

2014-15 Revenue Funding Arrangements for Schools

Devon Consultation
9th - 27th September 2013

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Introduction

1. Continuing on from the significant reforms to schools funding arrangements implemented in 2013-14, this consultation details how the local formula could be amended to take account of changes arising from a review of the 2013-14 formula.
2. The consultation will run from 9th September to 27th September, with 6 consultation events held over 16th, 18th, 19th September 2013. A separate “conversation” event will be held specifically for Special Schools on 20th September 2013.

Venue	Date	Session 1	Session 2
Buckfast Abbey Conference Centre	16 September	2.00 – 4.30pm	6.00 – 8.00pm
Sandy Park Conference Centre	18 September	2.00 – 4.30pm	6.00 – 8.00pm
Tiverton Hotel, Tiverton	19 September	2.00 – 4.30pm	6.00 – 8.00pm
SPECIAL SCHOOLS ONLY Sandy Park Conference Centre	20 September	2.00 – 4.30pm	

The Devon consultation documents can be found at:
[2014-15 Revenue Funding Arrangements](#)

The national schools funding arrangement documents can be found at:

- [Findings from review of 2013-14 and changes for 2014-15.pdf](#)
- [2014-15 Operational guidance v4 JULY 2013.pdf](#)

Queries can be raised via the on-line questions form at:
[2014-15 Revenue Funding Arrangements – Queries](#)

Answers to Frequently Asked Questions (FAQ's) can be found at:
[2014-15 Revenue Funding Arrangements – FAQ's](#)

Responses to the consultation must be submitted no later than 12 noon on Friday 27th September:

- [Response document](#)
- [Submission webpage](#)

Foreword

by Sue Clarke, Head of Education and Learning

3. The national context of schools funding reforms was set out by the Department of Education in March 2012 in the first steps to introducing a fairer national funding formula, to be introduced during the next spending review period.
4. In February 2013 the department carried out a review to understand how the changes introduced in April 2013 have been implemented, and as a result of that review, some changes have been introduced that will enable local authorities more (but still limited) flexibility to target funding to meet local circumstances.
5. The principles laid down last year by the Department remain absolutely clear: more funding targeted to pupils, not institutions; targeted support for deprived and vulnerable pupils; more accountability and greater autonomy for schools over their budget.
6. The funding rates remain the same for 2014-15 – we have to manage growth within the existing financial resource.
7. It is also clear that the direction of travel is towards a full National Funding Formula (NFF), possibly as early as 2015/16. Whilst we hope that this will involve some redistribution of funding nationally on a more equitable basis, we have to reasonably assume that this is likely to be a phased redistribution. Therefore the financial challenges remain significant. The scale and scope of change is vast, and challenges us all to review past assumptions and practice, particularly in addressing Special Educational Need. Web-links to useful and additional information are provided in Appendix 4 of this document.
8. Since the first round of formula consultations, Head teacher and Governor representatives, along with LA officers, have continued to work on how best to implement the changes brought by the detailed formula for mainstream schools, specialist SEN settings and Early Years. The Schools Funding Group (reporting directly to the Devon Education Forum) has been fully engaged in the modelling and analysis of the new formula and our thanks go to colleagues for their time and the commitment they have put to this process. Additionally our thanks go to all those who contributed to the SEN mainstream funding review and the subsequent formulation of policy and process.

SECTION 1

School's Block

2014-15 Formula Factors

9. This table provides information about the different formula factors and funding streams maintained schools and academies may have received in the financial year 2013-14 (or academic year 2013-14), what will change for 2014-15 and the reason for any change. Note that pupil related data is taken from the previous year's October census (2012 for 2013-14, 2013 for 2014-15) unless otherwise indicated.

Schools Block Funding Factors:

Funding Factor	2013-14 Budget	2014-15 Budget	Reason for Change (if any)
<p>1. Basic Entitlement</p> <p>A compulsory funding factor that assigns funding to individual pupils with the number of pupils for each school or academy based on the October pupil census.</p>	<p>Funding allocated according to an age weighted pupil unit (AWPU). There were different rates for primary and secondary (where there could be different rates for key stage 3 and key stage 4). Local authorities could choose to increase the pupil number count where schools had previously had higher reception pupil numbers in January than in the October census</p>	<p>As 2013-14 but with minimum values of £2,000 for primary and £3,000 for secondary (KS3 and 4)</p>	<p>Strengthens the principle that funding formula should be pupil-led.</p>
<p>2. Deprivation</p> <p>A compulsory factor</p>	<p>Local authorities could choose to use free school meals and/or the Income Deprivation Affecting Children Index (IDACI). For the free meals measure, they could use either free meals as at the previous October census or "ever 6" – the number of pupils entitled to free meals at any time in the last 6 years – but not both. The</p>	<p>No change</p>	

	IDACI measure uses 6 bands, so different values could be used for each band. There could be separate unit values for primary and secondary.		
<p>3. Prior Attainment</p> <p>This is optional though it is used by nearly all local authorities. It acts as a proxy indicator for low level high incidence special educational needs.</p>	<p>The primary indicator was based on the Early Years Foundation Stage Profile (EYFSP). Local authorities could choose to use the number of pupils achieving below either 73 or 78 points.</p> <p>The secondary indicator was based on the number of pupils not achieving level 4 in English and Maths at Key Stage Two.</p>	<p>The primary indicator will include those who failed to achieve a good level of development for the cohort of pupils in the 2013 assessments.</p> <p>This will only apply to this cohort; for older year groups in the school, there will still be the same choice between using the thresholds of 73 and 78 points because they were assessed under the old profile.</p> <p>The secondary indicator will be based on the number of pupils not achieving level 4 in English or Maths at Key Stage Two.</p>	<p>The EYFS has changed in 2013, so a change in definition is unavoidable.</p> <p>For the secondary measure, the number failing to achieve level 4 in English and Maths has reduced significantly in the last couple of years, so the revised definition includes a wider and more appropriate proportion of the pupil population.</p>
<p>4. Looked After Children</p> <p>This is optional</p>	<p>This used the return completed by local authorities in March each year and was mapped to schools using the January school census. Local authorities had a choice to select one of three indicators – all those on the return, those who had been looked after for at least 6 months and those who had been looked after for at least a year.</p>	<p>Only one indicator will be allowed – all those on the return who were being looked after on 31st March 2013, regardless of how long they had been looked after</p>	<p>This provides consistency in the movement to a National Funding Formula. Also, evidence shows that children who have been looked after for one day are equally likely to under-perform at Key Stage 4 as those looked after for 12 months or more.</p>

<p>5. English as an Additional Language (EAL)</p>	<p>Pupils with English as an additional language could attract funding for up to 3 years after they enter the statutory school system. Local authorities could choose to use indicators based on one, two or three years. There could be separate unit values for primary and secondary.</p>	<p>No change</p>	
<p>6. Pupil Mobility</p> <p>This is optional</p>	<p>This measure counted pupils who entered the school in the last three academic years, but did not start in August or September (or January for reception pupils). There could be separate unit values for primary and secondary.</p>	<p>There is now a 10% threshold, so schools will only qualify for the measure if more than 10% of their pupils are counted as mobile. Funding will be allocated based on the proportion above the threshold – so if a school has 12% mobility, then 2% of its pupils would attract funding.</p>	<p>There were concerns that the previous measure spread funding too thinly; the change enables greater targeting of those schools with the most mobile populations, such as service schools.</p>
<p>7. Proportion Allocated Through Pupil-Led Factors</p>	<p>No restriction</p>	<p>Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1-6 above, and London fringe uplift where relevant).</p>	<p>This supports the policy that as much funding as possible should follow the pupil.</p>
<p>8. Sparsity</p> <p>This is optional</p>	<p>Not in use</p>	<p>Pupils are allocated to their nearest school. For each school, the average distance as the crow flies to those pupils' second nearest school is calculated. Schools can only qualify for sparsity funding if this distance is greater than 2 miles for primary or middle and 3 miles for secondary,</p>	<p>This enables small necessary schools in rural areas to be supported.</p>

