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# **Consultation Document**

## **For the 2016/17 Schools and Early Years Funding Formulas**

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September 2015

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**Children, Schools and Families**

Director: Yvette Stanley



## MERTON'S FAIR FUNDING FORMULA

### CONSULTATION ON 2016-2017 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. 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 2014 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 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**

1.2.1 The Dedicated Schools Grant (DSG) funds a variety of educational establishments and services, including mainstream schools, special schools, early years provision and alternative provision (such as Pupil Referral Units). This funding is provided in two stages: first, the government provides the grant to a local authority, then the authority distributes the grant to the local educational establishments.

1.2.2 DfE still intends to move to a national funding formula. Some reforms were made in 2013/14. The DSG was broken into three “notional blocks”: Schools, High Needs and Early Years. Local authorities pay Schools, High Needs and Early Years funding to local education establishments. However, the totals for each of these may not exactly match the totals for the three DSAG blocks, as there is flexibility for local authorities to move funding between the three blocks, subject to the Minimum Funding Guarantee (MFG) limits. This covers most funding for schools and dictates that funding per pupil cannot drop by more than 1.5% per year.

- 1.2.3 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 2016 to 2017 and those proposals are reflected in this consultation.
- 1.2.4 In light of the Spending Review and any consequent changes to the School Finance Regulations, the Operational Guide may have to be updated and local authorities may have to review the planning and modelling they have undertaken.
- 1.2.5 The Schools Block per pupil unit of funding in 2016/17 will be the same value as in 2015/16. Those local authorities who received an uplift as a result of minimum funding levels will see that funding included in their base rate and the adjustments to include funding for former non-recoupment academies will also be consolidated. For Merton that means that the Schools Block Unit of Funding (SBUF) will increase from £4,824.26 to £4,904.42. This does not result in additional funding, but accounts for the fact that secondary schools pupils are funded at a higher rate than primary pupils. As the non-recoupment academies were both secondary schools, Merton's SBUF increased.
- 1.2.6 The Early Years Block per pupil unit of funding in 2016/17 will be confirmed after the spending review and will continue to be based on participation.
- 1.2.7 The High Needs Block funding will also be confirmed after the spending review. In the meantime, local authorities were advised to assume that it will remain at the same overall level as in 2015/16.
- 1.2.8 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.
- 1.2.9 Merton is continually reviewing allocations between the three DSG blocks as more guidance, clarification and changes is provided by Central Government. As part of this there could be some costs that could move between Local Authority General Fund and the DSG. Merton has for example been picking up premature retirement cost which under the statutory framework, schools are required to pay for.
- 1.2.10 We are also planning on increasing SLA costs 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 ensure that increases are capped so it will not have a significant impact on schools budgets.
- 1.2.11 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.
- 1.2.12 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 progressed to provide 21 additional forms of entry between 2007/08 and 2015/16. Additionally, two forms of entry are to be 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 schools.

1.2.13 The extension of the offer for 2-3 year olds and the change of the funding mechanism to pupil led rather than place led, is likely to put further pressure on our Early Years Foundation Stage (EYFS) provision. In the absence of sufficient central government funding to meet this 'basic need', the provision of sufficient school places is therefore a significant burden on the council's own finances at a time when, in common with most others nationally, it is having to make major budget savings and find more affordable ways of delivering essential local services.

1.2.14 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.

## **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 Pupil Premium, 6<sup>th</sup> form and universal infant free school meals grants are passed to the relevant schools.

Table 1: Main school grants

<b>Grant</b>	<b>2015/16 Amount £000</b>	<b>2014/15 Amount £000</b>
Dedicated Schools Grant (DSG)	138,165	132,707
Pupil Premium	5,993	6,092
Post 16 mainstream funding (6 <sup>th</sup> form)	5,542	5,221
Universal infant free school meals	2,206	1,435

2.1.2 As in previous years, this consultation cannot inform schools what their budgets will be for 2016/17, but will use 2015/16 grant data to reflect the proposed formula changes in order to demonstrate how funding will change from 2015/16 to 2016/17.

2.1.3 Table 2 below shows how the total DSG for 2015/16 was split between the three funding blocks. This split was done as per government guidance using the 2012/13 Section 251 budget return to allocate the costs between the blocks and it has not updated it since.

Table 2: Split of DSG over the three blocks

<b>Block</b>	<b>2015/16 Amount £000</b>	<b>2014/15 Amount £000</b>
Schools Block	100,359	93,631
Early Years Block	11,122	12,320
High Needs Block	26,684	26,756
<b>Total DSG</b>	<b>138,165</b>	<b>132,707</b>

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 11 optional factors as detailed below:

- Looked After Children (LAC)
- English as an additional language (EAL)
- London fringe
- Sparsity
- Rates
- Pupils with low prior attainment
- High pupil mobility
- Post 16 provision
- Schools lump sum
- Split sites
- PFI

2.1.6 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 91.45% in 2015/16.

2.1.7 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 13 allowable formula factors**

2.2.1 Values quoted in this document are based on the draft new formula for 2016/17, but using the 2015/16 funding settlement and the October 2014 census data. These are for illustrative purposes only to support the decision making process and will be updated once the 2016/17 funding settlement and the October 2015 census data is available.

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

Factor	Further information
<p><b>1. Basic entitlement</b> A compulsory 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). A single rate for primary age pupils, which must be at least £2,000 (£3,252 in Merton for 2015/16). There may be different rates for key stage 3 and key stage 4, with a minimum of £3,000 for each (£4,274 and £4,176 respectively in Merton for 2015/16). 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.</p>
<p><b>2. Deprivation</b> A compulsory factor</p>	<p>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” – the number of pupils entitled to free school meals at any time in the last 6 years – but not both. Merton uses both FSM and IDACI factors in 2015/16.</p> <p>The IDACI measure uses 6 bands and different values can be used for each band. Different unit values can be used for primary and secondary. Merton chose to use the same values in 2015/16. Detailed specifications relating to the FSM and IDACI factors are available at Appendix A.</p>
<p><b>3. Prior attainment</b>  An optional factor (although 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 Government acknowledge that there is no perfect way of identifying pupils with low cost SEN but that prior attainment provided a reasonable proxy for some kinds of SEN.</p> <p>This may be applied for primary pupils identified as not achieving the expected level of development within the Early Years Foundation Stage Profile (EYFSP) and for secondary pupils not reaching L4 at KS2 in 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 3) assessed under the new framework.</p> <p>For pupils assessed using the old profile (years 4 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 used 73 points in 2015/16 and previous years.</p> <p>In 2012 the KS2 English assessment methodology was changed to include separate reading, grammar, punctuation and spelling tests and teacher assessed writing.</p>



