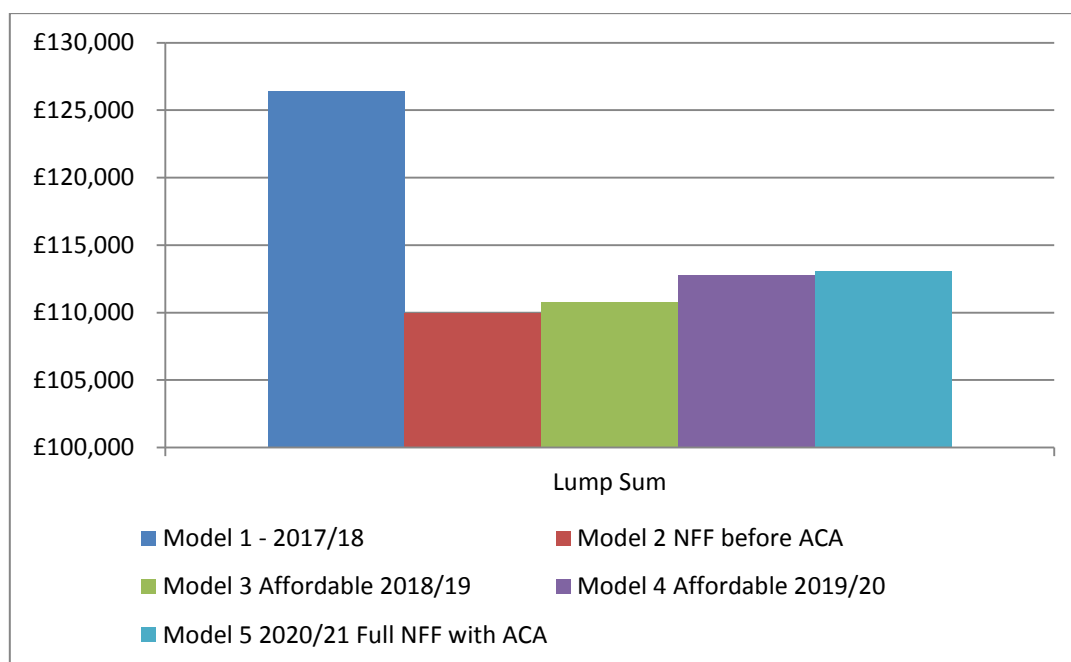
The National Funding Formula proposes deleting the current £1,000 LAC funding, compensating this with additional funding for LAC pupils through pupil premium plus (PP+) funding (increase of £400 to £2,300). The current formula only funds current Looked After Children but pupil premium plus includes any previously Looked After Children as well as current Looked After Children.

The impact on schools = Broadly Neutral. Schools will gain additional Pupil Premium for more pupils to compensate for reduction in the formula for current Looked After Children pupils.

Lump Sums

The National Funding Formula proposes lump sums of £110,000 per school, which is £16,400 less than the local formula. The impact of this is an overall reduction of £3.6m from £27.8m.

The lump sum is a much greater proportion of funding for small schools than large ones therefore the reduction is more easily compensated by AWPU increases in larger schools.



The impact on schools = Negative, especially for smaller schools where other increases may not make up the difference.

Sparsity

Sparsity is not currently used in our local formula. Only four primary schools and one secondary school are eligible. It helps schools who may have lower average school class sizes where the school is geographically distant from other schools. The total cost of sparsity is c. £50k.

The impact on schools = All Positive

Area Cost Adjustment (ACA)

The National Funding Formula proposals include an “area cost adjustment” for Buckinghamshire of 2.812%. Fringe schools (Chiltern & South Bucks) attract an additional 1.75% (total 4.607%) on their funding factors compared to other schools in Buckinghamshire to cover the additional cost of staff paid fringe allowances.

The ACA **applies to all formula factors** apart from the Minimum Funding Level per Pupil and premises factors. In the local formula “fringe” is shown as a separate allocation to schools.

The impact on schools = All Positive. The adjustment for Buckinghamshire is more generous than historical levels.

Minimum Funding Guarantee (MFG) protection

Minimum Funding Guarantee protects schools from sudden drops in budget if the funding formula for the coming year is much lower than the old funding formula. The reduction in funding per pupil is limited to 1.5%. Any drop below this is funded through Minimum Funding Guarantee protection.

The National Funding Formula allows protection to be set at a 0% drop in funding per pupil. Protecting the additional 1.5% would significantly add to the Minimum Funding Guarantee protection cost.

The impact on schools = Increases in funding result in fewer schools requiring Minimum Funding Guarantee protection. A 1.5% reduction is adverse for schools currently receiving more funding than the formula suggests, than a 0% reduction. The cost of protecting these schools at a higher level would have to be met within the formula or through capping.

Capping of gains

Increases in funding per pupil for each school can be capped. The Department for Education based funding to Buckinghamshire using capping of gains of 3% in 2018/19. The cap rises to 6% in 2019/20 proposals.

Capping a gain means not allowing schools to get to a higher National Funding Formula based formula level as quickly as they could. In 2017/18 school gains had to be capped at 0.5% to afford the funding formula.

Capping helps reduce the net cost of the formula. Capping can only be set at a level which offsets the Minimum Funding Guarantee Protection cost, not higher.

The impact on schools = Reduced Minimum Funding Guarantee protection costs allows higher capping levels so “underfunded” schools reach their formula levels sooner.

Appendix 2a – Indicative formula rates

Funding Factor	Model 1 - 2017/18	Model 2 NFF before ACA	Model 3 Affordable 2018/19	Model 4 Affordable 2019/20	Model 5 2020/21 Full NFF with ACA
Scaling factor	n/a	100.000%	100.700%	102.550%	102.812%
Primary AWPU	£ 2,646	£ 2,747	£ 2,766	£ 2,817	£ 2,824
KS3 AWPU	£ 3,758	£ 3,863	£ 3,890	£ 3,962	£ 3,972
KS4 AWPU	£ 4,335	£ 4,386	£ 4,417	£ 4,498	£ 4,509
Primary MFL*	n/a	£ 3,210	£ 3,232	£ 3,491	£ 3,500
Secondary MFL*	n/a	£ 4,474	£ 4,506	£ 4,788	£ 4,800
Primary FSM	£ 850	£ 440	£ 443	£ 451	£ 452
Secondary FSM	£ 1,050	£ 440	£ 443	£ 451	£ 452
Primary FSM6	n/a	£ 540	£ 544	£ 554	£ 555
Secondary FSM6	n/a	£ 785	£ 790	£ 805	£ 807
Primary IDACI band F	£ 210	£ 200	£ 201	£ 205	£ 206
Secondary IDACI band F	£ 290	£ 290	£ 292	£ 297	£ 298
Primary IDACI band E	£ 260	£ 240	£ 242	£ 246	£ 247
Secondary IDACI band E	£ 380	£ 390	£ 393	£ 400	£ 401
Primary IDACI band D	£ 350	£ 360	£ 363	£ 369	£ 370
Secondary IDACI band D	£ 470	£ 515	£ 519	£ 528	£ 529
Primary IDACI band C	£ 350	£ 390	£ 393	£ 400	£ 401
Secondary IDACI band C	£ 470	£ 560	£ 564	£ 574	£ 576
Primary IDACI band B	£ 425	£ 420	£ 423	£ 431	£ 432
Secondary IDACI band B	£ 560	£ 600	£ 604	£ 615	£ 617
Primary IDACI band A	£ 480	£ 575	£ 579	£ 590	£ 591
Secondary IDACI band A	£ 620	£ 810	£ 816	£ 831	£ 833
Primary Low Attainment**	£ 1,500	£ 1,050	£ 1,057	£ 1,077	£ 1,080
Secondary Low Attainment***	£ 1,500	£ 1,550	£ 1,561	£ 1,590	£ 1,594
Primary EAL	£ 460	£ 515	£ 519	£ 528	£ 529
Secondary EAL	£ 1,100	£ 1,385	£ 1,395	£ 1,420	£ 1,424
LAC	£ 1,000	£ -	£ -	£ -	£ -
Mobility****	£ 500	£ 500	£ 504	£ 513	£ 513
Lump Sum	£ 126,400	£ 110,000	£ 110,770	£ 112,805	£ 113,093
Sparsity Primary (up to)	n/a	£ 25,000	£ 25,175	£ 25,638	£ 25,703
Sparsity secondary (up to)	n/a	£ 65,000	£ 65,455	£ 66,658	£ 66,828
MFG*****	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%
Capping*****	0.50%	4.05%	5.03%	7.50%	n/a
Fringe uplift where applicable	1.56%	1.75%	1.75%	1.75%	1.75%

Technical notes:

Scaling factor – this is scaled from model 2.

*£1,500 weighted by 47.41% in current formula but in Models 2 to 5 100% weighting applied in line with funding from Department for Education.

** £1,500 weighted by 48.02% for year 7 pupils. Set by Department for Education each year.

*** Minimum Funding Guarantee assumes minus 1.5% as previous years in all cases.

**** Capping assumed to offset Minimum Funding Guarantee costs. In 2020/21 no cap has been assumed. The indicative models show capping is at higher levels than the Department for Education proposals at a school level (3% then 6%)

Appendix 2b – Indicative formula allocations (total cost)

Funding Factor	Model 1 - 2017/18	Model 2 NFF before ACA	Model 3 Affordable 2018/19	Model 4 Affordable 2019/20	Model 5 2020/21 Full NFF with ACA
Scaling factor	n/a	100.000%	100.700%	102.55%	102.812%
Primary AWPU	£114,971,346	£119,359,897	£119,968,211	£122,403,574	£122,716,297
KS3 AWPU	£67,110,364	£68,985,454	£69,324,756	£70,744,583	£70,925,325
KS4 AWPU	£48,621,360	£49,193,376	£49,440,128	£50,447,807	£50,576,694
Primary MFL	£0	£0	£0	£570,081	£549,225
Secondary MFL	£0	£1,455,359	£1,470,295	£3,797,507	£3,808,030
Primary FSM	£2,515,901	£1,302,349	£1,308,269	£1,335,559	£1,338,971
Secondary FSM	£1,594,950	£668,360	£671,398	£685,403	£687,154
Primary FSM6	£0	£2,911,307	£2,927,481	£2,985,546	£2,993,173
Secondary FSM6	£0	£3,238,155	£3,254,655	£3,320,727	£3,329,211
Primary IDACI band F	£587,034	£559,080	£561,876	£573,337	£574,802
Secondary IDACI band F	£555,727	£555,727	£557,644	£569,898	£571,354
Primary IDACI band E	£818,495	£755,534	£758,682	£774,800	£776,780
Secondary IDACI band E	£607,770	£623,764	£626,962	£639,670	£641,304
Primary IDACI band D	£55,816	£57,411	£57,729	£58,874	£59,025
Secondary IDACI band D	£86,493	£94,774	£95,326	£97,191	£97,439
Primary IDACI band C	£170,527	£190,016	£190,990	£194,861	£195,359
Secondary IDACI band C	£138,190	£164,652	£165,534	£168,851	£169,282
Primary IDACI band B	£28,137	£27,806	£27,938	£28,515	£28,588
Secondary IDACI band B	£24,091	£25,812	£25,941	£26,470	£26,538
Primary IDACI band A	£483	£579	£582	£593	£595
Secondary IDACI band A	£1,861	£2,432	£2,444	£2,494	£2,500
Primary Low Attainment	£10,796,943	£13,169,555	£13,232,267	£13,505,379	£13,539,883
Secondary Low Attainment	£6,826,681	£7,054,237	£7,090,646	£7,234,120	£7,252,602
Primary EAL	£2,038,379	£2,282,098	£2,295,392	£2,340,292	£2,346,271
Secondary EAL	£637,070	£802,129	£806,183	£822,583	£824,685
LAC	£149,485	£0	£0	£0	£0
Mobility	£214,712	£214,712	£209,989	£220,188	£220,188
Lump Sum	£27,755,333	£24,154,167	£24,274,718	£24,770,098	£24,833,382
Sparsity Primary (up to)	£0	£24,566	£24,689	£25,193	£25,257
Sparsity secondary (up to)	£0	£25,242	£25,367	£25,885	£25,951
MFG	£2,403,820	£805,438	£705,403	£466,479	£445,107
Capping	-£315,474	-£803,321	-£702,737	-£462,736	£0
Rates & other factors	£3,168,272	£3,168,272	£3,168,272	£3,168,272	£3,168,272
Fringe uplift where applicable	£1,566,963	£1,617,464	£1,625,560	£1,658,709	£1,662,945
Total funding formula	£293,130,730	£302,686,401	£304,192,590	£313,200,803	£314,412,188
Growth Fund	£1,700,000	£1,700,000	£1,700,000	£1,700,000	£1,700,000
Total cost to schools block	£294,830,730	£304,386,401	£306,192,590	£314,900,803	£316,112,188
Funding Formula Available	£295,505,000	£306,238,230	£306,238,230	£314,952,748	£316,744,163
difference ("headroom")	-£674,270	-£1,851,829	-£45,640	-£51,945	-£631,975

Appendix 3 – Illustrations of impact of proposals over 3 years

1. Small primary schools (Under 100 pupils);
2. Average primary schools;
3. Large primary schools (over 400 pupils)
4. Secondary schools with low proportions of prior attainment funding;
5. Secondary schools with higher proportions of prior attainment funding.

These illustrations do not include rates, or mobility, sparsity and exceptional factors.

For the examples it is assumed that no MFG or capping is applied to each school, or was applied in previous years. In reality some schools will be protected by MFG and rather more schools may be capped over the next two or three years.

As schools do vary widely in their size and characteristics, there will inevitably be variation in how the funding proposals apply within the five example groups. They are excluding the impact of Minimum Funding Guarantee and capping.

1. Small primary schools (Under 100 pupils);

The loss of lump sum in small primary schools is on average compensated through increases in other factors with a small increase in future years.

Small Primary School	Numbers	2017-18	2018-19 affordable	2019-20 affordable	2020/21 NFF
Primary AWPU	59	£156,114	£163,208	£166,206	£166,630
Primary MFL	-	£0	£0	£0	£0
Primary FSM	2	£1,700	£886	£902	£905
Primary FSM6	5	£0	£2,719	£2,769	£2,776
Primary IDACI band F	1	£210	£201	£205	£206
Primary IDACI band E	1	£260	£242	£246	£247
Primary IDACI band D	-	£0	£0	£0	£0
Primary IDACI band C	-	£0	£0	£0	£0
Primary IDACI band B	-	£0	£0	£0	£0
Primary IDACI band A	-	£0	£0	£0	£0
Primary Low Attainment	16	£11,378	£16,918	£17,228	£17,272
Primary EAL	4	£1,840	£2,074	£2,113	£2,118
Lump Sum	1	£126,400	£110,770	£112,805	£113,093
Total funding formula		£297,902	£297,018	£302,474	£303,247
change			100%	102%	102%

2. Average primary schools

Average sized primary schools see increases in other factors surpass any loss of lump sums. Some of the largest ones might trigger Minimum Funding Levels if AWPU is their main funding factor.

Average Primary School	Numbers	2017-18	2018-19 affordable	2019-20 affordable	2020/21 NFF
Primary AWPU	223	£590,058	£616,869	£628,202	£629,807
Primary MFL	-	£0	£0	£0	£0
Primary FSM	15	£12,750	£6,646	£6,768	£6,786
Primary FSM6	27	£0	£14,682	£14,952	£14,990
Primary IDACI band F	13	£2,730	£2,618	£2,666	£2,673
Primary IDACI band E	14	£3,640	£3,384	£3,446	£3,454
Primary IDACI band D	1	£350	£363	£369	£370
Primary IDACI band C	2	£700	£785	£800	£802
Primary IDACI band B	-	£0	£0	£0	£0
Primary IDACI band A	-	£0	£0	£0	£0
Primary Low Attainment	62	£44,091	£65,556	£66,760	£66,931
Primary EAL	18	£8,280	£9,335	£9,506	£9,531
Lump Sum	1	£126,400	£110,770	£112,805	£113,093
Total funding formula		£788,999	£831,008	£846,274	£848,436
change			105%	107%	108%

3. Large primary schools (over 400 pupils)

Large primary schools see increases in other factors surpass any loss of lump sums. Some will trigger Minimum Funding Levels.

Large Primary School	Numbers	2017-18	2018-19 affordable	2019-20 affordable	2020/21 NFF
Primary AWPU	474	£1,254,204	£1,311,193	£1,335,281	£1,338,692
Primary MFL	-	£0	£0	£0	£0
Primary FSM	37	£31,450	£16,394	£16,695	£16,738
Primary FSM6	66	£0	£35,889	£36,549	£36,642
Primary IDACI band F	41	£8,610	£8,257	£8,409	£8,431
Primary IDACI band E	39	£10,140	£9,426	£9,599	£9,623
Primary IDACI band D	1	£350	£363	£369	£370
Primary IDACI band C	6	£2,100	£2,356	£2,400	£2,406
Primary IDACI band B	-	£0	£0	£0	£0
Primary IDACI band A	-	£0	£0	£0	£0
Primary Low Attainment	137	£97,428	£144,857	£147,518	£147,895
Primary EAL	66	£30,360	£34,228	£34,857	£34,946
Lump Sum	1	£126,400	£110,770	£112,805	£113,093
Total funding formula		£1,561,042	£1,673,733	£1,704,481	£1,708,836
change			107%	109%	109%

4. Secondary schools with low proportions of prior attainment funding

Secondary schools with low proportions of prior attainment funding see increases in other factors surpass any loss of lump sums. Many will trigger Minimum Funding Levels.

