

PRIMARY AND SECONDARY SCHOOLS FUNDING GUIDANCE 2021-22

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Introduction

The purpose of this document is to provide schools with a comprehensive guide on how its core funding budget is calculated and allocated, with the main focus of the document being the Dedicated Schools Grant (DSG) Funding. When reading this document, the term School relates to Local Authority (LA) School, Academy and Free School unless referred to individually.

The Dedicated Schools Grant (DSG) is payable to local authorities under section 14 of the Education Act 2002. The DSG is split into four blocks; The Schools Block (SB), High Needs Block (HNB), Early Years Block (EYB) and Central Schools Services Block (CSSB).

For all four blocks there is a National Funding Formula (NFF) that allocates funding from central government to LA. For the SB, HNB and EYB funding is then allocated to education institutions using a Local Funding Formula (LFF) that sits within an Education Skills Funding Agency (ESFA) framework, which allows a level of local discretion when allocating funding. This document looks at the funding allocated to Primary, Secondary and All-through Schools from the SB, HNB and EYB.

Schools Block (SB)

For some time, the Government's aim has been to move to a Hard NFF for schools. A Hard NFF is where funding for schools is passed direct from Government to Schools using the same funding rates and factors for all schools in the country thus removing discretion on how funding is allocated at a local level. Currently funding is allocated to schools using a "Soft" funding formula, in the first instance, central government allocate funding to LAs using an NFF and it is then distributed to schools at local level which is known as a Local Funding Formula (LFF). The Schools' Funding Forum (SFF) advises the LA on the targeted distribution to schools which is determined by a combination of different factors within a framework of 14 factors set by the ESFA. The final decision on the composition of the LFF rests with the LAs Cabinet Member for Education. Section 1 of this document provides details of Kent's LFF for 2021-22.

In the Autumn of 2020, Central Government/ ESFA provided a funding settlement for the financial year (FY) 2021-22 (April to March). Kent's LFF for the period 2021-22 was recommended by the SFF at the meeting held on the 4th December 2020. Final ratification was provided by the Cabinet Member for Education following the respective SFF meeting. [Access](#) further information and the papers to this SFF meeting.

Typically the ESFA provide guidance annually on the DSG funding settlement in July/August for future funding periods. The Government has reiterated its intention to move to a Hard National Funding Formula however, at the time of writing this document no details have been provided in respect of the when this will happen or the monetary value of the funding settlement for 2022-23 onwards.

Following confirmation from the Secretary of State and support from both schools (through the consultation) and the Schools Funding Forum (SFF), a 1% transfer of the Schools Block will be made to the High Needs block, a total of £10m. This will be ring-fenced to support greater inclusion of children with an Education health and Care Plan in all primary and secondary schools. Work is underway as to how best to target this money.

High Needs Block (HNB)

The HNB is allocated to LAs via an NFF introduced in 2018-19 (annually updated), details of the makeup of the HNB NFF are explained in the DSG technical grant note. Funding is allocated to schools for Mainstream High Needs pupils and pupils placed in Specialist Resource Provisions. LAs have a level of discretion in determining funding rates but this must be within the ESFAs Place Plus funding methodology.

Early Years Block (EYB)

The EYB is allocated to LAs via an NFF for 2 Year Olds and 3 and 4 Year Olds and is then distributed to Northfleet Nursery School and Schools with Early Years class via an LFF. The NFF was introduced for the financial year 2017-18 and rates have been increased in 2021-22. The SFF accepted a recommendation to pass the increase in the NFF to provides in full for 2021-22.

Section 1 - Formula Factors - Funded from the SB

This part of the budget book relates to both LA schools and academies, however the funding for academies will not be passed to them by the LA, instead it will be passed to them by the ESFA through their General Annual Grant (GAG). The DSG funding settlement is for the FY April to March, for LA schools funding will be aligned to the FY, however for Academies and Free Schools it will be allocated over the period September to August (5 months later).

AWPU

- 1.1 AWPU (Age Weighted Pupil Unit) is an amount of funding attributed to each pupil at the school. There are three rates payable, one each for Primary, Key Stage 3 and Key Stage 4 pupils.
- 1.2 The pupil numbers used to calculate the AWPU allocation is based on the October 2020 pupil census.
- 1.3 Pupils have been counted by headcount, irrespective of whether or not they are part time. Pupils recorded as being in National Curriculum year groups R to 6 are classed as in the primary phase and those in 7 to 11 are classed as in the secondary phase. Secondary pupils are additionally split into key stage groups; KS3 (Y7-Y9) and KS4 (Y10-Y11).
- 1.4 LAs can have a reception uplift factor in its formula. From April 2015 the LA have opted not to have this factor, this was agreed at the SFF meeting on the 20 November 2015 for implementation in April 2016. For further details on the rationale for removing this factor click on this link [SFF paper item 9 Reception Uplift](#).

Deprivation

- 1.5 The allowable indicators are Income Deprivation Affecting Children Index (IDACI), Free School Meals (FSM) and Ever 6 Free School Meals (E6FSM). All three of these factors are included in Kent's LFF.

FSM

- 1.6 The proportion of pupils eligible for FSM according to the October 2020 census has been aggregated to school level, with separate indicators for primary and secondary phase pupils. This proportion is then multiplied by the total pupil count used for AWPU funding, to reach the number of eligible pupils.

