

## PART 2 - BUDGET BOOK

# KENT COUNTY COUNCIL DELEGATED FORMULA FUNDING ALLOCATIONS

## PRIMARY AND SECONDARY SCHOOLS

Updated: 01 March 2013

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## **Introduction – to be updated**

## Section 1 – Formula Factors

### Factor 1 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. Details of the rates can be found in [Appendix 1](#) and further details of how they were set can be found in the variation statement ([attachment 1](#)).
- 1.2 The pupil numbers used to calculate the AWPU allocation are based on the October census. Two important adjustments have been made to the October census pupil count to take account of specially resourced provision and phased admission into year R.
- 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 Pupils being educated in specially resourced provisions (formerly known as units), attract funding separately from the rest of the school through the Place Plus system. This means that no funding should be included in the formula calculation for these pupils as it would result in double funding. The pupil count used for the formula calculation has been duly reduced by the number of pupils in the specially resourced provisions as at the 4<sup>th</sup> October 2012 which was confirmed with the schools affected in December 2012.
- 1.5 The difference between the number of pupils on roll in Reception (only those pupils aged 4 and over at the start of the academic year) in each school between the October 2011 and January 2012 Censuses is applied as an uplift to the primary pupil count. This is intended to accommodate schools that have a phased admission into year R. It is important to note that the uplift is based on historic data and not the number of pupils actually admitted in the current year. It is also possible that some schools will see a small uplift even though they don't operate a phased admission, this would be due to casual admissions the preceding year. The uplift is calculated by subtracting the total number of Year R pupils in October 2011 from the total in January 2012, or given as zero if the result of this calculation would be negative. If there are no year R pupils at the school then the uplift will always be zero.

### Factor 2 Deprivation

- 1.6 The deprivation factor attracts funding in two separate ways. First, by FSM (Free School Meals) eligibility. Second, by IDACI (Income Deprivation Affecting Children Index).

- 1.7 The proportion of pupils eligible for free school meals according to the Autumn 2012 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. Due to pupil number adjustments mentioned previously, the answer may not be an integer but there is no rounding of the pupil number. The school will then receive a rate per eligible pupil as detailed in [Appendix 1](#).
- 1.8 The Income Deprivation Affecting Children Index (IDACI) is a subset of the Indices of Multiple Deprivation (IMD). It is an area-based measure defined at the level of Lower Super Output Area (LSOA) and was last collected in 2010. It takes the form of a score between 0 and 1, which can be interpreted as the proportion of families with children aged under 16 in the LSOA which are income deprived. You can map postcodes to IDACI scores.
- 1.9 The IDACI score has been matched to pupil records where the pupil's postcode is known, and this has been placed into six bands as shown below. Only pupils with an IDACI score above 0.2 can be assigned deprivation funding through this factor, meaning there are six bands which can be given different unit values each for primary and six for secondary phase pupils. Where a pupil does not have a valid postcode they have been excluded from both the numerator and denominator thus not affecting the proportion of pupils in each band.

IDACI Score	IDACI band
$x < 0.2$	0
$0.2 \leq x < 0.25$	1
$0.25 \leq x < 0.3$	2
$0.3 \leq x < 0.4$	3
$0.4 \leq x < 0.5$	4
$0.5 \leq x < 0.6$	5
$0.6 \leq x \leq 1$	6

- 1.10 The bands have been selected so that each band above band 0 contains a broadly similar number of pupils across the country. For each of the bands, the proportion of pupils on the Autumn 2012 Census with valid IDACI scores 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 in each band. Due to pupil number adjustments mentioned previously, the pupil numbers may not be integers, but there is no rounding of the pupil numbers. The school will then receive a rate per eligible pupil as detailed in [Appendix 1](#).

### Factor 3 Looked After Children

- 1.11 Details of children looked after by a Local Authority are returned to the Department for Education on the annual SSDA903 collection. An extract of the SSDA903 2012 has been used as a data set for this indicator.

- 1.12 The data are matched into the National Pupil Database using the Unique Pupil Number (UPN), and extracts are obtained showing where the children were on roll based on the Spring 2012 school census. The UPN is the main field used for matching purposes but other information about the child is also used such as date of birth, gender, ethnicity and responsible Local Authority. In 2012, 99% of children of school age who had been looked after continuously for 12 months had a valid UPN.
- 1.13 The school level proportion for this indicator is given by dividing the number of matched pupils by the number on roll (NOR) in the Spring 2012 census. This proportion is then multiplied by the total pupil count used for AWPU funding, to reach the number of eligible pupils. Due to pupil number adjustments mentioned previously, the answer may not be an integer but there is no rounding of the pupil number. The school will then receive a rate per eligible pupil as detailed in [Appendix 1](#).

#### Factor 4 Low Cost, High Incidence SEN

- 1.14 The Early Years Foundation Stage Profile (EYFSP) results and Key Stage 2 (KS2) results are the indicators for low cost, high incidence SEN. For primary schools, funding is targeted at pupils who achieve fewer than 78 points on the current EYFSP. The total point score is taken and individual categories are not used. EYFSP results are mapped to the Autumn 2012 Census. Pupils in Year 5 and 6 in the Autumn 2012 Census were not assessed using the current EYFSP and are excluded from the calculations. If a school has primary pupils but no pupils with valid EYFSP results, then they will be given a KS2 proxy in the dataset, using either the KS2 results of secondary pupils currently in the school or the KS2 results of the most recent cohort to be assessed at the school.
- 1.15 For secondary schools, funding is targeted at pupils who achieve a Level 3 or below (so pupils scored as 2, 3, B or N) in English *and* Mathematics at KS2. Pupils with no KS2 results or with results other than those listed are excluded. Only pupils who have undertaken assessment have been considered in calculating the eligible school percentage so pupils marked as absent are excluded from the denominator.
- 1.16 The school level proportion for this indicator is given by dividing the number of matched pupils by the NOR in the Autumn 2012 census. This proportion is then multiplied by the total pupil count used for AWPU funding, to reach the number of eligible pupils. Due to pupil number adjustments mentioned previously, the answer may not be an integer but there is no rounding of the pupil number. The school will then receive a rate per eligible pupil as detailed in [Appendix 1](#).