Secondary schools with low proportions of prior attainment funding	Numbers	2017-18	2018-19 affordable	2019-20 affordable	2020/21 NFF
KS3 AWPU	520	£1,954,160	£2,022,821	£2,059,983	£2,065,246
KS4 AWPU	339	£1,469,565	£1,497,262	£1,524,769	£1,528,664
Secondary MFL	-	£0	£168,402	£342,858	£343,734
Secondary FSM	12	£12,600	£5,317	£5,415	£5,428
Secondary FSM6	34	£0	£26,877	£27,371	£27,441
Secondary IDACI band F	37	£10,730	£10,805	£11,004	£11,032
Secondary IDACI band E	21	£7,980	£8,247	£8,399	£8,420
Secondary IDACI band D	7	£3,290	£3,630	£3,697	£3,706
Secondary IDACI band C	2	£940	£1,128	£1,149	£1,151
Secondary IDACI band B	4	£2,240	£2,417	£2,461	£2,467
Secondary IDACI band A	-	£0	£0	£0	£0
Secondary Low Attainment	-	£0	£0	£0	£0
Secondary EAL	9	£9,900	£12,552	£12,783	£12,816
Lump Sum	1	£126,400	£110,770	£112,805	£113,093
Total funding formula		£3,597,805	£3,870,229	£4,112,693	£4,123,200
change			108%	114%	115%

5. Secondary schools with higher proportions of prior attainment funding

Secondary schools with higher proportions of prior attainment funding see increases in other factors surpass any loss of lump sums. None will trigger Minimum Funding Levels.

Secondary schools with higher proportions of prior attainment funding	Numbers	2017-18	2018-19 affordable	2019-20 affordable	2020/21 NFF
KS3 AWPU	497	£1,867,726	£1,933,350	£1,968,869	£1,973,899
KS4 AWPU	299	£1,296,165	£1,320,594	£1,344,855	£1,348,291
Secondary MFL	-	£0	£0	£0	£0
Secondary FSM	57	£26,220	£25,256	£25,720	£25,785
Secondary FSM6	159	£0	£125,847	£128,159	£128,486
Secondary IDACI band F	59	£17,110	£17,230	£17,546	£17,591
Secondary IDACI band E	46	£17,480	£18,066	£18,397	£18,444
Secondary IDACI band D	4	£1,880	£2,074	£2,113	£2,118
Secondary IDACI band C	1	£470	£564	£574	£576
Secondary IDACI band B	9	£5,040	£5,438	£5,538	£5,552
Secondary IDACI band A	-	£0	£0	£0	£0
Secondary Low Attainment	199	£298,500	£310,609	£316,315	£317,124
Secondary EAL	16	£17,600	£22,315	£22,725	£22,783
Lump Sum	1	£126,400	£110,770	£112,805	£113,093
Total funding formula		£3,674,591	£3,892,112	£3,963,616	£3,973,742
change			106%	108%	108%

Buckinghamshire County Council

Visit democracy.buckscc.gov.uk for councillor information and email alerts for local meetings

Schools Forum

Title: Buckinghamshire Early Years Funding Formula Update

Date: 31st October 2017

Author: Jane Nicholls, Commissioner - Early Years & Childcare

Contact officers: Jane Nicholls

Local members affected: All

Summary:

From 1st April 2017, a new national funding formula (EYNFF) for Early Years (EY) was introduced. Funding is allocated by Department for Education (DfE) through the Dedicated Schools Grant (DSG) into the EY block and funds the Free Entitlement for eligible 2, 3 & 4 year olds.

Key changes:

- Limit to central spend (7% 2017/18 reducing to 5% 21018/19)
- All settings to be funded at the same base rate except maintained nursery schools
- Deprivation funding allocation reduced (local decision) in Buckinghamshire, offset by increase in base rate
- Disability Access Fund (DAF) – new funding established, eligibility is Disability Living Allowance (DLA), £615 annual payment per eligible child
- New Inclusion Fund established reducing demand on High Needs Funding (HNF) to support emerging need for 2, 3 & 4 year old children
- New Contingency allocation established locally to support sustainability
- 7/12th Allocation for Extended Entitlement (30 hours) from September 2017

Review of implementation:

The universal base rate to providers for 3 & 4 year olds increased by 14p per hour and the two year old rate by 10p. Deprivation for 3 & 4 year olds has reduced by an average of 7p per hour depending on the home post codes of children in attendance. Local authorities are still waiting for consultation to move maintained nursery schools to the universal base rate which was due for implementation 'more than two years' from the implementation of the new formula.

Small changes to the regulation have allowed providers to introduce some charges for the Free Entitlement but the sector continues to report under funding and challenges in recruitment which are exacerbated with the significant expansion to develop additional services to meet demand for the Extended Entitlement (30 hours).

The first DAF payments will be allocated to providers in the spring term 2018 following census. Some LAs are allocating this funding in the first term when the child is identified but potentially this approach will cause an over spend against DfE allocations. In Buckinghamshire providers have agreed to review the payment process next year once our IT payment system is fully functioning and we have a better understanding of our internal controls to manage funding within our allocation.

A budget of £475k was established for Inclusion Funding. Early into the summer term, it was identified that an additional allocation for two year olds would be required so the budget was topped up by £50k from the two year old allocation, reducing central spend. Internal criteria and processes have been agreed for allocation of the Inclusion Fund using the existing processes for HNF. A task and finish group is reviewing EY early intervention which will eventually replace the existing process and criteria but is currently a work in progress.

High Needs Funding (HNF) Block set aside £50k for EY complex needs. The regulation states that complex needs must be funded through HNF. This is not new spend but itemising spend within the total allocation. At the time of setting the budget a definition for complex need had not been set. It has now been agreed that complex will refer to children with SEN and an agreement to assess for an Education Health Care Plan. Funding will be allocated from HNF from the point of the decision to assess. Reviewing the criteria against previous year's spend indicates the allocation in HNF needs to be increased to £150k.

A budget of £100k was established for contingency. School Forum challenged whether this amount was too high but reached agreement that any underspend will roll forward as part of next year's EY Block. £30,938 has been allocated year to date to three settings. 1 application was declined as not sustainable and 2 other applications are under review with a third one pending.

Extended Entitlement (30hours) spend is still emerging. The implementation in September was lower than anticipated due to back office issues with eligibility at HMRC and the Minister choosing not to implement a national communication campaign. In Buckinghamshire we were forecasting demand of about 3000 places but as at 10th October only 2405 applications have been triggered, some of which are for spring 2018. This will result in an underspend in this area which DfE will claw back and will have an impact on our maximum central spend in 2018/19. Initial autumn term claims indicate approximately 1500 children taking some Extended Entitlement hours.

Maintained Nursery Schools (MNS) are funded through a base rate which is enhanced by 30p per hour due to unique costs plus a lump sum per school. Last year MNS received £4.59 per pupil per hour, the new formula could only afford to fund at £4.55 per hour and maintain the existing lump sum. In addition the average rate for deprivation has reduced so MNSs actually now receive a lower income per pupil than previously.

The figures below show Extended Entitlement as breaking even as it is too early to forecast outturn. However, it is likely that actual take up will be significantly below

budget and therefore central spend will need to reduce in ratio. 5% of the budget allocation is £194k.

Recommendations:

1. LA DfE allocations in 18/19 will remain at the current level except where pupil numbers are adjusted therefore there is no scope to increase base rate funding to providers.
2. A clawback fund from central spend must be established to offset reduced take up of Extended Entitlement.
3. Contingency to continue at the current level to enable support to providers through a period of significant change.
4. Inclusion Fund to continue at current level as the effect of Extended Entitlement on emerging SEN support needs is not yet quantified. Any under spend to be carried forward to next year and distributed through high pass through funding to providers.
5. The allocation to the LA for maintained nursery schools (MNS) has been increased from the original allocation. DfE conducted a review of MNS costs through an assurance exercise. Our return included Business rates as a cost, plus an increase in pupil numbers has resulted in an increased allocation. Recommendation it to continue to fund on the current basis until the DfE consults on future changes.

Summary of Buckinghamshire's EYNFF:

DfE Allocation to LA	Indicative Budget	Oct Adjusted Budget 2017 census	Difference		
Universal 3 & 4 year olds	22,401,519	21,458,088	-943,431		
Additional 30 Hours – 7/12ths	4,189,011	4,189,011	0		
Total 3 & 4 YO EYNFF allocation	£26,590,530	25,647,099	-943,431		
Supplementary Funding	379,844	417,613	37,769		
2 year old allocation	3,518,785	3,181,189	-337,596		
Total EY DSG	£30,489,159	29,245,901	-1,243,258	4.1%	
3 & 4 YO rate to LA	£4.64	£4.64	-		
2YO rate to LA	£5.71	£5.71	-		
Buckinghamshire's EYNFF:					
Buckinghamshire's EYNFF:	SF Agreed Budget	Budget in SAP As at P6	Realigned budget Oct 17	Forecast outturn	Variance against Oct. budget
Schools universal base + Dep. rate		5,402,626	5,188,799	6,543,574	1,354,775
PVI universal base + dep. rate		15,376,664	14,465,742	13,255,690	-1,210,052
Provider base rate	20,488,716	-	-	-	-
Additional 30 hours	3,884,765	3,884,765	3,884,765	3,884,765	-
EY Armed Forces		22,000	22,000	22,000	-
Deprivation	312,522	-	299,350	-	-299,350
Total Base rate	24,686,003	24,686,055	23,860,656	23,706,029	-154,627
Contingency	100,000	100,000	100,000	70,000	-30,000
3 & 4 YO Inclusion Fund	475,000	475,000	475,000	350,000	-125,000
Total High pass Through	£25,261,003	£25,261,055	24,435,656	24,126,029	-309,627
High Pass through %	95%	95%	95%	96%	
Central spend	1,329,526	1,329,361	1,211,443	996,024	-215,419
Central spend %	5%	5%	4.7%	4%	
Total 3 & 4 YOs	£26,590,529	£26,590,416	25,647,099	£25,122,053	-525,046
Providers Hourly rate	4.25	4.25	4.25	4.25	4.25
MNS enhanced rate	0.30	0.30	0.30	.30	0.30
Average deprivation hourly rate	0.08	0.08	0.08	.-	-
Supplementary 3 & 4 YO allocations:					
Supplementary 3 & 4 YO allocations:	SF Agreed Budget	Budget in SAP As at P6	Realigned budget Oct 17	Forecast outturn	Variance against Oct. budget
Maintained Nursery School	173,229	173,229	201,990	196,359	-5,631
EY Pupil Premium	114,365	114,365	122,773	122,773	-
Disability Access Fund	92,250	92,250	92,850	92,850	-
Supplementary Total	£379,844	379,844	£417,613	417,613	-5,631

2 year old funding:	SF Agreed Budget	Budget in SAP As at P6	Realigned budget Oct 17	Forecast outturn	Variance against budget Oct.
Provider base rate		3,292,800	3,024,934	2,976,612	-48,322
2 YO Inclusion Fund		50,000	50,000	40,000	-10,000
Total	3,342,846	3,342,800	3,074,934	3,016,612	-58,322
Hourly rate	£5.43	£5.43	£5.43	£5.43	
Central spend	175,939	175,939	106,855	114,402	7,547
Central spend %	5%	5%	3.4%	3.7%	
Total 2 YO DSG	£3,518,785	3,518,739	3,181,789	£3,131,014	-50,775
Central Spend	SF Agreed Budget	Budget in SAP As at P6	Realigned budget Oct 17	Forecast outturn	
Central overhead	45,000	0	0		
Place development	615,000	629,058	629,058	641,426	12,368
Claims & data	145,000	145,000	145,000	145,000	-
Qualifications	250,000	153,260	153,260	130,000	-23,260
Staffing	450,465	206,482	206,482	194,000	-12,482
Clawback	0	371,500	184,498	207,872	23,374
Total	£1,505,465	£1,505,300	£1,318,298	£1,318,298	-
Pupil Numbers (Pte)	Initial indication 17/18, Jan 16 census	Jan 2017 Census	Difference	£ difference	
2 year olds	1081.17	977.33	-103.84	-337,596	103.7 PTEs
3 & 4 YO MNS	181	211	30	28,761	
3 & 4 YO schools	1,870	1,958.83	88.83	-943,431	
3 & 4 YO PVI	6,419	5,943.5	-475.5		
Total Universal	8,470	8,113.33	-356.67	-914,670	
3 & 4 Yo 30H 7/12th	1,583.87	1,583.87	0	0	
Total 3 & 4 YOs	10,053.87	9,697.2	-356.67	-914,670	345.8 PTEs
EY Pupil Premium	378.57	406.33	27.76	8,408	
DLA	150	150	0	600	
Total adjustment				-£1,243,258	

Report to Schools Forum

Title:	High Needs Block Budgets
Date:	October 2017
Author:	John Huskinson, Finance Director for Education
Contact officer:	John Huskinson, jhuskinson@buckscc.gov.uk , 01296 382384
Schools affected:	All schools

1. Purpose of this report

- 1.1. This report sets out the proposals for the high needs budgets for 2018/19.

2. Background

- 2.1. The Council is required to consult with Schools Forum on the proposals for high needs block budgets.
- 2.2. The pressure on high needs block is driven by demand for pupils predominantly with Education, Health & Care Plans (EHCPs). This has been increasing faster than the general pupil population growth since Special Educational Needs & Disability (SEND) reforms came in to effect in 2014.
- 2.3. The Amount of funding expected in 2018/19 is c £80m, which is c £2m less than the proposed budgets.
- 2.4. A request for schools to consider a transfer of schools block to support high needs in 2018/19 has been include in the Schools Funding Formula consultation.
- 2.5. The SEND strategy sets out high level proposals for SEND.

3. Recommendations

- 3.1. That the Schools Forum note the changes in budgets for high needs and the rationale for asking schools to consider supporting high needs from the Schools Block, as set out in the consultation proposals.**

4. Detailed proposals

- 4.1. The schools block will be ring-fenced from 2018 to 2019, but local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.
- 4.2. To make such a transfer, local authorities should consult with all local maintained schools and academies and the schools forum should take into account the views of the schools responding before giving their approval.
- 4.3. The indicative funding for HNB (£79.9m) is insufficient to fully fund the pressures on high needs activity in 2018/19 and beyond. This is due to ongoing demand for Education, Health and Care Plans (EHCPs) and pressure on costs of delivery.

- 4.4. The Buckinghamshire County Council Special Educational Needs & Disability (SEND) strategy agreed in 2017 includes addressing this financial challenge. On average, it takes 10 years for pupils supported under the HNB to move through the education system. The ability of BCC to make significant savings in costs in the short term is therefore limited.
- 4.5. Additionally the changes require a different way of working and “investment” to support these aims. An analysis of the proposed budgets for 2018/19 and a description of the activities are set out in the **Appendix**.
- 4.6. This shows a £2m estimated pressure in spending for activities for 2018/19 despite efficiencies in a number of areas.
- 4.7. The greatest anticipated increases in spending are special schools funding (H1) and funding of schools supporting children with EHCPs (H4) and without EHCPs (H18) and the pressure brought forward from 2017/18 budget funded by other sources (H9).

5. Impact

- 5.1. Without the right level of support (financial and non-financial) Buckinghamshire schools will not be able to support the outcomes of pupils with SEND as effectively as desired. In some cases ineffective support may result in pupils needs being escalated to more resource intensive services at greater cost.

6. DSG Funding

- 6.1. The national funding formula for high needs results in BCC indicatively being allocated c £80m in 2018/19. A large proportion of this is “protection” funding (c. £15m in 2018/19) agreed by the DfE to prevent LAs currently spending higher levels on high needs, from being drops in funding.
- 6.2. The implication of this is that any increases in high needs formula allocation (due to growth in demand) will be offset by a reduction in protection funding and the total high needs block allocation will remain the same for many years.

Indicative High Needs Block funding allocations for BCC

Year	Indicative High Needs Block	Notes
17/18	£78.8m	After re-baselining by DfE to reflect 2017/18 planned spend.
18/19	£79.9m	£1.1m extra
19/20	£80.3m	Further £0.4m
20/21+	£80.3m	Same for many years

7. Budget uncertainties

- 7.1. At the time of this report the final allocation of places in special schools and Alternative Resource Provisions (ARPs) for Sept 2018 will not have been finalised so there is some uncertainty in these budgets.
- 7.2. Individual children placed out of county can cost over £250k each and whilst BCC will endeavour to avoid these levels of costs, if a child eligible for support from BCC presents during the year the child’s needs must be met.
- 7.3. The housing growth in Buckinghamshire presents uncertainty in estimating pupils needing support both in mainstream schools and special schools and other settings.

