

# SCHOOLS FUNDING FORMULA, HIGH NEEDS AND EARLY YEARS ALLOCATIONS – FINANCIAL YEAR 2017/2018

## Introduction

The DfE introduced new funding arrangements for schools from 2013/14 which includes a new simpler pre-16 schools funding formula. Schools main source of funding remains the Dedicated Schools Grant (DSG) but this is presented in three blocks:

- PART A      School Block Formula: This is the mechanism by which all mainstream schools receive their main funding allocations.
- PART B      High Needs Block: Mainstream pupil with high special educational needs, specialist settings in mainstream schools (Resource Bases), Special Schools and Alternative Provision receive funding from the block.
- PART C      Early Years Block. Early Years providers including schools with nursery class provision receive funding from this block.

## **PART A:      SCHOOLS BLOCK FUNDING PRIMARY AND SECONDARY SCHOOLS**

The formula has the following factors:

- (1) Basic Entitlement
  - Age Weighted Pupil Unit (AWPU)
- (2) Additional Educational Needs
  - Deprivation
  - Looked After Children (LAC)
  - English as an Additional Language (EAL)
  - Low Cost High Incidence Special Educational Needs (Prior Attainment)
- (3) School Factors
  - Lump Sum
  - Split Site
  - Business Rates
  - Exceptional Circumstances
- (4) Minimum Funding Guarantee
- (5) Notional Special Educational Needs (SEN)
- (6) Centrally Retained Growth and In Year Adjustments

## **(1) Basic Entitlement**

Age weighted pupil units (AWPU)

This per pupil allocation is based on the October 2016 School Census data. Pupils have been counted by headcount, irrespective of whether or not they are part time. Pupils recorded in national curriculum year groups R to 6 are classed as primary phase and those in year groups 7 to 11 are classed as secondary phase. Secondary pupils are split into key stage groups; KS3 (years 7 to 9) and KS4 (years 10 to 11). Resource Base places are excluded from the pupil number as these are now funded through a separate methodology from the High Needs Block.

The AWPU weighting for 2017/2018 are:

	Primary	Secondary	
		KS3	KS4
Weightings	1.00000	1.58326	1.68546

There will be no pupil number retrospective adjustments during 2017/18 except:

- a) where the local authority has agreed that additional places are required to meet pupil place demand in the 2017/18 academic year and the LA have approved the school expanding by at least one form of entry. Schools and academies will receive this funding either through adjusted pupil numbers in their formula or from a centrally held growth budget.
- b) where there is an exclusion or admission of permanently excluded pupils

Details of In Year Adjustments are provided in Section (6).

## **(2) Additional Educational Needs**

### Deprivation

This allocation is based on the number of pupils eligible for free school meals according to the autumn 2016 Census. There is a separate primary and secondary phase allocation.

### Looked After Children

This allocation uses data collected from the SSDA903 looked after children return and includes all pupils who have been looked after for one day or more on 31<sup>st</sup> March 2016. Data from the return is matched to pupils on roll on the Spring 2016 Census and divided by the number on roll in the Spring 2016 Census. This percentage is applied to the Autumn 2016 census number on roll. There is a single rate covering primary and secondary phases.

### English as an Additional Language

Pupils attract EAL funding if they are grouped as "2\_OTH" from the Language Code on the Autumn 2016 Census and can be shown to have been in the school system for less than three years. This is achieved by deriving a pupil level "Years in System" count based on the pupil's presence in the Autumn 2013, Autumn 2014 and Autumn 2015 Censuses. Using the years in system indicator and the current national curriculum year, an estimated national curriculum start year can be derived. This is important as the indicator is offset for pupils who were in Year R, N1 or N2 for any of the interrogation

years. This is done because language does not have to be declared in the census for pupils aged less than 5, causing the Year R data recorded to be partial and unrepresentative. Also for this reason, pupils in year R are excluded from the measure. Pupils grouped as 3\_UNK are also excluded.

Low Cost High Incidence Special Educational Needs (Prior Attainment) - Primary  
Funding is targeted at pupils who did not achieve a good level of development on the new early years foundation stage profile (EYFSP) and pupils who achieved fewer than 78 points on the previous EYFSP.