		<p>and if they have fewer than 150 pupils for primary or 600 pupils for secondary or middle. Local authorities can narrow the criteria (set a greater distance or smaller maximum size). The maximum amount which can be allocated to an individual school through this factor is £100,000.</p> <p>Local authorities can choose whether to use a single amount for all sparse schools, or to use a tapered amount which increases the smaller the school.</p>	
<p>9. Lump Sum</p> <p>This is optional though it is used by all local authorities</p>	<p>This had to be a single value applied to all schools. The maximum amount was £200,000.</p>	<p>Local authorities can set different lump sums for primary and secondary (middle schools would receive a weighted average based on the number of year groups in each phase). The maximum lump sum will now be £175,000.</p> <p>Where schools amalgamate, they will retain 85% of the total lump sums in the year after the amalgamation instead of going down to one lump sum immediately.</p>	<p>The change responds to concerns that a single lump sum did not recognise the differences in school size between phases. The maximum lump sum has been reduced because the sparsity factor is now available.</p> <p>The change to arrangements for amalgamated schools removes the previous financial disincentive to amalgamate.</p>

<p>10. Split Sites</p> <p>This is optional</p>	<p>The purpose of the factor was to support schools which have unavoidable extra costs because they have a split site. EFA checked the definition submitted by the local authority to check that it was objective and transparent, and can be applied easily to academies.</p>	<p>No change</p>	
<p>11. Rates</p> <p>This is optional but is used by all local authorities</p>	<p>Funded on the basis of actual costs; academies are reimbursed by the EFA separately from the main budget allocation.</p>	<p>No change</p>	
<p>12. Private Finance Initiative (PFI) Contracts</p> <p>This is optional</p>	<p>The purpose of this factor was to support schools which have unavoidable extra premises costs because they are a PFI school and/or to cover situations where the PFI “affordability gap” is delegated and paid back to the local authority. The EFA checked the definition submitted by the local authority to check that it is objective and transparent, and can be applied easily to academies.</p>	<p>No change</p>	

<p>13. London Fringe</p> <p>This is optional but can only be used by five authorities</p>	<p>The purpose of this factor was to support schools which have had to pay higher teacher salaries because they are in the London fringe area, and where only part of the authority is in this area. The authorities where this could be used were Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex. It is applied as a multiplier to relevant factors.</p>	<p>No change</p>	
<p>13. Post-16</p> <p>This is optional but can only be used where the local authority had such a factor in 2013-14</p>	<p>Local authorities could use this factor but only up to the per pupil value used in the previous financial year (2012-13)</p>	<p>No change to the principle – the value is restricted to the per pupil amount allocated in 2013-14</p>	
<p>14. Exceptional Premises Factors</p> <p>Local authorities can apply to the EFA to use exceptional factors relating to premises</p>	<p>The exceptional factors had to relate to premises costs. Local authorities were advised that applications should only be submitted where the extra factor would be more than 1% of a school's budget and covered fewer than 5% of the schools in the authority's area. The most frequently approved factors in 2013-14 were for rents and for joint use of sports facilities.</p>	<p>No change – any factors approved in 2013-14 can automatically be used in 2014-15 provided that the criteria are still met.</p>	

Other Funding Allocations

Funding Factor	2013-14 Budget	2014-15 budget	Reason for Change (if any)
<p>1. Early Years Funding</p> <p>This applies to schools or academies with a nursery class</p>	<p>This is paid directly by local authorities to all early years providers, including academies and maintained schools, through the early years single funding formula. Most funding is within base rates which are multiplied by the number of hours counted on a termly basis or during the year. There is a mandatory supplement for deprivation and there can be other supplements, such as for quality. Whereas the 5-16 formula uses lagged pupil numbers, early years funding is based on actual hours during the current year.</p>	<p>No significant changes are proposed for 2014-15.</p>	
<p>2. Post-16 Mainstream Funding</p>	<p>Calculated by the EFA according to a national formula</p>	<p>No change</p>	
<p>3. High Needs Place Funding</p> <p>This applies to mainstream schools or academies with a designated special unit or resourced provision</p>	<p>There is a £10,000 amount for each agreed pre-16 high needs place. This is paid directly to academies by the EFA, and forms part of the budget share for maintained schools. Post-16 high needs places – in special units, resourced provision or sixth forms – are funded through the national post-16 formula. This funding is paid directly to academies by the EFA and forms part of the sixth</p>	<p>No change</p>	

	form grant that the local authority pays to its school sixth forms on behalf of the EFA.		
4. High Needs Top-up Funding	For pre-16 pupils, this is paid directly by the commissioning local authority for high needs pupils where the total cost exceeds the following thresholds. In the case of special units, the cost threshold is £10,000, which is funded through the place funding; if the pupil is not in a unit, then schools are expected to fund the costs of additional support up to £6,000 from their formula budget. They have a notional SEN budget identified by the local authority to help them. For post-16 pupils, the top-up funding is paid in addition to the amounts paid to providers through the national post-16 formula.	The £6,000 threshold will be mandatory for 2014-15. (Post-16 places at special schools and academies will be funded at £10,000 subject to consultation on the regulations, but this will not apply to post-16 places in special units attached to mainstream schools or mainstream school sixth forms)	The change to £6,000 will provide consistency between authorities and assists the movement to a National Funding Formula.
5. Pupil Premium	This is paid at a rate of £900 for each pupil who has been eligible for free meals at any time in the last 6 years or is looked after. There is also a rate of £300 for each pupil who has been a service child in the last two years and including children whose parents had died in service and who are in receipt of pensions under the Armed Forces Compensation Scheme (AFCS)	The primary pupil premium will be £1300. The secondary premium has not yet been announced.	

