

ACADEMY BUDGETS 2015-16

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SECTION A - IMPORTANT INFORMATION

The purpose of this document is to communicate to Academies and Free Schools in Kent aspects of the Dedicated Schools Grant (DSG) budget that are either the responsibility of the Local Authority (LA) to fund directly (i.e. high needs top up funding) or involve changes to the local formula that impacts on an academy's GAG.

Please note that the term schools used throughout this document relates to academies and free schools.

There is a budget template on KELSI for both Primary and Secondary phases, along with the published funding rates for Milestone Special School - to access click on this link: [Special school funding rates](#).

Academies Primary and Secondary ([Academy template 2015-16](#)), this includes:

- a. Early years (if applicable)
- b. High needs – mainstream (if applicable)
- c. High needs – SRP (if applicable)
- d. Pupil growth (if applicable)

SECTION B – GENERAL INFORMATION

Changes to the Local Formula Factors that will impact on your GAG funding

There have been no DfE directed changes to Kent's formula factors in 2015-16.

However, there has been a change to the funding rates for the Age Weighted Pupil Unit (AWPU) and Low Cost High Incidence SEN (LCHIS).

AWPU

As part of the schools' budgets calculation process, an amount of headroom¹ was generated within the Dedicated Schools Grant (DSG) which was available for redistribution. In anticipation of this outcome, the Schools' Funding Forum (SFF) members were consulted at its meeting on the 28 November and they agreed a set of principles for allocating any headroom. The priority order of allocation agreed was:

- 1) PFI affordability gap indexation £300k
- 2) High Needs funding – any shortfall in our high needs settlement
- 3) Any remaining balance of headroom should be distributed to all providers (schools, academies, early years' settings, and alternative provision) on an equitable basis.

In total £3 million was available after meeting the first two priorities and this has been allocated to 3) above for supporting all institutions with the cost of living inflationary pressures. For schools and academies this has resulted in an increase of £12.55 (0.46%) for the primary AWPU, £14.31 (0.38%) for the key stage 3 secondary AWPU and £15.71 (0.38%) for the key stage 4 secondary AWPU.

Low Cost High Incidence SEN (LCHIS)

There have been two changes to the LCHIS funding rates. The first change is as a result of compliance with the national high needs funding threshold of £6,000 and affects both primary and secondary schools. The second change is only relevant to the primary phase.

Reduction in Notional SEN Funding to fund the new process for defining High Needs pupils in mainstream settings

It is estimated that compliance with the £6,000 threshold will see the current number of around 920 high needs pupils in mainstream schools rise to over 3,200 high needs pupils in 2015-16. The funding to support these additional pupils has traditionally sat within schools' notional SEN budgets. The estimated cost of supporting these high needs pupils is £10m, and following an all schools' consultation last year, this sum has been transferred from schools' notional SEN budgets to the High Needs block where it will be allocated on a named pupil basis. This transfer equates to a reduction in LCHIS primary school rates of £230.78 and LCHIS secondary school rates of £242.41.

¹ Headroom refers to the unallocated amount of Dedicated Schools Grant (DSG) funding after meeting all commitments from the annual school budget setting process, including increases in overall pupil numbers and all other data changes.

Primary Phase adjustment to LCHIS funding rate

From 1 April 2014, the Foundation Stage Profile score was replaced with a judgement, and we are now in the second year of transition. An eligible pupil is now one that is “Not achieving a good level of development”. The percentage of qualifying pupils in a primary school now consists of a mix of the new judgement for pupils in years 1 and 2, and the old foundation score of below 78 for pupils in years 3 to 6. In 2013-14, 16% of primary school pupils received funding for LCHIS, in 2014-15 20% received funding and in 2015-16 it is now 23%. To accommodate the increase in overall eligible numbers from last year, the rate per eligible pupil has reduced from £821.71 to £749.12. Despite this reduction, the total amount of funding being allocated to schools through the LCHIS factor has remained constant.

Minimum Funding Guarantee - Adjustment

The adjustment to your notional SEN budget has been excluded from this year’s MFG calculation.

High Needs SEN Funding in Specialist Resource Provision (SRP)

There is no change to the Place Plus funding methodology for Specialist Resource Provisions (SRP) for the 2015-16 financial year, except for a minor change to the adjustment calculation to reflect the difference between actual and place numbers.

You may have been copied into a recent communication from the EFA regarding our exceptional case funding. Despite the Local Authority not been successful in securing additional funding for all increases we intend to honour our commissioned places as per our submission. We were unhappy that the EFA communicated directly with schools and academies as it has led to unnecessary confusion.

High Needs funding in Mainstream Schools - £6,000 threshold

Background

Kent, after a considerable amount of work and preparation, is now on target to fully comply with the £6,000 threshold from 1 April 2015. Schools and academies should be aware of the consultation that concluded on 19 December ([link to consultation](#)) and therefore the background to this change. The outcome of the consultation was communicated in the e-bulletin dated 3 February 2015 ([link to e-bulletin article](#)).

Transition process

From April 2015 the new process for funding a high needs pupils will see an individual cost attached to the pupil based on the additional need of that pupil. Individual submissions will be made using standard rates for the associated staff.

Applications will be made by schools using a new web based application that is currently in development but will be ready for use by 1 April 2015. SEN colleagues are currently working on this new system and have provided an update to SENCO groups across the county. Guidance on the application process and submission through the portal will be available from 1 April when the system goes live.

