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**MAINTAINED SCHOOL BUDGET GUIDANCE FOR 2018-19**

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**SECTION A - IMPORTANT INFORMATION**

All Kent maintained schools will be able to access their 2018-19 budget templates on-line. The budget templates include indicative funding rates for 2019-20 and 2020-21.  Please note that all schools using these templates will be required to follow the detailed instructions available on KELSI to finalise the calculation of their school’s budget.

To access the guidance for completing the templates click on these links; [Mainstream Schools](http://www.kelsi.org.uk/__data/assets/excel_doc/0006/78990/2018_19_School_Budget_Templates.xlsm) and [Special Schools](http://www.kelsi.org.uk/__data/assets/excel_doc/0007/78991/2018_19_Special_School_Budget_Templates.xlsm).

A funding guidance book, which provides full details behind the 2018-19 Local Funding Formula, will be provided shortly once it has been updated. The information in this document will provide you with a detailed explanation on how your funding has been calculated. To access this document click on this link [Primary and Secondary School Funding Guidance 2018-19](http://www.kelsi.org.uk/__data/assets/word_doc/0010/78994/Primary-and-Secondary-Schools-Funding-Guidance-2018-19.docx).

There are two key budget templates on KELSI, one for mainstream schools and the other for special schools.  Each template includes several separate funding calculations, and these are listed below for information:

1. **Mainstream** [(Mainstream Template)](http://www.kelsi.org.uk/__data/assets/excel_doc/0006/78990/2018_19_School_Budget_Templates.xlsm),this includes:
	1. Local Funding Formula (LFF) rates 2018-19 and 2019-20
	2. School budget forecast sheet for 2018-19
	3. Minimum Funding Guarantee (MFG) calculation for 2018-19
	4. Pupil estimate sheet
	5. School budget forecast sheet for 2019-20
	6. MFG calculation for 2019-20
	7. School budget forecast sheet 2020-21
	8. Early Years forecast sheet
	9. High Needs Mainstream forecast sheet
	10. Specialist Resource Provision (SRP) forecast sheet 2018-19
	11. SRP reconciliation sheet
	12. SRP forecast sheet 2019-20 and 2020-21
	13. Calculation of SRP funding rates
	14. Growth funding
	15. Business Planning Software (BPS) Summary
2. **Special** ([Special Template](http://www.kelsi.org.uk/__data/assets/excel_doc/0007/78991/2018_19_Special_School_Budget_Templates.xlsm) ), this includes
	1. Years 1, 2 and 3 of High Needs Place Plus funding.
	2. Pupil Premium
	3. Universal Infant Free School Meals (if applicable)
	4. Pooled funding calculation
	5. Reconciliation of Funding
	6. BPS summary input sheet

All schools will be provided with full guidance notes on KELSI to complete the budget templates.  The guidance for inputting the funding information into BPS will be uploaded to the Help and User Guide on the BPS. Also available on the BPS for Kent Maintained schools will be a Budget Setting and Monitoring Guidebook.

The budget setting courses in March will provide full training on the transition of the current year information on BPS to the new financial year. Please ensure before attending a course you have completed the BPS ‘new year preparation’ document as sent out to Kent schools during February 2018. Where a training course includes a workshop, it is essential that the instructions in this document are carried out in full to gain the most from the training course.

The deadline for the budget to be submitted to the Local Authority will be Thursday 31 May 2018.

We have produced a new section at the end of this guidance document confirming a list of acronyms and their full meanings.

**SECTION B - BUDGET HEADLINES**

**Changes to the Local Funding Formula (LFF) and the move towards a National Funding Formula (NFF)**

**Background**

The Government held a second stage consultation on proposals to introduce a National Funding Formula (NFF) in the Spring of 2017, that closed on the 22 March 2017. The detailed response to this consultation was published on the 14 September 2017. The headlines from this response were:

* For 2018-19, the Government will calculate an individual budget for each school in the country using a NFF. The NFF consists of nationally set factors and rates. The value of the Schools Block Dedicated Schools Grant (DSG) for the Local Authority (LA) will be the aggregated value of the individual school budgets using the NFF methodology.
* For 2018-19 and 2019-20, LAs would continue to operate a Local Funding Formula (LFF), i.e. the Schools Block quantum of funding passed to the LA using a NFF will be passed to schools using a LFF. This methodology is called a Soft NFF.
* The long term aim of the government is to introduce a Hard NFF which removes the need for a LFF. A Hard NFF is where the government calculate centrally a budget for each school in the country using one set of funding rates, and this funding is then passed from Government to individual schools with no LA involvement.
* The Government are yet to announce when a Hard NFF will be introduced and will provide further information on this in the next Government Spending Review which commences on 1 April 2020.

**The overall impact for Kent**

After seven years of flat cash the Governments NFF reforms will increase Kent’s DSG Schools Block by +3.3% in 2018-19, +2.6% in 2019-20 and +1.5% post 2019-20. It is important to note that exactly when the final balance of 1.5% will be passed to Kent is still to be confirmed as it will be determined as part of the Governments next Spending Review.