	<p>and the War Pensions Scheme (WPS) Allocation is based on the spring census preceding the financial year.</p>		
<p>6. Insurance (academies only)</p>	<p>This funding is provided to academies to reflect the extra premiums they face relative to maintained schools. There is a top-up grant of £20 per pupil in addition to amounts already in delegated budgets.</p>	<p>Not yet announced</p>	
<p>7. Education Services Grant (academies only)</p>	<p>This funding is provided to academies for services previously provided by their local authority – for example, school improvement and asset management. The rate is £150 per pupil, with the higher of two protections applying. These are:</p> <ul style="list-style-type: none"> a) a 10% per pupil protection applied to the published 2012-13 LA Block LACSEG rates for the local authority in which the academy is situated; and b) a 20% per pupil protection on the academy's individual 2012/13 LA Block LACSEG allocation. <p>Local authorities also receive ESG for their maintained school pupils at £116 for each pupil.</p>	<p>£140 per pupil; details of protections not yet announced.</p>	<p>The transitional protections for academies are being removed from the system over a limited period of time so that the rates for local authorities and academies are brought together.</p>

2014-15 Local Formula Proposals

10. The Devon Education Forum remains committed to the key principles laid down for the 2013-14 funding formula:
 - To target as much funding as possible through pupil led factors
 - To target as much funding as possible towards pupils with additional educational needs
 - To set the lump sum at an appropriate level that is as fair as possible across all schools
11. One of our main concerns about the nationally prescribed criteria for 2013-14 formula as an Authority was the loss of local flexibility to deal with local circumstances, such as small schools, geography and demographics. We are pleased that the Department has taken notice of such concerns in their review and implemented changes to the criteria that enable us to target funding more effectively.
12. In developing the 2014-15 funding formula, the following principles have been applied:
 - Minimum dependency on Minimum Funding Guarantee (MFG) in preparation for movements to a National Funding Formula.
 - Delegate as much funding as possible into the schools budget for low cost high incidence SEN and to meet the £6,000 threshold for additional educational need.
 - Review each formula factor, building a model that delivers the fairest distribution of funding for the majority of schools
 - To retain the principle of the scaling and capping of overall gains if necessary to afford the formula
13. It is important to note that the modelling to date is based on the underlying pupil factors issued by the EFA in June 2013. This will be updated in December 2013, and combination of changes to this data, and pupil numbers taken from the October 2013 census, may mean that the unit rates proposed for each factor will need to change, but the factors themselves will not.

Detailed formula factors - Devon

Basic Per-Pupil Entitlement or Age Weighted Pupil Unit (AWPU)

14. Single unit rate for primary schools and a single unit rate for Key Stage 3 and Key Stage 4 pupils. No change from 2013-14.

Deprivation

15. Measured by free school meals Ever 6 (FSM+6). No change is proposed from 2013-14.

Prior Attainment

16. The primary indicator was based on the Early Years Foundation Stage Profile (EYFSP). Local authorities could choose to use the number of pupils achieving below either 73 or 78 points. Devon applied the threshold at 78 points in 2013-14 and no change is proposed for 2014-15

17. The secondary indicator will be based on the number of pupils not achieving level 4 in English **or** Maths at Key Stage Two.

Looked After Children

18. In 2013-14 this factor was not applied to the local formula on the basis that Pupil Premium is allocated to those pupils. However, evidence shows that children who have been looked after for one day or more are likely to under-perform at KS4. In keeping with the principle to target as much funding as possible to meet additional educational need, the 2014-15 formula will fund each eligible child at £900, to match the 2013-14 Pupil Premium rate for looked after children.

English as an Additional Language

19. This factor was used to delegate the funding for Ethnic Minority Achievement in 2013-14. No change is proposed for 2014-15.

Pupil Mobility

20. This factor was not used in the 2013-14 formula on the basis that it did not target funding to those schools with high volumes of mobile pupils. The changes introduced by the Department for 2014-15 now allow authorities to target funding to schools only where mobility is a significant issue.
21. Authorities can apply funding to schools experiencing pupil mobility above a 10% threshold and funding is not provided for the first 10% of mobile pupils.
22. Based on the underlying data as at June 2013, 21 primary schools and no secondary school in Devon would be eligible for pupil mobility funding.
23. The data is calculated using the school start date for each pupil from the October School Census. It will include pupils who started in the last three academic years but who did not start in August or September (or January for year R).
24. There are limitations with this methodology:
 - There is no real clarity as to the reasons for more mobility – there are many variables
 - It is difficult to assess turnover as opposed to growth – some cases of mobility are linked to military growth/ housing development
 - One size fits all solution doesn't necessarily reflect reality
25. For these reasons we are not proposing to use this factor in the 2014-15 formula.

Sparsity

26. The Department have recognised concerns raised by many local authorities about the impact on small rural schools of the funding reforms.
27. An optional sparsity factor which measures the distance pupils live from their second nearest school has been introduced. This has been calculated using pupil and school postcode coordinates from the October Pupil level and School level Census.

- For each school the data identifies the pupils that live nearest to it, and then calculates the distance they live from their second nearest school (for the purposes of the data, selective grammar schools are not considered when identifying the second nearest school).
 - The school's sparsity distance is calculated on the average distance to the next nearest school for those pupils.
 - The average distance is measured as the crow flies, not road distance
28. The Department has set threshold criteria for sparsity funding, but local authorities have flexibility to reduce the pupil numbers and increase the distance criteria, but they may not widen the criteria.

Departmental Thresholds:

	Primary	Secondary
Pupil numbers	< 150	< 600
Distance – as the crow flies	>2 miles	>3miles
Lump sum	£100,000	£100,000
Taper factor allowed	Yes	Yes

Proposed Local Factors:

	Primary	Secondary
Pupil numbers	60	600
Distance – as the crow flies	>2 miles	>3miles
Lump sum	£60,000	£100,000
Taper factor applied	Yes	No

29. The reason for tapering and setting a lower pupil number threshold in the primary phase is due largely to the number of schools with fewer than 150 pupils in Devon. Any funding directed to sparsity has to be afforded from within the overall schools block budget – by definition an increase in this reduces the funding available for other factors across all primary schools. These thresholds target funding at the smallest, rural schools whilst retaining a broader equity across the medium to larger sized primary schools.
30. Tapering - worked example:

Local cap pupil numbers	60
Numbers in school	45
%age on roll of threshold	75%
Qualifying %age for taper funding	25%
Sparsity funding received	£60,000 x 25% = £15,000

31. A secondary school with less than 600 pupils and a sparsity distance greater than 3 miles will receive £100,000 sparsity lump sum. No tapering is applied to secondary schools.

Lump Sum

32. The Department have recognised concerns raised by many local authorities about the impact on small rural schools of the funding reforms, and particularly the lump sum arrangements. Some authorities, including Devon, were unable to set a large enough lump sum to support small rural schools because of the large number of schools in the area.
33. Nationally the maximum lump sum has been reduced to £175,000 from £200,000, in keeping with the aim of putting more money through pupil-led factors so that funding genuinely follows pupils.
34. Local authorities are now able to differentiate the lump sum by phase from 2014-15, provided that for each phase the lump sum level does not exceed the £175,000 cap.
35. The proposed local lump sum for 2014-15 is:

	2013-14	2014-15
Primary	£50,000	£60,000
Secondary	£50,000	£145,000

36. Where schools are amalgamating, they will retain the equivalent of 85% of two lump sums for the financial year following the year in which they merge. Authorities can apply to the EFA to lower this in exceptional circumstances.

Pupil-led Funding

37. Local authorities must ensure that at least 80% of delegated funding is allocated through pupil-led factors i.e. basic entitlement, deprivation, prior attainment, looked after children, English as additional language and mobility.