Factor	Further information
	<p>For those assessed at KS2 up to 2011, the English element of the KS2 measure will identify those pupils who fail to achieve a level 4 in English.</p> <p>For pupils assessed at KS2 from 2012 onwards and who have been part of these new arrangements, the English element of the KS2 measure will identify those who do not achieve a level 4 in either the reading or teacher assessed writing elements.</p>
<p><b>4. Looked-After Children</b> An optional factor</p>	<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 2015.</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 2016/17.</p>
<p><b>5. English as an additional language (EAL)</b> An optional factor</p>	<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 continued to fund these pupils for 3 years in 2015/16.</p>
<p><b>6. Pupil mobility</b> An optional factor</p>	<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 did not use this factor in 2015/16 following previous consultation with schools and Schools Forum.</p>
<p><b>Proportion allocated through pupil led factors</b></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>

Factor	Further information
<b>7. Sparsity</b> An optional factor	<p>This factor was introduced in 2014/15 to benefit rural areas where schools are few and far between. Pupils could face the choice of either attending their nearest school or travelling a long way to the second nearest. In some cases, the distance to their second nearest school can be unacceptably far, putting a premium on ensuring that the pupil's nearest school stays open.</p> <p>Merton does not use this formula as none of our schools are eligible.</p> <p>Detailed specifications relating to the sparsity factor are available at Appendix A.</p>
<b>8. Lump sum</b> An optional factor (although in 2015-16 it was 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>Where schools amalgamate, they will retain 85% of the total lump sums in the year after the amalgamation (or in the same year if they amalgamate on 1 April) instead of receiving just a single lump sum immediately. Local authorities may apply to vary the additional payment in exceptional circumstances.</p> <p>Where schools amalgamate after 1 April, the new school will receive funding equivalent to the formula funding of the closing schools added together for the appropriate proportion of the year and will receive the 85% allocation the next year.</p> <p>Merton uses the same lump sum of £150,000 for both phases.</p>
<b>9. Split sites</b> An optional factor	<p>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).</p>
<b>10. Rates</b> An optional factor (although in 2015/16 it was used by all local authorities)	<p>These must be funded at the authority's estimate of the actual cost. Adjustments to rates may be made outside of the funding formula; however they must be reflected as being part of the Individual Schools Budget (ISB). 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.</p>

Factor	Further information
<p><b>11. Private Finance Initiative (PFI) contracts</b> An optional factor</p>	<p>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.</p> <p>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.</p> <p>As Merton’s PFI affordability gap is met by the general fund rather than the DSG, this factor is not used.</p>
<p><b>12. London fringe</b> An optional factor, but only for the five local authorities to which it applies</p>	<p>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.</p> <p>This factor is not applicable for Merton, only to Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex).</p>
<p><b>13. Post 16</b> An optional factor, but can only be used where the local authority had such a factor in 2015/16</p>	<p>A per pupil value which continues funding for post 16 pupils up to the per pupil level that the authority provided in 2015/16.</p> <p>This factor is not used by Merton.</p>
<p><b>14. Exceptional premises factors</b> 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.</p>	<p>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.</p> <p>Any factors which were used in 2015/16 can automatically be used in 2016/17 provided that the above criteria are still met.</p> <p>Merton does not use this factor.</p>

2.2.3 As Central Government did not make any changes to the factors Merton uses in its school funding formula and no anomalies were raised in the benchmarking exercise which would warrant us making any changes, we are not proposing any changes to

formula for 2016/17. 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 from 2015/16 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 and academies 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 2016/17 compared to 2015/16.

Table 4: Request for de-delegation of funding

Service	2016/17	2015/16
Contingencies	£489,000	£389,000
Primary school meals management	£20,000	£20,000
Licences and subscriptions	£112,000	£132,000
Staff costs- supply cover	£654,000	£654,000
Support to underperforming ethnic minority groups and bilingual learners	£201,000	£201,000
Behaviour support services	£193,000	£157,000
<b>Total</b>	<b>£1,669,000</b>	<b>£1,553,000</b>

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 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 2015/16 formula and will change following the October 2015 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 stay delegated or be 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 Head of Education Services (Jane McSherry) in discussion with the Schools Standards and Quality Manager and the Head of the school. Its use responds to specific school level issues and as the schools change each year there are no historic patterns by phase or school.

For 2016/17 it is proposed that this fund is increased by £100,000. This additional funding will go towards supporting more schools as this amount has not changed in past years and due to the pressure on school funding and lower school balances, schools are less able to deal with unforeseen issues. We have seen a rise in applications for this fund in the past year. Merton used to provide additional funding to schools requiring improvement to increase their performance. Due to pressure on Local Authority budgets this will in future be limited to the SCC budget.

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 £14.06 per pupil on roll to provide an overall de-delegated budget of £300,000 (£9.37 in 2015/16).

- 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.

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 £4.79 per pupil on roll to provide an overall de-delegated budget of £100,000 (£4.63 in 2015/16). This factor was not taken up by secondary schools last year.

- 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. The current company (Grebott Donnelly) 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.

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 £3.28 per pupil on roll to provide an overall de-delegated budget of £70,000.

- 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 £2.16 per pupil on roll to provide an overall de-delegated of budget £46,000.

- 2.3.9 **Primary school meals management:** This budget only applies to Primary schools as secondary school funding is delegated as part of their AWPU entitlement.

The council's current school meal contract with ISS expires at the end of the summer term 2016. A new contract will be in place from September 2016 based on a meal price determined as part of the council's tender process.

#### **Meal Price, Subsidy & Maintenance Charges**

The current meal price charged by ISS is £2.12 including £0.07p per meal to cover an annual maintenance check and repairs for catering equipment which is faulty. It does not require them to replace equipment which is no longer serviceable. The council retains £20,000 through de-delegation to meet the cost of replacing any equipment which is beyond economic repair.

Therefore, the total charge per meal for 2015/16 is £2.12 but, in accordance with the agreement reached by the Schools Forum, schools pay a subsidy of £0.05 and meet the maintenance charge of £0.07 which means the charge to parents of pupils in KS2 has remained at £2.00.