- a) Low Attainment under new EYFSP  
Pupils in the Autumn 2016 Census in years 1 to 4 are matched onto the new EYFSP data using their UPN. A school's proportion in the dataset is the number of pupils in years 1 to 4 recorded as not achieving a good level of development divided by the number of pupils in years 1 and 4 recorded in the attainment data. Pupils who could not be matched to the attainment data, or for whom the attainment data does not provide a result, are excluded from this calculation.
- b) Low Attainment under old EYFSP  
Pupils in the Autumn 2015 Census in years 5 to 6 are matched onto the old EYFSP data using their UPN. A school's proportion in the dataset is the number of pupils in years 5 to 6 achieving a score of <78 divided by the number of pupils recorded as achieving a score of >=0. Pupils who could not be matched onto the attainment data, or for whom the attainment data does not provide a result or gives an alternative result, are excluded from this calculation.

If a school has primary pupils but no pupils with valid EYFSP results, then they will be given a KS2 proxy in the dataset, using either the KS2 results of secondary pupils currently in the school or the KS2 results of the most recent cohort to be assessed at the school.

Low Cost High Incidence Special Educational Needs (Prior Attainment) - Secondary  
Funding is targeted at pupils identified in the new more challenging key stage 2 tests and the previous key stage 2 test.

- a) Low Attainment under new key stage 2 – Year 7  
Autumn Census 2016 Year 7 pupils are matched to pupils who are below the expected standard of achievement in either English reading, English teacher-assessed writing, or mathematics key stage 2 results at the end of academic year 2015/16. Specifically, this means pupils scoring 'B' or 'NS' or 'CA' with a scaled score below 100 (after any adjustment) in mathematics or English reading; and pupils scoring 'BLW', 'HNM', 'PKF', 'PKE', 'PKG' or 'WTS' in English teacher-assessed writing
- b) Low Attainment under old key stage 2 – Years 8-11  
Autumn Census 2016 year 8-11 pupils are matched to pupils who achieved a Level 3 or below in either English reading, English teacher-assessed writing, or mathematics at KS2. Specifically, this means pupils scoring '2', '3', 'B' or 'N' in mathematics; pupils scoring '3', 'B' or 'N' in English reading; and pupils scoring 'W', '1', '2' or '3' in English teacher assessed writing. In 2012, the KS2 English assessment methodology was changed to include a separate reading test, grammar, punctuation and

spelling test and teacher assessed writing. For pupils who were assessed prior to this change, the English element will identify those pupils who fail to achieve a level 4 in English (specifically, scoring '2', '3', 'B' or 'N').

Only pupils who have undertaken assessment have been considered in calculating each school's proportion. Pupils marked as absent or with a result other than those listed are excluded from this calculation. Pupils in years 7 to 11 in the Autumn 2016 Census who could not be matched onto the key stage 2 attainment data are also excluded.

### **(3) School Factors**

#### **Lump Sum**

Primary and secondary schools receive a lump sum. For 2017/18 the value of the lump sum is the same for primary and secondary. All through schools receive the secondary lump sum.

#### **Split Sites**

Primary schools with a split site receive an allocation for the additional costs associated with running a separate site. Split site is defined as being where part of the teaching accommodation (buildings) is outside the area of the school site and is separated from the rest of the school by a traffic thoroughfare.

#### **Business Rates**

Funding is allocated based on estimated 2017/18 rates costs and rates adjustments in 2016/17. Funding to cover in year rates revaluations will be allocated in the following financial year.

#### **Exceptional Circumstances**

Local authorities were allowed to apply for exceptional circumstances factors where the nature of the school premises gives rise to a significant additional cost greater than 1% of the school's total budget, and where such costs affect fewer than 5% of the schools in the authority (including Academies). South Gloucestershire has a primary rent factor where funding is allocated based on estimated rent costs.

### **(4) Minimum Funding Guarantee**

The pre-16 Minimum Funding Guarantee (MFG) will continue to be set at -1.5% per pupil in 2016/17 and 2017/18. Schools gaining between years will be capped at 16%.

This MFG applies to pupils in Reception through to Key Stage 4 and therefore excludes funding for early years children and Post 16 pupils. The formula factors which will be automatically excluded from the MFG are:

- a) the lump sum
- b) business rates

### **(5) Notional Special Educational Needs**

Under the DfE's pre-16 funding arrangements, mainstream schools and academies are required to meet the cost of the basic per pupil entitlement (AWPU) and up to £6,000 of additional SEN support arrangements for pupils with high needs from their individual

school formula budget. Costs above this are met from High Needs funding (See Part B High Needs Funding).