In the period of transition (April 2015 to March 2016) there will be three groups of pupils (as explained in the consultation and briefing sessions).

- Category A Pupils that already have a Statement or Education Health Care Plan (EHCP) of 25 hours per week or more (existing pupils eligible under the 2014-15 criteria)
Funding rate – One of the four high needs funding rates used in 2014-15.
- Category B Pupils that already have a statement or EHCP, but less than 25 hours.
Funding rate – One of the four high needs funding rates used in 2014-15 divided by 25 hours and multiplied by the number of hours on the statement.
- Category C Pupils that do not have a statement but the cost of intervention exceeds £6,000 and pupils that have a new EHCP issued post April 2015
Funding rate – determined by the new process, based on the individual additional need of the pupil.

For a more detailed explanation on the transition from the old process to the new process please click on this link: [Transition plan old to new system and annual funding cycle](#)

Please note that your school's monthly advance will include the individual details of the pupil and this will include 1) the pupils initials, 2) the need type and 3) the monthly amount.

Other

Pupil Growth

As part of the school funding reforms, LAs 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.

Every year, members of the SFF ratify the LA growth policy prior to its submission to the Education Funding Agency (EFA) whose role is to ensure compliance with school financial regulations.

The growth fund allocates funding to schools and academies to recognise they will not receive delegated funding for the additional pupils in the year when pupil numbers increase. Our growth fund provides two different types of funding; re-organisation and rising roll. Re-organisation funding is based on an agreed number of pupils regardless of how many are admitted in September and rising roll is based on the actual increase in numbers from the September.

In 2014-15 the LA applied the criteria that re-organisation funding was only allowable for Basic Need schools and rising roll could be applied to any school or academy that met the criteria.

On reviewing Kent's Growth policy for 2015-16 the EFA have stipulated that growth funding in all instances can only apply to a Basic Need school. For the avoidance of any doubt this means that from 1 April 2015 rising roll funding will now only be applied to Basic Need schools.

The DfE define Basic Need as new pupil places which are requested by the LA because there are insufficient places available for pupils in the area. In all cases Area Education Officers (AEOs) will determine if schools or academies meet eligibility for the DfE Basic Need criteria.

Schools and academies will be notified by email of their re-organisation funding for the periods April 2015 to August 2015 and September 2015 to March 2016 by 6 March 2015. If you have not heard by this date, please e-mail Ian Hamilton (School Budget and PVI Manager) at this email address ian.hamilton@kent.gov.uk.

In summary re-organisation funding is generally available for the first three years of a school's/academy's permanent expansion. For the remaining period of the permanent expansion, schools will be entitled to rising roll funding. Confirmation of whether your school is entitled to rising roll funding can be obtained by accessing the growth funding calculator on the academy budget template.

Family Liaison Officer (FLO) funding

The FLO budget will continue to be used to support FLOs in each district, including providing training opportunities and the sharing of best practice. The funding arrangements will continue for the forthcoming year, during which time there will be a review of the arrangements and local monitoring of impact.

For further information please contact your Early Help District Manager or look at the guidance published on KELSI which can be accessed via the following link:

[Family Liaison Officer funding additional information link](#)

Children in Care Pupil Premium (CiCPCP)

Guidance to follow

Early Years Funding

There are two new items to note in relation to the Early Years funding for 2015-16. The first is an increase to the hourly base rate and the second is the introduction of Early Years Pupil Premium for 3 and 4 year olds.

Increase Early Years base rate - cost of living

Details of the DSG headroom and cost of living increase are explained under the heading of AWPU earlier in this document. The Early Years free entitlement share of the £3m DSG headroom equates to 1p per hour and is included in the base rate which sees an increase from £3.90 per hour to £3.91 per hour.

Pupil Premium for 3 and 4 year olds

From April 2015, eligible pupils in your maintained nursery will be entitled to PP. This includes FSM and CiC pupils and funding will be paid at £0.53 per hour for eligible pupils.

Additional information on both of these issues, including Pupil Premium eligibility criteria and the application process can be found via the following link: [Early Years Education KELSI link](#)

SECTION C – SPECIAL ACADEMIES

(MILESTONE SPECIAL ACADEMY)

Introduction

The 2015-16 Special School Budget Book (applicable to all special schools only) is in the process of being updated and will be available shortly. This document will contain a detailed explanation of our Place Plus formula budget for special schools in Kent. In the meantime, this section highlights the changes from last year.

Increases to Funding Rates (distribution of headroom)

Details of the DSG headroom and cost of living increase are explained under the AWPU heading within Section B above. The Special Schools share of the DSG headroom has been included in both the day rate and residential rate. Overall there is an increase of 0.31% which equates to an increase of between £27.17 and £66.72 on each day rate.

Protection

Protection will be provided at no less than 98.5% of its 2014-15 value, ensuring that any reduction in funding per pupil is no greater than -1.5%, as for mainstream schools.

Funding Rates 2015-16

Special Schools were sent guidance and a computation on 27 January 2015 detailing the calculation of their funding rate. Special Schools were requested to submit a return by 11 February confirming that they were in agreement with the number of places and funding rates. To date the majority of Special Schools have returned and agreed this information.

Outreach

Outreach funding will continue in 2015-16 at £100,000 per Special School.

Following a recent review of the devolved Specialist Teaching and Learning Service (STLS) the authority intends to review the distribution of outreach funding to ensure it is effectively targeted to meet demand. This review will take place during 2015-16 and it is anticipated that this is likely to result in a realignment of outreach funding across the county from April 2016.