

DELEGATED SCHOOL BUDGETS 2015-16

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SECTION A - IMPORTANT INFORMATION

All Kent maintained schools will be able to access their basic budget templates on KELSI for 2015-16 and the following two financial years. Please note that all schools using these templates will be required to follow the instructions available on KELSI to finalise the calculation of their school's budget.

There are two key budget templates on KELSI, one for [primary and secondary](#) phase and the other for [special](#) phase. Each template includes a number of separate funding calculations and these are listed below for information:

1. **Mainstream** ([Mainstream Template 2015-16](#)), this includes:
 - a. Delegated formula budget
 - b. Minimum Funding Guarantee (MFG) calculation
 - c. Early years (if applicable)
 - d. High needs – mainstream (if applicable)
 - e. High needs – SRP (if applicable)
 - f. Pupil growth (if applicable)
 - g. Pupil Premium
 - h. Universal Infant Free School Meals (if applicable)
 - i. De-delegation calculation
 - j. Year 2 and 3 MFG calculation
2. **Special** ([Special Template 2015-16](#)), this includes
 - a. Years 1, 2 and 3 of high needs Place Plus funding.
 - b. Pupil Premium
 - c. Universal Infant Free School Meals (if applicable)
 - d. Pooled funding calculation

In addition a separate template is provided for your [Devolved Formula Capital](#) funding. This template applies to all phases.

Schools that have purchased the new Financial Planning Tool (FPT) should note that the budget information is included in the FPT. The FPT also contains fully interactive formula driven areas to assist schools with calculating the most up to date funding based on local knowledge.

The new FPT will be rolled out to schools in April 2015 at the training sessions. These can be booked via CPD online and numbers are limited to two people per school. The FPT will **not** be available until after the training sessions. Schools have been given an extension until 27 June 2015 to provide a three year budget to the Local Authority due to this delay.

Full guidance notes will be issued to all schools with their FPT.

SECTION B - BUDGET HEADLINES

Minimum Funding Guarantee

The Government's Minimum Funding Guarantee (MFG) for 2015-16 has been set at -1.5%. This has been applied to ensure no school has a reduction in its budget of more than 1.5% per pupil (excluding exempt items and high needs funding) before any pupil premium is allocated. The Government has provided no information about 2016-17 or future years MFG, so in the absence of any firm information our planning model assumes that the -1.5% MFG rate will continue for the medium term.

Distribution of £3m Headroom

2015-16 is the fifth consecutive financial year of "flat cash", meaning that our DSG funding per pupil has effectively been frozen at 2010-11 financial year levels with no inflationary increases. We are aware that this national position is becoming an increasing challenge for all schools with the cumulative effect of pay and price increases. However, after finalising the 2015-16 school budgets, the Local Authority has £3m of headroom available for redistribution. In agreement with the Schools' Funding Forum, the LA has distributed this funding on an equitable basis to all types of institutions. For Primary and Secondary schools this has resulted in a small increase to your AWPU rates. For Special schools this increase has effectively been applied to your element 3 top up funding rates.

High Needs and Notional SEN funding

In line with our autumn consultation, the Local Authority (LA) is introducing a new process for defining high needs pupils in mainstream school settings from 1 April 2015. The new process moves away from a statutory process and instead looks at the costs of intervention. Schools will be expected to meet the first £6,000 of support. Where these costs of intervention exceed £6,000, additional top up funding will be provided by the LA. A new on-line system which schools will use to list such interventions has been developed and is currently being tested, and we are expecting to go live on 1 April.

One consequence of moving to this new process is that we expect the number of high needs pupils who receive a top up to increase from approximately 920 to over 3,200. The additional cost of supporting these extra high needs pupils is expected to be around £10m, and following our consultation with all schools, schools delegated budgets have been reduced to fund this. Background information about this change can be found later in this document.

Kent Scheme Pay

For 2015-16 the County Council has agreed a single pay and reward package for Kent Scheme staff, and this arrangement is similar to 2014-15. The new Kent Scheme salary scales will not be confirmed until mid-March.

Teachers on-cost increase

The employer's superannuation costs for teachers are increasing from 14.1% to 16.48% from 1 September 2015. We know that this represents a significant new pressure in 2015-16, which amounts to approximately +£6m pressure across all Kent schools and academies. This is not funded in the DSG and to put that in context crudely equates to a £25 "hit" on the AWPU.

