

**KENT COUNTY COUNCIL  
ACADEMY BUDGET GUIDANCE 2019-20**

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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.

We have published academy budget template on KELSI for both Primary and Secondary phases, which can be accessed here: [Academy template 2019-20](#)

These templates include:

- a. Early years (if applicable – based on the funding rates that the LA is intending to confirm)
- b. High needs – mainstream (if applicable)
- c. High needs – SRP (if applicable)
- d. Pupil growth (if applicable)

A funding guidance book has been provided for 2019-20, and this document will provide you with a detailed explanation on how your funding has been calculated. To access this document click on this link [Primary and Secondary School Funding Guidance 2019-20](#). This document has been written for both LA maintained Schools, Academies and Free Schools.

We have also published a separate template containing the funding rates for Milestone Special School, which can be accessed via the following link: [Special school funding rates](#)

## SECTION B - BUDGET HEADLINES

### Headlines

#### Local Funding Arrangements

As part of the Local Funding Formula (LFF) consultation held in Autumn 2017 the LA set indicative funding rates for the financial year 2019-20. We are pleased to confirm that we have fully implemented these rates and in addition have added a Split Site Factor (SSF) from 2019-20 ([for details SSF](#)). To access details of the LFF rates for 2019-20, click on this link – [LFF Rates 2019-20](#).

The ESFA have announced that the Hard-National Funding Formula (NFF) will not be introduced in 2020-21, meaning a further year of the Soft NFF. The ESFA has stated it is still their long-term aim to implement a Hard NFF but have not said when this will happen. They have said that they will provide more information in the next Comprehensive Spending Review (CSR) and we are expecting the government to publish information on this during the 2019-20 financial year.

In 2018-19 and 2019-20 the ESFA have provided illustrative budget allocations for each school showing how much funding they will receive when the Hard NFF has been fully implemented. In the absence of any information about when this might happen, we believe it is unwise for schools to make assumptions on when they will receive any additional funding a Hard NFF provides.

#### 1% High Needs Block (HNB) Transfer

As you will be aware the LA consulted with all LA Maintained Schools and Kent Academies in the Autumn 2018 about transferring funding from the Dedicated Schools Grant (DSG) Schools Block (SB) to the DSG HNB to help meet the considerable Special Education Needs and Disabilities (SEND) pressures faced by Kent and many Other Local Authorities in the country.

Schools (in their response to the consultation) and the Schools' Funding Forum (SFF) at its meeting on 30 November 2018 strongly supported a transfer of 1% from the SB to the HNB: this was made up of the 0.5% transferred in 2018-19 and a further 0.5% relating to 2019-20. LAs proposing to make transfers over 0.5% are required to seek approval from the Secretary of State (SofS) and therefore an application to seek the necessary permission for a 1% transfer was submitted by the LA on 30 November 2018.

On the 16 December the Government announced nationally that additional funding for SEND was being allocated to LAs and where LAs had requested a transfer of greater than 0.5%, consideration should be given to whether this amount should still be transferred. Part of the prescribed review process set by the ESFA was for LAs to consult with the SFF. An additional SFF meeting was arranged on the 15 January 2019 where again strong support from SFF members was given to transfer the full 1%.

Kent received notification from the ESFA on the 13 February 2019 that the SofS had agreed Kent's application to the transfer 1% between from the SB to the HNB.

We would like to provide complete assurance to schools in Kent that the request to transfer 1% from the SB to the HNB was not taken lightly and significant deliberation was taken in considering the best overall outcome for Young People of Kent.

Details on the rationale for supporting the 1% transfer can be gained by reading the paper for Item 4 from the SFF on the 30 November and the draft minutes for the SFF meetings held on the 30 November 2018 and 15 January 2019, links to documents:

- [SFF 30 November 2019- Paper Item 4 – School Funding Arrangements 2019-20](#)
- [Draft SFF minutes 30 November 2018](#)
- [Draft SFF Minutes 15 January 2019](#)

## **Split Site Factor**

LAs are allowed to have an SSF in its LFF. The Education Skills Funding Agency (ESFA) have not set a prescriptive National Funding Formula (NFF) criteria for Split Sites, but have provided the following guidance:

- The factor is optional and if included in an LFF the factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites.
- Allocations must be based on objective criteria for the definition of a split site, and for how much is paid.