ISS have agreed that the meal price will be reduced to £2.10 per meal from April 2016 for the duration of the summer term of the 2015/16 academic year.

As agreed previously, from April 2015, the council no longer retained funds from DSG to meet the cost of the subsidy or maintenance payments due, so schools are responsible for payment of the full meal charge for all meals (whether paid for by parents or provided as Free School Meals for Pupil Premium eligible children (FSM) or under the Universal Infant Free School Meals scheme for KS1 children (UIFSM)).

#### **Universal Infant Free School Meals**

From September 2014, schools received additional funding to meet the cost of providing UIFSM to all KS1 pupils. Funding is calculated at £2.30 per meal (for 2014/15 & 2015/16 academic years) based on the assumed take up of UIFSM estimated on the basis of October & January school census outcomes. A payment was made to schools in June

2015 for the balance of the monies due in respect of last academic year and a pre-payment for meals consumed in the coming autumn and spring terms (up to March 2016). A further payment will be due in June 2016.

### **Invoicing arrangements**

As from September 2015, as has already been advised, ISS will be invoicing schools directly for meals provided rather than issuing aggregated invoices for Merton and the council recharging schools as has happened to date.

ISS have also indicated that, following advice from their accountants, the VAT charge in respect of the meals provided will only be levied on their overheads and profits and not the direct labor or food cost elements of the meal price.

Please note that, for schools using the Cypad system where ISS collects pre-payments for meals from parents, there will be a change. With effect from September 2015, all income received in the relevant period will be credited to schools against the invoices issued i.e. not just an amount in respect of meals actually consumed. This means that ISS will not retain any pre-payments in its account but pass these monies on to the schools to hold to meet the cost of meals subsequently consumed. In practice, schools will not see any actual payments but will receive credits which are greater or lesser than the amount of paid meals consumed in a period depending on when the invoice is raised. It is likely that this will be most evident at the beginning and end of terms.

ISS will invoice schools for FSM, UIFSM & paid meals, subsidy and maintenance charges as follows:

FSM & UIFSM	£2.12 meal price - invoiced by ISS to schools (£2.10 from April 2016)
Paid Meals	£2.00 meal price - invoiced by ISS to schools* £0.12 subsidy - invoiced by ISS to schools (£0.10 from April 2016)

- \* For schools using the Cypad system, where ISS collects pre-payments from parents for meals, a credit will be applied in respect of all monies received from parents via the CYPAD system in the period.

### **For Decision**

In the consultation process prior to the re-tender of the catering contract, schools have indicated that they would not wish to continue to fund a subsidy for parents of pupils in KS2 who pay for meals although also recognising the difficulty for parents in paying a significantly higher charge.

As part of this year's consultation, schools are asked what their preferred option is towards a meal subsidy:

- Retain the subsidy for the whole of 2016/17, bearing in mind that there will be a contract change and we do not know what the charge will be from September 2016.

- Retain the subsidy for April to July 2016 and remove from September 2016.
- Remove the subsidy from April 2016.

The meal price from September 2016 will depend on the outcome of the tender exercise for the new contract. The increased volumes generated by UIFSM provision will need to be set against greater wage costs (schools agreed to include a requirement for the caterer to pay the national living wage) so the meal charge may rise. It is anticipated that the new charge will be known by April 2016.

In 2015/16 this funding was reduced down to £20,000 to provide a central provision for the replacement of any equipment which is beyond economic repair. Schools contribute towards this fund based on the pupils eligible for the FSM factor. The cost to each primary school is estimated at £1.23 per pupil on roll.

**2.3.10 Licences and subscriptions:** This budget includes £112,000 for Schools Information Management System licences (£118,000 for 2015/16). All subscription costs are now arranged through the Education Funding Agency (EFA).

The DfE now pays for all licence fees on behalf of schools and deducts this centrally from Merton's DSG. This is detailed under centrally retained items in section 2.4.5 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 £5.25 per pupil on roll to provide the overall de-delegated budget (£6.19 for 2015/16).

**2.3.11 Staff cost- supply cover:** This budget includes £593,000 for parenting cover (£593,000 for 2015/16) and £61,000 for public duties (£61,000 in 2015/16). 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 £30.65 per pupil on roll to provide an overall de-delegated budget of £654,000.

**2.3.12 Support to under-performing ethnic minority groups and bilingual learners:** This budget includes £93,000 for the refugee service and £108,000 for Ethnic Minority Achievement Grant (EMAG). It is proposed that both amounts stay at the same level as 2015/16.

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 £42.21 per EAL pupil percentage point to provide an overall de-delegated budget of £201,000.

**2.3.13 Behaviour support:** This budget currently funds a range of support to schools to improve behaviour. The DSG budget funds: 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.

As part of the review of Lilac and Orchard we have considered capacity in Merton to support children with challenging behaviour. The top level of this is VBS TA support. The team has been supporting 30 pupils a year for the past three years which is their capacity. During this time fixed term exclusion in primary schools has risen as detailed in table 5 below.

Table 5: Centrally retained funding

Academic year	Number of FTEs at Primary - Merton
14/15	158
13/14	140
12/13	129
11/12	86

A significant number of these exclusions are for individual pupils. The proposal from the review was to change the entry requirements for Lilac and Orchard that has seen them used to a greater extent, but also to grow the VBS TAs from 4 to 5 to affect greater support pre exclusion. We have used reserves to fund the increase this year, but need to increase the de-delegation budget to sustain this in future.

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 £38.68 per low attainment pupil percentage point to provide an overall de-delegated budget of £193,000 (£31.47 for 2015/16).

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 2015/16 formula data to model the new 2016/17 values, the **ESTIMATED** cost of de-delegating the above funding to each school is shown in Appendix D. These figures are not final. 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	2016/17	2015/16
Central licences negotiated by the Secretary of State	£111,000	£62,000
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
<b>Total Centrally retained funding</b>	<b>£1,769,330</b>	<b>£1,720,330</b>

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

- Copyright Licensing 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. 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 to support growth in pupil numbers and are used on the same bases for maintained schools and academies. However, as academies are funded on the basis of an academic year the time lag is a full academic year when for maintained schools it is only 5/12 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 5/12 of the academic year time lag for maintained schools. Academies providing an additional class agreed by the council will receive the further 7/12 so academy secondary schools will receive an additional £192k in total. It should be noted that the additional 7/12 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 schools. The £1,380,000 for 2016/17 caters for 19 primary expansion classes and 3 secondary expansion classes.