The notional SEN budget as part of the Authority's Schools Block funding formula is calculated as:

- 4.% of the basic per pupil funding factor (AWPU)
- 1% of deprivation factor (FSM's)
- 100% of the low cost high incidence (prior attainment) factor
- 13.5% of lump sum

## **(6) Centrally Retained Growth and In Year Adjustments**

The following areas are subject to in year adjustments. This is to ensure that any changes during the year are recognised, and the relevant funding is allocated in an accurate and fair way:

### **Expanding Schools and Infant Class Size Regulation (In Year Growth)**

The Local Authority holds a central contingency to be allocated to schools where;

- a. schools incur additional expenditure due to a significant growth in pupil numbers as a result of the local authority's duty to secure efficient primary education and secondary education to meet the needs the population of the area. New primary schools receive a separate allocation.
- b. schools incur additional expenditure in order to make provision for extra classes to comply with the school infant class size regulations.
- c. The allocation will be based on 7/12ths of the appropriate Basic Entitlement multiplied by the number of pupil/places in the planned expansion.

New primary schools will receive £42,000 pre setting up costs funding. Additionally, new primary schools will receive £50,000 start-up funding for the first four academic years in lieu of the 7/12ths Basic Entitlement allocation. The school will be required to demonstrate the requirement for such funding.

The Schools Forum must agree the criteria to be used for pupil growth.

### **Permanent Exclusions**

If during the course of the financial year a pupil is excluded from a maintained school covered by the scheme, the school's budget share for that year will be reduced in accordance with the School and Early Years Finance (England) Regulations 2017.

If during the course of the financial year a school admits a pupil who has been permanently excluded in that year from a school maintained by a Local Education Authority, the authority will allocate an amount for the rest of that financial year in accordance with the School and Early Years Finance (England) Regulations 2017.

The exclusion calculation is as follows:-

Where a pupil is permanently excluded from a maintained school (other than a special school, a pupil referral unit, or a place which the authority has reserved for children with special educational needs), the excluding schools funding is reduced as follows:-

$$A \times (B/52 \text{ weeks}) + C =$$

Where:

- a) A is the amount that would be attributable to a pupil of the same age and personal circumstances as the pupil in question at primary or secondary schools maintained by the authority for the full funding period. Where pupil premium is payable this is also included; and
- b) B is either-
  - (i) the number of complete weeks remaining in the funding period calculated from the relevant date; or
  - (ii) where the permanent exclusion takes effect on or after 1<sup>st</sup> April in a school year at the end of which pupils of the same age or age group, as the pupil in question normally leave that school before being admitted to another school with a different age range, the number of complete weeks remaining in that school years calculated from the relevant date; and
- c) C is the amount of the adjustment made to the school's budget share pursuant to a financial adjustment order.

Where a permanently excluded pupil is admitted at another maintained school (other than a special school, a pupil referral unit, or a place which the authority has reserved for children with special educational needs) the admitting schools funding is increased by an amount calculated as follows:-

$$D \times (E/F) = \text{£}$$

Where:

- (i) D is the amount by which the authority reduced the budget share of the excluding school, or would have reduced the budget share had that school been maintained by the authority. Where pupil is payable this is also included;
- (ii) E is the number of complete weeks remaining in the funding period during which the pupil is a registered pupil at the admitting school; and
- (iii) F is the number of complete weeks remaining in the funding period calculated from the relevant date.

Where a permanently excluded pupil is subsequently reinstated by the governing body, the school budget must increase by an amount which is no less than:

$$G \times (H/I) = \text{£}$$

Where:

- (a) G is the amount by which the authority reduced the budget share of the excluding school;
- (b) H is the number of complete weeks remaining in the funding period during which the pupil is reinstated at the school; and
- (c) I is the number of complete weeks remaining in the funding period calculated from the relevant date.

## **PART B: HIGH NEEDS FUNDING**

Details of how High Needs pupils are funded under the following sections:

- A) Mainstream top up funding (Education Health Care Plans)
- B) Resource Bases, Special Schools and Alternative Provision (PRU)

### **A) MAINSTREAM TOP UP FUNDING**

Schools should use 'notional SEN' in the School block formula to pay for up to £6,000 worth of special educational provision to meet a child's SEN. Pupils requiring SEN provision in excess of £6,000 per year are considered to be high needs pupils. Each authority will commission and pay top up funding for schools to provide education to high need pupils, consequently South Gloucestershire will only fund resident pupils.