#### Factor 5 English As An Additional Language (EAL)

- 1.17 The EAL (English as an Additional Language) factor is 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".

Pupils will be counted if they are grouped as “2\_OTH” from the Language Code on the Autumn 2012 Census and can be shown to have been in the school system for less than three years.

- 1.18 This is achieved by deriving a pupil level “Years in System” count based on the pupil’s presence in the Autumn 2009, Autumn 2010 and Autumn 2011 Censuses. Using the years in system indicator and the current NC year, an estimated NC 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 does not have to be declared in the Census for pupils aged less than 5, causing the Year R data recorded to be partial and unrepresentative. Also for this reason, pupils in year R are excluded from the measure. Pupils grouped as 3\_UNK are also excluded.
- 1.19 The school level proportion for this indicator is given by dividing the number of matched pupils by the NOR in the Autumn 2012 census. This proportion is then multiplied by the total pupil count used for AWPU funding, to reach the number of eligible pupils. Due to pupil number adjustments mentioned previously, the answer may not be an integer but there is no rounding of the pupil number. The school will then receive a rate per eligible pupil as detailed in [Appendix 1](#).

#### Factor 6 Lump Sum

- 1.20 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. The rate at which the lump sum has been set and how this was done is shown in [Appendix 1](#).

#### Factor 7

- 1.21 Kent County Council has not included the factors numbered 7, 11 and 12 by the DfE. In order to avoid confusion, the same factor numbers used by the DfE will be used in all literature produced by Kent County Council.

#### Factor 8 Rates

- 1.22 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 School Budget and PVI team from District and Borough Councils, therefore schools do not need to submit their national non-domestic rates bill. However if there are changes in year to the initial bill generated 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.

### Factor 9 Private Finance Initiative (PFI)

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

1.24 This element of funding will be recorded under Factor 9 on the schools budget template and will be recouped in full by the LA through the schools advances system.

### Factor 10 London Fringe

1.25 The Department for Education has prescribed that the five local authorities including Kent, who have schools both within and outside the London fringe area will use a London fringe factor. Schools within the applicable area will receive funding worth 1.63% of the total value of Factors 1 to 6.

## Section 2 - Minimum Funding Guarantee (MFG)

2.1 School budgets receive protection from year to year variation in the form of the minimum funding guarantee (MFG). In summary the MFG protects the schools average funding per pupil minus 1.5%, it does not provide any protection against a diminishing roll.

### 2.2 MFG Calculation Example

First of all the schools budget from the previous year is taken

2012/13 Revenue Budget: £1,586,733

Next, a number of items as prescribed by the DfE are removed as exempt from the MFG:

Early Years Funding (Nursery Provision)	£120,960
Funding for High Needs Pupils (Formerly IAR)	£12,368
Non Domestic Rates	£32,060
The value of the lump sum in the coming year	£120,000

2012/13 Revenue Budget Less Exempt Items £1,301,345

The October 2011 pupil numbers are then used to calculate an average amount per pupil:

October 2011 pupils	357
Average funding per pupil	£3645

Pupils in Specially Resourced Provision (sometimes known as units), attracted formula funding in 2012/13 but will receive funding through the Place Plus method in 2013/14. This means that an adjustment needs to be made in order to reach the MFG baseline.

Specially Resourced Provision Pupils	5
Average Funding per pupil	£3645
Adjustment	£18,226
2012/13 MFG Baseline	£1,283,119

In keeping with current government policy, the baseline is then reduced by 1.5% and divided by the number of pupils on roll in October 2011 minus any pupils in specially resourced provision.

2012/13 MFG Baseline Less 1.5%	£1,263,872
2012/13 MFG per pupil (352 pupils)	£3,591

The MFG per pupil is then multiplied back up by the number of pupils on roll in October 2012 not including pupils in specially resourced provision. It is important to note that the reception uplift used in the formula does not apply at this stage.

2013/14 MFG (380 pupils)	£1,364,408
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In 2013/14 there will be further delegation to schools of some central budgets. This delegation is intended to benefit all schools regardless of whether they are on the MFG so is added in at this stage. In addition we add in the rates allocation and the new lump sum amount.

2013/14 MFG (380 pupils)	£1,364,408
Further Delegation	£19,123
Rates	£32,900
New Lump Sum	£120,000
2013/14 MFG	£1,536,431

The MFG figure is then compared to the Formula allocation for 2013/14, if the formula delivers a greater figure then no MFG funding is due. If the MFG figure is greater than the formula allocation then MFG funding equal to the difference will be provided.

2013/14 MFG	£1,536,431
2013/14 Formula Allocation	£1,515,313
MFG Funding	£21,118

## Section 3 - Funding Cap

3.1 Due to the introduction of a new formula at a time when there is no new money available, the DfE have allowed local authorities to introduce a capping arrangement to limit the cost of gains in the new formula when the losses are protected and the total funding has not been increased. The cap will only apply to additional funding generated for a school due to the introduction of the new formula.