- 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 and also receives income from Sutton for providing the manager for their admission services (£28,300). The funding will continue at £266,130 for 2016/17.

- 2.4.6 **Servicing of School 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 2016-17.

- 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 (6<sup>th</sup> 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 AWPU or using a combination of both these methods. This will be considered when the final formula is set in January 2016 with the aim to reduce turbulence to schools as far as possible and to balance to the funding available for distribution.

## **2.6 Proforma**

2.6.1 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 October 2016.

## **2.7 Timetable**

2.7.1 Attached as Appendix F is the timetable for setting the 2016/17 Schools' Budget. Responses to the Funding Consultation are due back on the 30<sup>th</sup> September 2015. Analysed results will be presented to the Schools Forum on the 14<sup>th</sup> October 2015 in order to agree the final proforma to be submitted to the EFA by the 30<sup>th</sup> October 2015.

### 3 Early Years Block funding

#### 3.1 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 For 3 and 4 year olds, 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.
- 3.1.3 Funding for eligible 2 year olds is provided at a fixed hourly rate, which already includes a supplement for deprivation and funding is based on actual numbers during the current year.
- 3.1.4 There are three changes for 2016/17 which are:
- The introduction of a new Early Years pupil premium allocated via the headcount
  - Amendments to the SEN funding to reflect the SEND Code of Practice
  - Proposed changes to the methodology of paying funding to the Private, Voluntary and Independent (PVI) sector.
- 3.1.5 The Early Years Pupil premium was introduced in April 2015 by the government and is additional funding for early years settings of children who are 3 and 4 years of age and meet the Free School Meal eligibility or a child looked after by the local authority or left care through adoption, guardianship or special order. In 2016-17 the EYPP allocation will be paid on actual rate of take up.
- 3.1.6 In 2015 there were some revisions to the SEND Code of Practice. As a result of these changes the previous actions and action plus factors were amended. There is no notional SEN allocation given for children needing support prior to statement, so the SEN Support level with the EYSFF addresses this.

#### Funding levels:

- |                                      |                            |
|--------------------------------------|----------------------------|
| • SEN Support Level 1a (local offer) | £nil                       |
| • SEN Support Level 1b               | £2.50                      |
| • SEN Support Level 1c               | £5.26 + 1b                 |
| • EHCP via HNB                       | As per Merton's EY banding |

- 3.1.7 SEN funding levels are allocated via the EYSFF. This ceases when the EHCP is issued and funding is allocated in accordance with the EHCP EY banding as per Table 9 on page 24. EHCP are funded on a pro-rata basis and based on actual hours and number of

weeks of attendance. This will ensure SEN funding for children is seamless and on a continuum as they progress through each stage.

3.1.8 There is a proposed change to the current method of paying PVI early years providers which better reflects their delivery models linked to offering early education over more than 38 weeks of the year.

3.1.9 The Childcare Bill was introduced to the House of Lords at the beginning of June 2015. It introduces the government commitment to offer 30 hours of free childcare per week for 38 weeks of the year to eligible working parents of three and four year olds. The government is currently completing a national review of the cost to providers of delivering childcare which includes a greater transparency as to how LA's allocate and spend the Early Years Dedicated Schools Grant.

3.1.10 Therefore, there are three changes to be considered.

- introduction of new SEN Support Levels to reflect the changes in the SEND Code of Practice
- alignment of funding methodology between SEN funding and EHCP (based on actual hours of attendance)
- change to the payment methodology for relevant PVI providers.

3.1.11 If you would like to make any comments on the changes, please do so in section 3 of the feedback Questionnaire.

## **3.2 Centrally retained items**

3.2.1 £679,000 of Early Years Block funding is retained centrally to fund Quality and Standards (EY Continuous Improvement), and Family Support services. 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.

## 4. High Needs Block funding

### 4.1 Background

- 4.1.1 The high needs funding system is designed to support a continuum of provision for pupils and students with Special Educational Needs (SEN), learning difficulties and disabilities, from their early years to age 25.
- 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 2015/16
Mainstream settings (Individual SEN statements)	£3,293,000
Specialist SEN and LDD settings (Including ARP and special schools)	£10,355,660
Pupil Referral Unit (PRU)	£1,722,870
Centrally retained High Needs funding for all phases	£12,906,860
Post 16	£2,060,000
<b>Total Centrally retained funding</b>	<b>£30,338,390</b>

## 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 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	2016/17	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	2016/17	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 2015/16 this methodology allocated an additional £363,584 where more than 2.5% of a school's overall pupils had statements. Appendix G details the allocations for 2015/16.

Following a request from Schools Forum on behalf of some schools, 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 2016/17.



The total for specialist SEN and LDD settings includes the school budgets for Cricket Green, Perseid, and Melrose special schools. The total budget for 2015/16 is £7,566,380. The total ARP budget for 2015/16 is £2,582,040.

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 program for a new secondary school ASD unit for 20 places, to open at the earliest in September 2017. The additional revenue funding requirement will need to be built into the High Needs Block from 2016/17 and the council will be discussing the matter with secondary schools.

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 £31,270 in 2015/16 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 15<sup>th</sup> 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	2015/16 £000
Independent provider placements	8,096
Cost of Merton pupils in other LA maintained schools	2,069
Cost of other LA children in Merton maintained schools	(1,159)
Academy placements	580
Targeted support to schools with high SEN pupil numbers	373
Sensory Team	371
Virtual School	356
SSQ Core Offer	346
Language and Learning	291

Therapy in Schools - SEN Pupils	288
Behaviour Support	208
SEN referral & Early help 0-25 team	203
Education Welfare	160
Social Inclusion	144
Therapy in Special schools	112
Merton Autism Outreach Service (MAOS)	100
Vulnerable Children's Education	97
Portage	62
SEN support	56
Independent hospital provision	50
Education support for Looked After Children	50
Sports Partnership	32
Education Psychology	22
Total Cost	12,907

The sports partnership funding was paid through the High Needs Block as part of a historical arrangement. This will not be funded from this block from 2016/17 onwards. Please indicate in the feedback questionnaire whether you would prefer this service to stop, be added on the MEP de-delegation fund and paid from the MEP budget, or for Harris to invoice schools directly through a SLA arrangement. Please note that at this stage we are asking schools for their preferred option. We have not yet had the discussion with Harris to confirm whether they would be willing to run a SLA service.