*South Gloucestershire resident pupils funding:*

Pupils of 106 matrix units and over will be funded. For these pupils there will be two rates:

Units 0 to 105 will be funded at £32.16 per unit

Units from 106 upwards will be funded at £96.50 per unit

Examples:

- A pupil with 150 units will receive £7,719.30 (105 x £32.16 + 45 x £96.50) or £643.28 per month
- A pupil with 98 units will receive £0.00

Mainstream Top Up funding is allocated on a monthly basis based on information provided by the 0-25 Service. Maintained funding will be posted to \*\*\*00/9852 (where \*\*\* is the school's cost centre). Academies will receive funding monthly by BACS payment.

#### **Mainstream Top Up - Pre 16 Funding (Element 2)**

Please see Schools Block – Point 5 - Notional Special Educational Needs

#### **Mainstream Top Up - Post 16 Funding (Element 2)**

*Education Funding Agency (EFA) 16-19 School Sixth Form Allocation Statement – Academic Year 2016/17 and Academic Year 2017/18*

The Statement includes lagged Post 16 High Needs.

The High Needs Pupils include Statement Support, Special School and Resource Base pupils. Schools and the 0-25 Service work together when deciding how many High Needs places are required for the following year.

The EFA directly fund these Post 16 pupils for Elements 1 (Post 16 main Formula) & 2.

This funding will be posted to \*\*\*00/9855 (where \*\*\* is the school's cost centre).

#### **High Incidence Funding derived from South Gloucestershire & OLA pupils**

Schools with a high incidence of high needs pupils may attract additional funding.

There are two payments based on:

- (i) If the Autumn 2016 School Census excluding resource base pupils compared to the number of November 2016 pupils in receipt of high needs top up funding is in excess of 1.3%. This will form a 5/12ths allocation for the Summer Term.
- (ii) If the Autumn 2017 School Census excluding resource base pupils compared to the number of November 2017 pupils in receipt of high needs top up funding is in excess of 1.3%. This will form a 7/12ths allocation for the Autumn and Spring Terms.

The threshold is currently set at 1.3% and at £6,000 per notional pupil

Example:

A school with 4 pupils over 106 units in November 2016 and 275 pupils as at the October 2016 census and with 5 pupils over 106 units in November 2017 and 282 pupils as at the October 2017 census would receive the following:

Summer Term

4 pupils as a % of 275 = 1.4545%

Less 1.3% = 0.1545%

October 2016 pupil x 0.2045% = 0.56 pupil

0.56 pupils x £6,000 x 5/12ths = £1,063

Autumn and Spring Term

5 pupils as a % of 282 = 1.773%

Less 1.3% = 0.473%

October 2017 pupil x 0.523% = 1.475 pupil

0.56 pupils x £6,000 x 7/12ths = £4,669

This funding will be posted to \*\*\*00/9851 (where \*\*\* is the school's cost centre).

### **Monitoring**

Schools should be aware that top up payments can go up as well as down during the year depending on the number and need of pupils. Schools should monitor monthly funding per pupil and notify 0-25 Service if the monthly funding is incorrect.

It is important that schools advise the South Gloucestershire 0-25 Service of any out of authority pupils receiving statemented support together with the level of support. The commissioning authority may change if parents move address and it is important that you advise the 0-25 Service when this happens.

Out of Authority pupils attracting top up funding will be eligible for inclusion in the high incidence calculation. We recommend school bursars and SENCO's liaise to reconcile pupils on the statemented support payments. This will ensure that the school is receiving the correct level of funding.

## **B) RESOURCE BASE, SPECIAL SCHOOLS & ALTERNATIVE PROVISION**

### **Resource Bases and Special Schools – Pre 16 Pupils**

There are two funding elements:

- *Place Led Funding (Element 1 & 2)*  
This funding will be based on 5/12ths Academic Year 2016 /17 planned places and 7/12ths Academic Year 2017/18 planned places at a rate of £10,000 per planned place.

Place rate funding will be posted to Civica ledger code \*\*\*00/9851/PLACE (where \*\*\* is the school's cost centre)

- *Top Up Funding (Element 3)*  
This element of funding will be paid by the commissioning authority and will be allocated for the period the pupil attends the unit. The top up rate is dependent on the need of the pupil. Details of funding bands can be found at the end of Section B.

South Gloucestershire commissioned top up funding is paid on a daily basis. Maintained schools funding will be posted monthly to Civica ledger code \*\*\*00/9853/@@ (where \*\*\* is the school's cost centre and @@ is the funding allocation i.e. 01 is April, 02 is May, 03 is June etc.). Academies will receive funding monthly by BACS payment.