E6FSM

- 1.7 This counts the proportion of pupils on roll on the Autumn 2020 census that were recorded as eligible for FSM in any of the censuses (autumn, spring and summer, including the alternative provision (AP) and pupil referral unit (PRU) census) over the previous six years. This uses the same data as that used for allocating the pupil premium. As a consequence, schools that have opened since the spring 2019 census will not have FSM ever 6 data. More information on this indicator and the pupil premium can be found in pupil premium funding and accountability for schools' guidance. Where a school has an FSM ever 6 ratios lower than their FSM ratio, the FSM ever 6 ratios will be increased to the level of the FSM ratio.

Income Deprivation Affecting Children Index (IDACI)

- 1.8 The IDACI measure uses 6 bands, and different values are attached to each band and each phase. New IDACI data was published by the Ministry for Housing, Communities and Local Government (MHCLG) on 26 September 2019.
- 1.9 The 2021 to 2022 NFF uses IDACI 2019 ranks to group each lower super output area (LSOAs, an area with typically about 1,500 residents) into one of six bands of decreasing deprivation. In the past IDACI bands have been defined on the basis of scores. The 2021 to 2022 NFF uses ranks instead of scores to define bands. For example, band A comprises the most deprived 2.5% of LSOAs. The table below shows how the bands are defined in the 2021 to 2022 NFF:

IDACI data	Ranks	Band
Pupils in the most deprived 2.5% of LSOAs	1 to 821	A
Pupils in the next 5% most deprived LSOAs	822 to 2463	B
Pupils in the next 5% most deprived LSOAs	2464 to 4105	C
Pupils in the next 5% most deprived LSOAs	4106 to 5747	D
Pupils in the next 10% most deprived LSOAs	5748 to 9032	E
Pupils in the next 10% most deprived LSOAs	9033 to 12316	F

- 1.10 For each of the bands, the proportion of pupils on the autumn 2020 census with valid IDACI scores has been aggregated to school level, with separate indicators for primary and secondary phase pupils.

English as an Additional Language (EAL)

- 1.11 There are three allowable indicators for EAL, all based on the Language Code given in the census. Both the short code set and the long code set are grouped so that pupils with an English code (including believed to be English) are “1_ENG”, pupils whose language is unknown or undeclared are “3_UNK” and all other pupils are “2_OTH”.
- 1.12 Pupils attract EAL funding if they are grouped as “2_OTH” from the Language Code on the autumn 2020 census and can be shown to have been in the school system for less than than three years. This is achieved by deriving a pupil level “years in system” count based on the pupil’s presence in the autumn 2017, autumn 2018 and autumn 2019 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 calculation of the ratios. Pupils grouped as “3_UNK” are also excluded.

		Current Year										
Start Year	R	1	2	3	4	5	6	7	8	9	10	11
R	Null	EAL_1	EAL_2	EAL_3								
1		EAL_1	EAL_2	EAL_3								
2			EAL_1	EAL_2	EAL_3							
3				EAL_1	EAL_2	EAL_3						
4					EAL_1	EAL_2	EAL_3					
5						EAL_1	EAL_2	EAL_3				
6							EAL_1	EAL_2	EAL_3			
7								EAL_1	EAL_2	EAL_3		
8									EAL_1	EAL_2	EAL_3	
9										EAL_1	EAL_2	EAL_3
10											EAL_1	EAL_2
11												EAL_1

The above table illustrates which EAL category a pupil who is grouped as “2_OTH” would map to, given their current year group and their starting year group. Pupils in year R and pupils grouped as “3_UNK” are not given a category. Other pupils grouped as “1_ENG” are given the category EAL_0.

Corresponding calculations are done to obtain the secondary proportions.

1.13 Below is a further illustration documenting period of eligible funding.

If first year in education is in Year group R

Census	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20
Financial year	2018-19	2019-20	2020-21	2021-22	2022-23
Financial year	2019-20	2020-21	2021-22	2022-23	2023-24
Financial year	2020-21	2021-22	2022-23	2023-24	2024-25

If first year in education is Year groups 1 to 11

Census	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20
Financial year	2017-18	2018-19	2019-20	2021-22	2022-23
Financial year	2018-19	2020-21	2021-22	2023-24	2024-25
Financial year	2019-20	2021-22	2022-23	2024-25	2025-26

1.14 A school's EAL 3 Primary Proportion is calculated as the number of pupils in year groups R to 6 with the EAL 1, EAL 2 or EAL 3 value, divided by the total number of pupils in years R to 6 with the EAL 0, 1, 2 or 3 value.

1.15 LA's have the discretion to allocate the funding for 1, 2 or 3 years. The Kent method of allocation is for the first three years.

Low Cost, High Incidence SEN (LCHIS)

Primary Schools

1.16 For primary schools, funding can be targeted at pupils who did not achieve a good level of development on the new Early Years Foundation Stage Profile (EYFSP).

1.17 Pupils in the autumn 2020 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 to 6 recorded in the attainment data. Pupils who could not be matched onto the attainment data, or for whom the attainment data does not provide a result, are excluded from this calculation. Schools will be funded using the previous year group as a proxy for pupils who did not complete the assessment due to COVID 19.

1.18 The school will then receive a rate per eligible pupil.

Secondary Schools

1.19 For secondary schools, the years 7 to 9 cohort will include a much higher proportion of pupils identified as 'low prior attainment' than other secondary year groups. This is because year 9 were the first to take the new, more challenging key stage 2 tests (at the end of academic years 2015/16).

- Low Attainment Secondary Proportion Year 7
- Low Attainment Secondary Proportion Year 8
- Low Attainment Secondary Proportion Year 9

1.20. For pupils in year 7, year 8 or year 9 funding can be targeted at pupils who are below the expected standard of achievement in either English reading, English teacher-assessed

writing, or mathematics at KS2. 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.

- Low Attainment Secondary Proportion Years 10-11.

