
Consultation Document

For the 2017/18 Schools and Early Years Funding Formulas

September 2016

Children, Schools and Families

Director: Yvette Stanley



Children, Schools and Families

MERTON'S SCHOOL FUNDING FORMULA**CONSULTATION ON 2017-18 BUDGET**

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1. Introduction and Background

1.1 Introduction

1.1.1 School funding forms part of the Education Service of the Children, Schools and Families Department at Merton Council. The department is headed by the Director, Yvette Stanley, and it comprises three divisions which are led by Assistant Directors (AD):

- AD for Education – Jane McSherry
- AD for Social Care and Youth Inclusion – Paul Angeli
- AD for Commissioning, Strategy and Performance – Paul Ballatt

1.1.2 The local authority is required under regulation 9 of The School and Early Years Finance (England) Regulations 2015 to consult their Schools Forum, maintained schools and academies about any proposed changes to the schools formula in relation to the factors and criteria taken into account, and the methods, principles and rules adopted.

1.1.3 The main aim of this consultation is to inform Schools Forum members of the views held by their constituents in order to aid decision making.

1.1.4 This consultation document is structured into six main sections:

- Section 1 Background
- Section 2 Schools Block funding
- Section 3 Early Years Block funding
- Section 4 High Needs Block funding
- Section 5 Financial Regulations, Controls and Procedures
- Section 6 The Feedback Questionnaire to facilitate schools comments

1.2 Background

Consultation

1.2.1 The government started a consultation process in March to change the way in which schools are funded. A summary of this together with the LA response to the consultation was sent to schools for information and to respond to the consultation should they wish.

1.2.2 The consultation was split into two stages. The first stage consulted on the funding principles and concluded on the 17th April 2016. Government's full response to the first stage of the schools and high needs consultations will be published and proposals for the second stage set out once Parliament returns in the autumn.

1.2.3 They intend to run a full consultation, and make final decisions early in the New Year. The original intention was for the new funding formula to be implemented for 2017/18. Given the importance of consulting widely and fully with the sector and getting implementation right, the new system will apply from 2018/19, a year later than originally intended.

1.2.4 The consultation on changes to the funding formula for early years was published on the 11th August 2016, the results of which will not be known until after this consultation is

complete. It is our intention to do a separate Early Years Funding Formula later in the year once we have had confirmation about the changes from Central Government. For more information, please see section 3 of this document.

- 1.2.5 Proposals to create a new central schools block, allow local flexibility on the minimum funding guarantee and to ring-fence the schools block within the dedicated schools grant will not take effect in 2017/18 but will be covered, for 2018/19 and beyond, in the response to the first stage consultation.

General

- 1.2.6 The Dedicated Schools Grant (DSG) funds a variety of educational establishments and services. This includes mainstream and special schools, early years, alternative and other high need provision such as Pupil Referral Units. This funding is provided in two stages: first, the government provides the grant to local authorities, and then the authorities distribute the grant to the local educational establishments.
- 1.2.7 The DSG is divided into three notional blocks: Schools, High Needs and Early Years. Authorities continue to have flexibility to move funding between the blocks, provided that they comply with requirements on the Minimum Funding Guarantee (MFG) and have the agreement of Schools Forum or the Secretary of State on any increase in centrally held budgets where such approval is required under the regulations. For 2017/18 MFG has been confirmed as 1.5%.
- 1.2.8 For 2017/18, the government has confirmed that no local authority will see a reduction from their 2016/17 funding (adjusted to reflect local authorities' most recent spending patterns) on the schools block of the DSG (per pupil funding). This means that rather than using the 2013 spending patterns, the 2016 spending data will be used. This will remove the need to make block adjustments for the past four years, leaving authorities to only consider changes required for 2017/18. For Merton this means that the Schools Block Unit of Funding (SBUF) will change from £4,904.42 to £4,758.68, while the high needs block will change from £27.034m to £31.670m. As stated, the overall movement between blocks nets to zero.
- 1.2.9 Government has also confirmed that no local authority will see a reduction from their adjusted 2016/17 High Needs Block (cash amount). Final allocations for schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census.
- 1.2.10 We are expecting the Early Years Block per pupil unit of funding for 2017/18 to be confirmed following the consultation. This will include details on additional funding for working families who will be entitled to 30 hours per week from September 2017.
- 1.2.11 The DfE will consult on revisions to the School and Early Years Finance (England) Regulations to give effect to decisions set out in the announcement for 2017/18 and those proposals are reflected in this consultation.

1.2.12 The funding arrangements for 2017/18 are broadly similar to last year. The main changes are:

- The DSG blocks have been re-based to reflect current spending patterns as detailed in 1.2.8.
- Funding for ESG retained duties (£15 per pupil) will be transferred into the schools block for 2017/18.
- That local authorities will be able to retain funding from the DSG from maintained schools, including special schools and pupil referral units (PRUs), for statutory duties previously covered by the ESG.
- The removal of the post 16 funding factor, but with protection through the minimum funding guarantee (MFG). This will not impact on Merton as we did not use this factor.
- Using a national weighting for secondary low attainment figures (see Table 4, factor 3: Prior attainment).
- Using new bandings for the index of deprivation affecting children (IDACI) (see appendix A).
- That local authorities are submitting one authority proforma tool (APT) in January 2017.
- The Government is consulting on changes to the arrangements for free school recoupment.
- The Government is consulting on changes to the Early Years National Funding Formula.

1.2.13 Merton is planning to continue the review of SLA charges to ensure full cost recovery where this might not currently be the case. Merton is aware that these services are bought into because they deliver valuable support to schools and pupils and will endeavour to cap increases so it will not have a significant impact on schools budgets.

1.2.14 Our combined intention is not to cause unnecessary turbulence for schools or the Local Authority, so we are proposing a phased approach to reviewing charges/traded arrangements with schools. Should significant transfers need to be made between DSG and the General Fund, we would need to moderate any other potential charges, including raising fees.

1.2.15 Merton's schools and settings are still experiencing an increase in demand fuelled by factors including birth-rate increases, demographic changes and economic circumstances. The council is reaching the end of a major strategy to increase primary school places in the borough with plans currently being finalised to provide 21 additional forms of entry. Additionally, two forms of entry are now provided by Park Community free school. Significant investment is also required in the medium term to meet additional demand for places in the secondary and special school sectors. As the bulge moves from primary into secondary provision, this will cause a strain on the overall DSG as secondary school pupils are funded at a higher base rate than primary school pupils.

1.2.16 Early Years policy continues to be an area of focus for the DfE, and as such changes are planned for April 2017 regarding a national funding formula and the increase from 15 hours to 30 hours for children living in families meeting specific household and working

criteria from September 2017. The impact of these changes is currently being considered, and further correspondence across the wider early years sector will be disseminated once the policy implication and details have been communicated from central government.

2. Schools Block funding

2.1. Overall school funding

- 2.1.1 The funding to schools comes mainly through four grants as per Table 1 below. The DSG is the largest grant and is the focus of this consultation. The allocation of Pupil Premium, 6th form and universal infant free school meals grants are based on Central Government calculations.

Table 1: Main school grants

Grant	2016/17 Amount £000	2015/16 Amount £000
Dedicated Schools Grant (DSG)	139,268	138,183
Pupil Premium	5,909	6,013
Post 16 mainstream funding (6 th form)	5,425	5,542
Universal infant free school meals	2,347	2,206

- 2.1.2 As in previous years, this consultation cannot inform schools what their budgets will be for 2017/18, but will use 2016/17 grant data to reflect any proposed formula changes in order to demonstrate how funding will change from 2016/17 to 2017/18.
- 2.1.3 Table 2 below shows how the total DSG for 2016/17 was split between the three funding blocks. The original split was done as per government guidance using the 2012/13 Section 251 budget return to allocate the costs between the blocks. The updated split take account of the transfers agreed at Schools Forum over the past four years to reflect Merton's latest spending patterns as per 1.2.8 above.

Table 2: Split of DSG over the three blocks

Block	2016/17 Updated Amount £000	2016/17 Original Amount £000	2015/16 Amount £000
Schools Block	97,365	101,548	100,377
Early Years Block	10,754	10,686	11,122
High Needs Block	*31,149	27,034	26,684
Total DSG	139,268	139,268	138,183

*Figure does not agree with 1.2.8 as table 2 agrees to the latest grant figure including adjustments made after the original calculations made by the EFA.

- 2.1.4 Local authorities set their own local school funding formulae, within parameters set down by the Government. There are two compulsory factors that must be used in the formula:
- Basic per pupil entitlement – Age-Weighted Pupil Units (AWPUs).

- Deprivation – either based on Free School Meals (FSM) data or Income Deprivation Affecting Children Index (IDACI) bands, or both.

2.1.5 There are also 10 optional factors as detailed below:

- | | |
|---|------------------------------------|
| - Looked After Children (LAC) | - Pupils with low prior attainment |
| - English as an additional language (EAL) | - High pupil mobility |
| - London fringe | - Schools lump sum |
| - Sparsity | - Split sites |
| - Rates | - PFI |

2.1.6 The post 16 factor has been removed for 2017/18. Merton did not use this factor.

2.1.7 Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors; that is, the two compulsory factors and the top four optional ones, with the London fringe uplift where relevant. In Merton this was 91.25% in 2016/17.

2.1.8 The following sections will provide details of the factors Merton uses to allocate the Schools Block funding through the Schools Funding Formula to arrive at Individual School Budgets, centrally retained items and de-delegation of funding.

2.2 The 12 allowable formula factors

2.2.1 Values quoted in this document are based on the draft new formula for 2017/18, but using the 2016/17 funding settlement and the October 2015 census data. These are for illustrative purposes only to support the decision making process and will be updated once the 2017/18 funding settlement and the October 2016 census data are available.