In the summer of 2018 the SFF set up a working group to review whether Kent should introduce an SSF.

At the SFF meeting on the 30 November, members of the SFF recommended that an SSF should be introduced into the LFF using the following criteria:

### **Definition of a Split Site**

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

## Elements of funding that make up the factor

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

Total value of SSF = £33,000

## Methodology - Lump sum

School budgets have now been issued for 2019-20 therefore any further schools meeting the above criteria will not qualify for funding in 2019-20. If your school meets the above criteria, please contact Robin Goldsmith (Schools, High Needs and Early Years Team) email [Robin.Goldsmith@kent.gov.uk](mailto:Robin.Goldsmith@kent.gov.uk) by the 31 October 2019 to confirm entitlement to funding for 2020-21.

For further details on the process and work carried out in determining the introduction of SSF, click on the following links [SFF Meeting 30 November 2018 – Item 6 – Split Site Factor Item 6 Appendix 1](#) and [Draft SFF Minutes 30 November 2018](#)

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

In 2019-20 the Local Authority will receive £2,300 for each Kent Looked After Child and this funding will initially be retained by the Virtual School Kent Headteacher as required by the Department for Education. The Virtual School Headteacher is responsible for the use of Pupil Premium Plus to raise the attainment and realise the potential for all Kent children in our care, regardless of where they reside.

The payment of this funding to schools in the 2019-20 financial year will again initially be £1,200 per child in care paid in three £400 instalments. It is our intention to pay any agreed funding to schools as follows:

- Instalment 1 paid in the June 2019 advance for the period up to 31 August 2019
- Instalment 2 paid in the November 2019 advance for the period up to 31 December 2019
- Instalment 3 paid in the February 2020 advance for the period up to 31 March 2020

Funding will follow the child if they move schools.

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

For full details, please see our Virtual School Kent Pupil Premium Plus Policy for Kent Children in Care, and for more information go to the Virtual School Kent website: [Pupil Premium Plus](#)

## Growth Fund

LAs can top slice funding from the DSG to fund growth in pupil numbers for expanding LA Schools, Academies and Free Schools. The LA Growth Policy must be ratified annually by both the SFF and ESFA to ensure compliance with local and national guidance. At the SFF meeting on the 30 November the SFF ratified Kent's Growth Fund Policy for 2019-20 of which there were no changes to the 2018-19 policy. The value of Kent's Growth Fund is £10.3m, to access a copy of the Kent Growth Fund policy, click on this link [Kent Growth Funding guidance 2019-20](#), [Kent Growth Funding guidance 2019-20 Appendix 1](#)

For a school to receive growth funding it must be agreed by its Area Education Officer. Emails detailing future growth funding from April 2019 have been sent out to schools week beginning the 25 February. If you have an questions in relation to growth funding, please contact Robin Goldsmith (Schools, High Needs and Early Years Team) by email [Robin.Goldsmith@kent.gov.uk](mailto:Robin.Goldsmith@kent.gov.uk)

## High Needs Funding in Mainstream Schools

There are no changes to the High Needs funding in mainstream schools in 2019-20. However as this is considered a complexed area to understand we annually provide guidance to schools. For an explanation of how High Needs funding works in mainstream schools see [Section D](#).

## Specialist Resource Provision (SRP) Funding

The way in which funding is provided to school's who have an SRP changed in 2018-19, as directed by the ESFA.

As this is still a relatively new change to how the funding is passed to schools, we have again included guidance in this document explaining how the funding is allocated to schools.

From 2018-19 the Government have decided that SRP pupils will now be included on a school's roll and element 1 funding for these pupils will be included in a school's formula budget. The corresponding element of funding has now been removed from the distinct SRP budget calculation.