### 3.2 Capping Calculation Example

To start with the 2012/13 MFG Baseline is taken from the MFG calculation, this is divided by the number of pupils in October 2011 and multiplied back up by the number of pupils in October 12. Next, the value of the further delegation, lump sum and rates are added in order to reach a budget figure comparable to the 2013/14 formula calculation.

2012/13 MFG Baseline	£1,283,119
October 2011 Pupils	352
Amount per pupil	£3,645
October 2012 Pupils	380
Pupil numbers adjusted	£1,385,187
Further Delegation	£19,123
Rates	£32,900
New Lump Sum	£120,000
Comparable Budget	£1,557,210

Next, this figure is compared to the new formula allocation to see if there has been an actual increase in funding. If the funding has reduced then there will be no cap. If there is an actual increase in funding then the cap will apply at 33%

2013/14 Formula Allocation	£1,573,146
Actual Increase in Funding	£15,936
Funding Cap Amount	£5,259

The amount of the funding cap will show as a negative on the schools budget template and will reduce the budget share accordingly.

## Section 4 – Place Plus Mainstream

### Notional SEN Budget

- 4.1 The description notional AEN/SEN budget has been used for sometime by the DfE to describe the level of funding included in a schools delegated budget that is targeted at low level SEN and Additional Education Needs (AEN).
- 4.2 In Kent around £86 million of the overall delegated Dedicated Schools Grant (DSG) is targeted through notional AEN/ SEN factors. The criteria to trigger funding for a High Needs SEN pupil in Kent are detailed in Paragraph [4.6](#). For SEN and AEN pupils that do not meet this criteria funding has been allocated using proxy indicators known as the notional AEN/SEN budget. Schools/academies are expected in the first instance to target the notional AEN/SEN funding they receive to meet the needs of these pupils.

The notional AEN/SEN budget for a school is made up of the following factors

Factor 2- IDACI, Factor 3- LAC, Factor 4- SEN, Factor 5- EAL and part of the lump sum factor 6.

### High Needs SEN Funding – “Place Plus” - General

- 4.3 From April 2013 a standard approach known as “Place Plus” will be applied to all High Needs SEN pupils in Special Schools, Specialist Resourced Provision (SRP), Mainstream Schools without a SRP, Further Education (FE) Colleges, Independent Specialist Provision (ISP), Independent Schools and Pupil Referral Units (PRUs). This standard approach will be applied to all High Needs SEN pupils aged 0-24 and has been introduced with the aim of dovetailing financial resources with the Children and Families Bill, that will be enacted from September 2014.
- 4.4 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 “Pupil Offer” or “Funding Offer”.

- 4.5 The simplistic method described above will be applied in a different way depending on the type of High Needs SEN provision the pupil is in. The following guidance will apply to both Local Authority (LA) Maintained Schools and Academies as it is the LAs responsibility to fund all High Needs SEN pupils. Academies that have converted prior to the 1 April 2013 will not move across to Place Plus funding until September 2013, the beginning of the 2013-14 academic year. For the period April 2013 to August 2013 academies will be funded under Kent’s funding method for High Needs SEN pupils in 2012-13 known as Individual Assigned Resources (IAR). DfE guidance to confirm this process is detailed [here](#), see Annex A paragraphs 4 and 7.

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4.6 It is important to understand that the definition of a High Needs SEN pupil will vary from LA to LA. To qualify as a High Needs SEN pupil in Kent a pupil must meet one of the two following criteria;

- 1) SRP pupils -If the school has a SRP the pupil must have the schools SRP named on the pupils statement.
- 2) For non-SRP pupils, the pupil must firstly have a statement and secondly meet a further criteria determined by a panel of Head teachers. Rule of thumb to qualify is that an eligible pupil will have a statement of 25 hours or more.

4.7 All school Special Education Needs Co-ordinating Offices (SENCOs) should be aware of the process to access funding for High Needs SEN pupils. If you or your SENCO have any questions on this process, please contact one of the following SEN Finance and Information Officers (FIO's):

Stephanie Rapley - West Kent,  
Telephone: 01732 525028, e-mail: [stephanie.rapley@kent.gov.uk](mailto:stephanie.rapley@kent.gov.uk)

Susanne Baillie – East & Mid Kent  
Telephone 01227 284533, e-mail: [susanne.baillie@kent.gov.uk](mailto:susanne.baillie@kent.gov.uk)

4.8 If a pupil meets the criteria in either 1 or 2 above they will trigger funding under one of the following headings

SLCN, SPLD and BESD	Speech Language and Communication (SLCN) Specific Learning Difficulties (SPLD) Behaviour Emotional Social Dysfunction(BESD)
SLD	Severe Learning Difficulties(SLD)
ASD	Autistic Spectrum Disorder (ASD)
PD, HI and VI	Physical Disability (PD) Hearing Impairment (HI) Visually Impairment (VI)

4.9 The Department for Education (DfE) as part of the funding reform guidance have provided a universal definition of a High Needs SEN pupil for all local authorities. The DfE's definition of a High Needs SEN pupil is a pupil requiring provision that costs more than £10,000 per annum. The guidance states that the DfE have deliberately chosen a financial threshold to define a pupil with high needs, as opposed to an assessment based threshold, as an assessment based threshold may result in a perverse incentive.

4.10 This statement has a number of implications, the first and most challenging one being how would the £10,000 be assessed; to do this as prescribed by the DfE would require a radical change to how pupils are assessed to meet the High Needs criteria in Kent.

The change in process would come with a considerable additional administration commitment and cost for both schools and the LA. There would have to be a redirection in funding as the £10,000 would mean many more pupils would meet the criteria and this would result in the reduction of current High Needs funding rates. These are currently set at a much higher threshold, any redirection in funding would need to be cost neutral. Also, there appears to be a contradiction in applying this consistently in different types of provision, including Pre and Post 16 pupils.