7.4. If the request for schools block transfer for high needs is not supported, the Council is estimating £1m in the Dedicated Schools Grant (DSG) reserve which could be used to offset the pressures in the first year. This is non recurrent funding.

Appendix – High Needs Block Funding Requirements for 2018/19

High needs budgets and description

Ref	Service Area	Description	2017/18 budget	current forecast	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
FH	Indicative High Needs Funding DSG Block		-76.444	-76.444	-79.900	-80.300	-80.300	-80.300
H1	Special schools funding	Funding of special schools, including additional top ups and commissions. £10k funding per place plus top ups. 1412 places funded in 2017.18 budgets. Assumes growth in places (currently being agreed) and changes in funding based on mix of pupils supported becoming more complex.	29.526	29.716	32.000	33.000	34.000	35.000
H2	Independent schools	Funding for independent schools, many of which are very specialist. 2017/18 has 258 FTE pupils at average cost of £65k currently. Strategic aim is to reduce places and meet needs in Buckinghamshire schools more.	15.000	14.250	14.500	14.000	13.500	13.000
H3	Post-16 High Needs	228 students x average top-up of £22,923, add £602k for place funding in colleges.	5.910	5.910	6.000	6.000	6.000	6.000
H4	Support above £6k for pupils with plans in mainstream schools	Includes top up for plans over £6k and additional funding where notional (£6k) is inadequate. Assuming an increase to keep more pupils in mainstream where appropriate.	5.556	5.990	6.500	6.500	6.500	6.500
H5	Pupil referral Unit funding	Aspire secondary PRU and Primary PRU. 238 places at £10k plus top up plus funding for outreach and in reach services. The PRUs also charge schools and this funding partially subsidises the cost. The cost of delivering these and the funding of them are also being reviewed in 2017.	4.445	4.628	4.600	4.600	4.600	4.600
H6	hospital and home tuition funding	Commissioned from ASPIRE secondary PRU. Aspire = 192 FTE places @ £10k and Primary PRU = 36 FTE @ £10k. The places are based on full time equivalents. Typically PRUs will have capacity at the start of the year but then reach capacity towards Easter - last year they were full not long after Christmas.	0.422	0.467	0.500	0.500	0.500	0.500

Ref	Service Area	Description	2017/18 budget	current forecast	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
H7	Alternative Resource Provision in mainstream schools	Funding of additional resource provisions (ARPS) in schools. £6k per place from 2018/19 with schools keeping pupil funding instead. (255 pupils x £4k = £1.02m reducing in this budget, but compensating increase in the school budgets). Assumes also increase to ensure ARPs are sustainable funded to help keep pupils in most appropriate settings.	4.690	4.690	4.000	4.000	4.000	4.000
H8	high needs contribution to BCC overheads	Funding to BCC overheads related to delivery of high needs services. Same figure each year now incorporated into high needs block (figure rounded)	1.968	1.968	2.000	2.000	2.000	2.000
H9	Non recurrent DSG reserve use	The budget for DSG did not balance in 2017/18 and £662k of reserves was needed. This was non recurrent funded by a reduction in the amount needed for capital funding.	-0.662	- 0.662	0.000	0.000	0.000	0.000
H10	Kiteridge boarding	Overnight accommodation next to Kiteridge school provided by Action for Children. Registration likely to change in 2018 and DSG funded will no longer be eligible from that point.	1.086	1.086	0.000	0.000	0.000	0.000
H11	Therapies (SALT and OT)	DSG funding (apart from £135k from BCC) for integrated therapies contracts. Demand pressures require ability to extend contract to continue to support children needing the services.	1.631	1.671	1.700	1.800	1.900	2.000
H12	Contribution to early Help services in BCC supporting education	Reduced contribution to the early help services supporting education, in line with early help remodelling, to with more support being directed to schools directly. Still at consultation stage re design and delivery models. The saving is proportionately greater than the Council budget saving through remodelling.	0.935	0.871	0.500	0.500	0.500	0.500
H13	Specialist teaching service	Specialist Teaching Service provided through BLT currently. Pressure on demand.	2.057	2.287	2.200	2.200	2.200	2.200
H14	Education Psychology contribution	Contribution to Education Psychology Services costs to provide support to schools.	0.680	0.680	0.700	0.700	0.700	0.700
H15	Recoupment to and from BCC for HN	Places in other authority's schools (£3.5m = 264 @ £13,395 less c. £1m recouped" for other authorities use of our special schools budget last year but demand and prices variable and pressures on special schools in other authorities also.	2.500	2.538	2.750	2.750	2.750	2.750
H16	Re-integration	Staffing to organise when pupils are excluded and funding for managed moves. Lump sum if keep child (Managed move grant)	0.444	0.360	0.400	0.400	0.400	0.400

Ref	Service Area	Description	2017/18 budget	current forecast	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
H17	Schools post-16 £6k for EHC Plans	Post 16 (6 th form) funding of 60 places in academies funded at £6k but recouped and paid directly by EFA alongside other 6 th form funding. Also 14 places in mainstream secondary schools (£84k) similarly recouped. Assume increase in pupils in our schools.	0.324	0.440	0.500	0.500	0.500	0.500
H18	High Needs Block Funding Schools	Panel decide on additional support to pupils without an EHC plan. Growth allowed for supporting schools in meeting the outcomes in the short term without the need for a plan.	0.700	0.700	1.000	1.000	1.000	1.000
H19	High Needs Block Funding Early Years (early years inclusion fund)	Panel decide on additional support to for early year's children without an EHC plan. Early years inclusion fund supports c £500k on top of this with high needs block being used in more complex cases. Slight pressure on budget.	0.050	0.050	0.100	0.100	0.100	0.100
H20	Portage	Staffing to help parents of pre-school children with disabilities.	0.200	0.202	0.200	0.200	0.200	0.200
H21	Educational Equipment	Specialist education equipment mainly through Nottingham Rehab Service but also spot purchased	0.240	0.250	0.250	0.250	0.250	0.250
H22	Educating Children in Public Care (ECPC)	Cost of virtual school.	0.700	0.708	0.700	0.700	0.700	0.700
H23	Early Years EHC Plans	Funding to support pre-school children with plans.	0.290	0.275	0.300	0.300	0.300	0.300
H24	Alternative Provision	Progress schools. Also facilitates the Fairer access board admin. Contract with progress being renegotiated and will increase.	0.431	0.500	0.500	0.500	0.500	0.500
	High Needs DSG spend		79.123	79.575	81.900	82.500	83.100	83.700
	Net high needs block		2.679	3.131	2.000	2.200	2.800	3.400

Report to Schools Forum

Title:	Central Schools Services Budgets
Date:	October 2017
Author:	John Huskinson, Finance Director for Education
Contact officer:	John Huskinson, jhuskinson@buckscc.gov.uk , 01296 382384
Schools affected:	All schools

1. Purpose of this report

- 1.1. This report sets out the proposals for the central schools services block budgets for 2018/19.

2. Background

- 2.1. The Council is required to consult with Schools Forum on the proposals for central schools services block.
- 2.2. The Department for Education (DfE) has created a new block called Central Schools Services Block which includes activities previously included in the Schools Block (Ex ESG funding and Licenses).
- 2.3. In 2017/18 the Schools Forum agreed to the transfer of £15/pupil to the Council to cover the loss of Education Services Grant funded services that benefit all schools. (Dedelegation proposals set out in a separate paper cover activities that benefit only maintained schools).
- 2.4. The DfE is moving to a formula based on per pupil allocations, plus a smaller amount related to deprivation. The amount of central funding is reducing by 2.5% per pupil per year until 20120/21 when the amounts are expected to drop to the reduced per pupil funding in full.
- 2.5. Central schools services block comprises two parts;
 - 2.5.1. Ongoing functions –based on the formula per pupil
 - 2.5.2. Historical commitments –based on evidence of ongoing commitments.
- 2.6. The DfE requested information on both of these in 2017 as part of their baselining for 2018/19. In this baselining exercise the DfE appears to have underfunded Buckinghamshire by c £0.7m. The Council is disputing this with the DfE.
- 2.7. The Council had identified over £400k of efficiencies necessary to manage the budgets within the reduced block allocations but had not allowed for this baselining issue.
- 2.8. If the baselining issues are not resolved satisfactorily the Council will need to use the Dedicated Schools Grant reserve to offset these pressures. There is c £1m in reserve and this was intended to support high needs budget pressures.

3. Recommendations

- 3.1. That the Schools Forum notes the budgets for the central schools services block and the pressure on these and provides support if needed in challenging the budgets with the DfE.**
- 3.2. That the Schools Forum agree the use of £0.411m of DSG reserve to balance the 2018/19 central schools services block if the DfE do not resolve the baselining issue.**

3.3. To support the budget proposals in this report.

4. Detailed proposals

- 4.1. The detailed budget proposals and best estimate of funding allocations from the DfE are set out in **Appendix 1**. These will change slightly with pupil changes but the final allocations will not be known until December 2017.
- 4.2. The detailed budget proposals highlight the efficiencies made and the use of DSG reserve if funding baselining issues are not resolved satisfactorily. If the DfE adjusts the baseline as the Council would hope, c £750k of additional funding would be provided in 2018/19. This would leave c £0.4m of funding available to support the further downward transition in funding over the next three years.
- 4.3. The final expected allocation for ongoing central support is c £2.432m per annum (Based on 72,325 pupils @ £28.84 +11% area cost adjustment PLUS (9,444 Free school meal (ever 6) pupils @ £11.99 +11% area cost adjustment). This is £1.1m less than the funding in 2017/18.
- 4.4. The funding per pupil is reducing by 2.5% per annum until 2020/21 when the full formula will be in place. It is assumed that there will be no further transitional protection at that point.
- 4.5. The Council cannot manage the services provided without significant reductions in the budgets of the activities funded. These will have to be considered by the Council through their Medium term Financial Planning Process. Significant reductions have already been delivered in legal admissions from a change in arrangements and the final non-SEND pupil with a contribution from DSG has now left.
- 4.6. The historical commitments funding is expected to reduce by c £1.7m as the return to the DfE in 2016 clearly stated that capital funding commitments only were in place until 2017/18. The contribution to capital will stop, matched by the reduction expected in historical commitments funding from the DfE.
- 4.7. As a result of the capital commitment being funded by the DfE in 2016/17 and 2017/18 the Council was able to release revenue funding that was held for the capital programme back into schools funding to support pressures especially in high needs budgets. This was reported to Schools Forum in 2017 and Forum supported this. It is this funding that has c £1m remaining in reserve. This cannot fund both the shortfall in central schools services block and high needs block, if DfE do not agree to correct the baselining position.
- 4.8. If the DfE reduces the historical commitments funding it supports in future years the greatest impact will be on the services provided by Buckinghamshire Learning Trust, which receives the largest share of the historical committeeman's funding. The impact of any reduction would be addressed if this situation arises.
- 4.9. Historical Premature retirement costs are unavoidable for many years and the Council would need to absorb this in future. The services provided by Aspire would also be at risk. These are closely linked to high needs block activity which already has pressures as reported in a separate paper.

5. Conclusion

- 5.1. Managing the central schools services block within the funding allocation is going to be a challenge for the Council made greater by baselining issues. The DfE intention to move to an amount per pupil is reducing funding immediately and will significant impact on future services funded centrally.

Appendix 1 –detailed budget proposals and best estimates of funding allocations

Budget requirement for central schools services block		Proposed 2017-18 budget	2017-18 forecast	2017-18 variance	2018-19 Proposed budget	Change	Notes
Ex Education Services Grant function	Contribution (£15/pupil) to BCC for ex Education Services grant funded activity.	£1,178,000	£1,178,000	£0	£1,178,000	£0	Minor increase depending on pupil numbers on final census, but should also be reflected on funding side
Licences	Centrally managed licenses on behalf of all schools. Increase to allow for growth in pupils and inflationary uplift in charges	£397,000	£397,000	£0	£397,000	£0	assume no increase, but DfE will not advise until Dec 2017
Admissions	Staffing to deal with Admissions process	£890,000	£890,000	£0	£890,000	£0	
BASL & TSA	Last year £60k went to Wycombe high school for teaching talent and £55k went to BLT. BLT now get sponsorship for annual conference	£85,000	£85,000	£0	£85,000	£0	Reduced in 2017.18 to £85k total
Independent Schools - non SEN	Need to set up a separate cost centre for this and move budget	£250,000	£0	£-250,000	£0	£-250,000	all children previously funded have left.
Management of Schools Forum	cost of room hire and F40 annual fee. Room hire is a top slice included in other lines as is democratic services support	£2,000	£2,000	£0	£2,000	£0	
Safeguarding in Education	Staffing to train teachers / governors and ensure schools are complying	£210,000	£215,000	£5,000	£210,000	£0	minor inflation re cost increases
Legal (Admissions Appeals)	Legal costs associated with admission appeals	£319,000	£119,000	£-200,000	£119,000	£-200,000	Reduced due to change in legal arrangements/ in house work prior to legal
Central overheads	Contribution to overheads of council relating to activities supporting DSG	£230,000	£264,000	£34,000	£264,000	£34,000	no change. If there is a pressure on this budget BCC will have to cover it.
DSG reserve	Contribution from DSG reserve	£0	£0	£0	£-363,325	£-363,325	Need to use DSG reserves unless win argument with DfE about incorrect baseline
Funding from DfE	Funding for ongoing functions (draft allocation from DfE)	£-3,561,000	£-3,561,000	£0	£-2,781,675	£779,325	DfE imposed efficiency savings plus baselining issue being challenged by BCC. 77,325 pupils @ £38.46 per pupil (2.5% reduction)
Net ongoing functions		£0	£-411,000	£-411,000	£0	£0	
Budget requirement for historic commitments							
Bucks Learning Trust - Contribution to Combined	Contribution to BLT for range of overheads and wider support to all schools	£2,311,000	£2,311,000	£0	£2,311,000	£0	
Capital contribution	Council contributed £1.7m to DSG services in lieu of contribution from DSG to capital schemes. This was ring-fenced to High Needs budget pressures	£1,708,000	£1,708,000	£0	£0	£-1,708,000	£0.7m needed to balance the pressure on high needs in 2017/18 and £1m added to DSG reserve for future pressures on high needs. Non recurrent. Matched by reduction by DfE in funding of historic commitments
Practical Learning Opportunities	Subsidy of cost to send pupils at risk of exclusion to PRU. Service provided by ASPIRE	£224,000	£224,000	£0	£224,000	£0	
Raising Participation Age	Service provided by ASPIRE	£139,000	£139,000	£0	£139,000	£0	
Schools PRC	Historic pension costs which get inflated each year	£271,000	£320,000	£49,000	£320,000	£49,000	pressure due to pension revaluations etc., but cannot increase in operational guidance
Rounding	rounding of figures	£1,000	£0	£-1,000	£0	£-1,000	
DSG reserve	Contribution from DSG reserve	£0	£-48,000	£-48,000	£-48,000	£-48,000	Drawdown from DSG reserve created by BCC passing back £1.7m of revenue funding it would have put into the Capital Programme of Historic commitment funding from DfE had not been agreed
Funding from DfE	Historic commitments funding baseline	£-4,654,000	£-4,654,000	£0	£-2,946,000	£1,708,000	Expect that DfE will not fund the capital contribution as this was stated as ending in 2017/18.
Net historical commitment		£0	£0	£0	£0	£0	
total funding expected from DfE		£-8,215,000	£-8,215,000	£0	£-5,727,675	£2,487,325	
total spend proposals by BCC excluding DSG reserve use		£8,215,000	£7,852,000	£-363,000	£6,139,000	£-2,076,000	
DSG reserve use		£0	£-48,000	£-48,000	£-411,325	£-411,325	



Education & Skills
Funding Agency

Schools revenue funding 2018 to 2019

Operational guide

September 2017

Contents

Introduction	4
Reviewing and consulting on the pre-16 funding formula	9
Delegated funding	10
Local authority funding formulae factors for 2018 to 2019	10
Prior attainment	14
Sparsity	15
Lump sum	18
Split sites	19
Private finance initiative (PFI)	20
Other funding allocations	21
Requesting exceptional premises factors	21
The minimum per pupil amount for schools	22
Variations to pupil numbers	24
Minimum funding guarantee	25
Redetermination of budget shares	29
Redetermination of budgets where pupils have been excluded	30
Deductions from the excluding school's budget	30
Additions to the admitting school's budget	31
Academies	32
Inter-authority funding transfers	32
Growth fund	33
Falling rolls fund	36
Movements between blocks	37
The central school services block	40
Introduction	40
Services for maintained schools	41
Central services that may be funded with agreement of schools forums	43
Schools forum approvals for centrally held funding	50
De-delegated services	52
High needs funding	55
Completing the authority proforma tool (APT)	57

Treatment in the APT of new and growing schools	59
Funding of academies	61
Timetable	63
Additional support	66
Annex 1: Funding routes for growing schools	67

Introduction

1. This guide helps local authorities, and their schools forums, to plan the local implementation of the funding system for the 2018 to 2019 financial year.
 - 1.1. 2018 to 2019 is significant because of the introduction of national funding formulae for schools, high needs, and central school services.
 - 1.2. We've confirmed the full national funding formulae for 2018 to 2019 and 2019 to 2020, alongside the responses to the national funding formulae consultations [NFF Schools and High Needs](#)
 - 1.3. We've used these formulae to calculate the blocks within the dedicated schools grant (DSG) that are allocated to local authorities, and they will sit alongside the early years national funding formula, which was introduced in 2017 to 2018.
2. We've published local authority level allocations for 2018 to 2019 for the schools, central school services, and high needs blocks. [NFF tables for schools and high needs](#).
 - 2.1. We'll issue final allocations as usual in December 2017, based on pupil numbers recorded in the October census.
 - 2.2. Local authorities should use this guide to model their formulae and plan their budget in consultation with schools forums.
3. The government has confirmed that there will be an additional £1.3 billion for schools and high needs across 2018 to 2019 and 2019 to 2020, in addition to the schools budget set at the Spending Review 2015.
 - 3.1. This means that, in 2018 to 2019, all local authorities have received an increase over the amount they planned to spend on schools and high needs through the DSG in 2017 to 2018.
 - 3.2. These increases are reflected in the allocations published alongside this guidance. For more information about overall school funding, please see the [oral statement from the Secretary of State for Education](#).
4. We've published the final national funding formula local authority allocations for 2018 to 2019 alongside this guide.
5. While it remains the government's intention that a school's budget should be set on the basis of a single national formula, in 2018 to 2019 and 2019 to 2020, local authorities will continue to determine final funding allocations for schools through a local formula.