2.2.2 Any changes to the unit values would necessitate reapportioning of unit values between factors and therefore schools, in order to balance to the overall Schools Block funding.

2.2.3 As requested by Schools Forum, a working group was formed in 2016 to review the factors and the values used in Merton's funding formula. The working group was comprised of Schools Forum members representing primary, secondary, special schools and academies as well as LA officers to provide data and background information. It included a mixture of head teachers and governors.

2.2.4 The Authority was asked to model the impact of four variations to the funding formula on schools funding allocations. These variations were:

- Increase Deprivation by 2% (c £2.2m) to be funded by reducing the Prior Attainment factor by the same amount.
- Increase Deprivation by 2% (c £2.2m) to be funded by reducing Primary and KS4 AWPU by same amount.
- Increase Primary lump sum by £25,000 to be funded by decreasing the Primary AWPU rate.
- Increase KS3 AWPU by £1m to be funded by reducing the secondary Prior Attainment factor by the same amount.

- 2.2.5 The working party's view was that the impact of all 4 options was insufficiently conclusive to support adopting any of the options. Each member of the working party considered the impact for their group of represented schools and there was consensus to keep using the existing funding formula.
- 2.2.6 Forum members accepted the working group's recommendation and it was agreed that no changes be proposed to the funding formula for 2017/18.
- 2.2.7 As a result, Merton is not putting forward any changes to the factors used in the funding formula for 2017/18. The only changes made will be to the unit values of the factors in order to keep the overall funding allocation to schools within the available funding envelope.

Table 4: Funding Formula Factors

Factor	Further information
1. Basic entitlement A compulsory factor that assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census.	Funding allocated according to an age-weighted pupil unit (AWPU). A single rate for primary age pupils, which must be at least £2,000 (£3,253 in Merton for 2016/17). There may be different rates for key stage 3 and key stage 4, with a minimum of £3,000 for each (£4,274 and £4,177 respectively in Merton for 2016/17). Merton also increases the pupil number count where schools had previously had higher reception pupil numbers in January than in the October census as per the guidance.
2. Deprivation A compulsory factor	Local authorities may choose to use free school meals and/or the Income Deprivation Affecting Children Index (IDACI). Free school meals can be measured either at the previous October census or "ever 6" which reflects pupils entitled to free meals at any time in the last 6 years, but not both. Merton uses FSM and "ever 6" IDACI. The IDACI measure uses 6 bands and different values are attached to each band. Merton uses the same unit values for primary and secondary schools. Following the 2015 IDACI dataset update, the EFA redesigned the IDACI bands to return them to a similar size to previous years. The draft 2017 to 2018 APT will include data showing pupils matched to the new IDACI bands. Merton used the same values in 2016/17 as in the previous year. Detailed specifications relating to the FSM and IDACI factors are available at Appendix A.
3. Prior attainment An optional factor (although it is used by nearly all local authorities). It acts as a	There is no perfect way of identifying pupils with low cost SEN. Prior attainment is used as it provides a reasonable proxy for some kinds of SEN. This may be applied for primary pupils identified as not achieving the expected level of development within the Early Years Foundation

Factor	Further information
<p>proxy indicator for low level, high incidence Special Educational Needs</p>	<p>Stage Profile (EYFSP) and for secondary pupils not reaching the expected standard in KS2 at either English or maths.</p> <p>The EYFSP changed in 2013, so a weighting may be used to ensure that funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups (years 1 to 4) assessed under the new framework.</p> <p>For pupils assessed using the old profile (years 5 to 6), local authorities will continue to be able to choose between two EYFSP scores, targeting funding to either all pupils who achieved fewer than 78 points; or all pupils who achieved fewer than 73 points on the EYFSP. Merton will use 73 points in 2017/18 as in previous years.</p> <p>For pupils assessed at KS2 up to 2011, eligible pupils are those who did not reach level 4 in either the English or Maths elements.</p> <p>For pupils assessed from 2011, eligible pupils are those who did not reach level 4 in any of the reading test, teacher assessed writing, or Maths. This reflects the new KS2 English assessment methodology which was introduced in 2012, to include separately a reading test and teacher assessed writing.</p> <p>The 2016 KS2 assessments are the first which assess the new, more challenging national curriculum. At a national level, a higher number of the year 7 cohort in financial year 2017 to 2018 will be identified as having low prior attainment. We intend to use a national weighting to ensure that this cohort does not have disproportionate influence within the overall total.</p> <p>The weighting will be confirmed in advance of finalising 2017 to 2018 allocations and included in the APT in December, having taken into account the latest data about year 7 pupils in the October census. Local authorities will not be able to change the weighting, but would be able to adjust their secondary low prior attainment unit value as usual. This will enable local authorities in most cases to maintain their low prior attainment factor at previous levels without significant turbulence.</p> <p>Low prior attainment funding will be allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.</p> <p>As with current funding arrangements, pupils who have not undertaken the assessment are given the average LPA score of their year group, so are taken into account when calculating a school's LPA average.</p>

Factor	Further information
4. Looked-After Children An optional factor	<p>This indicator was introduced in 2013/14 as these high priority pupils do not necessarily receive separate funding through the other deprivation factors.</p> <p>A single unit value may be applied for any child who has been looked after for one day or more as recorded on the local authority SSDA903 return at 31 March 2016.</p> <p>This data is mapped to schools using the January school census, enabling identification of the number of looked after children in each school or academy.</p> <p>Merton will continue to use this factor in 2017/18.</p>
5. English as an additional language (EAL) An optional factor	<p>EAL pupils may attract funding for up to 3 years after they enter the statutory school system. Local authorities can choose to use indicators based on one, two or three years and there can be separate unit values for primary and secondary.</p> <p>Merton will continued to fund these pupils for 3 years in 2017/18.</p>
6. Pupil mobility An optional factor	<p>This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils).</p> <p>There is a 10% threshold and funding is allocated based on the proportion above the threshold – so if a school has 12% mobility, then 2% of pupils would attract funding.</p> <p>Merton does not use this factor following previous consultation with schools and Schools Forum.</p>
Proportion allocated through pupil led factors	<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>
7. Sparsity An optional factor	<p>This factor was introduced in 2014/15 to benefit rural areas where schools are few and far between.</p> <p>Schools that are eligible for sparsity funding must meet two criteria: first, they are located in areas where pupils would have to travel a significant distance to an alternative should the school close, and second, they are small schools.</p> <p>Merton does not use this formula as none of our schools are eligible.</p>
8. Lump sum An optional factor (although it has been used by all local authorities)	<p>Local authorities can set different lump sums for primary and secondary (middle schools receive a weighted average based on the number of year groups in each phase). The maximum lump sum is £175,000, including London fringe uplift.</p> <p>Merton uses the same lump sum of £150,000 for both phases.</p>

Factor	Further information
9. Split sites An optional factor	The purpose of this factor is to support schools which have unavoidable extra costs because the school buildings are on separate sites. Allocations must be based on objective criteria, both for the definition of a split site and for how much is paid (see Appendix B for Merton's criteria).
10. Rates An optional factor (although it has been used by all local authorities)	These must be funded at the authority's estimate of the actual cost. Adjustments to rates may be made outside of the funding formula. For example, an additional allocation could be made to a school (e.g. from balances). This should be reflected in the Section 251 outturn statement and in each school's accounts. The effect on the school will be zero since the rates adjustment will be offset by a change in the cost of the rates.
11. Private Finance Initiative (PFI) contracts An optional factor	The purpose of this factor is 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 affordability gap is the difference between the contract payment to the PFI contractor and the income received from government grant; delayed funding interest; and school contribution towards contract costs that is included in the main funding formula. As Merton's PFI affordability gap is met by the general fund rather than the DSG, this factor is not used.
12. London fringe An optional factor, but only for the five local authorities to which it applies	The purpose of this factor is to support schools which have to pay higher teacher salaries because they are in the London fringe area, and where only part of the authority is in this area. It is applied as a multiplier of 1.0156 to relevant factors. This factor is not applicable for Merton and only available to Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex.
13. Exceptional premises factors Local authorities can apply to EFA to use exceptional factors relating to premises. The most frequently approved factors are for rents and for jointly used sports facilities.	The exceptional factors must relate to premises costs and applications should only be submitted where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the authority's area. Any factors which were used in 2016/17 can automatically be used for pre-existing and newly qualified schools in 2017/18, provided that the above criteria are still met. Merton does not use this factor.

2.2.8 If you would like to make any comments on the formula, please do so in section 2.2 of the feedback questionnaire.

2.3 Optional de-delegation for maintained schools

2.3.1 To give school leaders greater choice over how to spend their budgets, the formula is based on the principle that services in the notional Schools Block and the funding for these services is delegated to schools in the first instance.

2.3.2 Central services are split into two groups:-

- De-delegated Services. These have to be allocated through the formula but can be de-delegated for maintained primary and secondary schools with Schools Forum approval.
- Centrally Retained Services. These can be centrally retained before allocating the formula with the agreement of the Schools Forum. A number of these services are subject to a limitation of no new commitments or increases in expenditure and Schools Forum approval is required each year to confirm the amounts on each line.

2.3.3 De-delegation is not an option for academies, special schools, nurseries or PRUs. Where de-delegation has been agreed for maintained primary and secondary schools, Merton will offer the service on a buy-back basis to those schools in their area which are not covered by the de-delegation. In the case of special schools and PRUs, the funding for such services is included in the top-up.

2.3.4 Appendix C contains more details about de-delegated and centrally retained funding in guidance provided by the DfE. Table 4 below details the requests for de-delegation for 2017/18 compared to 2016/17.