So, 2018-19 marks the start of the transition towards full implementation of the NFF. 2019-20 indicative rates have been provided and we have reasonable confidence that these are affordable based on our overall budget assumptions alongside the information provided by the Department for Education (DfE). The Government have provided no information in relation to 2020-21 (year 3) and therefore for the purposes of financial planning we have built in a number of assumptions into our planning tool. We have applied the 2019-20 indicative rates to 2020-21 and applied a 0% MFG. Please note that these are our assumptions in the absence of any information from the DfE. As information about future years school funding is released, we will provide updates.

**Local Funding Formula (LFF) rates for 2018-19 and 2019-20**

An additional Schools’ Funding Forum (SFF) meeting was held on the 29 September to take members of the SFF through the Government’s response to Phase 2 of the NFF consultation and seek their views on the pending LFF consultation to be run for all schools in Kent during November.

As a general principle the SFF believed that the LFF should start moving towards the NFF, although continuing to utilise local flexibility to address areas of local concern. These sentiments were fully endorsed by County Council Members.

The LFF consultation was launched on the 30 October and during November 2017 LA Finance staff provided a series of presentations to Headteachers, Governors and Bursars throughout Kent. In addition, regular updates were provided through the weekly e-bulletin communication with schools.

The responses to the consultation were presented to members of the SFF on the 1December 2017 for them to consider what changes should be made to the LFF. Here is a link to the [draft minutes](http://www.kelsi.org.uk/__data/assets/word_doc/0008/78983/Draft_SFF_Minutes_1_December-2017.docx) from that meeting. The recommendations made by members of the SFF were subsequently approved by the Cabinet Member for Children, Young People and Education and published as a Council decision on the 19 December 2017. You can access the formal Record of Decision via the following link: [Record of Decision](https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2126).

[Appendix 1](http://www.kelsi.org.uk/__data/assets/excel_doc/0004/78979/2018_19_School_Budget_Guidance_Appendix_1-Funding_Rates_2018-19_and_2019-20.xlsx) provides full details of the Kent’s LFF rates for 2018-19 and indicative funding rates for 2019-20. You will notice that a significant number of the LFF rates are now at 100% of the NFF rates, and where they are not at this level they are clearly shown. The headlines worthy of specific mention are as follows:

**Minimum Funding Level (MFL)**

We have decided to introduce a Minimum Funding Level factor into our LFF. For 2018-19 the rates have been set at £3,200 per pupil for Primary schools and £4,500 per pupil for Secondary schools.

Further information regarding the calculation of the MFL and future years rates is available in: [MFL Section D](#SectionDMFL).

**Area Cost Adjustment (ACA)**

For 2018-19 there are two ACAs specific to Kent. One applies to all schools in Kent and has been set at +0.069%. In addition, those schools in the London Fringe area (defined as those in the Dartford and Swanley Districts) receive an additional uplift of +3.64% (meaning they receive a total uplift of +3.709%). For a fuller explanation, including details of how this is presented in the budget templates, see: [ACA Section D](#SectionDACA).

**Lump Sum**

We have decided to retain the Lump Sum value of £120,000 for both 2018-19 and 2019-20 financial years. The NFF rate has been set at £110,000.

Please note the LFF Lump Sum rate including ACA Non-Fringe is £120,083.

**Ever 6 Free School Meals (E6FSM)**

We have decided to introduce the E6FSM into our LFF from 1 April 2018. For 2018-19 the rates have been set at £232 per eligible primary pupil and £338 per eligible secondary pupil.

The table below provides further information on the E6FSM rates set in our LFF, exclusive of ACA.

|  |  |  |
| --- | --- | --- |
|  | 2018-19  | 2019-20 |
|  | DfE NFF rate | Kent LFF rate | % of NFF rates | DfE NFF rate | Kent LFF rate | % of NFF rates |
|  |  |  |  |  |  |  |
| Primary  | £540 | £232 | 43% | £540 | £324 | 60% |
| Secondary | £785 | £338 | 43% | £785 | £471 | 60% |

**Low Prior Attainment (LPA)**

The table below provides further information on the LPA rates set in our LFF, exclusive of ACA.

|  |  |  |
| --- | --- | --- |
|  | 2018-19  | 2019-20 |
|  | DfENFF rate | Kent LFF rate | % of NFF rates | DfE NFF rate | Kent LFF rate | % of NFF rates |
|  |  |  |  |  |  |  |
| Primary  | £1,050 | £641 | 61% | £1,050 | £733 | 70% |
| Secondary | £1,550 | £1,043 | 67% | £1,550 | £1,193 | 77% |

**Transfer Schools Block to High Needs Block**

In line with the regulations, we have transferred 0.5% (c. £4.4m) of the Schools Block to the High Needs Block to help meet some of the unfunded pressures arising from increased demand in the number of High Needs pupils and students within the County. This was agreed by the Schools’ Funding Forum on 1 December 2017.