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

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

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

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

## Place Plus- how your school received SRP funding

Element 1 - £4,000 - (Paid via General Accounting Grant (GAG) under the heading of Place Funding)

Element 2 - £6,000 - (Paid via General Accounting Grant (GAG) under the heading of Place Funding)

Element 3 - £3,120 - (Paid by Local Authority)

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

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

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

Element 1 from September 2018 will not be paid as place funding through your GAG, instead your academy will receive formula funding for the SRP pupil.

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

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

How SRP funding is passed to a school							
	2017-18			2018-19			
<b>Element 1 (£4,000)</b>							
Age Weighted Pupil Unit	£2,740	£4,000	Paid as part of SRP budget	£2,740	£3,620	Paid through School LFF Budget	
Free School Meals	£175			£175			
Ever 6 Free School Meal	£121			£121			
Income Deprivation Affecting Children Index	£256			£256			
English as an Additional Language	£80			£80			
Low Prior Attainment	£247			£247			
Part of funding rate based on need type	£380						
<b>Element 2 (£6,000)</b>							
Part of funding rate based on need type	£6,000		Paid as part of SRP budget	£6,000		Paid as part of SRP budget	
<b>Element 3 (£3,623)</b>							
Part of funding rate based on need type	£3,120		Paid as part of SRP budget	£3,500		Paid as part of SRP budget	
<b>Total</b>	<b>£13,120</b>			<b>£13,120</b>			

## **Early Years Funding**

The Government introduced a National Funding Formula for Early Years in 2017-18. The funding of each maintained nursery class will continue to be calculated by the LA using a local formula. The funding rates paid to Kent County Council (KCC) by Central Government for both Free Entitlements for three and four year olds and two years olds has remained at the same level since 2017-18. The consequence of the Government's freezing funding rates and not providing any uplift for inflation for two years is that KCC is not able to increase provider rates only maintain the current level.

## SECTION C - SPECIAL SCHOOLS

The 2019-20 Special School funding guidance is now available to view on KELSI, to access click on this link [Special School Funding Guidance 2019-20](#).

### 2019-20 Funding Rates

Special Schools were sent guidance and a computation on the 11 January detailing the calculation of their funding rate. Special Schools were requested to submit a return by the 25 January confirming that they agreed with the number of places and funding rates. To date most Special Schools have returned and agreed this information. To access your schools funding rate calculation, click on this link, [Funding Rate Calculation 2019-20](#)

### Outreach

Outreach resources to support mainstream schools, is distributed based on identified levels of special educational needs via a lead special school in each district (total allocation: £2.4m). Allocations for 2019-20 are the same as 2018-19

Area	District	Early Years County Lead allocation	Allocation to Special Schools	TOTALS
North Kent	Dartford	8,000	162,000	170,000
	Gravesend	8,000	172,000	180,000
	Sevenoaks	8,000	117,000	125,000
West Kent	Tonbridge & Malling	8,000	182,000	190,000
	Tunbridge Wells	8,000	167,000	175,000
	Maidstone	8,000	232,000	240,000
East Kent	Swale	8,000	207,000	215,000
	Canterbury	8,000	192,000	200,000
	Thanet	8,000	272,000	280,000
South Kent	Ashford	8,000	202,000	210,000
	Shepway	8,000	192,000	200,000
	Dover	8,000	207,000	215,000
	<b>TOTALS</b>	<b>96,000</b>	<b>2,304,000</b>	<b>2,400,000</b>

## SECTION D - OVERVIEW OF MAINSTREAM HIGH NEEDS FUNDING IN KENT

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

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

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

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

Place Plus is broken down into three elements

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

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

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

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

### How the funding is passed to the school

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

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

E3 - LA funds the £3,000 as a top up.

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

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

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

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

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

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

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

School submit an application via the SEN portal ([link to SEN guidance](#)). Once the application has been processed, if it is approved, the Schools' Budget team will be notified. All approved top up funding will then be passed to the school on a monthly basis through the schools' advance system. Included within the budget template suite provided to schools is a tab titled “High Needs Funding Mainstream”. Schools should record all their HNPs on this tab and then reconcile the amounts to the schools' advances system on a monthly basis.