- 1.21 For pupils in years 10 to 11 funding can be targeted at pupils who achieve 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.
- 1.22 In 2012 the KS2 English assessment methodology was changed to include a separate reading test, a grammar, punctuation and spelling test and writing teacher assessment. 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').
- 1.23 For each of the 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 2020 census who could not be matched onto the KS2 attainment data are also excluded. Schools will be funded using the previous year group as a proxy for pupils who did not complete the assessment due to COVID 19.
- 1.24 The school will then receive a rate per eligible pupil as detailed in the [Funding Rates Table](#).

Lump Sum

- 1.25 The lump sum will be paid to all schools (primary and secondary), regardless of size, at the same rate. This factor recognises fixed costs in running a school and is primarily intended to protect small schools which would not be financially viable using only pupil led factors.

Sparsity

- 1.26 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 for 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.
- 1.27 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 2020 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.
- 1.28 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. Local authorities can seek ESFA approval to record an adjusted sparsity distance on the Inputs & Adjustments sheet of the APT for a school if they think that excluding pupils' resident outside of England has distorted the resulting figure.

1.29 The process for producing these figures was as follows:

- using the autumn 2020 census, eligible pupils attending schools in the school's 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.
- we identify the set of pupils who live nearest to each school.
- for each set of pupils, we calculate the average (mean) distance to the second nearest school. This is the school's sparsity distance.

1.30 A school may attract sparsity funding if it is:

- A 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.
- A 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.
- A middle school and has fewer than 69.2 pupils on average in each year group and has a sparsity distance that is greater than or equal to 2 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.

Local authorities may, if they wish, reduce the pupil numbers and increase the distance criteria (they may narrow the criteria), but the criteria quoted above may not be widened. Exceptional applications can also be made on behalf of existing schools that do not attract sparsity funding using the above criteria.

1.31 If a school meets the sparsity criteria outlined in section 1.30, funding will be allocated on a sliding scale.

London Fringe

1.32 For the five local authorities who have some of their schools within the London fringe area (Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex), there is an uplift to recognise the additional costs associated with this geographical area. For Kent the multiplier used of 3.64% mirrors the National Funding Formula.

1.33 The uplifted relates to factors described above in the Kent formula.

1.34 The districts that fall partly in the London fringe are:

- Buckinghamshire: Chiltern, South Bucks
- Essex: Basildon, Brentwood, Epping Forest, Harlow
- Hertfordshire: Broxbourne, Dacorum, East Hertfordshire, Hertsmere, St Albans, Three Rivers, Watford, Welwyn Hatfield
- Kent: Dartford, Sevenoaks
- West Sussex: Crawley

Split Site (SS)

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

- Criteria for providing extra funding should be clear and transparent, incorporating clear and objective trigger points, and a clear formula for allocating additional funding.
- All schools and academies that meet the criteria will be eligible for split site funding.
- Schools sharing facilities, federated schools and schools with remote sixth forms or remote early years provision are not eligible for split site funding.

1.36 From 2019-20 a SS factor has been introduced into the LFF, for a school to be eligible it must meet the following criteria:

Definition of a Split Site

- 1) Must be a mainstream Primary, Secondary or All through school that has 750 or less pupils on roll as per October census (Age range year R to year 11).
- 2) The two or more sites must belong to a single school that has one DfE number.
- 3) The two or more standalone sites cannot be physically connected nor accessed from another part of the school; they must, however, be separated by a highway and be a minimum of 0.2 miles apart.
- 4) Over 30% of the school's total curriculum must be taught and delivered on each individual site.

Elements of funding that make up the factor

- 1) Reception Staff - £8,000
- 2) Premises Staff - £ 5,000
- 3) Senior leadership costs - £10,000
- 4) Non-salary expenditure - £10,000

Total value of SSF = £33,000

Methodology - Lump sum

National Non-Domestic Rates (NNDR)

1.37 The cost to schools of Non-Domestic Rates bills will be funded at the level of the actual cost incurred. The initial budget allocation will include an estimate of the cost to be incurred but this may be adjusted in year to reflect more up to date information. Actual bills for the period April to March will be submitted direct to the Schools, High Needs and Early Years (SHNEY) budget team from District and Borough Councils, therefore schools do not need to submit their national non-domestic rates bill. However, if your schools NNDR is different to the amount allocated in your school's formula budget for the period April to March, schools will need to submit a copy of this bill in order for an adjustment to be made to their delegated budget allocations. The process described relates to LA maintained schools, for academies a similar process will be administered by the ESFA.

1.38 If a LA school has a change to its NNDR bill in year, then a copy of this bill should be submitted to Claire Walker (Senior Accounting Technician), SHNEY Budget Team, Room 3:08 Sessions House, Maidstone, ME14 1XQ. Email Claire.walker@kent.gov.uk.

Private Finance Initiative (PFI)

1.39 This factor relates to the additional funding provided to PFI schools to cover the revenue affordability shortfall costs of the PFI contract.

1.40 This element of funding will be recorded under Factor 12 on the school's budget template and will be recouped in full by the LA through the school's advances system.

Exceptional premises factors

1.41 LA's may request the inclusion of additional premises factors in their formula for exceptional circumstances. Additional premises factors may be approved in cases 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 (including academies) in the authority. Kent submitted a disapplication to the ESFA for an exceptional premises factor and it was agreed it could be included in Kent's formula from 2017-18. Eligible schools are those schools that were in receipt of a rental factor in 2012-13 where the cost was greater than 1% of its school's budget and the same rental is still in existence where the cost is 1% or more of the school's current budget. Along with new rentals that have subsequently been identified to the Schools Finance Team.