Table 5: Request for de-delegation of funding

Service	2017/18	2016/17
Contingencies	£546,000	£546,000
Primary school meals management	£20,000	£20,000
Licences and subscriptions	£117,000	£114,320
Supply staff cost- parenting cover and public duties	£702,000	£674,230
Support to underperforming ethnic minority groups and bilingual learners	£205,000	£203,940
Behaviour support services	£195,000	£193,000
Total	£1,785,000	£1,751,490

The options for de-delegating these budgets are set out below. For each of these, it will be for the Schools Forum members in the relevant phase (primary or secondary) to decide, taking account of the result of the consultation, whether that budget should be retained centrally. The decision will apply to all maintained schools in that phase and will mean that the funding for these services is removed from the formula before school budgets are issued.

Please note that unit values are estimated based on the 2016/17 formula and will change following the October 2016 census. Values are indicative to support schools in their decision making.

For all the services detailed below, please state in the feedback questionnaire whether you would prefer these services to be delegated or de-delegated.

- 2.3.5 **Contingencies- Schools in Challenging Circumstances (SCC):** This budget is used to support schools experiencing specific challenges where there is no school budget available to meet the agreed need. It is used proactively to prevent problems and to secure rapid progress when necessary. It is used at the discretion of the AD of Education Services (Jane McSherry) in discussion with the Head of School Improvement Services and the Head of the school. It is used to respond to specific school level issues and as these change each year, there are no historic spending patterns by phase or school.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to each school, both primary and secondary, is estimated at £14.01 per pupil on roll to provide an overall de-delegated budget of £300,000 (£13.87 in 2016/17).

- 2.3.6 **Contingencies- Merton Education Partnership (MEP):** The use of this funding will be agreed through the governance arrangements of the group. The fund is used for cross school partnership projects with clearly demonstrable education benefits. From 2016/17 this includes a £30,000 contribution to the Merton Sport Partnership. As this is only applicable to primary schools, this element of the funding is only allocated to them and as a result, the primary unit cost is higher than the secondary unit cost.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to each school, both primary and secondary phases, is estimated at £6.66 and £4.77 per pupil on roll respectively to provide an overall de-delegated budget of £130,000 (this was set at £6.14 for all schools in 2016/17).

- 2.3.7 **Contingencies- Marketing in schools:** This budget was agreed with Schools Forum historically to engage a professional marketing company to raise the profile of Merton Schools. This is used to produce the admissions books, organise the celebratory events, produce the “moving on” leaflets and provide advice to a number of schools on their individual marketing and websites. They also support schools in responding to PR specific issues that arise from time to time. If this budget was delegated schools would either need to contribute individually to borough wide work or everything would need to be managed on a school-by-school basis.

Following comments made by Schools Forum last year, for 2017/18 Merton proposes to no longer engage an external professional marketing company but to deliver this service in-house. This will reduce the expected cost to £30,000 and we would consult with schools in the September 2016 primary and secondary Headteacher meetings what their priorities for the marketing service would be.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to each school, both primary and secondary phases, is estimated at £3.27 per pupil on roll to provide an overall de-delegated budget of £70,000 (£3.24 in 2016/17). If schools wanted to opt for the second option, this would change the cost to £1.40 per pupil to provide an overall de-delegated budget of £30,000.

- 2.3.8 **Contingencies- Tree maintenance:** This budget is kept for use by schools in the case of emergency tree work being needed. It also supports the provision of advice about the maintenance and safety of trees. This work can be quite costly and is commissioned by Merton's Environment and Regeneration department.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to each school, both primary and secondary, is estimated at £2.15 per pupil on roll to provide an overall de-delegated of budget £46,000 (£2.13 in 2016/17).

- 2.3.9 **Primary school meals management:** This budget only applies to Primary schools as secondary schools manage their own meal arrangements.

All free school meal funding is delegated to primary and secondary schools and managed by them locally. The current meals contract was awarded to Compass trading as Chartwells from 1 August 2015 for a 3 year initial term with an option to extend to 2021 if required. Schools are invoiced directly for all meals including free school meals. In order to treat all residents in the borough the same but also support schools with their budget pressures, Schools Forum agreed as part of the consultation last year to remove the meal subsidy. This enables schools to charge residents the rate for meals they get charged by the provider.

The council retains £20,000 through de-delegation to meet the cost of replacing any equipment which is beyond economic repair. Primary schools contribute towards this fund based on the numbers on roll through the AWPU factor. The cost to each school is estimated at £1.23 per pupil on roll for 2017/18 (£1.21 in 2016/17).

- 2.3.10 **Licences and subscriptions:** This budget includes £117,000 for Schools Information Management System licences (£114,320 for 2016/17). All subscription costs are now arranged through the Education Funding Agency (EFA) and deducted from the DSG. This is detailed under centrally retained items in section 2.4.2 of this report.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to both primary and secondary schools is estimated at £5.46 per pupil on roll to provide the overall de-delegated budget (£5.29 for 2016/17).

- 2.3.11 **Supply staff cost- parenting cover and public duties:** This budget includes £620,000 for parenting cover (£593,000 for 2016/17) and £82,000 for public duties (£81,230 in 2016/17). If the parenting cover budget was delegated, schools would have to take individual responsibility for that pay. The public duties budget provides cover for duties such as jury service and trade union cover which is currently being reviewed. If delegated, schools would need to cover these additional costs themselves.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to both primary and secondary schools is estimated at £32.78 per pupil on roll (£31.17 in 2016/17) to provide an overall de-delegated budget of £702,000.

- 2.3.12 **Support to under-performing ethnic minority groups and bilingual learners:** This budget includes £96,000 for the refugee service and £109,000 for Ethnic Minority Achievement Grant (EMAG).

The refugee service funds the New Arrivals Team that supports newly arrived pupils and their families. The team appoints, trains and manages a large team of bilingual assistants used extensively by Merton schools. If the funding for this service was delegated, schools would have to make individual arrangements to support pupils and their families newly arrived in the UK.

The EMAG budget currently funds a range of support to schools to improve outcomes for some under-performing groups and bilingual learners. The budget funds posts in the SEND, School Improvement and Traveller Education services. In addition the budget supports training and administration around Merton schools' equality duties, including policy guidance, good practice development and sharing, and the collection of data. If delegated, schools would need to buy in any required support themselves and these costs would be unlikely to be spread evenly across the borough as some schools have a much greater need.

Schools contribute towards this fund based on the EAL factor. The cost to both primary and secondary schools is estimated at £43.08 per EAL pupil percentage point (£42.01 in 2016/17) to provide an overall de-delegated budget of £205,000.

- 2.3.13 **Behaviour support:** This budget currently funds a range of support to schools to improve behaviour. The DSG budget funds the support for and liaison with CAMHS and support for vulnerable pupils in primary and secondary schools; anti bullying; support for emotional well being initiatives such as nurture groups, Social and Emotional Aspects of Learning (SEAL) and Targeted Mental Health in Schools (TaMHS); all exclusion advice and support; and prevention of exclusion case work support from the team including the work of the Behavioural Support Assistants. This latter provision holds some of our most vulnerable pupils in primary schools. Currently different schools use different services from within the Virtual Behaviour Service (VBS) based on need.

The team is also part of the Language Behaviour and Learning buy back service. This service is widely bought in for a range of support, assessment and training needs by schools. Thus the team is already part delegated. If the team was fully delegated, all services would need to be considered as full buy back which would significantly increase the costs to schools to access services. The consequence would be that support would be targeted at where schools had funding, not where the pupil need is. If the primary behaviour service was delegated there is a potential to require more expensive offset primary provision at greater cost to schools.

Schools contribute towards this fund based on the low attainment factor. The cost to both primary and secondary schools is estimated at £36.16 per low attainment pupil percentage point to provide an overall de-delegated budget of £195,000 (£35.34 for 2016/17).

- 2.3.14 **Insurance:** This service is currently delivered through the Service Level Agreement (SLA). Although this budget can be de-delegated, Schools Forum decided that this should not be an option as this would transfer the decision-making process from individual schools to primary and secondary school phases.

2.3.15 Schools can buy into any service with funding from their delegated budget. The Authority will continue to deliver services to schools through the SLA on a buyback basis.

2.3.16 Using the 2016/17 formula data to model the new 2017/18 values, the **ESTIMATED** cost of de-delegating the above funding to each school is shown in Appendix D. These figures are not final as they will change once the October 2016 census and other data is provided from the EFA. The aim of providing these details is to aid schools in their decision-making process.

2.4 Centrally retained items

2.4.1 Appendix C provides more details on funding that can be centrally retained as per the guidance provided by the DfE. Table 6 below details the items that relates to the schools block.

Table 6: Centrally retained funding

Description	2017/18	2016/17
Central licences negotiated by the Secretary of State	£113,000	£111,860
Additional classes required due to pupil growth	£1,380,000	£1,380,000
School admissions	£266,130	£266,130
Servicing of school forums	£12,200	£12,200
Total Centrally retained funding	£1,771,330	£1,770,190

2.4.2 **Central licences negotiated by the Secretary of State:** The DfE pays subscriptions on behalf of schools to the following agencies:

- Copyright Licencing Agency and Music Publishers Association
- Music Publishers Association
- Newspaper Licensing Authority
- Educational Recording Agency
- Filmbank Distributors Ltd (for the PVSL)
- Motion Picture Licensing Company
- Phonographic Performance
- Performing Rights Society
- Mechanical Copyright Protection Society
- Christian Copyright Licensing International

These agreements are administered and paid by the EFA and deducted directly from the DSG and can therefore not be delegated to schools.