**Increase in Growth Fund**

We have increased Kent’s Growth budget by £2m to help meet some of the additional costs arising from the growth in the number of mainstream pupil numbers expected during 2018-19.

**Minimum Funding Guarantee (MFG)**

As part of the NFF changes introduced by the Government, the Local Authority is responsible for setting a local MFG for 2018-19 and 2019-20. Following our consultation in November and the discussion with the Schools’ Funding Forum on 1 December, the MFG for all Kent schools (including special schools) has been set at -1.5% for both years.

**High Needs Funding in Mainstream Schools**

Following the High Needs Funding review undertaken during 2017, we are introducing some changes to the process for funding High Needs pupils in Mainstream schools from 1 April 2018. Firstly, the application process has been streamlined to avoid unnecessary duplication and only capture information that is needed to make a funding decision. Secondly, we have introduced Needs Specific Top Up funding rates. Schools were notified of these changes in E-bulletins on the 23 November and 6 December. To access documents click on these links [E-bulletin 23 November](https://www.kelsi.org.uk/news-and-events/directors-update/23-november-2017-weekly-update) and [E-bulletin 6 December](https://www.kelsi.org.uk/news-and-events/directors-update/6-december-2017-weekly-udpate). For an explanation of how High Needs funding works in mainstream schools see [Section F](#SectionF).

**Specialist Resource Provision (SRP) Funding**

The way in which funding is provided to school’s who have an SRP is changing from 2018-19, as directed by the Education Skills Funding Agency (ESFA).

In previous years pupils in SRPs were deducted from the school roll and therefore no funding for SRP pupils was received through a school’s formula budget. Instead the element of formula funding attributed to the SRP pupil was included in the separate SRP budget and funded from the High Needs Block.

From 2018-19 the Government have decided that SRP pupils will now be included on a school’s roll and element 1 funding for these pupils will be included in a school’s formula budget. The corresponding element of funding has now been removed from the distinct SRP budget calculation. A fuller explanation on the operation of SRP funding is provided in [section D](#SectionDSRP).

**Three Year Plans**

Maintained schools are required to submit their three-year financial budget plan to the LA by 31 May 2018. We have provided indicative funding rates for the 2019-20 financial year. In relation to 2020-21 (year 3), the DfE has not provided any information as this year falls within the next Spending Review period. To assist our schools with three-year financial planning, we have assumed that there will be no change to the 2019-20 funding factors and rates. We have also assumed a 0% MFG in 2020-21. These are our assumptions for planning purposes only. The tool will be interactive and allow schools to provide their own pupil forecasts for both 2019-20 and 2020-21 years

**Kent Scheme Pay**

We are awaiting an announcement from the Council on the Total Contribution Pay percentage increases for 1 April 2018 and we will update you as soon as this information is available.

**SECTION C - GENERAL INFORMATION (APPLIES TO ALL SCHOOLS)**

**Insurance**

If you currently purchase your school insurance through KCC, you will need to manually enter these costs into your budget plans.  You will shortly be receiving direct debit notification from the LA which will break down the total insurance costs between E11 staff related insurance and E23 other insurance premiums.  Any queries regarding KCC insurance should be directed to either Nathan Page on 03000 416539 (email nathan.page@kent.gov.uk) or Shane Jermy on 03000 416311 (email shane.jermy@kent.gov.uk).

**Devolved Formula Capital (DFC)**

We have published indicative DFC budgets for 2018-19 that are based on pupil numbers collected in the January 2017 census and the current years funding rates.  Final allocations will be confirmed by the ESFA in March 2018 although we are not expecting any material changes.  This template will be updated when these become available.

You can access your indicative budget for 2018-19 here; [Devolved Formula Capital](http://www.kelsi.org.uk/__data/assets/excel_doc/0009/78984/KELSI_Devolved_Formula_Capital_2018-19.xlsx).  If you have any further questions in relation to DFC, please contact Ruth Giles via email at ruth.giles@kent.gov.uk or by telephone 03000 416930.

**Pupil Premium (PP)**

***General***

Schools can receive the following types of Pupil Premium payments:

* E6FSM = Ever 6 Free School Meals
* E6SC = Ever 6 Service Children
* CiC = Children in Care (also known as Pupil Premium Plus (PP+))
* PLAC = Post Looked After Children (also known as Children adopted from care or have left care)

If a pupil is eligible for one of these categories, then the school will receive the relevant funding (2018-19 rates are shown later in this section). However, if a pupil is eligible for more than one category, things become a little more complicated. This is particularly so when a pupil is eligible for CiC or PLAC as well as E6FSM. The table below shows the possible combinations in the left-hand side, and then the funding that those combinations will deliver in the right-hand side.

|  |  |  |
| --- | --- | --- |
| Combinations |  | Funding |
|  |  |  |  |  |  |  |  |  |
| E6FSM | E6SC | CiC | PLAC |  | E6FSM | E6SC | CiC | PLAC |
| Yes | Yes |   |   |  | Yes | Yes |   |   |
|   | Yes | Yes |   |  |   | Yes | Yes |   |
|   | Yes |   | Yes |  |   | Yes |   | Yes |
| Yes | Yes | Yes |   |  |   | Yes | Yes |   |
| Yes | Yes |   | Yes |  |   | Yes |   | Yes |

This information is particularly relevant in respect of CiC. If a pupil is recorded as CiC as at the 31 March 2018, a school will not receive E6FSM funding for this pupil if eligible. Schools are to note the adjustment for this type of pupil will take place in January 2019 as this is the point in time when the DfE update their records.