Minimum Per Pupil Level (MPPL) funding from primary and secondary schools

- 1.42 The MPPL is a mandatory criterion in the Kent's LFF and has been set in accordance with the ESFA guidelines. A schools MPPL rate is based on the year groups opened. The basis for the MFL calculation is as follows:
1. Total LFF budget **less** NNDR, divided by the number of pupils on roll as at October 20 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 in addition to MFL rates.

Factors not included in Kent's local funding formula

- 1.43 KCC has not included Factors relating to Looked After Children (LAC) and Mobility. The LAC factor was removed from the LFF in 2018 -19 due to Kent aim of replicating the Hard NFF where the LAC factor was not included. It should be noted that the Children in Care Pupil Premium was increased by £400 to recognise that it was not longer part of the LFF. Historically Kent has not had a mobility factor in its LFF, the reasons for this is that the mobility factor was used to target deprivation funding and Kent felt that the basket of factors in the LFF already did this adequately. Also it was not convinced about how effectively this factor tracked mobility.
- 1.44 Further details on the eligible factors allowed in the local formula can be accessed from the following document: [Schools revenue funding 2021 to 2022: operational guide.](#)

Section 2 - Minimum Funding Guarantee (MFG) - Funded from the SB

- 2.1 Schools receive protection on their funding from year to year through the MFG. A school is guaranteed to receive 100.5% of the funded average amount per pupil allocated in the preceding year, less exempt items (NNDR, Lump Sum, Sparsity). For 2021-22 the MFG has been set at plus 0.5% (100% plus 0.5% = 100.5%).

Section 3 - High Needs SEN Funding - Place Plus

High Needs SEN Funding - "Place Plus" - General

3.1 From April 2013 the methodology of "Place Plus" will be used to fund all High Needs SEN pupils aged 0-25 in the following institutions:

- Special Schools (SS).
- Specialist Resourced Provision (SRP).
- High Needs Pupils in Mainstream Schools.
- Further Education (FE) Colleges.
- Specialist Post 16 Institutions (SPI).
- Non-maintained Special Schools (NMSS).
- Independent Special Schools.
- Pupil Referral Units (PRUs).

The aim is to have national funding methodology that dovetails financial resources with the Children and Families Bill, which was enacted from September 2014.

3.2 Place Plus will comprise of 3 components:

- 1) Element 1 (E1) or "Core Education Funding".
- 2) Element 2 (E2) or "Additional Support Funding" = £6,000.
- 3) Element 3 (E3) or "Top Up Funding".

The combined funding from 1, 2 & 3 is known as the "Funding Offer".

3.3 The simplistic method described above will be applied in a different way depending on the type of High Needs provision the pupil is in. The following guidance will apply to High Needs Pupils in Mainstream Schools and SRPs.

High Needs Pupils in Mainstream Schools

3.4 The LA has full responsibility for both funding and paying for High Needs pupils in mainstream schools, for both LA schools and academies.

3.5 From April 2015 Kent is now compliant with the DfE national definition of High Needs SEN pupil (HNP) which defines an HNP as a monetary value where the additional need of the pupil is £6,000 or more. Prior to April 2015 the definition of HNP in Kent was a pupil with a statement of 25 hours or more.

3.6 In order for a pupil to meet the £6,000 criteria and trigger funding the school must submit an application through the LA SEN team. The application process is web based and is a submission made by the schools Special Education Needs Co-ordinator (SENCO). For details of the application process and eligibility criteria access this link: [High Needs Funding for Schools](#).

- 3.7 On completion of the application for high needs funding a value will be calculated for the additional need of the pupil. If the cost of the additional need is £6,000 or more the pupil will be defined as a high needs pupil and the value of the additional need will be known as the pupil funding offer. For the avoidance of any doubt an application is not dependent on the pupil having an Education Health Care Plan (EHCP).
- 3.8 The description notional SEN budget has been used for some time by the Department for Education (DfE) to describe the level of funding included in a schools delegated budget that is targeted at SEN and Additional Education Needs (AEN).
- 3.9 In Kent around £158.5 million of the overall ISB is targeted through notional SEN factors, the following factors are used:
- Factor 2 - E6FSM
 - Factor 2 - IDACI
 - Factor 4 - EAL
 - Factor 6 - High incidence low cost SEN
 - Factor 7 - Part of lump sum
- 3.10 Where a pupil meets the HNP funding criteria i.e. £6,000 or more and is a Pre 16 pupil the cost of the first £6,000 of additional need is paid from the schools notional SEN budget, for Post 16 the first £6,000 is funded in full by the LA.
- 3.11 It is best to use an example to explain how Place Plus is applied in a mainstream school using a pupil that has agreed additional need costing £9,000.

Element 1 -Core Education Funding			
Primary (Yrs R to 6) AWPU	Secondary KS3 (Yrs 7 to 9) AWPU	Secondary KS4 (Yrs 10 to11) AWPU	Post 16 National Funding Formula (NFF), paid as part of annual budget settlement.
Included within funding formula	Included within funding formula	Included within funding formula	Post 16 National Funding Formula (NFF), paid as part of annual budget settlement.
Element 2 - Additional Support Funding			
£6,000 - paid from schools notional SEN budget	£6,000 - paid from schools notional SEN budget	£6,000 - paid from schools notional SEN budget	£6,000 paid by LA
Element 3 - Top Up Funding			
£3,000, paid by LA (£9,000 - £6,000= £3,000)	£3,000, paid by LA (£9,000 - £6,000= £3,000)	£3,000, paid by LA (£9,000 - £6,000= £3,000)	£3,000, paid by LA (£9,000 - £6,000= £3,000)

- 3.12 Where there is a disproportionate impact on a schools notional SEN budget due to the number of HNPs in the school, compared to their overall level of notional SEN funding, the LA can provide additional funding to help meet this pressure. The term given for this funding is notional SEN top up funding.