The Speech and Language service moved from the NHS to the Local Authority in 2011 for Secondary schools and in 2013 for Primary and Special. The team has to provide the statutory level of Speech and Language provision as defined by the statement or EHCP. We have seen a 33% rise in case loads where Speech and Language provision is identified and so must be provided by the team.

Table 11: Increase in Speech and Language provision

Provision	Original caseload	Present caseload	Caseload increase	Increase in cases
Perseid	78	122	14%	44
Cricket Green	134	144	7%	10
Melrose	18	25	39%	7
Primary ARPs	39	55	41%	16
Mainstream Primary	147	177	20%	30
Secondary ARPs	12	19	58%	7
Mainstream Secondary	64	114	78%	50
Total	492	656	33%	164

The team have tried hard to adapt to this increase through improved time management, increased flexibility and appropriate updating of individual speech and language packages, delivering most of the requirements through group work, training and support for teachers.

One additional full time post would enable the team to meet the increased demand in the special schools and ARPs will be employed from 2016/17 at an estimated cost of £50,000.

- 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 2016/17**

- 5.1.1 The Government will be making the necessary regulations that will give effect to funding changes from 2016/17. 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 1<sup>st</sup> July 2014 following DfE updates in February 2014. An update to this guidance was published in August 2015 and requires the following updates:

- 2.9: Requirement for maintained schools to publish a register of the business interests of their governors, along with any relationships with staff.
- 3.6: Clarification that borrowing includes the use of finance leases and is not allowable, with the exception of certain schemes approved by the Secretary of State. Currently only Salix loans have such approval.

**6. Feedback Questionnaire to Merton's Schools Funding Formula 2016/17**

This questionnaire must be filled in and returned by **30<sup>th</sup> September 2015** to:

Jayne Ward

London Borough of Merton

7<sup>th</sup> Floor, Merton Civic Centre,

London Road,

Morden, SM4 5DX

Or e-mail to [jayne.ward@merton.gov.uk](mailto:jayne.ward@merton.gov.uk)

**NAME OF SCHOOL**

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**Signature**

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**(Headteacher / Chair of Governors)**

**Date**

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## 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 no anomalies was raised in the benchmarking exercise which would warrant us making any changes, we are not proposing any changes to Merton's funding formula.

Please provide any comments you would like to be considered by the Schools Forum in setting the 2016/17 formula.

#### Comments

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## Options from Section 2.3 relating to de-delegation

### 2.3.5 Contingencies- Schools in challenging circumstances:

	Yes	No
Do you agree that this fund should increase by £100,000 to support more schools as this amount has not changed in the past years and due to the pressure on school funding and lower school balances, schools are less able to deal with unforeseen issues?		

#### Comments

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**2.3.9 Free School Meals**

Please select which option below you would prefer

<b>Option 1</b> – Retain the subsidy for the whole of 2016/17, bearing in mind that there will be a contract change and we do not know what the charge will be from September 2016.	
<b>Option 2</b> – Retain the subsidy for April to July 2016 and remove from September 2016.	
<b>Option 3</b> – Remove the subsidy from April 2016.	

**Comments**


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**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 back to the Authority to be managed centrally rather than by each individual school.

<b>Paragraph</b>	<b>Service</b>	<b>De-delegate Yes/ No</b>
2.3.5	Contingencies- Schools in challenging circumstances	
2.3.6	Contingencies- Merton Education Partnership	
2.3.7	Contingencies- Marketing in schools	
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 2016/17.

**Comments**


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**Options from Section 3 relating to the EYSFF****3 EYSFF comments**

There are three changes to be considered for consultation purposes:

- introduction of new SEN Support Levels to reflect the changes in the SEND Code of Practice
- alignment of funding methodology between SEN funding and EHCP (based on actual hours of attendance)
- change to the payment methodology for relevant PVI providers

Please provide any comments you would like to be considered by the Schools Forum in setting the 2015-16 formula.

**Comments**


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**4.2.4 Sports Partnership**

Please indicate which option you would. Please note that at this stage we are asking schools for their preferred option. We have not yet had the discussion with Harris to confirm whether they would be willing to run option 3. Please select which option below you would prefer

<b>Option 1</b> – Cease the sports partnership from April 2016.	
<b>Option 2</b> – Add the cost on to the MEP de-delegation funding and pay from the MEP budget in future.	
<b>Option 3</b> – Harris to start running this as an SLA for schools to buy into.	

**Comments**


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**Other comments**

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

**Comments**

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**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 IDACI score has been matched to pupil records where the pupil's postcode is known, and this has been placed into 6 bands as shown below. Only pupils with an IDACI score above 0.2 can be assigned deprivation funding through this factor, meaning there are five bands which can be given different unit values each for primary and secondary phase pupils.

<b>Band</b>	<b>IDACI score lower limit</b>	<b>IDACI score upper limit</b>
0	0	0.2
1	0.2	0.25
2	0.25	0.3
3	0.3	0.4
4	0.4	0.5
5	0.5	0.6
6	0.6	1.0

The bands have been selected so that each band above band 0 contains a broadly similar number of pupils across the country. For each of the bands, the proportion of pupils on the autumn census with valid IDACI scores has been aggregated to school level with separate indicators for primary and secondary phase pupils.

**Sparsity**

Funding may be targeted at schools that have been identified by the Department's sparsity factor. This factor measures the distance that pupils live from their second nearest school. This has been calculated using pupil and school postcode coordinates from the October Pupil level and School level Census.

For each school the EFA have identified the pupils that live nearest to it, and have then calculated the distance they live from their second nearest school (for the purposes of this factor, selective schools, such as grammar schools, are not considered when identifying the second nearest school). The mean distance for these pupils is then calculated, and this is the school's sparsity distance. A worked example is provided below:

- School A is the closest school for 50 pupils (although this is not necessarily the school that they attend).
- The distance that these 50 pupils live from their second nearest school is calculated.
- The mean distance is calculated for these 50 pupils. This is the sparsity distance for School A.

Schools can only qualify for sparsity funding if this distance is greater than 2 miles for primary, middle or all-through and 3 miles for secondary, and fall within the set average size of year groups.

For 2015/16, the average size of year groups within the school will determine eligibility. Schools will only qualify if total pupils divided by the number of year groups are below the threshold for the phase, which are:

- Primary: 21.4
- Secondary: 120
- Middle: 69.2
- All-through: 62.5.

Different sparsity amounts (up to the £100,000 maximum) can be specified for primary, middle, all-through and secondary schools.