- 4.11 Due to the short time scale, Kent has retained its current threshold and definition of a High Needs pupil. The implementation of the £10,000 definition will be reviewed during 2013-14.

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

- 4.12 If your School/ Academy was one of the 47 SRPs in Kent it will have been contacted by a Local Authority (LA) SEN Officers in the Autumn of 2013 to agree a number of places for the period April 2013 to March 2014. This process will continue on an annual cycle, however 2013-14 will be a period of transition.
- 4.13 One strand of the of the overall SEN review being carried out by Kent is the review of SRP provision. During January 2013 all schools and academies have been sent a letter by Julie Ely (Head of SEN and Placement) to see if they would like to have a SRP as part of their schools mainstream provision. The outcome of this process and the overall SEN strategy will determine SRP provision in Kent and subsequently a process will be agreed regarding the annual place numbers in the SRP.
- 4.14 The Place Plus guidance has been written with the aim of making it easily understandable for the reader. However due the complexity of the Place Plus funding we acknowledged that a full simple explanation is not something that is synonymous with Place Plus, therefore we recommended that you use the table in [attachment 9](#) in conjunction with the guidance in this document.

### Details of Process

#### Specialist Resource Provision (SRP) – Pre 16

- 4.15 This guidance will apply from April 2013 to LA schools and academies that have converted after the start of the new financial year, and from September 2013 for Academies that have converted prior to the 1 April 2013.
- 4.16 E1 and E2 will be based on a guaranteed number of places agreed in paragraph [4.12](#) for the period April 2013 to March 2014. E1 will be set at £4,000 and E2 will be set at £6,000. Funding is guaranteed for the number of agreed places regardless of how many pupils are actually placed in the SRP.

- 4.17 To explain how E3 is calculated it is best to use a simple example and for the purpose of this example the cost of the pupil in the SRP is £15,000. E3 top up funding will be the cost of the pupil £15,000 less E1 & E2 (£10,000) = £5,000. E3 will only be paid for actual pupils on roll at the SRP and funding will follow in or close to the real time movement of the pupil (on a monthly basis).
- 4.18 Place funding E1 & E2 will be paid by the LA to LA maintained schools and for Academies it will be paid direct to the academy by the Education Funding Agency (EFA). E3 will be funded by Kent for Kent pupils placed in a Kent LA maintained school or academy.
- 4.19 Recoupment for Other Local Authority (OLA) pupils - Prior to 2013-14 all High Needs SEN pupils were funded direct by the LA in which the school was located, no distinction was made where a pupil was placed in a school from another LA. The cost of the OLA pupil was then recouped from the OLA by the LA where the school was located. The DfE have now removed the responsibility of recoupment from LAs and placed this with the school/academy. From 2013-14 it will now be the responsibility of the school/academy to recoup the cost of element 3 for OLA pupils from the commissioning LA.
- 4.20 There is an exception to this policy in respect of Looked After Children (LAC). Where a LAC is placed in a SRP by another LA the previous method for recouping out of county placement will be applied. For OLA LAC placed in a SRP, funding will not be recouped by the school/academy from the commissioning LA. Payment for E3 will be made by the LA where the school is located and LAs will recoup funding as per the 2012-13 method.
- 4.21 Where a High Needs SEN pupil is placed in a SRP by another LA and they are not a LAC the school/academy will need to make arrangements to recoup E3. We suggest that the rate charged is based on the individual Need type rate of the SRP. If the pupil has exceptional need in addition to the standard rate of funding, the school/academy will need to agree an individual charge with the commissioning LA. It is at the discretion of the school/academy as to whether an administration charge is applied to the amount recouped. Recoupment between the school and the commissioning LA will be more common in Special Schools; therefore a standard agreement has been drawn up. See [Attachment 4](#) for the model agreement.
- 4.22 Where a pupil is placed in an SRP and the number of purchased places is exceeded, agreement will need to be made between the school and the commissioning LA regarding the funding rate charged for that pupil. The suggested rate of funding agreed between the two parties will be the total cost of E1, 2 and 3 on a pro rata basis.

#### Specialist Resource Provision (SRP) – Post 16 – April to July

- 4.23 This guidance will apply from April 2013 to LA schools and academies that have converted after the start of the new financial year, and from September 2013 for Academies that have converted prior to the 1 April 2013.