2.4.3 **Additional classes required due to pupil growth:** This funding is allocated to schools to support the extra costs involved in setting up and providing additional classes in September where they are requested by the Local Authority to expand above their existing published admission number to meet a shortage of pupil places in the overall area. This is required as there is a time lag before the increased pupil numbers are recognised in any factors of the schools formula.

The funds are provided on the same bases for maintained schools, academies and free schools. However, as academies and free schools are funded on the basis of an academic year the time lag is a full academic year, while for maintained schools it is only 7/12 of the academic year (1 September to 31 March).

The funds are allocated at £60,000 per additional primary class and £80,000 per additional secondary class to cover the 7/12 of the academic year time lag for maintained schools. Academies/free schools providing additional classes agreed by the council will receive the further 5/12; so a secondary academy, for example, will receive an additional £137,140 in total. It should be noted that the additional 5/12 to cover the period 1 April to 31 August is provided as a specific sum by the EFA and then passported by the council to the academy/ free school. The £1,380,000 for 2017/18 will cater for 14 primary expansion classes and 4 secondary expansion classes. A contingency is held to ensure sufficient funding is available when the new free secondary school starts to fund the lag funding of numbers to minimise the impact on existing schools, academies and free schools.

2.4.4 The DSG top-slice is used to allocate revenue funding for additional classes. Capital costs are funded through the devolved capital budgets. A total of £65,000 is available over the 7 year period with a pro-rata cap applying if an additional class is not added to each year group.

2.4.5 **School admissions:** This service covers the cost of the school admissions team. The funding will continue at £266,130 for 2017/18.

2.4.6 **Servicing of Schools Forum:** This budget covers the administration cost of the Schools Forum, including officer and running costs. The funding will continue at £12,200.

2.5 Minimum Funding Guarantee (MFG)

2.5.1 MFG is a prescribed per pupil formula which protects the reduction in an individual schools budget on a per pupil basis. In the previous funding period schools were provided with a MFG of negative 1.5% per pupil and this will be maintained in 2017/18.

2.5.2 Factors can only be excluded from the MFG where not doing so would result in excessive protection or be inconsistent with other policies. Factors automatically excluded are:-

- Post 16 funding (6th form factor)
- The sparsity factor
- The lump sum
- Business rates

2.5.3 In order to fund the minus 1.5% protection provided by the MFG the Authority can cap gains to school, top-slice the schools block by reducing the value of other factors like AWPU, or using a combination of both these methods. This will be considered when the final formula is set in January 2017 with the aim of reducing turbulence to schools as far as possible and to balance to the funding available for distribution.

2.6 Education Services Grant (ESG)

- 2.6.1 In the 2015 Spending Review, government announced a saving of £600 million from the ESG general funding rate by 2019 to 2020. Local authorities will receive transitional ESG funding from April 2017 to August 2017. The general funding rate will then be removed from September 2017.
- 2.6.2 Government recognise that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed. As proposed in the first stage of the national funding formula consultation, they will amend regulations to allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG.
- 2.6.3 The amount to be retained by the local authority will need to be agreed by the maintained schools members of the Schools Forum. Local authorities should set a single rate for all mainstream maintained schools (both primary and secondary). They may choose to establish differential rates for special schools and PRUs if the cost of fulfilling the duty is substantially different for these schools.
- 2.6.4 Details of the retained funding will be provided to Schools Forum once funding details have been made available from Government and Merton has been able to work through the funding adjustments. We expect to get more details as part of the grant allocation in December.

2.7 Merton Music Foundation

- 2.7.1 The Local Authority and the Schools Forum have been providing £23,000 each to Merton Music Foundation since 2012 to support our Merton Music Education Hub work in schools. The hub is MMF's music education partnership and supports events like our Music is for Life concerts, Charanga music scheme, borough-wide singing strategy and various other music education projects for schools. The £46,000 grant is used as match funding to ensure that MMF is able to pull down core grant from Arts Council England.
- 2.7.2 At the moment there is no information on funding for 2017/18. This is normally announced by Arts Council England during January/February. We would expect indicative amounts to be similar to 2016/17.

2.8 Proforma

- 2.8.1 Based on the assumption that the factors as recommended above are accepted following consultation and Schools Forum decision, Appendix E is a draft of the proforma that will be submitted to the EFA for agreement in January 2017.

2.9 Timetable

- 2.9.1 Attached as Appendix F is the timetable for setting the 2017/18 Schools' Budget. Responses to the Funding Consultation are due back on the 30th September 2016. Analysed results will be presented to the Schools Forum on the 13th October 2016 in order to agree the final proforma to be submitted to the EFA by the 20th January 2017.

3 Early Years Block funding

3.1 Current overview

- 3.1.1 This block includes some centrally retained items, but the majority is paid directly by local authorities to all early years providers, including academies and maintained schools, through the Early Years Single Funding Formula (EYSFF). Most funding is calculated by multiplying a base rate by the number of hours of provision counted on a termly basis or during the year (a minimum of 3 times a year).
- 3.1.2 In Merton, for 3 and 4 year olds, there is a mandatory supplement for deprivation and a discretionary supplement for SEN support. The EYPP sits outside the formula and is paid through the termly headcount process. Whereas the 5-16 formula uses lagged pupil numbers, early years funding is based on actual hours during the current year, using a head count for each of the 3 funding periods (summer, autumn and winter terms).
- 3.1.3 Funding for eligible 2 year olds is provided at a fixed hourly rate, which includes a supplement for deprivation and funding is also based on actual numbers during the current year as for 3 and 4 year olds.
- 3.1.4 There are proposed changes for 2017/18 which are currently being consulted on by the DfE:
- The introduction of a new early years national funding formula for 3- and 4-year-olds
 - Changing the way local authorities fund the early years providers in their area
 - Making sure that children with special educational needs or disabilities attract the extra funding they need

3.2 Centrally retained items

- 3.2.1 £692,730 of Early Years Block funding is retained centrally to fund support for the sector including early intervention services and inclusion and continuous improvement. This supports the continuous improvement of the early years care and education sector (includes Private, Voluntary, Independent and Maintained sector) in accordance with the code of practice for the delivery of funded 2, 3 and 4 year old places. The service is also responsible for the administration of the funded entitlement and the Local Early Years Register.

3.3 Summary of the DfE consultation running from August 11th 2016 to September 22nd 2016:

- 3.3.1 The DfE acknowledges that the current system is not working and says that the majority of 30-hour places will be provided by the private and voluntary sector, which needs to be incentivised to offer the additional hours.

The consultation proposals therefore aim to address the historic disparities in levels of local authority funding that have led to some settings receiving as little as £3.24 per hour and others £9.17 an hour per child.

Childcare providers in each local authority area will receive the same basic rate of funding for every hour of the free entitlements.

3.3.2 The new early years national funding formula that will replace the current system will be made up of three funding factors:

- a universal base rate of funding for each child
- an additional needs factor
- an area cost adjustment reflecting the different costs of providing childcare in different areas of the country

The new system will be brought in from April 2017 for the 15-hour entitlement for three- and four-year-olds, and from September 2017 when the 30-hour offer for working parents is rolled out across the country.

3.3.3 The DfE intends to ensure that funding reaches the frontline by bringing in 'a high minimum threshold' on the amount of funding that local authorities must pass on to providers: a maximum of 93 per cent in 2017/18 and 95 percent thereafter.

The Government is asking for views from local authorities and providers on whether this should be in statutory legislation.

Analysis by the DfE says that 132 local authorities will gain funding and in only 18 will they face cuts.

Local authorities will be required to use a universal base rate from 2019/20 at the latest, so that a child in a private or voluntary nursery will receive the same level of 'per child' funding as a child in a nursery class in school or in a nursery school. This is because the Government wants to end differences in funding between different parts of the market.

In Merton our **base rates** are currently:

Private and voluntary sector full delivering more than 15 hours	£3.97
Private and voluntary sector delivering 15 hours only	£4.17
Independent schools delivering funded education places prior to 2014	£3.71
Schools and independent schools	£3.68

Settings also receive EYPP, deprivation and SEN support funding on top of the base rate

3.3.4 To make the system simpler for providers, local authorities will be limited in the types of supplements they can offer. These will be limited to deprivation, rural areas, flexibility and key policy objectives, such as a supplement to settings offering the 30 hours. The DfE is also consulting on whether there should be cap of 10 per cent on the amount of funding that can come from these supplements.


The DfE is also proposing to introduce a new £12.5 million Disability Access Fund to support disabled children to access the free entitlements. Local inclusion funds for children with special educational needs will support providers in this area.

Alongside the consultation, the DfE is publishing tables showing how its proposals would affect each local authority

In Merton we are proposing that we wait until the publication of the responses to the current consultation and that we carry out our own local consultation as soon as possible in accordance with the DfE timetable

Providers are encouraged to read the consultation and respond as our understanding at this stage is that there are unlikely to be significant policy changes outside what is currently being proposed.

3.3.5 Summary of the proposals and consultation link below:



Department
for Education


Consultation: Early years funding

Changes to funding for 3 and 4 year olds

Take part in our consultation by [reading our proposals and visiting the survey site](#) between Thursday 11th August and Thursday 22nd September. We ask your views on changes to the way funding works for both for the existing free entitlement for 3 and 4 year olds and the extended 30 hour entitlement for working parents.

This factsheet gives a summary of our key proposals. We look forward to hearing your views.


What are we proposing?




Fairer funding for Local Authorities
Introducing a national funding formula to allocate a record level of investment, including an additional £1 billion by 2019-20, fairly and transparently.

95%


Maximum funding to providers
All local authorities to pass on the vast majority (95%) of funding direct to childcare providers.



Fairer funding for providers
Childcare providers in each local authority area to receive the same basic rate of funding for every hour of the free entitlements.