SECTION C – GENERAL INFORMATION (APPLIES TO ALL SCHOOLS)

Copyright Licensing

The Department for Education (DfE) have continued their recent policy to purchase a single national licence managed by the DfE for all state-funded schools in England. Below is the full list of licences, including four new licences from 1 April 2015:

- Copyright Licensing Agency (CLA);
- Education Recording Agency (ERA);
- Filmbank Distributors Ltd. (for the PVSL);
- Motion Picture Licensing Company (MPLC);
- Newspaper Licensing Authority (NLA);
- Schools Printed Music Licence (SPML);
- Christian Copyright Licensing International (CCLI) (**new**);
- Mechanical Copyright Protection Society (MCPS) (**new**);
- Performing Rights Society (PRS) (**new**).
- Phonographic Performance Limited (PPL) (**new**).

The Dedicated School Grant (DSG) has been top sliced by the LA to fund the costs of these copyright licences. Funding will be passed back to the DfE. All schools and academies are covered by this arrangement and therefore should not make payment(s) for any of the licences detailed above as full cover is provided as part of the national agreement.

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 Local Authority 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 Shane Jermy on 03000 416311 or email at shane.jermy@kent.gov.uk.

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 for financial returns and local monitoring of impact.

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

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

Devolved Formula Capital (DFC)

There is no change to the DFC funding rates for 2015-16. Allocations will be calculated on the January 2014 pupil census data. To access your DFC budget for 2015-16 click on the following link: [Indicative devolved formula capital budget](#).

Pupil Premium (PP)

General

Schools can receive the following types of pupil premium payments:

- E6FSM - Ever Six Free School Meals
- E4SC - Ever Four Service Children
- CiC - Children in Care
- PLAC - Post Looked After Children

If a pupil is eligible for one of these categories then the school will receive the relevant funding (2015-16 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 either 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	E4SC	CiC	PLAC	E6FSM	E4SC	CiC	PLAC
Yes	Yes			Yes	Yes		
	Yes	Yes			Yes	Yes	
	Yes		Yes		Yes		Yes
Yes	Yes	Yes			Yes	Yes	
Yes	Yes		Yes		Yes		Yes

E6FSM

The eligibility criteria for E6FSM will remain the same as 2014-15. In 2015-16 the rate for a primary school pupil (Years R to 6) will increase from £1,300 to £1,320 and for a secondary school pupil it will remain the same at £935.

Provisionally the DfE has provided the LA with an indicative budget for E6FSM based on your schools 2014-15 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 2015-16 will be based on your January 2015 census return.

We anticipate that the DfE will allocate the final E6FSM allocation late in the summer based on the January 2015 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 2015 to March 2016**

To date we have no information from the DfE regarding PP funding rates for 2016-17, therefore for the purpose of estimating future years' budgets we have assumed that the funding rates will be maintained at the 2015-16 levels.

CIC

Guidance to follow

E4SC

Eligibility exists if a Service Child is recorded on one of the January census returns for 2012, 2013, 2014 or 2015. The funding rate has remained at £300 per eligible pupil.

Indicative budgets have been based on the number of E4SC recorded on roll in the school for 2014-15. An adjustment to the indicative budget will be made on confirmation of numbers from the DfE which is expected late in the summer. **It is important for schools to note that for initial budgeting purposes, schools should use their local records to estimate the number of eligible E4SC for the period April 2015 to March 2016**

To date we have no information from the DfE regarding PP funding rates for 2016-17, therefore for the purpose of estimating future years' budgets we have assumed that the funding rates will be maintained at the 2015-16 levels.

PLAC

2015-16 is the second year of PLAC PP and the funding rate remains at £1,900.

Eligibility exists for those pupils recorded on the January 2015 census who were looked after immediately before being adopted, or were placed on a Special Guardianship or Residence Order immediately after being looked after.

We are not including indicative funding based on 2014-15 data for PLAC PP as the pupil may now not be on the school's roll as at the January 2015 census. We anticipate that the DfE will notify the LA of schools' 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 2015 to March 2016**

To date we have no information from the DfE regarding PP funding rates for 2016-17, therefore for the purpose of estimating future years' budgets we have assumed that the funding rates will be maintained at the 2015-16 levels.

Universal Infant Free School Meals (UIFSM)

In July 2014, eligible schools received an indicative budget for UIFSM pupils, based on an 87% take up FSMs for children not already in receipt of FSMs as at the January 2014 census. This allocation was for the 7 month period September 2014 to March 2015. The full 12 months allocation for the period September 2014 to August 2015 will be based on the average take up of pupils from the October 2014 census and January 2015 census. It is anticipated that the DfE will inform the LA of the final 12 months allocation in May 2015 and subsequently the LA will adjust indicative school budgets to reflect the final allocation. To access the UIFSM meal estimator click on this link [UIFSM estimator](#).