***Ever 6 Free School Meals (E6FSM)***

The eligibility criteria for E6FSM for 2018-19 includes pupils recorded in the January 2018 census who are known to have been eligible for free school meals (FSMs) since May 2012, as well as those first known to be eligible at January 2018. Pupils in reception year through to year 6, recorded as E6FSM, will be funded at £1,320 per pupil and pupils in year groups 7 to 11, recorded as E6FSM, will be funded at £935 per pupil.

Provisionally the DfE has provided the LA with an indicative budget for E6FSM based on your schools 2017-18 E6FSM funded numbers. In the first instance this allocation will be passed on to schools, however this will be adjusted in year as your school’s final allocation for 2018-19 will be based on your January 2018 census return. Considering this, provisionally only the first three months (April to June) will be profiled on your school’s advance.

We anticipate that the DfE will allocate the final E6FSM allocation late in the summer, based on the January 2018 census; at this point an adjustment will be made to your school’s E6FSM indicative budget to reflect the final allocation. **It is important for schools to note that for initial budgeting purposes, schools should use their local records to estimate the number of eligible E6FSM for the period April 2018 to March 2019.**

To date we have no information from the DfE regarding PP funding rates for 2019-20, and we have therefore assumed that future years funding rates will be maintained at the 2018-19 levels.

***Children in Care (CiC) - Pupil Premium Plus***

In 2018/19 the Local Authority will receive £2,300 for each Kent Looked After Child and this funding will initially be retained by the Virtual School Kent Headteacher as required by the DfE. The Virtual School Headteacher is responsible for the use of Pupil Premium Plus to raise the attainment and realise the potential for all Kent children in our care, regardless of where they reside.

The payment of this funding to schools in the 2018-19 financial year will again initially be £900 per child in care paid in three £300 instalments. It is our intention to pay any agreed funding to schools as follows:

* Instalment 1 paid in the June 2018 advance for the period up to 31 August 2018
* Instalment 2 paid in the November 2018 advance for the period up to 31 December 2018
* Instalment 3 paid in the February 2019 advance for the period up to 31 March 2019

Funding will follow the child if they move schools.

All additional funding will be provided according to the needs of the child as detailed in their Personal Education Plan (PEP). There is no set maximum amount per child.

For full details, please see our Virtual School Kent Pupil Premium Plus Policyfor Kent Children in Care, and for more information go to the Virtual School Kent website: [Pupil Premium Plus 2018-19](http://www.virtualschool.lea.kent.sch.uk/vsk-resources/pupil-premium-plus)

***Ever 6 Service Child (E6SC)***

E6SC is a pupil recorded on the January 2018 census who was eligible for the service child premium since the January 2013 census as well as those recorded as a service child for the first time on the January 2018 school census. Service children will be funded at a rate of £300 per eligible pupil.

Indicative budgets have been based on the number of E6SC recorded on roll in the school for 2017-18. An adjustment to the indicative budget will be made on confirmation of numbers from the DfE, which is expected late in the summer and in light of this provisionally only the first three months (April to June) will be profiled on your school’s advance. **It is important for schools to note that for initial budgeting purposes, schools should use their local records to estimate the number of eligible E6SC for the period April 2018 to March 2019**

To date we have no information from the DfE regarding PP funding rates for 2019-20, and we have therefore assumed that future years funding rates will be maintained at the 2018-19 levels.

***Post Looked After Child (PLAC)***

The pupil premium for 2018-19 will include pupils recorded in the January 2018 school census who were looked after by an English or Welsh local authority immediately before being adopted, or who left local authority care on a special guardianship order or child arrangements order (previously known as a residence order). These are collectively referred to as post-LAC in these conditions. The rate of funding for an eligible pupil is £2,300.

We are not including indicative funding for PLAC PP. We anticipate that the DfE will notify the LA of a school’s entitlement to PLAC PP late in the summer and on receipt of this information we will pass funding onto the school.  **It is important for schools to note that for initial budgeting purposes, schools should use their local records to estimate the number of eligible PLAC for the period April 2018 to March 2019**

To date the DfE have not published PP funding rates for 2019-20, and we have therefore assumed that future years funding rates will be maintained at the 2018-19 levels.

The [DfE conditions of grant for 2018-19](https://www.gov.uk/government/publications/pupil-premium-conditions-of-grant-2018-to-2019/pupil-premium-2018-to-2019-conditions-of-grant) is the latest available guidance.