5.1. In 2018 to 2019 and 2019 to 2020, the national funding formula will set notional allocations for each school, which will be aggregated, and used to calculate the total schools block received by each local authority.

6. There are a number of significant changes to the funding system this year:

6.1. The central school services block (CSSB) has been created.

6.1.1 We've allocated funding for central school services to local authorities through the new CSSB.

6.1.2 This will comprise funding for ongoing responsibilities, and a cash sum for historic commitments.

6.1.3 The DSG therefore now comprises four blocks: schools, high needs, early years, and the new central school services block.

6.2. Each of the four blocks of the DSG has been determined by a separate national funding formula.

6.2.1 National funding formulae have determined local authorities' schools, high needs, and central school services,¹ blocks for the first time in 2018 to 2019.

6.2.2 Funding for early years has been allocated through a national funding formula since 2017 to 2018.

6.3. Baselines have been adjusted to take account of local authorities' most recent spending patterns.

6.3.1 We've undertaken an exercise with local authorities to 're-baseline' the blocks of the DSG for each local authority.

6.3.2 This has enabled the Department to ensure that the national spend on each block in 2018 to 2019 (the totals distributed through the schools, high needs, and central school services, formulae) reflects the pattern of 2017 to 2018 planned spending by local authorities within their overall DSG allocation, and that local authorities are protected against what they planned to spend in 2017 to 2018 on each block.

6.4. Within the schools block, the government will provide for at least a 0.5% per pupil increase for each school in 2018 to 2019 through the national funding formula.

¹ For the ongoing responsibilities element of the block only.

- 6.4.1 We've calculated local authorities' schools block allocations by aggregating schools' notional allocations under the national funding formula, and these notional allocations reflect these increases.
- 6.4.2 Schools block allocations are expressed as separate per-pupil primary and secondary rates for each local authority.
- 6.4.3 They also include funding at local authority level for premises, mobility, and growth, based on historic spend.
- 6.5. The national funding formula will provide local authorities with per-pupil funding of at least £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11 in 2019-20.
 - 6.5.1 We've included a new factor in local authority formulae so local authorities can set a transitional amount of per-pupil funding in 2018 to 2019, as a step towards the £3,500 and £4,800 in 2019 to 2020. Please see paragraph 49 for details.
- 6.6. Within the high needs block, the government has provided for at least a 0.5% increase in proportion to population changes in 2018 to 2019 and this is reflected in the allocations to local authorities through the high needs national funding formula.
 - 6.6.1 We'll protect the high needs block against 2017 to 2018 baselines, subject to some adjustments explained in [the high needs section of this guidance](#).
- 6.7. The minimum funding guarantee (MFG) for schools will continue, but local authorities now have the flexibility to set a local MFG between 0% and minus 1.5% per pupil.
 - 6.7.1 In previous years, the MFG has been set at minus 1.5% per pupil.
 - 6.7.2 In 2018 to 2019, we've introduced flexibility for local authorities to set a local MFG between 0% and minus 1.5% per pupil.
 - 6.7.3 Local authorities can use the flexibility to offer higher levels of protection locally.
- 6.8. The schools block will be ring-fenced from 2018 to 2019, but local authorities are able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum.
 - 6.8.1 We expect local authorities to demonstrate to their schools forum that they have consulted locally with all maintained schools and

academies when seeking agreement to transfer any funding out of the schools block.

6.8.2 There will be an exceptions process, which will require Secretary of State approval, for considering transfers above the 0.5% limit, and for transfers opposed by the schools forum.

6.8.3 Whilst the other blocks are not subject to limits on transfers, local authorities will be strongly encouraged to consult their schools, and agree with their schools forum any other proposal to move funding between blocks.

7. We've made a number of other smaller changes to the calculation of the schools and high needs blocks in 2018 to 2019:

7.1. Local authorities can now use both current free school meals, and Ever6 free school meals measures within their deprivation factors (local authorities could previously use one of these measures, but not both).

7.2. We've increased the pupil premium plus rate for 2018 to 2019 to £2,300, rather than including a looked-after children factor in the national funding formula. Local authorities should consider how to reflect this in their local formulae.

7.3. Local authorities no longer need to request a disapplication to increase pupil numbers where there is an increase in a school's admission limit, or a local reorganisation.

7.4. We've included an [explanation of adjustments to school budgets relating to excluded pupils](#) in this guidance, because we receive enquiries about this.

7.5. We'll not make a deduction to schools block pupil numbers for high needs places in mainstream schools.

7.5.1 Instead, we'll determine the school's budget share (or the equivalent academy funding) based on the total number of pupils on the roll of the school, including those in the special unit or resourced provision.

7.5.2 We've made an adjustment between the high needs block, and schools block, for each local authority to reflect this change.

7.5.3 The [2017 to 2018 baselines and 2018 to 2019 minimum funding amounts table](#) published alongside this guidance explains the adjustment for each local authority.

7.5.4 The balance of funding for this kind of special provision will come from the place funding decided in accordance with the local

authority's commissioning decisions, and the top-up funding for individual pupils.

7.5.5 The place funding will be £6,000 per place where the place is occupied by pupils on the roll of the school at the time of the October school census return.

7.5.6 Places not filled by such pupils will still be funded at £10,000.

7.5.7 Further information for local authorities on this change is included in the [high needs funding 2018 to 2019: operational guide](#) published alongside this guidance.

7.6. We've clarified the approach taken where an academy, funded on estimates, is expanding to meet basic need growth within the local authority in the [growth fund section of this guidance](#).

Reviewing and consulting on the pre-16 funding formula

8. Local authorities must engage in open and transparent consultation with all maintained schools and academies in the area, as well as with their schools forums, about any proposed changes to the local funding formula including the method, principles and rules adopted.
9. Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.
 - 9.1. We've provided an updated authority proforma tool (APT) to reflect 2018 to 2019 local formula changes, to help with this modelling.
 - 9.2. Local authorities should communicate proposed formula changes to all bodies affected by the changes.
 - 9.3. The local authority is responsible for making the final decisions on the formula, and each authority's process must ensure that there is sufficient time to gain political approval before the APT deadline in January 2018.
 - 9.4. Political ratification means approval in line with the authority's local scheme of delegation, so this may be decisions by the council cabinet, cabinet member or full council; the schools forum does not decide on the formula.
10. Local authorities should also ensure that they allow sufficient time for wider consultation with schools, agreement by their schools forum, and political approval, if they wish to transfer funding out of the schools block, or submit a disapplication request.
 - 10.1. We've provided more information on this in the [movements between blocks section of this guidance](#).

Delegated funding

Local authority funding formulae factors for 2018 to 2019

11. We've made one addition to the list of allowable funding factors in local funding formulae in 2018 to 2019.

11.1. Local authorities can set a minimum per-pupil amount for schools, details of this are set out in paragraph 47 - 51.

11.2. The local factor values and parameters may continue to differ from those used in the NFF, since authorities retain local discretion in 2018 to 2019 and 2019 to 2020. The NFF unit values are set out in figure 3 [NFF for Schools and High Needs](#)

12. The full list of allowable factors in 2018 to 2019 are:

Funding factor	Description and further information
<p>1. Basic entitlement A compulsory factor</p>	<p>This factor assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census.</p> <ul style="list-style-type: none">• funding is allocated according to an age-weighted pupil unit (AWPU)• there is a single rate for primary age pupils, which must be at least £2,000• there can be different rates for KS3 and KS4, with a minimum of £3,000 for each• local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in January 2017 than the October 2016 census• we'll not include reception uplift in the national funding formula; local authorities currently using a reception uplift factor should consider whether to do so in 2018 to 2019• schools with reception uplift will not be financially disadvantaged in the national funding formula calculations, as the funding will remain in their baselines
<p>2. Deprivation A compulsory factor</p>	<p>Local authorities can use free school meals (FSM), the income deprivation affecting children index (IDACI), or both to calculate the deprivation factor.</p>

Funding factor	Description and further information
	<ul style="list-style-type: none"> • we measure eligibility for current FSM using the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census • local authorities using FSM to calculate deprivation can choose to use either current FSM, Ever6 FSM, or both • the IDACI measure uses 6 bands, and different values can be attached to each band; different unit values can be used for primary and secondary within each band • we'll automatically set the FSM Ever6 ratio equal to the current FSM ratio for schools where the FSM Ever6 rate is recorded as lower than the current FSM rate
<p>3. Prior attainment An optional factor (used by most local authorities)</p>	<p>The prior attainment factor acts as a proxy indicator for low level, high incidence, special educational needs.</p> <ul style="list-style-type: none"> • we'll confirm a separate weighting for new year 7 pupils later in the year <p>We've included more information in the prior attainment section of this guidance.</p>
<p>4. Looked-after children (LAC) An optional factor</p>	<p>Local authorities can apply a single unit value for any child who has been looked after for one day or more, as recorded on the LA SSDA903 return at 31 March 2017.</p> <ul style="list-style-type: none"> • we map this data to schools using the January school census, to identify the number of LAC in each school or academy • we've increased the pupil premium plus rates for 2018 to 2019 from £1900 to £2300 • we've not used a LAC factor in the national funding formula; local authorities currently using this factor should consider whether to do so in 2018 to 2019
<p>5. English as an additional language (EAL) An optional factor</p>	<p>Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system.</p> <ul style="list-style-type: none"> • local authorities can choose to use indicators based on one, two, or three years, and there can be separate unit

Funding factor	Description and further information
	values for primary and secondary
6. Pupil mobility An optional factor	This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils). <ul style="list-style-type: none"> there is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility, will attract pupil mobility funding for 2% of pupils)
7. Sparsity An optional factor	Schools that are eligible for sparsity funding must meet two criteria: <ul style="list-style-type: none"> they are located in areas where pupils would have to travel a significant distance to an alternative should the school close they are small schools We've included more information in the sparsity section of this guidance .
8. Lump sum An optional factor (used by all local authorities)	Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary. <ul style="list-style-type: none"> local authorities should give middle schools a weighted average, based on the number of year groups in each phase the maximum lump sum is £175,000, even for schools that receive London fringe uplift We've included more information in the lump sum section of this guidance , including information for amalgamated schools.
9. Split sites An optional factor	The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites. <ul style="list-style-type: none"> allocations must be based on objective criteria for the definition of a split site, and for how much is paid We've included more information in the split sites section of this guidance .
10. Rates An optional factor (used by all local	Local authorities must fund rates at their estimate of the actual cost. <ul style="list-style-type: none"> local authorities can make adjustments to rates during the

Funding factor	Description and further information
authorities)	<p>financial year, but this must be done outside of the funding formula</p> <ul style="list-style-type: none"> for example, an additional allocation could be made to a school (funded by balances brought forward) this should be reflected in the Section 251 outturn statement, and in each school's accounts the effect on the school would be zero, since any rates adjustment will be offset by a change in the cost of the rates
<p>11. Private finance initiative (PFI) contracts An optional factor</p>	<p>The purpose of this factor is to support schools that have unavoidable extra premises costs (because they are a PFI school), and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority. We've included more information in the PFI section of this guidance.</p>
<p>12. London fringe An optional factor, applicable only for five local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex)</p>	<p>The purpose of this factor is to support schools that have to pay higher teacher salaries because they are in the London fringe area, and only part of the local authority is in this area.</p> <ul style="list-style-type: none"> This factor is applied as a multiplier of 1.0156 to the 6 pupil-led factors, the lump sum factor, and the sparsity factor <p>We've provided details of these calculations in the technical specification for the schools block dataset.</p>
<p>13. Exceptional premises factors An optional factor</p>	<p>Local authorities can apply to ESFA to use exceptional factors relating to school premises (for example, for rents, or joint-use sports facilities).</p> <ul style="list-style-type: none"> exceptional factors must relate to premises costs local authorities should only submit applications where the value of the factor is more than 1% of a school's budget, and applies to fewer than 5% of the schools in the authority's area local authorities can use exceptional premises factors used in 2017 to 2018 (for pre-existing, and newly-qualifying schools) in 2018 to 2019, if the qualification criteria are still met

Funding factor	Description and further information
<p>14. Minimum level of per pupil funding for secondary schools An optional factor</p>	<ul style="list-style-type: none"> • The purpose of this factor is to allow local authorities to provide amounts up to the minimum per pupil funding levels for primary and secondary schools. • The formula will provide local authorities with per-pupil funding of at least £3,500 for primary schools and £4,800 for secondary schools with pupils in years 10 and 11 in 2019 to 2020 • The formula will provide a transitional minimum amount of per pupil funding of at least £3,300 for primary schools and £4,600 for secondary schools in 2018 to 2019, as a step towards the £3,500 and £4,800 in 2019 to 2020. • Where local authorities choose to use this factor, any capping and scaling cannot take the school below the minimum value set in the local formula • Local authorities should calculate the minimum per pupil level on the basis of the school's total funding. This will be set out in the APT guidance. Local authorities who wish to reflect the NFF calculation by excluding premises factors that have been excluded from the NFF calculation should submit a disapplication request to agree this change. <p>We've included more information on the setting a minimum per pupil amount for schools section of this guidance.</p>

Table 1: Schools funding factors

Required proportion of funding allocated through pupil-led factors

Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1 to 6 and 14 above, and London fringe uplift, where relevant).

13. The Department for Education will provide updated schools block datasets in December 2017.

- 13.1. Local authorities should use these datasets when setting their local funding formulae; this will ensure maintained schools, and academies, are funded on the same basis.
- 13.2. We've provided a [technical specification for the 2018 to 2019 schools block datasets](#) alongside this guidance.

Prior attainment

14. Local authorities can apply this factor for:
 - primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)
 - secondary pupils not reaching the expected standard in KS2 at either English or maths
15. The EYFSP changed in 2013, so local authorities can use a weighting to ensure funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups assessed under the new framework (years 1 to 5).
 - 15.1. Local authorities can continue to choose between two EYFSP scores, for pupils assessed using the old profile (year 6 only); targeting funding to either:
 - all pupils who achieved fewer than 78 points
 - all pupils who achieved fewer than 73 points on the EYFSP
16. We introduced a new national weighting to the secondary low prior attainment factor in 2017 to 2018, to ensure that the new year 7 cohort (the first pupils to sit the new, more challenging, KS2 tests at the end of academic year 2015 to 2016) did not have a disproportionate influence within the total for the prior attainment factor in the mainstream formula.
 - 16.1. We intend to carry forward this weighting, so it applies to the year 8 cohort in the schools block dataset provided to local authorities for setting their mainstream school funding formula for the financial year 2018 to 2019.
17. We also intend to specify a national weighting for the new year 7 cohort in the 2018 to 2019 schools block dataset, to scale back the proportion of year 7 pupils identified as having low prior attainment to a level commensurate with the number of pupils identified in years 9 to 11 under the previous KS2 tests. We'll confirm the new year 7 weighting later in the year.

18. Local authorities will not be able to change the weighting, but will be able to adjust their secondary low prior attainment unit value as in previous years. This will enable local authorities, in most cases, to maintain their low prior attainment factor at previous levels without significant turbulence.

19. Low prior attainment funding will be allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.

20. As with current funding arrangements, pupils who have not undertaken the assessment are given the overall average attainment score of their year group, so are taken into account when calculating a school's low prior attainment rate.