Exceptional Premises Factors

38. Local authorities may request the inclusion of additional factors for exceptional circumstances. Additional factors may be approved in cases where the nature of the school premises gives rise to a significant additional cost greater than 1% of the schools total budget, but affects less than 5% of the schools (including academies) in the authority.
39. Exceptional premises factors agreed in 2013-14 and continuing in 2014-15
 - Dual – use sports halls funding
 - Split site funding
40. We were unable to apply for an exception factor for rents because significantly more than 5% of schools were affected. The budget is now in the schools baseline. However, we understand the concerns raised by schools where rents have subsequently risen significantly or have been newly negotiated for premises that are absolutely required for delivery of curriculum

41. We propose to apply for an exceptional premises factor to apply to those schools where:
- There is a new rental agreement for premises that are absolutely required for delivery of curriculum
or
 - There has been a significant rise in existing rental agreements since 2012-13
and
 - The rent exceeds more than 1% of the school budget share in either case.
42. Where there are unique circumstances or contextual factors that cannot be met through an exception clause, maintained schools may qualify for exceptional circumstances funding from the de-delegated contingency fund.
43. Any request must be made to the Department by **30th September 2013**

Minimum Funding Guarantee - Protections and Limits to Gains

44. The pre-16 Minimum Funding Guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2014-15, continuing with the simplified calculation. The Department will only allow exclusions from the MFG where not doing so would result in excessive protection or be inconsistent with other policies.
45. The MFG applies to pupils in age ranges 5-16 only. The only formula factors which will automatically be excluded from the MFG baseline are:
- Post 16 funding (sixth form factor)
 - The lump sum – the 2014-15 figure is deducted from the 2013-14 baseline
 - The sparsity factor – the 2014-15 is deducted from the 2013-14 baseline
 - Rates
 - New delegation – either from centrally retained budgets or from increases or reductions in SEN delegation.
46. All other funding will be in the baseline and there will be no other automatic adjustments.
47. There will be no carry-forward of previous approvals to disapply the MFG and authorities will need to submit any application to disapply the MFG for 2014-15.
48. Exceptional requests to disapply the MFG will only be considered if there is a **significant** change in a school's circumstances or pupil numbers, or if the inclusion of a factor will lead to **significant** inappropriate levels of protection.

MFG Baseline Adjustments for Selected Schools

49. In 2013-14 a transitional protection arrangement was implemented for the funding of Low Cost High Incidence SEN and High Needs, on the basis that a full review was to be undertaken in 2013-14 on how SEN will be funded in the future.
50. The baselines – and therefore the level of protection – are linked to the level of Individually Assigned Resources in 2012-13 and funding taken to the High Needs Block. A school that

had a higher level of deprivation, low attainment and mobility but few statements suffered a disproportionate reduction in their base line when funding was removed to go into the high needs block. This was managed through the transitional arrangement of funding from the high needs block.

51. An application has been made to the Education Funding Agency (EFA) to adjust the base line figures used to calculate the 2013-14 MFG calculation for these schools.

Small Schools

52. In 2013-14 the Secretary of State granted approval for Devon to apply partial MFG exemption to very small schools (less than 53 pupils) that previously received "Minimum Funding". This was so that the financial impact of rising and falling rolls on these schools was moderated.
53. We submitted an application to apply partial MFG exemption to very small schools again in 2014-15. The Secretary of State intends to approve our request, once the regulations are laid, to a MFG exclusion based on the principles agreed for 2013-14 relating to small schools, **but only on agreement with Education Funding Agency on a school by school basis.**
54. In 2013-14 the exclusion applied to small schools with a rising roll was based on a percentage threshold. Clarification is currently being sought from the EFA as to whether this partial exclusion is included in the MFG baseline going forward. The proposal described below will only apply if that is the case and therefore it must be understood that the final proposal may change, depending on the answer.

MFG exclusion proposal for small schools: Rising Rolls

- For schools that prior to 2013-14 received small schools protection funding and
- Where the 13-14 MFG pupil unit value is greater than the 14-15 MFG pupil unit value then
- Apply 13-14 MFG pupil unit value to the 13-14 NOR (adjusted by minus 1.5% for 14-15) and
and for each additional pupil above the 13-14 NOR apply the base entitlement funding rate to the MFG calculation

Falling Rolls

- For schools that prior to 2013-14 received small schools protection funding and
 - Where the 13-14 MFG pupil unit value is greater than the 14-15 MFG pupil unit value then
 - Apply 13-14 MFG pupil unit value to the 13-14 NOR (adjusted by minus 1.5% for 14-15) and
and for each additional pupil below the 13-14 NOR apply the base entitlement funding rate to the MFG calculation
55. It should be noted that other factors such as changed lump sum, sparsity funding and access to the falling rolls fund will also be considered in the overall funding.

Limiting Gains - Capping

56. To afford the minimum funding protection for those schools that see reduced funding under the new arrangements it may be necessary to apply a limit to the value a school can gain. It is up to local authorities to set their own limits, but it must be the same value for both primary and secondary.
57. Capping and scaling factors must not be applied to schools which have opened in the last 7 years and have not yet reached their full number of year groups.
58. The capping limit will always depend on the affordability of the MFG, therefore if used the percentage applied may need to change.

Growth Fund

59. Local authorities may top slice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening and reorganisation costs. The growth fund may not be used to support schools in financial difficulty.
60. The growth fund is ring-fenced so that it is only used for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools. These will include the lead-in costs, post start-up costs and any diseconomy of scale costs.
61. The fund will be for the benefit of both maintained schools and Academies. Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula.

Criteria

Basic need

62. Where a school has significant school expansion (example: Primary PAN 30, Secondary PAN 60) specific amounts and timings of funding will be agreed with Schools Forum. Details are yet to be determined but features may include:
 - A single lump sum reflective of the costs of incurred in advance of intake – such as setting up a new class, employing additional staff
 - AWPU x 7/12 for additional pupils above a %age threshold
 - Additional funding would only be provided for one year
 - Reception growth – Each reception child admitted in January funded at the AWPU rate

New schools

63. Funding allocation for start-up/diseconomy of scales need to:
 - Provide for one off pre-opening costs of essential leadership and staffing, initial equipment and consumables;

- Methodologies for distributing funding should include a lump sum in line with the Devon school's funding formula;
- An amount per pupil (usually based on AWPU) based on the Planned Admission Number (PAN):
Primary – 2 classes at KS1 and KS2 – 60 places
Secondary – 150 places

Trigger points will be determined for funding stepped incremental blocks of pupil numbers as the school grows. This will be based on AWPU.

Only one lump sum will apply regardless of the level of pupil funding.

- Growth funding will be time limited to a long stop maximum of 5 years on the presumption that the sponsor will have a clear plan to operate at PAN, and so by this time the school should be viable through the usual school budget share. This will encourage efficient deployment and allocation of resources as the school grows and will protect the growth fund against long term, non-sustainable commitments where demographic change falls short of expectations.
- The decision to provide start-up funding and the level of funding allocated will take into account the local context and potential impact on other schools sustainability

In year exceptional growth not related to basic need.

64. Only basic need growth may be funded from the growth fund. Authorities can have a delegated contingency for maintained schools if relevant forum members agree. An academy would need to make an exceptional case to the EFA.
65. Details are yet to be determined but features may include:
 - Increase of more than 5% and more than 10 pupils, funded for pupils above that threshold at AWPU x 7/12.

Falling Rolls Fund

66. The national changes made in 2013-14 are intentionally centred on the number and characteristics of pupils rather than the circumstances of schools, but a pupil-led system can cause difficulties where local authorities identify that number of places required will increase in the near future and therefore want to ensure that required schools remain open and viable in the short term.
67. The Department recognise this and now allow local authorities, with the agreement of Schools Forum, to top-slice the DSG funding to create a small fund to support schools with falling rolls in exceptional circumstances.
68. The use of the fund must be considered at planning area level and Schools Forums will assess implications. The criteria and amount must be agreed by the Schools Forum and applied fairly to academies and maintained schools. The Department are clear that this funding is not intended to provide support to schools with falling rolls because they are unpopular or of low quality.