**Universal Infant Free School Meals (UIFSM)**

Academic year 2017-18 is the third year of UIFSMs. The ESFA has confirmed that this grant will continue until the end of this Parliament; however currently no funding guidance has been issued for the academic year 2018-19. On the basis that the underlying methodology for calculating the grant will continue, we are advising schools to base future funding forecasts on the underlying calculation for 2017-18 and adjusting for change in eligible pupil numbers. To access guidance click on this link: [Conditions of Grant guidance](https://www.gov.uk/government/publications/universal-infant-free-school-meals-uifsm-funding-allocations-2017-to-2018/universal-infant-free-school-meals-uifsm-conditions-of-grant-2017-to-2018).

**Year 7 Catch Up 2017-18 (Academic Year)**

Schools will receive £500 for each pupil in year 7 who did not achieve at least level 4 in reading or maths at the end of KS2. Funding will be allocated to schools in its March advance, to access conditions of grant, click on the link [Grant Conditions Year 7 Catch Up](https://www.gov.uk/government/publications/year-7-catch-up-premium-2017-to-2018/year-7-catch-up-2017-to-2018-conditions-of-grant)

**Primary PE and Sport Premium Grant**

Schools received their funding for the period September 2017 to March 2018 in November 2017. The final payment for the period April 2018 to August 2018 will be made to schools in May 2018. Further information is available on [Primary PE and Sport Premium Grant](http://www.kelsi.org.uk/__data/assets/pdf_file/0009/76950/PE-and-Sport-LA-Payments-2017-18.pdf) allocations and [Primary PE and Sport Premium Grant 2017-18 (AY)](https://www.gov.uk/guidance/pe-and-sport-premium-for-primary-schools) Grant conditions.

For the 2018-19 academic year schools should estimate that the funding rates will be set at the same level as the 2017-18 academic year.

**SECTION D - PRIMARY AND SECONDARY SCHOOLS**

The 2018-19 Funding Guidance book is in the process of being updated, and this document will contain a detailed explanation of our LFF budget for primary and secondary schools, which you will be able to access via the following link: [Primary and Secondary School Funding Guidance 2018-19](http://www.kelsi.org.uk/__data/assets/word_doc/0010/78994/Primary-and-Secondary-Schools-Funding-Guidance-2018-19.docx).

**Changes to the Local Funding Formula (LFF) budget**

A significant number of the changes to the LFF are detailed in section B (Budget Headlines) above. However, a few specific items which have changed and require further explanation have been provided below.

***Area Cost Adjustment (ACA)***

The NFF provides Kent with two ACAs. The rate for London Fringe Schools is 3.709% (made up of two rates 3.64% London Fringe plus 0.069% Non-London Fringe) and the rate for Non-London Fringe schools is 0.069%. When we ran the consultation with schools in the Autumn we presented the ACA as a separate factor (Factor 9). For clarification the ACA calculation was the total funding for factors 1 to 8 multiplied by the relevant ACA percentage.

When submitting the calculation of school budgets for 2018-19 for Kent Schools to the ESFA for ratification we were informed that the accounting treatment for the two ACAs was different. For London Fringe schools it is still a separate factor (factor 9 = factors 1 to 8 X 3.64%), however for the Non-London Fringe element of 0.069% it is presented differently and is now included in the actual rate for each factor (1 to 8).

Due to this change it is important to note that the NFF rates published in the consultation have now been increased to include an ACA of 0.069%.

***Minimum Funding Level (MFL)***

The table below details MFL rates set in Kent’s LFF

|  |  |  |
| --- | --- | --- |
|  | 2018-19 | 2019-20 |
|  | DfE NFF rate | Kent LFF rate | % of NFF rate | DfE NFF rate | Kent LFF rate | % of NFF rate |
| Primary | £3,300 | £3,200 | 97% | £3,500 | £3,400 | 97% |
| Secondary | £4,600 | £4,500 | 98% | £4,800 | £4,700 | 98% |

The basis for the MFL calculation is as follows:

1. Total LFF budget **less** rates, divided by the number of pupils on roll as at October census

2. If the amount per pupil from 1 is less than the MFL value, the budget is topped up so that all pupils are at the MFL rate.

Please note that ACA is not applied to MFL rates.

***Sparsity***

We have decided to introduce the Sparsity Factor into our LFF from 1 April 2018 using the NFF Sparsity rates of up to £25,000 (£25,017 including ACA) for a primary school and £65,000 (£65,044 including ACA) for a secondary school.

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

* Firstly, they are located in areas where pupils would have to travel a significant distance to an alternative should the school close
* Secondly, they are small in size

| School phase | Maximum average number of pupils per year group | Minimum average distance to second nearest compatible school |
| --- | --- | --- |
| Primary | 21.4 | 2 miles |
| Secondary | 120 | 3 miles |
| All-through | 62.5 | 2 miles |

If a school meets both criteria’s then they will be eligible for Sparsity funding up to the maximum threshold for the phase.

How to determine entitlement

1. Average Year Group – October census count / number of year groups in your school - if less than number in phase shown above your schools meets the first criteria
2. To determine if you meet the second criteria you must meet the distance criteria in the table above, to view the distance for your school click on this link [Table Sparsity Distance.](http://www.kelsi.org.uk/__data/assets/excel_doc/0004/78988/Sparisty_Distances_2018-19.xlsx)

If both criteria are met, then funding will be included in your formula budget.