Sparsity

21. Schools that are eligible for sparsity funding must meet two criteria:

- they are located in areas where pupils would have to travel a significant distance to an alternative should the school close
- they are small schools

22. For the pupils for whom the school is their closest compatible school², the factor measures the distance (as the crow flies) from their home to their second nearest compatible school and the mean distance for all pupils is then calculated. Since the pupil population changes each year, it's possible for a school to be eligible for sparsity funding in one year but not in the next.

23. The school eligibility criteria for sparsity funding is as follows:

School phase	Maximum average number of pupils per year group	Minimum average distance to second nearest compatible school
Primary	21.3	2 miles
Secondary	119	3 miles
Middle	69.1	2 miles
All-through	62.4	2 miles

Table 2: Eligibility criteria for schools to attract sparsity funding

² A school is compatible if the pupil is within its age range and the school accepts pupils of this pupil's gender. Selective schools and those in Wales and Scotland are discounted when identifying the second nearest school.

24. Pupil numbers include reception to years 11 only, that is, excluding nursery and sixth form pupils.

25. The maximum value for the sparsity factor is £100,000 (including the London fringe uplift), which can be applied as a taper or as a lump sum. If a taper methodology is used, a school will attract sparsity funding in inverse proportion to its average year group size. Different values and methodologies can be used for the primary, middle, all-through, and secondary phases.

26. Examples are provided below showing whether a school would receive sparsity funding and how much funding it would receive. These examples assume that the year group size and distance thresholds are as set out by ESFA, although local authorities can reduce the pupil numbers and increase the distance criteria if they wish:

26.1. School A is an infant school with 120 pupils, spread across 3 year groups; the average number of pupils per year group size is therefore 40 (120 / 3).

26.2. The average distance to the second nearest compatible school is 2.5 miles.

26.3. School A is not eligible for sparsity funding, as the average number of pupils per year group is too high.

School phase	Average number of pupils per year group	Average distance to second nearest compatible school	Eligible for sparsity funding?
Primary	40	2.5 miles	No

Table 3: Example of a school not eligible for sparsity funding

26.4. School B is a primary school with 120 pupils, spread across 7 year groups; the average number of pupils per year group is therefore 17.14 (120 / 7).

26.5. The average distance to the second nearest compatible school is 2.2 miles.

26.6. School B is eligible for sparsity funding, as the average number of pupils per year group is fewer than the maximum, and the average distance is greater than the minimum.

26.7. If the sparsity value is £100,000, applied on a taper methodology, the school will receive £20,000 ($((21.4 - 17.14) / 21.4) \times 100,000$) (allowing for rounding)

School phase	Average number of pupils per year group	Average distance to second nearest compatible school	Eligible for sparsity funding?

Primary	17.14	2.2 miles	Yes
---------	-------	-----------	-----

Table 4: Example of a school eligible for sparsity funding

27. The sparsity distance for each school has been calculated as a crow flies distance. Local authorities are able to make exceptional applications for schools not meeting the distance criterion where they would have significantly higher mileage if road distances had been used.

28. Local authorities can also make an application to ESFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable. Local authorities can only apply for an exceptional factor where schools have:

- pupils in years 10 and 11
- 350 pupils or fewer
- a sparsity distance of 5 miles or more

29. Where approval was given in 2017 to 2018 to use an exceptional factor for very small sparse secondary schools, or to the road distance for individual schools, that approval can carry forward to 2018 to 2019, if the latest pupil data has not changed significantly.

30. ESFA will produce sparsity distances for all schools in the schools block dataset, and make them available to each local authority.

30.1. If a school opens after the sparsity distances have been calculated, the local authority can make an exceptional application for the school.

30.2. The process is the same for schools that are affected by neighbouring schools closing.

30.3. We'll not recalculate the figures during the year in these situations, as it should be possible for an estimate to be made for individual schools.

30.4. An existing school, qualifying for sparsity funding, would not lose the funding in-year if a new school opened nearby.

30.5. Local authorities should agree exceptional applications with their schools forum, before submitting to ESFA for consideration.

Lump sum

31. The lump sum may be different for primary and secondary schools and the maximum permitted value for either phase continues to be £175,000 (including the London fringe uplift) in local formulae. All-through schools will receive the secondary lump sum value and middle schools will receive an average lump sum value based on the number of primary and secondary year groups in the school.

31.1. This worked example shows how the lump sum amount for a middle school is calculated. In this example, the primary lump sum is set at £100,000, and the secondary lump sum is set at £120,000.

31.2. This middle school has a total of 5 year groups; 3 year groups (years 4 to 6) attracting the primary rate, and 2 year groups (years 7 to 8) attracting the secondary rate:

School phase rate	Lump sum amount
3 year groups at primary rate ((3/5) x £100,000)	£60,000
2 year groups at secondary rate ((2/5) x £120,000)	£48,000
Total rate for all 5 year groups	£108,000

Table 5: Example of a middle school's lump sum calculation

32. Where schools have amalgamated³ during the financial year 2017 to 2018, or on 1 April 2018, they will retain the equivalent of 85% of the predecessor schools' lump sums for the financial year 2018 to 2019.

32.1. For example, assuming a lump sum of £100,000, the additional payment would be £70,000 ((100,000 x 2) x 85% - 100,000). Local authorities can apply to ESFA to reduce this in exceptional circumstances.

33. Where schools amalgamate after 1 April 2018, the new school will receive funding equivalent to the formula funding of the closing schools added together for the appropriate proportion of the year. This means that they receive the combined lump sum for the remainder of the year and 85% in the following year, as outlined above.

34. Local authorities may apply to ESFA to provide a second year of protection. Applications must specify the level of protection sought, although in general we would not

³ The definition of an "amalgamated school" includes one that has extended its age range as a direct consequence of another closing (for example, an infant school closes and the junior school extends to become a primary school).

expect the additional protection to exceed 70% of the combined lump sums. We'll consider applications on a case-by-case basis.

Split sites

35. A local authority formula can include a factor to provide additional funding to schools that operate on more than one site.

35.1. Criteria for providing extra funding should be clear and transparent, incorporating clear and objective trigger points, and a clear formula for allocating additional funding.

35.2. All schools and academies that meet the criteria will be eligible for split site funding.

35.3. Schools sharing facilities, federated schools and schools with remote sixth forms or remote early years provision are not eligible for split site funding.

36. Examples of clear trigger points are:

- the sites are a minimum distance apart, as the crow flies, and the sites are separated by a public highway
- the provision on the additional site does not qualify for an individual school budget share through the DSG
- the school has remote playing fields, separated from the school by a minimum distance, and there is no safe walking route for the pupils
- a percentage of staff are required to teach on both sites on a daily basis, to support the principle of a whole school policy, and to maintain the integrity of the delivery of the national curriculum
- a minimum percentage of pupils are taught on each site on a daily basis

37. Examples of a clear formula for funding schools with split sites are:

- a lump sum payment
- a per-pupil rate
- a rate per square metre of the additional site

38. Values for primary and secondary schools may be different. There may be one rate of payment for the first additional site, and a separate rate for each additional site. Payment rates may be stepped, for example as the distance between sites increases.

Private finance initiative (PFI)

39. Methodologies for funding PFI schools must be objective and clear, and capable of being replicated for academies.

39.1. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract, not necessarily the full cost as some costs may be covered within other factors.

39.2. An acceptable methodology would generally contain some of the features set out below.

39.3. These examples are intended to help local authorities formulate a clear process for funding; it's unlikely that a local authority would need to incorporate all of the features into its own policy.

39.4. If a PFI factor is used, all PFI schools should receive it; there may be different arrangements between contracts, but within a contract, all PFI schools should receive funding on an equivalent basis.

39.5. This does not necessarily mean all schools should receive the same amount per pupil, but they should be treated on a consistent basis.

40. Examples of a clear formula for funding PFI schools are:

- allocations are in accordance with an original governors' agreement
- allocations reflect the difference between the PFI contractual cost and the grant received by the local authority, less any local authority contribution

41. Methodologies for calculating allocations could include:

- a percentage of the school's budget share
- a per-pupil rate
- a rate per square metre of floor area
- a historical lump sum previously agreed, and indexed by a percentage per year

42. Agreements can refer to proportions or elements of the school's budget share, which, due to changes in funding arrangements, may have changed significantly. Where this situation occurs, we would expect schools and local authorities to work together to agree an alternative arrangement, so that neither party is significantly disadvantaged.

Other funding allocations

43. In addition to the mainstream schools budget share (or general annual grant for academies), schools and academies may receive other types of funding. The most common sources include:

- [early years funding](#)
- [high needs funding](#)
- [post-16 funding](#)
- [pupil premium](#)
- [PE and sport premium](#)
- [universal infant free school meals](#)
- [school improvement funding](#)

Requesting exceptional premises factors

44. Local authorities can request the inclusion of additional factors in their formula for exceptional circumstances.

44.1. ESFA may approve additional factors in cases where the nature of the school premises gives rise to significant additional costs greater than 1% of the school's total budget, and where such costs affect fewer than 5% of the schools (including academies) in the authority.

45. Where local authorities have already received approval for exceptional premises factors in the previous five years, they can continue to use the approved factors, if the criteria are still being met.

45.1. Where an exceptional factor has already been approved for particular schools, it's permissible for a further school or schools to receive the factor where a change in circumstances meets the existing approved criteria, providing that the cost to the additional school exceeds 1% of its budget share (as calculated through the APT), and that the factor still applies to fewer than 5% of schools in the authority.

46. Local authorities should apply to ESFA for any new exceptional premises factors in 2018 to 2019, setting out the rationale for the factor, and demonstrating that the criteria are met.

46.1. Local authorities must submit any applications for exceptional factors before the end of November 2017.

46.2. Exceptional factors previously approved include:

- rents
- joint use of leisure facilities by contractual agreement
- building schools for the future (BSF) schemes (additional contribution to lifecycle maintenance costs)
- hire of PE facilities
- listed buildings
- school with a farm included as part of its educational provision

46.3. Each application is considered on its own merits and it should not be assumed that a future application would be successful simply because it falls into one of the categories shown above.

46.4. Local authorities are not obliged to request additional factors, but in considering whether to do so, they should look at the circumstances of academies and free schools as well as maintained schools.

46.5. Local authorities can apply for an exceptional factor by attaching the [disapplication proforma](#) to the [ESFA contact form](#).

The minimum per pupil amount for schools

47. The national funding formula will provide local authorities with per-pupil funding of at least £3,500 for each primary school and £4,800 for each secondary school (schools with an age range including years 10 and 11) in 2019 to 2020, based on the school's total core funding.⁴ It will provide for a transitional amount of £3,300 for primary schools and £4,600 for secondary schools in 2018 to 2019. All-through and middle schools will attract minimum per-pupil funding determined by their individual age ranges.

48. Local authorities can choose to include a new minimum per pupil factor in their formula to allow them to implement this policy locally.

49. The per pupil minimum funding levels are set out below.⁵ Local authorities' funding allocations will reflect the 2018 to 2019 transitional minimum amounts set out in the table below, but LAs may choose to set an amount up to the 2019 to 2020 amount if they choose to do so.

⁴ Schools total core funding excludes funding for premises, mobility and growth.

⁵ Secondary schools that are new and growing will receive the secondary school minimum amounts, even if they do not yet have pupils in year 10 and 11.

	Transitional minimum per pupil funding 2018 to 2019	Minimum per pupil funding 2019 to 2020
Primary	£3,300	£3,500
Middle schools	Weighted average of £3,300 for primary year groups and £4,000 for KS3 year groups	Weighted average of £3,500 for primary year groups and £4,200 for KS3 year groups
Secondary schools	£4,600	£4,800
All-through schools	Weighted average of £3,300 for full primary phase and £4,600 for full secondary phase, assuming all all-through schools have a full primary and secondary phase. If LAs use the rates above this will be £3,842 for all all-through schools	Weighted average of £3,500 for full primary phase and £4,800 for full secondary phase, assuming all all-through schools have a full primary and secondary phase. If LAs use the rates above this will be £4,042 for all all-through schools

50. Local authority allocations have been published alongside this guidance. The technical detail of the calculations used in the national funding formula to provide the minimum levels of per-pupil funding in 2018 to 2019 and 2019 to 2020 are set out in the technical specifications document.

51. Local authorities should calculate the minimum per pupil level on the basis of the school's total funding. Once capping and scaling have been applied this shouldn't take the schools budget lower than the minimum per pupil level if the authority is using this factor (see paragraphs 70 – 72). This will be set out in the APT guidance. Local authorities who wish to reflect the NFF calculation by excluding one or more of the premises factors that have been excluded from the NFF calculation should submit a disapplication request to agree this change.

Variations to pupil numbers

52. Local authorities will no longer be expected to request approval to increase the pupil numbers used for calculating funding for specific schools where:

- there has been, or is going to be, a reorganisation
- a school has changed, or is going to change, its admission limit

52.1. However, we expect local authorities to present any pupil variations to their schools forum, to illustrate the impact to overall funding and specific schools' budgets.

53. In general terms, we would wish to continue to provide protection for all schools, including those with downward trends in pupil numbers, so any request for a negative adjustment would still require a disapplication, and need to include compelling evidence as to why this should be approved. Other increases not falling within the categories above would still require a disapplication.

54. Where a new school is due to open, the regulations require that local authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, again explaining the rationale underpinning the estimates.

55. Under these regulations, local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years, and are still adding year groups.

55.1. Local authorities can adjust estimates each year, to take account of the actual pupil numbers in the previous funding period.

55.2. We've included [more information in the treatment in the APT of new and growing schools section of this guidance](#).

56. From 2017 to 2018, all mainstream free schools have been recoupable from the first year of opening. This means ESFA will provide funding directly to the free schools opening, and recoup the funding from local authorities from the estimated pupil numbers in the APT.

57. Whilst the [growth fund](#) is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.

58. If pupil numbers are not adjusted upwards to reflect actual intake, we'll adjust amounts recouped to enable us to properly fund academies and free schools affected by this.

58.1. We've included [more information in the flowchart at Annex 1 about when to request a variation, and when to use the growth fund](#).

Minimum funding guarantee

59. The Secretary of State confirmed in July that the national funding formula will provide for at least a 0.5% per-pupil increase in respect of each school in 2018 to 2019.

59.1. We'll reflect these increases in the local authority level schools block allocations when they are published in September 2017, based on aggregated individual notional school allocations.

60. Local authorities will continue to set a pre-16 minimum funding guarantee (MFG) in their local formulae, to protect schools from excessive year-on-year changes, and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through.

60.1. We are introducing greater flexibility for the MFG in 2018 to 2019; local authorities will be able to set an MFG between 0% and minus 1.5% per pupil. Setting the MFG at 0% rather than 0.5% gives local authorities the flexibility to make local decisions about the distribution of funding, and enables them to manage any changes in pupil characteristics when characteristics data is updated in December.

60.2. Local authorities will need to consult on the level of the MFG, as with the rest of the formula.

61. The MFG applies to pupils in reception to year 11; early years pupils, and ESFA funded post-16 pupils are excluded from the calculation.

61.1. The following formula factors are automatically excluded from the MFG calculation, as not doing so would result in excessive protection, or would be inconsistent with other policies:

- the 2018 to 2019 lump sum; this is excluded from both the baseline, and 2018 to 2019 funding, so that schools are protected against significant change in the lump sum between years
- any higher lump sum paid under the regulations in 2017 to 2018 for amalgamated schools; this is excluded from the baseline only
- any higher lump sum to be paid under the regulations in 2018 to 2019 for amalgamating schools; this is excluded from the 2018 to 2019 funding only
- the 2018 to 2019 sparsity factor; this is excluded from both the baseline, and 2018 to 2019 funding, so that schools are protected against significant change in the sparsity value between years
- rates; these are excluded from both the baseline, and 2018 to 2019 funding, at their respective values for each year

62. The regulations relating to the MFG allow for technical adjustments. These don't need approval from the Secretary of State but will need to be shown and explained in the tables contained within the APT. They include:

- where a budget was held centrally in the previous financial year and has now been delegated; this could include services that were previously funded centrally but have now been delegated, or additional funding released to schools as historic commitments have ended
- movement of funding from the schools block to the high needs block, but only where the high needs block is now responsible for funding amounts that had previously been met by a school's delegated budget; in other words, there is a transfer of funding responsibility, not just a transfer of funding between blocks to meet cost pressures
- where an authority has previously used the LAC factor in their local formula but is no longer doing so because the Pupil Premium Plus funding has been increased rather than including a LAC factor in the national funding formula

63. All other funding will be in the MFG baseline and there will be no other automatic adjustments.

64. The majority of approvals to disapply the MFG for 2017 to 2018 were specific to that year, and ESFA does not expect these to be repeated; we'll not carry forward any previous approvals.

64.1. Local authorities will need to submit any application to disapply the MFG for 2018 to 2019 using the [disapplication pro forma](#) by the end of November 2017.

64.2. Local authorities should provide information on the equality impact assessment for any disapplication request.

65. Exceptional requests to disapply the MFG will only be considered if there is a significant change in a school's circumstances or pupil numbers.

65.1. ESFA will only consider applications where the inclusion of a factor in the MFG will lead to significant inappropriate levels of protection.