Greater transparency for providers
More targeted use of local authority funding supplements to incentivise providers to meet the needs of parents.



Additional funding for children with SEND
Targeted additional funding for providers to support disabled children and a new local authority approach to supporting children with special educational needs.


What does it mean for the early years sector?


£3.9bn

A record £3.9bn funding per year from 2019-20 to ensure we can expand the free early years entitlements from 15 to 30 hours a week.


£4.88

Government fulfils its promise of a higher national average hourly funding rate, increasing from £4.56 to £4.88.





The vast majority of local authorities and providers to see increases in their average hourly funding rates.



A more level playing field for different types of provider, which is more transparent and easier to understand.

A new approach for disabled children and children with special educational needs with extra funding to help them access and benefit from the free entitlements.

4. High Needs Block funding

4.1 Background

- 4.1.1 The high needs block supports provision for pupils and students with special educational needs (SEN) and disabilities (SEND), from their early years to age 25, and alternative provision (AP) for pupils who cannot receive their education in schools.
- 4.1.2 High needs funding is intended to support the most appropriate provision for each individual, taking account of parental and student choice, providing appropriate provision in a range of settings, and to avoid perverse incentives. It is intended to support good quality alternative provision for pupils who cannot receive their education in schools.
- 4.1.3 In 2013/14, high needs funding was moved to a “place plus” basis. This means that base funding (“place funding”) was given to local authorities to distribute to institutions for them to provide such places on an on-going basis. This was supplemented with “top-up funding” which follows individual pupils and students. The top-up funding provided to local authorities includes funding for central services to support these high cost places.
- 4.1.4 The funding system has two aspects: place funding (sometimes known as elements 1 and 2 for post 16 institutions, except special schools and special academies) and top-up funding (sometimes known as element 3 for post 16 institutions).
- 4.1.5 Place funding includes the funding which pupils and students at an institution attract for their core education and basic programmes and funding to meet additional support costs up to the specified threshold. Place funding is to provide a base level of funding for the institution, and funded places should not be reserved for a specific pupil or student, or local authority.
- 4.1.6 Top-up funding is that which is required over and above place funding, to enable a pupil or student with high needs to participate in education and learning. The EFA makes an allocation to local authorities for high needs as part of the (DSG). Local authorities decide how much to set aside in their high needs budget, which they then use to pay top-up funding to institutions.
- 4.1.7 Table 7 shows how Merton’s High Needs block funding is distributed. Details of items can be found in section 4.2 of this report.

Table 7: High Needs Block funding

Description	Amount 2016/17	Amount 2015/16
Mainstream settings (Individual SEN statements)	£3,344,000	£3,293,000
Specialist SEN and LDD settings (Including ARP and special schools)	£10,789,660	£10,355,660
Pupil Referral Unit (PRU)	£1,787,890	£1,722,870
Centrally retained High Needs funding for all phases	£13,167,260	£12,906,860
Post 16	£2,060,000	£2,060,000
Total Centrally retained funding	£31,148,810	£30,338,390

4.2 High Needs Block details

- 4.2.1 **Mainstream settings:** Schools contribute the first £6,000 of additional educational support for High Needs pupils and students. This additional support is for provision over and above the standard offer of teaching and learning for all pupils or students in a setting. Pre 16, schools and academies continue to receive a clearly identified notional SEN budget from which to make this contribution.

Top-up funding above this level is agreed between Merton and the individual school when the individual statement or EHC Plan is processed. Merton manages top-up funding through a banding model. Tables 8 and 9 below details Merton's band funding levels.

Table 8: High Needs statement banding levels (reception onwards)

Band	2017/18	2016/17
Band 1	£0	£0
Band 2	£5,691	£5,691
Band 3	£7,826	£7,826
Band 4	£9,961	£9,961
Band 5	£12,096	£12,096

Table 9: High Needs statement banding levels (2, 3 & 4 year olds)

Band	2017/18	2016/17
Band 1	£0	£0
Band 2	£5,846	£5,846
Band 3	£6,913	£6,913
Band 4	£7,981	£7,981
Band 5	£9,048	£9,048

Merton will continue to provide additional funding outside the main funding formula for mainstream schools and academies. During 2016/17 this methodology allocated an additional £321,916 (included in table 10) where more than 2.5% of a school's overall pupils had statements. Appendix G details the allocations for 2016/17.

Appendix H provide some additional guidance and history relating to mainstream school SEN funding arrangements.

- 4.2.2 **Specialist SEN and LDD settings:** Under the place-plus arrangements, specialist SEN, LDD schools and Additional Resource Provision (ARP) settings receive a base level of funding on the basis of an agreed number of places at £10,000 per place. Top-up funding above this level was agreed between Merton and the schools and these rates will stay the same for 2017/18.

The total for specialist SEN and LDD settings includes the school budgets for Cricket Green, Perseid, and Melrose special schools. The total budget for 2016/17 is £7,876,750. The total ARP budget for 2016/17 is £2,670,830.

There is a need to meet the forecast increase in ASD need coming through from primary schools and there is provision in the council's capital programme for a new secondary school ASD unit for 20 places. The additional revenue funding requirement will need to be built into the High Needs Block when the base has been established.

The budget also includes the centrally retained service funding portion for the special schools, similar to that held for the maintained primary and secondary schools. The total for centrally retained High Needs funding for special schools includes £34,840 in 2016/17 for support for schools in challenging circumstances; school meal management; licences and subscriptions; maternity/paternity supply cover, marketing, public duties, ethnic minority support, behaviour support and tree maintenance. It also includes £207,240 for prudential borrowing that the Schools Forum agreed at their meeting on 15th October 2007.

- 4.2.3 **Pupil Referral Unit (PRU):** Merton's PRU, the SMART centre, provides education to pupils out of school by exclusion, medical or otherwise. It takes pupils by permanent exclusion as residents of Merton; by referral based on medical need if residents of Merton, or by referral from schools or the local authority to prevent exclusion or meet need. It has a throughput of approximately 100 pupils per year. This varies based on need. It provides for secondary aged pupils by referral for prevention and exclusion and medical, however it can also support primary aged medical referrals in small numbers.

The exclusion process currently involves a deduction of AWPU against a national criteria and a local agreement to pay £3,000 per excluded pupil and receive £3,000 for a re-integrated pupil. This agreement is between all maintained secondary schools and academies in Merton and is calculated every term.

- 4.2.4 **Centrally retained High Needs funding for all phases:** These services are retained centrally by the local authority to deliver direct services or procure services from external providers to ensure the most economic use of resources.

Table 10: Centrally retained High Needs funding

Description	2016/17 £000	2015/16 £000
Independent provider placements	8,341	8,096
Cost of Merton pupils in other LA maintained schools	2,063	2,069
Cost of other LA children in Merton maintained schools	(1,159)	(1,159)
Language and Learning	635	579
Academy placements	580	580
Targeted support to schools with high SEN pupil numbers	322	373
Sensory Team	376	371
Virtual School	361	356
SSQ Core Offer	350	346
Behaviour Support	206	208
SEN referral & Early help 0-25 team	206	203
Education Welfare	163	160
Social Inclusion	142	144
Therapy in Special schools	112	112
Merton Autism Outreach Service (MAOS)	100	100

Vulnerable Children's Education	110	97
Portage	62	62
SEN support	56	56
Independent hospital provision	50	50
Education support for Looked After Children	50	50
Education Psychology	41	22
Sports Partnership	0	32
Total Cost	13,167	12,907

- 4.2.5 **Post 16 SEN and LDD:** Young people aged 16-25 with high-level SEN or LDD are educated in a range of settings, including special and mainstream school sixth forms, Further Education (FE) colleges and Independent Specialist Providers (ISPs).

Mainstream FE providers and school and academy sixth forms, like mainstream schools pre 16, are expected to contribute the first £6,000 to the cost of additional support provision required by a High Needs pupil or student (element 2), in addition to the mainstream per-student funding (element 1) received for each high need student. This funding is provided by the EFA.

Above this level (elements 1 and 2), top-up funding (element 3) for students placed in either mainstream or specialist settings are provided by Merton from within the High Needs Block. This is paid on a per-pupil or per-student basis and is paid directly to the provider.

5. Financial Regulations, Controls and Procedures

5.1 School and Early Years Finance (England) Regulations for 2017/18

- 5.1.1 The Government will be making the necessary regulations that will give effect to funding changes from 2017/18. A national Consultation will go out on draft School and Early Years Finance (England) Regulations to come into effect for next financial year.

5.2 Scheme for Financing Schools

- 5.2.1 Merton's last Scheme for Financing Schools was circulated to all schools on 9th February 2016 following DfE updates in December 2015. No updates to this guidance have been published since and Merton is not proposing any changes to its current scheme at present.

6. Feedback Questionnaire to Merton's Schools Funding Formula 2017/18

This questionnaire must be filled in and returned by **Friday 30th September 2016** to:

Jayne Ward

London Borough of Merton

7th Floor, Merton Civic Centre,

London Road,

Morden, SM4 5DX

Or e-mail to jayne.ward@merton.gov.uk

NAME OF SCHOOL

Signature

(Headteacher / Chair of Governors)

Date

Options from Section 2.2 relating to the formula factors

2.2 Formula factor comments

As central government did not propose any changes to the factors Merton uses and the Schools Forum working group recommended that no changes be made to Merton's current funding formula, we are not proposing any changes for 2017/18.

Please provide any comments you would like to be considered by Merton and the Schools Forum in setting the 2017/18 formula.