3.13 Schools will receive SEN top up funding if E2 (£6,000) is greater than 10% of the schools notional SEN budget. The following example is an illustration of how the calculation will be applied.

Example: Small primary school with a notional SEN budget of £10,000, with a High Needs pupil that has additional need costing £12,000.

Step 1 - School will pay first £6,000 (E2) from notional SEN budget and LA will pay top up funding E3 of £6,000 to the school.

Step 2 - School will only contribute 10% of notional SEN budget towards E2 (£6,000), $10\% \times £10,000 = £1,000$. School will be given back £5,000 and will therefore receive £11,000 towards the cost of supporting the pupil.

3.14 In addition to this there is a further threshold applied which guarantees that no school will contribute more than 28% of its notional SEN funding towards the cost of E2, the first £6,000.

Example: a school that has notional SEN funding of £210,000 and has 12 HNPs.

Step 1 - Contribution per pupil towards E2 (£6,000) = School will pay maximum of £6,000 per pupil as notional SEN budget >£60k.

Step 2 - 28% threshold = $£210,000 \times 28\% = £58,800$. School will not pay more than £58,800 towards additional cost of High Needs pupils in the school.

Step 3 - E2 contribution for 8 pupils = $12 \times £6,000 = £72,000$. School will receive notional SEN top up of £13,200 ($£72,000 - £58,800$ (28% threshold)).

Period of funding

3.15 The funding is broken down into three periods, period 1 - April to August, period 2 - September to December and period 3 - January to March.

3.16 Funding will be allocated on a monthly basis and will be payable for the full month from the date the pupil is eligible for high needs funding until the end of the funding period. If a pupil leaves during one of the three funding periods, the school will continue to receive the funding until the end of the period the pupil left in. For example, if a pupil was in receipt of funding in April but left in June, funding would continue until the end of August.

3.17 Schools will need to apply annually for pupil funding. For the avoidance of any doubt this is for new HNPs and existing HNPs who will need to submit annually in order for the funding to continue. In addition to this, a new application will need to be made for any pupil that changes school.

3.18 Where a school submits its annual application for an existing pupil, funding will continue until the end of the period at the same rate that was paid at the beginning of the funding period. The new rate will be paid from the first month of the following funding period. In general, if schools do not submit annually, funding will stop from the funding period following the period the annual submission was due.

HNPs in mainstream schools from Other Local Authorities (OLA)

- 3.19 As part of the 2013-14 school funding reforms, the regulations that directed Local Authorities (LA's) to recoup funding from another LA where a pupil was attending one of its schools was removed. From 2013-14 it is the institutions responsibility to collect the funding direct from the OLA.
- 3.20 The LA will collect the high needs funding from the OLA on the request of the school and pay any high needs funding due to the school through the Kent schools advances funding system. However, this arrangement will only be made for the school on the basis that the funding can be recouped from the OLA. The school will need to provide the LA with the relevant details to confirm that the OLA agree to fund, required information will include contact name and billing address. This part of the process will be arranged during the application process detailed in paragraph 3.6.

High Needs SEN funding in a Specialist Resource Provision (SRP)

Background

- 3.21 In order to receive high needs funding for an SRP pupil the school's SRP must be named on the pupil's Education Health and Care Plan (EHCP).
- 3.22 SRP funding is made up of 3 elements:
- 1) Element 1 (E1) or "Core Education Funding" = AWPU + school average per pupil for Factors (2,3,4 and 6), see paragraphs 1.6 to 1.26
 - 2) Element 2 (E2) or "Additional Support Funding" = £6,000
 - 3) Element 3 (E3) or "Top Up Funding" = Individual to each SRP
- 3.23 E1 and E2 added together is your 'place funding' and will be based on a guaranteed number of commissioned places. Funding is guaranteed for the number of agreed places regardless of how many pupils are actually placed in the SRP.
- 3.24 SRP funding is paid in real time, this means that the funding a school will receive is aligned with the period. E1 is paid through a school's formula budget (academy = General Accounting Grant (GAG)) which is based on lagged numbers, and it may be the case that the number of children funded for E1 is less than the number of places commissioned. Where this is the case, an additional payment of £4,000 will be made, to ensure that the number of places are funded for the period.
- 3.24 E3 is the top up rate. E3 is calculated by taking the SRP need type funding rate and deducting £6,000 (E2). How your rate is calculated is explained in more detail below. E3 will only be paid for actual pupils on roll at the SRP and funding will follow the pupil on a monthly basis.
- 3.25 In all cases E3 will be paid by the LA direct to schools on a monthly basis. E2 for commissioned places will be paid by the LA to LA schools and for academies it will be paid to them through their GAG. For E1 LAs schools will receive this through their formula budget and for academies they will receive it through their GAGs. However, where the number of

commissioned places is greater than the number of actual children, the LA will make an adjustment of £4,000 to both LA schools and academies.

3.26 The table below summarises the funding source for each element of funding:

		Place funding		Top Up
		E1	E2	E3
Maintained Schools				
Pre-16	LA Formula Budget/ Unoccupied place adjustment		LA	LA
Post-16	16-19 Allocation		LA	LA
Academies				
Pre-16	ESFA Formula Budget/ Unoccupied place adjustment		ESFA	LA
Post-16	16-19 Allocation		16-19 Allocation	LA

Commissioned Place Numbers

3.27 If your School/Academy has an SRP in Kent you will be contacted by a Local Authority (LA) SEN Officer in the autumn each year to agree a number of places for the following academic year. As the financial year spans two academic years you may have different place numbers for April to August and September to March.