In exceptional circumstances, local authorities can apply to the Secretary of State to target up to an additional £50,000 of sparsity funding at very small secondary schools where the total number on roll is 350 or less, where the sparsity distance is 5 miles or more, and where pupils in years 10 and 11 are present.

Local authorities can narrow the criteria (set a greater distance or smaller maximum size).

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.

**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.

**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"> <li>• Contingencies (including schools in financial difficulties and deficits of closing schools)</li> <li>• Behaviour support services</li> <li>• Support to underperforming ethnic groups and bilingual learners</li> <li>• Free School Meals eligibility</li> <li>• Insurance</li> <li>• Museums and library services</li> <li>• Licences/subscriptions</li> <li>• Staff costs supply cover (e.g. long-term sickness, maternity/paternity, trade union and public duties)</li> </ul>
Schools Forum approval is not required (although they should be consulted)	<ul style="list-style-type: none"> <li>• High Needs Block provision</li> <li>• Central licences negotiated by the Secretary of State</li> </ul>
Schools Forum approval is required on a line-by-line basis.	<ul style="list-style-type: none"> <li>• Early Years Block provision</li> <li>• Funding to enable all schools to meet the infant class size requirement</li> <li>• Back-pay for equal pay claims</li> <li>• Remission of boarding fees at maintained schools and academies</li> <li>• Places in independent schools for non-SEN pupils</li> </ul>
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"> <li>• Admissions</li> <li>• Servicing of Schools Forum</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Capital expenditure funded from revenue (i.e. no new projects can be charged to the central schools budget)</li> <li>• Contribution to combined budgets</li> <li>• Existing termination of employment costs (i.e. no new redundancy costs can be charged to the central schools budget)</li> <li>• Prudential borrowing costs</li> </ul>

	<ul style="list-style-type: none"> <li>• SEN transport costs</li> </ul>
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"> <li>• Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy</li> <li>• Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years</li> </ul>

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**

LAESTAB	School Name	Contingencies			Free school meals eligibility	Licences and Subscriptions	Staff Cost - Supply Cover	Refugee Service and EMAG	Behaviour Support	Total Proposed De-Delegation
		Schools Causing Concern	Marketing	Tree Maintenance						
		£	£	£	£	£	£	£	£	£
3152052	BOND PRIMARY SCHOOL	5,447	1,271	835	485	2,397	11,875	7,191	3,798	33,299
3152055	Dundonald Primary School	3,372	787	517	300	1,484	7,351	2,691	495	16,997
3152056	GARFIELD PRIMARY SCHOOL	5,707	1,332	875	508	2,511	12,441	5,218	2,729	31,320
3152058	Beecholme Primary School	3,070	716	471	273	1,351	6,692	4,450	1,996	19,018
3152059	HATFEILD PRIMARY SCHOOL	5,750	1,342	882	512	2,530	12,535	1,795	1,778	27,123
3152061	HOLLYMOUNT PRIMARY	4,929	1,150	756	439	2,169	10,744	2,992	885	24,064
3152062	Joseph Hood Primary School	3,574	834	548	318	1,573	7,791	3,978	2,738	21,354
3152063	LINKS PRIMARY SCHOOL	5,937	1,385	910	528	2,612	12,944	7,496	5,636	37,450
3152064	LONESOME PRIMARY SCHOOL	5,548	1,295	851	494	2,441	12,095	4,683	4,586	31,993
3152066	Merton Abbey Primary School	3,790	884	581	337	1,668	8,263	4,160	3,196	22,879
3152067	MERTON PARK PRIMARY SCHOOL	2,940	686	451	262	1,294	6,409	1,375	1,024	14,440
3152068	MORDEN PRIMARY SCHOOL	2,983	696	457	265	1,313	6,503	2,197	1,946	16,361
3152070	PELHAM PRIMARY SCHOOL	3,632	847	557	323	1,598	7,917	3,478	1,671	20,023
3152071	Haslemere Primary School	5,952	1,389	913	530	2,619	12,975	5,250	3,277	32,904
3152072	Poplar Primary School	6,384	1,490	979	568	2,809	13,918	5,879	4,422	36,448
3152073	St. Mark's Primary School	2,940	686	451	262	1,294	6,409	3,158	2,055	17,254
3152074	The Sherwood School	6,010	1,402	921	535	2,644	13,101	4,009	2,951	31,572
3152075	SINGLEGATE PRIMARY SCHOOL	4,309	1,005	661	383	1,896	9,394	4,128	1,686	23,462
3152076	WIMBLEDON PARK PRIMARY SCHOOL	6,427	1,500	986	572	2,828	14,012	2,985	1,773	31,083
3152077	ABBOTSBURY PRIMARY SCHOOL	5,577	1,301	855	496	2,454	12,158	6,447	2,852	32,142
3152081	WEST WIMBLEDON PRIMARY	5,606	1,308	860	499	2,467	12,221	4,468	2,821	30,249
3152082	CRANMER PRIMARY SCHOOL	7,696	1,796	1,180	685	3,386	16,776	5,682	4,424	41,625
3152083	GORRINGE PARK PRIMARY SCHOOL	7,263	1,695	1,114	646	3,196	15,834	8,822	4,585	43,155
3152084	HILLCROSS PRIMARY	6,917	1,614	1,061	616	3,044	15,080	6,011	3,229	37,572
3152085	LIBERTY PRIMARY SCHOOL	6,845	1,597	1,050	609	3,012	14,923	8,084	3,993	40,113
3152089	STANFORD SCHOOL	5,865	1,369	899	522	2,581	12,787	5,401	2,689	32,113
3152090	WILLIAM MORRIS PRIMARY SCHOOL	3,963	925	608	353	1,744	8,640	3,929	2,714	22,874
3152091	WIMBLEDON CHASE PRIMARY SCHOOL	8,459	1,974	1,297	753	3,722	18,442	6,877	2,845	44,369
3152092	Malmesbury Primary	5,822	1,359	893	518	2,562	12,692	3,591	4,007	31,444
3152094	Aragon Primary	7,307	1,705	1,120	650	3,215	15,928	3,933	3,839	37,697
3153300	ALL SAINTS' C OF E PRIMARY	3,776	881	579	336	1,661	8,231	3,462	2,514	21,440
3153302	ST MATTHEW'S PRIMARY SCHOOL	2,681	625	411	239	1,179	5,843	881	1,468	13,327
3153303	HOLY TRINITY C\E PRIMARY	5,419	1,264	831	482	2,384	11,813	2,385	1,089	25,667
3153304	BISHOP GILPIN C OF E PRIMARY	6,269	1,463	961	558	2,758	13,666	5,039	1,735	32,450
3153500	S S PETER & PAUL CATHOLIC PRIMARY	5,909	1,379	906	526	2,600	12,881	4,821	2,373	31,393
3153501	SACRED HEART CATHOLIC PRIMARY SCHOOL	5,721	1,335	877	509	2,517	12,472	2,764	2,634	28,830
3153502	ST TERESA'S PRIMARY SCHOOL	6,038	1,409	926	537	2,657	13,164	6,034	2,551	33,316
3153503	ST MARY'S CATHOLIC PRIMARY SCHOOL	4,309	1,005	661	383	1,896	9,394	2,500	2,823	22,971
3153505	St John Fisher RC Primary	5,880	1,372	902	523	2,587	12,818	3,412	3,203	30,698
3153506	The Priory CE Primary School	5,520	1,288	846	491	2,429	12,033	3,338	2,734	28,678
3153507	St Thomas of Canterbury RC School	8,200	1,913	1,257	730	3,608	17,876	9,999	4,934	48,517
3154050	RICARDS LODGE HIGH SCHOOL	16,861	3,934	2,585	0	7,419	36,757	3,403	8,864	79,824
3154052	RAYNES PARK HIGH SCHOOL	12,768	2,979	1,958	0	5,618	27,835	3,468	9,757	64,384
3154500	Rutlish School	16,270	3,796	2,495	0	7,159	35,469	3,660	9,218	78,068
3154701	Wimbledon College	14,382	3,356	2,205	0	6,328	31,354	999	6,286	64,911
3155400	Ursuline High School	14,973	3,494	2,296	0	6,588	32,642	1,129	5,556	66,679
<b>TOTAL</b>		<b>294,999</b>	<b>68,833</b>	<b>45,233</b>	<b>19,555</b>	<b>129,800</b>	<b>643,098</b>	<b>197,650</b>	<b>154,383</b>	<b>1,553,551</b>