Comments

2.3.7 Marketing in schools

Please select which option below you would prefer

Option 1 – Continue with the current approach engaging a professional marketing company to deliver the marketing service at a cost of £70,000	
Option 2 – Deliver the marketing service in-house at a reduced cost of £30,000 and consulting schools on their priorities.	
Option 3 – Cease to de-delegate funding for marketing and stop all marketing services	

Comments

Options from Section 2.3 relating to de-delegation

De-delegation

For all of the services below, please state either Yes or No to indicate whether or not you would prefer the services to be de-delegated to the Authority to be managed centrally rather than by each individual school.

Paragraph	Service	De-delegate Yes/ No
2.3.5	Contingencies- Schools in challenging circumstances	
2.3.6	Contingencies- Merton Education Partnership	
2.3.7	Contingencies- Marketing in schools (covered above)	
2.3.8	Contingencies- Tree maintenance	
2.3.9	Primary school meals management	
2.3.10	Licences and subscriptions	
2.3.11	Staff cost- supply cover	
2.3.12	Support to under-performing ethnic minority groups and bilingual learners	
2.3.13	Behaviour support	

Other de-delegation comments

Please provide any comments you would like to be considered by the Schools Forum on the de-delegation of budgets for 2017/18.

Comments

Options from Section 3 relating to the EYSFF

3 EYSFF comments

Please provide any comments you would like to be considered by the Schools Forum in setting the 2017-18 Early Years Funding Formula.

Comments

Other comments

Please provide any comments you would like to be considered by the Schools Forum.

Comments

Thank you for taking the time to provide your feedback.

Detailed specification for individual factors

Appendix A

Income Deprivation Affecting Children Index (IDACI)

IDACI is part of the Indices of Multiple Deprivation (IMD). It is an area-based measure defined at the level of Lower Super Output Area (LSOA). It takes the form of a score between 0 and 1, which can be interpreted as a proportion of families in the LSOA, with children aged under 16, which are income deprived.

The income deprivation affecting children Index (IDACI) dataset is updated every five years by the Department for Communities and Local Government. The most recent update to the dataset, which took effect in local authorities' 2016 to 2017 schools block dataset in December 2015, showed a markedly different distribution to the previous 2010 dataset. We recognise that the 2015 data update created unexpected and unhelpful turbulence in budgets, towards the latter stages of the local formula-setting process.

We have considered the concerns raised by local authorities and views expressed through the first stage national funding formula consultation, and have decided to update the IDACI banding methodology to return the IDACI bands return to a roughly similar size (in terms of the proportion of pupils in each band) as in 2015 to 2016. The revised bands are named "A" to "G"; with the most deprived neighbourhoods being captured by band "A" (previously bands 6 and 5). For future data updates, we will set out plans for managing the change in data by adjusting the band boundaries more promptly.

In the draft APT to be issued to local authorities shortly, schools' IDACI data will be consistent with the new IDACI band definitions. In the final 2017 to 2018 APT issued in December, local authorities will receive October 2016 census data matched to the new IDACI bands.

The following table shows the proportion of pupils in each IDACI band in the 2015 to 2016 schools block dataset (column V) and the 2016 to 2017 schools block dataset (column W). Column Z sets out the 2016 to 2017 dataset mapped onto the new IDACI bands.

Bands used in 2015/16 and 2016/17	IDACI score	% pupils in each band (2015-16) Based on 2010 IDACI dataset; 2016-17 IDACI bands	% pupils in each band (2016-17) Based on 2015 IDACI dataset; 2016-17 IDACI bands	New bands for 2017-18	IDACI score	% pupils in each new band (2015 October census) Based on 2015 IDACI dataset; new IDACI bands for 2017-18
T	U	V	W	X	Y	Z
6	Between 0.60 and 1.00	3%	1%	A	Between 0.50 and 1.00	3%
5	Between 0.50 and 0.60	6%	3%	B	Between 0.40 and 0.50	8%
4	Between 0.40 and 0.50	10%	8%	C	Between 0.35 and 0.40	7%
3	Between 0.30 and 0.40	12%	14%	D	Between 0.30 and 0.35	8%
2	Between 0.25 and 0.30	7%	9%	E	Between 0.25 and 0.30	9%
1	Between 0.20 and 0.25	8%	10%	F	Between 0.20 and 0.25	10%
0	Less than 0.20	53%	56%	G	Less than 0.20	56%

The data in this table has been produced by taking the postcodes of each pupil sourced from the schools census in October, and matching them to an IDACI score, and hence IDACI band. The total number of pupils mapped onto each band is then calculated, and proportions calculated.

The data sources are as follows:

Schools block dataset (table column)	School census data used	IDACI data used
<ul style="list-style-type: none">• 2015 to 2016 (column V)	<ul style="list-style-type: none">• October 2014	<ul style="list-style-type: none">• IDACI 2010
<ul style="list-style-type: none">• 2016 to 2017 (column W)	<ul style="list-style-type: none">• October 2015	<ul style="list-style-type: none">• IDACI 2015
<ul style="list-style-type: none">• 2016 to 2017 mapped onto the new IDACI bands (column Z)	<ul style="list-style-type: none">• October 2015	<ul style="list-style-type: none">• IDACI 2015

Local authorities will wish to review the impact of the new band definitions when they receive their forthcoming draft 2017 to 2018 APT, as some schools may see shifts compared to the data authorities used to set their 2016 to 2017 budgets. We expect there to be much less turbulence when authorities receive their final APTs at the end of the year.

Split Site Factor**Appendix B****Definition of a Split Site School:**

A school whose buildings are located on two or more detached sites separated by half a mile (1 mile return trip) and with a main road between the main school and the separate site.

A significant proportion of the school, being at least the equivalent of two-year groups, must occupy each site.

It should be necessary for staff to move between the sites in order to teach on both sites in support of the principle of a whole school policy and to maintain the integrity of the delivering of the national curriculum.

All schools and academies which meet the criteria will be eligible for split site funding. Schools sharing facilities, federated schools and schools with remote sixth forms are not eligible for split site funding.

Those schools qualifying as a split site school in terms of the definition below will qualify for funding calculated as follows:

Funding:

The average cost of employing a deputy head teacher in the sector in which the school operates, i.e. primary or secondary;

Plus: the cost of one additional midday supervisor;

Plus: Travel costs based on five return trips per day, school days only, at mid-range mileage allowance.

(Where a school occupies a split-site for only part of the financial year the funding will be reduced proportionately).

Example of cost calculation

Deputy Head		63,216
Mid-day Supervisor	(0.26fte)	4,515
Travel	200 days, 4 return trips per day, 1 mile per return trip, 50p per mile.	400
		68,131

De-delegated and centrally retained funding

Appendix C

Has to be allocated through formula but can be de-delegated for maintained schools (approval is by the relevant phase members of the Schools Forum)	<ul style="list-style-type: none"> • Contingencies (including schools in financial difficulties and deficits of closing schools) • Behaviour support services • Support to underperforming ethnic groups and bilingual learners • Free School Meals eligibility • Insurance • Museums and library services • Licences/subscriptions • Staff costs supply cover (e.g. long-term sickness, maternity/paternity, trade union and public duties)
Schools Forum approval is not required (although they should be consulted)	<ul style="list-style-type: none"> • High Needs Block provision • Central licences negotiated by the Secretary of State
Schools Forum approval is required on a line-by-line basis.	<ul style="list-style-type: none"> • Early Years Block provision • Funding to enable all schools to meet the infant class size requirement • Back-pay for equal pay claims • Remission of boarding fees at maintained schools and academies • Places in independent schools for non-SEN pupils • Services previously funded by the retained rate of the ESG
Schools Forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period.	<ul style="list-style-type: none"> • Admissions • Servicing of Schools Forum
Schools Forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into (i.e. all commitments must have been approved prior to April 2013).	<ul style="list-style-type: none"> • Capital expenditure funded from revenue • Contribution to combined budgets • Existing termination of employment costs • Prudential borrowing costs • SEN transport costs
Schools Forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools.	<ul style="list-style-type: none"> • Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy

	<ul style="list-style-type: none">• Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years
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When using funding held centrally within DSG, other than funding that has been de-delegated by maintained schools, the Authority must treat maintained schools and academies on an equivalent basis.