***Removal of LA LAC factor***

The Looked After Child factor has been removed from the LFF for 2018-19. This is for two reasons. Firstly, the Government have decided against including a LAC factor in the NFF, and secondly, they have decided to increase the Pupil Premium Plus rate from £1,900 to £2,300 per eligible pupil. The decision to remove this factor was based on the views of schools who responded to the consultation and supported further by the Schools’ Funding Forum.

**Change to Specialist Resource Provision (SRP)\_funding**

From 2018-19 schools will receive part of their SRP funding through their LFF and part through a SRP budget. In 2017-18 it all came through the SRP budget.

It is important to emphasize that the underlying calculation of the individual SRP rate values has not changed, nor has the amount of funding that the school will receive for their SRP.

In 2017-18, funding for SRPs was allocated as a separate budget allocation (not part of the schools LFF). In the first instance, a per pupil rate was calculated for the SRP based on the need type of the pupil. This rate was then multiplied by the number of pupils in the SRP to arrive at the total SRP budget. The SRP rate was then split into three elements to comply with the ESFA funding methodology for High Needs, called Place Plus.

***Example of how the SRP funding rate is calculated***

|  |  |
| --- | --- |
| Age Weighted Pupil Unit | £2,740 |
| Free School Meals | £175 |
| Ever 6 Free School Meals | £121 |
| Income Deprivation Affecting Children Index | £256 |
| English as an Additional Language | £80 |
| Low Prior Attainment | £247 |
| Additional Funding based on Need Type | £9,500 |
| Total Funding | £13,120 |

***Place Plus- how your school received SRP funding***

Element 1 - £4,000

Element 2 - £6,000

Element 3 - £3,120

Elements 1 and 2 (£10,000) is known as Place funding and is provided on the number of LA commissioned places. The SRP is guaranteed the £10,000 regardless of whether the SRP actual admits a pupil.

Element 3 is known as Top Up funding. Top Up funding is allocated once a pupil is admitted into the SRP. In the above example the SRP would receive the balance of £3,120.

The change in allocating the funding from 2018-19 is that SRP pupils will now be included in the main school pupil count and SRP pupils will now be partly funded through its LFF budget.

Where the number of places commissioned exceed the number of actual SRP pupils in the provision as at October 2017 census, an adjustment of £4,000 (E1) will be paid to the school to recognise the shortfall in funding due to the pupil not being included the schools’ formula budget.

The example below illustrates in further detail the change between 2017-18 and 2018-19 on how SRP funding is passed to a school.



**De-delegation**

Members of the SFF representing maintained primary and secondary phases unanimously voted to continue de-delegating some specific budgets in 2018-19.

The ratification of this process took place at the SFF meeting held on the 1 December 2017.

The budgets where de-delegation applies will be recouped from individual schools in 12 monthly instalments through the schools’ advances system. The Consistent Financial Reporting (CFR) codes that the recoupment charge will be coded against are shown in table below.

|  |  |  |
| --- | --- | --- |
| Budget Heading | Amount de-delegated per pupil | CFR code |
| Primary | Secondary |
| Schools in Financial Difficulties | £18.81 | £9.45 | E23 |
| Free School Meals Eligibility | £0.57 | £0.57 | E28 |
| Licences and Subscriptions (SIMs) | £3.63 | £3.63 | E19 |
| Trade Union Duties | £1.85 | £1.85 | E10 |
| Schools Personnel Services | £0.80 | £0.80 | E28 |
| **Total amount per pupil** | **£25.66** | **£16.30** |  |

**Post 16 / 6th Form Funding**

At the time of writing this guidance, the ESFA have not finalised post 16 budgets. On receipt of this information, due for release by the ESFA sometime in March, schools with 6th Forms will need to manually record their Post 16 funding allocation into their 3 year financial plans.

**Pupil Growth**

At the SFF meeting on the 1 December 2017, members of the Forum ratified the LAs growth funding policy for 2018-19 and agreed for a further £2m be added to this budget. In summary, as directed by the ESFA, schools will only qualify for funding if the pupil growth is related to Basic Need. To access the Growth Policy for 2018-19, click on this link [Growth Policy](http://www.kelsi.org.uk/__data/assets/word_doc/0010/78985/Kent_Growth_Policy_2018-19.docx).

Schools who will be eligible for the reorganisation funding element of Growth funding will receive an email during the period 5 to 16 March from the Schools Budget Team detailing their funding for the 2018-19 financial year. If a school is entitled to the rising roll element of growth funding it will be shown on the growth tab of the school budget template, to access this information click on this link [Growth Funding](http://www.kelsi.org.uk/__data/assets/excel_doc/0006/78990/2018_19_School_Budget_Templates.xlsm).

