

# SCHOOLS FUNDING FORMULA, HIGH NEEDS AND EARLY YEARS ALLOCATIONS – FINANCIAL YEAR 2019/2020

## Introduction

Schools main source of revenue funding is through the Dedicated Schools Grant (DSG). Other sources of funding include Pupil Premium Grant, Universal Infant Free Meals, Primary PE and Sports Grant and post 16 funding. For financial year 2019/20 the DSG is presented in four blocks:

- PART A     School Block Formula: This is the mechanism by which all mainstream schools receive their main funding allocations and provision for growth funding.
- PART B     Central School Services Block: This funds local authorities' statutory duties for both maintained schools and academies.
- PART C     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 D     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
  - Sparsity
  - 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 autumn 2018 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 in to key stage groups; KS3 (years 7 to 9) and KS4 (years 10 to 11).

The AWPU weighting for 2019/2020 is:

	Primary	Secondary	
		KS3	KS4
Weightings	1.00000	1.40614	1.59659

There will be no pupil number retrospective adjustments during 2019/20 except:

- a) where the local authority has agreed that additional places are required to meet pupil place demand in the 2019/20 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 a pupil is permanently excluded or admitted to another mainstream school

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

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

#### Deprivation

There are a number of deprivation measures used within the formula.

**Free School Meals:** This allocation is based on the number of pupils eligible for free school meals (FSM) according to the autumn 2018 Census. There is a separate primary and secondary phase allocation.

**Free School Meals Ever 6:** This counts the proportion of pupils on roll on the spring 2018 census that were recorded as eligible for free school meals in any census (autumn, spring and summer) over the previous six years. This uses the same data as that used for allocating pupil premium.

Where a school has a FSM Ever 6 ratio lower than their FSM ratio the FSM Ever 6 ratio will be increased to the level of the FSM ratio.

Income Deprivation affecting Children Index (IDACI): IDACI is a subset of the indices of multiple deprivation (IMD). It is an area-based measure defined at the level of lower super output area (LSOA) and is based on data published in September 2015. It is a score of between 0 and 1, which can be interpreted as the portion of children aged under 16 in the LSOA which are in income deprived households. Only pupils with an IDACI score above 0.2 can be assigned deprivation funding through this factor, and there are six bands which have different unit values each for primary and six for secondary phase.

#### English as an Additional Language (EAL)

Pupils attract EAL funding if they are grouped as “2\_OTH” from the Language Code in the autumn 2018 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 2015, autumn 2016 and autumn 2017 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 did not previously have to be declared in the census for pupils aged less than 5, causing the data for pupils when in year R 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).

Pupils in the Autumn 2018 Census in years 1 to 6 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 6 recorded as not achieving a good level of development divided by the number of pupils in years 1 and 6 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.

#### 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 – Years 7-9  
Autumn Census 2018 years 7-9 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. 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 10-11  
Autumn Census 2018 years 10-11 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 or 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').

For years 7 to 9 and years 10 to 11 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 2018 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. The value of the lump sum is the same for primary and secondary. All through schools receive the secondary lump sum.

#### Sparsity

- Primary Sparsity average distance to 2<sup>nd</sup> school
- Secondary Sparsity average distance to 2<sup>nd</sup> school

A sparsity distance is provided for each school which measures the straight line distance that pupils live from their second nearest school. For each school, those pupils whom it is their closest school are identified, and then the average (mean) distance to the second nearest school for these pupils is calculated. This is the school's sparsity distance and is calculated in miles.

For the purposes of this factor, selective grammar schools are not considered when identifying the second nearest school, but faith schools are included. Distances are calculated using the crow flies straight line distance from a pupil's postcode to a school's postcode. Postcode information is taken from the autumn 2018 census for pupils and GIAS for schools. Straight-line distances are calculated by deriving easting and northing coordinates from the postcodes, then applying Pythagoras's Theorem.

Where there is at least one other compatible school in the same postcode as the pupil's nearest compatible school, all compatible schools in this postcode are considered to be this pupil's "nearest schools". The distance to the pupil's second nearest school is then the same as the distance to the nearest school. Pupils living outside of England are excluded from the sparsity distance calculations. For these pupils, the calculations would pick up each pupil's nearest and second nearest English schools, and not necessarily their actual nearest schools, and would likely artificially inflate their sparsity distances. The process for producing these figures was as follows:

- using the autumn 2018 census, eligible pupils attending schools in the schools block dataset were identified. Schools are identified together with the age range of pupil that they admit. These datasets contain postcode coordinates for both pupils and schools.
- these coordinates are used to identify the nearest and second nearest school for each pupil, and the distance in miles that they live from both schools.
- The ESFA identify the set of pupils who live nearest to each school.

- for each set of pupils the average (mean) distance to the second nearest school is calculated. This is the school's sparsity distance.

A school may attract sparsity funding if it is:

- primary and has fewer than 21.4 pupils on average in each year group, and has a sparsity distance that is greater than or equal to 2 miles
- secondary and has fewer than 120 pupils on average in each year group, and has a sparsity distance that is greater than or equal to 3 miles
- an all-through school and has fewer than 62.5 pupils on average in each year group, and has a sparsity distance that is greater than or equal to 2 miles

### 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 2018/19 rates costs. Schools funding allocations will be adjusted in year to reflect actual business rates costs.