- 4.24 E1 funding rate will be based on the post 16 NFF for the institution and will be paid by the Education Funding Agency (EFA) on October 2011 lagged numbers. The LA will fund the difference between the actual number of post 16 High needs SEN pupils on roll during the month and the number of agreed places as per paragraph [4.12](#) at the post 16 NFF rate for the institution.
- 4.25 E2 will be funded at a rate of £6,000 and will be funded by the LA for the number of agreed post 16 places between the LA and the school/academy as per paragraph [4.12](#).
- 4.26 To explain how E3 is calculated it is best to use a simple example and for the purpose of this example the cost of the pupil in the SRP is £15,000. E3 top up funding will be the cost of the pupil £15,000 less E1 (Post 16 NFF for the institution) less E2 (£6,000) = £? (actual amount will be dependent on institutions Post 16 NFF). E3 will only be paid for actual pupils on roll at the SRP and funding will follow in or close to the real time movement of the pupil (on a monthly basis).
- 4.27 Recoupment for Other Local Authority (OLA) pupils - Prior to 2013-14 all High Needs SEN pupils were funded direct by the LA in which the school was located, no distinction was made where a pupil was placed in a school from another LA. The cost of the OLA pupil was then recouped from the OLA by the LA where the school was located. The DfE have now removed the responsibility of recoupment from LAs and placed this with the school/academy. From 2013-14 it will now be the responsibility of the school/academy to recoup the cost of element 3 for OLA pupils from the commissioning LA.
- 4.28 There is an exception to this policy in respect of Looked After Children (LAC). Where a LAC is placed in a SRP by another LA the previous method for recouping out of county placement will be applied. For OLA LAC placed in a SRP funding will not be recouped by the school/academy from the commissioning LA. Payment for E3 will be made by the LA where the school is located and LAs will recoup funding as per the 2012-13 method.
- 4.29 Where a High Needs SEN pupil is placed in a SRP by another LA and they are not a LAC the school/academy will need to make arrangements to recoup E3. We suggest that the rate charged is based on the individual Need type rate of the SRP. If the pupil has exceptional need in addition to the standard rate of funding, the school/academy will need to agree an individual charge with the commissioning LA. It is at the discretion of the school/academy as to whether an administration charge is applied to the amount recouped. Recoupment between the school and the commissioning LA will be more common in Special Schools; therefore a standard agreement has been drawn up. See [Attachment 4](#) for the model agreement.
- 4.30 Where a pupil is placed in an SRP and the number of purchased places is exceeded, agreement will need to be made between the school and the commissioning LA regarding the funding rate charged for that pupil. The suggested rate of funding agreed between the two parties will be the total cost of E1, 2 and 3 on a pro rata basis.

#### Specialist Resource Provision (SRP) – Post 16 – August 2013 to March 2014

- 4.31 This guidance will apply from April 2013 to LA schools and academies that have converted after the start of the new financial year, and from September 2013 for Academies that have converted prior to the 1 April 2013.
- 4.32 E1 funding rate will be based on the post 16 NFF for the institution and will be paid by the Education Funding Agency (EFA) on October 2012 lagged numbers. The LA will fund the difference between the actual number of post 16 High needs SEN pupils on roll in the month and the number of agreed places at the NFF post rate for the institution.
- 4.33 E2 will be funded at a rate of £6,000 per place and will be funded by the EFA. If the number funded by the EFA is less than the agreed number of places between the institution and the LA, additional funding for the shortfall in the places not funded will be passed on to the institution by the LA.
- 4.34 To explain how E3 is calculated it is best to use a simple example and for the purpose of this example the cost of the pupil in the SRP is £15,000. E3 top up funding will be the cost of the pupil £15,000 less E1 (Post 16 NFF for the institution) less E2 (£6,000) = £? (actual amount will be dependent on institutions Post 16 NFF). E3 will only be paid for actual pupils on roll at the SRP and funding will follow in or close to the real time movement of the pupil (on a monthly basis).
- 4.35 Paragraphs [4.27](#) to [4.30](#) also apply.

#### Specialist Resource Provision (SRP) – Pre 16 – September 2013 to March 2014

- 4.36 Place Plus for academies that have converted prior to the 1st April 2013 will take effect from September 2013 to coincide with the academies academic financial year.
- 4.37 Paragraphs [4.16](#) to [4.22](#) apply.

#### Specialist Resource Provision (SRP) – Post 16 – September 2013 to March 2014

- 4.38 Place Plus for academies that have converted prior to the 1st April 2013 will take effect from September 2013 to coincide with the academies academic financial year.
- 4.39 Paragraphs [4.24](#) to [4.30](#) apply.

#### Calculating the SRP rate for Pre and Post 16 pupils

- 4.40 The guidance from the DfE states that the funding rate for a SRP should be based on the overall cost of the provision divided by the number of purchased places. Prior to 2013-14 High Needs SEN pupils received individual identified High Needs SEN funding and also the equivalent elements of mainstream funding that a Non High Needs SEN pupil would receive i.e. Basic Element and notional AEN/SEN funding.



From 2013-14 all related funding for a SRP pupil must be allocated through an individual budget for the SRP and no funding for the individual pupil will be included in the schools formula budget.

- 4.41 The number of SRP pupils recorded on the schools October 2012 census will be deducted from the number of pupils funded through the formula budget. For LA maintained schools this will be for the funding period April 2013 to March 2014 and for academies it will be for the funding period September 2013 to August 2014.
- 4.42 As explained in paragraph [4.22](#) above the cost of a SRP should be based on the right level of resource needed to effectively support the pupils in the provision. As part of current SEN review being carried out in Kent, a piece work will be done to identify the level of financial resource needed in order to maintain SRP. In the interim and until this piece of work has been carried out the allocation for a SRP will be based on the funding formula used for a pupil placed in a SRP.
- 4.43 The budget for each SRP in the county has been 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).
- 4.44 To see an illustration of how an SRP notional budget and rate is calculated go to [Attachment 5](#). To access your schools individual SRP calculation see your schools published budget template.

#### Tracking and Payment of the pupil

- 4.45 Funding (Element 3 - "Top up funding") for Kent pupils and LAC from OLAs recorded on the roll of the SRP will be paid through the school advances system in the month following the month the pupil is recorded on the roll. The recorded number of pupils for the month will include any on roll between the first and last working day of the month. Any new pupils on roll or any pupils leaving the SRP during the month will be counted as funded pupil for the full month.
- 4.46 Exception - During August, pupil numbers will be at an artificially low number as pupils will leave in July and new pupils will not start until September. In order to recognise that SRPs will still have the cost of staff for the month of August, funding will be based on the July pupil count.
- 4.47 The actual cash payment in April will be calculated on the pupil roll for March which is in the previous financial year. SRPs are likely therefore to receive a marginally different amount of cash in the financial year (April to March) to the actual income for the period. Unless it is material, actual cash adjustments will not be made and SRPs in cash terms will always be one month out of sync with their financial records. However, in respect of the schools accounts the correct level of income must be recorded during the period (April to March). This part of the guidance is only applicable to LA schools as Academies report on an academic year September to August.