65.2. Local authorities should provide detailed information on the financial effect of any request.

66. Examples of MFG disapplication requests that have been approved previously include:

- schools that previously qualified for a split site, PFI or exceptional factor, but are no longer eligible (or vice versa)

- where the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls
- secondary schools that are admitting primary age pupils who would otherwise be over protected at the secondary age weighted pupil unit of funding
- where over protection would otherwise occur, for example where additional funding has been distributed in the previous year and the authority can demonstrate that the funding is genuinely one-off

67. The worked example below shows how the MFG will be calculated (based on a MFG of minus 1.5%):

Line	Description	Items and calculation	Amount
1	School budget share (SBS) 2017 to 2018 (inclusive of any MFG and capping)		£2,115,000
2	2017 to 2018 rates		£90,000
3	2017 to 2018 additional lump sum for amalgamating schools		£70,000
4	2018 to 2019 lump sum		£100,000
5	2018 to 2019 sparsity value (including any additional sparsity funding for very small secondary schools)		£30,000
6	Agreed MFG exclusions and technical adjustments		£0
7	2017 to 2018 MFG baseline	1 - (2+3+4+5+6)	£1,825,000
8	Funded number on roll at October 2016		500
9	MFG baseline value per pupil	7 / 8	£3,650
10	MFG protected value per pupil	9 x 98.5%	£3,595
11	Formula funding 2018 to 2019		£1,983,200
12	2018 to 2019 rates		£95,600
13	2018 to 2019 lump sum		£100,000
14	2018 to 2019 sparsity value (including any additional sparsity funding for very small secondary schools)		£30,000
15	Agreed MFG exclusions and technical		£0

Line	Description	Items and calculation	Amount
	adjustments		
16	2018 to 2019 base funding	11 - (12+13+14+15)	£1,757,600
17	Funded number on roll October 2017		490
18	2018 to 2019 base funding per pupil	16 / 17	£3,587
19	Guaranteed level of funding	10 x 17	£1,761,673
20	MFG adjustment	19 - 16	£4,073
21	Final 2018 to 2019 SBS	11 + 20	£1,987,273

Table 6: Example of a school's minimum funding guarantee calculation

68. The MFG calculation for mainstream schools applies only to schools block funding. Funding from the early years block, high needs block or from ESFA for post-16 pupils are excluded from the calculation, so haven't been shown here as they do not form part of the schools block formula funding.

69. We'll provide a consistent methodology to those local authorities that have received approval to disapply the MFG because the profile of primary and secondary age pupils in a school is changing.

70. It's likely that protection will still be required in some areas as a result of changes to formulae, so we'll again allow overall gains for individual schools to be capped as well as scaled back to ensure that the formula is affordable.

70.1. Capping and scaling can only be applied to the extent that it offsets the cost of the MFG, and it must be applied on the same basis to all schools.

70.2. Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision and is not affected by the cap on gains in the national funding formula.

71. ESFA will apply caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.

72. Capping and scaling factors must not be applied to schools that have opened in the last seven years, and have not reached their full number of year groups. This

definition of new and growing schools does not include existing schools that are extending to include a new phase, and have empty year groups in the new phase.

Redetermination of budget shares

73. It's not permissible to make an in-year redetermination of schools' budget shares other than in the explicit circumstances allowed for within the school finance regulations, which relate to:

- sixth form funding
- early years funding
- reallocation of funding for excluded pupils
- rates

74. Any DSG underspend brought forward from the previous year can be used to support the growth or falling rolls fund in the schools block, the central school services block, the high needs block, or the early years block.

74.1. The local authority would need to consult its schools forum, and would have to approve allocations from the underspend to any central budgets, where amounts have to be approved by the forum.

74.1.1 We've included [more information in the schools forums approvals for centrally held funding section of this guidance](#).

75. Alternatively, local authorities can carry forward an underspend to the next funding period, and allocate it to schools via the funding formula. In this situation, the local authority would again need to consult with its schools forum.

76. Local authorities can adjust rates outside of the funding formula; at year-end, those adjustments must be reflected as being part of the individual schools budget (ISB) in the S251 outturn statement, and in the school's accounts.

76.1. The effect on the school will be zero since any change in reported funding will be offset by an equal and opposite change in the cost of the rates.

Redetermination of budgets where pupils have been excluded

77. Where pupils are excluded, funding should flow in-year from the school that has excluded the pupil to the provision that takes responsibility for the pupil.

- 77.1. If a school subsequently admits a pupil who has been permanently excluded during that financial year, it should then receive additional funding.
- 77.2. The provisions here also apply to pupils who leave a mainstream school for reasons other than permanent exclusion, and are receiving education funded by the local authority, other than at a school.
- 77.3. The provisions also act independently of whether a particular pupil has been on the census in the first place, and whether the school has received funding for them.

Deductions from the excluding school's budget

- 78. The finance regulations apply specifically to mainstream maintained schools.
 - 78.1. When a pupil is excluded from a mainstream maintained school, the local authority must deduct from the school's budget in-year the amount within the formula relating to the age and personal circumstances of that pupil, pro rata to the number of complete weeks remaining in the financial year from the 'relevant date'.
 - 78.2. This means the deduction should cover not just the basic entitlement, but also the relevant amounts for pupil-led factors, such as free school meals or English as an additional language, where the pupil attracted funding through those criteria.
 - 78.3. Where the pupil is funded according to the post-16 formula, the amount attributable to the pupil is £4,000.
 - 78.4. The 'relevant date' is the sixth school day following the date of permanent exclusion.
- 79. The following worked example demonstrates how the deduction from the excluding school's budget should be calculated, where the 'relevant date' is 1 October (26 weeks remaining in the financial year):

Funding formula factor	Amount
Basic entitlement	£4,000
Free school meals	£500
English as an additional language	£300
Sub-total	£4,800

Funding formula factor	Amount
Pro-rata total for 26 weeks	£2,400
Deduction from excluding school's budget	£2,400

Table 7: Example of calculating the deduction from a school's budget for a pupil excluded in-year.

80. The only exception to using the number of weeks remaining in the financial year is where the exclusion takes place after 1 April, in a school year where the pupil would normally have left at the end of that school year.

80.1. In that case, the calculation is based just on the number of weeks left until the end of the school year.

81. Where the excluded pupil is eligible for the pupil premium, the budget must be adjusted on the same basis as the calculations above.

82. The deduction should also include the amount of a [Financial Adjustment Order](#) as made under regulation 25(5)(b) of the School Discipline (Pupil Exclusions and Reviews) (England) Regulations 2012, where this is relevant.

83. The adjustment for a particular exclusion relates only to the current financial year, and cannot be applied to subsequent years.

Additions to the admitting school's budget

84. Where a mainstream maintained school admits a pupil who has previously been permanently excluded, then the authority must increase the school's budget in-year.

84.1. The increase must be at least the amount of the deduction taken off the excluding school, multiplied by the number of complete weeks remaining in the financial year, and divided by the number of complete weeks remaining in the financial year from the 'relevant date'.

85. In the example above, if a school then admitted the pupil from 1 January, this is with 13 weeks of the financial year remaining. As this is half the 26 weeks originally remaining, the admitting school should have its budget increased by at least £1,200.

86. Where the pupil is eligible for the pupil premium, the same principles apply as set out above.

87. The principles also apply where the school's governing body subsequently reinstates a permanently excluded pupil.

88. The increase can also include an amount up to the amount of the [Financial Adjustment Order](#) where this was applied to the excluding school.

Academies

89. Most academies have provisions in their funding agreement that require the same adjustments to their budgets if requested to do so by their local authority. The wording in model funding agreements states:

“If asked to by a local authority, the academy trust must enter into an agreement with that local authority that has the effect that where:

- the academy admits a pupil who has been permanently excluded from a maintained school, the academy itself, or another academy with which the local authority has a similar agreement; or
- the academy trust permanently excludes a pupil from the academy

the arrangements for payment will be the same as if the academy were a maintained school, under regulations made under section 47 of the School Standards and Framework Act 1998.”

90. As the wording relates to the finance regulations, the adjustments should also relate to the local authority financial year; local authorities can change this to the academy financial year, by local agreement.

91. Some of the oldest academies do not have any provisions in their funding agreement. In these situations, any adjustments would have to be by agreement between the local authority and academy.

Inter-authority funding transfers

92. There is a separate set of regulations covering the movement of excluded pupils across local authority boundaries. These are the:

- [Education \(Amount to Follow Permanently Excluded Pupil\) Regulations 1999](#)
- [Education \(Amount to Follow Permanently Excluded Pupil\) \(Amendment\) \(England\) Regulations 2001](#)

92.1. These regulations cover situations where a pupil is excluded from a maintained school in one authority, and is either:

- subsequently provided with education in the same financial year at a maintained school, or otherwise than at school in a second authority
- subsequently provided with education in the same financial year at a pupil referral unit, or otherwise than at school in a second authority, and then at a maintained school or otherwise than at school in a third authority

93. The calculation is on the same basis described in the [deductions from the excluding school's budget section](#), using the number of weeks remaining in the financial year from the 'relevant date', but the payments are between the authorities concerned. There would also be a proportional repayment if the pupil was subsequently reinstated by the governing body.

Growth fund

94. Growth funding is within local authorities' schools block national funding formula allocation, and has been calculated based on historic spend.

94.1. As it's within the schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The schools forum would still need to agree the total growth fund.

94.2. The size of the schools block would not be affected.

95. The growth fund can only be used only to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

96. Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies.

96.1. Local authorities should fund all schools on the same criteria, discussed below.

96.2. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

97. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils.

97.1. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

97.2. ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in [section 6A of the Education and Inspections Act 2006](#).

98. The growth fund may not be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
- general growth due to popularity; which is managed through lagged funding

99. The growth fund may not be the most appropriate source of funding for growing schools, and local authorities should consider varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula.

99.1. Local authorities will not need to submit a disapplication request for an increase to numbers, where this is due to a change to the admission limit, or a local reorganisation.

100. Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

100.1. The schools forum must also be consulted on the total size of the growth fund from each phase, and should receive regular updates on the use of the funding.

100.2. ESFA will check the criteria for compliance with the regulations.

101. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase.

101.1. Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.

101.2. Compliant criteria would generally contain some of the features set out below:

- support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its PAN, by a minimum number of pupils, in agreement with the authority

- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

102. Methodologies for distributing funding could include:

- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)
- a per-pupil rate (usually based on AWPU, and reflecting the proportion of the year which is not funded within the school's budget share)
- a per-pupil rate, with a maximum ceiling

103. We've provided examples of some local authorities' criteria for allocating growth funds to school and academies. These can be found in the published [Schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) guidance.

104. Where growth funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

104.1. Local authorities should enter the cost of growth funding for the April to August period, along with appropriate justification, on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

105. ESFA will not make growth fund recoupment adjustments for diseconomy of scale, or start-up funding; local authorities should not enter these on the recoupment tab of the APT.

105.1. This funding will continue to be met from the local authority's growth fund.

106. Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase, and are content that the expansion is deliverable within the funding available.

107. Local authorities should report any unspent growth funding remaining at the year-end to the schools forum.

107.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth.

108. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

Falling rolls fund

109. Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

109.1. The schools forum should agree both the value of the fund, and the criteria for allocation, and the local authority should regularly update the schools forum on the use of the funding.

109.2. As with the growth fund, the falling rolls fund is also within the NFF schools block.

110. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

110.1. Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

110.2. Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary

costs equivalent to the number of staff who would otherwise be made redundant)

111. We've included examples of how local authorities have allocated their falling rolls fund in the [schools funding 2016 to 2017: targeted funding for high needs, growth and falling rolls](#) publication.

112. Where falling rolls funding is payable to academies, the local authority should fund the increase for the period from the additional September intake through until the following August.

113. Local authorities should report any falling rolls funds remaining at the end of the financial year to the schools forum.

113.1. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.

Movements between blocks

114. From April 2018 local authorities' DSG will consist of 4 blocks of funding:

- schools block
- central school services block
- high needs block
- early years block

114.1. The schools block will be ring-fenced from 2018 to 2019, but local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.

114.2. To make such a transfer, local authorities should consult with all local maintained schools and academies, and the schools forum should take into account the views of the schools responding before giving their approval.

115. Local authorities must submit a disapplication request to the Secretary of State in cases where:

- the local authority wishes to move more than 0.5% of the schools block
- the schools forum has turned down a proposal from the authority to move funding out of the schools block, but the authority nevertheless wishes to proceed with the transfer

116. Local authorities making a disapplication request should submit proposals by 30 November 2017, using the best information available to them.

116.1. This is in line with the deadline for other disapplication requests affecting the APT, and will enable us to communicate decisions back, in time for local authorities to submit the APT within the deadline, and provide maintained schools with their budget shares.

117. It's possible that there may be exceptional situations where authorities need to amend their request, for example:

- the demand for high needs provision has changed significantly and unexpectedly
- the final pupil numbers in the October census are significantly different from the expected numbers.

117.1. Local authorities will therefore be allowed to amend disapplication requests already submitted where there are significant changes; we've included [more information on the implications for APT submissions in the completing the authority proforma tool section of this guidance](#).

117.2. Local authorities should submit the amended disapplication request by 19 January 2018 at the latest.

117.3. In these circumstances, local authorities will need to consider how they manage the timetable for setting their school budgets so that the notifications to schools of their budget shares, and the parallel ESFA process for notification of academy grants, are not delayed.

117.4. We'll only consider new disapplication requests in exceptional circumstances.

118. We expect that most proposals by local authorities to move funding from their schools block will arise as a result of pressures on their high needs budgets. All local authorities received separate grant funding in January 2017, details of which are available in the [high needs strategic planning fund guidance](#).

118.1. This funding is intended to assist local authorities in reviewing their local offer of special provision, and planning ahead strategically to ensure good quality provision can be developed in line with available resources.

118.2. Further help and guidance has been offered, including capital funding and a benchmarking tool to facilitate a better understanding of how a local authority's expenditure on high needs compares with that of other authorities, and to prompt local discussion of how current spending patterns might need to change.

118.3. We'll update the benchmarking tool for the latest section 251 budget data and January school census pupil data in autumn 2017.

119. Any proposal to transfer funding from the schools block should be presented along with a range of evidence to back up the proposal, both to schools as part of the local consultation, and to the schools forum in seeking their approval. Schools forum discussions should include appropriate representation from special schools, and other specialist providers.

120. We expect the evidence presented to the schools forum to include:

- details of any previous movements between blocks, what pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures
- a full breakdown of the specific budget pressures that have led to the requirement for a transfer
 - this should include the changes in demand for special provision over the last three years, and how the local authority has met that demand by commissioning places in all sectors (mainstream and special schools, further education and sixth form colleges, independent specialist provision and alternative provision)
 - it's particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so that those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided
- a strategic financial plan setting out how the local authority intends to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels
 - the local authority should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the expected final high needs funding allocation, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways
 - the schools forum can only give approval for a one-off transfer of funding out of the 2018 to 2019 schools block
 - the local authority should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, and how they are planning ahead to avoid such transfers in the longer term

- as part of the review and planning process, the extent to which collaborative working is being developed as a means of securing suitable high needs placements at a cost that can be afforded
 - we expect effective partnership between the local authority, those institutions offering special and alternative provision (including mainstream schools), and parents; and between the local authority and neighbouring authorities
- any contributions from health and social care budgets towards the cost of specialist places
- how any additional high needs funding would be targeted to good and outstanding primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools
 - examples of schools that illustrate how the local authority would support such inclusive practice are also useful
- details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula
- the extent to which schools more generally support the proposal, including the outcome of local school consultations

121. Any disapplication request to the Secretary of State, seeking approval either to exceed the 0.5% transfer limit, or to override a schools forum rejection of their proposed transfer, should be accompanied by the information outlined above, as presented in published papers considered by the schools forum, alongside the published minutes of relevant schools forum meetings, recording the discussion at the meetings.

122. Movements from the central school services block to the schools block, or from the high needs block to any other block are not subject to any limit, and can be made in consultation with the schools forum.

122.1. Movement from the early years block can be made in compliance with the early years pass through rate conditions, and in consultation with the schools forum.

122.2. Any local authority considering a transfer of funding out of the high needs, or early years, funding blocks should ensure adequate consultation, both with the relevant representatives on the schools forum (including any relevant sub-groups), and with any providers likely to be affected by the transfer.

The central school services block

Introduction

123. We'll introduce the central school services block (CSSB) in 2018 to 2019, to fund local authorities for the statutory duties they hold for both maintained schools, and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- funding for ongoing central functions, such as admissions, previously top-sliced from the schools block
- residual funding for historic commitments, previously top-sliced from the schools block

124. Funding for growth and falling rolls will be allocated through the schools block in 2018 to 2019, based on historic spend in 2017 to 2018.

125. The [duties included in the CSSB are set out in the left hand column of table 8](#), which is followed by [more information about school improvement](#).

126. Where local authorities hold duties in relation to all schools (as set out in Schedule 2, Parts 1 to 5 of the School and Early Years Finance Regulations 2017), all schools must be treated on an equivalent basis.