Criteria

- Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (note that this is a mandatory requirement)
and
- The drop in pupil numbers when comparing the October 2012 School Census with the October 2013 data is greater than:

	NOR at October 2012	Pupil number change as a %age of NOR
Primary	Less than 60	10%
Primary	Greater than 61, less than 150	15%
Primary	Greater than 151	20%
Secondary	Less than 600	20%

and

- Local planning, demographic and health data clearly identifies a need for more than 15% of the surplus places in the next two years.
Schools need to be demonstrably admitting a minimum of 80% of pupils from within their area.
Falling rolls due to pupil migration to other local schools is not eligible.

Methodology for Distributing Funding

- For every pupil above the %age threshold, funding per pupil at the relevant basic entitlement rate.

Example

A school with 90 pupils on roll in October 2012 will be expected to absorb a drop of the first 15% of NOR before additional funding is allocated. Additional funding will only be allocated for the fall in numbers above 15%

October 2012 NOR	90
October 2013 NOR	72
Change in roll	18
%age change	$18/90 = 20\%$
Falling rolls criteria met?	Yes
Falling rolls funding	
School has to absorb the first 15% (pupils)	15 % of Oct 12 NOR = 13.5
Falling rolls fund above 15% (pupils)	$18 - 13.5 = 4.50$
Assume basic entitlement rate = £2,800	$4.50 \times £2,800 = £12,600$

- If a school can clearly demonstrate that even after the basic entitlement falling rolls support, and taking all reasonable steps to implement structural changes, that it cannot contain funding within its formula budget (by submitting a case to the Finance Intervention Panel) a lump sum payment equivalent to the estimated salary costs equivalent to the number of staff who would otherwise need to be made redundant may be agreed.

Delegated Services

69. The following services were delegated in 2013-14 but were able to be de-delegated from the primary and/or secondary maintained schools subject to Schools Forum decision by the representatives in each sector. De-delegation is not an option for academies, special schools, nurseries or PRU's. Where de-delegation has been agreed for maintained primary and secondary schools, it is the Department's presumption that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation. In the case of special schools and PRU's, the funding for such services, will be included in the top-up. Academies will continue to receive a share of funding for these services in their delegated budget.
70. Decisions taken on de-delegation in 2013-14 were for one year only, so decisions for each service will be required in 2014-15
- Contingencies (including schools in financial difficulties and deficits of closing schools)
 - Behaviour support services
 - Support to under-performing ethnic groups and bilingual learners
 - Free school meals eligibility
 - Maternity, trade unions and public duties
 - Licences and subscriptions (note: Copyright Licensing Agency(CLA) and Music Publishers Association (MPA) is now covered by a national licence and the DfE charge the local authority)
71. Some services could be set up along the lines of the Mutual Fund model rather than be de-delegated– maternity for example. This would be open to all schools, including Maintained, Academies and Free Schools. As with the Mutual Fund, schools would pay a premium, in this case probably based on a model that takes account of FTE and pupil numbers.
72. **The Devon Association of Primary Headteachers (DAPH) is leading the de-delegation / central services consultation for all schools (primary and secondary).** Information on each of the services covered by de-delegation decisions can be found in the DAPH 2013 Budget Consultation document on the [DAPH website](#) and also the Schools Consultation website.

Centrally retained services

73. Only a limited number of services can be retained centrally, and local authorities must seek approval from Schools Forums to retain central funding for these services.
74. The full list of services that can be retained centrally before allocating formula can be found in the Education Funding Agency (EFA) information document [2014/15 Revenue Funding Arrangements](#)
75. Locally, the relevant services are:
- Growth Fund
 - Falling Rolls Fund

- Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) licences
76. Similarly, the relevant services that can be centrally retained before allocating formula but no new commitments or increases in expenditure from 2013-14
- Admissions
 - Servicing of Schools Forum
 - Capital expenditure from revenue
 - Termination of employment costs
 - Contribution to combined budgets (includes Local Learning Community and Broadband funding)
77. Information on each of the services covered by central services decisions can be found in the DAPH 2013 Budget Consultation document on the [DAPH website](#).

SECTION 2

SEN Funding in Mainstream Schools and Academies

78. Schools are expected to contribute the first £6,000 to the costs of a pupil's additional educational need. From April 2014 this is a mandatory threshold. Local authorities must make sure that the budget shares of schools and academies have an appropriate amount that enables them to contribute to the costs of the whole school's additional SEN support arrangements, up to the mandatory threshold of £6,000.
79. Where the number of high needs pupils cannot adequately be reflected in the main funding formula, we propose to address this by use of a "targeted fund" from the high needs block based on clear formulaic criteria.
80. Top up funding for pupils whose educational needs cost more than the basic entitlement plus £6,000 will be provided from the high needs block.

Notional SEN Budget for Mainstream Schools and Academies

81. Local authorities are required to identify within each school's budget share a notional SEN budget from which schools and academies can provide a level of support for all their pupils with SEN. This is a **notional** amount of funding, and should not be regarded by schools and academies as a substitute for their own budget planning and decisions about how much they need to spend on SEN support, or as a fixed budget sum for spending by schools.
82. The **notional** SEN budget comprises of the following formula factors:
 - 5% AWPU
 - Free School Meals (Ever 6)
 - IDACI
 - Prior Attainment
 - Looked After Children

SEN Mainstream Review 2013

83. In implementing the new formula for 2013-14 we recognised that there was more work to do regarding the arrangements for funding SEN in mainstream schools. To provide stability of funding to schools, a one year transitional arrangement was put in place.
84. A full review of SEN mainstream funding has been since been undertaken, with four focus groups with representative Head Teachers and SEN specialists representing over 25 schools in differing situations regarding SEN and its funding. We express our thanks for the time and valuable contributions of all involved.

Purpose of Review Groups and Terms of Reference

85. The aim throughout was to try and develop mechanisms which will ensure that the school budget shares have an appropriate amount to enable them to contribute to the costs of the whole school's additional SEN support arrangements, up to the new mandatory cost threshold of £6,000 per pupil (Element 2).

86. The tasks were:

1) Funding Mechanisms

- The development of a formula for the allocation of the Element 2 part of the old Exceptional Arrangements budget.
- Consideration as to the best factors for the distribution of the formula elements for deprivation and Low Cost High Incidence (LCHI) SEN.
- The development of proposals as to how a targeted fund could be used to support Element 2 where formula funding is inadequate.
- To review the make up of Notional SEN.

2) Identification and Administration

- Clarifying the statutory process – Statements/EHC plans
- Clarifying expectations of the notional SEN budget
- Development of a process for access to top-up funding

87. Following the second round of meetings the group proposals were passed to the School Finance Formula Task Group to be reviewed and incorporated into other proposed formula changes for 2014-15. This group is mandated by DEF to work with the LA on detailed formula funding issues.

Funding Proposals from the Focus Groups and response from the Formula Task Group

88. The Focus Group conclusions for the distribution of **Exceptional Arrangements Element 2** were:

89. Proposed formula factors:

- In primary – FSMs, Prior Attainment and pupil numbers,
- In secondary – Prior Attainment and pupil numbers.

90. Proposed use of Targeted Fund managed as part of the High Needs Block:

- Schools with above 3% pupils receiving top up in Primary and 2.5% in Secondary will receive additional funding in that Element 2 of pupils above this percentage will be funded from HNB as well as the top up i.e. the £6,000s.
- All schools with at least one pupil receiving a top up must get at least £6,000 in this part of the formula – funded from HNB. This is to support those small schools where, because of size, their formula allocation would be less than £6,000.
- Primary quantum increased to reflect the additional £322,000 needed to fund schools currently with no statements.