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		24.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£3,252.51		16,520.50		£53,733,130	£87,687,009	48.44%		
	Key Stage 3 (Years 7-9)	£4,274.00		4,382.00		£18,728,668		16.88%		
	Key Stage 4 (Years 10-11)	£5,176.88		2,941.00		£15,225,211		13.73%		
2) Deprivation	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 (%)
	FSM6 % Primary	£683.52		3,559.00		£2,432,644	£4,715,707	4.25%		
	FSM6 % Secondary		£632.69		2,450.58	£1,550,460				
	IDACI Band 1	£20.00	£20.00	1,344.20	546.47	£37,813				
	IDACI Band 2	£40.00	£40.00	2,055.41	961.75	£120,686				
	IDACI Band 3	£60.00	£60.00	3,878.03	1,901.50	£346,772				
	IDACI Band 4	£80.00	£80.00	1,492.21	885.81	£190,242				
	IDACI Band 5	£90.00	£90.00	40.97	218.20	£23,325				
	IDACI Band 6	£120.00	£120.00	16.03	98.67	£13,763				
3) Looked After Children (LAC)	LAC X March 14	£1,000.00		68.89		£68,894	£2,214,150	0.06%		
	EAL 3 Primary	£376.50		4,564.93		£1,718,696		1.93%		
	EAL 3 Secondary		£906.60		470.51	£426,560				
	Pupils starting school outside of normal entry dates			247.81	33.40	£0		0.00%		
6) Prior attainment	Description	Weighting	Amount per pupil	Percentage of eligible Y1-2 and Y3-6 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 (%)
	Low Attainment % new EFSP	100.00%	£931.54	47.10%	4,062.50	£3,784,382	£6,823,010	6.15%		
	Low Attainment % old FSP 73			11.78%						
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£1,627.69		1,866.83	£3,038,628				



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	7.03%		
8) Sparsity factor					£0	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					£68,000	0.06%		
11) Rates					£1,614,189	1.46%		
12) PFI funding					£0	0.00%		
13) Sixth Form					£0	0.00%		
14) 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 FY15-16					£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%		
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>					<b>£110,922,065</b>	<b>100.00%</b>	<b>£0</b>	
15) Minimum Funding Guarantee (MFG is set at -1.5%)					<b>£286,961</b>			
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)					£286,961	0.26%		
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								
Growth fund (if applicable)					£960,000.00			
Falling rolls fund (if applicable)								
Total Funding For Schools Block Formula					£111,209,026			
% Distributed through Basic Entitlement					79.05%			
% Pupil Led Funding					91.45%			
Primary: Secondary Ratio					1 :	1.33		

**Proposed Budget Timetable for 2016/17****Appendix F**

**This timetable shows the proposed consultation process and the key dates that must be met to ensure the 2016/17 budget can be issued to schools as soon as possible.**

<b>Date</b>		<b>Action</b>
September	8 <sup>th</sup>	Meeting of Schools Forum to discuss and agree the schools consultation document
September	14 <sup>th</sup>	Email electronic copy of consultation document to all Head Teachers
September	30 <sup>th</sup>	Closing Date for the Schools Consultation
October	1 <sup>st</sup>	School Census date
October	14 <sup>th</sup>	Outcome of the consultation considered by the Forum
October	30 <sup>th</sup>	Submit provisional Schools Budget proforma to EFA
December	Week commencing 14 <sup>th</sup> Dec	EFA confirms DSG Schools Block and High Needs Block allocations for 2015/16 (prior to academy recoupment).
January	21 <sup>st</sup>	Submit final data for Schools Budget proforma to EFA
February	3 <sup>rd</sup>	Schools Forum review Schools Budgets
February	5 <sup>th</sup>	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 high a number of SEN pupils