126.1. Local authorities should not be treating voluntary aided schools, foundation schools, or academies, differently from maintained schools in the services they provide to them; this is set out in the DSG conditions of grant.

126.2. Schools such as voluntary aided schools, foundation schools, and academies, cannot therefore be charged for services that are provided free of charge to community and voluntary controlled schools, and paid for out of the centrally held DSG.

126.3. This does not include funding that has been retained centrally from maintained school budgets only (as set out in Schedule 2, Parts 6 and 7), where some statutory duties relate to community and voluntary controlled schools only. However, in these situations authorities should not charge voluntary aided and foundation schools if requested to provide services to these schools and where there is no charge to community and voluntary controlled schools for the same service.

Services for maintained schools

127. Local authorities can fund services previously funded from the general funding rate of the ESG (for maintained schools only) from maintained school budget shares, with the agreement of maintained school members of the schools forum.

128. The relevant maintained schools members of the schools forum (primary, secondary, special and pupil referral units (PRUs), should agree the amount the local authority will retain.

128.1. If the local authority and schools forum are unable to reach a consensus on the amount to be retained by the local authority, the matter can be referred to the Secretary of State.

129. Local authorities should set a single rate per 5 to 16 year old pupil for all mainstream maintained schools, both primary and secondary; in the interests of simplicity, this should be deducted from basic entitlement funding.

129.1. We'll not allow adjustments to other factors, and the rate will not include early years or post-16 pupils, who are funded through different formulae.

129.2. Local authorities can choose to establish differential rates for special schools and PRUs, if the cost of fulfilling the duty is substantially different for these schools. The rate will be expressed per-place rather than per-pupil for special schools and PRUs⁶.

130. As with de-delegation, the amount to be held by the local authority will be determined after MFG has been applied.

131. If a school converts to academy status, ESFA will recoup the amount retained for that school from the local authority's DSG for the remaining months of the financial year that the school is an academy.

131.1. The academy will be reimbursed in its monthly general annual grant (GAG) payment from the point of conversion.

131.2. Unlike for [de-delegated services](#), there will be no phased transfer of funding following conversion so there will be immediate recoupment of this part of the budget.

131.3. For example, if a school converts on 1 January 2019 (three months prior to the end of the financial year), ESFA will recoup three twelfths of the retained amount relating to that school.

⁶ The multipliers used in ESG previously were 3.75 for PRUs, and 4.25 for special schools.

132. Local authorities should provide sufficient evidence to their schools forum to enable them to make an informed decision on the amount of funding to be held centrally. This could include:

- planned total spending for 2018 to 2019 on each of the headings set out in [table 8](#) below
- spending shown to at least the level of detail provided in the 2018 to 2019 section 251 budget statement
- comparable figures for previous years' spending, split where relevant between those relating to all schools, and those for maintained schools only
- consequences for the funding and delivery of each of the services provided, if the request was not approved
- the impact on individual school budgets, and their overall financial position
- the impact on the local authority if the amount was not held centrally
- detail of the results of the equalities impact assessment carried out to assess the impact of the central retention of the funding on children or other people who have one or more of the protected characteristics under the Equality Act 2010

Central services that may be funded with agreement of schools forums

133. The split of services between responsibilities local authorities hold for all schools, and those that relate to maintained schools only are shown in tables below.

133.1. Responsibilities held by local authorities for all schools (shown in the first column) are funded from the central schools services block, with the agreement of schools forums.

133.2. Responsibilities held by local authorities for maintained schools only (shown in the second column) are funded from maintained schools budgets only, with agreement of the maintained schools members of schools forums.

133.3. We've included references to the relevant schedules in the current [schools and early years finance \(England\) regulations 2017](#).

Statutory and regulatory duties

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Director of children's services and 	<ul style="list-style-type: none"> • Functions of LA related to best

Responsibilities held for all schools	Responsibilities held for maintained schools only
<p>personal staff for director (Sch 2, 15a)</p> <ul style="list-style-type: none"> • Planning for the education service as a whole (Sch 2, 15b) • Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) • Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c) • Formulation and review of local authority schools funding formula (Sch 2, 15d) • Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e) • Consultation costs relating to non-staffing issues (Sch 2, 19) • Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) • Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) • Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	<p>value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56)</p> <ul style="list-style-type: none"> • Budgeting and accounting functions relating to maintained schools (Sch 2, 73) • Functions relating to the financing of maintained schools (Sch 2, 58) • Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 57) • Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58) • Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 59) • Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60) • Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 61) • Functions related to local government pensions and

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<p>administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 62)</p> <ul style="list-style-type: none"> • Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75) • HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65) • Consultation costs relating to staffing (Sch 2, 66) • Compliance with duties under Health and Safety at Work Act (Sch 2, 67) • Provision of information to or at the request of the Crown relating to schools (Sch 2, 68) • School companies (Sch 2, 69) • Functions under the Equality Act 2010 (Sch 2, 70) • Establish and maintaining computer systems, including data storage (Sch 2, 71) • Appointment of governors and payment of governor expenses (Sch

Responsibilities held for all schools	Responsibilities held for maintained schools only
	2, 72)

Table 8a: Central services responsibilities held by local authorities (statutory and regulatory duties)

Education welfare

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) • School attendance (Sch 2, 16) • Responsibilities regarding the employment of children (Sch 2, 18) 	<ul style="list-style-type: none"> • Inspection of attendance registers (Sch 2, 78)

Table 8b: Central services responsibilities held by local authorities (education welfare)

Asset management

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a) • General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 	<ul style="list-style-type: none"> • General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have: <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads • reasonable weather resistance

Responsibilities held for all schools	Responsibilities held for maintained schools only
	<ul style="list-style-type: none"> • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards • General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974) • Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Table 8c: Central services responsibilities held by local authorities (asset management)

Central support services

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • No functions 	<ul style="list-style-type: none"> • Clothing grants (Sch 2, 52) • Provision of tuition in music, or on other music-related activities (Sch 2, 53) • Visual, creative and performing arts (Sch 2, 54) • Outdoor education centres (but not centres mainly for the provision of organised games, swimming or

Responsibilities held for all schools	Responsibilities held for maintained schools only
	athletics) (Sch 2, 55)

Table 8d: Central services responsibilities held by local authorities (central support services)

Premature retirement and redundancy

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)

Table 8e: Central services responsibilities held by local authorities (premature retirement and redundancy)

Monitoring national curriculum assessment

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> Monitoring of National Curriculum assessments (Sch 2, 74)

Table 8f: Central services responsibilities held by local authorities (monitoring national curriculum assessment)

Therapies

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> No functions 	<ul style="list-style-type: none"> This is now covered in the high needs section of the regulations and does not require schools forum approval

Table 8g: Central services responsibilities held by local authorities (therapies)

Other ongoing duties

Responsibilities held for all schools	Responsibilities held for maintained schools only

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval • Admissions (Sch 2, 9) • Places in independent schools for non-SEN pupils (Sch 2, 10) • Remission of boarding fees at maintained schools and academies (Sch 2, 11) • Servicing of schools forums (Sch 2, 12) • Back-pay for equal pay claims (Sch 2, 13) • Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (new addition to CSSB, to be included in 2018 to 2019 regulations)⁷ 	<ul style="list-style-type: none"> • No functions

Table 8h: Central services responsibilities held by local authorities (other ongoing duties)

Historic commitments

Responsibilities held for all schools	Responsibilities held for maintained schools only
<ul style="list-style-type: none"> • Capital expenditure funded from revenue (Sch 2, 1) • Prudential borrowing costs (Sch 2, 	<ul style="list-style-type: none"> • No functions

⁷Funding for this duty was previously delivered to local authorities via a s.31 grant. Additional funding will be added to the CSSB baseline for this from 2018-19.

Responsibilities held for all schools	Responsibilities held for maintained schools only
2(a)) <ul style="list-style-type: none"> • Termination of employment costs (Sch 2, 2(b)) • Contribution to combined budgets (Sch 2, 2(c)) 	

Table 8i: Central services responsibilities held by local authorities (historic commitments)

Additional note on central services

Services set out in the tables above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under Chapter 4 of Part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions
- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services

134. School improvement is not included in the arrangements set out in the above tables; local authorities receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support.

134.1. This grant is up to £50 million per full year, allocated to local authorities based on the number of maintained schools, an area cost adjustment and top-up to ensure each local authority receives a minimum allocation of £50,000.

134.2. In addition, we're continuing to make available to academies and maintained schools a new £140 million Strategic School Improvement

Fund; this fund is aimed at ensuring resources are targeted at the schools most in need of support to help them drive up standards, use their resources effectively and deliver more good or outstanding school places.

134.3. Further information on this fund, including how to access the support, is available in the [published school Improvement grant guidance](#).

134.4. Schools forums can agree to de-delegate further funding for additional school improvement provision, in 2018 to 2019. We've included [more information in de-delegated services section of this guidance](#).

Schools forum approvals for centrally held funding

135. A number of the services that are covered by funding that is held centrally are subject to a limitation of no new commitments or increases in expenditure from 2017 to 2018.

135.1. This limit does not now apply to admissions or the servicing of schools forums.

135.2. Schools forum approval is required each year to confirm the amounts on each line.

135.3. The following table sets out the level of approval required for each service and for funding of brought forward deficits.

136. When using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

Centrally retained service	Approval required
<ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State 	<p>Schools forum approval is not required (although they should be consulted)</p>
<ul style="list-style-type: none"> • funding to enable all schools to meet the infant class size requirement • back pay for equal pay claims • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils 	<p>Schools forum approval is required on a line-by-line basis</p>

Centrally retained service	Approval required
<ul style="list-style-type: none"> • admissions • servicing of schools forum • contribution to responsibilities that local authorities hold for all schools • contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) • de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only) 	
<ul style="list-style-type: none"> • central early years block provision • any movement of funding out of the schools block • any deficit from the previous funding period that reduces the amount of the schools budget • any brought forward deficit on de-delegated services which is to be met by the overall schools budget 	<p>Schools forum approval is required</p>
<ul style="list-style-type: none"> • capital expenditure funded from revenue <ul style="list-style-type: none"> • projects must have been planned and decided on prior to April 2013; no new projects can be charged • details of the remaining costs should be presented • contribution to combined budgets <ul style="list-style-type: none"> • where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other 	<p>Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period, and no new commitments can be entered into.</p> <p>Read establishing local authority DSG baselines for more information.</p>

Centrally retained service	Approval required
<p>sources</p> <ul style="list-style-type: none"> • existing termination of employment costs <ul style="list-style-type: none"> • costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged • prudential borrowing costs <ul style="list-style-type: none"> • the commitment must have been approved prior to April 2013 • details of the remaining costs should be presented 	
<ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	<p>Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools</p>

Table 9: Level of approval required for centrally retained services

De-delegated services

137. De-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the formula but can be passed back, or ‘de-delegated’, for maintained mainstream primary and secondary schools with schools forum approval.

137.1. De-delegation does not apply to special schools, nursery schools, or PRUs.

137.2. Where de-delegation has been agreed for maintained primary and secondary schools, our presumption is that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

137.3. In the case of special schools and PRUs, the funding to buy such services will be included in any top-up payments.

138. Any decisions made to de-delegate in 2017 to 2018 related to that year only; new decisions will be required for any service to be de-delegated in 2018 to 2019.

139. From 2017 to 2018, schools forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools.

139.1. This provision sits alongside the new school improvement grant for statutory local authority intervention functions. This grant commenced in September 2017.

139.2. We've included [more information in the school improvement grant section of this guidance](#).

140. Schools forum members for primary maintained schools, and secondary maintained schools, must decide separately for each phase whether the service should be provided centrally; the decision will apply to all maintained mainstream schools in that phase.

140.1. They must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued.

140.2. There may be different decisions for each phase.

140.3. The services which may be de-delegated are:

- additional school improvement services
- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners
- free school meals eligibility
- insurance
- museum and library services
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)
- licences and subscriptions; except for the following, which are paid for by DfE:
 - Christian Copyright Licensing International

- Copyright Licensing Agency
- Education Recording Agency
- Filmbank Distributors Ltd. (for the public video screening licence)
- Mechanical Copyright Protection Society
- Motion Picture Licensing Company
- Newspaper Licensing Authority
- Performing Rights Society
- Phonographic Performance Limited
- Schools Printed Music Licence

141. Local authorities should make a clear statement of how the funding is being taken out of the formula for each de-delegated service.

141.1. For example:

- primary insurance £20 per pupil
- secondary behaviour support services £30 per FSM pupil

141.2. There should be a clear statement of how contingencies and other resources will be allocated.

141.3. Academies will continue to receive a share of funding for these services in their delegated budget.

142. Where de-delegation is agreed, middle schools will potentially be subject to two different decisions, and the unit value for de-delegation can be different for primary and secondary age pupils.

142.1. For example, if the primary sector agreed to de-delegate a service, but the secondary sector did not, middle schools in the authority would have their formula allocation reduced only for their primary pupils at the agreed primary school rate.

143. 2018 to 2019 de-delegation arrangements for schools converting to academy status are shown in the following table:

Academy conversion date	De-delegation arrangements
On, or before, 1 April 2018	No de-delegation

Academy conversion date	De-delegation arrangements
2 April 2018 to 1 September 2018	Local authority retains any de-delegated funding until 1 September 2018
2 September 2018 to 21 March 2019	Local authority retains any de-delegated funding until 31 March 2019

Table 10: De-delegation arrangements for schools converting to academy status

144. After the dates specified, the academy will receive the full formula allocation and ESFA will recoup this from the local authority.

145. The local authority should continue to provide the services to new academies where funding is de-delegated, if they are asked to do so.

145.1. If the local authority is unable to provide the requested service, we expect the local authority and the academy to come to an arrangement to pay the funding directly to the academy.

146. Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year.

146.1. Where a school converts to an academy in the period 2 April to 1 September 2018, local authorities will have an opportunity to present an evidence-based case to ESFA to request a recoupment adjustment for the period 2 September 2018 to 31 March 2019.

147. Local authorities should report any unspent de-delegated funding remaining at year-end to their schools forum.

147.1. Local authorities can carry funding forward to the following funding period as with any other centrally retained budget, and can choose to use it specifically for de-delegated services.

148. If there is a brought forward overspend on de-delegated services from 2017 to 2018, the schools forum has to specifically approve funding of this overspend, from the 2018 to 2019 schools budget, as a separate decision from any decisions on the overall underspend or overspend on central expenditure.

High needs funding

149. The high needs block supports provision for pupils and students with special educational needs (SEN) and disabilities (SEND), from their early years to age 25, and alternative provision (AP) for pupils who cannot receive their education in schools.

149.1. The [high needs funding 2018 to 2019: operational guide](#) provides more information on how the funding arrangements work for all types of provision.

149.2. Details of the [new national funding formula for high needs](#) have been published together with [provisional high needs block allocations](#) for 2018 to 2019 and illustrative high needs allocations for 2019 to 2020.

150. For 2018 to 2019, every local authority will receive at least a 0.5% increase to the amount of its DSG that it plans to spend on high needs in 2017 to 2018, adjusted for growth in population, and subject to the following adjustments, which are explained in more detail in the [high needs funding 2018 to 2019: operational guide](#):

- a baseline adjustment has been made to reflect a change in the funding of special units and resourced provision in mainstream schools from April 2018, as announced in the response to the first stage of consultation on a high needs national funding formula
 - the adjustment is cost-neutral in terms of the DSG allocation to each local authority, but involves transferring some funding from the high needs block to the schools block, £91 million nationally
 - the [high needs funding 2018 to 2019: operational guide](#) gives more detail on the implementation of this change locally
- an adjustment will be made to reflect changes between the 2016 to 2017 and 2017 to 2018 academic years in the number of pupils and students in maintained special schools, special academies, non-maintained special schools (NMSSs), and special post-16 institutions (SPIs). This adjustment will be made through an update of the pupil and student numbers used in the basic entitlement factor in the high needs national funding formula. This factor generates £4,000 in respect of each pupil or student in these types of specialist provision, so if the total number in a local authority changes, this affects the amount of funding in their high needs block allocation
- similarly, there is an import/export adjustment in the high needs national funding formula of £6,000 per pupil or student. Any change in the placement of pupils and students in schools and colleges located in other local authority areas will therefore affect the amount of high needs funding the local authority receives

150.1. Details of these adjustments are available in the high needs [national funding formula tables](#) and will be available in the technical note, along with the underlying data, and an explanation of which data we'll use in any later adjustments and final allocations shortly. Information is also available in the [policy document](#) and [high needs funding 2018 to 2019: operational guide](#).

150.2. Further adjustments may be necessary to reflect other changes, such as when an NMSS becomes a special academy, or a further education (FE) college merges with another college in a neighbouring local authority area. Adjustments as a result of such changes may need to be made outside of the normal formula distribution and allocation arrangements, depending on the timing of such changes.

151. To prepare for academic year 2018 to 2019 allocations of high needs place funding to institutions, local authorities should consult with their maintained schools, local academies and FE institutions.