ESTIMATED cost of de-delegation to each school

Appendix D

School Name	Contingency					Free School Meals Eligibility	Licences and Subs	Staff Cost - Supply Cover	Refugee Service and EMAG	Behaviour Support	Total Proposed De-Delegation (Option 2)
	Schools Causing Concern	MEP	Marketing Option 1	Marketing Option 2	Tree Mtce						
	£	£	£	£	£	£	£	£	£	£	£
BOND PRIMARY SCHOOL	5,561	2,463	1,298	556	853	486	2,169	13,013	6,992	4,861	36,955
Dundonald Primary School	3,684	1,632	860	368	565	322	1,437	8,621	2,666	1,101	20,396
GARFIELD PRIMARY SCHOOL	5,799	2,569	1,353	580	889	507	2,262	13,571	6,112	4,345	36,633
HATFIELD PRIMARY SCHOOL	5,785	2,562	1,350	579	887	506	2,256	13,538	2,066	2,742	30,922
HOLLYMOUNT PRIMARY	5,519	2,445	1,288	552	846	483	2,153	12,915	2,338	1,656	28,905
Joseph Hood Primary School	3,992	1,768	932	399	612	349	1,557	9,342	3,056	3,339	24,415
LINKS PRIMARY SCHOOL	5,589	2,476	1,304	559	857	489	2,180	13,079	8,147	5,883	39,259
LONESOME PRIMARY SCHOOL	5,281	2,339	1,232	528	810	462	2,060	12,358	3,881	4,748	32,467
Merton Abbey Primary School	4,399	1,948	1,026	440	674	385	1,715	10,293	5,027	4,353	29,234
MERTON PARK PRIMARY SCHOOL	2,872	1,272	670	287	440	251	1,120	6,720	1,110	1,508	15,580
MORDEN PRIMARY SCHOOL	2,956	1,309	690	296	453	258	1,153	6,916	1,707	2,338	17,386
PELHAM PRIMARY SCHOOL	4,399	1,948	1,026	440	674	385	1,715	10,293	5,059	2,872	27,785
Haslemere Primary School	5,659	2,507	1,321	566	868	495	2,207	13,243	5,382	4,454	35,381
Poplar Primary School	7,046	3,121	1,644	705	1,080	616	2,748	16,488	6,086	5,875	43,765
St. Mark's Primary School	2,844	1,259	664	284	436	249	1,109	6,654	3,166	2,302	18,304
The Sherwood School	5,645	2,500	1,317	565	866	494	2,202	13,210	3,706	4,438	33,625
SINGLEGATE PRIMARY SCHOOL	5,841	2,587	1,363	584	896	511	2,278	13,669	6,061	3,565	35,992
WIMBLEDON PARK PRIMARY SCHOOL	7,508	3,326	1,752	751	1,151	657	2,928	17,570	3,728	3,157	40,775
ABBOTSBURY PRIMARY SCHOOL	5,715	2,531	1,334	572	876	500	2,229	13,374	6,919	4,513	37,230
WEST WIMBLEDON PRIMARY	5,799	2,569	1,353	580	889	507	2,262	13,571	5,223	4,572	35,972
CRANMER PRIMARY SCHOOL	8,209	3,636	1,915	821	1,259	718	3,201	19,209	5,293	6,683	49,028
GORRINGE PARK PRIMARY SCHOOL	7,214	3,195	1,683	721	1,106	631	2,814	16,881	9,559	6,314	48,436
HILLCROSS PRIMARY	7,340	3,251	1,713	734	1,126	642	2,863	17,176	5,039	4,849	43,020
LIBERTY PRIMARY SCHOOL	6,500	2,879	1,517	650	997	568	2,535	15,210	7,521	4,740	41,600
STANFORD SCHOOL	4,987	2,209	1,164	499	765	436	1,945	11,669	4,711	2,928	30,149
WILLIAM MORRIS PRIMARY SCHOOL	4,413	1,954	1,030	441	677	386	1,721	10,325	4,285	3,935	28,137
WIMBLEDON CHASE PRIMARY SCHOOL	8,797	3,896	2,053	880	1,349	769	3,431	20,585	8,381	4,568	52,656
Malmesbury Primary	5,715	2,531	1,334	572	876	500	2,229	13,374	3,205	6,179	35,181
Aragon Primary	7,648	3,388	1,785	765	1,173	669	2,983	17,897	3,685	6,056	44,264
ALL SAINTS' C OF E PRIMARY	3,964	1,756	925	396	608	347	1,546	9,277	3,710	2,685	24,289
ST MATTHEW'S PRIMARY SCHOOL	2,788	1,235	650	279	427	244	1,087	6,523	1,021	1,661	15,264
HOLY TRINITY C\E PRIMARY	5,603	2,482	1,307	560	859	490	2,185	13,112	3,609	2,566	31,466
BISHOP GILPIN C OF E PRIMARY	6,150	2,724	1,435	615	943	538	2,398	14,390	4,840	2,107	34,705
S S PETER & PAUL CATHOLIC PRIMARY	5,729	2,538	1,337	573	879	501	2,234	13,407	4,746	2,925	33,531
SACRED HEART CATHOLIC PRIMARY SCHOC	5,183	2,296	1,209	518	795	453	2,021	12,128	2,979	3,329	29,703
ST TERESA'S PRIMARY SCHOOL	5,869	2,600	1,370	587	900	513	2,289	13,734	6,421	3,581	36,495
ST MARY'S CATHOLIC PRIMARY SCHOOL	5,015	2,221	1,170	501	769	439	1,956	11,735	3,868	3,455	29,959
St John Fisher RC Primary	5,715	2,531	1,334	572	876	500	2,229	13,374	3,131	3,151	32,080
The Priory CE Primary School	5,533	2,451	1,291	553	848	484	2,158	12,948	3,089	3,234	31,299
St Thomas of Canterbury RC School	7,943	3,518	1,853	794	1,218	695	3,098	18,586	9,780	6,155	51,786
RICARDS LODGE HIGH SCHOOL	16,404	7,265	3,828	1,640	2,515	0	6,397	38,384	3,716	8,568	84,891
RAYNES PARK HIGH SCHOOL	10,478	4,641	2,445	1,048	1,607	0	4,086	24,519	3,723	8,169	58,270
Rutlish School	15,941	7,061	3,720	1,594	2,444	0	6,217	37,303	3,374	9,628	83,562
Wimbledon College	13,966	6,186	3,259	1,397	2,141	0	5,447	32,681	1,069	5,830	68,717
Ursuline High School	14,513	6,428	3,386	1,451	2,225	0	5,660	33,959	1,379	4,866	70,480
TOTAL	293,514	130,000	68,487	29,351	45,006	19,433	114,471	686,823	200,568	190,784	1,709,950

EFA draft Proforma

Appendix E

Local Authority Funding Reform Proforma

LA Name:	Merton
LA Number:	315

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)		Reception uplift	Yes	Pupil Units		18.00					
		Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)		Notional SEN (%)
		Primary (Years R-6)	£3,252.56		16,869.00		£54,867,403	£88,866,496	48.78%		2.50%
		Key Stage 3 (Years 7-9)	£4,274.00		4,481.00		£19,151,794		17.03%		2.50%
		Key Stage 4 (Years 10-11)	£5,176.88		2,868.00		£14,847,299		13.20%		2.50%
		Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation		FSM6 % Primary	£683.52		3,507.10		£2,397,173	£4,612,106	4.10%	10.00%	
		FSM6 % Secondary		£632.69		2,403.86	£1,520,900				10.00%
		IDACI Band F	£30.00	£30.00	1,986.80	1,086.22	£92,191			10.00%	10.00%
		IDACI Band E	£50.00	£50.00	2,472.24	1,109.22	£179,073			10.00%	10.00%
		IDACI Band D	£70.00	£70.00	1,473.70	746.17	£155,391			10.00%	10.00%
		IDACI Band C	£90.00	£90.00	1,057.15	586.27	£147,908			10.00%	10.00%
		IDACI Band B	£100.00	£100.00	418.50	365.75	£78,425			10.00%	10.00%
		IDACI Band A	£130.00	£130.00	187.06	128.67	£41,046			10.00%	10.00%
		Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)		LAC X March 16	£1,000.00		72.40		£72,397	£2,283,577	0.06%	0.00%	
4) English as an Additional Language (EAL)		EAL 3 Primary	£376.50		4,666.27		£1,756,849		1.97%	0.00%	
		EAL 3 Secondary		£906.60		501.14	£454,331				0.00%
5) Mobility		Pupils starting school outside of normal entry dates			202.20	14.00	£0		0.00%	0.00%	0.00%
		Description	Weighting	Amount per pupil	Percentage of eligible Y1-3 and Y4-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment		Low Attainment % new EFSP	100.00%	£840.98	41.67%	4,588.28	£3,858,653	£6,777,468	6.03%	100.00%	
		Low Attainment % old FSP 73			10.90%						
			Secondary pupils not achieving (KS2 level 4 English or Maths)		£1,627.69		1,793.23			£2,918,815	

Other Factors

Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum		£150,000.00	£150,000.00			£7,800,000	6.93%	0.00%	0.00%
8) Sparsity factor						£0	0.00%	0.00%	0.00%
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.									
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?		Fixed			
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?		Fixed			
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?		Fixed			
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?		Fixed			
9) Fringe Payments						£0	0.00%		
10) Split Sites						£72,240	0.06%		
11) Rates						£2,070,301	1.84%		
12) PFI funding						£0	0.00%		
13) Exceptional circumstances (can only be used with prior agreement of EFA)									
Circumstance						Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY16-17						£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools						£0	0.00%		
Exceptional Circumstance3						£0	0.00%		
Exceptional Circumstance4						£0	0.00%		
Exceptional Circumstance5						£0	0.00%		
Exceptional Circumstance6						£0	0.00%		
Total Fundline for Schools Block Formula (excluidne MFG Fundline Total) (£)						£112,482,189	100.00%	£9,460,341	

14) Minimum Funding Guarantee (MFG is set at -1.5%)		£330,028	
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)		No	
Capping Factor (%)	Scaling Factor (%)		
Total deduction if capping and scaling factors are applied		£0	
		Total (£)	Proportion of Total funding(%)
MFG Net Total Funding (MFG + deduction from capping and scaling)		£330,028	0.29%
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)			
Additional funding from the high needs budget		£0.00	
Growth fund (if applicable)		£1,360,000.00	
Falling rolls fund (if applicable)			
Total Funding For Schools Block Formula		£112,812,217	
% Distributed through Basic Entitlement		79.00%	
% Pupil Led Funding		91.16%	
Primary: Secondary Ratio		1 :	1.33
Total funding for schools block formula contains funding from outside of the Schools Block?		No	

Proposed Budget Setting Timetable for 2017/18

Appendix F

This timetable shows the proposed consultation process and the key dates that must be met to ensure the 2017/18 budget can be issued to schools as soon as possible.