4.48 The process to be applied to record the correct level of income in the period will be to raise a debtor or creditor. Using the information submitted by the SRP to Finance Information Officers (FIOs) for March 2013 pupil numbers a calculation will subsequently be made to identify the amount of the debtor or creditor for each school. The adjustment will need to be reflected in the schools year end submission. LA officers will provide details of the debtor/creditor amount to the school by the end of March so that this information can be included the schools year end accounts.

#### Initial Data Collection from Schools

4.49 A list of pupils as recorded on the impulse data base will be sent out to all SRPs shortly after the 1 March. The details on the list will need to be verified and returned to Susanne Baillie (Finance Information Officer) by the 15 March. See [attachment 6](#) - Initial data collection.

#### Monthly Return

4.50 The initial pupil information agreed with the SRP will need to be updated on a monthly basis. [Attachment 7](#) is the exception report that will be submitted monthly by each SRP to update their number of pupils on roll. The first submission will be on or before the 3 April. Information on this initial submission must identify any leavers or joiners that have taken place since the initial data collection. This process will then take place monthly as per the time table ([attachment 8](#)) and it will be the responsibility of the Specially Resourced Provision to comply with the timetable. If there are no changes a nil return will be required.

#### High Needs SEN pupils in a mainstream School / Academy without a SRP.

4.51 All maintained LA schools and academies that convert from April will follow the process detailed

4.52 For Academies that have converted prior to the April 2013 the same process outlined in paragraphs [4.51](#) to [4.62](#) will be applied from September 2013.

#### Details of Process

4.53 A High Needs SEN pupil as defined in paragraph [4.6](#) will receive named pupil funding as per agreed need type (paragraph [4.8](#)) plus the equivalent funding a non high needs SEN pupil would receive in the schools delegated formula budget. This amount of funding broadly equates to the same level of funding a High Needs SEN pupil with the same need type would receive in a SRP.

4.54 In respect of funding, the difference between a Pre 16 and a post 16 pupil in a mainstream school is that E2 additional supporting funding of £6,000 will be paid out of the schools existing notional SEN budget for a Pre 16 pupil. In the case of a post 16 pupil this funding will be paid by the EFA. For a full explanation of a schools notional SEN budget see paragraph [4.1](#).

- 4.55 The named High Needs SEN pupil will come under one of the needs types listed in paragraph [4.8](#). As an example a pupil with ASD as a need type will generate named pupil funding of £14,551. The school will receive E3 top up funding of £ 8,551 (£14,551 - £6,000) as the £6,000 will be resourced from the schools notional SEN budget or the EFA.
- 4.56 The guidance from the DfE is that E3 will follow the pupil in or close to the real time movement of the pupil on a monthly basis. Due to there being around 500 pupils that attend around 250 schools it is not possible to track these pupils on a monthly basis. Funding will not follow the pupil on a monthly basis but will follow the pupil on a periodic basis for the following periods (April to August), (September to December) and (January to March). Full guidance on the process will be detailed in the section below [tracking of pupils](#).
- 4.57 The DfE expectation is that schools will have sufficient funding through their notional SEN budget to absorb the contribution towards the cost of provision for the High Needs SEN pupil without it having a disproportionate impact on the schools resources for supporting Low level SEN and AEN pupils in the school. As there may not be a correlation between a schools notional SEN budget and the placement of high Needs SEN pupils the contribution of the £6,000 per high needs pupil may have a disproportionate impact on the resources available for low level SEN and AEN pupils in the school. Where this is the case the DfE have allowed the LA to top up a schools Notional SEN budget. As element 2 will be funded by the EFA for post 16 pupils, this consideration is only relevant to Pre 16.
- 4.58 The DfE have left the setting of the criteria, where this would apply, to the individual LA. The DfE have stipulated that the process must be transparent, simple to understand and consistently applied to all schools and academies.
- 4.59 The process for topping up a school's notional SEN budgets is as follows
- 1) A school will pay either 3% of its notional SEN budget or £6,000 per pupil, whichever is the lower. For example a school with a notional SEN budget of £10,000 we make a contribution of £300 towards E2. Using the example of an ASD pupil the school would receive £14,551 less £6,000 = £ 8,551, its SEN notional budget would then be topped up by £5,700 as no school will pay more than 3% of its notional SEN budget towards E2. This calculation will be applied on a monthly basis.
  - 2) A ceiling has been set in addition to the 3% per pupil, so that no school will pay more than 20% of its notional SEN budget.
- 4.60 It is important to note that indicative budget allocations for these pupils will not be provided in the initial budget setting process. Schools will be responsible for recording and calculating the amount of funding they will receive in their budget for High Needs SEN pupils.