91. The Formula Task Group accepted the proposals with the only change being that, following the decision to now include funding for Looked After Children, this will be incorporated into the Element 2 part of the formula.

92. The Focus Groups considered proposals for the distribution of funds for **LCHI SEN and Deprivation**

93. Due to the different profiles of the focus groups it was not possible to achieve full consensus on these proposals and therefore based on the feedback of all groups - one model was put forward for Secondary and three models were put forward for Primary although Model C that included a mobility factor was not recommended.
94. Within all models the Targeted fund would ensure that no school will receive less than £5,000 from the LCHI SEN part of the formula. This is intended to address a longstanding problem for smaller schools which arose when detailed arrangements were first delegated.
95. The Formula Task Group decided to propose Model B with an adjustment between the balance as to how much was distributed on IDACI and how much on FSMs in Primary. It was considered that the new funding rates smoothed out some of the larger gains.

	Primary Formula		Secondary Formula	
	Deprivation	LCHI SEN	Deprivation	LCHI SEN
Model B	FSMS	FSMs, Prior Attainment & IDACI	FSMs	Prior Attainment

96. Income Deprivation Affecting Children Index (IDACI) is a proxy measure of deprivation. We recognise that IDACI is not a perfect proxy measure of the incidence of deprived children in particular schools as it is post-code driven, but we have found that using a combination of IDACI and FSM+6 targets funding to schools located in areas with pockets of high deprivation. Neither is it a perfect proxy measure for identifying SEN, but combined overall with FSM and Prior Attainment, the task groups felt this was a fair way of funding Low Cost High Incidence SEN through the formula.
97. A child with an IDACI score of 0.2 has a 20% chance of coming from a deprived family. Similarly a child with an IDACI score of 0.8 has an 80% chance of coming from a deprived family.

IDACI bands (note: the unit rates used in the final 2014-15 formula may change)

Band	IDACI Score Lower Limit	IDACI Score Upper Limit	Funding Rate per Pupil £
1	0.2	0.25	0
2	0.25	0.3	0
3	0.3	0.4	0
4	0.4	0.5	720
5	0.5	0.6	720
6	0.6	1	720

Response to Wider Concerns Raised by the Groups re Funding

98. Detailed modelling of the proposals has been done and with the addition of funds that have been freed up from MFG by increasing delegation the number of schools losing funding (when comparing the previous system) has been reduced. However we still have losers and in response to this the following will now be proposed:

Transitional Protection

99. There will be transitional protection in 14-15 which will compare, on a monthly basis, the funding the school would have received under the previous system of fully funding Elements 2 and 3 with that received under the new system. Where there is a funding shortfall the school will receive additional support of 50% of the gap.
100. A decision will need to be made as to whether protection is provided in 15-16. If this decision is made the percentage will not exceed 25% and could be lower.

SEN Financial Intervention Panel Schools (FIPS)

101. It is proposed that there will be an SEN panel which could, under exceptional circumstances, provide additional support to schools where the formula funding for Element 2 is demonstrably inadequate.
102. It is clear that schools will need help to plan for the changes and the necessity to communicate with parents. It is proposed that the valuable links with Parent Partnership should be used to help communicate the changes to funding.

Academy Funding April to August 14/15

103. Advice has been sought from the EFA. Because we are further delegating SEN funds then we will need to make special arrangements for the Academies in that the funding system in place for 13/14 will continue to apply for these schools through to August. After August they will come into the same system of funding as described above.

Notional SEN

104. This issue was discussed during the second meetings of the groups. The general view was that it made sense to bring back the 5% AWPU into the notional SEN especially as now part of the funding for the exceptional arrangements formula will include pupil numbers.

Identification and Administration

105. The SEN Funding reforms move away from Statements to the introduction of Education, Health and Care Plans. These should be developed when it is decided that a statutory assessment of educational needs is required. The SEN funding reforms require that LAs implement a funding model that provides the first £6,000 of SEN resource (Element 2 of the DFE model) to schools.
106. The report recommends that:
 - That the LA issues EHC plans only where a child is likely to need a specialist placement or has low incidence/high cost needs in a mainstream setting
 - That the LA manages resources, including top-ups, for EHC plans
 - That the LA manages a non-statutory, DAF (Devon Assessment Framework) resource top up (Element 3).

(See Appendix 3 for more information)

SECTION 3

High Needs Funding Arrangements

Special Schools

107. A separate “Conversation” is taking place specifically for Special Schools and the details of the proposals for 2014-15 funding arrangements can be found in the Special Schools Conversation Document 2013

[Special Schools Conversation Document 2013](#)

108. Independent special schools are again excluded from the high needs funding system for 2014-15 and local authorities will continue to pay the full costs of such provision from their high needs budget.

Resource Bases and Specialist Settings

109. As in 2013-14, special units and resourced provision are funded according to the number of places that have been agreed by the local authority. This funding is from the high needs block.
110. The numbers of pupils on roll that count towards the calculation of the main formula exclude the number of places in the provision.
111. High needs places for post 16 students will continue to attract basic programme funding through the sixth form grant according to the Post 16 national formula. These places will also continue to attract high needs funding of £6,000 through the sixth form grant.
112. For pre and post-16 pupils with high needs, whether they attend a special unit or resourced provision, or are more integrated into the mainstream setting, top-up funding is payable by the local authority responsible for placing the pupil in that school or academy.

Pupil referral units (PRU’s) and alternative provision (AP) academies

113. The Devon Personalised Learning Service has been funded on the place-plus funding model in line with all other High Needs funding arrangements. The funding consists of £8,000 per planned place plus top up funding based on banding system. The funding arrangements are currently being reviewed, in particular in relation to medical referral places.

The Service is in the process of converting to a sponsored academy, and it is likely, subject to agreement between the LA as commissioner and the sponsor as provider, that from 2014-15 funding will consist of a mix of place-led funding (paid directly by the EFA following recoupment from Devon), top up funding and commissioned services. The funding arrangements work alongside the current School and Early Years Finance (England) Regulations 2012) that provides for adjustments to maintained schools budget shares to take account of pupils permanently excluded, or otherwise leaving the school, where the local authority makes and funds the required AP. This applies similarly to academies.

Hospital Education

114. Hospital education is defined as being where a child is being provided with education in a hospital school or other suitable arrangement by reason of a decision made by a medical practitioner. Hospital education can either be funded either on an amount per place, or, as in Devon, as a hospital unit.

Discussions are continuing with the Department for Education and the Education Funding Agency about the allocation of funding between medical and non-medical place funding in the Devon Personalised Learning Service, and the most appropriate way of funding these.

Sixth form colleges, FE colleges and independent specialist colleges

115. Provision for post 16 students in sixth form colleges, FE colleges (including commercial and charitable providers of FE) and independent specialist colleges will also continue to be funded through the post 16 national formula, plus £6,000 for each high needs place, in the academic year 2014/15.

More information can be found in the Education Funding Agency (EFA) information document [2014/15 Revenue Funding Arrangements](#)

Inter-authority recoupment

116. The mandatory recoupment arrangements between local authorities, which required the authority responsible for a child or young person with a statement of SEN (and other specified cases) to meet the costs of provision for that child in another authority's maintained school ended with effect 1 April 2013. There are still some circumstances where the Inter-authority Recoupment (England) Regulations 2013 continue mandatory recoupment: such as; cross border placements England and Wales, and in cases where three local authorities are involved in making provision for a looked after child.