### 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 -0.5% per pupil in 2018/19. Schools gaining between years will be capped at 4%.

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

### MFG Disapplication Approval

This affects two former secondary schools which began admitting primary pupils in September 2015. The per pupil amount in the MFG calculation in these two schools is predominantly weighted towards secondary pupils. As the number of primary pupils increases there was likely to be over protection through the MFG as secondary pupils attract higher per pupil funding. The ESFA have approved re-basing the MFG calculation to take into account the mix of primary, KS3 and KS3 pupils by using a prescribed formula.

## **(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 2018.

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 2018.

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:*

Existing pupils eligible for top up funding are allocated on a matrix system. All new starters and pupils transferring Key Stage will have funding calculated by a ready reckoner.

#### Funding under the existing matrix system

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

Units 0 to 105 are no longer funded on a per unit  
Units from 106 upwards will be funded at £141.50 per unit

#### Examples:

- A pupil with 150 units will receive £8,055.90 (105 x £16.08 + 45 x £141.50) or £671.33 per month
- A pupil with 98 units will receive £0.00

#### Funding under the new ready reckoner

The SEND Ready Reckoner will be used to calculate the cost of provision in a school for all new EHC plans from 14<sup>th</sup> February 2019 and for EHC plans at the end of a key stage from 1<sup>st</sup> April 2019.

An end of key stage year is:

- Starting Reception
- Year 2 to Year 3 (Key stage 1 moving to 2)
- Year 6 to Year 7 (Key stage 2 moving to 3)
- Year 9 to Year 10 (Key stage 3 moving to 4)
- Year 11 (if staying within mainstream school)
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The SEND Ready Reckoner will itemise all interventions, support and guidance that the pupil requires in order that all needs are met and outcomes can be achieved. These costs will be identified and shared with the school. The school will have an opportunity to raise any concerns regarding the level of funding calculated.

The successful use of the tool is dependent on clear advice as part of the EHC needs assessment leading to a clear EHC plan which includes the provisions outlined in terms of being specific, time limited (where required) and quantifiable

The SEND Ready Reckoner spreadsheet tool that calculates the cost of support and interventions identified in the EHC plan is available to schools with instructions on use.

Mainstream Top Up funding (matrix and ready reckoner) 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)**

The High Needs Pupils including mainstream pupils with a Education, Health and Care Plan (EHCP), 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 ESFA 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 2018 School Census excluding resource base pupils compared to the number of November 2018 pupils in receipt of high needs top up funding is in excess of 2.8%. This will form a 5/12ths allocation for the summer term.
- (ii) If the autumn 2019 School Census excluding resource base pupils compared to the number of November 2019 pupils in receipt of high needs top up funding is in excess of 2.8%. This will form a 7/12ths allocation for the autumn and spring terms.

The threshold is currently set at 2.8% and at £6,000 per notional pupil

Example:

A school with 6 pupils in receipt of mainstream high needs funding in November 2018 and 275 pupils as at the autumn 2018 census and with 8 in receipt of mainstream high needs funding in November 2019 and 270 pupils as at the autumn 2019 census would receive the following:

Summer Term

6 pupils as a % of 275 = 2.18%

Below threshold therefore no allocation

Autumn and Spring Term

8 pupils as a % of 270 = 2.96%

Less 2.8% = 0.16%

October 2019 pupil x 0.16% = 0.440 pupil

0.440 pupils x £6,000 x 7/12ths = £1,540.00

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 the 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 EHCP funding 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 business managers and SENCO's liaise to reconcile pupils on the matrix 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 2018/19 planned places and 7/12ths Academic Year 2019/20 planned places.

Resource Bases - Pre 16 places occupied by pupils recorded on the autumn 2018 School Census are funded at £6,000. Pupils in these places will also attract funding through the mainstream school formula. Other places are funded at £10,000. This may apply where:

- The place is or will be occupied by a pupil registered on the roll of another school
- A place isn't occupied at the time of the school census count, but is likely to be filled, and requires funding
- Spare capacity is required for another reason
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Special school and alternative provision places are funded at £10,000 per place.

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

- *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.

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/@@TU (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.

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

There are three funding elements:

- Place Led Funding (Element 1). This is included in 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 is included in Post 16 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.

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/@@TU (where \*\*\* is the school's cost centre and @@TU 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 2019 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 2018 planned places and 7/12ths September 2019 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.

South Gloucestershire commissioned top up funding is paid on a daily basis. Funding will be posted monthly to Civica ledger code \*\*\*00/9853/@@TU (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 2019 are included on the formulae rates table.

### **Special Schools Minimum Funding Guarantee**

Under the high needs funding arrangements special schools are protected by a transitional protection calculation. The criteria for protection is that the level 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 2019/20 would not be more than 1.5% below the funding the school received in 2018/19.

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 2019 are included on the formulae rates table.

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

Providers claim funding by entering parent/carer details to a child's record via the online portal headcount task before submitting to the LA. Eligibility is checked against DWP data. EYPP is paid termly

### **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.