## Tracking of pupils

- 4.61 A list of High Needs SEN pupils will be taken from the counties impulse data base on the 1<sup>st</sup> April. These pupils will be funded until the end of August. Any pupils on roll during April that are not included in the initial list will be funded for the full period April to August. Any additional pupils post April will be funded on a pro-rata basis until the end of the period.
- 4.62 A list of High Needs SEN pupils will be taken from the counties impulse data base on the 1<sup>st</sup> September. These pupils will be funded until the end of December. Any pupils on roll during September that are not included in the initial list will be funded for the full period September to December. Any additional pupils post September will be funded on a pro-rata basis until the end of the period.
- 4.63 A list of High Needs SEN pupils will be taken from the counties impulse data base on the 1<sup>st</sup> January. These pupils will be funded until the end of March. Any pupils on roll during January that are not included in the initial list will be funded for the full period January to March. Any additional pupils post January will be funded on a pro-rata basis until the end of the period.
- 4.64 For Academies that have converted prior to the April 2013 the same process outlined in paragraphs [4.51](#) to [4.62](#) will be applied from September 2013.
- 4.65 For academies that have converted post April 2013 the same process will apply from April 2013 as detailed in paragraphs [4.51](#) to [4.59](#)

## Section 5 – Early Years

5.1 Eligibility for Early Years Free entitlement funding exists from the term after the pupil is three years old and entitlement 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 [eligibility criteria](#)

5.2 Free entitlement funding can be claimed up to a maximum of 570 hours (38 weeks X 15 hours) for one pupil in an academic year (September to August). In the financial year April 2013 to March 2014 there are 39 funded weeks, split in to three periods;

April to August - 13 weeks (195 hours)

September to December – 14 weeks (220 hours)

January to March – 12 weeks (180 Hours)

Total maximum hours funded 595 = 39 weeks.

5.3 Each maintained setting will have a funding rate per pupil, made up of the four factors detailed in paragraphs [5.10](#) to [5.17](#). 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.

5.4 Funding will be advanced to schools/academies as follows:

### April to August

5.5 The schools budget has been estimated on the numbers of hours for the period April to August based on a combination of the overall trend in early years numbers and historic data from the school/academy.

5.6 The school/academy 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 return during the week 22<sup>nd</sup> to 26<sup>th</sup> April. An adjustment will be made to reflect the actual funding entitlement for the period April to August.

### September to December

5.7 During June maintained settings will be contacted to provide an estimate of their pupils for the period September to December. The return will then be used to calculate funding for the period September to December and will 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 during the week 16<sup>th</sup> to 20<sup>th</sup> September. An adjustment will be made to reflect the actual funding entitlement for the period September to December.

## January to March

- 5.8 During November maintained settings will be contacted to provide an estimate of their pupils for the period January to March. 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 pupil headcount return during the week 13<sup>th</sup> to 17<sup>th</sup> January. An adjustment will be made to reflect the actual funding entitlement for the period January to December.
- 5.9 To access details of the funding periods and pupil count dates click on this link [Early Years](#)

## Base rate

- 5.10 A flat base rate for all providers at £3.90 per child hour

## Flexibility Factor

- 5.11 This factor is in recognition that settings provide flexible opening hours.

Rate: £0.05 per child hour

- 5.12 To qualify for a £0.05 per child hour flexibility supplement settings must have met the following criteria:-

Opening hours of at least 8am to 6pm

Did not restrict the free entitlement to pre-set sessions

## Leadership qualification Factor

- 5.13 This factor recognises that the most significant single indicator of high quality provision is the qualification levels of staff in a setting.

- 5.14 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

- 5.15 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

5.16 This factor targets funding at the most deprived children.

Rate: - 2013-14 maximum of £0.86 per child hour

5.17 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 in the calendar year 2012. If a setting's average score was above the qualifying threshold (44 for 2013-14) then they would qualify for the supplement, the amount of which depended upon the setting's 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 12/13.

## Quality lump sum

5.18 Settings can receive a Quality Lump Sum (QLS) payment based on an Ofsted inspection judgement. A payment will be triggered for an outstanding, good or improving Ofsted inspection judgement. Payments will be made during the Autumn Term 2013 for any qualifying judgement received during the period August 2012 to July 2013. For the financial year 12/13 the payment was made up of a £300 lump sum and variable element of £0.05 per child hour.

## Charging in addition to the 15 hours Free Entitlement

5.19 New Education Regulations for 2012 (Charges for Early Years Provision) have come into force from 1st September 2012

5.20 Schools with a maintained Early Years setting can now charge for early years provision beyond the free entitlement of 15 hours for 3 and 4 year olds.

5.21 Regulations state that charges can be raised where the following does not apply;

1. That maintained nurseries can charge for provision where they are not receiving funding for the free entitlement.
2. The charge must be for children below compulsory school age.
3. Where the charge for the provision is addition to the free entitlement, it is not already funded by the local authority

5.22 The DfE have advised that it is at the schools discretion to determine the rate that will be charged for the maintained setting.

## Section 6 – Pupil Premium

### Ever Six – Free School Meals (FSM)

- 6.1 The criteria for funding Pupil Premium “Ever Six FSM” will remain the same as 2012-13.
- 6.2 Last year, the first year of “Ever Six FSM” schools were provided with a link to a DfE data base <https://www.keytosuccess.education.gov.uk/> that allowed them to view the historic FSM data for their school. This data can still be accessed however it has not been updated. The expectation from the DfE is that schools maintain their own records.
- 6.3 PP Ever Six FSM is paid on the January census count and LAs will be notified of the allocations for schools during May/June. We have provided all schools with an indicative budget allocation for the period April 2013 to March 2014. The data used to inform this calculation is taken from the DfE data base and updated with FSM census returns up to and including the January 2013 census. What we cannot identify in this data collection where a new pupil arrives at a school and is not in receipt of FSMs but was sometime during the previous six years. Therefore is important to note that indicative budget allocations for PP Ever Six FSM will be adjusted when the final allocation is notified by the DfE, however we do expect the final allocation to be materially different from your indicative budget.
- 6.4 The funding rate for 2013-14 is £900 and no information has been published by the DfE on the funding rate for 2014-15. However, when Pupil Premium was first introduced at the beginning of the spending review period, the DfE stated that it would increase by four equal instalments over the period. We have therefore assumed that the 2014-15 rate per pupil will increase by £300 to £1,200.