**Early Years Funding**

The Government introduced a National Funding Formula for Early Years last year. The funding of each maintained nursery class and our maintained nursery school will continue to be calculated by the LA using a local formula. Due to efficiency created from the increase in the 30 hours take up, alongside a move to retain less DSG for central services, we have been able to increase the base rate of by £0.04 from £3.96 to £4.00 from 1 April 2018. Each school with a maintained early year’s class will receive a letter w/c 5 March confirming their total hourly funding rate from 1 April 2018.

**SECTION E - SPECIAL SCHOOLS**

The 2018-19 Special School funding calculation template can be accessed via the following link [Special School funding template](http://www.kelsi.org.uk/__data/assets/excel_doc/0007/78991/2018_19_Special_School_Budget_Templates.xlsm) and to access user guidance click on this link  [Special Schools Funding template input guidance.](http://www.kelsi.org.uk/__data/assets/pdf_file/0006/77487/2018-19-Special-Schools-Budget-Template-Guidance.pdf)

**Funding Rates for 2018-19**

Special Schools were sent guidance and a computation on the 26 January detailing the calculation of their funding rate. Special Schools were requested to submit a return by the 9 February confirming that they agreed with the number of places and funding rates. To date most Special Schools have returned and agreed this information. To access your schools funding rate calculation, click on this link, [Funding Rate Calculation 2018-19](http://www.kelsi.org.uk/__data/assets/excel_doc/0008/78992/2018_19_Special_Rates_Template.xlsm)

**Outreach**

Outreach resources to support mainstream schools, is distributed based on identified levels of special educational needs via a lead special school in each district (total allocation: £2.4m).  2018-19 allocations reflect the final adjustments agreed as part of the review (in 2015/16).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Area** | **District** | **Early Years County Lead****allocation** | **Allocation to Special Schools** | **TOTALS** |
| **North Kent** | Dartford | £8,000 | £162,000 | £170,000 |
| Gravesend | £8,000 | £172,000 | £180,000 |
| Sevenoaks | £8,000 | £112,000 | £120,000 |
| **West Kent** | Tonbridge & Malling | £8,000 | £182,000 | £190,000 |
| Tunbridge Wells | £8,000 | £142,000 | £150,000 |
| Maidstone | £8,000 | £232,000 | £240,000 |
| **East Kent** | Swale | £8,000 | £272,000 | £280,000 |
| Canterbury | £8,000 | £192,000 | £200,000 |
| Thanet | £8,000 | £272,000 | £280,000 |
| **South Kent** | Ashford | £8,000 | £202,000 | £210,000 |
| Shepway | £8,000 | £192,000 | £200,000 |
| Dover | £8,000 | £172,000 | £180,000 |
|  | TOTALS | £96,000 | £2,304,000 | £2,400,000 |

# Pooled Funding (equivalent of de-delegation)

On 7 February 2014, Kent Association of Special Schools agreed to pool some specific budgets that were delegated to them in 2013-14 for the first time. This is a rolling annual agreement that applies to the maintained special schools only and covers the following budgets:

|  |  |  |
| --- | --- | --- |
| **Budget Heading** | **Rate per funded place** | **CFR expenditure code** |
| Schools in Financial Difficulty | £16.95 | E23 |
| Free School Meal eligibility | £0.57 | E28 |
| Licences and subscriptions | £3.63 | E19 |
| Staff Supply Cover - Trade Union duties | £1.85 | E10 |
| Staff Supply Cover - School Personnel Service support | £0.80 | E28 |
|  | £23.80 |  |

The budgets where pooling applies will be recouped from individual schools in 12 monthly instalments through the schools’ advances system. The CFR codes that the recoupment charge will be coded against are shown in the table above.

**SECTION F - OVERVIEW OF MAINSTREAM HIGH NEEDS FUNDING IN KENT**

The DfE definition of a High Needs Pupil (HNP) in a mainstream school is determined by a monetary value, where the costs of supporting their needs exceed £6,000 per pupil. For the avoidance of any doubt, the pupil does not need to have an Education Health Care Plan (EHCP) to be defined as HNP and access this funding. Also for the avoidance of any doubt, funding for pupils in an SRP is excluded from this process.

Place Plus is the overarching High Needs funding methodology and applies to all High Needs pupils regardless of where the pupil is placed. However, there are variations of how Place Plus is applied depending on the type of institution. To understand how Place Plus is applied it is important to note that in the first instance the cost of providing SEN resources for the pupil is identified. Place Plus is a methodology for how the funding is passed to the institution to meet that additional costs.

Knowing what notional SEN funding consists of is key to understanding the mechanics of mainstream High Needs funding. A school’s formula budget is broken down into a number of factors, with each factor being used to target funding to the different needs of the pupils within the school. The notional SEN proportion of the budget consists of the following factors, factor 2 - E6FSM and IDACI, factor 3 factor 4 - English as an Additional Language (EAL), factor 6 - Low Cost High Incidence SEN(LCHIS) and an element of the lump sum factor 7 (Primary £6,235, Secondary £5,580). This funding is targeted through the Kent’s LFF for the additional needs of pupils in the school, over and above the basic needs of all pupils.