Date		Action
September	7 th	Meeting of Schools Forum to discuss and agree the schools consultation document
September	12 th	Email electronic copy of consultation document to all Head Teachers
September	30 th	Closing Date for the Schools Consultation
October	6 th	School Census date
October	13 th	Outcome of the consultation considered by the Forum
Mid- December	Week commencing 14 th Dec	Publication of DSG schools block and high needs block allocations for 2017 to 2018 (prior to academy recoupment).
January	20 th	Submit final data for Schools Budget proforma to EFA
January	3 ^{1st}	Schools Forum review Schools Budgets
February	3 rd	Final budgets are distributed to schools

Additional funding for schools supporting a high number of SEN pupils

Appendix G

Calculation of additional HNB funding support for schools supporting a high number of SEN pupils

URN	LAESTAB	School Name	NOR 2016-17 funding formula	No of SEN statements	SEN as % of NOR	Pupil threshold of 2.5%	number of pupils based on NOR	Additional Funding support
Total			24,236	414	1.71%	2.50%	54	321,916
102626	3152052	BOND PRIMARY SCHOOL	397	4	1.01%	0.00%	0.00	0
102628	3152055	Dundonald Primary School	263	3	1.14%	0.00%	0.00	0
102629	3152056	GARFIELD PRIMARY SCHOOL	414	4	0.97%	0.00%	0.00	0
102631	3152058	Beecholme Primary School	212	4	1.89%	0.00%	0.00	0
102632	3152059	HATFIELD PRIMARY SCHOOL	413	8	1.94%	0.00%	0.00	0
102633	3152061	HOLLYMOUNT PRIMARY	394	3	0.76%	0.00%	0.00	0
102634	3152062	Joseph Hood Primary School	285	5	1.75%	0.00%	0.00	0
102635	3152063	LINKS PRIMARY SCHOOL	399	8	2.01%	0.00%	0.00	0
102636	3152064	LONESOME PRIMARY SCHOOL	377	6	1.59%	0.00%	0.00	0
102638	3152066	Merton Abbey Primary School	314	3	0.96%	0.00%	0.00	0
102639	3152067	MERTON PARK PRIMARY SCHOOL	205	5	2.44%	0.00%	0.00	0
102640	3152068	MORDEN PRIMARY SCHOOL	211	3	1.42%	0.00%	0.00	0
102642	3152070	PELHAM PRIMARY SCHOOL	314	7	2.23%	0.00%	0.00	0
102643	3152071	Haslemere Primary School	404	8	1.98%	0.00%	0.00	0
102644	3152072	Poplar Primary School	503	7	1.39%	0.00%	0.00	0
102645	3152073	St. Mark's Primary School	203	6	2.96%	0.46%	0.93	5,603
102646	3152074	The Sherwood School	403	7	1.74%	0.00%	0.00	0
102647	3152075	SINGLEGATE PRIMARY SCHOOL	417	4	0.96%	0.00%	0.00	0
102648	3152076	WIMBLEDON PARK PRIMARY SCHOOL	536	5	0.93%	0.00%	0.00	0
102649	3152077	ABBOTSBURY PRIMARY SCHOOL	408	6	1.47%	0.00%	0.00	0
102652	3152081	WEST WIMBLEDON PRIMARY	414	5	1.21%	0.00%	0.00	0
102653	3152082	CRANMER PRIMARY SCHOOL	586	9	1.54%	0.00%	0.00	0
102654	3152083	GORRINGE PARK PRIMARY SCHOOL	515	3	0.58%	0.00%	0.00	0
102655	3152084	HILLCROSS PRIMARY	524	5	0.95%	0.00%	0.00	0
102656	3152085	LIBERTY PRIMARY SCHOOL	464	1	0.22%	0.00%	0.00	0
102660	3152089	STANFORD SCHOOL	356	2	0.56%	0.00%	0.00	0
102661	3152090	WILLIAM MORRIS PRIMARY SCHOOL	315	0	0.00%	0.00%	0.00	0
102662	3152091	WIMBLEDON CHASE PRIMARY SCHOOL	628	17	2.71%	0.21%	1.32	7,913
132169	3152092	Malmesbury Primary	408	3	0.74%	0.00%	0.00	0
132167	3152094	Aragon Primary	546	3	0.55%	0.00%	0.00	0
102663	3153300	ALL SAINTS' C OF E PRIMARY	283	5	1.77%	0.00%	0.00	0
102664	3153302	ST MATTHEW'S PRIMARY SCHOOL	199	7	3.52%	1.02%	2.03	12,180
102665	3153303	HOLY TRINITY C/E PRIMARY	400	3	0.75%	0.00%	0.00	0
102666	3153304	BISHOP GILPIN C OF E PRIMARY	439	5	1.14%	0.00%	0.00	0
102667	3153500	S S PETER & PAUL CATHOLIC PRIMARY	409	11	2.69%	0.19%	0.78	4,663
102668	3153501	SACRED HEART CATHOLIC PRIMARY SCHOOL	370	2	0.54%	0.00%	0.00	0
102669	3153502	ST TERESA'S PRIMARY SCHOOL	419	0	0.00%	0.00%	0.00	0
102670	3153503	ST MARY'S CATHOLIC PRIMARY SCHOOL	358	4	1.12%	0.00%	0.00	0
102671	3153505	St John Fisher RC Primary	408	7	1.72%	0.00%	0.00	0
102672	3153506	The Priory CE Primary School	395	5	1.27%	0.00%	0.00	0
133774	3153507	St Thomas of Canterbury RC School	567	7	1.23%	0.00%	0.00	0
102673	3154050	RICARDS LODGE HIGH SCHOOL	1171	11	0.94%	0.00%	0.00	0
102674	3154052	RAYNES PARK HIGH SCHOOL	748	18	2.41%	0.00%	0.00	0
102679	3154500	Rutlish School	1138	22	1.93%	0.00%	0.00	0
102681	3154701	Wimbledon College	997	64	6.42%	3.92%	39.08	234,480
102683	3155400	Ursuline High School	1036	21	2.03%	0.00%	0.00	0
140187	3152000	Benedict Primary School	336	9	2.68%	0.18%	0.60	3,629
141027	3152001	Park Community School	75	0	0.00%	0.00%	0.00	0
141143	3152002	Harris Primary Academy Merton	401	8	2.00%	0.00%	0.00	0
138495	3154000	Harris Academy Morden	617	8	1.30%	0.00%	0.00	0
131897	3156905	Harris Academy Merton	882	31	3.51%	1.01%	8.91	53,449
134003	3156906	St Mark's C O E Academy	760	12	1.58%	0.00%	0.00	0

Schools and academies are expected to cover the cost of the first £6,000 of support to pupils with statemented Special Education Needs from their Individual Schools Budget notional SEN funding. Where a school supports a high number of statemented high needs children, the notional SEN funding as allocated through the schools funding formula might not be sufficient to cover all the support costs. Funding will be set aside in the High Needs Block to support such schools.

If more than 2.5% of a school's NOR are statemented pupils, the excess percentage will be multiplied by the school's NOR and multiplied by £6,000 to calculate additional support for the school. For example:

9 pupils as a percentage of 186 = 4.84%
Less 2.5% threshold = 2.34%
186 x 2.34% = 4.35
4.35 pupils x £6,000 = £26,100

The NOR will be based on the October count and the numbers of SEN statements will be based on the numbers as per the October SEN statement payment to schools. The number of statements used will exclude pupils funded in special units.

Mainstream school SEN funding arrangements**Appendix H**

- Under the High Needs funding arrangements, schools will be expected to demonstrate how they have used at least £6,000 of additional education support before they are able to apply for additional funding through the High Needs Block budget. This additional support is for a provision over and above the standard offer of teaching and learning for all pupils or students in a setting. Pre-16, schools and academies will continue to receive a clearly identified notional SEN budget from which to make this contribution. In Merton, the notional SEN is calculated using three elements as detailed below:

Formula factor	2017/18	2012/13
Age Weighted Pupil Unit (AWPU)	2.5%	2.6%
Deprivation (Free School Meals & IDACI)	10%	100%
Low cost, high incidence SEN (Low Attainment)	100%	100%

- The notional SEN budget should be used to support pupils with low cost, high incidence SEN as well as the first £6,000 support for pupils with high cost low incidence SEN needs. This includes provision for Action and Action plus students as classified under the previous funding arrangements.
- This system is similar to the previous arrangement that was in place where we expected schools to supply support the first 15 hours without additional funding over and above that allocated through the main schools formula. The notional allocation is only a guide and schools are expected to set their budgets in such a way to meet the needs of all their pupils, including those with additional needs, within the resources they receive.
- Where schools have a high number of SEN students, the allocation to support these pupils through the schools formula might not be sufficient. This will be exacerbated by the replacement of Action and Action plus with low attainment formula allocations. Merton will continue to provide additional funding outside the main funding formula for mainstream schools and academies where more than 2.5% of a school's overall pupils have statements/EHCPs.
- Due to the new formula, the action plus funding that used to be included in the banding for SEN pupils was required to transfer to the low cost, high incidence SEN factor. As a result, £711k from the old banding funding is now allocated to schools through the schools formula. To ensure that schools receive the same amount of funding as in previous years, the banding values were reduced to account for the funding transfer. Each band was reduced by the amount of funding that used to be allocated through Action plus. This reduction, based on the average of primary and secondary school allocations, equals £1,781. The table below details the revised top-up bandings which are currently used.

Band	Hours support	2017/18	2012/13
Band1	Up to 16 hours	Part of £6,000 notional SEN funding	Part of 15h notional SEN funding
Band 2	16 to 19 hours	£5,691	£7,472
Band 3	20 to 23 hours	£7,826	£9,607
Band 4	24 to 27 hours	£9,961	£11,742
Band 5	28 to 31 hours	£12,096	£13,877

- Under the new arrangements, top-up funding should be agreed between the school and the Local Authority responsible for the child placed at that school. This means that recoupment should no longer be necessary and schools would have the responsibility of

collecting funding from various Local Authorities. Merton's Schools Forum has however agreed funding from 2013/14 to resource a post to continue to manage this funding on behalf of schools and academies. This reduces the uncertainty, administration and cash flow risk.