Excess Place Funding

3.28 Where a pupil is placed in an SRP and the number of commissioned places is exceeded, Elements 1 and 2 will be paid by the LA pro rata on a monthly basis for as long as the number of commissioned places is exceeded.

3.29 When calculating the amount of excess place funding you receive, the number of places you are under/over your commissioned places for both pre-16 and post-16 will be taken into account and where applicable other SRPs within the school/academy.

3.30 For example, if in one month you are 1 place over your commissioned post 16 places you would receive $£6,000 \times 1/12 = £500$ but if you are also under your pre 16 places by 1 pupil we would deduct from this amount $£10,000 \times 1/12 = - £833.33$. The net payment would be $£500 - £833.33 = - £416.67$ which would result in no excess E1 & E2 payment in that month. The amount of excess place funding will always be positive, and no place funding will ever be deducted as you are guaranteed place funding for your commissioned number of places.

Calculating your SRP Rate

3.31 The individual SRP rate is calculated based on the individual elements of the formula a pupil would have received through its formula budget, 16 to 19 NFF and High Needs SEN funding (IAR).

High Needs SEN funding (IAR) element

3.32 To calculate the High Needs SEN funding (IAR) element, the funding you would have received based on the number and need mix of the pupils when your SRP is at full capacity is calculated.

3.33 There are 3 steps to this calculation which can be seen in the SRP Rates tab on the Budget Template, each step is explained below:

Step 1 - Establish the commissioned place numbers for both pre and post 16 in both relevant academic years. Then weight these place numbers to get a weighted average number of places for the financial year.

The pre-16 places are weighted $5/12 \times 2020/21$ academic year places and $7/12 \times 2021/22$ academic year places.

The post-16 places are weighted $4/12 \times 2020/21$ academic year places and $8/12 \times 2021/22$ academic year places.

Step 2 - Establish the need mix of the SRP based on the mix of needs of the pupils on role as at the October census. For SRPs that are new and have no pupils as at October a generic need mix has been used based on the type of provision. These numbers are in red on the template.

The weighted average places based on the need mix are then allocated. To do this the number of pupils as at October for each need type are divided by the total number of October pupils, to get a proportion for each need type. Finally, the proportion is then multiplied by the total weighted average places to get a spread of commissioned places across the different need types.

Step 3 - As the mix of places has been established, the amount of cash the places should attract if you are at capacity can be calculated. The number of places is multiplied by the relevant IAR rate for each need type. The IAR rate differs depending on the number of places. The first 3 pupils get one rate and then the rate falls for places 4 to 20 and again for any over 20. The rates are shown on the template in step 3.

The total cash amount for each need type is then added together and divided by the total weighted average places to get an average amount per pupil. This is the High Needs IAR element of the rate.

Formula Element

This element of the rate is now included in either the school's formula budget or 16-19 allocation and so is no longer included in the rate calculation.

Element 3 (Top Up rate)

To calculate the Top Up rate we deduct element 2 (£6,000) from the total SRP rate.

Funding for Other Local Authority (OLA) Pupils

- 3.34 Prior to the School Funding reforms in April 2013 funding regulations directed LA's to recoup funding from the placing LA, for pupils placed in their LA schools by OLA's. For clarification, this meant that there was no difference in a way a school was funded for their own LA pupil and an OLA pupil, as the funding came direct from the LA where the school was located. It was the responsibility of the LA to then recoup the funding for OLA pupils from the placing LA.
- 3.35 As part of the April 2013 school funding reforms, the Education Funding Agency (ESFA) removed LA recoupment from the regulations and placed the responsibility with the individual school to recoup the funding for pupils placed in its schools by OLA's.
- 3.36 Kent's policy has been to continue to fund all SRP pupils attending an LA school and an academy on the same basis, regardless of whether they are a Kent LA pupil or an OLA pupil and then recoup the funding from the OLA that has placed the pupil.
- 3.37 It is at the LA school or academies discretion if they want to apply this arrangement where the LA funds them in the first instance and then recoups the funding from the OLA. This process will be applied unless notified by the LA school or academy.

If the LA school or academy choose to do their own recoupment then this will be applied to all OLA pupils attending their school or academy. The person to contact if you are going to make your own arrangements is Stephanie Rapley (Finance & Information Officer) email:

Stephanie.Rapley@kent.gov.uk

Section 4 - Early Years Funding

Free Entitlement for 3 and 4 Year Olds

- 4.1 Eligibility for Early Years Free entitlement funding exists from the term after the pupil is three years old and continues up to and including the term when the pupil is 5 years old. Mainstream funding for Yr. R and Early Years Free entitlement cannot be claimed for the same period.

For further details on eligibility criteria click on this link: [Free Early Education for 3-4 year olds](#)

- 4.2 Free entitlement funding can be claimed up to a maximum of 1,140 hours (38 weeks x 30 hours) for one pupil in an academic year (September to August) when meeting the following [criteria](#) , if the pupil does not meet this criteria they can claim up to a maximum of 570 hours (38 weeks X 15 hours). In the financial year April to March 2020 there are 38 funded weeks, split in to three periods:

April to August – 30 hours -13 weeks (195 hours) - 15 hours - 13 weeks (195 hours)

September to December – 30 hours -14 weeks (210 hours) – 15 hours

January to March – 30 hours -11 weeks (165 Hours) 15 hours

Total maximum hours funded 30 hours 1,040 = 38 weeks, 15 hours – 570 = 38 weeks.