How this is applied in practice is best explained using an example. A primary school has an annual notional SEN budget of £10,000 and has one high need pupil whose additional need costs £9,000 per annum.

Place Plus is broken down into three elements

* Element 1 (E1) - Core Education Funding
* Element 2 (E2) - Additional Support
* Element 3 (E3) - Top Up Funding.

E1 = Primary school basic entitlement £2,749 (factor 1 - Age Weighted Pupil Unit of funding)

E2 = £6,000 (this is always set at this amount)

E3 = £3,000 (cost of additional need £9,000 less the E2 funding of £6,000)

**How the funding is passed to the school**

E1 - included in school’s LFF budget (and forms part of the basic entitlement, not the notional SEN budget).

E2 - School meets £6,000 cost from its notional SEN budget. In this example, the notional budget is £10,000, so £6,000 is used for this pupil and the balance of £4,000 is available for the remaining pupils in the school with lower level needs.

E3 - LA funds the £3,000 as a top up.

**Notional SEN Top Up (which is in addition to Element 3)**

However, there are some schools that have a disproportionate number of High Needs pupils relative to their notional SEN funding. In these cases, the LA has agreed to provide “notional SEN top up funding”, which contributes towards (or in some cases fully funds) the E2 funding of £6,000 per pupil. This should not be confused with E3 funding, which is something different. It is possible for schools to attract both notional SEN top up and E3 top up funding.

No school will pay more than 10% of its notional SEN budget towards the £6,000 E2 contribution for an individual pupil. Using the example above the school would receive Notional SEN top up of £5,000. This has been calculated as follows:

1. E2 contribution required of £6,000
2. However, school will pay a maximum of 10% of their Notional SEN budget, i.e. 10% of £10,000 = £1,000
3. Therefore, in this example the school will receive £5,000 Notional SEN top up to help meet the costs of E2.

In addition, a threshold of 28% has been set where no school will pay more than 28% of its notional SEN budget towards the total E2 £6,000 contribution for all HNPs in the school. Once the 28% has been reached, the full £6,000 will be reimbursed to the school. So continuing with the example above, if this school received another two High Needs pupils (three in total), this additional threshold would apply.

1. School would have three children (3 x £1,000 - as per point 2 above) so the expectation is that this school would have to contribute £3,000
2. However, this additional threshold would apply: 28% of £10,000 = £2,800
3. So, this school would receive £5,000 for the first child, £5,000 for the second child and for the third child is would receive £5,000 + £200.
4. If this school had a fourth child, it would receive the full £6,000

**How to apply for high needs funding in a mainstream school**

School submits an application via the SEN portal ([link to SEN guidance](http://www.kelsi.org.uk/special-education-needs/special-educational-needs/high-needs-funding-for-schools)). Once the application has been processed, if it is approved, the Schools’ Budget team will be notified. All approved top up funding will then be passed to the school on a monthly basis through the schools’ advance system. Included within the budget template suite provided to schools is a tab titled “High Needs Funding Mainstream”. Schools should record all their HNPs on this tab and then reconcile the amounts to the schools’ advances system monthly.

**SECTION G – ACRONYM BUSTER**

|  |  |
| --- | --- |
| **Acronym** | **Description** |
| ACA | Area Cost Adjustment |
| AY | Academic Year |
| BPS | Budget Planning Software |
| CFR | Consistent Financial Reporting |
| CiC | Children in Care (also known as Pupil Premium Plus) |
| DFC | Devolved Formula Capital |
| DfE | Department for Education |
| DSG | Dedicated Schools Grant |
| E1 | Element 1 of Place Plus High Needs Funding - Core Education Funding |
| E2 | Element 2 of Place Plus High Needs Funding - Additional Support |
| E3 | Element 3 of Place Plus High Needs Funding - Top Up Funding. |
| E6FSM | Ever 6 Free School Meals |
| E6SC | Ever 6 Service Children |
| EAL | English as an Additional Language |
| EHCP | Education Health Care Plan |
| ESFA | Education Skills Funding Agency |
| FSM | Free School Meals |
| HN | High Needs |
| HNP | High Needs Pupil |
| IDACI | Income Deprivation Affecting Children Index |
| KELSI | Kent Education Learning and Skills Information |
| KS2 | Key Stage 2 |
| LA | Local Authority |
| LAC | Looked After Child |
| LCHIS | Low Cost High Incidence SEN |
| LFF | Local Funding Formula |
| LPA | Low Prior Attainment |
| MFG | Minimum Funding Guarantee |
| MFL | Minimum Funding Level |
| NFF | National Funding Formula |
| PEP | Personal Education Plan |
| PLAC | Post Looked After Children (also known as Children adopted from care or have left care) |
| PP | Pupil Premium |
| SBS | School Budget Share |
| SEN | Special Educational Needs |
| SFF | Schools’ Funding Forum |
| SRP | Specialist Resource Provision |
| UIFSM | Universal Infant Free School Meals  |

*Change log*

*V2 – PLAC PP rate changed to £2,300 per eligible pupil*