Top Up funding rates effective from 1 April 2017 are included on the formulae rates table

### **Resource Bases and Special Schools – Post 16 pupils**

There are three funding elements:

*Education Funding Agency (EFA) 16-19 School Sixth Form Allocation Statement – Academic Year 2016/17 and Academic Year 2017/18*

- *Place Led Funding (Element 1).* This is included in the Post 16 national funding formula allocation. This funding will be posted to Civica ledger code \*\*\*00/9855 (where \*\*\* is the school's cost centre)
- *Additional Support (Element 2).*  
This funding will be posted to Civica ledger code \*\*\*00/9855 (where \*\*\* is the school's cost centre)
- *Top Up Funding (Element 3)*  
This element of funding will be paid by the commissioning authority and will be allocated for the period the pupil attends the unit. The South Gloucestershire top up rate is dependent on the need of the pupil. Details of funding bands can be found at the end of Section B.

South Gloucestershire commissioned top up funding is paid on a daily basis. Maintained schools funding will be posted monthly to Civica ledger code \*\*\*00/9853/@@ (where \*\*\* is the school's cost centre and @@ is the funding allocation i.e. 01 is April, 02 is May, 03 is June etc.). Academies will receive funding monthly by BACS payment.

Top Up funding rates effective from 1 April 2017 are included on the formulae rates table

## **Alternative Provision - Pathways Learning Centre**

There are two funding elements:

- Place led funding (Element 1 & 2)  
This funding will be based on 5/12ths September 2016 planned places and 7/12ths September 2017 planned places at a rate of £10,000 per planned place  
  
Place rate funding will be posted to Civica ledger code \*\*\*00/9851/PLACE (where \*\*\* is the school's cost centre)
- Top Up Funding (Element 3)  
This element of funding will be paid by the commissioning authority or school and will be allocated for the period the pupil attends the unit. The top up rate is dependent on the need of the pupil. Details of funding bands can be found at the end of Section B.

South Gloucestershire commissioned top up funding is paid on a daily basis. Funding will be posted monthly to Civica ledger code \*\*\*00/9853/@@ (where \*\*\* is the school's cost centre and @@ is the funding allocation i.e. 01 is April, 02 is May, 03 is June etc.).

Top Up funding rates effective from 1 April 2017 are included on the formulae rates table.

## **Special Schools Minimum Funding Guarantee**

The minimum funding guarantee for special schools is set minus 1.5% of overall funding assuming that the number and type of places remains the same between 2016/17 and 2017/18.

Under the new funding arrangements special schools are protected by a transitional protection calculation. The criteria for protection is that the level of top up funding provided to these settings by the maintaining authority would be such that were all high needs pupils in that setting placed by that local authority, the schools total for 2017/16 would not be more than 1.5% below the funding the school received in 2016/17.

Minimum funding guarantee will be posted to Civica ledger code \*\*\*00/9853/00TR (where \*\*\* is the school's cost centre)

## **Monitoring**

Top up funding can go up as well as down during the year depending on the number and need of pupils. Special schools and resource base should monitor funding per pupil and notify 0-25 Service if the funding is incorrect.

It is important that schools advise the South Gloucestershire 0-25 Service of any out of authority pupils attending the resource base together with the agreed category of support. The commissioning authority may change if parents move address and it is important that you advise the 0-25 Service when this happens.

We recommend school bursars and SENCO's liaise to reconcile pupils within the resource base. This will ensure that the school is receiving the correct level of funding.

## **PART C: EARLY YEARS FUNDING**

Schools with early years provision will receive initial funding based on an estimated hours return before the start of the summer, autumn & spring terms. Initial funding is based on 70% of the estimated hours. The remaining adjusted 30% is paid after the termly actual headcount hours submission. Funding methodology and rates are the same for nursery classes in mainstream schools and Private, Voluntary and Independent (PVI) sector.

Funding rates as published 1 April 2017 are included on the formulae rates table.

### **Early Year Pupil Premium (EYPP)**

Providers claim funding by giving the unique EYPP code number for each eligible child on the headcount form that they submit to their Local Authority each term. Payment of the EYPP will be included with the early education funding payment each term.

### **Deprivation Funding**

The deprivation supplement is allocated on the basis of the children attending a setting based on the same eligibility criteria as the early year's pupil premium.