High Needs Place Planning 2014-15

117. The reforms implemented in 2013-14 are continuing into 2014-15 with little change at this stage. The Department are keen for the new arrangements to “bed-in” before moving forwards to a full system of place-led funding system reflective of local authorities' commissioning decisions a year later. The direction of travel is clear. **Unused places will not be funded in subsequent years and institutions that have funded places that are unfilled will need to plan for a reduction in their place-led funding the following year.**
118. The Department is moving towards an integrated process for place planning that more closely aligns pre-and post-16 funding systems.
119. This is explained in more detail in the DfE guidance “2014-15 Revenue Funding Arrangements” [2014-15 Revenue Funding Arrangements](#) and in the “Special School Conversation Document 2013”

High needs funding matrix

120. The table below sets out the responsibilities for funding high needs provision in different types of provider for both pre and post 16 children. The matrix represents the position from September 2013.

Type of provision	Pre-16		Post-16	
	Core Funding	Top-up Funding (real time)	Core Funding	Top-up Funding (real time)
Mainstream schools Mainstream academies	First £6,000 of additional need delegated within base funding (in addition to the AWPU)	HN above first £6,000 paid by commissioning LA. LA can provide additional funds where it would be unreasonable to expect school to fund from within notional SEN budget	Element 1 (NFF) plus Element 2 (£6,000) based on places commissioned by LAs	Agreed per-pupil top-up paid by commissioning LA
HN Units in mainstream schools HN units in mainstream academies Maintained special schools Special academies Non maintained special schools	£10,000 per place based on agreed places	Agreed per-pupil top-up paid by commissioning LA	Element 1 (NFF) plus Element 2 (£6,000) based on places commissioned by LAs Note proposal to fund maintained special schools and academies and NMSS at £10,000 per place for the academic year 2014/15	Agreed per-pupil top-up paid by commissioning LA
Independent schools	N/A	Agreed per-pupil top-up paid by commissioning school or LA	N/A	Agreed per-pupil top-up paid by commissioning school or LA

Maintained AP providers Academy AP providers	£8,000 per place based on agreed places	Agreed per-pupil top-up paid by commissioning school or LA	£8,000 per place based on agreed places	Agreed per-pupil top-up paid by commissioning school or LA
Further Education Colleges Post-16 Independent Specialist Providers	N/A	N/A	Element 1 (NFF) plus Element 2 (£6,000) based on places commissioned by LAs	Agreed per-pupil top-up paid by commissioning school or LA

SECTION 4

Early Years Block

121. There are no regulatory changes being made to the funding system for Early Years for the financial year 2014-15, and no changes are being made to the local formula. The Early Years team will be consulting on provider rates shortly.
122. The main changes introduced in 2013-14 were the phasing out of the 90% three year old population floor funding protection, and the transfer of funding for early education for two year to the Dedicated Schools Grant.
123. The publication of the **More Affordable Childcare** document in July 2013 sets out many changes that will impact on the way Early Years provision operates, is regulated and is funded. Most notably, in relation to the Early Years Single Funding Formula (EYSFF), is the introduction of “national funding formula for the early education programme”
124. In line with the schools funding reforms, the main driver is to ensure that more funding goes directly to the provider and less funding is held centrally within local authorities. From 2013-14 financial year local authorities will be required to publish more information about how much funding they retain and how they use it.

<https://www.gov.uk/government/publications/more-affordable-childcare>

Schools Forums

125. The Schools Forums Regulations 2012 introduced a number of changes regarding the size, independence and voting arrangements for Schools Forums.
126. The Devon Education Forum continues to regularly review the structure of the Forum to ensure that representation across all sectors, maintained and academy is appropriate. Schools Forums must now include one representative from an institution (other than a school or academy) providing education to 16-19 year olds (but may be also providing education for 14-16 year olds and/or for 20-24 year olds with high needs). This replaces the current requirement for a representative from the 14-19 partnership.
127. Forum papers, minutes and decisions are published promptly on the Devon County Council website. <http://www.devon.gov.uk/schoolsforum.htm>

Timetable

Date	DfE/ Education Funding Agency (EFA)	Local Authorities (LAs)
30 June 2013		Deadline for submitting first window requests for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number variations
July 2013	Details published on high needs implementation for 2014/15	
9 September – 27 September		Consultation with all schools on local funding formula
30 September		Deadline for submitting first window requests for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • lump sum variations for amalgamating schools • pupil number variations
2 October		Schools Finance Group (SFG) consider consultation responses and formulate recommendations to DEF
3 October	School Census Day	
18 October		DEF consider Schools Funding Formula for 2014-15
By mid-October 2013		LAs to gain Schools Forum/ political approval for provisional 2014-15 funding formula
October/ November 2013	DfE and LAs check and validate School Census	
31 October 2013		Deadline for LAs to submit provisional 2014-15 school budget proforma to EFA
28 November 2013	School Census database closed	

29 November 2013	Census data available	
10 December 2013	DfE confirms DSG Schools Block allocations for 2014/15 (prior to academy recoupment)	
By mid-January 2014		LAs to gain School Forum/ political approval for final 2014-15 funding formula
21 January 2014		Deadline for LAs to submit final school budget proforma to EFA
28 February		Deadline for LAs to confirm budgets for their maintained schools
31 March	Deadline for EFA to confirm academies and budgets	
April 2014	First DSG payments to LAs based on final 2014-15 allocations, net of academies recoupment. DGS allocation updated termly for in year academy conversions	
June 2014	Early Years Block updated for January 2014 Early Years pupil numbers	
April 2015	Early Years Block updated for January 2015 Early Years pupil numbers (pro rata 7/12 th as this only covers Sept 2014 – March 2015)	

SECTION 5

Schools Block Consultation Questions

Local formula

1. Do you agree that a Looked After Children factor should be introduced as a formula factor?
2. Do you agree that Pupil Mobility is not used as a formula factor, but where a school experiences significant in-year growth linked to mobility an application can be made to the de-delegated contingency fund?
3. Do you agree with the principles and methodologies described for funding Sparsity in small primary and secondary schools?
4. Do you agree that a different lump sum for primary and secondary schools should be introduced?
5. Do you agree that £60,000 and £145,000 respectively are appropriate levels of lump sum?
6. Do you agree with the principle of setting a capping limit on baseline funding is a reasonable approach to ensure stability?
7. Do you agree with the principles for allocating funding from the Growth Fund?
8. Do you agree with the principles for allocating funding from the Falling Rolls Fund?

De-delegation and central services

9. Do you agree to de-delegate:
 - a. Contingency to support schools in financial difficulty and exceptional events?
 - b. Behaviour support services?
 - c. Support to under-performing ethnic groups and bilingual learners?
 - d. Free school meals eligibility?
 - e. Maternity? (but note option for Mutual Fund)
 - f. Trade union representation and public duties?
 - g. Licences and subscriptions (excluding Copyright Licencing Agency (CLA) and Music Publishers Association (MPA) as these are now covered by a national licence.
10. Do you agree that the following services should be centrally retained? :
 - a. Admissions
 - b. Servicing of Schools Forum
 - c. Phase Associations
 - d. Capital expenditure from revenue
 - e. Speechlink and Language Link licences
 - f. Local Learning Community funding
 - g. Broadband subsidy
 - h. School based redundancy

SEN

11. Do you agree that the High Needs Block should include a Targeted Fund, and that funds should be allocated on the principles described?