URN	LA/ESTAB	School Name	NOR 2015-16	No of SEN statements	SEN as % of NOR	Pupil threshold of 2.5%	number of pupils based on NOR	Additional Funding support
<b>Total</b>			<b>23,812</b>	<b>433</b>	<b>1.82%</b>	<b>2.50%</b>	<b>61</b>	<b>363,584</b>
102626	3152052	BOND PRIMARY SCHOOL	397	3	0.76%	0.00%	0.00	0
102628	3152055	Dundonald Primary School	237	4	1.69%	0.00%	0.00	0
102629	3152056	GARFIELD PRIMARY SCHOOL	405	6	1.48%	0.00%	0.00	0
102631	3152058	Beecholme Primary School	217	3	1.38%	0.00%	0.00	0
102632	3152059	HATFIELD PRIMARY SCHOOL	400	9	2.25%	0.00%	0.00	0
102633	3152061	HOLLYMOUNT PRIMARY	364	3	0.82%	0.00%	0.00	0
102634	3152062	Joseph Hood Primary School	270	2	0.74%	0.00%	0.00	0
102635	3152063	LINKS PRIMARY SCHOOL	411	12	2.92%	0.42%	1.73	10,357
102636	3152064	LONESOME PRIMARY SCHOOL	391	3	0.77%	0.00%	0.00	0
102638	3152066	Merton Abbey Primary School	284	5	1.76%	0.00%	0.00	0
102639	3152067	MERTON PARK PRIMARY SCHOOL	204	2	0.98%	0.00%	0.00	0
102640	3152068	MORDEN PRIMARY SCHOOL	208	5	2.40%	0.00%	0.00	0
102642	3152070	PELHAM PRIMARY SCHOOL	279	5	1.79%	0.00%	0.00	0
102643	3152071	Haslemere Primary School	413	8	1.94%	0.00%	0.00	0
102644	3152072	Poplar Primary School	470	8	1.70%	0.00%	0.00	0
102645	3152073	St. Mark's Primary School	207	4	1.93%	0.00%	0.00	0
102646	3152074	The Sherwood School	406	6	1.48%	0.00%	0.00	0
102647	3152075	SINGLEGATE PRIMARY SCHOOL	349	4	1.15%	0.00%	0.00	0
102648	3152076	WIMBLEDON PARK PRIMARY SCHOOL	507	5	0.99%	0.00%	0.00	0
102649	3152077	ABBOTSBURY PRIMARY SCHOOL	403	5	1.24%	0.00%	0.00	0
102652	3152081	WEST WIMBLEDON PRIMARY	425	10	2.35%	0.00%	0.00	0
102653	3152082	CRANMER PRIMARY SCHOOL	562	7	1.25%	0.00%	0.00	0
102654	3152083	GORRINGE PARK PRIMARY SCHOOL	517	5	0.97%	0.00%	0.00	0
102655	3152084	HILLCROSS PRIMARY	500	4	0.80%	0.00%	0.00	0
102656	3152085	LIBERTY PRIMARY SCHOOL	467	6	1.28%	0.00%	0.00	0
102660	3152089	STANFORD SCHOOL	395	6	1.52%	0.00%	0.00	0
102661	3152090	WILLIAM MORRIS PRIMARY SCHOOL	294	5	1.70%	0.00%	0.00	0
102662	3152091	WIMBLEDON CHASE PRIMARY SCHOOL	621	19	3.06%	0.56%	3.48	20,866
132169	3152092	Malmesbury Primary	399	5	1.25%	0.00%	0.00	0
132167	3152094	Aragon Primary	519	4	0.77%	0.00%	0.00	0
102663	3153300	ALL SAINTS' C OF E PRIMARY	268	6	2.24%	0.00%	0.00	0
102664	3153302	ST MATTHEW'S PRIMARY SCHOOL	182	9	4.95%	2.45%	4.46	26,760
102665	3153303	HOLY TRINITY C/E PRIMARY	397	4	1.01%	0.00%	0.00	0
102666	3153304	BISHOP GILPIN C OF E PRIMARY	445	5	1.12%	0.00%	0.00	0
102667	3153500	S S PETER & PAUL CATHOLIC PRIMARY	416	8	1.92%	0.00%	0.00	0
102668	3153501	SACRED HEART CATHOLIC PRIMARY SCHOOL	393	2	0.51%	0.00%	0.00	0
102669	3153502	ST TERESA'S PRIMARY SCHOOL	415	2	0.48%	0.00%	0.00	0
102670	3153503	ST MARY'S CATHOLIC PRIMARY SCHOOL	328	4	1.22%	0.00%	0.00	0
102671	3153505	St John Fisher RC Primary	409	4	0.98%	0.00%	0.00	0
102672	3153506	The Priory CE Primary School	390	6	1.54%	0.00%	0.00	0
133774	3153507	St Thomas of Canterbury RC School	595	5	0.84%	0.00%	0.00	0
102673	3154050	RICARDS LODGE HIGH SCHOOL	1162	17	1.46%	0.00%	0.00	0
102674	3154052	RAYNES PARK HIGH SCHOOL	816	18	2.21%	0.00%	0.00	0
102679	3154500	Rutlish School	1124	22	1.96%	0.00%	0.00	0
102681	3154701	Wimbledon College	995	65	6.53%	4.03%	40.10	240,600
102683	3155400	Ursuline High School	1036	19	1.83%	0.00%	0.00	0
138495	3154000	Harris Academy Morden	566	7	1.24%	0.00%	0.00	0
131897	3156905	Harris Academy Merton	888	33	3.72%	1.22%	10.83	65,002
141143	3152002	Harris Primary Academy Merton	407	9	2.21%	0.00%	0.00	0
134003	3156906	St Mark's Academy	736	8	1.09%	0.00%	0.00	0
102625	3152051	Benedict Primary School	323	7	2.17%	0.00%	0.00	0
<p>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.</p>								
<p>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:</p>								
<p>9 pupils as a percentage of 186 = 4.84%</p>								
<p>Less 2.5% threshold = 2.34%</p>								
<p>186 x 2.34% = 4.35</p>								
<p>4.35 pupils x £6,000 = £26,100</p>								
<p>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.</p>								

## Mainstream school SEN funding arrangements

## Appendix H

- Under the new 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	2016/17	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. Due to the MFG protection in place for 2013/14 and the uncertainty of funding available to the High Needs Block, no additional funding will be made available for these schools. This will be reviewed in future.
- The statement funding, which was allocated through the previous formula and paid to schools every two months, forms part of the HNB in the new funding system. This funding will be used to make top-up payments from 2013/14. The top-up funding will be based on bandings as it was in the past.
- Due to the new formula, the action plus funding that used to be included in the banding for SEN pupils were required to transfer to low cost, high incidence SEN factor. As a result, £711k from the 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 reduce 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 is currently used.

Band	Hours support	2016/17	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
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7. 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 schools behalf. This will reduce the uncertainty, administration and cash flow risk for schools.