- 4.3 Each maintained setting will have a funding rate per pupil, made up of three factors detailed in paragraphs [4.10](#) to [4.17](#). Funding for the financial year will be calculated as follows:

Funding rate for the setting x the number of free entitlement hours for the financial year

- 4.4 Funding will be advanced to schools/academies as follows:

April to August

- 4.5 The school's budget for the period is provisionally allocated on an estimate. In most cases the estimate is provided by the school and where this is not the case the LA will estimate the provisional allocation based on historic trends.
- 4.6 The school will receive funding profiled in equal instalments through its schools advance for the period April to August based on their estimated hours. In June, advance funding for the period June to August will be recalculated to reflect the actual number of pupils in attendance at the setting for the period taken from the pupil headcount week. An adjustment will be made to reflect the actual funding entitlement for the period April to August.

September to December

- 4.7 During June, maintained settings will be contacted to provide an estimate of their pupils for the period September to December, where an estimate is not provided the LA will provide an estimate based on historic trends. The return will then be used to calculate funding for the period September to December and will be profiled in equal instalments through the schools advances for this period. In October, advance funding for the period October to December will be recalculated to reflect the actual number of pupils in attendance at the setting for the period taken from the pupil headcount return week. An adjustment will be made to reflect the actual funding entitlement for the period September to December.

January to March

- 4.8 During November, maintained settings will be contacted to provide an estimate of their pupils for the period January to March, where an estimate is not provided the LA will provide an estimate based on historic trends. The return will then be used to calculate funding for the period January to March and will be profiled in equal instalments through the schools advances for this period. In February, advance funding for the period January to March will be recalculated to reflect the actual number of pupils in attendance at the setting for the period taken from the pupil headcount return week. An adjustment will be made to reflect the actual funding entitlement for the period January to December.
- 4.9 Details of the funding periods and pupil count dates can be found on the below link:
[Free Early Education for 3-4 year olds](#)

Base rate

- 4.10 A flat hourly base rate for all providers.

Leadership qualification Factor

- 4.11 This factor recognises that the most significant single indicator of high quality provision is the qualification levels of staff in a setting.
- 4.12 To be in receipt of the Qualified Leader supplementary rate, a setting must have a nominated leader with either Qualified Teacher Status (QTS) or Early Years Professional Status (EYPS). The leader must have been directly employed by that setting and must have significantly influenced the learning of the children within that setting. The Qualified Leader may be part-time but to have significantly influenced the learning they must have worked at the setting for at least 50% of a full time equivalent.

Rates: - EYPS- £0.30 / QTS- £0.90 per child hour

- 4.13 A setting with a nominated leader with QTS and paid under the statutory teachers' pay and conditions, would receive an additional £0.90 per child hour. Settings with a nominated leader with either i) full accredited EYPS or ii) QTS (but not paid under the statutory teachers' pay and conditions), would receive an additional £0.30 per child hour.

Disadvantage Factor

4.14 This factor targets funding at the most deprived children.

Rate: 2020-21 maximum of £1.10 per child hour.

Due to the impact of COVID 19 on nursery attendance it has been agreed that the deprivation rates will carry forward from 2020-21 into 2021-22 without being recalculated.

4.15 The deprivation factor has been determined by calculating an average Mosaic deprivation score for the setting based on the addresses of the children that attended the setting as at the October census. If a settings average score was above the qualifying threshold then they would qualify for the supplement, the amount of which depended upon the settings score relative to the minimum qualifying threshold. As the disadvantage factor was based on the addresses of individual children, and a small sample size, it is possible for a disadvantage rate to be lower when compared to last year. However, transitional protection has been applied to limit any reduction in the disadvantage rate to no more than 50% of the total reduction from 15/16.

3 and 4 year old Early Years Pupil Premium (PP)

4.16 From April 2015, 3 & 4 year old early years pupil premium can be claimed for pupils that meet the criteria. There are two strands to this, a deprivation element and a Children in Care (CiC) element. For 3 & 4 year olds, deprivation pupil premium will be 53p per hour and the Children in Care element will be £100 per term.

4.17 Further information on early year's deprivation PP can be found on the below link:

[Free Early Education for 3-4 year olds](#)

4.18 To access further information on CiC PP click on this link:

<http://www.virtualschool.lea.kent.sch.uk/resources/pupil-premium>

Section 5 - Growth Fund (GF) and Falling Rolls Fund (FRF)

Growth Fund

- 5.1 As part of the school funding reforms in 2013-14, LA's are allowed to retain DSG for pupil growth. The allocation of this fund is applied on the same basis for both LA schools and academies.
- 5.2 Every year, members of the SFF ratify the LA growth policy prior to its submission to the ESFA, whose role is to ensure compliance with financial regulations.
- 5.3 The SFF ratify both the local methodology for allocating growth funding to schools and the overall value of the GF. The sources of funding are a distinct NFF Growth Funding allocation from the ESFA. The 2021-22 guidance can be found on KELSI.
- 5.4 Schools who will be eligible for Growth funding will receive an email early in March from Robin Goldsmith (SHNEY Team email: Robin.Goldsmith@kent.gov.uk) detailing their funding for the financial year April 2021 to March 2022.

Falling Roll Fund (FRF)

- 5.6 As part of the school funding reforms in 2013-14, LA's are allowed to retain DSG for an FRF. The allocation of this fund is applied on the same basis for both LA schools and academies.
- 5.7 The SFF have agreed to a Falling Roll Fund for 2021-22. The criteria can be found here.

Section 6 - Schools' Funding Forum (SFF)

The role of the SFF

6.1 Representatives from schools and academies make up the schools forum. There is also some representation from non-school organisations, such as nursery and 16-19 education providers.