Please submit consultation responses using the [response form](#), no later than midday Friday 27th September 2013 to webpage link: [2014-15 Revenue Funding Arrangements – Responses](#)

Appendix 1: Permanent Exclusions

Where a pupil is permanently excluded from a school maintained by the local authority (other than a special school, pupil referral unit or from a place with the authority have reserved for children with special educational needs) the authority must re-determine the excluding school's budget share in accordance with the School and Early Years Finance (England) Regulations 2013.

Maintained schools will have their funding withdrawn on a financial year basis. Academies will have their funding withdrawn on an academic year basis.

Maintained Schools

- Where a pupil is permanently excluded, Base Entitlement Funding will be withdrawn for the remainder of the financial year at the rate relevant for the Key Stage in that financial year.
- Where a pupil is permanently excluded after the October School Census date, Base Entitlement Funding will be withdrawn for the remainder of the current financial year and the following financial year (at the Base Entitlement Funding rate applicable for the following financial year).
- Where a pupil is eligible for pupil premium funding, funding will be withdrawn for the remainder of the financial year.
- Where a pupil is permanently excluded after the January School Census date, Pupil Premium will be withdrawn for the remainder of the current financial year and the following financial year (at the Pupil Premium funding rate applicable for the following financial year).
- Where an excluded pupil is admitted, then the school will receive funding from the admission date to the end of the current financial year, and similarly if pupil is admitted after the October School Census date, then the school will received funding for the following financial year.

Academy Schools

- Where a pupil is permanently excluded, Base Entitlement Funding will be withdrawn for the remainder of the academic year at the rate relevant for the Key Stage in that academic year.
- Where a pupil is permanently excluded after the October School Census date, Base Entitlement Funding will be withdrawn for the remainder of the current academic year and the following academic year (at the Base Entitlement Funding rate applicable for the following academic year).
- Where a pupil is eligible for pupil premium funding, funding will be withdrawn for the remainder of the **financial** year.
- Where a pupil is permanently excluded after the January School Census date, Pupil Premium will be withdrawn for the remainder of the current **financial** year and the following **financial** year (at the Pupil Premium funding rate applicable for the following **financial** year).
- Where an excluded pupil is admitted, then the academy will receive funding from the admission date to the end of the current academic year, and similarly if pupil is admitted after the October School Census date, then the school will received funding for the following academic year.

Appendix 2: Targeted Fund

To support the first £6,000 towards Individually Assigned Resource

- Schools with above 3% pupils receiving top up in Primary and 2.5% in Secondary will receive additional funding in that element 2 of pupils above this percentage will be funded from HNB as well as the top up i.e. the £6,000s.
- All schools with at least one pupil receiving a top up must get at least £6,000 in this part of the formula – funded from HNB. This is to support those small schools where, because of size, their formula allocation would be less than £6,000.

To support schools where the Low Cost High Incidence SEN part of the formula delivers less than £5,000

- No school will receive less than £5,000 for this part of the formula, the difference will be topped up from the High Needs Block targeted fund

Combining support from the targeted fund means that:

- A school with at least one pupil receiving top up funding must receive a minimum of £11,000 from SEN funding
- A school with no pupil receiving top up must receive a minimum of £5,000 from SEN funding

Appendix 3: Top-up Funding – Identification and Administration

The Statutory Process

The SEN funding reforms move away from Statements to the introduction of Education, Health and Care Plans (EHCP). These should be developed when it is decided that a statutory assessment of educational needs is required. The SEN funding reforms require that LAs implement a funding model that provides the first £6,000 of SEN resource.

Most statements in Devon attract an additional resource. Since 2008, statements have only been funded by the LA if the need identified required 0.6 FTE Teaching Assistant (TA) or above.

The link between the statement and the way it is resourced has created an expectation about the use of the resource. There was consensus amongst the SEN review groups that an over reliance on TAs has developed that may not necessarily benefit the child or the school, and that more emphasis should be placed on planned programmes of intervention related to outcomes.

Another less than helpful aspect of Statementing is that resources are tied up long term to an individual child. It is difficult to remove the resource from a Statement even if it is no longer needed and this may be for several reasons, including parental pressure/expectations. Therefore resources are not always targeted accurately and flexibility is lost.

The demand for statutory assessments has recently risen significantly. Compared to national figures, Devon's increase in requests for statutory assessment is high. In the period 1 April 2012 to 1 May 2013 458 new statements were issued. This compares to 425 for the same period during 2010-11 and 415 during 2011-12.

The administrative process

The SEN reforms move away from Statements to EHC plans. These are formulated through combined input from Education, Health and Care. If the requirement of a statutory assessment in order to access additional funding is removed then the focus for EHC plans can be on the children with the most complex needs who are likely to need specialist provision.

A robust process to access additional resources (top ups or Element 3 of the SEN funding – the above £6,000) regardless of the statutory or non-statutory status of any plan must be implemented to make this work.

If a school believes that an EHC plan is required for a child then evidence to support the request will be required. The Devon SEN Guidance provides a matrix that sets out expected strategies and intervention that should be provided from a combination of AWPU and the £6,000 for individual SEN (Elements 1 and 2 of the SEN funding).

Currently a banded system is used to assess the value of Element 3 (top –up) allocation provided to a school. Work is being undertaken to draft underlying descriptors of need, both for mainstream and special schools, which can then be linked to funding levels. This will

reflect the move away from SEN support being directly related to TA time but, rather, to individual needs and expected outcomes.

Matrices that identify the SEN provision schools are expected to make are also being developed, to support the new SEN system from April 2014. This work is currently being finalised and SEN provision matrices will be available from the end of September 2013. A schools and wider education perspective has contributed to this process via the funding review meetings and other feedback opportunities.

Both the SEN Guidance and the SEN Audit will be updated and made available via the DCC website, which will have pages dedicated to the "Local Offer" i.e. what the LA expects to be available for children and young people (0 – 25) with SEN.

Effective implementation will mean effective training for LA officers, school staff and other professionals.

More information will be circulated in the Autumn term.

Payments

Monthly schedules will be passed by the 0-25 SEN team to the finance team identifying agreed top-up funding per school per named pupil.

Top up funding will be paid in equal instalments (taking account of when the funding is expected to end for each child) to each school via the C£ASS system.

Each payment will be accompanied by a detailed schedule identifying the pupil and the value of the top up. Schools will be able to track adjustments to their monthly payments as changes will inevitably occur for new pupils/ pupils for whom payments are no longer due or changes to the agreed top up value for a pupil. This information can only be sent where there is a secure network due to data protection legislation.

Appendix 4: Useful information

The following links may be useful in relation to statutory requirements:

Early Years - guidance on Early Years Qualifications requirements for maintained school, academies, independent schools and all other Private and Voluntary Providers; Ratios and More Affordable Childcare

[Early Years Statutory Guidance](#)

SEN Statutory Responsibilities – DRAFT guidance on Statutory Responsibilities for Schools for Children and Young People with SEN

[SEN Statutory Responsibilities](#)

Education policies in schools and other educational establishments

Policies and other documents that governing bodies and proprietors are required to have by law.

www.education.gov.uk/aboutdfe/statutory