151.1. ESFA will ask local authorities to provide information about the number of high needs places in academies and FE institutions to be funded in the following academic year.

151.2. Although ESFA will ask the local authority in whose area the academy or FE institution is located to make the return, it's important that the place numbers include places commissioned by other local authorities.

151.3. The adjustments outlined above will reflect the funding distribution in those local authorities where the academies and FE institutions in their area have a significant number of pupils or students who live in other local authority areas; communication with the other local authorities to confirm the number of places they intend to use is therefore important.

151.4. In the case of AP, local schools' commissioning activity and plans should also be considered; place numbers should reflect both recent commissioning activity, and strategic planning, to secure suitable SEND provision and AP in line with local authorities' and schools' statutory responsibilities.

152. In early autumn 2017, ESFA will issue more information about the process for notification of changes to place numbers in the 2018 to 2019 academic year, at institutions funded directly by ESFA, including academies and FE colleges.

152.1. The 2017 process will be similar to the process in 2016 used to inform allocations of place funding for 2017 to 2018.

153. Local authorities continue to have the flexibility to make changes to the number of pre and post-16 places funded in maintained schools and PRUs at a local level.

153.1. We aren't intending to include such changes in the information collected from local authorities; if a school or PRU intends to become an academy, to ensure the academy receives the correct place funding direct from ESFA, local authorities should notify the project lead of the agreed 2017 to 2018 and 2018 to 2019 number of places before conversion.

154. As in previous years, following the publication of information about local authorities' DSG allocations in December 2017, ESFA will deduct the amount required to fund the places in those institutions that receive place funding direct from ESFA, from the local authority's overall high needs allocation.

154.1. The amount deducted will include adjustments to reflect changes to place numbers agreed by the institutions, and notified to ESFA.

Completing the authority proforma tool (APT)

155. Local authorities must report their local funding formulae to ESFA on a combined modelling tool and proforma, the APT.

155.1. ESFA will calculate academy budgets based on the formula set out in the proforma.

155.2. While local authorities can use their own spreadsheet modelling for their formula, we strongly recommend the APT is populated alongside their own models to ensure consistency between them, and avoid unnecessary delay in the submission process.

156. For 2018 to 2019, local authorities will again only need to submit one APT in January 2018.

156.1. To help local authorities plan and model their funding formula, we've provided an APT, but this is for planning purposes only.

156.2. A final APT will be available in December with information from the October census, and the DSG settlement announced.

156.3. Local authorities must submit their final APT by 19 January 2018.

156.4. Where a local authority has made a significant change to a disapplication request for a movement from the schools block by 19 January 2018, as outlined in paragraph 117 above, we recognise that we'll need to extend its APT deadline.

156.5. We'll aim to make final decisions in time to allow the authorities concerned to submit their APT by 19 February 2018. Authorities considering this should ensure that they have procedures in place to still meet the requirement to calculate maintained school budgets by 28 February 2018.

157. The APT is an integrated tool which contains a range of information, including the underpinning data for school level allocations, details of how split site and PFI allocations have been calculated, and the methods used for de-delegation of services.

157.1. The APT contains a range of validation checks to identify inconsistencies in the data local authorities have entered, and to highlight where required data and information may be missing.

157.2. Local authorities should ensure that all validation checks are passed before submitting the APT; we'll issue detailed guidance on how to use the APT, and can work with local authorities individually where needed.

158. Local authorities must ensure they have built the relevant political approval into their planning, as the [deadlines shown in the timetable](#) below are critical to achieving the advantages of issuing earlier budgets.

158.1. We appreciate that formulae often have to be approved by the local authority's cabinet or lead member, so it's important that the forward plan takes account of this.

158.2. To speed up the approval process in January, once the DSG and pupil numbers are known, we strongly advise that local authorities obtain earlier approval for the principles they will use to balance the budget if pupil numbers turn out differently to the estimates they used.

158.3. Examples could include scaling back the basic per-pupil entitlement across all key stages or carrying forward any shortfall on DSG to the following financial year.

Treatment in the APT of new and growing schools

159. Regulations require local authorities to provide estimated numbers on the APT for new schools and schools that have opened in the last seven years that don't yet have pupils in every year group.

159.1. This means it's not necessary for local authorities to apply for a pupil number variation in these situations.

160. As the APT covers the financial year, and year groups join at the start of an academic year, we'd generally expect the estimated numbers to reflect seven twelfths of the financial year.

160.1. We need to understand details of the academic year numbers as well, so that relevant academies can be funded on that basis (this also applies to variations in pupil numbers where there are changes in age range).

160.2. Local authorities should work with the schools concerned to provide the most accurate and realistic estimate based on the latest admissions and demographic data.

161. The regulations are not prescriptive about how future numbers on roll should be calculated, however methodologies could include:

- $[\text{October 2017 NOR (from APT)} \times 5/12] + [\text{October 2018 estimated NOR} \times 7/12]$
- $\text{October 2017 NOR (from APT)} + 7/12 \text{ October 2018 estimated intake in new year group}$

162. Where a school is filling a large number of empty places in existing year groups, it may be more appropriate to consider the estimated number on roll of the whole school, rather than simply considering the size of the new cohort.

163. The 2018 to 2019 APT will automatically convert the financial year estimated pupil numbers to pupil numbers expected in the academic year and local authorities should assure themselves that these are correct.

164. For a school to be classed as a growing school, it has to have opened in the last seven years, and not have all year groups present yet.

164.1. Academies with predecessor schools are not considered as new schools for this purpose.

164.2. If a school has opened in the last seven years, and is already taking in pupils in all year groups, there is no requirement to estimate numbers.

164.3. Existing schools which are extending their age range or becoming all-through are unlikely to be classed as growing, unless they also opened in the last seven years.

165. The regulations allow retrospective adjustments in the following financial year, so that schools are appropriately funded if actual numbers are different from the estimates.

165.1. This is a matter for local decision, but we would generally expect such a mechanism.

165.2. Local authorities can choose whether to use a threshold.

166. All mainstream free schools are now recoupable from the first year of opening.

166.1. Local authorities should estimate pupil numbers and characteristics for these schools, as was the case already for those opened under the presumption arrangements.

167. To help local authorities estimate the recoupment amounts for these schools, ESFA will again include a dataset of free schools predicted to open in the next year (with expected pupil numbers), when we send out the final APT in December.

167.1. We'll ask local authorities, when submitting the APT, to combine the data provided with their own local knowledge to determine the most accurate estimate of the number of pupils for new free schools.

168. ESFA will recoup for newly opening free schools based on the information local authorities have provided in their APT

168.1. If the actual pupil numbers at newly opening free schools differ from the estimates provided in the 2017 to 2018 APT, local authorities should make a retrospective adjustment on the 2018 to 2019 APT unless the local authority guaranteed the pupil numbers in the previous year.

168.2. If local authorities did not show a new free school in the 2017 to 2018 APT and it opens before March 2018, local authorities should show this as a retrospective adjustment in the 2018 to 2019 APT, and we'll recoup accordingly.

169. ESFA will check for required amendments by cross-referring to October 2017 school census data when validating the 2018 to 2019 APT.

169.1. We'll adjust recoupment in 2018 to 2019 for any new free schools where an authority fails to show, or incorrectly shows, a retrospective adjustment.

170. The ISB should reflect funding for the period in the year that the new free schools are open, and we'll therefore recoup the figure shown on the APT in full.

170.1. We'll not pro-rata the calculation in respect of these academies.

Funding of academies

171. Most academies are funded on census in the same way as maintained schools are.

171.1. Academies that meet the definition of a new school will be funded on their estimates, rather than the census, because this is the provision in their funding agreements.

171.2. There is then a retrospective pupil number adjustment applied by ESFA in the following year.

172. Local authorities can choose how to estimate numbers for the APT, and whether and how to use a retrospective adjustment.

172.1. It's therefore possible that the numbers the academy is funded on, and the subsequent adjustment, may differ. This is essentially no different to other

variations which may occur between the amount recouped and the amount funded because of different baselines being used.

172.2. However, where the academy is taking on basic need growth, such as through a bulge class, the local authority should allocate funding to the academy in the same way as it would for a maintained school, and according to the same criteria.

172.3. We'll adjust recoupment in 2018 to 2019 for any academy where an authority fails to show, or incorrectly shows, basic need growth.

173. Where the local authority has agreed a guaranteed number of pupils to a new academy to ensure viability, this should be indicated in the APT.

173.1. In this case, ESFA will use the APT estimate to fund the new academy, instead of the normal estimate process; the local authority should provide commentary on the APT to explain their rationale.

174. The APT guidance has been updated to cover the situation where there is a need to adjust pupil numbers for more than one year.

174.1. If this is the case then the academic year calculation will be incorrect, as the APT cannot handle adjustments for more than one year.

174.2. In these circumstances, local authorities should add an additional spreadsheet to the commentary sheet providing a full breakdown of the calculation; further details will be provided in the APT guidance.

175. Several older academies will also be funded on estimates because of a clause in their funding agreement.

175.1. Most of these academies will have all year groups present now (or may always have had them), so there would normally be no need for local authorities to vary pupil numbers on the APT; unless there was a change of age range, major restructuring, or the addition of extra classes to meet basic need.

175.2. In this case, the local authority should allocate funding to the academy according to its growth criteria in the same way as it would for a maintained school; this could be through amendments to the pupil numbers on the APT, or through specific funding from the growth fund.

175.3. ESFA will ensure through the pupil number adjustments process that the academy is only funded for the growth once.

175.4. We'll adjust recoupment in 2018 to 2019 for any academy where an authority fails to show, or incorrectly shows, basic need growth.

176. Where academies are funded based on the census, we'll use any approved variations to pupil numbers submitted by the local authority, as with age range changes for established schools.

176.1. It's imperative that local authorities make all maintained schools and academies aware of the consequences for their budget of any variations to pupil numbers; details of the effect on individual schools should be sent out with a clear explanation.

177. Where academies are funded on estimates, and there is a variation to pupil numbers on the APT, local authorities need to be clear in their communications to them that their APT modelling is for their own budgeting purposes only and will not have the same effect on the academies' budgets.

178. Where a local authority makes additional funding available to schools during the course of the year from central funds outside the formula, for example, to settle equal pay liabilities, it must treat academies in the same way as maintained schools.

Timetable

179. The timetable for the data checking and calculation of the blocks is shown below:

Date	DfE or ESFA activity	Local authority activity
August 2017	Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2018 to 2019. Local authority level baselines published.	
August 2017	Draft APT issued to local authorities.	
14 September 2017	Allocations issued for schools, central school services, and high needs blocks.	
September 2017	High needs funding operational guide for 2018 to 2019 issued to local authorities. Update to the operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2018 to 2019.	
5 October 2017	School census day	School census day
October to November 2017	Check and validate school census	Check and validate school census
30 November 2017	School census database closed	Deadline for submitting requests for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools

Date	DfE or ESFA activity	Local authority activity
		<ul style="list-style-type: none"> • pupil number reductions • movement of funding out of the schools block which is above the limit of 0.5%, or which the schools forum has not approved, or both
Mid-December 2017	<p>Final APT issued to local authorities, containing October 2017 census-based pupil data and factors.</p> <p>Publication of DSG schools block and revised high needs block allocations for 2018 to 2019 (prior to academy recoupment).</p> <p>Publication of provisional early years block allocations.</p>	
Mid-January 2018		Schools forum consultation and political approval required for final 2018 to 2019 funding formula.
19 January 2018		Deadline for submission of final 2018 to 2019 APT to ESFA.
28 February 2018		Deadline for confirmation of schools budget shares to mainstream maintained schools.
February to March 2018	2018 to 2019 allocations issued to post-16 institutions, academies, and NMSS.	
February 2018	Publication of 2018 to 2019 high needs place numbers at institution level.	
30 March 2018	Confirmation of 2018 to 2019 general annual grant for academies open by 9 January 2018.	

Date	DfE or ESFA activity	Local authority activity
April 2018	First DSG payments to local authorities based on 2018 to 2019 allocations, including academies recoupment (DSG allocations updated termly for in-year academy conversions), FE high needs place funding deductions, and other adjustments.	
Summer 2018	Early years block updated for January 2018 early years pupil numbers.	
Summer 2019	Early years block updated for January 2019 early years pupil numbers (pro rata seven twelfths, as this relates only to the period September 2018 to March 2019)	

Table 11: Timetable for data checking, and calculation of funding blocks

Additional support

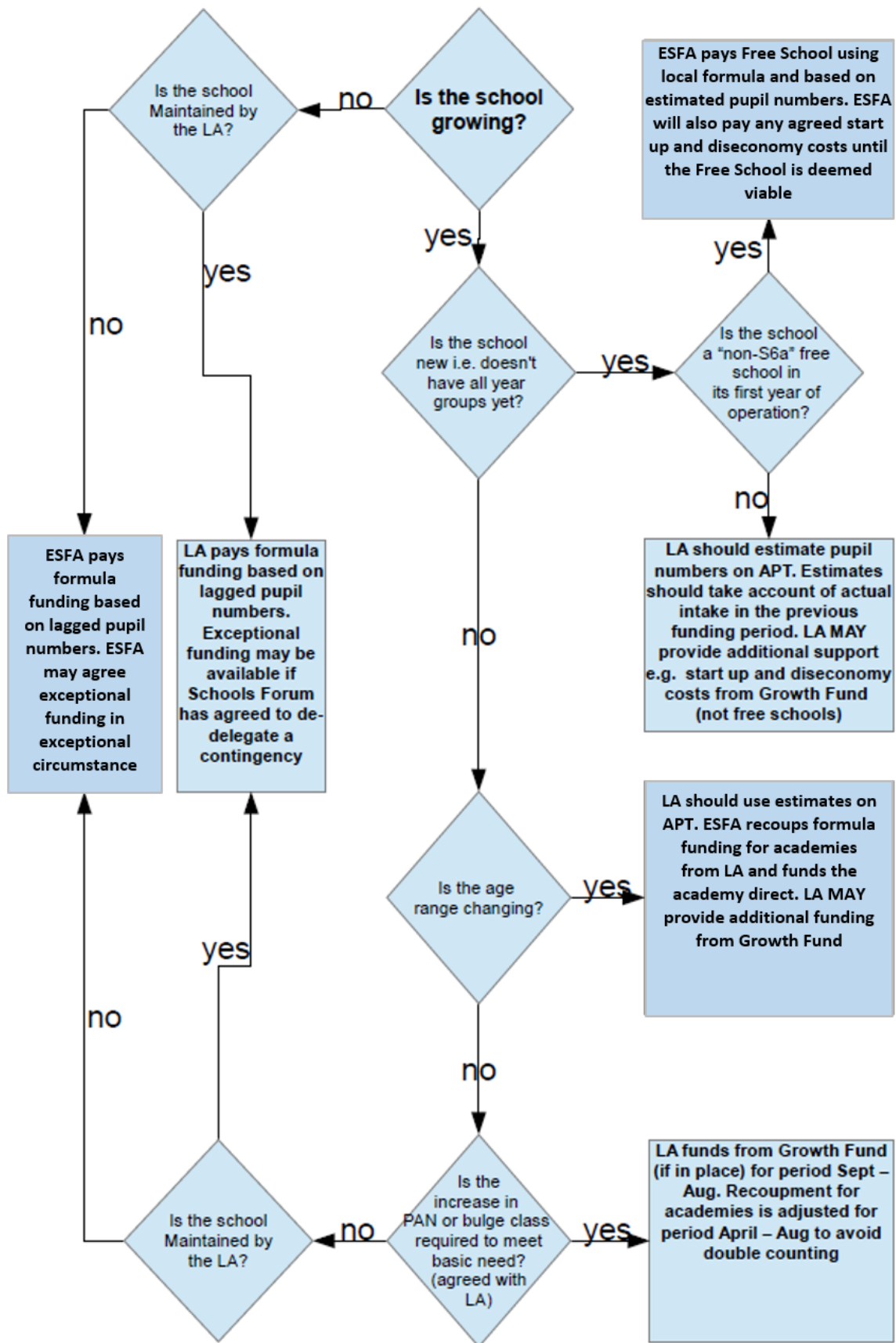
180. We'll continue to offer support to local authorities, where possible, as they continue to implement the funding reforms. We're interested in seeing local authority proposals as they are developed, and are happy to offer advice through the process.

181. In most cases, local authorities should submit any questions about the detail and practical implications of implementation by using the [ESFA enquiry form](#).

182. Local authorities should submit applications for MFG exclusions, exceptional factors, or disapplication of the regulations using the [disapplication request form](#) attached to the [ESFA enquiry form](#).

183. ESFA values the regional meetings of local authority finance officers, which provide the opportunity to discuss practical issues and share best practice. Please make every effort to attend, and we'll ensure that officials continue to attend these meetings.

Annex 1: Funding routes for growing schools





Education & Skills
Funding Agency

© Crown copyright 2017

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we've identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3

email psi@nationalarchives.gsi.gov.uk

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries www.education.gov.uk/contactus

download www.gov.uk/government/publications



Follow us on Twitter:
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:
facebook.com/educationgovuk