The forum acts as a consultative body on some issues and a decision making body on others.

The forum acts in a consultative role for:

- changes to the local funding formula (the local authority makes the final decision).
- proposed changes to the operation of the minimum funding guarantee.
- changes to or new contracts affecting schools (e.g. school meals).
- arrangements for pupils with special educational needs, in pupil referral units and in early years provision.

The forum decides:

- how much funding may be retained by the local authority within the dedicated schools grant (e.g. for providing an admissions service or providing additional funding for growing schools).
- any proposed carry forward of deficits on central spend from one year to the next.
- proposals to de-delegate funding from maintained primary and secondary schools (e.g. for staff supply cover, insurance, behaviour support).
- changes to the scheme of financial management.

6.2 All documentation in relation to Kent's SFF is recorded on the KELSI website. The site includes the following information:

- SFF guidance
- List of members
- SFF sub-groups
- Details of meeting dates and locations
- SFF papers and minutes

To access the SFF web page on KELSI click on this [SFF KELSI webpage](#)

Section 7 - Other DSG related items

De-delegation overview

- 7.1 As part of the DfE Schools Funding Reforms, which commenced on 1 April 2013, a number of former centrally retained DSG budgets were delegated to schools for the first time. This new delegation of funding was directed by the DfE and applied to certain centrally retained budgets (as recorded against specific section 251 budget lines).
- 7.2 At the same time as this directed delegation, Forums were given additional powers to de-delegate and return this funding to the LA. This de-delegation power applies only to maintained schools and not to special schools, PRU's or academies. Voting on de-delegation is restricted to maintained school members only and is further restricted to each phase of education (i.e. maintained primary school reps vote on primary de-delegation).

De-delegation Budgets

7.3 Schools in Financial Difficulty (DFFG)

This funding is used to support individual maintained schools experiencing financial difficulty. We would propose that the current process of submitting applications to the Delegated Formula Funding Group (DFFG) should continue prior to a recommendation to this Forum for its formal approval.

7.4 Schools in Financial Difficulty (Targeted Intervention)

This funding is used to support the many maintained schools in vulnerable positions by means of projected Ofsted ratings. Failure to de-delegate this funding will mean that the LA could not support any maintained school requiring help and this will impact significantly on our ability to move Kent schools from satisfactory to good and potentially jeopardize the overall progress we have made in recent years. All payments are approved by the Director of Education, Quality and Standards and are made to maintained schools only.

7.5 Free School Meal (FSM) eligibility

This funding is used to fund a small team of staff who undertake checks on the Governments Hub database (run by DWP/HMRC) to confirm individual pupil's eligibility for Free School Meals.

This service has invested time and resources into procuring an on-line system to enable parents to confirm eligibility instantly. This system has the benefit of being able to provide immediate eligibility confirmation to the parent and at the same time send secure/confidential notification to the school/academy. This is a significant efficiency on the current system which has been in place for a number of years. The Local Authority is seeking approval to de-delegate this funding for maintained schools. Academies are charged to access this service.

7.6 County wide SiMS Licence

KCC uses this funding to purchase a county wide SiMS licence from Capita, which is of benefit to all maintained schools in Kent. There are significant financial savings to maintained schools from this arrangement. This licence is owned by KCC and we pay Capita

a single payment at the start of the financial year. If a maintained school converts to an academy during the year a credit is returned by Capita to KCC (only when the academy purchases a licence with Capita directly). The county wide contract is managed by EIS on behalf of the Council.

7.7 Supply Cover - Trade Union Duties

This funding is pooled with contributions from participating academies and used to fund the supply cover costs for releasing local trade union stewards to support members in schools and academies.

Schools and academies who employ trade union stewards are only able to reclaim supply cover costs when their steward supports an employee in a school or academy that has contributed to the pooled arrangement, i.e. all maintained schools and participating academies only.

7.8 Supply Cover - School Personnel Services

This funding is firmly linked to the work covered by the Schools in Financial Difficulty (Targeted Intervention) funding mentioned above in paragraph 2.3. It is used to fund SPS time where personnel support is needed in difficult cases to negotiate compromise agreements or work with Governing Bodies where action is needed in respect of the senior leadership team in the school. This funding only covers SPS support to maintained schools.

7.9 De-delegation Rates per pupil

At the SFF meeting held on the 29 November 2019, Primary and Secondary school representatives voted to de-delegate the budgets listed in paragraphs 7.3 to 7.8. The table below is the amount per pupil that will be de-delegated from school budgets:

2019-20 De-delegation rates (£p per pupil)	Primary	Secondary
Schools in Financial Difficulty (DFFG)	£1.06	£1.06
Schools in Financial Difficulty (Targeted Intervention)	£17.75	£8.39
Free School Meal (FSM) eligibility	£0.59	£0.59
County wide SiMS Licence	£4.18	£4.18
Supply Cover - Trade Union Duties	£1.90	£1.90
Supply Cover - SPS	£0.82	£0.82

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)
CSR	Central Spending Review
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
EYFSP	Early Years Foundation Stage Profile
FSM	Free School Meal
HN	High Needs
HNB	High Needs Block
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
PLAC	Post Looked After Children (also known as Children adopted from care or have left care)
PP	Pupil Premium
SB	Schools Block
SBS	School Budget Share
SEN	Special Educational Needs
SEND	Special Educational Needs and Disabilities
SFF	Schools' Funding Forum
SofS	Secretary of State

SRP	Specialist Resource Provision
Acronym	Description
SSF	Split Site Factor
TPG	Teachers Pay Grant
UIFSM	Universal Infant Free School Meals