To date we have not had any further guidance from the EFA on the operation of UIFSM for the period September 2015 and beyond. Therefore we are using the same methodology for 2015-16 as applied in 2014-15 to estimate UIFSM i.e. estimated on the average pupil take up from the October 2015 census and January 2016 census.

Year 7 Catch Up

Although this funding is being allocated to schools in the 2014-15 financial year, via the March advance, we felt it would be helpful to re-publish the link in this guidance as some of this funding may be spent in 2015-16. Details of allocations and conditions of grant can be accessed via the following links.

[Year 7 catch-up allocations](#)

[Year 7 catch-up premium - conditions of grant 2014-2015](#)

Primary PE and Sport Premium Grant

Schools received their funding for the period September 2014 to March 2015 in November 2014. The final payment for the period April 2015 to August 2015 will be made to schools in June 2015. For details of the grant allocation click on this link: [Primary PE and Sport Premium Grant](#)

To date the DfE have not provided any further guidance on allocations from September and beyond. Last year we received details of the 2014-15 grant during the month of October.

SECTION D – PRIMARY AND SECONDARY SCHOOL CHANGES

The 2014-15 School Budget book is in the process of being updated for 2015-16 and will be available shortly. This document will contain a detailed explanation of our local formula budget for primary and secondary schools. In the meantime, this section highlights the changes from 2014-15.

The 2015-16 Mainstream budget templates can be accessed via the following link:
[Mainstream Template 2015-16](#)

Changes to formula factors

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 year's 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.

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.

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 the course of time (2015-16). The funding to support these additional pupils has traditionally sat within schools' notional SEN budgets. The estimated cost of the additional high needs pupils is £10m, therefore this funding 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.

Primary Phase adjustment to LCHIS funding rate

From the 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 % of qualifying pupils in a primary school is now 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% receive funding and in 2015-16 it is now 23%. To accommodate the increase in overall eligible numbers, the rate per eligible pupil has dropped 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.

If you would like further information about the factors used in the local formula budget please access the 2015-16 School Budget Book (link to follow).

Minimum Funding Guarantee - Adjustment

The adjustment to your notional SEN budget has been excluded from this year's MFG calculation. A fuller explanation of why this has happened is contained within the Changes to Formula Factors section above.

De-delegation

Members of the SFF representing primary and secondary phase unanimously voted to continue de-delegating some specific budgets in 2015-16.

The ratification of this process took place at the SFF meetings held on the 28 November 2014.

The budgets where de-delegation 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 table below.

Budget Heading	Amount de-delegated per pupil		CFR code
	Primary	Secondary	
Schools in Financial Difficulties	£18.81	£9.45	E 23
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 Education Funding Agency (EFA) has not issued post 16 budgets. On receipt of this information, due for release by the EFA sometime in March, schools will need to manually record this information on their 3 year financial plans.

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 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.

Basic Need definition - 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 the 7 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 school/academies 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 either the 3 year planner or your budget template.

High Needs SEN Funding – Place Plus

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.

Your school can access your SRP place numbers and budget through your budget template.

You may have been copied into a recent communication from the EFA regarding our exceptional case funding. Despite the Local Authority not being 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

One aspect of the national school funding reforms introduced in April 2013 was the introduction of national criteria that now uses a monetary value to define a high needs pupil in a mainstream school. The definition of a High Needs pupil in a mainstream school is a pupil that has additional need of £6,000 or more.

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

Notional SEN Funding

In order to help provide a suitable and fair period of transition for all schools, protection will be provided on a schools notional SEN budget for 2014-15 for the period April 2015 to August 2015. The cost is estimated at £2.2m and this will be funded from one off DSG.

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 school using a new web based application that is currently in development but will be ready for use by the 1st April. 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.

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 KELS link](#)

SECTION E – SPECIAL SCHOOLS

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 the meantime, this section highlights the changes from last year.

The 2015-16 Special School budget templates can be accessed via the following link: [Special Template 2015-16](#)

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 D page 9 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 and academies.

Funding Rates 2015-16

Special Schools were sent guidance and a computation on the 27 January 2015 detailing the calculation of their funding rate. Special Schools were requested to submit a return by the 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.

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 agreement applies to the maintained special schools only and covered 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 de-delegation 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.