### Looked After Children (LAC)

- 6.5 The PP LAC funding rate for 2013-14 is £900 per pupils and the same assumptions have been made as PP- Ever Six FSM in that it will increase to £1,200 in 2014-15.

### Kent LACs in Kent schools

- 6.6 As in 2012-13, no funding has been initially included in your 2013/14 budget as the pupil premium eligibility criteria is based on the number of LAC pupils at the end of March each year. Obviously we do not have this information yet, but when we do get it we will calculate how much PP funding each school is entitled to and pay it through the school advances (our aim to include this amount in your schools May advance). Schools may have a good idea of the number of Kent LAC pupils (who have been looked after for 6 months) already within their school and can manually enter this information into their financial planning tool.
- 6.7 There will be no changes to funding for joiners or leavers during the year.



### Other Local Authority (OLA) LACs in Kent Schools

- 6.8 As in 2012-13, schools will need to contact the 'home' authority for these pupils as Kent has not been given the government grant to pay for them. Other authorities may have different rules about eligibility dates, and may make adjustments for joiners and leavers. It is expected that schools will already have a contact name for each authority they are working with.
- 6.9 Schools will need to provide OLAs with their own bank details. KCC is not acting as an intermediary or handling these payments.

### Pupil Premium – Service Children

- 6.10 The method for counting service has changed from the initial single count used in 2012-13 to an Ever 3 Service Child count.
- 6.11 An "Ever 3 Service Child" means a pupil who was eligible for the Service child premium in either 2011-2012 or 2012-2013, but is not recorded as a Service child on the January 2013 School Census.
- 6.12 The PP Ever 3 Service Child rate is £300 per pupil for each full time equivalent (FTE) pupil
- 6.13 To access the DfE Pupil Premium Grant condition guidance click on the following [link](#)

## Section 7 – Pupil Growth

- 7.1 As part of the school funding reforms, Local Authorities (LA) are allowed to retain Dedicated Schools Grant (DSG) for pupil growth. The growth fund will need to be ring- fenced so that it is only used for the purpose of supporting growth in pupil numbers to meet basic need and will be for the benefit of both maintained schools and academies.
- 7.2 Protection will only be allocated, where it is agreed between the Area Education Officer (AEO) and the school/academy to increase its admission number as part of the pupil planning process for the surrounding area.
- 7.3 At the Schools' Funding Forum (SFF) meeting on the 12 October the criteria for allocating growth funding was ratified by the group and subsequently the DfE have agreed the criteria. To view the paper and guidance agreed by the SFF see [attachment 15](#).
- 7.4 Pupil Growth academic year September 2012 to August 2013 – Schools/academies will be notified by the 8 March of their growth funding allocation for the period April 2013 to August 2014.
- 7.5 Pupil Growth academic year September 2013 to August 2014 and beyond - We are currently in the process of agreeing the eligible schools that meet the criteria for growth funding. This piece of work is being jointly carried out between schools finance and AEOs. Schools and academies will be notified by the end of March as to their estimated future pupil growth allocations for the period post September 2013.

## Section 8 - Rising Roll Funding

- 8.1 Schools may be entitled to rising roll funding if they have an increase in pupil numbers during the financial year, when the new academic year starts. Rising roll funding includes year groups R to 11.
- 8.2 In order to trigger funding a school must fulfil the following criteria:
1. First, funding will only be generated when there is an increase in pupil numbers between the October 2012 and October 2013 census that is greater than 2% of the pupils on roll and more than 5 pupils. When funding is triggered the payment will exclude the greater of the first 2% of pupils or the additional 5 pupils on roll.
  2. Entitlement will only exist if the funding triggered after exceeding the thresholds in 1 above is greater than £ 2,000 for a primary school and £10,000 for a secondary school.
  3. If a school fulfils the criteria in 1 & 2 above then funding is subject to a further threshold whereby the amount of funding triggered must be greater than 0.5 % of the schools initial budget for the period (April to March).
- 8.3 In cases where rising roll funding is triggered as above, the number of eligible pupils will be multiplied by the relevant AWPU rates, and then multiplied by 7/12ths (September to March). If the school received funding through the MFG then this amount will be deducted to obtain the funding figure. It will be this figure that will be tested against requirements 2 and 3 above.

**Section 9 – School Funding Forum – to be updated**

## Appendix 1 – Table of Funding Rates

	Primary	Secondary
Basic Entitlement Primary	£2,727.11	
Basic Entitlement Key Stage 3		£3,788.26
Basic Entitlement Key Stage 4		£4,157.11
Deprivation FSM	£359.10	£334.40
Deprivation IDACI Band 1	£414.73	£446.76
Deprivation IDACI Band 2	£435.47	£469.10
Deprivation IDACI Band 3	£468.13	£504.28
Deprivation IDACI Band 4	£514.94	£554.71
Deprivation IDACI Band 5	£566.44	£610.18
Deprivation IDACI Band 6	£708.05	£762.72
Looked After Children	£525.42	£525.42
Low cost, high incidence SEN	£1,308.52	£2,551.02
English as an additional language	£884.94	£3,343.99
Lump Sum	£120,000.00	£120,000.00
Free School Meals	£900.00	£900.00
Looked After Children Kent	£900.00	£900.00
Looked After Children OLA	£900.00	£900.00
Service Children	£300.00	£300.00
SLCN & SPLD	£4,653.10	£4,653.10
SLD	£6,602.66	£6,602.66
ASD	£8,551.23	£8,551.23
PD, HI & VI	£13,028.88	£13,028.88